



Bank of Zambia



NATIONAL PAYMENT SYSTEMS IN ZAMBIA

ANNUAL REPORT FOR THE YEAR 2021

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Bank of Zambia



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Preamble

The National Payment Systems Act (NPSA), No. 1 of 2007 mandates the Bank of Zambia (BoZ) to regulate and oversee the National Payment Systems (NPS) in Zambia to ensure that the payment systems are safe, reliable and efficient.

Payment and Settlement Systems form the basis for the processing of digital payments, remittances, Government payments, securities and money market transactions, and represent the foundations of financial sector stability and financial inclusion. They serve both systemically important functions, such as large value inter-bank payments and capital market transactions as well as smaller payments and money transfers between people, and businesses. They also assist in ensuring that transactions are traceable to address emergent Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) risks. .

In 2021, the COVID-19 pandemic and associated economic crisis continued to severely impinge on the livelihoods of millions of households globally. The pandemic highlighted the value of having access to diverse means of payments and the need for these to be resilient to a broad range of threats. To combat the continued fallout for the most vulnerable in society, central banks around the world reacted quickly and on a massive scale, often in tandem with fiscal authorities. Governments adopted fiscal and monetary measures to support various affected industry sectors as well as households. Payment systems also continued to efficiently provide valuable support to financial markets by ensuring efficiency and timeliness in post-trade processing of transactions.

The role of BoZ as overseer of the NPS in Zambia is guided by the Principles for Financial Market Infrastructures (PFMIs) issued by the Bank for

International Settlements (BIS) and the International Organisation of Securities Commission (IOSCO) to ensure that payment systems and the infrastructure supporting the financial markets are safe, reliable, robust and resilient to withstand financial shocks and uphold stability. The PFMIs were issued by the BIS and IOSCO to standardise risk management frameworks for Systemically Important Payment Systems (SIPS), and these were formally adopted by BoZ in 2015.

SIPS are payment systems which have the characteristic that a failure of any one of them could potentially have a significant impact on other systems and the economy. SIPS in Zambia include the BoZ operated Zambia Interbank Payment and Settlement System (ZIPSS) commonly referred to as the Real Time Gross Settlement (RTGS) System and the Central Securities Depository (CSD) for government securities as well as bonds and shares at the Lusaka Securities Exchange (LuSE), the Direct Debit and Credit Clearing (DDACC) and the Cheque Image Clearing System (CICS) operated by the Zambia Electronic Clearing House Limited (ZECHL).

Non-Systemically Important Payment Systems (NSIPS) are additional payment systems in Zambia. Under this category of payment systems, the following are included - Remittances/Mobile Money Transfer Systems, Automated Teller Machines (ATMs) and Point of Sale (PoS). NSIPS continue to be an area of tremendous growth and potential and the Bank continues to play an observational role on emerging innovations in this space for proactive industry oversight and guidance, where applicable.

This report is intended to inform the public on the developments in the NPS landscape in Zambia in 2021 and the Bank's oversight activities over the NPS.



Governor's Statement

Zambia's Payment Systems landscape has improved significantly over the past decade and continues to evolve. The System has undergone significant change, influenced not only by global trends in payment system developments, but also changing economic, financial and public policy measures, and an emerging and growing local Information Communications and Technology (ICT) industry within the country.

In 2021, significant progress was made towards the Bank's execution of its strategic focus of increasing the uptake of digital financial services.

Substantial growth was witnessed in all the payment streams and in particular the mobile payments. The value of transactions processed on the mobile money platforms increased by 60.1% to K169 402.43 million from K105,815.1 million in 2020 while the volume of transactions increased by 11.1% to 834,121,817 transactions from 750,514,157 transactions recorded in 2020

The growth was largely been driven by the onboarding of more participants on the National Financial Switch (NFS) which has encouraged and promoted interoperability as well as the partial waiver of fees on person to person (P2P) electronic money transactions on amounts up to K150 and the continued sensitisation activities undertaken by the Bank and other stakeholders to promote the use of digital financial services, among others.

The Board continued to exercise its responsibilities with care and diligence in 2021, ensuring that the payment systems were resilient, reliable, safe and efficient. In this regard, significant progress was made on the Bank's ISO 20022 upgrade project aimed at ensuring that the Zambian Interbank Payment and Settlement System (ZIPSS) and the Bank operated Central Securities Depository (CSD) become more operationally resilient. The Bank also finalised the formulation of cybersecurity guidelines for the financial sector in recognition of the increased threats from cyber attacks due to the increased adoption of digital financial services. The guidelines are expected to be issued to the market in 2022.

Through our commitment to our Strategic Plan (2020-2023) whose key focus is Financial Stability and Financial Inclusion, the Bank aims to achieve a stable and resilient financial sector as well as reduce the the proportion of financially excluded individuals in Zambia. The measures adopted focus



Dr. Denny H. Kalyalya - Governor

on promoting formal financial inclusion, reducing the gender gap, reducing the urban-rural financial inclusion imbalance, paying particular attention to inclusion of children and youths as well as leveraging DFS in a bid to accelerate achievement of financial inclusion targets.

As part of our broader strategy to create a regulatory environment that enables efficient, reliable, safe and secure Payment Systems, we will continue to promote innovations in the financial sector and to undertake financial education campaigns in collaboration with industry players and other key stakeholders aimed at promoting the use of digital financial services.

GOVERNOR

List of Acronyms

AI	Artificial Intelligence
AML	Anti-Money Laundering
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
ATMs	Automated Teller Machines
BIS	Bank for International Settlements
BoZ	Bank of Zambia
CIC	Currency in Circulation
CICS	Cheque Image Clearing System
COVID-19	Coronavirus disease 2019
CSD	Central Securities Depository
DDACC	Direct Debit and Credit Clearing
DFS	Digital Financial Services
EFTs	Electronic Funds Transfers
EMI	Electronic Money Issuer
FinCrime	Financial Crime
FI	Financial Inclusion
FinTech	Financial Technology
GDP	Gross Domestic Product
IOSCO	International Organization of Securities Commission
LuSE	Lusaka Securities Exchange
MDR	Merchant Discount Rate
MNO	Mobile Network Operator
MSMEs	Micro, Small and Medium Enterprises
NFS	National Financial Switch
NPS	National Payment System
NPSA	National Payment Systems Act
NSIPS	Non-Systemically Important Payment Systems
PFMIs	Principles for Financial Market Infrastructures
PoS	Point of Sale
PSP	Payment Service Provider
RTGS	Real Time Gross Settlement System
SIPS	Systemically Important Payment Systems
ZECHL	Zambia Electronic Clearing House Limited
ZIPSS	Zambia Interbank Payment and Settlement System

Executive Summary

The National Payment System (NPS) in Zambia continued to grow in 2021. Overall, both the Systemically Important Payment Systems (SIPS) and the Non-Systemically Important Payment Systems (NSIPS) respectively grew by 39.3% and 54.3% in value and 3.8% and 32.9% in volume of transactions processed in the year compared to the previous year respectively. The systemically important payment systems (SIPS) accounted for 77% of the total value of all payment streams in 2021 compared to 78.9% in 2020. On the other hand, NSIPS accounted for 23% of the total value of all payment streams compared to 21.1% in 2020, signifying a continuation of the upward trend towards contactless and mobile-based payments. This trend is predicted to continue and intensify in 2022.

Generally, the improvement in the performance of NSIPS continues to be attributable to the substantial increased usage of mobile payments and remittances, new product and service offerings, increased integrations between industry participants, the maturity of National Financial Switch (NFS) integrations, as well as a Bank led strategy to promote Digital Financial Services (DFS) to mitigate the impact of COVID-19 to minimise the use of cash in order to mitigate the spread of infections through exchange of physical bills for payments.

Currency in circulation increased by 9.8% to K13.5 billion in 2021 compared to 44.7% (K12.3 billion) in 2020. The bulk of this currency was in banknotes, which accounted for 98.5% (K13.3 billion) while coins constituted 1.5% (K0.2 billion). The Bank issued 193.4 million pieces of mint banknotes and coins valued at K5.5 billion into circulation in 2021 compared to 204.4 million pieces valued at K8.7 billion in 2020.

The Bank continued to review various laws, regulations and policies as well as to facilitate

developments relating to payment systems to ensure a safe and efficient NPS. As part of ongoing COVID-19 pandemic responsiveness, the Bank and industry stakeholders continued to oversee and coordinate measures implemented in 2020 to mitigate the impact of COVID-19 pandemic through minimising person-to-person contact and proactively encouraging the adoptions and usage of DFS and Financial Technology (FinTech). Incentives introduced in 2020 were maintained in 2021. These related to reduction in Real Time Gross Settlement (RTGS) fees and interventions to the Merchant Discount Rate (MDR) for transactions on the Point-of-Sale machines to ensure that Micro, Small and Medium Enterprises (MSMEs) were not adversely affected nor impacted due to the ongoing pandemic, as well as to incentivise contactless payments to minimise the spread of COVID-19.

In its continued effort to enhance consumer protection, the Bank actively engaged supervised entities as well as other relevant oversight and supervisory bodies to co-ordinate effective responses within the industry to ensure consumer protection and mitigate fraud..

The uptake in DFS and e-money based services and products has not been without challenges. There are a number of emerging risks including evolution of fraud typologies targeting both consumers as well as corporates and service providers. However, the Bank remains committed to ensuring that the interests of consumers and market participants are effectively safeguarded at all times.

In 2022, the Bank will continue to implement policies that support growth, modernisation, safety and efficiency of Payment Systems in Zambia. The Bank will also continue to monitor developments in the market to enhance the resilience of the payments ecosystem to safeguard public interest and support innovation.



1.0 INTRODUCTION

This report outlines developments in the NPS in Zambia between January and December 2021. The Payment Systems industry in Zambia continues to record notable growth, arising mainly from the an increase in the uptake of digital financial services and integrations to the National Financial Switch (NFS) and initiatives that contributed to financial inclusion during the year. Several new products were launched by service providers aimed at addressing emerging customer needs.

During 2021 the uptake and adoption of DFS by Zambian consumers continued on an upward trend.. However, NPS also experienced the emergence of new fraud typologies which had increasing sophistication based on social engineering techniques targeting not only e-wallet-holders but also service providers. These emergent cyber threats to the NPS were closely observed by the Bank and strategies were put in place to address the typologies as well as several oversight interventions to directly engage, support and guide the relevant service providers and market participants.

