



Bank of Zambia

National Payment Systems in Zambia



Annual Report for the Year 2018



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Preamble

The Bank of Zambia is mandated under the National Payment Systems Act (NPSA) No. 1 of 2007 to regulate and oversee the National Payment Systems in Zambia. This is aimed at ensuring safety and efficiency of payment systems in the country.

The oversight activities are undertaken by the Bank of Zambia to ensure that the National Payment Systems and the infrastructure supporting the financial markets are safe, robust and resilient to withstand financial shocks as guided by the Principles for Financial Market Infrastructures (PFMIs). The PFMIs are issued by the Bank for International Settlements (BIS) and International Organization of Securities Commission (IOSCO) to standardise risk management frameworks for Systemically Important Payment Systems (SIPS) and these were formally adopted by the Bank 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 as a whole. The SIPS in Zambia include the Zambia Interbank Payment and Settlement System (ZIPSS) commonly referred to as the Real Time Gross Settlement System (RTGS), the Central Securities Depository (CSD) for Government Securities, the Direct Debit and Credit Clearing (DDACC), the Cheque Image Clearing (CIC) systems operated by the Zambia Electronic Clearing House Ltd (ZECHL) and the Central Securities Depository at the Lusaka Securities Exchange (LuSE). The ZIPSS and the CSD for government securities are operated by the Bank.

The publication of this report is intended to educate and inform the public on the developments in the payment systems landscape in Zambia and how the Bank conducts its oversight function over the National Payment System as guided by the National Payment Systems Act, of 2007, the Oversight Framework and the PFMIs. The Bank also continues to monitor new developments in the payment systems arena and whenever necessary to incorporate new ideas aimed at enhancing the performance of national payment systems in Zambia.



Governor's Statement

The year 2018 continued to see impressive changes in the National Payment Systems in Zambia. The payments landscape continued to change for the better as all payment streams with the exception of cheques recorded growth in value terms during the year under review. The shift away from cheques is expected to continue in view of the increasing adoption of digital methods of payment.

The observed trends in 2018 reflect consumer's changing payment preferences brought about by advances in technology and partly due to sensitisation campaigns undertaken by the Bank and other stakeholders to encourage consumers to adopt electronic means of payments. However, there are a good number of consumers who still use cash despite the disadvantages associated with it. The Bank will continue to pursue efforts aimed at encouraging more people to adopt usage of digital financial services in line with the National Financial Inclusion strategy.

It is also gratifying to note that the the National Financial Switch (NFS) went live in 2018 with the switching locally of ATM transactions. It is expected that the other modules of the NFS i.e the Point of Sale (POS) and mobile payments will be implemented in 2019. Once the NFS is fully operational, it will present enormous benefits for the country in so far as facilitating financial inclusion is concerned. The Bank's expectation is that commercial banks and other participants will continue to devote adequate resources to support the finalization of the NFS project.

In order to promote financial inclusion in the country, the Bank in 2018 issued directives on unwarranted fees and charges in the financial sector. This is expected to foster increased usage of financial services as they become more affordable.

Looking ahead, the Bank will continue to undertake measures aimed at ensuring a safe and efficient National Payment System. These measures will include:

- (i) Full implementation of the NFS project;
- (ii) Building cyber resilience in the financial sector;
- (iii) The Promotion of FinTechs for increased financial inclusion;
- (iv) Financial education and consumer protection

Lastly, the Bank will, in discharging its mandate, will continue to collaborate with various stakeholders who include other regulators, service providers and development organizations.

Denny Kalyalya (Dr)

GOVERNOR



Executive Summary

In line with developments in the payment systems landscape in many other jurisdictions, the Zambian payment system landscape also continued to record growth and experience changes since the previous year. This arose due to advances in technology which resulted in new product innovations, changing customer preferences and the push to ramp up financial inclusion through various interventions undertaken by the Bank and other key players in the payment systems market.

Overall, the systemically important payment systems which include the Zambia Interbank Payment and Settlement System (ZIPSS), the Cheque Image Clearing (CIC) and the Electronic Funds Transfers (EFTs/DDACC), all experienced increases in both the volumes and values of transactions recorded in 2018. The value of transactions increased by 21.0% to K1,040,411.6 million from K859, 683 million in 2017 while the volume of transactions increased by 9.0 % to 9,565,906 from 8,736,068 in 2017.

The increase in value of transactions in 2018 was mostly notable on the EFTs/DDACC which grew by 54% from the previous year largely attributed to increased adoption of electronic payment methods mainly due to changing customer preferences. Not surprisingly though, both the value and volumes of cheques processed on the Cheque Image Clearing system decreased by 41% to K12.42 billion in 2018 from K21.10 billion in 2017 while the volume of cheques cleared decreased by 13% to 2,040,530 from 2,346,707 in 2017. The shift away from cheques to electronic payments is expected to continue. As the use of the cheque declines, cost per-transaction incurred to support the cheque system will continue to rise and sooner than later, it is expected that more players will find it unattractive to continue using cheques.

The non-systemically important payment systems (NSIPS), which comprise the Automated Teller Machines (ATMs), Point of Sale (PoS), remittances and mobile payments also recorded an increase in both the value and volume of transactions. The value of transactions increased by 85% to K128,926.3 million from K69,529.6 million recorded in 2017, while the volume of transactions on the NSIPS increased by 122% to 671, 664 519 from 302, 843, 852 recorded in 2017. In 2018, domestic remittances and mobile money transactions recorded substantial growth with payment values growing by 340% and 205% respectively. The growth in mobile transactions is attributed to increased ownership of mobile phones which have made it easy for customers to conduct financial transactions. This growth is expected to continue. Furthermore, the PoS transactions recorded high growth of 68% in 2018 due to increased deployment of PoS terminals.

In 2018, the Bank commenced review of the National Payment System Act in order to align it with the SADC Model Law and new developments in payment systems to enhance the Bank's supervisory role. In this regard, the drafting of the layman's draft was completed and key proposals in the Bill were made.

The Bank also issued the National Payment Systems Directives on Electronic Money Issuance, 2018 whose key provisions included the following:

- a) Permitting customers to hold multiple wallets;
- b) Permitting both commercial banks and approved non-bank financial institutions to host Holding Accounts;
- c) Inclusion of specific guidance on the use of interest earned on the Holding Accounts;
- d) Provisions for consumer protection and the need for e-money institutions to have procedures for dealing with customer complaints; and
- e) Requirement for an e-money institution to hold customer funds at various commercial banks or non-bank financial institutions.

Another milestone for 2018 was the implementation of the ATM module of the first phase of the NFS which went live in September 2018, allowing ATM transactions to be switched locally. The Bank also undertook various activities in the year aimed at improving financial inclusion. Furthermore, the Bank following a review of commercial banks charges and fees, issued directives on the Prohibition of Unwarranted Charges and Fees in August 2018. This was done in order to protect consumers of financial services and products from being levied charges and fees considered unjustified.



In addition,, payment system businesses continued to come up with new products which contributed to enhanced customer experience.

Oversight activities continued during the year to ensure a safe, secure and efficient payment system. Another key focus in the year was ensuring the protection of consumers who in most cases are vulnerable due to a myriad of factors such as lack of financial knowledge, inadequate product knowledge, as well as the existence of fraudsters in the market place. To help protect consumers, the Bank continued to undertake sensitisation campaigns across the country to equip consumers with knowledge on how to avoid being defrauded. Consumer educational materials on basic precautionary measures were disseminated.

In 2018, the Bank introduced a new family of bank notes with enhanced security features. The aim of the enhancement was to protect the Zambian currency from counterfeiting by continually adopting new technology based security features that safeguard the integrity of the currency. Following the introduction of the new family of bank notes, the Bank in 2018 undertook sensitisation campaigns across the country to inform the public about the new notes and their security features.

The Bank of Zambia continued its engagements with various stakeholders during the year under review. These included engagements with the Securities and Exchange Commission (SEC), Pensions and Insurance Authority (PIA), Financial Sector Deepening Zambia (FSDZ), Rural Finance Expansion Project (RuFEP), Zambia Information and Communications Technology Authority (ZICTA), Alliance for Financial Inclusion (AFI), Southern Africa Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA) regional bodies.

In 2019, the Bank will continue to ensure enhancements to its oversight role to cope with the changing payments landscape to ensure that payment systems operate safely and efficiently.



1.0 INTRODUCTION

The report sets out developments in the National Payment Systems between January and December, 2018 in Zambia.

The payment systems landscape in Zambia continued to evolve in 2018 with the emergence of new players, products and services. The Bank as mandated under the National Payment Systems Act No. 1 of 2007, ensures that there is safety and efficiency of payment systems in Zambia. This role involves designating and overseeing payments, clearing and settlement systems. The National Payment systems play a critical role in the smooth running of the economy by facilitating the payments for goods and services, conducting financial investments and transfer of funds for economic agents.



