



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**COMMITTEE ON NATIONAL ECONOMY, TRADE AND LABOUR MATTERS**

**ON THE**

**NATIONAL PAYMENT SYSTEM BILL, N.A.B. NO. 32 OF 2025**

**FOR THE**

**FIFTH SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

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## FOREWORD

Honourable Madam Speaker, the Committee on National Economy, Trade and Labour Matters has the honour to present its Report on the National Payment System Bill, N.A.B. No. 32 of 2025, for the Fifth Session of the Thirteenth National Assembly. The functions of the Committee are set out under Standing Orders 206 (j) and 207(7) of the National Assembly of Zambia Standing Orders, 2024.

The Committee held eight sittings to consider the Bill. In order to gain insight into the ramifications of the Bill, the Committee sought both written and oral submissions from various stakeholders. The list of stakeholders is at Appendix II of the Report.

The Report is in three Parts. Part I contains the salient provisions of the Bill. Part II highlights concerns raised by stakeholders, while Part III contains the Committee's observations and recommendations.

The Committee wishes to pay tribute to all stakeholders who appeared before it and tendered both oral and written submissions. It further wishes to thank you, Madam Speaker, for affording it an opportunity to consider the National Payment System Bill, N.A.B. No. 32 of 2025. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.



Ms Sibeso K Sefulo, MP  
CHAIRPERSON

January 2026  
LUSAKA

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## **1.0 MEMBERSHIP OF THE COMMITTEE**

The Committee consisted of Ms Sibeso K Sefulo, MP (Chairperson); Mr Joel Chibuye, MP (Vice-Chairperson); Mr Gary C Nkombo, MP; Mr Kabwe T Chewe, MP; Mr Davison Mung'andu, MP; Mr Derricky Chilundika, MP; Dr Simon Mwale, MP; Mr Simon Banda, MP; Mr Walusa Mulaliki, MP; and Mr Wesley Kolala, MP.

## **2.0 BACKGROUND**

The *National Payment Systems Act, Chapter 359 of the Laws of Zambia* granted the Bank of Zambia (BoZ) a framework for regulating and supervising payment, clearing, and settlement systems. It emphasised the designation of payment systems and clearing houses; the approval of their rules, netting processes, collateral, failure-to-settle protocols; and the granting of limited enforcement authority. However, the Act was primarily system-focused and did not specify in detail licensing requirements for individual Payment Service Providers (PSPs), electronic money (e-money), payment aggregation, market conduct, governance standards, or formal resolution mechanisms for non-bank PSPs.

Therefore, the National Payment System Bill, N.A.B. No. 32 of 2025, seeks to repeal and replace the *National Payment Systems Act, Chapter 359 of the Laws of Zambia*, with a modern, activity-centred law that broadens the BoZ's authority to license, supervise, and resolve PSPs. It also sets rules for governance, consumer protection, Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT), cyber incident reporting, capital requirements, segregation of customer funds, and establishes a comprehensive resolution and winding-up framework for PSPs and electronic money institutions.

## **3.0 OBJECTS OF THE BILL**

The objects of the Bill are to:

- a) provide for licensing, designation and authorisation of payment service providers;
- b) provide for the incorporation of standards, principles and concepts of corporate governance in institutional systems and structures of payment service providers;
- c) provide for sound business practices, consumer protection mechanisms and market conduct in the provision of payment services;
- d) provide for the regulation and operation of the payment system, clearing systems and settlement systems for purposes of promoting efficiency, stability and safety of the National Payment System;
- e) provide for corporate restructuring transactions involving payment service providers for purposes of ensuring the operational continuity of the payment system;
- f) provide for rules, procedures and supervisory action for payment service providers on winding up, insolvency or receivership;
- g) repeal and replace the *National Payment Systems Act, Chapter 359 of the Laws of Zambia*; and
- h) provide for matters connected with, or incidental to, the foregoing

## **PART I**

### **4.0 PROVISIONS OF THE BILL**

The provisions of the Bill are as set out hereunder.

