

ZAMBIA ELECTRONIC CLEARING HOUSE LIMITED

GENERAL RULES

ZAMBIA ELECTRONIC CLEARING HOUSE LIMITED

GENERAL RULES

Revised: 15 September 2020

Approved: 11 March 2022

TABLE OF CONTENTS

1	INTRODUCTION.....	4
2	COMMENCEMENT.....	4
3	APPLICATION OF RULES.....	4
4	INTERPRETATION.....	5
5	ADMINISTRATION OF THE RULES.....	8
6	GOVERNING LAW.....	8
7	OPERATIONS OF THE ZECH.....	8
8	THE ROLE OF ZECHL.....	8
9	RESPONSIBILITIES OF ZECHL.....	9
10	RESPONSIBILITIES OF THE BANK OF ZAMBIA.....	9
11	PROVISION OF CURRENT ACCOUNTS.....	9
12	CONFIRMATION OF SETTLEMENT.....	9
13	RESPONSIBILITIES OF PARTICIPANTS.....	10
14	ROUTING THROUGH INTERNATIONAL CARD SCHEMES.....	10
15	MEMBERSHIP TO THE ZAMBIA ELECTRONIC CLEARING HOUSE.....	11
16	PARTICIPATION IN THE INTERBANK CLEARING SYSTEM.....	11
17	PARTICIPATION ON THE NATIONAL FINANCIAL SWITCH.....	13
18	PARTICIPATION IN THE SETTLEMENT SYSTEM.....	14
19	COMPLIANCE.....	14
20	CRITERIA FOR SPONSORED SETTLEMENT.....	14
21	MEASURES TO MITIGATE PARTICIPATING BANK'S FAILURE TO SETTLE.....	15
22	PARTICIPATING BANK'S FAILURE TO SETTLE.....	16
23	EXPULSION OR SUSPENSION OF THE ZECHL PARTICIPANT.....	17
24	READMISSION OF A SUSPENDED PARTICIPATING BANK.....	17
25	RESIGNATION OF A PARTICIPANT.....	18
26	CONTRIBUTIONS TOWARDS ZECHL.....	18
27	COMPENSATION FOR UNDUE ENRICHMENT-CIC.....	19
28	COMPENSATION FOR UNDUE ENRICHMENT-EFT.....	19
29	DISPUTE RESOLUTION BETWEEN PARTICIPANTS.....	20
30	EXTENSION OF A CLEARING SESSION.....	20
31	LIMIT OF LIABILITY.....	21

32	ADDITION AND DELETION OF BRANCHES	21
33	BALANCES MAINTAINED AT THE BANK OF ZAMBIA	21
34	EMERGENCY CONDITIONS	22
35	BUSINESS CONTINUITY AND DISASTER RECOVERY	22
36	CONFIDENTIALITY	22
37	IMPOSITION OF CONDITIONS TO PARTICIPATION	23
38	ENFORCEMENT OF RULES	23
39	DATA RETENTION	23
40	ADDRESS FOR NOTICES	23
41	VIOLATION OF LAW	24
42	REVIEW, AMENDMENT AND ACCESSIBILITY OF THE RULES	24
	SCHEDULE I – BANK BRANCH AREA SORT CODES	25
	AREA CODES	35
	SCHEDULE II – ZECH CLEARING SESSIONS, CLEARING, SETTLEMENT AND CONFIRMATION TIMES.....	37
	SCHEDULE III – MAXIMUM ELECTRONIC NOTICE PERIOD AND RETURN OF ITEMS	38
	SCHEDULE IV – CENTRES AND LOCATIONS.....	40
	SCHEDULE V – ZECHL MAXIMUM CHARGES	42
	SCHEDULE VI - MAXIMUM CHARGES AND FEES.....	43
	APPENDIX I – RTGS DIRECT DEBIT MANDATE & DIRECT DEBIT GUARANTEE.....	43

1 INTRODUCTION

1.1 Background

1.1.1 The Zambia Electronic Clearing House Limited (ZECHL), is a non-profit making corporate entity registered under the Companies Act 1994, Chapter 388 of the Laws of Zambia. It is a private company limited by Shares. Zambia Electronic Clearing House Limited (ZECHL) was formed in 1999 and the current Shareholders are the Bank of Zambia and 19 Commercial banks. The Company was formed for the purpose of providing interbank clearing services to the Bank of Zambia and Commercial banks.

