

**THE ZAMBIA DEPOSIT INSURANCE
CORPORATION ACT, 2026**

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SCHEDULE

GOVERNMENT OF ZAMBIA

ACT

No. 11 of 2026

Date of Assent: 31st March, 2026

An Act to establish the Zambia Deposit Insurance Corporation and provide for its functions; protect depositors and contribute to financial system stability; establish the Deposit Insurance Fund; and provide for matters connected with, or incidental to, the foregoing.

[8th April, 2026

ENACTED by the Parliament of Zambia.

Enactment

PART I

PRELIMINARY PROVISIONS

1. This Act may be cited as the Zambia Deposit Insurance Corporation Act, 2026, and shall come into operation on the date that the Minister may appoint by statutory instrument.

Short title and commencement

2. (1) In this Act, unless the context otherwise requires —

Interpretation

“active politics” has the meaning assigned to the words in the Benefits of Former Presidents Act;

Cap. 15

“annual premium” means an annual premium paid by a member institution under section 14;

Cap. 91

“associate” has the meaning assigned to the word in the Anti-Corruption Act;

Cap. 1

“Bank” means the Bank of Zambia established under the Constitution;

“bank” has the meaning assigned to the word in the Banking and Financial Services Act, 2026;

Act No. 9 of 2026

“beneficiary” means a person who is entitled to a benefit under a trust;

	“Board” means the Board of the Corporation constituted under section 7;
	“Chairperson” means a person appointed as Chairperson of the Board under section 7;
	“Corporation” means the Zambia Deposit Insurance Corporation established under section 4;
	“coverage limit” means the coverage limit determined by the Corporation under section 20;
Act No. 9 of 2026	“deposit” has the meaning assigned to the word in the Banking and Financial Services Act, 2026;
	“depositor” means a person who holds a deposit in an account at a member institution;
	“Director-General” means a person appointed as Director-General of the Corporation under section 9;
Cap. 1	“Emoluments Commission” means the Emoluments Commission established under the Constitution;
Act No. 9 of 2026	“failed member institution” has the meaning assigned to the words “failed institution” in the Banking and Financial Services Act, 2026;
Act No. 9 of 2026	“financial institution” has the meaning assigned to the words in the Banking and Financial Services Act, 2026;
Act No. 5 of 2022	“financial system stability” has the meaning assigned to the words in the Bank of Zambia Act, 2022;
	“Fund” means the Deposit Insurance Fund established under section 33;
Cap. 1	“Governor” means the Governor of the Bank of Zambia appointed under the Constitution;
Cap. 136	“higher education institution” has the meaning assigned to the words in the Higher Education Act;
Act No. 5 of 2026	“holding account” has the meaning assigned to the words in the National Payment System Act, 2026;
	“initial one-off premium” means the initial one-off premium paid by a member institution under section 13;

- “insured deposit” means a deposit covered by the Fund up to the coverage limit determined by the Corporation under section 20;
- “joint account” means a deposit account held by two or more natural persons in which the persons—
- (a) have signed account opening mandates;
 - (b) have accrued rights to make withdrawals; and
 - (c) manage the account;
- “legally disqualified” means the absence of legal capacity as provided under section 4 of the Mental Health Act; Cap. 305
- “manager” means an officer of a member institution who is in a position to control, direct or influence decision making in the member institution;
- “member institution” means a bank or financial institution that is a member of the Corporation as provided under section 10;
- “Member of Parliament” has the meaning assigned to the words in the Constitution; Cap. 1
- “pay-out” means a process leading to an outflow of resources from the Fund to meet obligations relating to reimbursement of insured deposits or for purposes of effecting a resolution of a failed member institution;
- “Pensions and Insurance Authority” means the Pensions and Insurance Authority established under the Pension Scheme Regulation Act; Cap. 255
- “premium” means a premium paid into the Fund by a member institution under this Act;
- “principal administrative office” means the office where the overall administration of the affairs of a member institution is conducted, other than a branch;
- “relative” has the meaning assigned to the word in the Anti-Corruption Act; Cap. 91
- “resolution” has the meaning assigned to the word in the Banking and Financial Services Act, 2026; Act No. 9 of 2026

- Act No. 9 of 2026
- “resolution option” has the meaning assigned to the words in the Banking and Financial Services Act, 2026;
- “risk-based premium” means the risk-based premium paid by a member institution under section 16;
- “Secretary” means the Secretary appointed under section 9;
- “secured deposit” means a deposit against which the depositor has obtained collateral from a member institution;
- Cap. 354
- “Securities and Exchange Commission” means the Securities and Exchange Commission continued in existence under the Securities Act;
- “senior management” means persons who are responsible for the day-to-day management of an institution or organisation and are accountable to the board of the institution or organisation, as may be determined;
- “senior officer” means a chief executive officer, chief financial officer or manager of a member institution;
- Act No. 9 of 2026
- “significant shareholder” has the meaning assigned to the words “significant shareholding” in the Banking and Financial Services Act, 2026;
- “special premium” means the special premium paid by a member institution under section 15;
- “trust” means a legal relationship created by a person, whether on death or not, by that person placing their assets under the control of a trustee for the benefit of a beneficiary, class of beneficiaries or for a specified purpose and where —
- (a) the assets constitute a separate fund and are not part of the trustee’s own estate;
 - (b) title to the assets of the trust are in the name of the trustee or in the name of another person acting on behalf of the trustee; and
 - (c) the trustee manages, uses or disposes of the assets of the trust in accordance with the terms and conditions of the trust and any other relevant written law;