2.0 DEVELOPMENTS AND TRENDS IN INTERNATIONAL PAYMENT SYSTEMS

The World Payments Report, 2018 , indicates that globally, non cash transactions have continued to grow with major growth being noted in Emerging Asia and Central Europe, Middle East and Africa. Notable among the non cash transactions are electronic wallet (e-wallet) products which have been the fastest growing with volumes of transactions estimated at 41.8 billion and accounting for 8.6% of global non cash transactions. The noted trends are partly premised on the efforts by most countries to increase financial inclusion through the adoption of digital financial services, in particular mobile money payments. Amongst these countries ,India, China and South Africa have been the major contributors to the growth of non cash payments while growth in mature economies such as North America and Europe remained stable.

The report also notes that non cash transactions are projected to increase at a compound annual growth rate (CAGR) of 12.7% globally while emerging markets are projected to grow at 21.6% during the period 2016 to 2021. Emerging economies which currently account for about a third of non cash payments will account for almost half of non-cash transactions by 2021.

Non cash transactions were largely conducted through payment Applications (Apps) or e-wallets. Transactions conducted through payment Apps or e-wallets accounted for 71% of all non cash transactions. The growth in their popularity is inter alia due to several factors which include the high mobile phone penetration rates, increased use of smart phones and reduced cost of data.

In terms of key regulatory and industry Initiatives, standardization took centre stage as opposed to the focus on innovation and modernization, which was the focus in the period 2015 to 2017. The report notes that key regulatory and industry initiatives seem to take a cyclical path from standardization to innovation and back. The review period has also witnessed a growing trend towards increased collaboration in regulatory matters as well as industry initiatives in an effort to ensure global standardisation. This calls for the need to align industry standards across different regions to allow for maximum benefits from innovations driven by big technology companies. Another notable trend over the review period among regulators from different regions is the enhancement of their regulatory environments through improved industry standards, governance and introduction of new supervisory measures to improve the oversight of new players in the payments industry.

It is also noteworthy that several regulatory and industry initiatives have emerged across different regions which will need standardizing and will require harmonization to achieve interoperability that will help to address the fragmented payment systems landscape.



3.0 DEVELOPMENTS IN THE ZAMBIAN NATIONAL PAYMENT SYSTEMS

The Bank continued to review laws, regulations and policies, as well as implement new measures to strengthen its oversight role and ensuring that an enabling regulatory environment that promotes a safe and efficient national payment system exists in the country.

3.1 Developments in the Regulatory Environment

The section below highlights developments related to changes in the regulatory environment in 2018.

3.1.1 Review of the National Payment System Act

In 2018, the Bank continued with work on the review of the National Payment System Act. The review which is aimed at aligning the National Payment Systems Act with the SADC Model Law and new developments in payment systems is important to enhance the Bank's supervisory role. The preparation of the layman draft of the National Payment System bill was completed and key thematic areas that are new in the proposed Bill relate to the following:

- Improved clarity over the mandate of the Bank of Zambia over payment systems;
- Separation of licensing requirements and designation of payment systems;
- Detailed corporate governance arrangements for payment systems;
- Inclusion of detailed provisions on consumer protection;
- Introduction of provisions related to electronic money and related transactions; and
- Introduction of the principle of regulatory sandboxes to accommodate appropriate regulations for the enhancement of innovations.

The revision of the National Payment Systems Act is expected to be concluded in 2019.

3.1.2 The National Payment Systems Directives on Electronic Money Issuance, 2018

The Bank revised the National Payment Systems Directives on Electronic Money Issuance. The key changes to the directives included the following:

- i. Permitting customers to hold multiple wallets; ;
- ii. Permitting both commercial banks and approved non-bank financial institutions to host Holding Accounts;
- iii. Inclusion of specific guidance on the use of interest earned on the Holding Accounts;
- iv. Provisions for consumer protection and the need for e-money institutions to have procedures for dealing with customer complaints; and
- v. Requirement for an e-money institution to hold customer funds at various commercial banks or non-bank financial institutions.

3.1.3 National Financial Switch

The Zambia Electronic Clearing House Limited (ZECHL), continued to undertake activities related to the implementation of the National Financial Switch (NFS). The first module of phase 1 of the NFS project involving Automated Teller Machines (ATMs) went live on 23rd September 2018. However, progress on the second module on Point of Sale (PoS) functionality, was not



completed and is planned to go live in 2019. Further, the NFS project team commenced the development of participation rules for phase two of the NFS which will facilitate for processing of mobile payments.

3.1.4 Prohibition of Unwarranted Bank Charges and Fees

In line with its mandate of ensuring sound business practices and providing consumer protection in the financial sector, the bank undertook a review of the charges and fees levied on customers by commercial banks. Following the review of the charges and fees, the Bank issued directives on the Prohibition of Unwarranted Charges and Fees in August 2018 which came into effect on 4th September 2018.

3.2 Banking Services to Government and Commercial Banks

The Bank in its role, as the banker to Government and commercial banks, continued to facilitate receipt and transmission of payments on behalf of the Government and the commercial banks..

The Bank continued to support the Ministry of Finance in migrating Ministries, Provinces and Spending Agencies (MPSAs) onto the Treasury Single Account (TSA). In the year under review, 14 MPSAs were migrated, bringing the total number of migrated MPSAs to 58.

The Bank closely monitored commercial banks' current accounts to ensure that all processed transactions settled on time. In general, commercial banks operated current accounts in a satisfactory manner, with most transactions settled on time. However, there were transactions that were not settled on time due to insufficient funds on settlement accounts.

Further, the Bank provided liquidity support to commercial banks in the form of intraday and overnight loan facilities in order to ensure the smooth functioning of the national payment system. As a result, fourteen (14) commercial banks accessed intraday loan facility (ILF) compared to ten (10) in 2017 while, eleven (11) commercial banks utilised the overnight loan facility (OLF) compared to 14 banks in 2017.

3.3 Designation of payment system participants and businesses

During the year 2018, the Bank granted designations to three institutions namely; Zambia Industrial Commercial Bank (ZICB), Virtual Space Zambia Limited and Zazu Africa Limited. ZICB was designated as a payment system participant on the Real Time Gross Settlement (RTGS) system, electronic funds transfers (EFTs) and Cheque Image Clearing. Virtual Space Zambia Limited and Zazu Africa Limited were designated to provide electronic-money services.



4.0 PAYMENT SYSTEMS OVERSIGHT ACTIVITIES AND RISK ASSESSMENT

The Bank's payment systems oversight activities are guided by the National Payment Systems Act of 2007 and the Principles for Financial Market Infrastructure (PFMIs). Below is a summary of the oversight activities undertaken in the year 2018:

4.1 Offsite Analysis of Monthly Returns

The Bank continued to conduct offsite analysis of monthly returns submitted by designated entities. The returns contain information which includes the values and volumes of transactions processed from different payment streams, access points, accounts and amounts held in trust accounts and system availability. The returns were analysed and various reports generated to inform policy decisions made by the Bank during the year.

4.2 Risk Assessment

A key objective of the Payment Systems oversight function is to ensure that systemically important payment systems (SIPS) operate in a safe, secure and efficient environment. The smooth operation of SIPS is critical because failure of any one of them has potential to negatively impact the economy. In this regard, the Bank continued to monitor various risks affecting payment systems which include operational risk, credit risk, settlement risk, liquidity risk and legal risk in line with the Principles For Financial Market Infrastructures (PFMIs). Self assessments against the PFMIs were conducted during the year under review for the FMIs based at the Bank of Zambia namely the Real time Gross Settlement (RTGS) and the Central Securities Depository (CSD).



5.0 PERFORMANCE OF THE VARIOUS PAYMENT SYSTEM STREAMS

Overall, both the systemically important payment systems and non systemically important payment systems recorded growth in values and volumes of transactions in 2018. The growth in both value and volume of transactions was 26% and 119% respectively. The tables below show a comparative analysis of the values and volumes in the SIPS and NSIPS between the years 2017 and 2018. A detailed analysis of the various payment streams is provided in later sections.

