



Bank Of Zambia

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/nbfis/nm

January 19, 2018

NB Circular No: 01/2018

To : Chief Executive Officers of Bureaux de Change

ELECTRONIC BUREAUX DE CHANGE MONITORING SYSTEM

1. Purpose

The purpose of this circular is to communicate conditions and guidelines for the operation of bureau de change branches under the electronic bureaux de change monitoring system. This follows the Bank of Zambia implementation of a project to facilitate electronic monitoring of bureaux de change transactions in Zambia.

2. Effective Date

This circular shall apply with immediate effect.

3. Interpretation

In this circular, unless the context otherwise requires -

“Bureau de Change Regulations” means the Banking and Financial Services (Bureau de Change) Regulations, 2003;

“electronic bureaux de change monitoring system” means an electronic system implemented by the Bank of Zambia for real-time monitoring of foreign exchange transactions in the bureau de change sector;

“non-resident” a person who is not a resident as defined in this circular;

“resident” means a citizen of Zambia or such other person living in Zambia permanently or on a long-term basis and is a holder of a residence permit issued under the Immigration and Deportation Act, 2010;

“system generated receipt” means a receipt for a foreign exchange transaction generated by the electronic bureaux de change monitoring system.

4. Minimum System Requirements

A bureau de change shall ensure that all its branches comply with the minimum requirements for the electronic bureaux de change monitoring system in the Schedule to this circular or such other system requirements as the Bank of Zambia shall from time to time stipulate.

5. Internet Connectivity

A bureau de change shall ensure that it makes appropriate business continuity arrangements for the internet connectivity of its operating branches to the electronic bureaux de change monitoring system.

6. Information security and access controls

Every bureau de change shall ensure that appropriate information security and access controls are applied on the information processing system to ensure integrity and confidentiality of foreign exchange transaction information processed by the bureau de change.

7. Contingency event

In the event of a contingency event that disrupts normal processing of foreign exchange transactions at the primary site of the electronic bureaux de change monitoring system, the Bank of Zambia may notify bureaux de change of the transfer of operations to the alternate site of the electronic bureaux de change monitoring system.

8. Requirement to search the system

- 8.1. Before conducting any foreign exchange transaction with a customer, a bureau de change shall search the electronic bureaux de change monitoring system to determine whether a profile for the customer already exists against which a transaction shall be processed.
- 8.2. For a resident customer, a bureau de change shall search the electronic bureaux de change monitoring system using the customer's National Registration Card number.
- 8.3. For a non-resident customer, a bureau de change shall search the electronic bureaux de change monitoring system using the customer's passport number.
- 8.4. If a customer profile does not exist, a bureau de change shall create a customer profile by capturing the full name, residential address and identity document number before conducting any foreign exchange transaction with the customer.

- 8.5. In case of duplicate identification document numbers referring to a different customer, a bureau de change shall create a new profile for the customer bearing a duplicate identity number as provided for in sub-clause 8.4 and shall ensure that it obtains and retains a hardcopy of the identity document bearing the customer's pictorial image before processing the foreign exchange transaction and subsequently send an e-mail to GTSHelpdesk@boz.zm providing the Bank of Zambia with the details of the customer with a duplicate identification number.

9. Customer identity verification

A bureau de change shall verify customer identity details using a customer's driving licence, passport, or national identification document bearing the customer's pictorial image before processing any foreign exchange transaction.

10. Issuance of System Generated Receipts

- 10.1. Unless otherwise exempted by the Bank of Zambia as provided for under clause 11, a bureau de change shall issue a system generated receipt to its customer for every purchase or sale of foreign exchange.
- 10.2. Every bureau de change shall prominently display at all times in its branches a notice informing its customers that they are entitled to be issued with system generated receipts in either electronic or printed form according to the customers' preferences.

