

## GOVERNMENT OF ZAMBIA

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### STATUTORY INSTRUMENT No. 182 of 1995

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#### The Banking and Financial Services Act (Act No. 21 of 1994)

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#### The Banking and Financial Services (Reserve Account) Regulations, 1995

In EXERCISE of the powers contained in section *sixty-nine* and *one hundred and twenty-four* of the Banking and Financial Services Act, 1994, and on the recommendation of the Bank of Zambia, the following Regulations are hereby made:

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| <p>1. These Regulations may be cited as the Banking and Financial Services (Reserve Account) Regulations, 1995.</p>  | Title                       |
| <p>2. In these Regulations, unless the context otherwise requires-</p> <p>"reserve fund" means a fund of a bank or financial institution generated from actual earnings or by way of recoveries, or a surplus on the realization of the scale of capital assets, but does not include any surplus resulting from a revaluation of assets.</p>  | Interpretation              |
| <p>3. A bank or financial institution shall maintain a reserve fund and shall, out of its retained earnings of distributable profits from the current financial year, before any dividend is declared, transfer to that fund a sum equal to not less than-</p> <p>(a) fifty per centum of such profits, whenever the amount of the reserve fund does not exceed half of its paid-up equity capital; or</p> <p>(b) twenty per centum of such profits or such sum as shall make the amount of the reserve fund equal to the paid-up equity capital, whenever the amount of the reserve fund exceeds half of its paid-up equity capital, but is less than the paid-up equity capital.</p> | Transfers to a reserve fund |

LUSAKA  
6<sup>th</sup> November 1995  
[MF.101/16]

R. D. S. PENZA  
*Minister of Finance*