#### **Part One**

##### **Clauses 1 to 3 – Preliminary Provisions**

This part provides for the preliminary provisions, among them, being the interpretation section, which seeks to define various words and phrases used in the Act in order to make the law easier to understand by the citizens and those tasked to implement the law.

#### **Part Two**

##### **Clauses 4 to 7 – Administration**

This Part mandates the Bank of Zambia to be responsible for the administration of the provisions of the Act. The Part also mandates the Bank of Zambia to, among others, regulate and supervise payment service providers, monitor, on a regular basis, the reliability and efficiency of payment systems as may be determined by the Bank and promote policies that ensure financial inclusion and consumer protection in the provision of payment services.

The Part further empowers the Bank of Zambia to delegate any of its functions under the Act to an agent. It also provides for the appointment of the Registrar and Deputy Registrar and outlines their functions.

#### **Part Three**

##### **Clause 8 to 9 – The National Payment System**

This Part establishes the National Payment System for the purposes of regulation and supervision of payment systems by the Bank. It also provides that the National Payment System includes systems, instruments, mechanisms, institutions, agreements, procedures and rules of individual payment channels that are used for transfer of funds and final settlement of obligations arising from value transactions.

The Part further empowers the Bank, in participating in the National Payment System to, among other things, establish, own or operate a payment system, clearing system or settlement system, provide a payment service, clearing service or settlement service and be a participant in a payment system, clearing system or settlement system.

#### **Part Four**

##### **Clause 10 to 28 – Licensing and Authorisation of Payment Service Providers**

This Part provides for services that qualify as payment services for the purposes of the Act. It also prohibits a person from providing a payment service without a licence, restricts the issuance of a licence to a corporate and further provides a penalty for a person who provides a payment service without a licence.

The Part also provides for the licence application process for a person whose proposed company name has been approved by the Bank. It also provides for the application process and requirements for the grant of a licence to provide a payment service.

The Part also provides that an applicant for a licence may withdraw an application for a licence any time before the Bank makes a decision on the application.

It also provides for the period of validity of a licence and mandates a holder of a licence to display the licence in a conspicuous place at the registered place of business and every other place where its operations are conducted.

The Part further provides for the procedure for the variation of the terms and conditions of a licence and the procedure for amendment of a licence where a licensee changes their name.

It also provides for the process of surrender of a licence; and for the procedure for transfer or assignment of a licence where a licensee is undergoing corporate restructuring or makes an application to the Bank, in writing, for approval to transfer or assign the licence.

The Part also provides for the suspension and cancellation of a licence where a licensee, among other things, obtains a licence fraudulently, provision of false information or misrepresentation of facts, breaches a term or condition of a licence or contravenes the Act or any other written law.

It also provides for the provision of a duplicate licence to a licensee whose licence is lost, defaced or damaged.

The Part also provides for the commencement period for a licensee to provide a payment service, which shall be a period within twelve months from the date that a licence is granted.

It also provides for the application process for authorisation to provide a payment service for persons licensed to provide a financial service under the *Banking and Financial Services Act, No. 36 of 2025*, that intends to provide a payment service under the Act.

Furthermore, the Part mandates a payment service provider that intends to open or close a branch or subsidiary to notify the Bank of its intention and provides that the Bank may determine, through a regulatory statement, the licensing and other regulatory requirements for a Representative office.

## **Part Five**

### **Clauses 29 to 31 – Designation of Payment Service Providers**

This Part provides for the power of the Bank to designate a person as a payment service provider in specified circumstances as well as the power of the Bank to issue a notice of designation and vary or withdraw a designation of a payment service provider.

## **Part Six**

### **Clauses 32 to 34 – Changes to Payment Services, Governance Structures, Operations and Service Charges**

This Part prohibits a payment service provider from making changes to an existing payment service, governance structures of the payment service provider or operations of the payment service provider without authorisation from the Bank. It also provides for the process of application for authorisation to introduce or make changes to payment services, governance structures or operations.