Table 3: Comparative Analysis of Transaction Values for the Various Payment Streams(2018/2017), K'millions

Payment Stream	2018	2017	%Change	Proportion (%)
ZIPSS	968,306.00	799,745.0	21	83
EFT	59,689.04	38,863.58	54	5
CIC	12,416.61	21,075.60	- 41	1
SIPS Totals*	1,040,411.65	859,684.18	21	89
ATMs	45,582.48	42,113.65	8	4
POS	13,459.27	8,008.17	68	1
Remittances	47,692.95	12,120.02	294	4
Mobile	22,191.56	7,287.74	205	2
NSIPS Total**	128,926.26	69,529.58	85	11
Grand Total	1,169,337.91	929,213.76	26	100

*Systemically Important Payment Systems

** Non-Systemically Important Payment Systems

Table 4: Comparative Analysis of the Transaction Volumes for the Various Payment Streams (2018/2017)

Payment Stream	2018	2017	%Change	Proportion (%)
ZIPSS	573,071	493,964	16	0.1
EFT	6,952,305	5,895,397	18	1.0
CIC	2,040,530	2,346,707	- 13	0.3
SIPS Total*	9,565,906	8,736,068	9	1.4
ATMs	44,726,867	49,726,580	- 10	6.6
POS	18,409,724	12,193,060	51	2.7
Remittances	304,572,685	68,494,302	345	44.7
Mobile	303,955,243	172,429,910	76	44.6
NSIPS Total**	671,664,519	302,843,852	122	98.6
Grand Total	681,230,425	311,579,920	119	100

5.1 Currency in Circulation

As at 31st December 2018, currency in circulation (CIC) stood at ZMW 8,194. 5million out of which banknotes accounted for 98% (ZMW7,987 million) while coins contributed 2% (ZMW207 million). This represents an overall increase of 12% from ZMW7,315.3 million reported in December 2017. The currency in circulation in 2018 was 3% of GDP compared to 2.6% in 2017.



Table 5 : Currency in Circulation 2016 – 2018

	Values (ZMW)			Pieces		
	2016	2017	2018	2016	2017	2018
K100	4,631,055,100	5,067,826,250	5,266,779,300	46,310,551	50,678,263	52,667,793
K50	1,165,800,850	1,542,082,350	2,159,563,300	23,316,017	30,841,647	43,191,266
K20	278,325,730	292,698,310	281,913,660	13,916,287	14,634,916	14,095,683
K10	126,280,450	114,708,430	108,725,660	12,628,045	11,470,843	10,872,566
K5	77,851,669	89,100,491	120,835,505	15,570,334	17,820,098	24,167,101
K2	38,666,312	28,171,396	49,173,344	19,333,156	14,085,698	24,586,672
K1	73,951,556	103,121,024	132,235,024	73,951,556	103,121,024	132,235,024
50N	48,358,940	63,570,027	63,123,927	96,717,879	127,140,054	126,247,854
10N	7,609,240	10,261,272	8,452,672	76,092,405	102,612,720	84,526,724
5N	3,618,425	3,800,360	3,722,859	72,368,502	76,007,203	74,457,189
Total	6,451,518,271	7,315,339,909	8,194,525,251	450,204,730	548,412,464	587,047,871

5.1.1 Launch of New Banknotes

The Bank launched new banknotes in 2018 with enhanced security features to strengthen their security and facilitate their verification by the public. The following are the new features:

i. K20, K50 and K100 denominations

- A new security feature called SPARKLIVE has been incorporated in the figure on the lower right hand side to further shield these banknotes from being counterfeited. This security feature will exhibit three overt visual characteristics i.e. color- shift properties, optical brightness and dynamic light effects.
- A 5mm optically visible four window security thread with micro optical dynamic effects has replaced the hologram on the three denominations.
- The 'birds in flight' feature has shifted from the right edge of the back of the banknote to the left edge
- "The tactile mark" for the visually impaired have now been put on both edges of the banknotes to enhance tactility or the feel effect.

ii. K10 denomination

- A new security four-windowed thread will replace the hologram on the front of the banknote.
- Tactile marks for the visually impaired have been put on both edges of the banknote to enhance tactility.

iii. K2 and K5 denominations

- Different images (dove, text K2 and K5) appear as a new glossy varnish with a blind embossing for ease of identification.
- Tactile marks for the visually impaired have been put on both edges of the banknotes to enhance tactility.

All other features on the banknotes will remain the same and the existing banknotes will co-circulate with the upgraded banknotes. Following the launch of new bank notes, the Bank conducted country-wide currency sensitization campaigns to educate the public on the new



security features, proper storage and handling of banknotes and the need to return all unfit currency through the banking system.

5.1.2. New Currency Issued into Circulation

The Bank issued 130.9 million pieces of banknotes and coins valued at K3.3 billion into circulation in 2018 compared to 137.9 million pieces valued at K4.5 billion in 2017. The highest proportion of currency issued was in high value banknotes of K100 (39.1%) and K50 (45.3%). The middle value (K10 and K20) and low value (K2 and K5) banknotes both accounted for 15.0% while coins accounted for 0.6% (Figure 1 and Table 6).

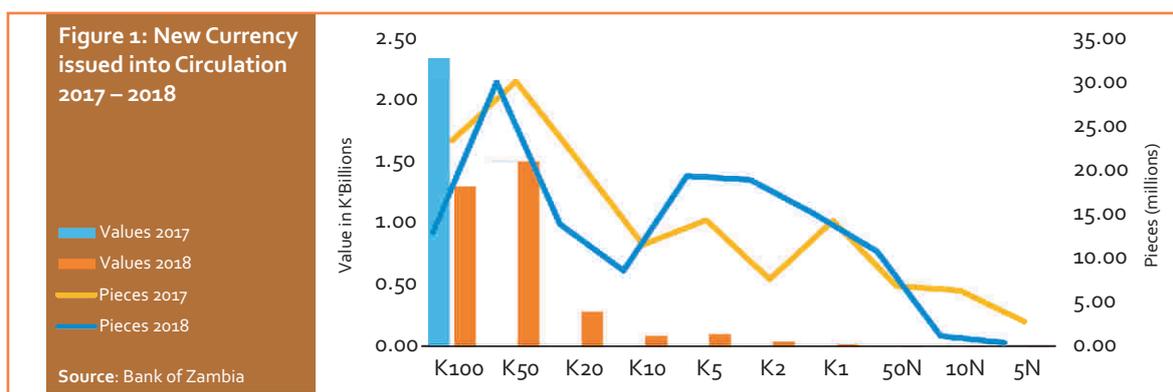


Table 6: New Currency Issued 2016 - 2018

	Values (ZMW)			Pieces		
	2016	2017	2018	2016	2017	2018
K100	2,505,800,000	2,335,400,000	1,296,800,000	25,058,000	23,354,000	12,968,000
K50	1,010,500,000	1,503,500,000	1,500,750,000	20,210,000	30,070,000	30,015,000
K20	354,590,000	418,330,000	277,140,000	17,729,500	20,916,500	13,857,000
K10	140,300,000	115,100,000	85,490,000	14,030,000	11,510,000	8,549,000
K5	64,825,000	71,400,000	96,745,000	12,965,000	14,280,000	19,349,000
K2	37,154,000	15,222,000	37,804,000	18,577,000	7,611,000	18,902,000
K1	16,982,000	14,223,000	15,071,000	16,982,000	14,223,000	15,071,000
50N	10,415,500	3,404,000	5,359,000	20,831,000	6,808,000	10,718,000
10N	905,800	631,700	110,900	9,058,000	6,317,000	1,109,000
5N	384,250	140,050	7,600	7,685,000	2,801,000	352,000
Total	4,141,856,550	4,477,350,750	3,315,287,500	163,125,500	137,890,500	130,890,000

5.1.3 Withdrawal of Unfit Banknotes

The Bank withdrew a total of 82.3 million pieces of unfit banknotes valued at K3.1 billion from circulation in 2018 compared to 103.9 million pieces valued at K3.6 billion in 2017. The bulk of the currency withdrawn was in high value banknotes (K100 and K50) which accounted for 85.1% (Figure 2 and Table 7).



Figure 2: Currency Withdrawn from Circulation, 2017 – 2018

■ Values 2017
■ Values 2018
— Pieces 2017
— Pieces 2018

Source: Bank of Zambia

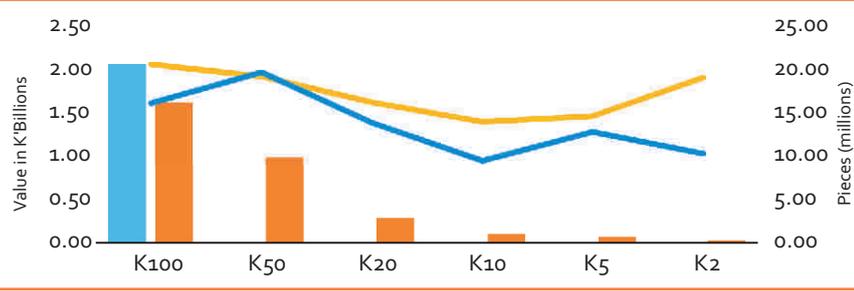


Table 7: Currency Withdrawn from Circulation, 2016 – 2018

	Values (ZMW)			Pieces		
	2016	2017	2018	2016	2017	2018
K100	959,764,700	2,061,198,400	1,615,045,300	9,597,647	20,611,984	16,150,453
K50	826,106,525	962,254,300	985,543,200	16,522,131	19,245,086	19,710,864
K20	300,557,370	325,185,800	277,468,600	15,027,869	16,259,290	13,873,430
K10	148,583,665	140,024,050	94,645,000	14,858,367	14,002,405	9,464,500
K5	85,118,758	73,303,155	63,968,500	17,023,752	14,660,631	12,793,700
K2	60,012,838	38,212,164	20,551,000	30,006,419	19,106,082	10,275,500
Total	2,380,143,856	3,600,177,869	3,057,221,600	103,036,183	103,885,478	82,268,447

5.2 Systemically Important Payment Systems (SIPS)

Overall, the systemically important payment systems namely; the Zambia Interbank Payment and Settlement System (ZIPSS), the Cheque Image Clearing (CIC) system and the Electronic Funds Transfers (EFTs) system experienced an increase in both values and volumes of transactions. The value of SIPS transactions increased by 21.0% to K1,040,411.6 million from K859, 683 million in 2017 while the volume of transactions increased by 9.0 % to 9,565,906 from 8,736,068 in 2017.