Notwithstanding the foregoing, there was a lot of keen interest by prospective DFS service providers to enter the market with competitive substitute products and services, resulting in the Bank successfully issuing licences to six (6) new entrants in the payments industry. The BoZ also continued to collaborate with various stakeholders to ensure safety and efficiency were maintained in the NPS during 2021.

2.0 DEVELOPMENTS AND TRENDS IN INTERNATIONAL PAYMENT SYSTEMS

According to the Global Payments Report for 2021, e-commerce grew by 14.0% globally in 2021 compared year on year with 2020, underlined by US\$5.3 trillion in total transaction values. 52.0% of these transactions were driven by mobile based e-commerce, signifying a global solidification of mobile device originated transactions. The worldwide recovery from the early impacts of COVID-19 was also a factor underlying this outcome. The report also attributes this outturn to the shift from card to mobile wallet-based payments. Cryptocurrency also continued to enjoy increasing adoption globally with mixed responses by financial regulators, being banned in some jurisdictions (Turkey and China) while being formally considered for regulation in other jurisdictions (USA).

Abundant options and innovations continued to promote competition in 2021, with revolutions in revenue models and cost structures being noted worldwide. These innovations and developments were not without advantages to ultimate consumers who benefitted from the trickle-down effects of the competitive landscape which saw industry participants shifting to a value focused proposition to try to win more customers and grow their user bases.

The World Payments Reports also predicts that the COVID-19 aftershocks are expected to tap down global non-cash volumes as 2019-2023 growth is expected to shrink to 11.5%. It is anticipated that e-commerce growth, enthusiastic adoption of transparent payment experiences, and alternative payment methods will drive non-cash transaction momentum, which is on course to reach 1.1 trillion by 2023.

FSPs continued to prioritise technology transformation during 2021, with the McKinsey & Company 2021 Report, on seven Technologies Shaping the Future of Fintech estimating that artificial intelligence (AI) would be a key enabler to underpin the future of payment systems¹ enabling the strengthening of linkages between different market participants and industries. In addition, AI could spread across increasingly complex financial networks, with embedded analytics capabilities able to proactively monitor and report on microprudential as well as macroprudential risks. Attention and emphasis would be on enhanced privacy protection, energy efficient data usage incorporating machine learning, including advanced encryption to ensure secure financial infrastructures which will drive a new frontier in payment systems integrations for real time effectiveness and service delivery.

Further observed trends indicate that global and regional payment systems related standards were being reviewed on a more frequent basis to foster trust in e-payment systems and encourage digital payment adoption.

¹<https://www.mckinsey.com/cn/our-insights/our-insights/seven-technologies-shaping-the-future-of-fintech>

3.0 DEVELOPMENTS IN THE ZAMBIAN NATIONAL PAYMENT SYSTEMS

As part of its mandate of ensuring a safe and efficient national payment system, the Bank of Zambia continued to review various laws, regulations, policies and to facilitate other developments relating to payment systems. The section below highlights developments undertaken in 2021.

3.1 Increase in the use of Digital Financial Services and Financial Inclusion

Zambia continued to make significant progress in the digital transformation agenda especially in digital financial services. For example, the number of active MNO based mobile money users increased by 14.6% from 8,607,461 as at 31 December 2020 to 9,867,409 as at 31 December 2021. It is worth noting that digital payment options continued to be instrumental in reducing person to person contact during the COVID-19 pandemic as evidenced by the growth in the use of NSIPS and the decline in CICS transaction volumes and values during the period under review.

3.2 National Financial Switch

As of 31 December 2021, there were 28 participants processing transactions on the NFS with 18 being live on the ATM platform, 16 on the POS and 23 on the E-Money platform. The value of transactions processed on the NFS increased by 111.6% to K17 billion from K8.0 billion in 2020, while the volumes also increased by 110.5% to 25 million transactions from 12 million processed in 2020.

The increased use of the NFS payment platforms reflected more participation by acquiring and issuing bank and non-bank participants. Further, there was an increase in the Bank Identification Numbers (BINs) migrated from other payment schemes to the NFS for the card transactions.

The increase in both transaction values and volumes on the NFS was mainly attributed to several factors including: the higher number of PoS participants and transactions recorded because of more banks coming on board in 2021 and the continued on-boarding of the mobile payment service providers.

3.3 COVID-19 Policy Response

The Bank and other stakeholders continued to closely monitor the initiatives introduced and pursued in 2020 in response to the COVID-19 pandemic. Some of the measures were aimed at minimising person to person contact, decongesting banks, reducing the use of cash in the economy and included the following.

(i) *Adjustment to Transaction and Balance Limits for Electronic Money Issuers and Money Transfer Businesses*

The limit changes effected in 2020 were not changed in 2021. This supported to continued upward trend in the adoption of DFS.

(ii) *Waiver of Fees for person-to-person Transfers for values up to K150*

The waiver of fees in 2020 was reviewed in 2021, and the FSPs were given authority to reinstate fees up to a maximum of 70% of previous fees within specified transaction bands in the K0 to K150 range. This ensured that the FSPs were not adversely impacted by the effects of the initiative on their revenue while simultaneously ensuring that customers continued to be incentivized to use DFS and drive adoption.

(iii) *Reduction of Transaction Processing Fees for the Real Time Gross Settlement systems*

The Bank maintained the incentives introduced in 2020 for the commercial banks relating to the reduction in transaction processing fees for the Real Time Gross Settlement (RTGS). Banks continued to be urged to pass on this benefit to their customers

(iv) *Sensitization Campaigns on Use of Digital Financial Services*

The Bank, in conjunction with other stakeholders, continued creating awareness on the need to migrate to digital financial services to reduce person to person contact.

3.4 **Issuance of New Licences to Payment Service Providers (PSPs)**

The Bank granted licenses to six (6) institutions namely: Instapay Africorp Limited, Tumeny Payments Limited, SmartPay Solutions Limited, Nanosoft Code Zambia Limited, Hobitton, and Paycode Zambia Limited.

Table 1: Licensed Entities and Category of Licence

Name	Services
Instapay Africorp Limited	Payment System business
Tumeny Payments Limited	Payment System business
SmartPay Solutions Limited	Payment System business
Nanosoft Code Zambia Limited	Payment System business
Hobitton	Payment System
Paycode Zambia Limited	Payment System business

4.0 PAYMENT SYSTEMS OVERSIGHT ACTIVITIES AND RISK ASSESSMENT

The activities relating to the oversight of the National Payment Systems are guided by the Bank's oversight framework which is hinged on the NPSA and the PFMIs. Oversight activities are undertaken through offsite and on-site activities. The oversight activities undertaken in 2021 are highlighted below:

4.1 The Bank's Offsite Activities in 2021

The Bank continued to conduct offsite activities which involve the analysis of monthly returns submitted by licenced Payment Service Providers (PSPs). The analysis of the various returns forms the basis for periodic reports generated by the Bank and help in instituting necessary policy changes.

To enhance the conduct of offsite activities, the Bank continued to work on improving the collection of offsite reports from PSPs through the DFS data platform. The DFS platform, which is an automated system for submission of returns by PSPs, was implemented in 2020 by the Bank to ease the process of collecting returns from PSPs. To standardise the reporting process and to simplify the data analysis and aggregation, the Bank moved from the pilot phase of DFS portal reporting to live phase and discontinued the previous manual submissions via excel workbooks in May 2021. This has led to efficiencies in the offsite activities and a significant enhancement in the Bank's capability to monitor the industry and take corrective action on a timely basis when deviations or anomalies are noted. The Bank will continue to optimise the DFS platform to strengthen offsite oversight.

4.2 On-site Inspections and Compliance Assessments of Payment Service Providers

The Bank's on-site activities which involve conducting on-site examinations of payment service providers continued to be significantly and adversely affected by the ongoing COVID-19 pandemic, which intensified in 2021. Despite the afore-mentioned challenges, on-site inspections of two payment service providers were successfully conducted in 2021. The inspections revealed some infringements and appropriate recommendations were made for corrective action. In 2022 the Bank plans to intensify inspections to ensure adherence to applicable directives, laws and regulations for the effective oversight on the industry.

5.0 PERFORMANCE OF THE VARIOUS PAYMENT SYSTEMS STREAMS

The NPS, comprised of SIPS and NSIPS recorded growth in both the values and volumes of transactions in 2021 with a 43% and 38% increase respectively. SIPS accounted for 77% of the total value of all payment streams in 2021 compared to 78.7% in 2020. On the other hand, NSIPS accounted for 23% of the total value of all payment streams compared to 21.3% in 2020. These statistics are congruent with other data showing an underlying movement towards DFS from the more traditional payment systems. This was strongly driven by the COVID-19 pandemic and the move towards adoption and reliance upon less physical means of processing payments and transactions, including but not limited to substantial increased usage of mobile payments, point of sale (PoS) terminals and remittances. The tables below show a comparative analysis of the values and volumes in the SIPS and NSIPS between the years 2021 and 2020.

Table 2: Comparative Analysis of Transaction Values for the different Payment Streams (2021/2020), K 'millions

Payment Stream	2021	2020	Change (%)	Proportion (%)
CICS	8,758	9,295	-5.8%	0.4%
EFT	98,789	78,017	26.6%	4.8%
ZIPSS	1,488,147	1,053,189	41.3%	71.8%
SIPS Totals	1,595,695	1,140,502	39.9%	77.0%
ATMs	57,687	50,113	15.1%	2.8%
Mobile	169,402	105,815	60.1%	8.2%
PoS	62,085	35,235	76.2%	3.0%
Remittances	186,581	117,102	59.3%	9.0%
NSIPS Total	475,756	308,264	54.3%	23.0%
Grand Total	2,071,451	1,448,767	43%	100%

Source: Bank of Zambia

Table 3: Comparative Analysis of the Transaction Volumes for the Various Payment Streams (2021/2020)

Payment Stream	2021	2020	Change (%)	Proportion (%)
CICS	1,222,608	1,401,153	-12.7%	0.1%
EFT	8,570,230	8,181,743	4.7%	0.5%
ZIPSS	895,051	708,946	26.3%	0.0%
SIPS Total	10,687,889	10,291,842	3.8%	0.6%
ATMs	36,789,812	37,038,762	-0.7%	2.0%
Mobile	834,121,817	750,514,157	11.1%	44.7%
Remittances	936,250,571	573,885,959	63.1%	50.2%
PoS	46,884,388	33,981,488	38.0%	2.5%
NSIPS Total	1,854,046,588	1,395,420,366	32.9%	99.4%
Grand Total	1,864,734,477	1,405,712,208	33.0%	100.0%

Source: Bank of Zambia (CICS in this table means Cheque Imaging Clearing System)

5.1 Systemically Important Payment Systems (SIPS)

Overall, the Systemically Important Payment Systems namely, ZIPSS and the EFTs system grew in both values and volumes of transactions processed in 2021. However CICS reported declines in both values and volumes, further supporting the shift of a trend towards mobile and other types of digital payments. The value of SIPS transactions increased by 39.9% to K1,595,695 million in 2021 from K1,140,502 million in 2020 while the volume of transactions increased by 3.8% to 10,687,889 in 2021 from 10,291,842 in 2020.