1.2 The General Institutional Framework

1.2.1 ZECHL being a Financial Market Infrastructure (FMI) is committed to preserving the confidentiality, integrity, and availability of financial services to its clients. The role and responsibilities of ZECHL in the domestic payment system are governed by the Zambia National Payment Systems Act, 2007. ZECHL is empowered to perform such functions, implement such rules and procedures and, in general, take such steps as may be necessary to establish, conduct, monitor, regulate and supervise payment, clearing and settlement systems". ZECHL therefore, ensures the overall effectiveness and integrity of the clearing and switching platforms.

1.3 Purpose

1.3.1 To establish the general terms and conditions for the clearing, switching and settlement of payment instruments and payment instructions through ZECH for participants of ZECH, for the governance of the operations of the ZECH and for matters incidental thereto.

1.3.2 These General Rules shall be read together with the CIC, EFT, ATM, POS and E-Money Rules as one document.

1.3.3 The General Rules are intended to standardise the interbank clearing and switching operations in line with the National Payment System Reform Programme and encourage the banking and payment industry to take advantage of new business methods, technology, facilities offered by ZECHL and help remove redundant practices.

1.3.4 The document is intended for participants in ZECH who are required to apply the rules of the interbank clearing and switching and operate within the set procedures as defined.

2 COMMENCEMENT

2.1.1 With effect from the Bank of Zambia approval date or as amended from time to time this document shall be referred to in the various aspects of interbank clearing and switching. No departure from these Rules shall be allowed. If in doubt as to interpretation or application of these Rules, contact the Bankers' Association of Zambia (BAZ) or the Zambia Electronic Clearing House Limited (ZECHL).

3 APPLICATION OF RULES

3.1 These Rules shall govern the general operations and use of the Cheque Image Clearing (CIC), Direct Debit And Credit Clearing (DDACC) and National Financial Switch (NFS) payment streams i.e. Automated Teller Machine (ATM), Point of Sale (POS) and Electronic Money (E-Money) as well as define the roles and responsibilities of the participants and the managers of the system.

3.2 These Rules shall apply to all participants on the ZECH systems.

4 INTERPRETATION

In these rules unless inconsistent with the context or subject matter of a particular clause, the words and phrases following shall have the meanings stated below:

- 4.1 **24/7**
Twenty-four hours a day, seven days a week; all the time.
- 4.2 **ATM**
Automated Teller Machine
- 4.3 **bank**
A company authorised to conduct banking business in accordance with Banking and Financial Services Act, 2017.
- 4.4 **Bank**
The Bank of Zambia established in accordance with the Constitution.
- 4.5 **Branch**
The permanent premises, other than the head office, at which a financial service provider conducts business in or outside Zambia.
- 4.6 **Business Day**
Any day that is not a Saturday, Sunday or a Zambian national holiday or the period between two cut overs in reference to NFS transactions.
- 4.7 **BAZ**
The Bankers' Association of Zambia.
- 4.8 **BOZ**
The Bank of Zambia.
- 4.9 **CIC**
Cheque Image Clearing
- 4.10 **Clearing**
The receipt, exchange and distribution of payment instruments.
- 4.11 **Clearing Centre**
This is a centre from where each participant's electronic files are pooled for transmission to the ZECH.
- 4.12 **Collecting bank/financial institution**
A ZECH Participant that sends Eligible Items e.g., cheques, EFT through the ZECH.
- 4.13 **Collecting Participant**
A ZECH participant that sends Eligible Items through the ZECH
- 4.14 **Consolidated Net Settlement Position or CNSP**
The sum of all Net Settlement Positions from all sessions of the ZECH for Settlement at the Bank.
- 4.15 **Clearing and Settlement**
A system or arrangement to clear and settle payment obligations or instruction in which:
- 4.15.1 There are at least three participants, one of which must be a bank;
- 4.15.2 Clearing and settlement is all or partially in Zambian kwacha.