The increase in value of transactions in 2018 was mostly notable on the EFTs which grew by 54% from the previous year partly attributed to increased adoption of electronic payment methods. On the other hand, there was a notable reduction in the values and volumes processed through the CIC payment stream of 41% and 13% respectively.

The ZIPSS continued to dominate in terms of the value of payments processed accounting for 83% of total payments of the systemically important payment systems.

Table 4: Systemically Important Payment Systems (SIPS)

Payment Stream	2018		2017		% Change (Volumes)	% Change (Values)
	Volumes	Values K' millions	Volumes	Values K' millions		
ZIPSS	573,071	968,306	493,964	799,745	16	21
CIC	2,040,530	12,417	2,346,707	21,076	(13)	(41)
EFTs/DDACC	6,952,305	59,689	5,895,397	38,864	18	54
TOTAL	9,565,906	1,040,412	8,736,068	859,684	9	21

5.2.1 Zambian Interbank Payment and Settlement System (ZIPSS)

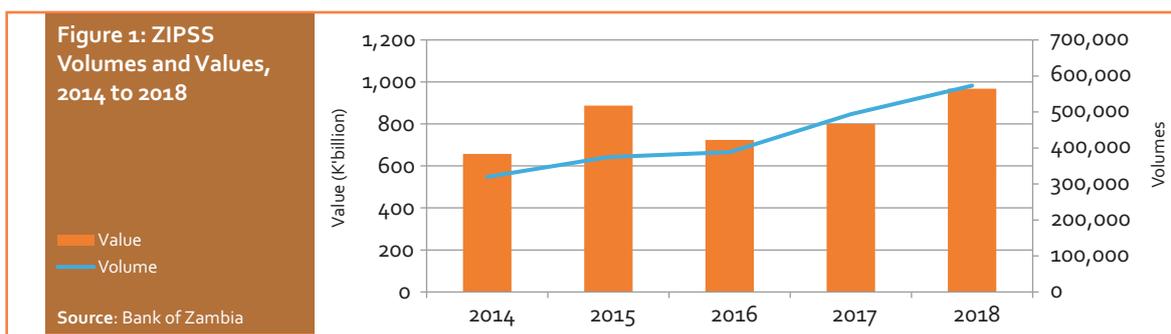
The ZIPSS continued to operate satisfactorily in the year under review. The system's availability remained high at 99.1% compared to 98.3% reported in 2017. The downtime recorded was



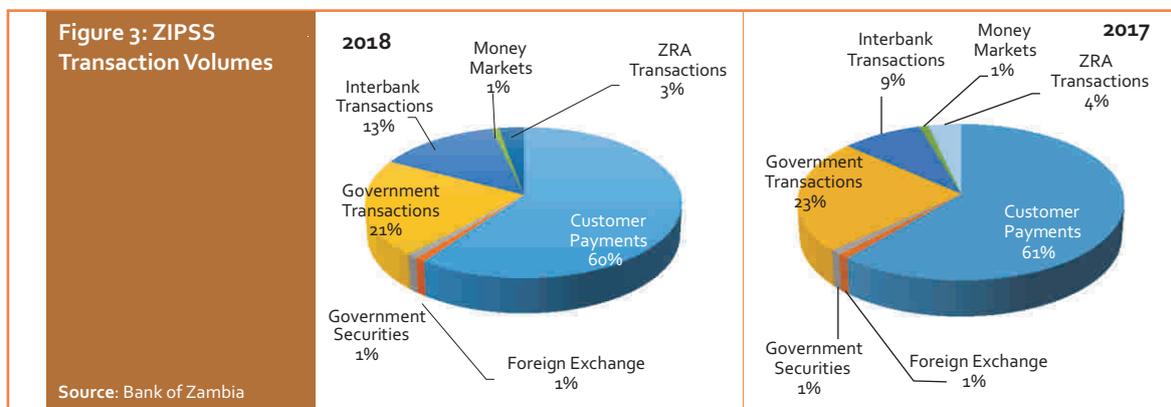
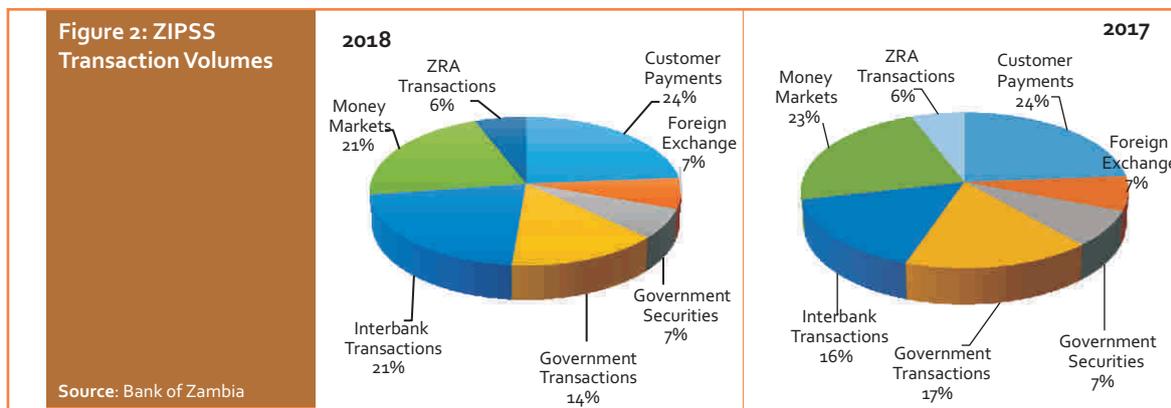
mainly due to technical challenges experienced on the system towards the end of the year.

The volume of transactions processed on ZIPSS increased by 16.0% to 573,071 transactions in 2018 from 493,964 transactions in 2017. The increase in the volume of processed transactions was mainly due to increased interbank transactions among participating commercial banks. Similarly, the value of transactions processed on ZIPSS rose by 21.0% to K968,306.0 million in 2018 from 799,745 in 2017 as shown above.

The value of ZIPSS transactions in 2018 as a proportion of GDP increased to 357% from 325% in 2017.



The transaction values of the ZIPSS by payment type are as depicted in figure 2 below while transaction volumes by payment type are depicted in figure 2



5.2.2 Lusaka Securities Exchange

The transaction value of net settlement obligations for Lusaka Securities Exchange (LuSE) processed on ZIPSS increased to K6.84 million in 2018 from K0.72 million the previous year. On



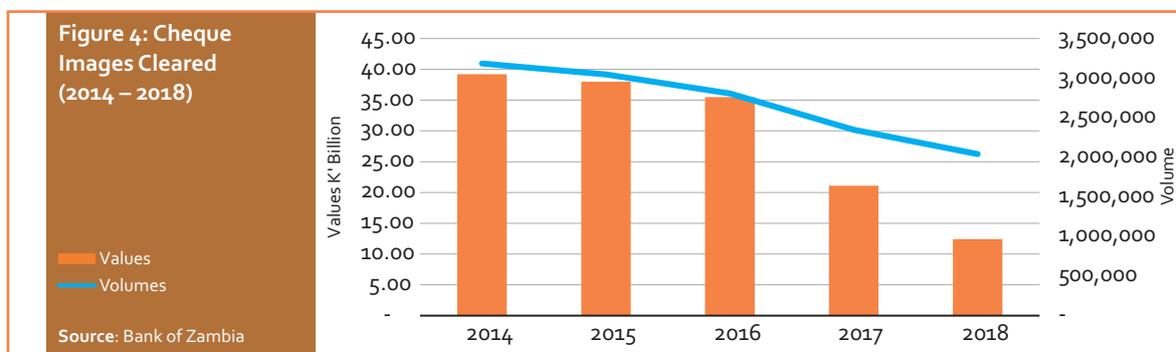
the other hand, the total number of settlement instructions decreased by 16.4% to 56 in 2018 from 67 in the previous year.