“trust account” means an account created under a trust deed, or similar document, which account is administered by a trustee of a trust and the funds in the account are for the benefit of one or more beneficiaries of the trust;

“trustee” means a person who manages and controls a trust, in respect of which the trustee is accountable, for the benefit of the beneficiaries of the trust;

“trustee deposit” means a deposit made, in a trust account, by a trustee of a trust for the benefit of the beneficiaries of the trust;

“unsafe and unsound practice” has the meaning assigned to the words in the Banking and Financial Services Act, 2026;

Act No. 9 of 2026

“village banking” means an informal financing arrangement where individuals in a community, pool funds of those individuals for purposes of saving the funds in an account held at a member institution or lending the funds amongst the individuals; and

“Zambia Qualifications Authority” means the Zambia Qualifications Authority continued in existence under the Zambia Qualifications Authority Act, 2024.

Act No. 8 of 2024

3. The Insurance Act, 2021, shall not apply to the Corporation.

Non-application Act No. 38 of 2021

PART II

THE ZAMBIA DEPOSIT INSURANCE CORPORATION

4. (1) The Zambia Deposit Insurance Corporation is established as a body corporate with perpetual succession and a common seal, capable of suing and being sued in its corporate name and with power, subject to the provisions of this Act, to do all acts and things that a body corporate may, by law, do or perform.

Establishment of Zambia Deposit Insurance Corporation

(2) The Schedule applies to the Corporation.

5. (1) The functions of the Corporation are to protect depositors and contribute to financial system stability.

Functions of Corporation

(2) Despite the generality of subsection (1), the functions of the Corporation are to —

- (a) manage and administer the Fund;
- (b) reimburse insured deposits in the event of a liquidation of a member institution;
- (c) levy premiums from member institutions in accordance with this Act;
- (d) collaborate with the Bank in the resolution of member institutions;
- (e) promote public awareness on matters relating to this Act; and
- (f) advise the Minister on matters relating to this Act.

Delegation to agent

6. (1) The Corporation may, on terms and conditions as the Corporation may determine, delegate its functions under this Act to an agent.

(2) A delegation made under subsection (1) shall not prevent the Corporation from performing the functions so delegated.

Constitution of Board

7. (1) There is constituted the Board of the Corporation which consists of the following part-time members appointed by the Minister:

- (a) the Governor, as the Chairperson;
- (b) a representative from the Ministry responsible for finance;
- (c) a representative of the Attorney-General;
- (d) a representative of the Bank;
- (e) a representative from the Pensions and Insurance Authority;
- (f) a representative from the Securities and Exchange Commission; and
- (g) the Director-General, as *ex-officio*.

(2) The Ministries, institutions and organisations referred to under subsection (1)(b) to (f) shall nominate their representatives for appointment by the Minister.

(3) Despite subsection (2), the members referred to under subsection (1) (d), (e) and (f) shall be at senior management level in the institution or organisation that has nominated the member.

(4) The members of the Board shall elect the Vice-Chairperson from among themselves.

(5) A person shall not be nominated or appointed as a member of the Board if that person is—

- (a) a director, officer or employee of a member institution;
- (b) a significant shareholder or controls a member institution;
- (c) a Member of Parliament;
- (d) in active politics;
- (e) legally disqualified;
- (f) an undischarged bankrupt;
- (g) below the age of twenty-one;
- (h) dismissed from a position of trust due to misconduct;
- (i) convicted of an offence involving fraud or dishonesty under any written law; or
- (j) convicted of an offence under this Act or any written law and sentenced to imprisonment for a term exceeding six months without an option of a fine.

(6) The Schedule applies to the Board.

8. (1) Subject to the other provisions of this Act, the Board shall provide strategic policy direction to the Corporation.

Functions
of Board

(2) Despite the generality of subsection (1), the functions of the Board are to—

- (a) approve the policies, programmes and strategies of the Corporation;
- (b) approve the annual budget estimates and financial statements of the Corporation;
- (c) approve the annual work plan, action plans and activity reports of the Corporation;
- (d) monitor and evaluate the performance of the Corporation against budgets and plans;
- (e) promote the effective corporate governance of the Corporation;

(f) approve the rate of premiums to be paid by member institutions to the Corporation;

(g) approve the reimbursement of insured deposits in the event of a liquidation of a member institution; and

(h) approve funding for a resolution of a failed member institution, on recommendation by the Bank.

(3) The Board may, by direction in writing and on conditions that the Board considers necessary, delegate to the Director-General any of the Board's functions under this Act.

(4) A delegation made under subsection (3) shall not prevent the Board from performing the functions so delegated.

Director-General,
Secretary
and other
staff

9. (1) The Board shall appoint a Director-General who shall be —

(a) the chief executive officer of the Corporation; and

(b) responsible for the day-to-day administration of the Corporation under the direction of the Board.

(2) A person qualifies for appointment as Director-General if that person —

(a) holds a degree in banking, finance, accounting, economics, business administration or other relevant discipline from a higher education institution and recognised by the Zambia Qualifications Authority; and

(b) has at least ten years' work experience in the financial sector.