The increase in value of transactions in 2021 was mostly notable on the ZIPSS which increased by 41.3% from the previous year. On the other hand, the values and volumes of transactions processed through the CICS payment stream continued to decline, reducing by 5.8% and 12.7% respectively.

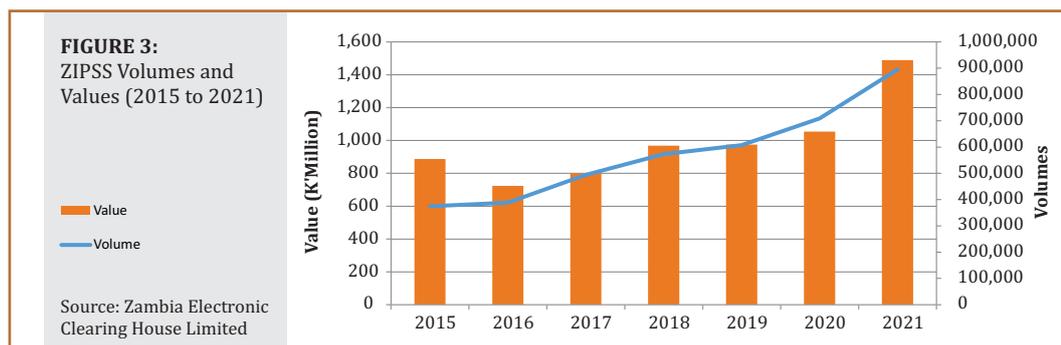
Table 4: Systemically Important Payment Systems (SIPS)

Payment Stream	2021		2020		Change (%)	Change (%)
	Values	Volumes	Values	Volumes		
CIC	8,758	1,222,608	9,295	1,401,153	-12.7%	-5.8%
EFT	98,789	8,570,230	78,017	8,181,743	4.7%	26.6%
ZIPSS	1,488,147	895,051	1,053,189	708,946	26.3%	41.3%
SIPS Totals	1,595,695	10,687,889	1,140,502	10,291,842	3.8%	39.9%

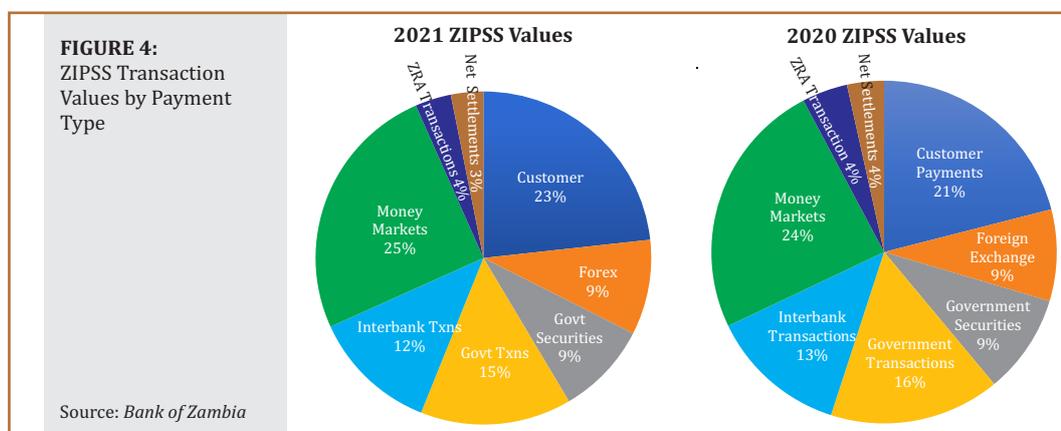
5.1.1 Zambia Interbank Payment and Settlement System (ZIPSS)

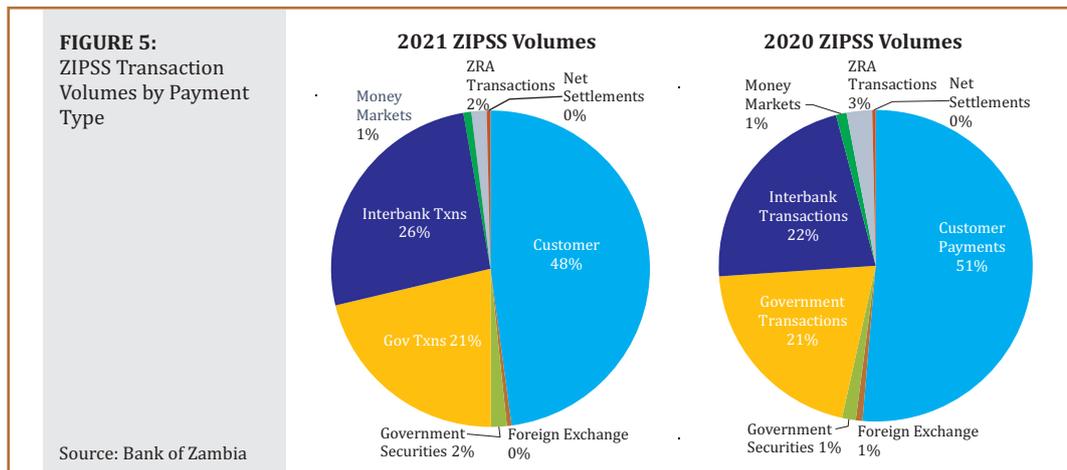
The ZIPSS recorded an average availability level of 99%, slightly lower than 99.3% recorded in 2020. This is attributable to some technical challenges experienced during the year.

The value of transactions processed on ZIPSS rose by 41.3% to K1, 488,147 million in 2021 from K1, 053,189 million in 2020. The volume of transactions processed on ZIPSS increased by 26.3% to 895,051 transactions from 708,946 transactions in 2020. The increase in the volume of processed transactions was mainly due to Government payments, interbank foreign currency settlements and Government securities transactions.



The transaction values of the ZIPSS by payment type are as depicted in figure 4 below while transaction volumes by payment type are depicted in figure 5





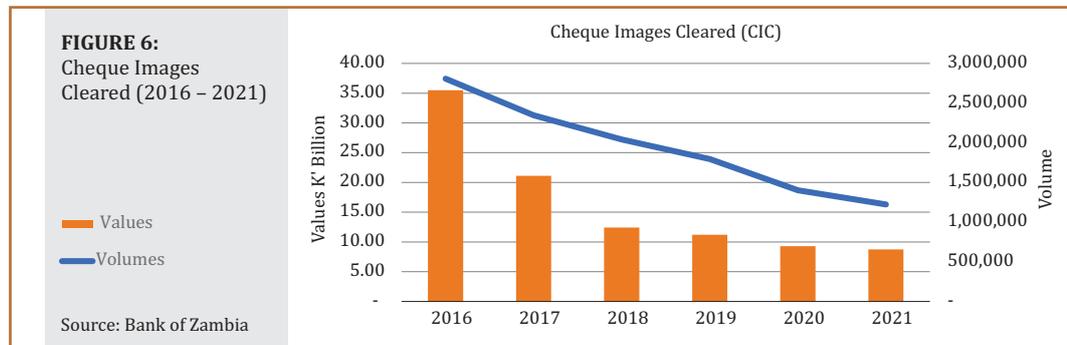
5.1.2 Lusaka Securities Exchange

The transaction value of net settlement obligations for the Lusaka Securities Exchange (LuSE) increased to K147,650.30 in 2021 from K79,219.93 in the previous year. In contrast, the number of settlement instructions decreased to 11 in 2021 from 13 in the previous year.

5.1.3 The Zambia Electronic Clearing House (ZECHL) Operated Systems

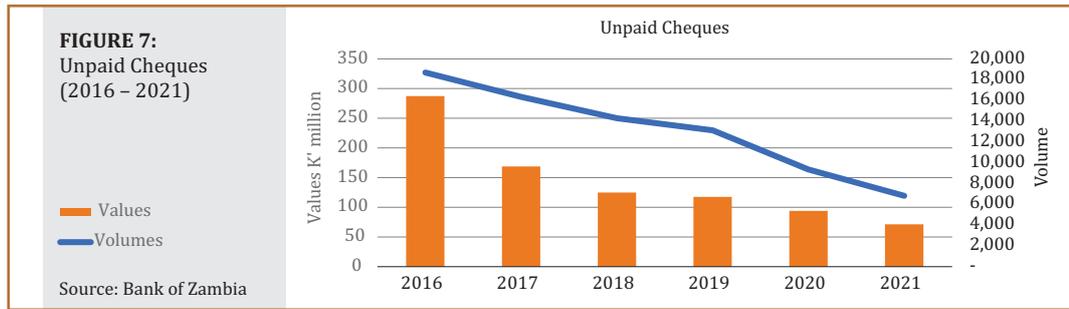
5.1.3.1 Cheque Image Clearing System (CICS)

The value and volume of cheques cleared in 2021 continued to decline as the utilisation of electronic payment methods maintained its upward trend. The value of cheques cleared decreased by 5.8% during the period under review to K8.76 billion from K9.30 billion recorded in 2020. The volume of cheques cleared also reduced by 12.7% to 1,222,608 in 2021 from 1,401,153 in 2020. The value of cheques cleared as a proportion of nominal GDP declined to 2.1% from 2.6% in 2020.