The Part further mandates a payment service provider to obtain the approval of the Bank before introducing a new service charge or increasing an existing service charge.

## **Part Seven**

### **Clauses 35 to 47 – Corporate Governance**

This Part provides for additional functions of a board of a payment service provider outside the functions provided for under the *Companies Act, Chapter 388 of the Laws of Zambia*.

The Part empowers the Bank to direct a board of a payment service provider to convene a meeting and decide on matters relating to a payment service provider and appoint an observer to a meeting of a board of the payment service provider.

It also provides for the appointment of a director or senior officer of a payment service provider and a penalty for a payment service provider that contravenes the appointment criterion of a director or senior officer. It further provides for the reporting obligations of a board or the directors, where a board or directors reasonably believe that a payment service provider is unable to provide a payment service as a going concern or a payment service provider is unable to meet any of the payment service provider's obligations.

The Part also provides for a director or senior officer of a payment service provider to annually declare their material interests and material relationships as well as the mandate of a director or senior officer of a payment service provider to disclose the nature and extent of a material interest or relationship.

This Part further empowers the Bank to suspend, extend the suspension, dismiss or reinstate a director or a senior officer of a payment service provider who fails to take reasonable steps to ensure compliance of the payment service provider with the Act or any other relevant written law. It also prohibits a person acting on behalf of a payment service provider from making a false or misleading statement or obstructing an auditor in accordance with the Act or any other relevant written law.

The Part also provides for fit and proper test requirements for a shareholder, director or senior officer of a payment service provider which include, among others, probity, personal integrity and reputation. It also grants the Bank discretionary power to direct a payment service provider to remove a shareholder who the Bank determines is not a fit and proper person to continue holding shares in the payment service provider.

This Part also mandates the payment service provider to adopt and develop a corporate governance charter, which must include contents determined by the Bank in a regulatory statement and the Act.

The Part further provides for the ownership of shares by trusts and for the ownership and voting control limits of a payment service provider, based on the principle of proportionality.

## **Part Eight**

### **Clauses 48 to 65 – Financial Consumer Protection and Market Conduct**

Part eight provides for the anti-competitive practices of payment service providers subject to the *Competition and Consumer Protection Act, Chapter 417 of the Laws of Zambia*. It also prohibits a payment service provider from engaging in anti-competitive practices and further provides the penalty for failure to comply.

The Part also prohibits payment service providers from entering into anti-competitive agreements or arrangements and provides for a penalty for non-compliance. The Part also provides for exceptional circumstances when agreements do not amount to anti-competitive agreements. This Part also prohibits a payment service provider from entering into collateral contracts with a consumer and provides a penalty for non-compliance.

The Part also prohibits a payment service provider from engaging in coercive behaviour that mandates a consumer to make decisions that are not in their best interest. It also prohibits a payment service provider from imposing barriers, in contract terms and conditions, for a consumer to switch from that payment service provider to another payment service provider. It further empowers the Bank to determine minimum standards for the fair treatment of consumers of payment services and mandates a payment service provider to develop a charter for fair treatment of consumers.

The Part also mandates a payment service provider to disclose all charges and information to a consumer before entering into a contract. It also empowers the Bank to direct a payment service provider to take remedial measures where the payment service provider imposes charges or fees that are not, among others, in the public interest.

The Part also mandates a payment service provider to maintain confidential information obtained in the provision of a payment service. It also permits the disclosure of information and sharing of consumer data in specific instances which include, among others, express consent of the customer and in compliance with a court order.

This Part also provides for a complaints procedure for consumers which shall be determined by the Bank. It further empowers the Bank to appoint an ombudsperson for the purposes of determining matters relating to consumer protection.

The Part also empowers the Bank to control advertisements of a payment service provider in a regulatory statement but prohibits a payment service provider from engaging in unfair business practices. This Part further provides a penalty for non-compliance.

This Part also provides for the circumstances when a contract or contractual term is said to be an unfair contract or contractual term. It further provides that a contract or contractual term is still binding on the payment service provider and consumer, if the contract is capable of being enforced without the unfair contractual term.