(3) The Director-General may, on terms and conditions as the Director-General may determine, delegate the Director-General's functions under this Act to any other member of staff.

(4) A delegation made under subsection (3) shall not prevent the Director-General from performing the functions so delegated.

(5) There may be seconded from the Bank staff of the Bank as may be necessary for the performance of the functions of the Corporation under this Act.

(6) The Board shall appoint a Secretary and other staff of the Corporation that the Board considers necessary for the performance of the functions of the Corporation.

(7) The Emoluments Commission shall, on the recommendation of the Board, determine the emoluments of the Director-General, Secretary and other staff of the Corporation.

(8) The Board shall determine the terms and conditions of service, other than emoluments of the Director-General, Secretary and other staff of the Corporation.

PART III

MEMBERSHIP OF CORPORATION

10. (1) A bank or financial institution shall be a member of the Corporation.

Membership
to
Corporation

(2) The Corporation shall publish information relating to member institutions under this Act in the *Gazette* and in a daily newspaper of general circulation in the Republic or electronic media as the Corporation may determine.

11. (1) A member institution shall cease to be a member of the Corporation where —

Cessation
of
membership
to
Corporation

- (a) the licence issued to the member institution is surrendered by that member institution or cancelled by the Bank;
- (b) the member institution is placed under compulsory liquidation by the Bank; or
- (c) customer deposits of the member institution are transferred to another member institution.

(2) The Corporation shall inform the public of the cessation of membership of a member institution under subsection (1) by notice in the *Gazette* and in a daily newspaper of general circulation in the Republic or electronic media as the Corporation may determine.

12. Where a member institution ceases to be a member of the Corporation under section 11 —

Effect of
cessation of
membership
to
Corporation

- (a) the member institution shall not be discharged from the member institution's obligations or liabilities to the Corporation that accrued prior to cessation of membership of the member institution;

(b) the member institution shall indemnify the Corporation where the Corporation makes payment to —

(i) reimburse insured deposits of the member institution; or

(ii) facilitate resolution of the member institution;

(c) a deposit received by the member institution after cessation of membership of the member institution shall not form part of insured deposits; and

(d) the member institution shall not hold-out as a member of the Corporation.

PART IV

PREMIUM

Initial
one-off
premium

13. (1) A member institution shall pay into the Fund an initial one-off premium based on the total assets of the member institution at a rate to be determined by the Corporation as prescribed.

(2) The Corporation shall, where the Corporation determines the rate of the initial one-off premium to be paid under subsection (1), notify a member institution, in writing.

(3) A member institution shall, within sixty days of receipt of the notification referred to under subsection (2), pay the initial one-off premium.

Annual
premium

14. (1) A member institution shall pay into the Fund an annual premium based on the twelve-month average of monthly deposits of the member institution at a rate to be determined by the Corporation as prescribed.

(2) The Corporation shall, where the Corporation determines the rate of the annual premium to be paid under subsection (1), notify a member institution, in writing.

(3) The Bank shall, after a member institution that is a bank is notified under subsection (2), debit, on behalf of the Corporation, an amount due as an annual premium from a current account of the member institution held at the Bank.

(4) The Corporation shall, after a member institution that is a financial institution is notified under subsection (2), direct a bank where an account of that member institution is held, to debit from that account an amount due as an annual premium.

15. Despite section 14, where the Corporation makes a pay-out from the Fund and the monies of the Fund are not sufficient for the implementation of the purposes of the Fund following that pay-out, a member institution may pay a special premium based on the twelve-month average of monthly deposits of the member institution at a rate and on terms and conditions as may be determined by the Corporation as prescribed.

Special premium

16. The Corporation may determine, as prescribed, and levy a member institution a higher premium rate than the determined premium rate based on the risk to the Fund, by that member institution.

Risk-based premium

17. (1) Where a premium remains unpaid or a debit instruction for an amount for the payment of a premium has not been executed due to insufficient funds on an account of a member institution, an amount which remains unpaid after the due date, shall without notice, attract interest at a rate equivalent to the ninety-one-day treasury bill rate or any other applicable rate as may be determined by the Corporation.

Premium default

(2) A member institution shall not pay a dividend or a similar payment to the shareholders of the member institution during the period the member institution is in default of payment of a premium or interest on that premium.

18. (1) The cost of a premium under this Act shall not be charged or transferred by a member institution, in any form, to a depositor of the member institution.

Charge or transfer of premium

(2) A member institution that contravenes this section is liable to pay an administrative penalty not exceeding one million penalty units for each day that the contravention continues.

19. A member institution shall not reduce, adjust or withhold the payment of a premium due, or performance of an obligation, to the Fund, on the grounds of a set-off or claim that the member institution may have against the Fund.

Premium off-set

PART V

COVERAGE, REIMBURSEMENT AND LIMITATION
OF CLAIMS

Extent of
cover

20. (1) An amount payable by the Corporation from the Fund in a pay-out shall be in accordance with a coverage limit as may be determined by the Corporation.

(2) Where a depositor maintains—

(a) one deposit account with a member institution, the deposits on the deposit account shall be insured in respect of the principal and interest of the deposit up to the coverage limit referred to under subsection (1); or

(b) more than one deposit account with a member institution, the aggregate of the deposits in the deposit accounts shall be insured in respect of the principal and interest of the deposits up to the coverage limit referred to under subsection (1).