- 4.15.3 Payment obligations that arise from clearing within the system or arrangement are ultimately settled through adjustments to the account of one or more participant at the Bank or settlement agent.
- 4.16 **DDACC**
Direct Debit And Credit Clearing
- 4.17 **Disaster Recovery Site**
The Disaster Recovery (DR) site for the ZECH is in Ndola.
- 4.18 **Domestic Transaction** - A transaction between an acquirer and issuer who are both domiciled in Zambia.
- 4.19 **EFT**
Electronic Funds Transfer
- 4.20 **Eligible Item**
Any Payment instrument (physical or electronic), which is permissible for exchange under these rules.
- 4.21 **Failure to Settle**
The inability to settle a settlement obligation by a participant by the minute in the hour and the date stipulated in the settlement arrangement.
- 4.22 **Failure to Settlement Arrangements**
Measures agreed by the participants and approved by the Bank to manage a failure to settle arrangement.
- 4.23 **Finality of Payment**
The irrevocable and unconditional crediting of funds to the account of a payee.
- 4.26 **Finality of Settlement**
The irrevocable and unconditional discharge of settlement obligations between participants.
- 4.24 **Financial Institution**
A company, other than a bank conducting a Financial Service.
- 4.25 **Financial Service Provider**
A bank, financial institution, or financial business.
- 4.26 **Head of Operations**
The Controlling Officer of the ZECH.
- 4.27 **NSP**
Net Settlement Position.
- 4.28 **NFS**
National Financial Switch.
- 4.29 **Participant**
A member of a payment system that has been designated by the Bank and participates in the Interbank Clearing System at ZECH.

- 4.30 **Participating bank**
A participating bank is a bank that directly participates in the Interbank Clearing and Settlement system or a bank that directly participates in the Interbank Clearing but settlement is through a settlement sponsor bank.
- 4.31 **Participating Financial Institution**
A participating financial institution is a financial institution that directly participates in the Interbank Clearing but settles its settlement obligations through a settlement sponsor bank.
- 4.32 **Payment System**
A clearing and settlement system operating under clearing house rules.
- 4.33 **Payment Service Provider**
A Payment System Operator, Payment Institution, Payment System Participant and Electronic Money Institution.
- 4.34 **Payment System Business**
The business of providing money transfer or transmission services or any other business that the Bank of Zambia may prescribe as a payment system business.
- 4.35 **POS**
Point Of Sale.
- 4.36 **Service Providers**
These are customers of a participant who are registered with ZECHL and collect funds through the Direct Debit And Credit Clearing stream.
- 4.37 **Settlement**
The discharge of settlement obligations by Bank of Zambia or other settlement agents.
- 4.38 **Settlement Agent**
The Bank of Zambia or a bank that facilitates settlement between participants within a payment system.
- 4.39 **Settlement Instruction**
An instruction given to the Bank by a participating bank or by the ZECH to effect settlement of one or more payment obligations or to discharge any other obligation of one participating bank to another participating bank
- 4.40 **Settlement Obligation**
An indebtedness that is owed by one participant to another participant as a result of one or more settlement instructions.
- 4.41 **Settlement Sponsor Bank**
A settlement sponsor bank is one that settles the settlement obligations on behalf of a participating participant.
- 4.42 **Settlement Sponsored banks/financial institution/ Payment Service provider**
A participant whose settlement obligation is settled by a settlement sponsor bank
- 4.43 **Sponsor Participant**
A participant maintaining the Service Provider's account.
- 4.44 **Undue Enrichment**
A financial benefit received by a participant resulting from errors in clearing or delays in providing cleared funds to a beneficiary.

- 4.45 **Unpaid Eligible Item**
An Unpaid Eligible Item is one that is returned by the paying bank for any reason permissible in the CIC, EFT and General rules. Such eligible items maybe cheques or EFTs.
- 4.46 **ZECHL Participating Bank/Participating Financial Institution /Payment Service Provider**
A bank, financial institution or Payment service provider that has been allowed to directly participate in the Interbank Clearing in accordance with the terms of these Rules.
- 4.47 **The ZECH**
The Zambia Electronic Clearing House (ZECH) is an interbank clearing and switching facility operated by ZECHL.
- 4.48 **ZECHL**
Zambia Electronic Clearing House Limited, a limited liability company jointly owned by BOZ, and BAZ established to conduct interbank clearing business.
- 4.49 **Zambia Electronic Clearing House Rules (ZECH Rules)**
Common rules or standardized arrangements issued by the Zambia Electronic Clearing House for a payment system that has been approved by the Bank.

5 **ADMINISTRATION OF THE RULES**

- 5.1 ZECHL shall be responsible for the administration of these rules.

6 **GOVERNING LAW**

- 6.1 The Items covered by these Rules shall be subject, in all respects, National Payment Systems Act, under which these Rules are issued.