Furthermore, the Part mandates a payment service provider to submit periodic consumer protection and market conduct returns as the Bank may determine. This Part also empowers the Bank to conduct examinations, mystery shopping or market monitoring of a payment service provider for purposes of ensuring compliance with the Part.

## **Part Nine**

### **Clauses 66 to 68 -- Presentment and Electronic Transmission of Cheques in the Provision of Payment Services**

This Part mandates a banker to present a cheque for payment at the official business premises of a banker on whom the cheque is drawn. It also permits a banker to present a cheque for payment electronically, as an alternative method of presentment of a cheque.

Additionally, the Part further permits the admissibility of a cheque that is a subject of court proceedings subject to the *Electronic Communications and Transactions Act, No. 4 of 2021*.

## **Part Ten**

### **Clauses 69 to 74 – Payment, Clearing, Netting and Settlement**

This Part provides for the rules of a licensed, authorised or designated payment system, which shall be approved by the Bank and be binding on a payment system participant, payment system operator, payment system business and any other party connected, to the licensed, authorised or designated payment system.

The Part requires a payment system operator to have a settlement arrangement, which shall require, among other things, a payment system participant to hold a settlement account with a settlement agent.

The Part also provides that a payment instruction or settlement instruction that is in a payment system is final and irrevocable. However, a payment instruction or settlement instruction that is made in error shall be corrected by initiating another payment instruction or settlement instruction in accordance with the rules of that payment system.

This Part also requires a payment system to have a failure-to-settle arrangement, which shall be approved by the Bank, for purposes of specifying the manner in which payment system participants shall mitigate settlement failure.

The Part further mandates a payment system participant to have adequate assets as collateral to participate in a payment system for purposes of a failure-to-settle arrangement and further provides a penalty for non-compliance.

Furthermore, this Part mandates a settlement agent to specify the manner and form that a payment system participant will participate in a payment system with adequate collateral.

## **Part Eleven**

### **Clauses 75 to 77 – Electronic Money**

This Part mandates a payment service business providing an electronic money payment service to, among other things, issue electronic money only after equivalent cash is deposited in a holding account.

The Part also provides for the purchase or redemption of electronic money by an agent engaged by a payment system business; and for offences under the Part and a penalty for contravening the Part.

## **Part Twelve**

### **Clauses 78 to 79 – Payment Aggregation**

This Part seeks to provide for the requirements of the provision of a payment aggregation service by a payment system business and for the offences under the Part and a penalty for contravening the Part.

## **Part Thirteen**

### **Clauses 80 to 82 – Money Transfer**

This Part mandates a payment system business providing a money transfer service to, among other things, maintain a customer funds account at a bank or financial institution approved by the Bank, ensure that the amount held in a customer funds account is not less than the outstanding liabilities to customers of that payment system business and maintain, in electronic form, the names of all customers whose funds are in a customer funds account. The Part also empowers an agent engaged by a payment system business providing a money transfer service to send money or withdraw money.

It further provides for an offence under the Part.

## **Part Four**

### **Clauses 83 to 86 – Corporate Restructuring Transaction Involving a Payment Service Provider**

This Part prohibits a payment service provider from effecting a corporate restructuring transaction without the approval of the Bank. It also provides for the instances when a payment service provider may affect a corporate restructuring transaction.

The Part also provides for the application procedure for approval of effecting a corporate restructuring transaction; and for the effect of a corporate restructuring transaction once approved by the Bank.

## **Part Fifteen**

### **Clauses 87 to 91 – Capital Requirements and Supervisory Action**

This Part empowers the Bank to determine the minimum capital requirements for payment service providers under the Act and to take actions against an undercapitalised payment service provider. The Part further sets out the circumstances under which a payment service provider can be considered undercapitalised.

The Part also empowers the Bank to take actions against a payment service provider that is incurring large losses and requires a payment service provider that is undercapitalised or incurring large losses and intends to declare a dividend to apply to the Bank for approval of the amount to be proposed as a dividend.