Coverage of joint
accounts

21. (1) Where two or more depositors maintain a joint account with a member institution, the depositors shall be identified separately for the purposes of determining the amount payable to each depositor up to the coverage limit referred to under section 20.

(2) The Corporation shall divide a deposit balance on a joint account equally among the depositors of the joint account where the depositors do not have a prior agreement stating the manner in which the deposits should be shared among the depositors.

(3) Where a depositor maintains a joint account and other accounts in the member institution, the amount payable to the depositor shall be the principal and interest of the deposits on the accounts up to the coverage limit referred to under section 20 on the aggregated balance across the accounts maintained by the depositor in the member institution.

Coverage for
trusts

22. (1) Despite section 20—

(a) where a member institution is under an obligation to repay monies to a depositor who is a trustee of a trust, and the trust is disclosed on the records of the member institution a—

- (i) trustee deposit shall be considered to be a deposit separate from a deposit made by the trustee acting on the trustee's own behalf or on behalf of another trust with an account with the member institution; and
 - (ii) deposit held in trust by the trustee for each beneficiary of the trust, shall be considered to be a separate deposit where the trustee is acting for two or more beneficiaries of the trust; and
- (b) a deposit held in trust by a trustee for a beneficiary shall be considered to be a deposit separate from a deposit of that beneficiary on their own behalf and be separate from a deposit held in trust by another trustee for the beneficiary in another trust.
- (2) Despite subsection (1) —
- (a) the Corporation shall not separately protect deposits held in trust for a beneficiary if, in the opinion of the Corporation, the trust exists primarily for the purposes of obtaining or increasing the protection of the deposits; or
 - (b) a deposit held in trust by the same trustee for the same beneficiary shall be aggregated and considered to be one deposit.
- (3) A holding account shall not be treated as a trust account under this Act.

23. (1) In the event of, or prior to, a corporate restructuring transaction of separate member institutions, depositors of the separate member institutions shall receive separate coverage, up to the coverage limit referred to under section 20, until the effective date of the corporate restructuring transaction.

Coverage for corporate restructuring transactions

(2) The member institutions referred to under subsection (1) shall notify the depositors of the member institutions, at least thirty days before the effective date of the corporate restructuring, of the date on which separate cover of the depositors shall expire.

24. (1) Where an account is maintained at a member institution specifically for the purposes of village banking, with identifiable beneficiaries vetted by the member institution when on-boarding the beneficiaries, the amount payable to each beneficiary shall be up to the coverage limit referred to under section 20.

Coverage for village banking accounts

(2) The aggregate amount payable to the beneficiaries referred to under subsection (1) shall be paid, with the consent of the beneficiaries, into an alternative account to be provided by the signatories of the account referred to under subsection (1).

(3) Where a beneficiary referred to under subsection (1) is a beneficiary of more than one village banking account, that beneficiary shall be entitled to separate cover under each account up to the coverage limit referred to under section 20.

(4) Despite subsection (3), the Corporation shall not separately protect the deposits held in a village banking account for a beneficiary if, in the opinion of the Corporation, the village banking account exists primarily for the purposes of obtaining or increasing the protection of the deposits.

Excluded
deposits

25. Customer deposits of a member institution shall be insured by the Fund, except the following customer funds:

- (a) a deposit serving as collateral for a loan, to the extent of an outstanding loan amount;
- (b) secured deposits;
- (c) deposits of a member institution in another member institution;
- (d) deposits of directors and senior management of that member institution;
- (e) deposits of a significant shareholder of that member institution;
- (f) deposits held in a foreign branch of a member institution;
or
- (g) a deposit account for which a depositor has not been identified.

Reimburse-
ment of
insured
deposit

26. (1) The Corporation shall, in the event of a compulsory winding-up of a member institution by the Bank, in a manner that the Corporation may determine —

- (a) within seven days of an order for winding-up of the member institution, inform the depositors of the member institution of the procedures to be followed in claiming from the Fund, including information relating to the —

- (i) manner of lodging a claim for the reimbursement of an insured deposit; and
- (ii) agents or persons who have been appointed to process a claim referred to under subparagraph (i) and the addresses of the location of the agents or persons where the claim shall be lodged; and

(b) provide relevant information to interested parties on the process of the reimbursement of an insured deposit.

(2) The Corporation shall commence payment out of the Fund in respect of insured deposits of a member institution within thirty days from the date the depositors of the member institution are informed of the procedures to be followed in claiming from the Fund under subsection (1)(a).

(3) The Corporation may, where the Corporation determines that the process of full reimbursement of an insured deposit may be delayed, make an interim or partial reimbursement as the Corporation may determine.

(4) Payment out of the Fund in respect of an insured deposit discharges the Fund from all liabilities to the extent of the amount of the payment made in respect of that insured deposit.

(5) The reimbursement of a deposit under this Act does not restrict the right of a depositor to claim from the proceeds of winding-up of a failed member institution where the depositor has an unpaid balance on a deposit.