7 **OPERATIONS OF THE ZECH**

- 7.1 ZECH shall operate both the CIC and EFT/DDACC streams from Monday to Friday with the exception of national holidays, while ATM, POS and Mobile payment streams shall operate 24/7 every calendar day.
- 7.2 A Board of Directors shall manage ZECHL.
- 7.3 ZECH shall operate in Lusaka with Ndola being the DR site.
- 7.4 All ZECH Participants shall participate at the Lusaka office and as a contingency, at the Ndola office to clear Eligible Items.
- 7.5 ZECH shall be responsible for transmitting to the Bank the Net Settlement Positions of the ZECH Participants
- 7.6 The daily business of ZECH shall be conducted under the supervision of the ZECHL, which shall be responsible for the conduct of the Participants representatives and the staff of the ZECH.

8 **THE ROLE OF ZECHL**

- 8.1 ZECHL shall be responsible for the efficient and proper management and operations of the ZECH.
- 8.2 ZECH is responsible for the Consolidation of the Participants' Net Settlement Positions.
- 8.3 ZECHL shall ensure that the clearing systems and the NFS are operating according to the highest standards and best practices.
- 8.4 ZECHL shall ensure that the clearing systems and the NFS are available at all times.

9 RESPONSIBILITIES OF ZECHL

- 9.1 ZECHL shall be responsible inter alia for:
- 9.2 Determining the Net Settlement Positions for Eligible Items cleared through the ZECH.
- 9.3 Ensuring that the sum of all Participants' Net Settlement Positions are always equal to zero on the Net settlement statement.
- 9.4 EFT/DDACC, CIC and NFS settlement shall be consolidated separately.
- 9.5 The balance of each ZECH Participant from the Net Settlement Statement (The Consolidated Net Settlement Position for the Participants) shall be communicated by the ZECH electronically.
- 9.6 The ZECH shall transmit through RTGS the Net Settlement Position for each payment stream of each ZECH Participating Institution to the Bank.
- 9.7 The NSP statement in respect of each payment stream is accepted by participating banks as authority for the Bank to either credit or debit their accounts maintained in the books of Bank of Zambia according to the date of delivery to the Bank in respect of the Net Settlement Position of each Participant.
- 9.8 Accordingly, the ZECH Participant, by signing this document, shall indemnify the Bank against any consequences arising out of incorrect figures furnished to the Bank of Zambia by ZECHL.
- 9.9 ZECH shall be responsible for maintaining discipline in the day-to-day operations should any dispute arise between ZECH participants. ZECH participants concerned shall make written submissions to ZECH which will be reviewed by ZECH after which they will arrive at a decision. The decision arrived at by ZECH, in the process of resolving the dispute, shall be accepted by all parties. During the process, ZECH should not only be seen to be independent but must be independent of individual or groups of Participating banks/Financial Institutions or Payment Service provider.

10 RESPONSIBILITIES OF THE BANK OF ZAMBIA

- 10.1 The Bank shall be a participant of the ZECH and shall participate in the Clearing services to the same extent as any other participant provided that this does not derogate the Bank from any powers vested in it by the National Payment System Act to supervise and regulate the financial and payment systems. These powers include the powers to supervise payment systems and Clearing Houses.
- 10.2 The Bank shall review and approve all amendments to the Clearing House rules, and related arrangements and agreements. The Bank may also require changes to be made to payment system or Clearing House rules.
- 10.3 The Bank shall approve participants on the payment systems operated by ZECHL.

11 PROVISION OF CURRENT ACCOUNTS.

- 11.1 The Bank shall provide current account facilities for the Settlement of CNSP to ZECH Participants. The Net Consolidated Settlement statement is accepted by participants as authority for the Bank to credit or debit their accounts in its books accordingly, under date of delivery to the ZECH of the relevant eligible items on the said document. Accordingly, the participants of the ZECH by signing this document shall be deemed to have indemnified the Bank against any consequences arising out of incorrect figures furnished by ZECH.

12 CONFIRMATION OF SETTLEMENT

- 12.1 ZECH shall send the Net Settlement Position for each Payment Stream of the Participants at the end of each session/cycle electronically to the RTGS.
- 12.2 On receipt of the Net Settlement files from the ZECH, the RTGS at the Bank shall electronically confirm to ZECH whether or not the file has settled.
- 12.3 Where all Participants have sufficient balances in their Settlement accounts at the Bank, the RTGS system will provide a response code that will indicate that the file has successfully settled.