5.2.3 The Zambia Electronic Clearing House (ZECHL)

5.2.3.1 Cheque Image Clearing System

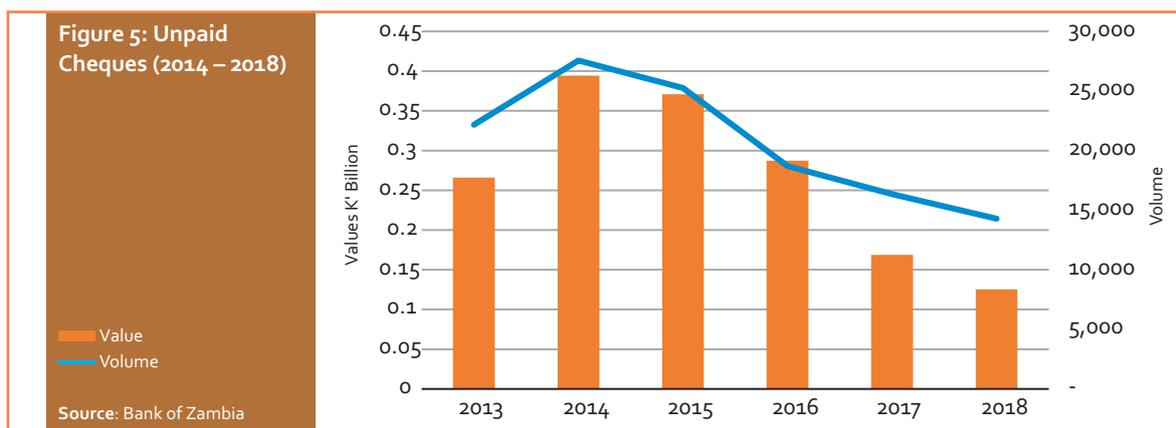
The value of cheques cleared through the Cheque Image Clearing system decreased by 41% to K12.42 billion in 2018 from K21.10 billion in 2017. Similarly the volume of cheques cleared decreased by 13% to 2,040,530 from 2,346,707 in 2017. The value of cheques cleared as a proportion of GDP declined to 4.6% in 2018 from 8.6% in 2017.

The significant reduction in the value and volume of cheques cleared in the period under review were partly due to the adoption of electronic payment methods. Figure 4 below depicts the trend in cheque images cleared from 2014 to 2018.



Cheques Returned Unpaid on Account of Insufficient Funds

The volume of cheques returned unpaid due to insufficient funds decreased by 13.0% to 14,285 in 2018 from 16,342 in 2017, while the value decreased by 26% to K0.13 billion in 2018 from K0.17 billion in 2017. (Figure 5). This was due to the decreased usage of cheques during the period under review as highlighted above.



5.2.3.2 Electronic Funds Transfer System (EFTs)

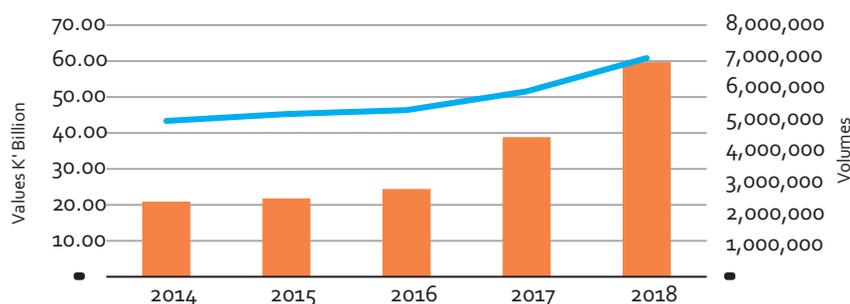
The value of transactions processed on the Electronic Funds Transfer (EFT) Clearing System increased by 54% to K59.7 billion in 2018 (2017; K38.9 billion) while the volume of transactions grew by 18% to 6,952,305 (2017: 5,895,397). The increase in the value of EFTs processed during 2018 was due to measures undertaken by the Bank to promote electronic payment methods. The value of transactions processed through EFTs/DDACC as a proportion of GDP increased to 22% compared to 15.8% in 2017.



Figure 6: Volumes and Values of Electronic Funds Transfers Processed (2014 – 2018)

— Values
— Volumes

Source: Bank of Zambia



5.3 Non-Systemically Important Payment Systems

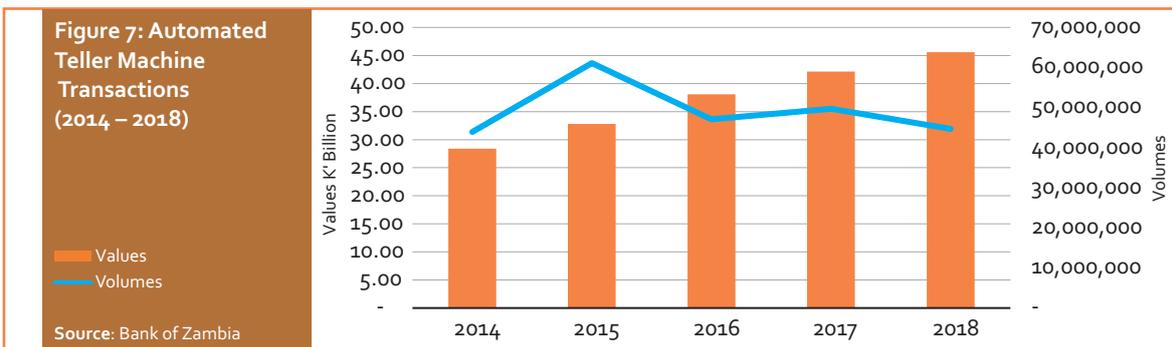
The non-systemically important payment systems, namely, the Automated Teller Machines (ATMs), Point of Sale (POS), remittances and mobile payments recorded an increase in both the value and volume of transactions. The value of transactions increased by 85% to K128,926.3 million from K69,529.6 million recorded in 2017 while the volume of transactions processed through the NSIPs increased by 122% to 671, 664 519 from 302, 843, 852 processed in 2017. Domestic remittances and mobile money transactions recorded substantial growth in 2018 with payment values growing by 340% and 205% respectively. POS transactions also recorded high growth of 68% in 2018. The significant rise in the value and volume of transactions for PoS was mainly due to increased deployment of PoS terminals by commercial banks as well as promotion of the usage of electronic payment methods. The number of PoS terminals increased to 13,090 in 2018 from 12,522 in 2017.

Table 5: Non Systemically Important Payment Systems (NSIPs)

	2018		2017		Change (%) Volumes	Change (%) Values
	Volumes (000s)	Values (K'000)	Volumes (000s)	Values (K'000s)		
Remittances (Domestic)	303,729	45,539,467	67,761	10,336,142	348	340
Remittances (International)	844	2,153,487	733	1,783,874	15	21
ATM	44,727	45,582,482	49,727	42,113,654	(10)	8
POS	18,410	13,459,269	12,193	8,008,168	51	68
Mobile Payments	303,955	22,191,566	172,430	7,287,745	76	205
Total	671,665	128,926,271	302,844	69,529,583	122	85

5.3.1 Automated Teller Machines (ATMs) Transactions

The value of transactions processed on the Automated Teller Machines (ATMs) increased by 8% to K45.6 billion from K42.1 billion in 2017 while the number of transactions on the other hand decreased by 10% to 44,726, 867 in 2018 from 49,726,226 in 2017. The value of transactions processed at ATMs as a proportion of GDP decreased to 16.8% compared to 17.1% in 2017. The increase in the value of transactions was partly due to the rise in the number of cards issued to customers by 8.0% to 3,492,750 in 2018 from 3,234,637 in 2017.



5.3.1.1 Number of ATM Machines

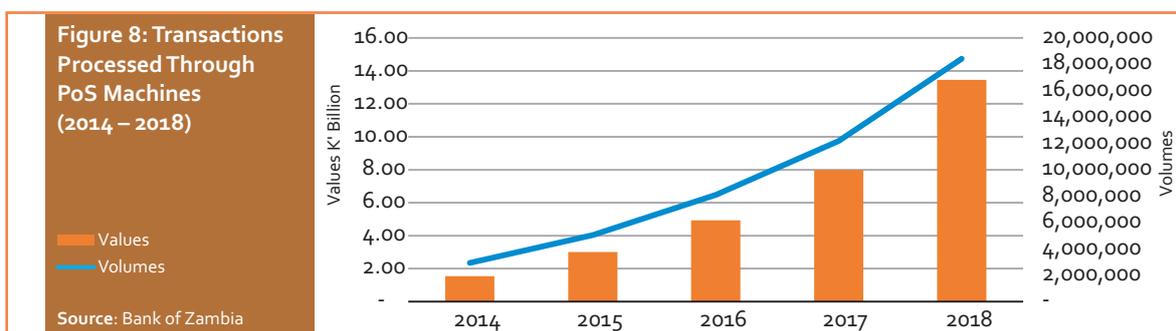
The number of ATM machines increased by 3.6% to 1,104 in 2018 from 1,066 recorded in 2017. Lusaka and the Copperbelt provinces had the majority of ATM machines with 46% (2017: 43%) and 25% (2017: 26%) respectively, followed by Southern Province with 8%.(2017: 8%).

