



OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXE/DGO/fmkts/bp

February 12, 2024

CB Circular No. : 03/2024

To : All Heads of Commercial Banks

CHANGES TO OPERATING RULES AND GUIDELINES FOR THE OVERNIGHT LENDING FACILITY

Reference is made to the Operating Rules and Guidelines for the Overnight Lending Facility (OLF) (2018).

The Bank of Zambia (BoZ) wishes to advise that Section 4.2 of the OLF Guidelines has been amended to include Government bonds as eligible collateral for the Intra-day Liquidity Facility (ILF) with immediate effect.

Commercial banks are further advised that, in line with Section 7.3 of the OLF Guidelines, the BoZ has set the number of overnight loan extensions to 30 days. This means that after this period, the unpaid extended OLF transaction shall be treated as default and the repoed securities shall not be released. As is currently the standard, banks are still expected to clear an outstanding OLF loan before applying or requesting for another.

Francis Chipimo (PhD)
DEPUTY GOVERNOR – OPERATIONS

cc Governor