This Part further empowers the Bank to take supervisory action against a payment service provider that fails to comply with the provisions of the Act. Further, the Part empowers the Bank, among others, to direct a payment service provider to take remedial action to comply with any rule made or regulatory statement issued in accordance with the Act.

## **Part Sixteen**

### **Clauses 92 to 102 – Possession of Payment Service Provider by the Bank**

This Part provides for the grounds on which the Bank may take possession of a payment service provider. It also mandates the Bank of Zambia to give notice of possession of a payment service provider at every branch of the payment service provider showing the date, hour and minute that the possession takes effect. The Part further mandates the Bank to transmit a copy of the notice of possession to the court.

The Part also mandates the Bank to appoint a possession manager who shall manage a payment service provider under possession. It also permits a payment service provider or an interested person acting on behalf of the payment service provider to petition the Minister to constitute a tribunal to question the decision of the Bank to take possession of the payment service provider.

This Part also sets out the powers and duties of the Bank on taking possession of a payment service provider which include, the power to continue or discontinue operations of a payment service provider. It also mandates the Bank to prepare a statement of affairs for a payment service provider in possession.

The Part also provides for the resolution options that the Bank can take against a payment service provider in possession. Further, the Part empowers the Bank to establish a special purpose vehicle for implementation of the resolution options. It also permits the Bank to establish a Resolution Fund for the purpose of implementing the resolution options.

The Part also provides for the effect of possession of a payment service provider by the Bank. It also provides for the powers of the Bank on commencement of a restructuring or reorganisation of a payment service provider as a resolution option, among which is notifying the relevant stakeholders of the restructuring or reorganisation.

The Part further provides for the restriction of execution of a judgement on a payment service provider in possession unless the execution process was issued at least 12 months before the Bank taking possession of the payment service provider.

## **Part Seventeen**

### **Clauses 103 to 120 – Winding-Up, Insolvency or Receivership of Payment Service Providers**

This Part sets out the various winding-up, insolvency and receivership procedures under the Act. The procedures include among others, the circumstances under which a voluntary winding up, notification of insolvency proceedings, receivership or business rescue proceedings, insolvency or winding up of a payment service provider or an electronic money institution, instructions on payment, settlement or netting under the winding up or insolvency of a payment service provider, compulsory winding up of a payment service provider by the Bank, objection to a liquidation schedule, payment of claims, the priority of ranking of claims, the power to abate claims in equal proportions when there are insufficient funds for the payment of claims, the treatment of undistributed funds and immunity of the Bank against a consumer or creditor claims.

## **Part Eighteen**

### **Clauses 121 to 123 – Investigations and Inspections**

This Part provides for investigations and inspections of payment service providers by empowering the employees or agents of the Bank, with the authority of a warrant, to, among others, enter and search any premises, access and examine books, accounts, systems or records and require any person in control to provide an explanation as to any books and remove any equipment, commodity or product. The Part further provides for the appointment of suitably qualified persons as inspectors and grants them powers and provides for an offence for obstruction of investigations or inspection.

## **Part Nineteen**

### **Clause 124 to 153 – General Provisions**

This Part provides for the protection of customer funds held by a payment service in a holding account, collection account or customer funds account as well as for safeguarding of the unclaimed customer funds and unclaimed customer funds by a payment service provider. It empowers the Bank to determine the conditions, treatment or processes of making any claim for the funds.

The Part also empowers the Bank to enter into an agreement with a payment service provider, where the Bank considers that a payment service provider is committing an act or conduct that is unsafe or unsound. It also permits a payment service provider to accept identification documentation for the purpose of conducting consumer due diligence when providing a payment service.

The Part further mandates the payment service provider to immediately notify the Bank on, among others, an intention to make a material change to the nature of the operational rules and activities of the payment system of the payment service provider and an irregularity that impedes, impairs or prevents access to payment system operations, clearing operations or settlement operations of the payment service

provider. It also mandates a payment service provider to establish mechanisms to ensure the protection of critical information, critical information infrastructure, computer, computer data or a computer system and further provides that a payment service provider shall notify the Bank of any perceived or actual occurrence of a cyber security incidence.