5.3.1.2 Number of Cards Issued

The total number of cards in circulation as at end December 2018 increased by 8.7% to 3,556,480 from 3,272,713 as at end December 2017. Of these, the number of debit cards issued were 2,421,065 while the number of credit and prepaid cards in issue were 7,027 and 1,128,388 respectively.

5.3.2 Point of Sale Machine Transactions

The volume of transactions processed on the Point of Sale (PoS) terminals increased by 51% to 18,409,724 in 2018 from 12,193,060 in 2017. The value of transactions processed on the PoS terminals increased by 68% to K13.5 billion in 2018 from K8.0 billion recorded in 2017 (Figure 8). The significant rise in the volume and value of transactions was mainly due to increased deployment of PoS terminals and promotion of the usage of electronic payment methods. The number of PoS terminals increased to 13,090 in 2018 from 12,522 in 2017. In terms of payments processed by card type, debit cards recorded the highest increase in both the volume and value and of transactions processed at 54% and 76% respectively.



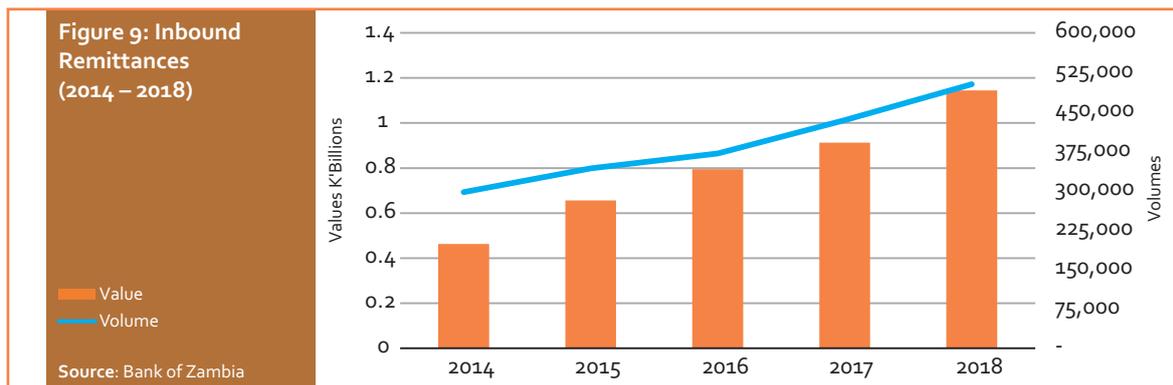
5.3.3 Remittances (Money Transfer Transactions)

The remittances market continued to record growth in both values and volumes of transactions during the period under review. The transaction values increased by 294% to K47,692 million from K12,120 million in 2017. Similarly, the volume of transactions processed increased by 345% to 304,572,685 from 68,494,302 transactions recorded in 2017. The increase was mostly notable in the local money transmission services which increased by 340% and 348% in value and volume of transactions respectively.



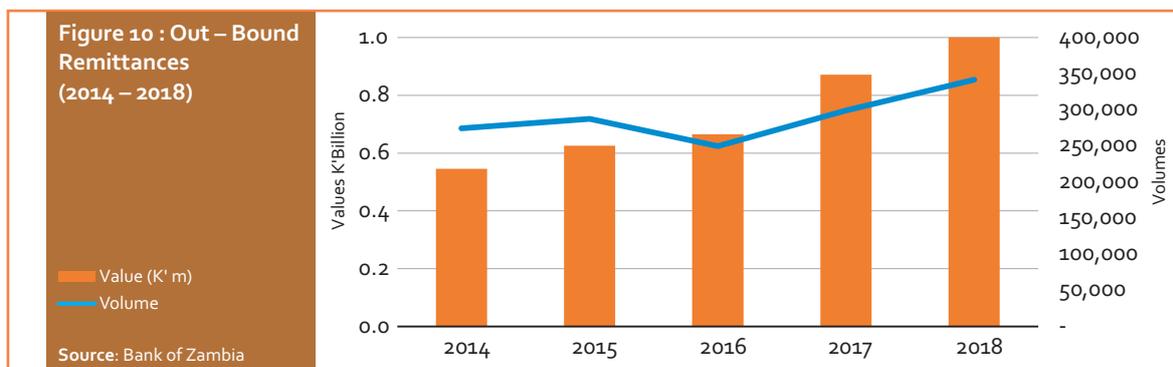
5.3.3.1 Inbound International Remittances

The volume of in-bound international remittances increased by 16% to 502,368 in 2018 from 434,122 transactions in 2017 while the value rose by 25% to K1,144.5 million from K913 million in 2017. This was largely a result of the increase in remittances by Zambians living abroad. The United States of America, the United Kingdom and Canada dominated the source countries. The values of inbound remittances as a proportion of GDP was 0.42% as in 2018 compared to 0.37 in 2017. .



5.3.3.2 Outbound International Remittances

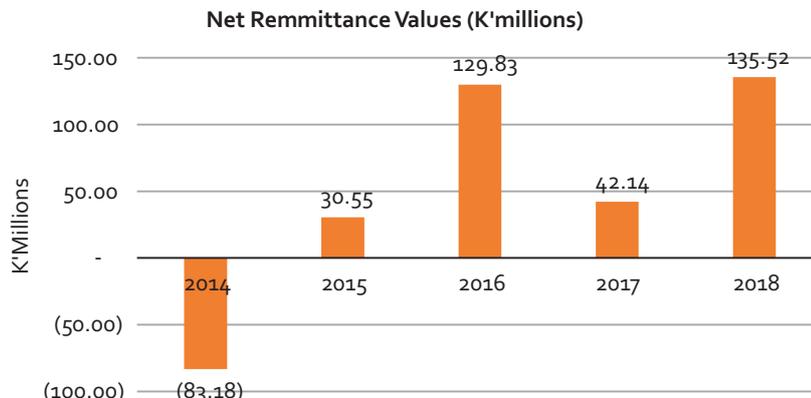
The value of out-bound international remittances increased by 16% to K 1,008.98 million in 2018 from K870.9 million in 2017 while the volume of transactions increased by 14% to 341,474 (2017: 298,978). This was mainly due to an increase in trade remittances to China, Tanzania and South Africa.



Zambia continued to be a net receiver of funds amounting to K135.52 million (2017: K42.14 million) as highlighted in the table below.



Figure 11 : Net Remittances (2014 – 2018)

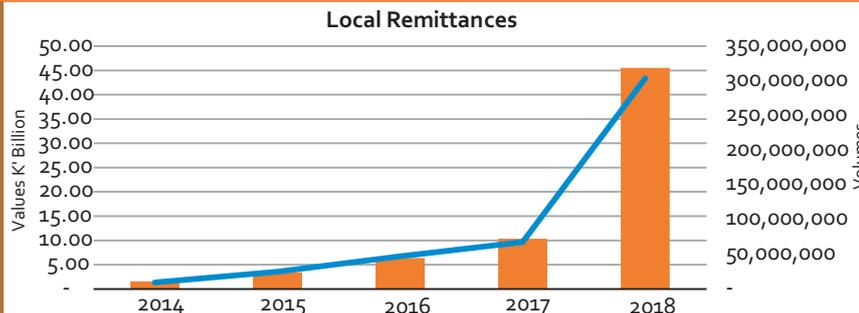


Source: Bank of Zambia

5.3.4 Local Remittances

The value of local remittances grew by 341% to K45, 539 million from K10,336 million in 2017. The volume of transactions increased by 348% to 303, 728,843 from 67,761,202 recorded in 2017. The increase in both value and volumes was on account of growth of mobile based transactions. Local remittances as a proportion of GDP increased to 16.8% in 2018 from 4.2% in 2017.

Figure 12: Local Remittances (2014 – 2018)

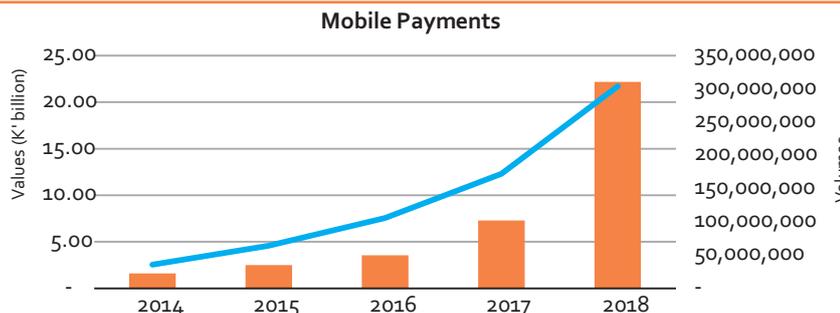


Source: Bank of Zambia

5.3.5 Mobile Money Transactions

The value of transactions processed on the mobile money platform increased by 205% to K22.19 billion (2017; K7.29 billion) whereas the volume of transactions increased by 76% to 303, 955, 243 (2017; 172,429,556). The increase in both value and volume of transactions can be attributed to the rise in the number of users of mobile money for the payment of bills and funds transfers. The number of active users for mobile payments increased by 137% to 3,443, 973 (2017: 1,450,533). The value of mobile payments as a proportion of GDP increased to 8.2% from 3% in 2017.

