



BANK of ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/psd/bp

December 24, 2021

Circular No. : 19/2021

To : All Heads of Commercial Banks and Payment Service Providers

POST IMPLEMENTATION ISSUES ON THE NATIONAL FINANCIAL SWITCH

The Bank has been closely monitoring developments on the National Financial Switch (NFS) and has noted a number of post implementation issues faced by participants and the Operator, Zambia Electronic Clearing House Limited (ZECHL).

Following consultations with ZECHL and the NFS participants on these issues, the Bank wishes to guide as follows:

1. Transaction Approval Rating 95% and 98% by Year-end 2022

All NFS participants are required to achieve a minimum approval rating of 95% for transactions by 30th June 2022 and 98% by year-end 2022. Participants should also ensure that these targets are achieved within the stipulated timeline.

2. Availability and Downtime Management

In order to ensure an efficient and reliable NFS, ZECHL shall levy a fee of K1.00 per transaction declined on account of lack of connectivity to the NFS (907-Card Issuer or Switch Inoperative). The Bank will continue to monitor connectivity of the various participants and may revise the penalty accordingly.

2.1. Float Management

The Bank has observed with concern the rise in transactions failing due to insufficient funds placed in transactional suspense accounts (float) by some Electronic/Mobile Money Issuers. All E-Money Issuers shall devise workable restocking levels on their transactional suspense accounts to ensure that transactions do not fail due to insufficient funds. The Bank will continue to engage the E-Money Issuers and will guide further on this matter.

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3. Name Look-up Functionality

There has been a rise in transactions that are sent to the wrong account within a receiving participant's system due to participants disabling the 'Name Look-up' or 'Know Your Customer' message type on the NFS. All participants are therefore required to enable the 'Name Lookup' functionality by end of Quarter 1 of 2022.

4. Phase II Transactions Status Advice

It has been observed that customers are not provided with a status of transactions that may have not been delivered to beneficiary wallets or accounts. Participants on the NFS are therefore required to put in place mechanisms to notify their customers on the status of transactions initiated on their platforms. Customer enquiries and complaints should be addressed in an effective and comprehensive manner in line with the rules and Bank of Zambia Customer Complaint Handling and Resolution Directives of 2020.

Failure to comply with the above may attract penalties in accordance with Section 43 of the National Payment Systems Act, 2007.

Kindly be guided accordingly.



Francis Chipimo (PhD)

DEPUTY GOVERNOR – OPERATIONS

cc Deputy Governor – Administration
General Counsel and Bank Secretary
Director – Payment Systems
Director – Bank Supervision
Director – Banking and Currency
Chief Executive Officer – ZECHL