- 12.4 Where a ZECH Participant has insufficient balance in their Settlement account, the RTGS system shall send to the ZECH a response code that will indicate that the file has not settled.
- 12.5 The Bank shall send to ZECHL through email the confirmation that all Participants managed to arrange funding of their Net Settlement Positions for all the Payment Streams.

13 RESPONSIBILITIES OF PARTICIPANTS

- 13.1 Ensure compliance with these Rules and set standards.
- 13.2 Fulfil and perform every obligation and duty imposed on it by, or pursuant to the Rules.
- 13.3 A Participant shall be responsible for clearing, switching and settlement of transactions in compliance with these Rules, technical standards and procedures, and agreements.
- 13.4 A Participant will participate on the ZECH systems for the services that it applied for and approved by both ZECHL and the Bank.
- 13.5 A Participant will not withdraw any of its services it participates in on the ZECH systems without ZECHL approval.
- 13.5.1 A Participant that withdraws any of its services on the ZECH systems without ZECHL or the Bank's approval, ZECHL shall report the participant to BOZ and fine them with a penalty of K5,000 per day until the issue is resolved.
- 13.6 **System Changes made by Participants**
- 13.6.1 A participant that is about to implement some changes to their switch that will affect the NFS operations, the participant shall advise ZECHL two (2) days prior to effecting the change in order for ZECHL to monitor the system for any issues that might arise.
- 13.6.2 Where the change is urgent, the participant shall give a 24-hour notice.

14 ROUTING THROUGH INTERNATIONAL CARD SCHEMES

14.1 System Challenges At ZECHL

- 14.2 Where the NFS is unable to process transactions at both the Primary and Disaster Recovery sites, ZECHL shall:
- 14.2.1 Immediately advise all the POS and ATM participants to route all their transactions to the relevant card schemes.
- 14.2.2 Inform the relevant the card schemes of the action taken.
- 14.2.3 Advise the E-Money participants to broadcast to their customers that the NFS E-money platform is unavailable.

14.3 Restoration of the NFS System

- 14.3.1 ZECHL shall immediately inform all the POS and ATM participants to route back the transactions to the NFS within two (2) hours from the time of notification.
- 14.3.2 ZECHL shall immediately inform all the E-money participants to broadcast to their customers that the NFS E-money platform is up and running.

14.4 Acquirer BIN Management: Switching of BINs to Other Schemes

- 14.4.1 Where an Acquiring Participant has a system challenge that impacts on customers' ability to transact successfully and cannot be resolved within 3 days, the Acquiring participant shall formally write requesting to route the BIN/s through another card scheme.
- 14.4.2 Once the approval is granted, ZECHL shall instruct that acquiring participant to switch the affected BIN through the other schemes such as Visa, MasterCard etc. and shall notify the Central Bank accordingly.
- 14.4.3 ZECHL shall advise the Issuing Participants on the instruction to Switch the BIN/s to the respective Card Schemes.
- 14.4.4 The Acquiring participant shall ensure that the challenge is rectified within 7 days from date the BIN shall be routed to another scheme.
- 14.4.5 Where a participant does not resolve the issue within 7 days, ZECHL shall report the participant to BOZ and fine them with a penalty of K5,000 per day until the issue is resolved and the BIN is rerouted to ZECHL.

- 14.5 **Issuer BIN Management: Switching of BINs to Other Schemes**
- 14.5.1 Where an Issuing Participant has a system challenge that impacts on customers' ability to transact successfully and cannot be resolved within 3 days, the Issuing Participant shall formally write requesting to route the BIN(s) through another card scheme.
- 14.5.2 Once the approval is granted, ZECHL shall instruct all Acquiring Participant to switch the affected BIN(s) through the other schemes such as Visa, MasterCard etc. and shall notify the Bank accordingly.
- 14.5.3 The Issuing Participant shall ensure that the challenge is rectified within 7 days from date the BIN shall be routed to another scheme.

15 MEMBERSHIP TO THE ZAMBIA ELECTRONIC CLEARING HOUSE

15.1 Membership to ZECHL

- 15.1.1 Membership is restricted to licensed commercial banks, financial institutions and payment service providers that hold shares in ZECHL.