The Part also restricts a person carrying on a business from the use of a name or symbol which shows or is likely to show that the business is being operated by a payment service provider. It further provides for the penalty for false representation to the public that a person is a payment service provider. It also provides for an offence of issuing a cheque on an account that has insufficient funds and provides a penalty for such an offence.

The Part also provides for the validity of transactions entered into by a payment service provider in contravention of the provisions of the Act. It also mandates a payment service provider to retain records, for a period of ten years, that the payment service provider has obtained or generated in the operation and administration of the business of the payment service provider.

The Part also mandates a payment service provider to have documents be signed by the chief executive officer or the person holding the office specified in the document, where the documents are required by the Bank. It also provides for a penalty for non-compliance with the provisions for issuing a document which is false in any material particular. It further mandates the Bank to issue guidelines for monitoring or testing financial innovation under the Act.

The Part also mandates the Bank to issue guidelines for regulation, supervision and oversight of financial market infrastructure and also mandates a payment service provider to submit returns to the Bank as the Bank may determine.

It also provides for continuing offences or acts in relation to the continuation of a failure or refusal and provides for the penalty of an administrative penalty determined by the Bank. The Part also provides for offences by principal officers of a body corporate or unincorporate body.

This Part also provides for a general penalty that is applicable to an offence in the Act that has no specific penalty attached to it. It also provides for an administrative penalty that may be imposed by the Bank for non-compliance of a provision of the Act that is not an offence, and further empowers the Bank to recover the administrative penalty that is not paid by way of a civil action in a competent court.

This Part also provides for the immunity of an officer, agent or employee of the Bank for acts done in good faith in the performance of their functions under the Act. It also empowers the Bank to place a moratorium on the grant of a licence, authorisation or designation as a payment service provider, if doing so is in the public interest or preserves the integrity of the financial system and empowers the Bank to exempt a payment service provider or other person from the provisions of the Act.

This Part also provides for the settlement of disputes between payment service providers relating to matters under this Act to be settled by mutual agreement or alternative dispute resolution. It also provides for the right to be heard over a decision

made by the Bank and empowers the Bank to reaffirm, revoke or vary its decision after hearing the affected party.

This Part also provides for the right of appeal of a person aggrieved with the decision of the Bank to a tribunal constituted by the Minister.

The Part also empowers the Minister to constitute a tribunal within 30 days of an appeal. It further empowers the Chief Justice to make rules, through a statutory instrument, for the procedure to be followed and the evidence to be observed in proceedings before the tribunal.

This Part also provides for the decision of the tribunal which shall be limited to ordering compensation against the Bank and not setting aside the decision of the Bank. It further provides that an appeal against the decision of the tribunal shall lie to the Court of Appeal.

The Part also mandates the Bank to keep a register of payment service providers, in the custody of the Registrar, which shall be open for inspection by members of the general public during working hours.

The Part also empowers the Bank to make regulatory statements to give effect to the better carrying out of the provisions of the Act. It further empowers the Minister to make Regulations for the better carrying out of the provisions of the Act.

The Part further repeals and replaces the *National Payment Systems Act, Chapter 359 of the Laws of Zambia* and provides for the savings and transitional provisions once the Act is operationalised.

## **PART II**

### **5.0 CONCERNS RAISED BY STAKEHOLDERS**

Stakeholders who appeared before the Committee supported the Bill. However, in doing so, they raised the concerns outlined below.

#### **i. Additions of Penalties**

With regard to Part IV, Clause 11(3) of the Bill, regarding fines on the provision of payment services without licence, stakeholders submitted that there should be added to the penalties, that erring shareholders should be permanently barred from opening any payment service in the future. They were of the view that this measure would help protect the financial sector from individuals who may pose a risk to the industry.