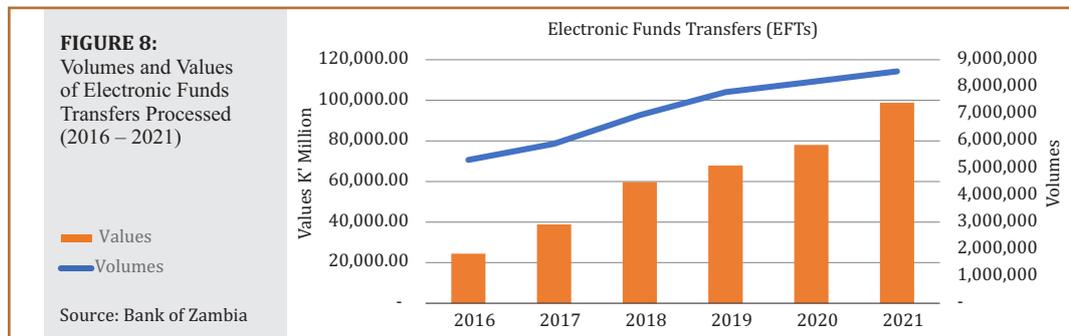
5.1.3.1.1 Cheques Returned Unpaid on Account of Insufficient Funds

The value of cheques Returned Unpaid on Account of Insufficient Funds decreased by 24% to K71.3 million from K93.9 million in 2020, while the volume of cheques returned unpaid due to insufficient funds decreased by 27% in 2021 to 6,822 from 9,350 in 2020 (Figure 7). This was mainly attributable to the continued reduction in the usage of cheques and increased adoption of electronic payment methods, a trend which was also noticed in previous years.



5.1.3.2 Electronic Funds Transfer System (EFTs)

The value of transactions processed on the EFT Clearing System increased by 26.6% to K98,789 million from K78,017 million in 2020 while the volume of transactions grew by 4.7% to 8,570,230 from 8,181,743 in 2020 (see Figure 8). The continued increase in the uptake of DFS is a significant factor which contributed to the outturn. The value of transactions processed through EFTs/DDACCs as a proportion of nominal GDP increased to 24.0% from 22.0% in 2020.



5.2 Non-Systemically Important Payment Systems

The Non-Systemically Important Payment Systems, namely, the ATMs, PoS, remittances and mobile payments grew in both the value and volume of transactions conducted during the year. The value of transactions increased by 54.3% to K475,756 million from K308,264.4 million recorded in 2020 while the volume of transactions processed through the NSIPs increased by 32.9% in 2021 to 1,854,046,588 from 1,395,420,366 processed in 2020.

The payment streams that experienced the largest growth in both value and transaction volumes among the NSIPs were mobile payments, remittances and PoS transactions. ATM transactions decreased in value partly due to customers opting to use electronic payments methods such as the PoS, which grew by 76.2% in value terms and by 38.0% in volumes of transactions. Table 5 depicts the performance of NSIPs in 2021 and 2020.

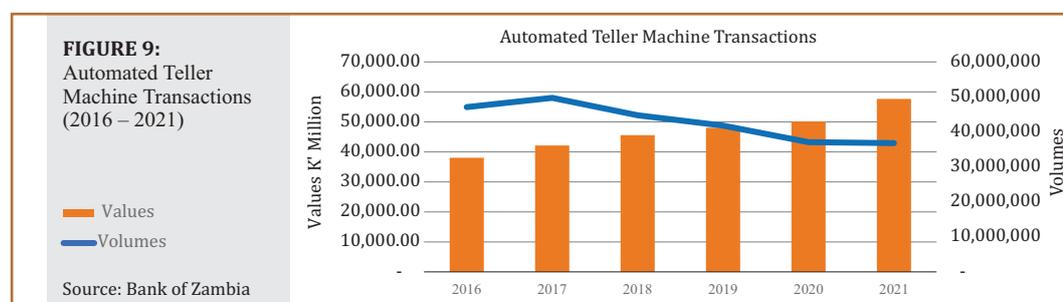
Table 5: Non-Systemically Important Payment Systems (NSIPs)

Payment Stream	2021		2020		Change (%) Values	Change (%) Volumes
	Values	Volumes	Values	Volumes		
ATMs	57,687	36,789,812	50,113	37,038,762	15.1%	-0.7%
Mobile	169,402	834,121,817	105,815	750,514,157	60.1%	11.1%
PoS	62,085	936,250,571	35,235	573,885,959	76.2%	38.0%
Remittances	186,581	46,884,388	117,102	33,981,488	59.3%	63.1%
NSIPs Total	475,756	1,854,046,58	308,264	1,395,420,36	54.3%	32.9%

Source: Bank of Zambia

5.2.1 Automated Teller Machines (ATMs) Transactions

In 2021, the volume of transactions processed through Automated Teller Machines (ATMs) fell by 0.7% to 36,789,812 (see Figure 9). This was mainly attributed to the increased usage of mobile money channels for person to person (P2P) direct transactions, mobile money agents as an alternative option to the use of ATMs and the increased usage of POS for payments. However, the value of transactions rose by 15.1% to K57.7 billion largely on account of an increase in digital financial services. The value of transactions processed at ATMs as a proportion of GDP slightly increased to 14.2% from 14.1% in 2020.



5.2.1.1 Number of Automated Teller Machines (ATMs)

The number of ATMs decreased by 4% to 995 in 2021 from 1,032 in 2020. However, the distribution of the ATMs by province across the country remained unchanged with Lusaka and the Copperbelt provinces having the majority of ATMs at 48% and 23%, respectively, unchanged from 2020. Table 6 below shows the nationwide provincial distribution of ATMs.

Table 6: Nationwide Deployment of ATMs by Province

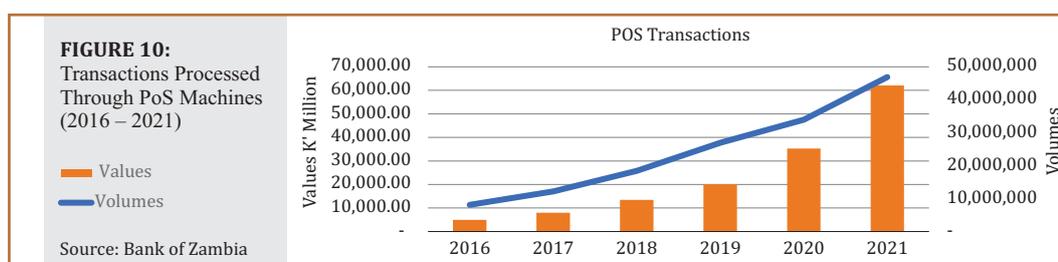
Province	2021	2020	Share (%)
Lusaka	479	492	48%
Copperbelt	228	240	23%
Southern	72	74	7%
North-western	56	61	6%
Central	46	46	5%
Eastern	39	40	4%
Northern	21	21	2%
Cupula	19	20	2%
Western	18	19	2%
Muchinga	19	19	2%
Total	995	1,032	100%

5.2.1.2 Number of Cards Issued

The total number of cards in circulation as at end December 2021 increased by 13.45% to 3,089,989 from 2,723,615 as at end December 2021. Of these, the number of debit cards issued were 2,727,780 while the number of credit and prepaid cards in issue were 11,579 and 350,630 respectively.

5.2.2 Point of Sale Machine Transactions

The value of transactions processed on Point of Sale Machine increased by 76.2% to K62,085.5 million, while the volume of transactions processed on the *Point of Sale (PoS) terminals* rose by 38.0% to 46,884,388 in 2021 (Chart 4.10). The promotion of DFS to help reduce the spread of COVID-19, interventions on the MDR and the increase in the number of terminals in the year largely accounted for this. However, the distribution of PoS terminals across the country was largely unchanged (Table 4.7). Debit cards continued to be the main PoS facilitator and continued to be widely utilised, recording PoS increases in both volume and value at 38.0% and 76.2%, respectively.



The distribution of PoS terminals across the country remained largely the same with Lusaka province maintaining the highest number and Western Province taking over from Muchinga as the province with the lowest number of PoS deployed.

Table 7: Nationwide Deployment of PoS Terminals by Province (2020 – 2021)

Province	2020	2021
Lusaka	11,364	13,736
Copperbelt	4,534	6,008
Southern	1,867	2,610
Central	1,274	1,701
Eastern	1,191	1,707
North-western	769	848
Luapula	500	668
Muchinga	475	574
Northern	438	791
Western	410	595
Total	22,822	29,238

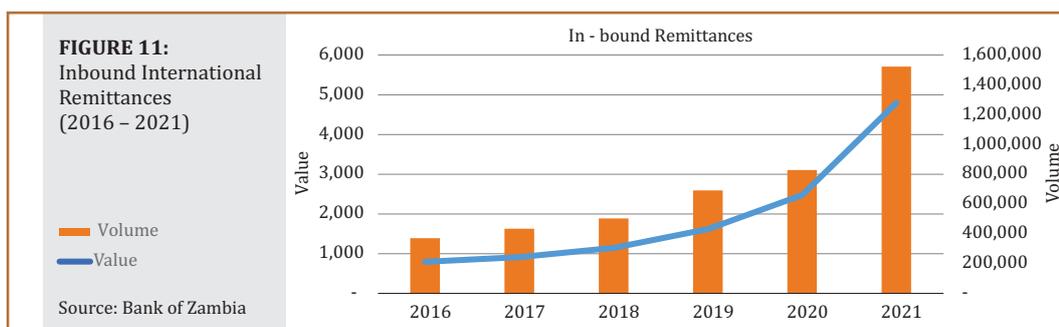
Source: Bank of Zambia

5.2.3 Remittances (Money Transfer Transactions)

The remittances market recorded growth in both values and volumes of transactions during the period under review. Transaction values increased by 59.3% (2020: 38.1%) to K186,581 million from K117,101 million in 2020 while the volume of transactions processed increased by 38% (2020: 22%) to 46,884,388 transactions from 33,981,488 transactions recorded in 2020.

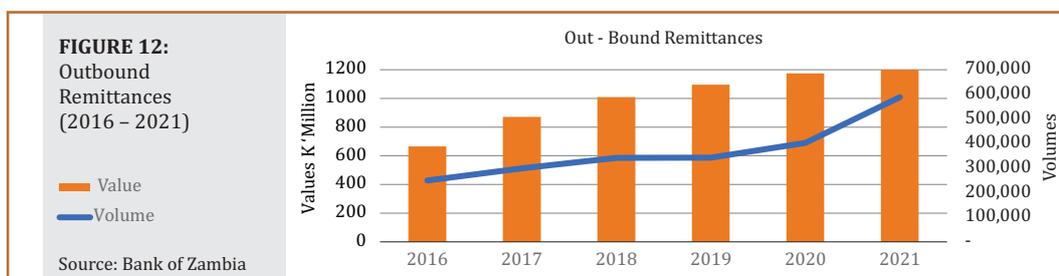
5.2.3.1 Inbound International Remittances

The value of international remittances increased by an 94% in 2021 (2020: 52.9%) to K4, 796 million from K2,473 million in 2020 (see Figure 11). Under the same review period volumes of inbound international remittances increased by 84% (2020: 19.7%) to 1,522,282 transactions from 828,108 transactions recorded in 2020. This was partially due to an upward adjustment of the daily maximum Kwacha limit and the depreciation of the Kwacha during the first 3 quarters of the year which raised the domestic value of received funds. Another factor is the increase in remittance support from Zambians in the diaspora to their families, as well as the addition of several new remittance corridors by mobile money providers, thereby increasing the channels through which remittances could be received. The United States of America (USA), the United Kingdom (UK), Canada, and Australia continued to be the main source countries. The values of inbound remittances as a proportion of GDP marginally increased to 1.2% from 0.7% in 2020.