(6) The Corporation may withhold the reimbursement of an insured deposit where—

(a) the Bank, in accordance with the Banking and Financial Services Act, 2026, determines that a manager or other senior officer of a member institution has acted in a manner detrimental to the interests of depositors or engaged in unsafe and unsound practice;

Act No. 9
of 2026

(b) the Bank, in accordance with the Banking and Financial Services Act, 2026, determines that a person who participates, or has the authority to participate, in policy making functions of a member institution, whether employed by the member institution or not, has acted in a manner detrimental to the interests of depositors or engaged in unsafe and unsound practice;

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of 2026

Act No. 9
of 2026

(c) the Bank, in accordance with the Banking and Financial Services Act, 2026, determines that an external auditor of a member institution has acted in a manner detrimental to the interests of depositors;

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9 of 2026

(d) the Bank, in accordance with the Banking and Financial Services Act, 2026, determines, pending legal proceedings before a court, that a depositor is believed to have —

(i) connived with an employee of a failed member institution or had been a party to, or had knowingly benefited from, the circumstances which gave rise to the failure of the member institution; or

(ii) obtained a benefit from proceeds of crime; or

(e) a deposit account is subject of a garnishee order, seizure notice or restriction imposed by a relevant authority conducting an investigation.

(7) The Corporation may off-set and withhold payment of a portion of an insured deposit of any depositor in a member institution against a—

(a) loan or debt due and owing by that depositor to the member institution; or

(b) claims for damages or losses through negligence or other wrongdoing against a depositor who may be liable to the member institution as a director, shareholder, officer, employee, agent or other person.

Currency
reimburse-
ment

27. (1) The Fund shall reimburse an insured deposit in local currency.

(2) Deposits held in foreign currency shall be converted to local currency using the Bank mid rate or the applicable closing rate of a failed member institution at the date the failed member institution ceases operations.

(3) Where the date referred to under subsection (2) falls on a saturday, sunday or a public holiday, the Corporation shall convert the deposits held in foreign currency to local currency using the rate prevailing on the immediate preceding business day.

28. (1) Despite any other written law, a claim for payment of an insured deposit shall not be brought after the expiry of six years from the date depositors are informed of the procedures to be followed in claiming from the Fund under section 26(1)(a).

Limitation
of claims

(2) A depositor who has been unable to make a claim within the period specified under subsection (1) shall claim from a liquidator of a failed member institution.

(3) Despite subsection (2), a person shall not make a claim after the closure of a liquidation of a failed member institution.

(4) The Corporation may, where the Corporation considers it necessary, withhold payment to a third party in respect of a depositor of a member institution until the depositor has submitted an assignment to the Corporation, in writing, stating the transfer, to the third party, of the rights and interests of that depositor in relation to a deposit.

PART VI INSPECTORATE

29. (1) The Corporation may appoint suitably qualified persons as inspectors for the purposes of ensuring compliance with this Act.

Inspections

(2) The Corporation shall issue an inspector with an identification card which shall be *prima facie* evidence of the inspector's appointment.

(3) An inspector shall, in performing any function under this Act—

(a) be in possession of the identification card referred to in subsection (2); and

(b) show the identification card to any person who requests to see the identification card or is the subject of an inspection or investigation under this Act.

30. (1) The Corporation may, at periods that the Corporation considers necessary conduct an inspection of a member institution.

Inspectors

(2) Despite the generality of subsection (1), the Corporation may conduct an inspection of a member institution in relation to the following matters:

(a) to ascertain whether the member institution —

(i) keeps and maintains proper, adequate and up-to-date records relating to deposits;

(ii) has submitted to the Corporation accurate information, data, statements and reports; or

(iii) complies with the terms and conditions or any other requirements of membership; or

(b) any other matter that the Corporation may consider necessary under this Act for purposes of conducting an inspection.

Powers of
inspector

31. (1) An inspector may, for the purpose of enforcing the provisions of this Act, at any reasonable time —

(a) enter, inspect and search any land, building or premises of a member institution, where the inspector has reasonable grounds to believe that an offence has been committed or is likely to be committed under this Act;

(b) examine any book, document, record or article, found on any land, building or premises of a member institution that has a bearing on an inspection or investigation under this Act;

(c) seize any book, document, record or article found on any land, building or premises of a member institution which has been used or is being used for the commission of an offence under this Act;

(d) take an extract from, or make a copy of any book, document or record that is found on any land, building or premises of a member institution that has a bearing on an inspection under this Act; and

(e) require the production of a book, document, record or article found on any land, building or premises of a member institution that has a bearing on an inspection under this Act.

(2) An owner or occupier of any land, building or premises shall afford an inspector access to any information, record or document for the purpose of an inspection and produce to an inspector, any information, record or document that the inspector may require for the purposes of carrying out an inspection under this Act.

(3) An inspector may, in the performance of the functions of the inspector under this section, be accompanied and assisted by a law enforcement officer.

(4) An inspector who removes anything from any land, building or premises inspected under this section shall—

- (a) issue a receipt for anything removed to the owner, occupier or the person in control of the land, building or premises; and
- (b) return anything removed as soon as practicable after the thing removed has served the purpose for which it was removed.

(5) An inspector shall furnish the Director-General with a written report and any other information relating to an inspection.

32. (1) A person commits an offence if that person—

- (a) willfully delays or obstructs an inspector in the performance of the inspector's functions under this Act;
- (b) refuses to give an inspector reasonable assistance as the inspector may require for the purposes of performing the inspector's functions;
- (c) impersonates an inspector or presents oneself to be an inspector; or
- (d) knowingly or negligently gives an inspector false or misleading information orally, in writing or otherwise.