#### **ii. Feedback Mechanisms**

While Part IV, Clause 12(2) of the Bill provides for the Bank to, within fourteen days of receipt of an application under Sub Clause (1), approve or reject the application, the Bill does not state clearly what would happen if the Bank did not provide feedback within the prescribed period. It was, therefore, suggested that the Clause be expanded to provide for what would happen if feedback was not provided within a prescribed period.

### **iii. Commencement Period of Business**

Other stakeholders submitted that while Part IV, Clause 25(1), provides that a licensee shall commence a business to provide a payment service within twelve months from the date a licence was granted under this Act, it was suggested that the time of commencement be extended from twelve months to eighteen months. They were of the view that this would give the licensee sufficient time to secure sponsoring banks and for purposes of finalising commercial agreements.

### **iv. Dual Regulatory Framework**

Some stakeholders noted the fact that since the payment service providers would be subject to both the *Companies Act, Chapter 388 of the Laws of Zambia* and the National Payment System Act once enacted, this will create an enhanced regulatory environment. However, they were concerned that there may be instances where there would be overlapping regulatory challenges.

Whilst recognising the application of the Companies Act and articles of association of the payment system provider, the Bill vested the Bank with power to convene meetings of the Board, with defined quorum requirements and decision-making processes. The Bill does not, however, provide circumstances under which such a meeting may be directed by the Bank. It was, therefore, suggested that the Bill provides for circumstances under which such a meeting may be directed by the Bank.

### **v. Conflicting Insolvency Jurisdictions**

Some stakeholders submitted that the Bill creates a specialised insolvency regime that may conflict with the *Corporate Insolvency Act, No. 9 of 2017* for voluntary winding up. They were of the view that, while the proposal would enhance the regulatory regime necessary for the financial systems, it may present procedural challenges.

Overlapping requirements for insolvency in particular voluntary winding up envisaged under Clause 103 of the Bill and Clause 88 of the *Corporate Insolvency Act, No. 9 of 2017*. It was submitted that the Bill requires a board resolution for winding up, whilst the Corporate Insolvency Act requires a special resolution. Stakeholders were of the view that these provisions may create procedural uncertainty about which Act's procedures apply. It was, therefore, suggested that the provisions be harmonised to avoid procedural uncertainty.

### **vi. Uniform Licensing Framework**

Some stakeholders submitted that, while Clause 7(2)(a) provides for licensing of payment service operators (PSOs), it may burden smaller Fintechs. They were of the view that this Clause on licensing requirements applied to both major banks and small fintechs.

It was, therefore, suggested that tiered licensing categories such as low-risk PSPs, medium-risk PSOs, systemically important PSOs, be introduced in the Bill.

### **vii. Broad Oversight Powers Without Clear Boundaries**

Some stakeholders submitted that, while Clause 8 of the Bill provides for the oversight powers of Bank of Zambia, they were of the view that the discretion was broad as there was no requirement for published oversight standards, which created regulatory uncertainty and potential overreach.

It was, therefore, suggested that a clause be inserted requiring the BoZ to publish supervisory guidelines outlining scope, criteria, intervention triggers, and compliance expectations.

#### **viii. Absence of an Appeals Mechanism for Cancellation of Licences**

Some stakeholders submitted that, while Clause 23 provides for cancellation or suspension of licence by the BoZ, the decisions to revoke licences were final with no statutory appeal route. They were of the view that this created a risk of perceived unfairness and may frighten investors.

It was, therefore, suggested that a clause be introduced to enable operators to appeal to the Minister or an independent tribunal within a specified time.

### **PART III**

## **6.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee notes that all stakeholders who appeared before it were in support of the Bill. The Committee also supports the Bill and in doing so makes the observations and recommendations outlined below.

#### **i. Commencement Period of Business**

The Committee observes that, while Part IV, Clause 25(1), provides for a licensee to commence a business, to provide a payment service, within twelve months from the date a licence is granted under this Act, it is of the view that the proposed period of twelve months is inadequate.

In this regard, the Committee recommends that the time of commencement be extended from twelve months to eighteen months to give the licensee sufficient time to secure sponsoring banks and for purposes of finalising commercial agreements.

