



BANK of ZAMBIA
OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

1 February 2012

NB Circular No: 03/2012

**To : All Commercial Banks
All Non-Bank Financial Institutions
All Payment Systems and Payment Systems Businesses**

ENGAGEMENT OF EXPATRIATES IN THE FINANCIAL SECTOR

In line with the provisions of Section 31 of the Banking and Financial Services Act and in accordance with the designation procedures prescribed by Bank of Zambia under Sections 6 and 12(3) of the National Payment Systems Act, directors and other senior officers of a financial service provider, payment system and payment system business must satisfy the fit and proper test criteria before being appointed to take up a position in a financial service provider, payment system and payment system business.

As part of the fit and proper test criterion, directors and senior officers of a financial service provider, payment system and payment system business are required to possess the requisite qualifications, integrity and professional expertise to hold the relevant office. Where the proposed officer is an expatriate, part of the fit and proper test will require the applicant to fulfil all the applicable immigration requirements before their appointment. In this regard Bank of Zambia will need to verify that the prospective officer has satisfied the following general Department of Immigration (DoI) requirements;

- an immigrant to Zambia must have a contribution to make in the form of skill, profession or capital which should be to the benefit of the people of Zambia;
- an immigrant should not deprive a citizen of Zambia employment;
- an immigrant should not be a charge on the state, i.e. he must have the means with which to support himself and his dependants in Zambia; and
- an immigrant intending to settle in Zambia must be in possession of an entry permit

More specifically the DoI has issued the following guidelines for the issuance of work permits to expatriate personnel and self-employment permits to investors;

- Employment of expatriate personnel shall be permitted only in specified categories of jobs and only expatriate personnel who meet the prescribed qualifications and or experience shall be eligible;
- Expatriate personnel qualifying for such jobs shall be engaged for a period specified in their employment permits;
- The categories of jobs in which expatriate personnel shall be permitted are those in which the country is at present deficient in local skill. Therefore, the employer of such expatriate personnel shall be required to carry out a genuine programme of training for replacement of such personnel by a local candidate within a period to be specified in the employment permit application.

In seeking to ensure compliance of the above guidelines, the Bank of Zambia now requires all financial service providers, payment systems and payment systems businesses to provide proof of having fulfilled all the above requirements before approval for engagement of expatriates can be considered. As a further requirement financial service providers, payment systems and payment systems businesses will also be required to provide a staff development plan on skills transfer to local staff.

As a transitory arrangement expatriate staff currently serving their contracts will be allowed to continue to the end of their contract terms. Any renewal should meet the requirements contained herein.

It is therefore now a requirement that all new engagements and renewals of contracts for expatriate persons to operate in the financial sector will require Bank of Zambia approval prior to the submission of an application for a work permit to the Department of Immigration.

Financial service providers, payment systems and payment system businesses may contact the Director-Bank Supervision, Director – Non Bank Financial Institutions Supervision or Director- Banking, Currency and Payment Systems for any clarification relating to this Circular.

Kindly note that this Circular supersedes CB Circular No.07/2011 issued on 3 November 2011.



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DEPUTY GOVERNOR -OPERATIONS