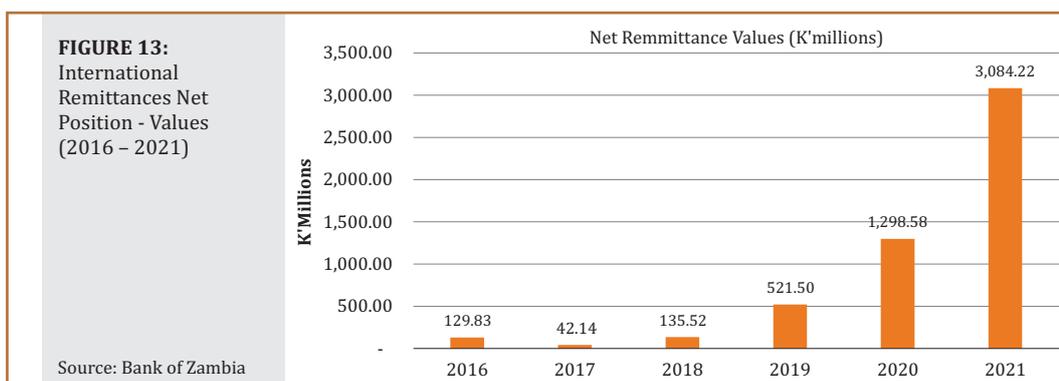


5.2.3.2 Outbound International Remittances

The value of outbound international remittances increased by 45.6% (2020: 7.2%) to K1,711 million from K1,175 million in 2020 while the volume of transactions increased by 46.1% (2020:17.6%) to 588,202 from 402,541 in 2020 (See Figure 12). This was partly due to the upward adjustment of the daily maximum Kwacha limit for mobile money e-wallets and the depreciation of the Kwacha during part of the year under review. The major recipient countries were India, Tanzania, Zimbabwe and the Democratic Republic of Congo. The values of outbound remittances as a proportion of GDP marginally increased to 0.4% from 0.3% in 2020.

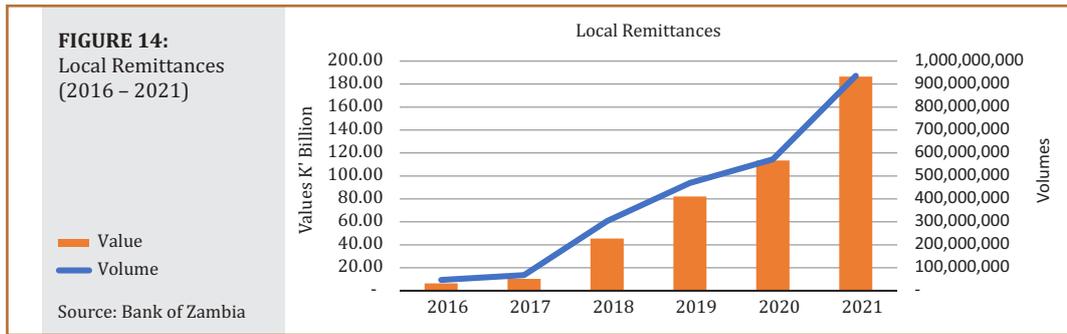


Zambia continued to be a net receiver of funds amounting to K3,084.2 million (2020: K1,298.6 million) as highlighted in Figure 13 below.



5.2.4 Local Remittances

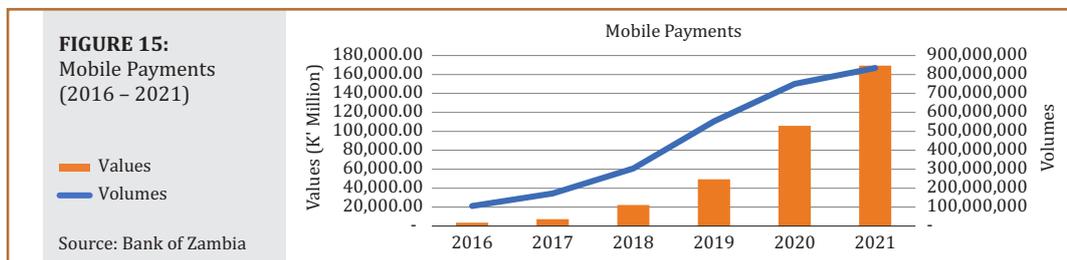
The value of local remittances grew by 64.5% in 2021 (2020: 38.2%) to K186,581,478 million from K113,453.6 million in 2020 (See Figure 14). The volume of transactions increased by 63.5 (2020: 22%) to 936,250,571 from 572,655,310 recorded in 2020. The increase in both value and volume of transactions was on account of growth of mobile based transactions, uplifting of transaction limits, and the increase reported in international remittances, as remitted funds cascaded into the local economy through mostly local remittances. Local remittances as a proportion of GDP drastically increased to 45.8% from 12.1% in 2020.



5.2.5 Mobile Money Transactions

The value of transactions processed on the mobile money platforms increased by 60.1% (2020: 114%) to K 169 402.43 million from K105,815.1 million in 2020 whereas the volume of transactions increased by 11.1% (2020: 35.8%) to 834,121,817 transactions from 750,514,157 transactions recorded in 2020. This is attributable to continued initiatives by the Bank to sensitise the public on the use of digital channels and contactless mobile payment mechanisms, including the upward adjustment of holding limits for wallets as well as the waiver of fees on charges on all person to person (P2P) electronic money transactions on amounts up to K150. The value of mobile payments as a proportion of GDP increased to 41.6% from 29.9% in 2020.

Active mobile wallet holders and active agents increased by 14.64% to 9,867,409 and 21.16% to 156,040 respectively. This was mainly due to the promotion of electronic payment methods that formed part of the measures to reduce the use of cash during the COVID-19 pandemic, as well as to the increasing attractiveness of agency arrangements as a means of providing employment as well as entrepreneurship.



5.2.6 Mobile Money Subscribers versus Mobile Phone Subscribers

The number of registered mobile phone subscribers in 2021, as reported by mobile money operators (MTN, Airtel and Zamtel), increased by 4.22% to 19,910,360 from 19,103,374 in 2020. On the other hand, the total number of mobile money subscribers decreased by 0.02% to 19,268,270 in 2021 from 19,271,567 in 2020, attributable to an exercise undertaken by MNOs to remove improperly registered subscribers, due in part, to a fraud risk response. In 2021 there were 9,867,409 active mobile money subscribers. This movement represents an increase of 14.64% in the number of active subscribers from the previous year, which recorded 8,607,461 active subscribers. Active wallets that had customer-initiated transactions in the last 90 days constituted 49.56 of the total number of registered mobile phone subscribers, representing an upward trend of 14.64% in recorded 90 days active mobile money subscribers.

Table 8: Mobile Money Subscribers versus Active Mobile Money Subscribers

Description	% Change				
	(2021/2020)	2021	2020	2019	2018
Number of Mobile Phone Subscribers	4.22%	19,910,360	19,103,374	17,218,310	15,442,108
Number of Mobile Money Subscribers	-0.02%	19,268,270	19,271,567	14,119,115	13,910,712
Number of Active Mobile Money Subscribers	14.64%	9,867,409	8,607,461	4,852,040	3,443,973

Source: Bank of Zambia

5.2.7 Cross Border Mobile Payments

Cross border mobile money payments aggregate value and volume of transactions recorded during the year increased by 78.39% to K 6,507.31 million from K 3,647.81 million in 2020 while the volume increased by 71.49% to 2,110,484 from 1,230,649 in 2020. The inbound cross border mobile money remittances accounted for 73.70% (2020: 67.79%) and 72.13% (2020: 67.29%) of the values and volumes respectively. The increase in remittances was most notable in receipts from United Kingdom, United States of America and Australia while the increase in the outbound cross border mobile money remittances was mostly notable in the remittances to Tanzania, Uganda and Kenya.

5.2.8 Regional Cross Border Payment Systems

In 2021, the volume and value of payments processed on the SADC Real Time Gross Settlement System (SADC RTGS) by Zambian commercial banks increased by 10.16% and 12.67% to 15,095 and ZAR5,904.7 million from 13,703 and ZAR5,240.7 million, respectively (Figures 16 and 17). This is attributable to the increasing usage of the regional system by participants. In 2022, this upward trend is forecast to continue.

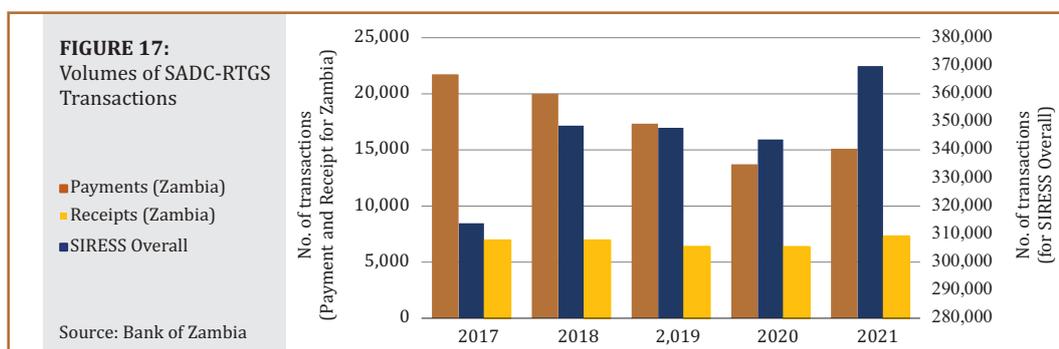
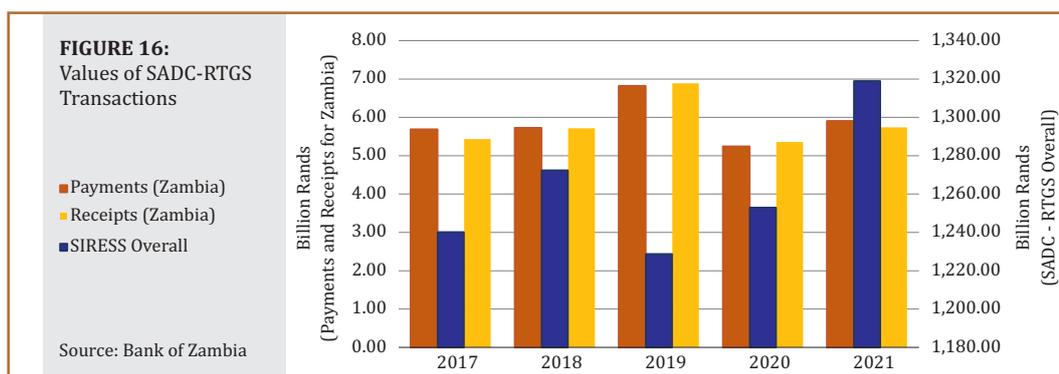