#### **ii. Conflicting Insolvency Jurisdictions**

The Committee observes that Clause 103 of the Bill creates a specialised insolvency regime that may conflict with the *Corporate Insolvency Act, No. 9 of 2017*, for voluntary winding up. The Committee is of the view that, while the proposal will enhance the regulatory regime necessary for the financial systems, it may present procedural challenges due to the overlapping requirements for insolvency in particular voluntary winding up envisaged under Clause 103 of the Bill and Clause 88 of the *Corporate Insolvency Act, No. 9 of 2017*.

The Committee, therefore, recommends that in order to avoid procedural uncertainty about which Act's procedures apply, the provisions be harmonised.

#### **iii. Uniform Licensing Framework**

The Committee observes that, while Clause 7(2)(a) provides for licensing of payment service operators (PSOs), it may burden smaller Fintechs as this clause on licensing requirements apply to both major banks and small fintechs.

In this regard, the Committee recommends that tiered licensing categories such as low-risk PSPs, medium-risk PSOs, systemically important PSOs, be introduced in the Bill.

**iv. Broad Oversight Powers Without Clear Boundaries**

The Committee observes that, while Clause 8 of the Bill provides for oversight powers of the Bank of Zambia, the discretion is broad as there is no provision for oversight standards, and this creates regulatory uncertainty.

The Committee, therefore, recommends that a clause be introduced requiring the BoZ to publish supervisory guidelines outlining scope, criteria, intervention triggers, and compliance expectations.

**v. Absence of an Appeals Mechanism for Cancellation of Licences**

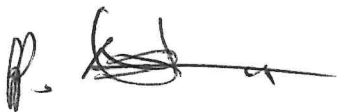
The Committee observes that, while Clause 23 provides for cancellation or suspension of a licence by the BoZ, decisions to revoke licences are final, with no statutory appeal route. The Committee is of the view that if not addressed, this would create a risk of perceived unfairness and has the potential to frighten investors.

The Committee, therefore, recommends that a clause be introduced, enabling operators to appeal to the Minister or an independent tribunal within a specified time.

**7.0 CONCLUSION**

The National Payment System Bill, N.A.B. No. 32 of 2025, updates Zambia's payments legal framework by moving away from a system-centric law to a more entity-focused regulatory structure. This new approach accommodates modern payment business models such as e-money, aggregators, and PSPs, while also enhancing consumer protection, governance, market conduct, and dispute resolution. These improvements do not only significantly boost safety, stability, and consumer trust, but also introduce higher compliance, capital, operational, and governance requirements. Additionally, they expand the Bank of Zambia's intervention powers.

In view of the foregoing, the Committee supports the enactment of the the National Payment System Bill, N.A.B. No. 32 of 2025, into law.



Ms Sibeso K Sefulo, MP  
CHAIRPERSON

January, 2026  
LUSAKA

## **APPENDIX I**

## **LIST OF NATIONAL ASSEMBLY OFFICIALS**

Mr Stephen Chiwota, Director (Financial Committees)  
Mr Geoffrey Zulu, Deputy Director (Financial Committees)  
Ms Chitalu R Mulenga, Senior Committee Clerk (FC2)  
Mr Moses Chuba, Committee Clerk  
Mrs Racheal M Kanyumbu, Administrative Assistant  
Mr Daniel Lupiya, Senior Committee Assistant  
Mr Muyembi Kantumoya, Committee Assistant

**APPENDIX II****LIST OF WITNESSES**

Anti-Corruption Commission  
Bank of Zambia  
Bankers Association of Zambia  
Competition and Consumer Protection Commission  
Financial Intelligence Centre  
Ministry of Justice  
Ministry of Commerce, Trade and Industry  
National Economic Advisory Council  
Parliamentary Budget Office  
Patents and Companies Registration Agency  
Zambia Institute of Chartered Accountants  
Zambia Information and Communications Technology  
Zambia Revenue Authority  
Zambia Chamber of Commerce and Industry