(2) A person who contravenes subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both.

PART VII THE DEPOSIT INSURANCE FUND

33. (1) There is established the Deposit Insurance Fund for the purposes of protecting depositors and contributing to financial system stability.

Deposit
Insurance
Fund

(2) Despite the generality of subsection (1), the Fund may be applied for the purposes of—

- (a) making payments in respect of insured deposits;
- (b) facilitating a resolution of a member institution, through the resolution option of a purchase and assumption transaction or any other resolution option relating to deposit transfer, provided the amount to be incurred in the resolution option does not exceed the amount which would be incurred in a payout in a liquidation; or
- (c) any other matter relating to the protection of depositors, as prescribed.

(3) Despite subsection (2)(b), the Corporation may, on the recommendation of the Bank, apply the Fund to a resolution option relating to deposit transfer that exceeds the amount which would be incurred in a payout in a liquidation where the Bank considers it necessary for the purposes of maintaining financial stability.

(4) The Fund consists of monies that may—

- (a) be paid by member institutions as premiums;
- (b) be recovered, through subrogation, from liquidation of a member institution;
- (c) be paid as interest from investments;
- (d) be paid as penalties levied on member institutions;
- (e) vest in, or accrue to, the Fund;
- (f) be received by way of grants and donations from any source, with the approval of the Minister; and
- (g) be payable to the Fund by or under any other written law.

(5) The Corporation shall hold and maintain an account with the Bank in which the monies referred to under subsection (4) shall be deposited.

(6) The Corporation may invest any monies of the Fund that are not immediately required for the purpose of the Fund, in a manner authorised by the Board.

Management
of Fund

34. (1) The Fund shall be managed and administered by the Corporation.

(2) The Corporation shall ensure that prudent controls are established for the Fund relating to—

- (a) fiscal controls and accounting procedures governing the Fund;
- (b) reporting procedures for matters relating to the Fund; and
- (c) investment of the monies of the Fund.

Accounts
and audit

35. (1) The Corporation shall cause to be kept proper books of accounts and other records relating to the Fund.

(2) The Fund shall be audited annually or whenever necessary by the Auditor-General or an auditor appointed by the Auditor-General.

(3) The fees for the audit of the Fund shall be paid by the Corporation.

36. (1) The Corporation shall, as soon as practicable, but not later than ninety days after the end of the financial year, submit to the Minister a report stating the Corporation's activities during the financial year.

Annual
report

(2) The report referred to under subsection (1), shall include information on the financial affairs of the Corporation and there shall be appended to the report—

- (a) an audited statement of financial position;
- (b) an audited statement of comprehensive income and expenditure; and
- (c) other information that the Minister may require.

(3) The Minister shall, not later than seven days after the first sitting of the National Assembly next after receipt of the report under subsection (1), lay the report before the National Assembly.

PART VIII

GENERAL PROVISIONS

37. (1) The Bank or Government may grant a loan, on terms and conditions as the parties may agree, to be paid into the Fund where the Fund is unable to meet an obligation of the Corporation.

Emergency
funding

(2) The Corporation may borrow from the market, on terms and conditions as the parties may agree, for purposes of enabling the Fund to meet an obligation of the Corporation, except that borrowing from the market shall not be a single or only source of emergency funding.

38. (1) The Corporation shall establish a General Reserve Fund to be held at the Bank.

General
Reserve
Fund

(2) The Corporation shall, at the end of each financial year, transfer the annual operational surplus of the Corporation to the General Reserve Fund.

(3) The General Reserve Fund shall be applied for the purposes of—

- (a) meeting the operational and administrative costs of the Corporation; or
- (b) performing payment obligations of the Corporation in respect of insured deposits in the case where the Fund is unable to meet the payment obligations.

43. (1) The Corporation shall, at least once a year, furnish member institutions with information, including public education materials, relating to the following: Public awareness

- (a) the Corporation;
- (b) insured deposits and excluded deposits;
- (c) the coverage limit;
- (d) procedures to be followed by a depositor in claiming from the Fund; and
- (e) any other information that the Corporation considers necessary for purposes of ensuring that depositors are made aware of matters relating to this Act.

(2) A member institution shall display the information referred to under subsection (1) in a conspicuous place at the member institution's principal administrative office and any other premises where the member institution carries on business or electronic media as the Corporation may determine.

(3) A member institution shall comply with the requirements of this section within twenty-four months after the commencement of this Act.

44. (1) A person who is aggrieved with a decision of the Corporation may, within thirty days from the date of receipt of the decision appeal, in writing, to the Minister. Appeals

(2) The Minister shall, within thirty days of receipt of an appeal under subsection (1), determine the appeal and inform the appellant, in writing, of the Minister's decision, stating the reasons for the decision.

(3) A person who is aggrieved by the decision of the Minister may, within thirty days of receipt of the decision, appeal to the High Court.

45. A person who commits an offence under this Act, for which a penalty is not provided is liable, on conviction, to a fine not exceeding two hundred thousand penalty units or to imprisonment for a term not exceeding two years, or to both. General penalty

46. (1) The Corporation may impose an administrative penalty on a person for a failure to comply with a provision of this Act which is not an offence. Administrative penalty

(2) An administrative penalty shall not exceed the amount prescribed by the Minister, by statutory instrument, for each day during which the failure continues.