Figure 13: Mobile Money Transactions (2014 – 2018)



Source: Bank of Zambia



5.3.6 Mobile Money Subscribers versus Mobile Phone Subscribers

In 2018, Mobile Money Operators (i.e. Airtel, MTN, Zamtel) reported an increase of 19% in the total number of mobile money subscribers to 13,910,712 from 11,704,822 in 2017 out of which 3,443,973 (2017: 1,450,533) were active mobile money subscribers. This movement represents an increase of 137% in the number of active subscribers from the previous year. Active wallets, that had customer initiated transactions in the last 90 days constituted 40% of total number of registered mobile phone subscribers

Table 7: Mobile Money Subscribers versus Active Mobile Money Subscribers

	% Change (2018/2017)	2018	2017	2016
Number of Mobile Money Subscribers	19%	13,910,712	11,704,822	6,377,087
Number of Active Mobile Money Subscribers	137%	3,443,973	1,450,533	521,098

5.3.7 Cross Border Mobile Payments

Cross border mobile money payments aggregate value and volume of transactions recorded in 2018 increased by 88.3% to K46.5 million from K24.7 million in 2017 while the volume increased by 16.6% to 38,787 from 33,276 in 2017..

5.3.8 Regional Crossborder Payments

In 2018, the number of payments processed on the SADC Integrated Regional Electronic Settlement System (SIRESS) by commercial banks was 20,008 (2017: 21,716) representing ZAR5,723.9 million (2017: ZAR5,688.4 million) in value. The value of incoming receipts during the year under review was ZAR5,716.0 million (2017: ZAR5,432.2 million) representing 6,942 transactions (2017: 6,948 transactions). On a net basis, Zambia paid out ZAR7.9 million in 2018 compared to net payer of ZAR256.3 million in 2017. For the overall SADC region, a total of ZAR1,272358.5 million was processed on the SIRESS in 2018 compared to ZAR1, 240,084.1 million in 2017.

The value and volume of transactions processed on the COMESA REPS system increased considerably during the year under review. The value of incoming payments increased from US\$0.25 million in 2017 to US\$11.1 million in 2018. Similarly the volume of incoming payments also increased from a single transaction in the previous year to 110 transactions in 2018. The increase is a signal of increased adoption of the COMESA REPS system for cross border transactions, especially for countries outside the SADC. For instance, all the above payments were all made from Kenya.



6.0 FINANCIAL INCLUSION AND CONSUMER PROTECTION

This chapter reviews the activities on financial inclusion and consumer protection undertaken in 2018.

According to the Finscope survey of 2015, the Zambian population that is financially included was 59.3% compared to 37.3% in 2009. The adult population still financially excluded is therefore still high at 40.7%. Key players on the promotion of financial inclusion in Zambia on the supply side included commercial banks and their agents, non bank financial institutions and their agents, mobile money operators and agents among others. Customers accessed their services through various access points which are highlighted in the table below.

Table 8: Selected Highlights of Financial Services Access Points

Type of Access Point	2016	2017	2018
Point of Sale (POS) Terminals	9,356	12,522	13,090
Number of Automated Teller Machines (ATMs)	1,045	1,066	1,104
Bank Branches	408	410	372
Active Mobile Money Agents	8,043	10,577	35,066

6.1 Financial Inclusion

The bank undertook a number of activities in the year aimed at promoting financial inclusion and some of the initiatives included the following:

- i. Revision of the National Payment Systems Directives on Electronic Money Issuance to include provisions aimed at making it possible for parents or guardians to open electronic wallets for minors and strengthening the protection of customers;
- ii. Continued work on the implementation of the National Switch which will ensure interoperability of digital payments across various payment platforms throughout the country. This is expected to contribute to the increase in access and usage of financial services; and
- iii. The Bank also continued to undertake financial education campaigns on the promotion of the usage of digital financial services and educating consumers on some precautionary measures they need to be aware of to safeguard their transactions.

6.2 Consumer Protection

In 2018, the Bank reviewed charges and fees for payment service providers to identify charges and fees that were deemed unwarranted and therefore negatively affecting customers. The result of the exercise was the issuance of directives on the Prohibition of Unwarranted Charges and Fees in August 2018. The directives were aimed at protecting customers against paying fees and charges deemed unwarranted by the Bank. For a long time, consumers have complained about the high level of charges on financial services and this measure was aimed at addressing such concerns.

Further, in an effort to mitigate risks that affected consumers of mobile money products, the Bank directed mobile money providers to enhance their risk management practices to safeguard consumers from unscrupulous individuals who were sending fraudulent text messages soliciting for funds to be sent to them. Mobile Money service providers were also urged to increase consumer awareness programs to advise consumers on safety tips in mobile money transactions to avoid being defrauded.



7.0 STAKEHOLDER ENGAGEMENTS

The Bank continued its engagements with various stakeholders during the year under review and below are some of the engagements undertaken with some selected stakeholders:

- i. Zambia Information Communications Technology Authority (ZICTA): The Bank continued to work closely with ZICTA on matters of common interest. One area of engagement was on addressing vulnerabilities noted on networks provided by mobile network operators. These vulnerabilities were affecting mobile money customers and working with ZICTA, MNOs were requested to address some noted weaknesses which had potential to negatively impact the drive to increase financial inclusion in the country;
- ii. Ministry of Finance, Ministry of Local Government: and Lusaka City Council : The Bank worked with the two ministries and the Lusaka City Council to address the problem of location of mobile money booths in Lusaka;
- iii. Financial Sector Deepening Zambia (FSDZ): The Bank continued to work closely with FSDZ on the formation of a Payment Systems Association and developing a framework for collecting of sex disaggregated data in collaboration with the Alliance for Financial Inclusion and the Rural Finance Expansion Programme (Rufep);
- iv. United Nations Capital Development Fund (UNCDF): The Bank continued to work closely with UNCDF on preparations for the implementation of the payment systems data automation project expected to commence in 2019; and
- v. Rural Finance Expansion Project (RuFEP): The Bank continued to undertake financial inclusion activities with funding support from RUFEP



8.0 REGIONAL AND INTERNATIONAL ENGAGEMENTS

The Bank continued its engagements on payment systems initiatives at the regional level as a member of the SADC Payment Systems Oversight Committee (PSOC). The bank participated in the development of a regional payment systems oversight framework which will provide for enhanced oversight activities and knowledge sharing. Further, the Bank continued to monitor activities on the COMESA Regional Electronic Settlement System (COMESA REPSS)

At international level, as a member of the Alliance for Financial Inclusion (AFI), a network of financial inclusion experts from various central banks, other financial regulators and institutions from the developing world, the Bank participated at the 2018 Global Policy Forum held in Sochi, Russia in September 2018. The forum focussed on showcasing the latest innovations in technology, progress made in the area of financial inclusion and the impact on financial access in particular on the deepened outreach to specific segments of the unbanked population especially the rural poor and women. Arising from the Sochi meeting, the Bank made a commitment to develop sandbox guidelines by 2020 to promote the growth of Fintechs for the promotion of financial inclusion.



9.0 CONCLUSION AND OUTLOOK FOR 2019

In 2019, the Bank will continue to ensure enhancements to its oversight role to cope with the changing payments landscape to ensure that payment systems operate safely and efficiently. The Bank will also continue to monitor developments in the market to safeguard public interest, and ensure safety and efficiency of the payment systems.

Further, the Bank will continue to focus on the implementation of the National Payments Systems Vision and Strategy document covering the period 2018 to 2022 which focuses on among others, the development of payments infrastructure to address issues of interoperability, financial inclusion and building resilience against cyber related attacks for the entire payment ecosystem.