11. Procedure for manually captured transactions

- 11.1. In an event that a bureau de change loses access to the electronic bureaux de change monitoring system for reasons unique to the bureau de change and has to temporarily resort to using the manual system of capturing transactions and issuing manual receipts, the bureau de change shall immediately inform the Bank of Zambia, through a letter or an e-mail to GTSHelpdesk@boz.zm, of the specific reasons for the switch to the manual system.
- 11.2. A bureau de change shall ensure that it obtains and retains a hardcopy of the identity document bearing the customer's pictorial image before processing a manual foreign exchange transaction.
- 11.3. A bureau de change shall ensure that any manually captured transactions are subsequently also captured on the electronic bureaux de change monitoring system immediately the incident that caused the switch to manual capture is resolved.

- 11.4. Sub-clauses 11.1 and 11.2 shall not apply in a situation where a bureau de change lose access to the electronic bureaux de change monitoring system due to a system-wide disruption that affects all bureaux de change.

12.No Transaction with customer whose details are not on the system

- 12.1. A bureau de change shall not conduct any foreign exchange transaction with a customer whose details do not exist on the electronic bureaux de change monitoring system.
- 12.2. Sub-clause 12.1 shall not apply in the case of manual transactions which shall be dealt with as provided under clause 11.

13.Bureaux de Change Branches not on System

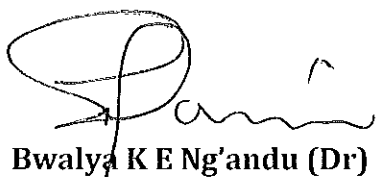
Any bureau de change seeking to connect its branch that is not already connected to the bureau de change monitoring system on the effective date of this circular shall be subject to a one-off system software licence fee of such sum per branch as the Bank of Zambia shall from time to time determine.

14.Sanctions

A bureau de change, director, officer or other employee of a bureau de change that breaches any clause of this circular shall be liable to sanctions as provided for in the Bureau de Change Regulations and the Banking and Financial Services Act.

15.Amendment of Circular

The Bank of Zambia may make amendments to this circular from time to time.



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DEPUTY GOVERNOR – OPERATIONS & REGISTRAR OF BANKS, FINANCIAL
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SCHEDULE

(Clause 4)

ELECTRONIC BUREAU DE CHANGE MONITORING SYSTEM MINIMUM HARDWARE AND SOFTWARE REQUIREMENTS

Branch Server (can also be used as a Teller Personal Computer)

- Windows 2012 Server 64 bit (Standard, Enterprise, Datacentre) or Windows 2008 Server R2 64 bit (SP 1 (Standard, Enterprise, Datacenter) or Windows 2008 Server R@ 64 bit SP 1 (Standard, Enterprise, Datacentre) or Windows 8/8.1 Professional or Enterprise 64 bit;
- Internet Information Services (IIS) v7.5+;
- Microsoft.NET 4.0 Framework
- PowerShell 3
- SQL Server 2014 (Database server, SSRS);
- Dual Core 2GHz processor
- 8GB RAM
- 60GB O/S, middleware & GTS application

WinClient Teller Personal Computer

- Windows 7 / Windows 8/8.1
- Internet Explorer 9+
- Microsoft NET 4.0 Framework
- 2GHz processor
- 4GB RAM
- 40 GB O/S, middleware & GTS application

Other Preparations

Other computers already connected to the electronic monitoring system

- Regularly apply Microsoft software updates;
- Regularly update anti-virus software;
- Install and test a reliable internet connection for each branch (this should be at least a 2mb ADSL or mobile data service);

New computers

- New computers need to be unpacked, commissioned and Microsoft software updates applied;
- Install anti-virus software;
- Establish (if it does not already exist) a local area network for each branch and connect all the computers to it;
- Install at least one network printer per branch for receipt printing and ensure all the computers in the branch have access to it;
- Install and test a reliable internet connection for each branch (this should be at least a 2mb ADSL or mobile data service);
- Run Belarc Advisor and send the output files to the Bank of Zambia for verification that the computers have been correctly specified and prepared (this will enable the installation team to verify the hardware and software on the computers before travelling to the branch).