(3) An administrative penalty shall be paid to the Corporation within the period specified by the Corporation.

(4) If a person on whom an administrative penalty is imposed in accordance with this section fails to pay the administrative penalty within the time specified under subsection (3), the Corporation may, by way of civil action in a competent court, recover the amount of the administrative penalty from that person as an amount due and owing to the Corporation.

Offence by principal officers of body corporate or unincorporate body

47. Where an offence under this Act is committed by a body corporate or an unincorporate body, with the knowledge, consent or connivance of the director, manager, shareholder or partner of the body corporate or an unincorporate body, that director, manager, shareholder or partner is liable, on conviction, to the penalty specified for that offence under this Act.

Execution of judgment against assets of Corporation

48. Where a judgment or court order is obtained against the Corporation, execution, attachments or process of any nature shall not be issued against the Corporation or against the property of the Corporation, but the Corporation shall cause to be paid out of the funds of the Corporation an amount that may, by judgement or court order, be awarded against the Corporation to the person entitled to the amount.

Guidelines

49. (1) The Corporation may, in the exercise of the functions of the Corporation under this Act, issue guidelines that are necessary for the better carrying out of the provisions of this Act.

(2) The Corporation shall publish the guidelines issued under this Act in the *Gazette* and in a daily newspaper of general circulation in the Republic or any other electronic media that the Corporation may determine.

(3) The guidelines issued by the Corporation shall take effect on the date of publication and shall bind all persons on matters relating to this Act.

Regulations

50. (1) The Minister may, on the recommendation of the Corporation, by statutory instrument, make Regulations for the better carrying out of the provisions of this Act.

(2) Despite subsection (1), regulations made under subsection (1) may provide for—

- (a) determination and payment of premiums to be paid by member institutions;
- (b) determination of the target fund size, depositor coverage and coverage limit for depositors;
- (c) investment of the monies of the Fund;
- (d) investment guidelines;
- (e) matters relating to member institutions;
- (f) reporting procedures and submission of information on matters relating to the Fund;
- (g) information sharing arrangements with the Bank and other relevant institutions;
- (h) penalties to be imposed by the Corporation on member institutions for non-payment of premiums;
- (i) fees and charges;
- (j) accounting procedures governing the Fund;
- (k) operationalisation of the Fund;
- (l) administration and management of the Fund;
- (m) reimbursement of insured deposits in the event of a pay-out;
- (n) grievance procedure in respect of an insured deposit;
- (o) appointment of agents of the Corporation;
- (p) public awareness by member institutions; or
- (q) any other matter necessary for the efficient operation, administration and management of the Fund.

51. Despite the repeal of the Banking and Financial Services Act, the assets, liabilities, powers, rights, obligations and privileges of the deposit protection scheme established by the Bank under the repealed Banking and Financial Services Act shall vest in the Corporation on the commencement of this Act.

Transitional provisions
Cap. 387

Cap. 387

SCHEDULE
(Section 4(2) and 7(6))

PART I
THE ZAMBIA DEPOSIT INSURANCE CORPORATION

Seal of Zambia
Deposit
Insurance
Corporation

1. (1) The seal of the Corporation shall be a device that may be determined by the Board and shall be kept by the Director-General.

(2) The affixing of the seal shall be authenticated by the Chairperson or the Vice-Chairperson and the Director-General or any other person authorised in that behalf by a resolution of the Board.

(3) A contract or instrument which, if entered into or executed by a person not being a body corporate, is not required to be under seal, may be entered into or executed without seal on behalf of the Corporation by the Director-General or any other person authorised in that behalf by a resolution of the Board.

(4) A document purporting to be a document under the seal of the Corporation or issued on behalf of the Corporation shall be received in evidence and shall be considered to be so executed or issued, without further proof, unless the contrary is proved.

Tenure of
office and
vacancy

2. (1) A member of the Board shall, subject to other provisions of this Act, hold office for a term of three years from the date of appointment and may be re-appointed for a further and final term of three years, except for a member referred to under section 7(1)(a).

(2) A member of the Board shall, on the expiration of the term for which the member is appointed, continue to hold office until another member is appointed, but in no case shall an extension of the period exceed three months.

(3) The office of a member of the Board becomes vacant if the member—

(a) dies;

(b) is adjudged bankrupt under any written law;

(c) is absent, without reasonable excuse, from three consecutive meetings of the Board of which the member has had notice, without the prior approval of the Board;

(d) resigns, by giving one month's notice in writing, to the Minister;

Financial
year

(e) is legally disqualified from performing the functions of a member of the Board;

(f) ceases to be an employee or a member of the ministry, institution or organisation that nominated the member of the Board; and

(g) is convicted of an offence under this Act or any other written law and sentenced to imprisonment for a term exceeding six months without the option of a fine.

(4) The Minister shall, where the office of a member of the Board becomes vacant before the expiry of the term of office, appoint another member of the Board in place of that member, but that member shall hold office as a member of the Board only for the unexpired part of the term of the Board.

Accounts and
audit

3. (1) Subject to the other provisions of this Act, the Board may regulate its own procedure.