APPENDICES: PAYMENT SYSTEMS STATISTICS

Appendix I: Consolidated Statistics

Currency in Circulation (2012 – 2018)

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

Values of Systemically Important Payment Systems (SIPS) (2012 – 2018)

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

Volumes of Systemically Important Payment Systems (SIPS) - (2012–2018)

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

Automated Teller Machines and Cards (2012 – 2018)

Year	No. of Automated Teller Machines (ATMs)	No. of ATM 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



Points of Sale Machines (2012 – 2018)

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

Remittances (2012 – 2018)

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	1144.5	341,474	1008.98	303,728,843	45,539.0	304,572,685	47,692.9

Mobile Payments (2012 – 2018)

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

Source: Bank of Zambia



Appendix II: Designated Entities as at 31 December 2018

DESIGNATED PAYMENT SYSTEMS

No.	Operator Institution	Payment system(s)	Date of Designation	Physical Address
1	Zambia Electronic Clearing House LTD	CIC/DDACC Clearing	Apr-08	COMESA Hse, 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	Bank of Zambia	ZIPSS/RTGS	Apr-08	Head Office, Cairo Road, Bank square, P O Box 30080

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	CIC, DDACC & ZIPSS/RTGS	Aug-11	Plot No. 7393, Chainda Place, Off Cairo Road, PO Box 38173, Lusaka, Zambia
2	ACCESS BANK	CIC, DDACC & ZIPSS/RTGS	Oct-08	Plot 682, Cairo Road Northend, Lusaka
3	ATLAS MARA	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot 746B, Atlas Mara House, Cnr Church & Nasser Road, PO Box 39501 Ridgeway
4	BANK OF CHINA	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 2339, Kabelenga Road, Po Box 34550
5	BARCLAYS BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 4644 Elunda Park, Cnr Tito Road & Nasser Road, Private bag E308, Lusaka
6	CAVMONT CAPITAL	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 2374, Thabo Mbeki Road, Po Box 38474 Lusaka
7	CITIBANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Citibank house, Plot No. 4646, Addis Ababa Roundabout, Cnr Chikwa / Nasser Rds, Po Box 30037
8	ECOBANK	CIC, DDACC & ZIPSS/RTGS	Dec-09	Stand No. 22768, Corner Great East / Thabo Mbeki Roads, Po Box 30705, Lusaka
9	FIRST ALLIANCE BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 627, Alliance House Cairo Road, Po Box 33959
10	FIRST CAPITAL BANK	CIC, DDACC & ZIPSS/RTGS	May-11	Kwacha Pension Hse Ground floor, plot No. 4604, Tito Rd of Church Rd
11	FIRST NATIONAL BANK	CIC, DDACC & ZIPSS/RTGS	Jun-09	Stand No. 22768, Corner Great East / Thabo Mbeki Roads, po box 36187, lusaka
12	INDO ZAMBIA BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 6907, Cairo Road, Po box 35411, Lusaka
13	INVESTTRUST BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 190286, Ody's Park, Great East Road, po box 32344, Lusaka
14	STANBIC BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 2375, Addis Ababa Drive, Rhodespark, po box 31955, Lusaka
15	STANDARD CHARTERED BANK	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot 108, Lusaka Chartered House Cairo Road
16	UNITED BANK FOR AFRICA	CIC, DDACC & ZIPSS/RTGS	Mar-10	Stand No. 22768, Corner Great East / Thabo Mbeki Roads
17	ZANACO	CIC, DDACC & ZIPSS/RTGS	Apr-08	Plot No. 33454, Cairo Road, Po Box 33611 Farmers House, Central Park, Corner of
18	ZAMBIA INDUSTRIAL COMMERCIAL BANK	CIC, DDACC & ZIPSS/RTGS	Oct-18	Church road and Cairo road, P.O. Box 30228, Lusaka



DESIGNATED PAYMENT SYSTEMS

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 CNR of Addis Ababa & Great East Rd, Box 320001, Lusaka, Zambia
2	Zoona	Mobile Payments (Mobile Payment services and money transmission services)		Plot No. 1 Chila Rd, Kabulonga, Lusaka, Zambia.
3	MTN Mobile Money LTD	Mobile Payments (Mobile Payment services and money transmission services)	Jan-12	Plot no. A2/55/609 Zambezi road, Roma, Lusaka.
4	National Savings and Credit Bank	Proprietary Money Transfer (money transmission services)	Jul-09	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 Moffat & Broadway Provident Hse, PO Box 71845, Ndola
6	Runnymede	Coinster International Money Transfer (money transmission services)	Sep-08	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)	Dec-09	Stand No. 22768, Acacia Park CNR of Great East Rd & Thabo Mbeki Rd, P.O box 36794, Lusaka, Zambia
9	First Capital Bank	RIA International Transfers (money transmission services)	May-11	Kwacha Pension Hse Ground floor, plot No. 4604, Tito Rd of Church Rd
10	Finance Bank Zambia	Money Gram International Money Transfer (money transmission services)	Sep-08	Finance Hse, Cairo Rd PO Box 36762, Lusaka, Zambia
11	Stanbic Bank	Money Gram International Money Transfer (money transmission services)	Jan-09	Plot No. 2375, Addis Ababa Drive, Rhodespark, Lusaka
12	ZANACO	Money Gram International Money Transfer (money transmission services)	Sep-08	Cairo Rd, PO Box 32111, Lusaka, Zambia
13	Investrust	Money Gram International Money Transfer (money transmission services)	Jul-09	Ody's Building, Great East Rd, PO Box 32344, Lusaka, Zambia
14	CFB Money Transfer Limited	Money Gram International Money Transfer (money transmission services)	Dec-09	PO Box 33456, CNR 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/ ChaCha Cha Road, Lusaka
16	Ecobank	Western Union International and Rapid Transfer Money Transfer (money transmission services)	Dec-09	Plot NO. 22768 Acacia Park, CNR of Great East Rd & Thbo Mbeki Rd, Lusaka, Zambia
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	Standard Chartered Bank	Western Union International Money Transfer (money transmission services)	Oct-08	Plot 108, Lusaka Chartered House Cairo Road



DESIGNATED PAYMENT SYSTEMS

No.	Payment Systems Businesses	Type of business designated to operate	Date of Designation	Physical Address
20	Access Bank	Western Union International Money Transfer (money transmission services)	Jul-09	Plot NO. 682, Cairo Rd, PO Box 35273, Lusaka, Zambia
21	FX Africa Bureau de Change	Prepaid Payment cards	Oct-08	G13 KK House, Cairo road P.O.BOX 51086, Lusaka, Zambia
22	AB Bank	RIA International Transfers (money transmission services)	Aug-11	Plot No. 7393, Chainda Place, Off Cairo Road, PO Box 38173, Lusaka, Zambia
23	UAE Exchange Money Transfer services LTD	Money transmission services	Jun-14	Plot NO. 9471 Kafue Road, P.O.Box 36774, Makeni, Zambia
24	Touch4Pay Zambia Limited	Payment services	Aug-14	192 Green Lane, Kabulonga, Lusaka, Zambia
25	Kazang Spargris Zambia LTD	Mobile Money	Mar-13	Shop NO. 3 Acacia Park, Arcades, Great East Road, Lusaka, Zambia
26	SmartPay	Mobile Payment services	Mar-13	Plot No. 9037 Buluwe Road, Woodlands P.O.Box 31514, Lusaka, Zambia
27	Mobi Kash Zambia LTD	Mobile Commerce	Mar-12	Post.net No. 162, Private bag E835 Kabulonga, Lusaka, Zambia
28	Zambia National Building Society	Proprietary Money Transfer (money transmission services)	Dec-14	Centuary House, P.O.BOX 30420, Lusaka, Zambia
29	Zamtel Kwacha	Mobile Payments (Mobile Payment services and money transmission services)	Feb-15	Zambia Telecommunications Company Limited, Zamtel House, Corner of Church/ Chilubi road, P.O Box 37000, LUSAKA
30	Mukuru money transfers	Money transfer	May-15	Mukuru Money Transfer, P.O Box 36038, Lusaka
31	Speedpay Zambia Limited formely known as Nettcash	E-Money issuance	Sep-15	Nettcash Mobile Payments Limited, Villa 10 Cresta Golf View Grounds, Lusaka.
32	Mobile Payments Zambia Limited Broadpay Zambia Limited	Payment services	Sep-15	BroadPay Zambia Limited, Corner of great east road and Katopola Roads, unique House, 1st floor Rhodespark, LUSAKA
33	Vending Technologies Zambia Limited	Payment services	Sep-15	Vending Technologies Zambia Limited, P.O. Box 36730, Plot 55, Luwato road, Roma. LUSAKA
34	cGrate Zambia Limited	Payment services	Mar-16	Cgrate Zambia Limited, Plot 35214, Alick Nkhata road, Kalingalinga, Lusaka
35	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.
36	Virtual Space Zambia Limited	E-Money Issuance and Money Transfer Services	Feb-2018	Virtual Space Zambia Limited, Plot 5402, Los Angeles Road, Makeni, Lusaka
37	Zazu Africa Limited	E-Money Issuance/Pre-paid Cards	Sep-2018	Zazu Africa Limited, Counting House, Unit C, Thabo Mbeki Road, Lusaka



Bank of Zambia