

THE BANK OF ZAMBIA (AMENDMENT) BILL, 2013

MEMORANDUM

The object of this Bill is to amend the Bank of Zambia Act so as to provide for—

- (a) the monitoring of balance of payments;
- (b) the prescription of interest and other charges that financial service providers may impose on transactions; and
- (c) matters connected with, or incidental to, the foregoing.

M. MALILA,
Attorney-General

A BILL

ENTITLED

An Act to amend the Bank of Zambia Act.

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ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Bank of Zambia (Amendment) Act, 2013, and shall be read as one with the Bank of Zambia Act, in this Act referred to as the principal Act.

Short title
Cap. 360

5 2. The principal Act is amended by the insertion, immediately after section *forty*, of the following new section:

Insertion of
new section
40A

40A. The Bank may, to promote the efficient operation of the foreign exchange system, regulate and monitor—

Monitoring
of balance of
payments

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(a) foreign exchange inflows and outflows and amounts remitted;

(b) imports and exports of goods and other inflows and outflows;

(c) international transactions in services;

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(d) international transfers to or from non-residents;

(e) profits or dividends received in respect of investments abroad;

(f) borrowings and trade credits from non-residents;

(g) investment in the form of equity and debt securities abroad;

(h) receipts of both principal and interest on loans to non-residents; and

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(i) international money transfers into and out of Zambia.

Insertion of
new section
44A

3. The principal Act is amended by the insertion, immediately after section *forty-four*, of the following new section:

Interest rates
and other
charges by
financial
service
providers

44A. The Bank may, in support of price and financial system stability, prescribe the maximum rate of interest and other charges that financial service providers may impose on a banking transaction.

Insertion of
new section
56A

4. The principal Act is amended by the insertion, immediately 5
after section *fifty-six*, of the following new section:

General
penalty

56A. A person who commits an offence under this Act for which no penalty is specifically provided is liable, upon conviction to a fine not exceeding three million penalty units or to imprisonment for a term not exceeding five years, or to 10 both.