Table 9: Volumes of SADC-RTGS Transactions

Year	Values (ZAR' million)			Volumes		
	Payments (Zambia)	Receipts (Zambia)	SADC RTGS Overall (Zambia)	Payments (Zambia)	Receipts (Zambia)	SADC RTGS Overall (Zambia)
2016	5,425.80	5,630.30	1,095,923.70	25,525	6,166	275,883
2017	5,688.40	5,432.10	1,240,084.10	21,716	6,946	313,790
2018	5,723.90	5,716.00	1,272,358.50	20,008	6,942	348,620
2019	6,884.70	6,818.80	1,228,662.10	17,330	6,368	347,850
2020	5,240.80	5,356.10	1,252,589.80	13,703	6,355	343,659
2021	5,904.70	5,739.00	1,318,940.10	15,095	7,296	369,849

Source: South African Reserve Bank

The volume of transactions received by Zambian banks on the COMESA Regional Electronic Payments and Settlement System (REPSS) decreased to 105 US dollar and 1 euro transactions from 121 US dollar and 1 euro transaction in the previous year. The value of US dollar receipts decreased to US \$14.7 million from US \$18.4 million. The euro transaction was worth 7,575. There were no payments made from Zambia on this platform. Kenya is the major user of the COMESA REPSS due to the preference by Kenyan importers to capitalise on the efficiency of the system for cross-border payments.

For trends of the various payment streams, including currency in circulation, during the period 2012 to 2021, see Appendix 1.

5.3 Currency In Circulation

Currency in circulation increased by 9.8% to K13.5 billion in 2021 compared to 44.7% (12.3 billion) in 2020 (Figure 18 and Table 10). The bulk of this currency was in banknotes, which accounted for 98.5% (K13.3 billion) while coins constituted 1.5% (K0.2 billion).

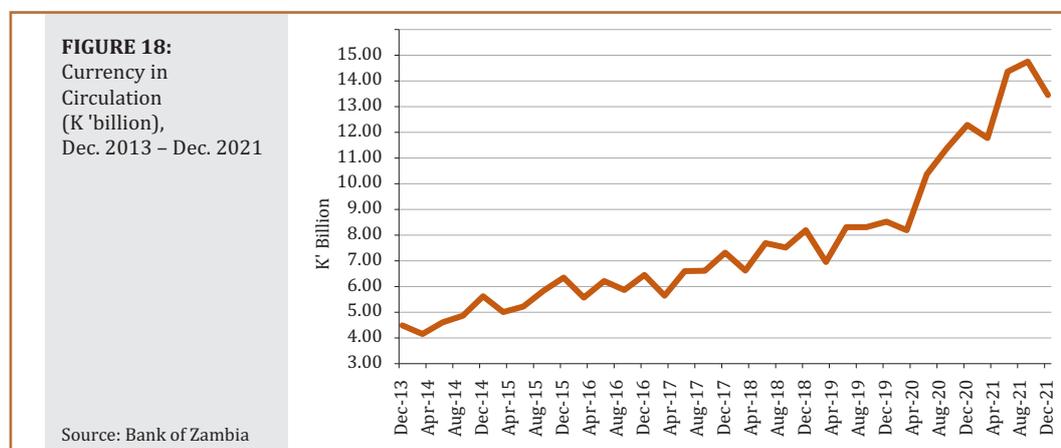


Table 10: Currency in Circulation, 2019 – 2021

Description	Values (ZMW)			Pieces		
	2019	2020	2021	2019	2020	2021
K100	5,814,103,200	8,913,139,700	8,679,596,100	58,141,032	89,131,397	86,795,961
K50	1,980,858,350	2,368,547,250	3,447,834,550	39,617,167	47,370,945	68,956,691
K20	295,299,360	501,754,540	719,089,420	14,764,968	25,087,727	35,954,471
K10	130,650,780	163,774,310	214,661,580	13,065,078	16,377,431	21,466,158
K5	90,101,670	99,656,335	122,235,765	18,020,334	19,931,267	24,447,153
K2	31,447,319	49,503,319	64,088,208	15,723,660	24,751,659	32,044,104
K1	109,494,990	115,438,992	122,786,488	109,494,990	115,438,992	122,786,488
50N	62,246,428	67,238,928	70,279,428	124,492,856	134,477,856	140,558,856
10N	8,685,472	8,685,472	8,685,472	86,854,724	86,854,723	86,854,723
5N	3,723,059	3,723,059	3,723,059	74,461,189	74,461,189	74,461,189
Total	8,526,610,629	12,291,461,90	13,452,980,07	554,635,997	633,883,187	694,325,794

Source: Bank of Zambia

5.3.1 New Currency Issued into Circulation

The Bank issued 193.4 million pieces of mint banknotes and coins valued at K5.5 billion into circulation in 2021 compared to 204.4 million pieces valued at K8.7 billion in 2020. The highest proportion of currency issued was in high value banknotes: K100 (31.3%) and K50 (46.3%). The middle value (K20 and K10) and low value (K5 and K2) banknotes both accounted for 22.2% while coins accounted for 0.2% (Figure 19 and Table 11).

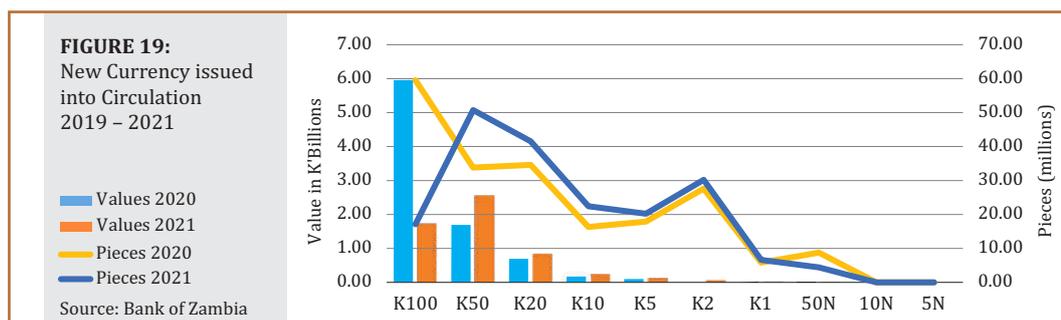


Table 11: New Currency Issued 2019 – 2021

	Values (ZMW)			Pieces		
	2019	2020	2021	2019	2020	2021
K100	3,997,600,000	5,954,000,000	1,713,000,000	39,976,000	59,540,000	17,130,000
K50	1,383,900,000	1,690,000,000	2,537,400,000	27,678,000	33,800,000	50,748,000
K20	439,570,000	692,390,000	831,500,000	21,978,500	34,619,500	41,575,000
K10	128,630,000	163,450,000	224,270,000	12,863,000	16,345,000	22,427,000
K5	73,280,000	89,410,000	101,060,000	14,656,000	17,882,000	20,212,000
K2	31,446,000	55,272,000	60,434,000	15,723,000	27,636,000	30,217,000
K1	5,419,000	5,822,000	6,638,000	5,419,000	5,822,000	6,638,000
50N	3,502,000	4,390,000	2,214,000	7,004,000	8,780,000	4,428,000
10N	2,100	0	0	21,000	0	0
5N	200	0	0	4,000	0	0
Total	6,063,349,300	8,654,734,000	5,476,516,000	145,322,500	204,424,500	193,375,000

Source: Bank of Zambia

5.3.2 Withdrawal of Unfit Banknotes

The Bank withdrew a total of 102.7 million pieces of unfit banknotes valued at K2.7 billion from circulation in 2021, compared to 153.7 million pieces valued at K5.9 billion in 2020. The bulk of the currency withdrawn was in Fifty Kwacha (K50), Twenty Kwacha (K20) and Two Kwacha (2) denomination which accounted for 60.2% (Figure 20 and Table 12).

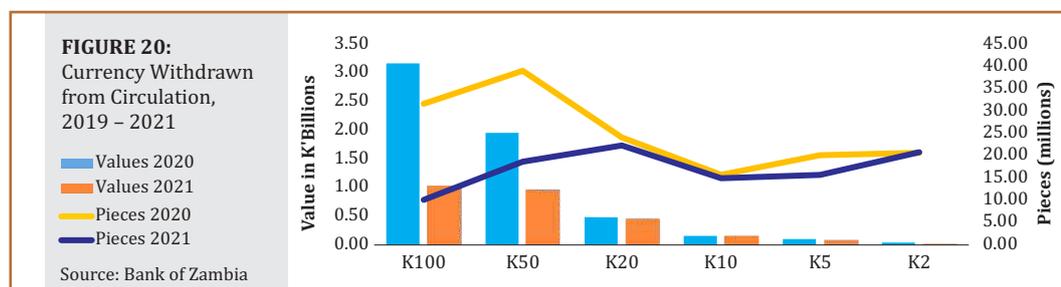


Table 12: Currency Withdrawn from Circulation, 2019 – 2021

	Values (ZMW)			Pieces		
	2019	2020	2021	2019	2020	2021
K100	3,323,418,900	3,167,709,800	1,012,193,700	33,234,189	31,677,098	10,121,937
K50	1,447,743,250	1,954,084,900	935,440,025	28,954,865	41,338,633	18,708,801
K20	609,074,120	482,465,720	446,550,260	30,453,706	24,123,286	22,327,513
K10	161,855,000	157,440,000	149,650,050	16,185,500	15,744,000	14,965,005
K5	78,286,305	100,715,500	78,662,500	15,657,261	20,143,100	15,732,500
K2	24,294,000	41,353,000	41,654,006	12,147,000	20,676,500	20,827,003
Total	5,644,671,575	5,903,768,920	2,664,150,541	136,632,521	153,702,617	102,682,759

Source: Bank of Zambia

5.4 Financial Inclusion

During 2021 the Bank of Zambia continued its focus on FI and adherence to the 2018 – 2022 Strategy by engaging the payment systems industry to continue to drive inclusion through innovative products and services offerings, pricing as well as distribution networks. The National FI Strategy (NFIS) targets to increase the level of FI to 80% and the level of formal FI to 70% by 2022.