Proceedings
of Board and
Corporation

(2) The Board shall meet for the transaction of business at least once every three months at a place and time that the Chairperson may determine.

(3) The Chairperson of the Board shall, on giving notice of not less than fourteen days, call for a meeting of the Board, or where one third or more of the members of the Board so request, in writing, except that if the urgency of a particular matter does not permit the giving of a notice, a special meeting may be called on giving a shorter notice.

(4) Five members shall form a quorum at a meeting of the Board.

(5) There shall preside at any meeting of the Board—

(a) the Chairperson;

(b) in the absence of the Chairperson, the Vice-Chairperson;
or

(c) in the absence of the Chairperson and the Vice-Chairperson, a member of the Board as the members of the Board present may elect for the purpose of that meeting.

(6) A decision of the Board on any question shall be by a majority of the members of the Board present and voting at the meeting and, in the event of an equality of votes, the person presiding at the meeting shall have a casting vote in addition to the deliberative vote.

(7) A member may, where the member is for any reason unable to attend a meeting of the Board, nominate another person at senior management level, in writing, from the same ministry, institution or organisation to attend a meeting of the Board in that member's stead and that person shall be considered to be a member for the purpose of that meeting.

(8) The Board may invite a person whose presence is in the Board's opinion desirable to attend and to participate in the deliberations of the meeting of the Board but that person shall have no vote.

(9) The Board shall cause minutes to be kept of the proceedings of every meeting of the Board and any committee of the Board.

Committees
of Board

4. (1) The Board may, for the purpose of performing its functions under this Act, constitute a committee and delegate any of its functions to the committee as the Board considers necessary.

(2) The Board may appoint as members of a committee persons who are or are not members, except that at least one member of the Board shall be a member of a committee.

(3) A member of a committee shall hold office for a period that the Board may determine.

(4) Subject to any specific or general directions of the Board, a committee may regulate its own procedure.

Allowances

5. A member of the Board or a member of a committee of the Board shall be paid allowances that the Emoluments Commission may, on the recommendation of the Minister, determine.

Disclosure of
interest

6. (1) A person who is present at a meeting of the Board or committee of the Board, at which any matter is the subject of consideration and in which matter that person or that person's relative or associate is directly or indirectly interested in a private capacity, shall, as soon as is practicable after the commencement of the meeting, declare that interest and shall not, unless the Board or committee otherwise directs, take part in any consideration or discussion of, or vote on, any question relating to that matter.

(2) A disclosure of interest made under subparagraph (1) shall be recorded in the minutes of the meeting at which it is made.

7. An action or other proceedings shall not lie or be instituted against a member of the Board or committee of the Board or a member of staff of the Corporation for, or in respect of, an act or thing done or omitted to be done in good faith in the exercise or performance of any of the powers, functions or duties conferred under this Act.

Immunity of members

8. (1) A person shall not, without the consent, in writing, given by, or on behalf of, the Corporation, publish or disclose to a person, other than in the course of duties of that person, the contents of a document, communication or information which relates to or which has come to the knowledge of that person in the course of that person's duties under this Act.

Prohibition of publication or disclosure of information to unauthorised person

(2) A person who contravenes subparagraph (1) commits an offence and is liable, on conviction, to a fine not exceeding two hundred thousand penalty units or to imprisonment for a term not exceeding two years, or to both.

(3) A person who, having information which to that person's knowledge has been published or disclosed in contravention of subparagraph (1), unlawfully publishes or communicates the information to another person, commits an offence and is liable, on conviction, to a fine not exceeding two hundred thousand penalty units or to imprisonment for a term not exceeding two years, or to both.

PART II FINANCIAL PROVISIONS

9. (1) The funds of the Corporation consist of monies that may—

Funds of Corporation

- (a) be appropriated to the Corporation by Parliament;
- (b) be allocated by the Board as a proportion of interest income from investment of the funds of the Fund for purposes of meeting the operational and administrative costs of the Corporation;
- (c) be received by way of grants or donations from any source within the Republic and subject to the approval of the Minister, from any source outside the Republic;

(d) be paid to the Corporation by way of charges or fees; and

(e) vest in or accrue to the Corporation.

(2) The Board shall approve loans for the Corporation on terms and conditions that the Board may determine for purposes of facilitating a resolution or reimbursement of insured deposits.

(3) There shall be paid from the funds of the Corporation —

(a) the salaries, allowances and loans of members of staff of the Corporation;

(b) reasonable travelling, transport and subsistence allowances for members of the Board or members of any committee of the Board when engaged in the business of the Corporation, at rates that the Emoluments Commission may, on the recommendation of the Minister, determine; and

(c) any other expenses incurred by the Corporation in the performance of the Corporation's functions.

(4) The Corporation may invest, in a manner that the Board considers appropriate, funds of the Corporation that it does not immediately require for the performance of the Corporation's functions.

Financial
year

10. The financial year of the Corporation shall be a period of twelve months ending on 31st December in each year.

Accounts
and audit

11. (1) The Board shall cause to be kept proper books of accounts and other records relating to the accounts of the Corporation.

(2) The accounts of the Corporation shall be audited annually or whenever necessary by the Auditor-General or an auditor appointed by the Auditor-General.

(3) The auditor's fees shall be paid by the Corporation.