5.5 Consumer Protection

In 2021 BoZ continued to engage with payment services providers and e-money issuers to ensure compliance with the 2020 directives on Customer Complaints and Handling. The directives provide for the following:

- Mandates DFS providers to have an effective Internal Dispute Resolution mechanism in place;
- Has provided for a reporting framework and guidelines on DFS for both Internal Dispute Resolution and External Dispute Resolution;
- Provides a framework in a standardized format (e.g., indicators, reporting template, scope of data, scope of reporting etc.) and timeline (periodic);
- Requires DFS providers to incorporate reported /analysed data in product/service improvements;
- Mandate DFS providers to develop strong internal complaint management systems; and Define reasonable timelines for resolution of customer complaints

Emergent social engineering-based fraud has become an area of concern to the Bank. The focus in 2022 is to collaborate with other key stakeholders to ensure that controls are put in place so that the gains made in FI are not eroded. The Bank will continue with public awareness programmes to educate the public on guidelines relevant to the usage of DFS, ewallet security and procedures for escalating any matters that need redress and support from the Bank.

5.6 Collection of Sex Disaggregated Data

The Bank of Zambia with financial support from the Alliance for Financial Inclusion (AFI), Rural Finance Expansion Programme (Rufep) and Financial Sector Deepening Zambia (FSDZ) has since 2019 has been collecting and validating sex disaggregated data from supervised institutions for purposes of establishing a data base on supply side data to further promote financial inclusion and gender equality.

The collection of sex disaggregated data is important to measure the access and utilisation of financial services by different sexes and also helps to devise appropriate policy interventions to address the various challenges faced by specific group of users. In addition, this is important for measuring access to and usage of financial services and products by all citizens.

From this initiative, the Bank of Zambia intends to use sex disaggregated data for purposes of informing and revising its strategies and regulatory policies to close the gender divide that currently stands at 5%. The commercial banks, financial institutions, payment system businesses including other local and international player in the financial inclusion space will be able to use this information to devise and refine their strategies in order to devise appropriate gender sensitive products and services.

¹FinScope Zambia 2020 Survey Report

6.0 CONCLUSION AND OUTLOOK FOR 2021

In 2022, the Bank will continue to implement policies that support growth, modernisation, safety and efficiency of payment systems in Zambia. The Bank will also continue to monitor developments in the market to enhance the resilience of the payments ecosystem to safeguard public interest and support innovation.

Appendices: Payment Systems Statistics

Appendix I: Consolidated Statistics

Currency in Circulation (2012 – 2021)

Year	Currency in Circulation (K 'million)
2012	3,841.7
2013	4,600.8
2014	5,727.0
2015	6,347.1
2016	6,451.5
2017	7,315.3
2018	8,194.5
2019	8,526.6
2020	12,291.5
2021	13,452.9

Source: Bank of Zambia

Values of Systemically Important Payment Systems (SIPS) (2012 – 2020)

Year	ZIPSS (K 'million)	Cheques (K 'million)	EFTs (K 'million)
2012	388,322.5	30,787.1	12,750.7
2013	528,950.7	38,011.0	17,109.1
2014	657,203.2	39,185.3	20,908.1
2015	887,544.4	37,958.9	21,829.2
2016	723,489.3	35,530.2	24,451.1
2017	799,745.0	21,075.6	38,863.6
2018	968,306.0	12,417.0	59,689.0
2019	975,283.0	11,206.9	67,812.8
2020	1,053,189.4	9,295.4	78,017.4
2021	1,488,147.0	8,758.00	98,789.0

Source: Bank of Zambia

Volumes of Systemically Important Payment Systems (SIPS) - (2012–2021)

Year	ZIPSS	Cheques	EFTs
2012	240,564	2,800,759	4,027,061
2013	294,503	3,200,202	4,643,599
2014	319,836	3,184,446	4,955,572
2015	374,661	3,045,211	5,171,982
2016	388,176	2,807,390	5,297,462
2017	493,964	2,346,707	5,895,397
2018	573,071	2,040,530	6,952,305
2019	607,114	1,794,631	7,800,720
2020	708,946	1,401,153	8,181,743
2021	895,051	1,222,608	8,570,230

Source: Bank of Zambia

Automated Teller Machines and Cards (2012 – 2021)

Year	No. of Automated Teller Machines (ATMs)	No. of Cards	ATM Transaction Values (K'million)	ATM Transaction Volumes
2012	643	1,676,982	18,134.1	34,152,340
2013	744	2,104,860	21,855.4	38,152,320
2014	896	2,552,949	28,404.0	43,926,555
2015	1,000	2,586,036	32,880.3	61,102,749
2016	1,045	2,929,438	38,066.4	47,081,469
2017	1,066	3,272,713	42,113.6	49,726,580
2018	1,104	3,492,750	45,582.5	44,726,867
2019	1,006	2,773,616	48,054.9	41,773,995
2020	1,032	2,723,615	50,112.7	37,038,762
2021	995	3,134,015	57,687.8	36,789,812

Source: Bank of Zambia

Points of Sale Machines (2012 – 2021)

Year	No. of Point of Sale (PoS) Machines	Values of PoS Transactions (K'million)	Volumes of PoS Transactions
2012	2,025	790.6	1,677,179
2013	2,578	885.0	1,983,089
2014	3,266	1,551.8	2,937,453
2015	6,915	3,015.0	5,043,801
2016	9,356	4,948.4	8,103,127
2017	12,522	8,008.2	12,193,060
2018	13,090	13,459.3	18,409,724
2019	17,795	20,094.8	26,942,944
2020	22,822	35,234.9	33,981,488
2021	29,238	62,085.4	936,250,571

Source: Bank of Zambia

Remittances (2012 – 2021)

Year	Remittances into Zambia		Remittances out of Zambia		Local Remittances		Total Remittances	
	Volume	Value (K'm)	Volume	Value (K'm)	Volume	Value (K'm)	Volume	Value (K'm)
2012	261,330	368.8	233,729	399.9	1,314,026	457.8	1,919,494	1,270.8
2013	278,972	413.5	246,543	480.3	3,980,145	896.9	4,505,660	1,790.8
2014	297,135	462.6	274,168	545.8	9,484,650	1,559.6	10,055,953	2,568.0
2015	342,273	656.2	287,386	625.6	24,835,333	3,409.3	25,464,992	4,362.7
2016	370,466	794.8	249,488	664.9	47,111,023	6,369.6	47,730,977	7,829.3
2017	434,122	913.0	298,978	870.9	67,761,202	10,336.1	68,494,302	12,120.0
2018	502,368	1,144.5	341,474	1,008.98	303,728,843	45,539.0	304,572,685	47,692.9
2019	691,617	1,617.5	342,433	1,096.0	469,416,539	82,109.0	470,450,589	84,823.2
2020	828,108	24,733.9	402,541	1,174.8	572,655,310	113,453.6	573,885,959	139,362
2021	1,522,282	47,955.2	588,202	1711.3	936,250,571	186,581.4	938,361,055	236,247.90

Mobile Payments (2012 – 2021)

Year	Value (K' million)	Volume
2012	1,163.60	17,430,411
2013	957.30	24,412,326
2014	1,574.39	35,457,948
2015	2,498.50	63,985,618
2016	3,561.10	105,934,181
2017	7,287.74	172,429,911
2018	22,191.56	303,955,243
2019	49,353.10	552,475,284
2020	105,815.05	750,514,157
2021	169,402.00	834,121,817

Source: Bank of Zambia

Appendix II: Designated Entities as at 31 December 2021

DESIGNATED PAYMENT SYSTEMS				
No.	Operator Institution	Payment system(s) designated to participate on	Date of Designation	Physical Address
1	Zambia Electronic Clearing House LTD	CICS/DDACC Clearing	Apr-08	COMESA House, Ben Bella Rd, Lusaka, Zambia
2	Financial Transaction Services Zambia LTD	Switching	Apr-12	Radian Retail Park, 8357-Great North Road, P.O. Box 3679, Lusaka, Zambia
3	ZamLink (Z) eSwitch Zambia LTD	Switching services	Apr-08	Zambia Red Cross Society Building, 2837 Los Angeles Boulevard, Longacres, P.O. Box 38138, Lusaka, Zambia
4	Cellulant	Switching services	May-08	Cellulant Zambia Limited, P.O. Stand no. 4658/A Chikwa road, Ridgeway, Lusaka
5	BoZ	ZIPSS/RTGS	Apr-08	Head Office, Cairo Road, Bank square, P O Box 30080
6	Real Pay Zambia Limited	Payment System - Direct Debit Solution/ Online Payment Card Acceptance	2019	Real Pay Zambia Limited, Plot Number 2374 - Unit B, Counting House Square, Thabo Mbeki Road, P.O. Box 35139 Lusaka
7	LinkNet Zambia Limited	Payment System	2019	LinkNet Zambia Limited, Premium House 4th Floor, Mboya Road, P.O. Box 37330 LUSAKA
8	NetOne Payment Systems Limited,	Payment System	2019	NetOne Payment Systems Limited, P.O. Box 37680, Plot No. 12553 Zambezi Road, Roma Lusaka
9	PayNow Zambia Limited	Payment System	2019	PayNow Zambia Limited, 2nd Floor, Regus Arcades, Great East Road, Lusaka
10	Digital Shared Services Limited	Payment System	2019	Digital Shared Services Limited, Garden City Mall Office Park, Unit B6, Great East Road, Waterfalls
11	Probase Limited	Payment System	2020	ZCCM-IH Office Park, Stand 16806, Alick Nkhata Road Lusaka
12	Zynle Technologies Limited	Payment System	2020	Stand No. 190003, Olympia, Lusaka
DESIGNATED PAYMENT SYSTEM PARTICIPANTS				
No.	Name of Payment System Designated to Participate	Payment systems designated to participate on	Date of Designation	Physical Address
1	AB BANK	CICS, DDACC & ZIPSS/RTGS	Aug-11	Plot No. 7393, Chainda Place, Off Cairo Road, P.O. Box 38173, Lusaka, Zambia
2	ACCESS BANK	CICS, DDACC & ZIPSS/RTGS	Oct-08	Plot 682, Cairo Road Northend, Lusaka
3	ATLAS MARA	CICS, DDACC & ZIPSS/RTGS	Apr-08	Plot 746B, Atlas Mara House, Corner Church & Nasser Road, P.O. Box 39501 Ridgeway
4	BANK OF CHINA	CICS, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 2339, Kabelenga Road, P.O. Box 34550
5	ABSA	CICS, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 4644 Elunda Park, Corner Tito Road & Nasser Road, Private bag E308, Lusaka
6	CITIBANK	CICS, DDACC & ZIPSS/RTGS	Apr-08	Citibank house, Plot No. 4646, Addis Ababa Roundabout, Corner Chikwa / Nasser Roads, P.O. Box 30037
7	ECOBANK	CICS, DDACC & ZIPSS/RTGS	Dec-09	Stand No. 22768, Corner Great East / Thabo Mbeki Roads, P.O. Box 30705, Lusaka
8	FIRST ALLIANCE BANK	CICS, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 627, Alliance House Cairo Road, P.O. Box 33959
9	FIRST CAPITAL BANK	CICS, DDACC & ZIPSS/RTGS	May-11	Kwacha Pension House Ground floor, plot No. 4604, Tito Rd of Church Rd
10	FIRST NATIONAL BANK	CICS, DDACC & ZIPSS/RTGS	Jun-09	Stand No. 22768, Corner Great East / Thabo Mbeki Roads, P.O. Box 36187, Lusaka
11	INDO ZAMBIA BANK	CICS, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 6907, Cairo Road, P.O. Box 35411, Lusaka
12	INVESTTRUST BANK	CICS, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 190286, Ody's Park, Great East Road, P.O. Box 32344, Lusaka
13	STANBIC BANK	CICS, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 2375, Addis Ababa Drive, Rhodespark, P.O. Box 31955, Lusaka
14	STANDARD CHARTERED BANK	CICS, DDACC & ZIPSS/RTGS	Apr-08	Stand No. 4642, Corner of Mwaimwena/Addis Ababa Roads, P O Box 32238, LUSAKA
15	UNITED BANK FOR AFRICA	CICS, DDACC & ZIPSS/RTGS	Mar-10	Stand No. 22768, Corner Great East / Thabo Mbeki Roads
16	ZANACO	CICS, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 33454, Cairo Road, P.O. Box 33611
17	ZAMBIA INDUSTRIAL ANDCOMMERCIAL BANK	CICS, DDACC & ZIPSS/RTGS	Oct-18	Farmers House, Central Park, Corner of Church Road and Cairo Road, P.O. Box 30228, Lusaka

Appendix II: Designated Entities as at 31 December 2021

DESIGNATED PAYMENT SYSTEM BUSINESSES				
No.	Payment Systems Businesses	Type of business designated to operate	Date of Designation	Physical Address
1.	Airtel Mobile Commerce Zambia LTD	Mobile Payments (Mobile Payment services and money transmission services)	Mar-11	Airtel House, plot No. 2375 CORNER of Addis Ababa & Great East Rd, Box 320001, Lusaka, Zambia
2	Zoona	Mobile Payments (Mobile Payment services and money transmission services)	Jan-12	Plot No. 1 Chila Rd, Kabulonga, Lusaka, Zambia.
3	MTN Mobile Money LTD	Mobile Payments (Mobile Payment services and money transmission services)	Jul-09	Plot no. A2/55//609 Zambezi Road, Roma, Lusaka.
4	National Savings and Credit Bank	Proprietary Money Transfer (money transmission services)	Sep-08	P O Box 30067, Savers House Plot NO. 248B, Cairo Road, Lusaka, Zambia
5	ZamPost	Western Union International Money Transfer (money transmission services), Local Money Transfer (money transmission services)	Sep-08	Corner of Moffatt & Broadway Provident House, P.O. Box 71845, Ndola
6	Runnymede	Coinster International Money Transfer (money transmission services)	Dec-09	Plot No. 97, Tindu Crescent, Kabulonga, Private Bag 383X, Ridgeway, Lusaka, Lusaka
7	Bayport	Mobile Payments Solutions (MPS) Money Transfer (money transmission services)	Dec-09	Plot No. 68, Bayport House, Independence Avenue, P.O. Box 33819, Lusaka, Lusaka
8	United Bank of Africa	Money Gram International Money Transfer (money transmission services)	May-11	Stand No. 22768, Acacia Park CORNER of Great East Rd & Thabo Mbeki Rd, P.O box 36794, Lusaka, Zambia
9	First Capital Bank	RIA International Transfers (money transmission services)	Sep-08	Kwacha Pension House Ground floor, plot No. 4604, Tito Rd of Church Rd
10	Finance Bank Zambia	Money Gram International Money Transfer (money transmission services)	Jan-09	Finance House, Cairo Rd P.O. Box 36762, Lusaka, Zambia
11	Stanbic Bank	Money Gram International Money Transfer (money transmission services)	Sep-08	Plot No. 2375, Addis Ababa Drive, Rhodespark, Lusaka
12	ZANACO	Money Gram International Money Transfer (money transmission services)	Jul-09	Cairo Rd, P.O. Box 32111, Lusaka, Zambia
13	Investrust	Money Gram International Money Transfer (money transmission services)	Dec-09	Ody's Building, Great East Rd, P.O. Box 32344, Lusaka, Zambia
14	CFB Money Transfer Limited	Money Gram International Money Transfer (money transmission services)	Dec-09	P.O. Box 33456, CORNER of Nkwazi & Cairo Rd, Lusaka, Zambia
15	Money Link Zambia LTD	Money Line UK International (money transmission services)	Dec-09	P.O.BOX 33604, Nkwazi/ ChaChaCha Road, Lusaka
16	Ecobank	Western Union International and Rapid Transfer Money Transfer (money transmission services)	Oct-09	Plot NO. 22768 Acacia Park, CORNER of Great East Rd & Thabo Mbeki Rd, Lusaka, Zambia

Appendix II: Designated Entities as at 31 December 2021

DESIGNATED PAYMENT SYSTEM BUSINESSES				
No.	Payment Systems Businesses	Type of business designated to operate	Date of Designation	Physical Address
17	PostDotNet	Western Union International Money Transfer (money transmission services)	Oct-09	Suite 106, Foxdale courts, Zambezi Road, Roma, Lusaka Zambia
18	Cactus Financial Services	Western Union International Money Transfer (money transmission services)	Sep-08	Shop no. 3 Luangwa house, Cairo Road, opposite building society, Lusaka, Zambia
19	Access Bank	Western Union International Money Transfer (money transmission services)	Jul-09	Plot NO. 682, Cairo Rd, P.O. Box 35273, Lusaka, Zambia
20	AB Bank	RIA International Transfers (money transmission services)	Aug-11	Plot No. 7393, Chainda Place, Off Cairo Road, P.O. Box 38173, Lusaka, Zambia
21	UAE Exchange Money Transfer services LTD	Money transmission services	Jun-14	Plot NO. 9471 Kafue Road, P.O. Box 36774, Makeni, Zambia
22	Touch4Pay Zambia Limited	Payment services	Aug-14	192 Green Lane, Kabulonga, Lusaka, Zambia
23	Kazang Spargris Zambia LTD	Mobile Money	Mar-13	Shop NO. 3 Acacia Park, Arcades, Great East Road, Lusaka, Zambia
24	SmartPay	Mobile Payment services	Mar-13	Plot No. 9037 Buluwe Road, Woodlands P.O. Box 31514, Lusaka, Zambia
25	Mobi Kash Zambia LTD	Mobile Commerce	Mar-12	
26	Zambia National Building Society	Proprietary Money Transfer (money transmission services)	Dec-14	Post.net No. 162, Private bag E835 Kabulonga, Lusaka, Zambia
27	Zamtel Kwacha	Mobile Payments (Mobile Payment services and money transmission services)	Feb-15	Century House, P.O.BOX 30420, Lusaka, Zambia Zambia Telecommunications Company Limited, Zamtel House, Corner of Church/ Chilubi road, P.O Box 37000, LUSAKA
28	Mukuru money transfers	Money transfer	May-15	Mukuru Money Transfer, P.O Box 36038, Lusaka
29	Speedpay Zambia Limited formerly known as Netcash Mobile Payments Zambia Limited	E-Money issuance	Sep-15	NettCash Mobile Payments Limited, Villa 10 Cresta Golf View Grounds, Lusaka.
30	Broadpay Zambia Limited	Payment services	Sep-15	BroadPay Zambia Limited, Corner of great east road and Katopola Roads, unique House, 1st floor Rhodespark, LUSAKA
31	Vending Technologies Zambia Limited	Payment services	Sep-15	Vending Technologies Zambia Limited, P.O. Box 36730, Plot 55, Luwato road, Roma. LUSAKA
32	cGrate Zambia Limited	Payment services	Mar-16	CGrate Zambia Limited, Plot 35214, Alick Nkhata road, Kalingalinga, Lusaka
33	FINCA Zambia Limited	Money Transfer Services	Jul-17	FINCA Zambia Limited, Plot No. 609 Zambezi Road, Suite 111 Foxdale Court, P.O. Box 50061, LUSAKA.
34	Virtual Space Zambia Limited	E-Money Issuance and Money Transfer Services	Feb-2018	Virtual Space Zambia Limited, Plot 5402, Los Angeles Road, Makeni, Lusaka
35	Zazu Africa Limited	E-Money Issuance/Pre-paid Cards	Sep-2018	Zazu Africa Limited, Counting House, Unit C, Thabo Mbeki Road, Lusaka
36	SamAfrica Online Zambia Limited	E-money issuer - web based	2019	SamAfrica Online Zambia Limited, Unit B, Jacaranda Mall, P.O. Box 71451, Ndola
37	LendMePay Zambia Limited	E-money issuer	2019	33 Mutende Road Woodlands LUSAKA Plot 106
38	Redstone Zambia Limited	E-money issuer, Payment services	Dec-2020	Acacia Avenue Roma Park Lusaka
39	Serengeti Technologies Limited	E-money issuer, Payment services	Sep-2020	Stand No. 4897 Los Angeles Boulevard 2nd Floor Office Complex, Longacres Lusaka
40	Mypay Zambia Limited	E-money issuer	Aug-2020	4th Floor-Finance House Heroes Place Cairo Road P.O. Box 34376 Lusaka
41	Billford Zambia Limited	Payment services	Jun-202	C/O Bongohive Technology and Innovation Hub Plot No. 1694 8B Thabo Mbeki Road Lusaka