15.2 Application for Membership

- 15.2.1 Application for membership shall be restricted to banks financial service providers and payment service providers licensed in Zambia by the Bank of Zambia.

15.3 Consideration for Admission to Membership

- 15.3.1 Among other considerations, a participant's admission to membership shall not be in conflict with the National Payment System Act, or usual custom and usage of the Zambia payment systems.

15.4 Consideration for applications for direct participation in the ZECH

- 15.4.1 Commercial banks, financial service providers or payment service providers licensed by the Bank are eligible to apply for direct participation in the ZECH.

16 PARTICIPATION IN THE INTERBANK CLEARING SYSTEM

16.1 Application For Participation in the Interbank Clearing System

- 16.1.1 A Financial Service Provider/Payment service provider that has been designated by the Bank, shall be eligible to apply to the ZECHL CEO for participation in the ZECH platform.
- 16.1.2 The new participant may choose to settle on its own or use a settlement sponsor bank.
- 16.1.3 A financial institution or Payment Service provider shall settle through a settlement sponsor bank.

16.2 ZECH Requirements Before Admission in the Interbank Clearing System

- 16.2.1 A new bank, financial institution or payment service provider shall provide a copy of the Banking License or a Financial Institution or a **Payment Service provider** License to ZECHL together with the copy of the certificate of designation.
- 16.2.2 Prior to commencing participation in the interbank clearing system, ZECHL shall undertake an on-site inspection of the clearing facility as regards physical environment, hardware (PCs, Scanners, Fibre Optic Network) and personnel.
- 16.2.3 The New bank, Financial Institution or payment service provider shall pay a one-off Admission Fee of K25,000.00 (Kwacha Twenty-Five Thousand only).
- 16.2.4 The New bank, Financial Institution or payment service provider shall contribute to the ZECHL monthly budget based on transaction volume. From time to time, the bank or Financial Institution shall be required to contribute towards infrastructural developments taking place at the ZECHL.
- 16.2.5 The New bank, Financial Institution or payment service provider shall be required to establish adequate facilities, policies and procedures to satisfy the requirements to facilitate participation in the inter-bank clearing system, as prescribed by ZECHL from time to time.
- 16.2.6 The New bank, Financial Institution or payment service provider shall be required to maintain adequate facilities for business continuity and disaster recovery.

- 16.2.7 The New bank, Financial Institution or payment service provider shall acquire a dedicated PC for EFT processing.
- 16.2.8 The New bank, Financial Institution or payment system provider shall acquire software for processing EFT.
- 16.2.9 The New bank, Financial Institution or payment service provider shall acquire a dedicated PC for processing CIC.
- 16.2.10 The New bank, Financial Institution or payment service provider shall acquire software for processing CIC.
- 16.2.11 The New bank, Financial Institution or payment service provider shall acquire scanners for capturing cheques.
- 16.2.12 The New bank, Financial Institution or payment service provider shall acquire a dedicated Fibre Optic connectivity for the transmission of files to the ZECH.
- 16.2.13 The New bank, Financial Institution or payment service provider shall train its clearing staff in all inter-bank clearing processes (ZECHL may assist where necessary).
- 16.2.14 The New bank, Financial Institution or payment Service provider shall advise ZECHL the name of its appointed Cheque Printers. Where the appointed Cheque Printers are not accredited by the ZECHL, the New bank/Financial Institution shall apply and make the necessary arrangements for accreditation of the specified Cheque Printers.
- 16.2.15 Where the Cheque Printers are already accredited, the bank shall submit sample cheques to ZECHL for testing.
- 16.2.16 The New bank, Financial Institution or payment service provider shall be required to undertake full testing of all EFT and CIC file transmission to the ZECH.
- 16.2.17 ZECH shall furnish the new bank, Financial Institution or payment service provider with the Clearing House Interface Client for file processing.

16.3 Participation in the Interbank Clearing System

- 16.3.1 A licensed Commercial bank , a Financial Institution or payment service provider that has been approved by the Bank shall directly participate in the Interbank Clearing.
- 16.3.2 The bank, Financial Institution or payment service provider's admission shall not be in conflict with the laws or usual custom and usage of the Zambia payment systems.
- 16.3.3 The bank, Financial Institution or payment service provider shall have established adequate facilities, policies and procedures to satisfy all requirements of the ZECH as shall be prescribed from time to time.
- 16.3.4 The bank, Financial Institution or payment service provider shall maintain adequate facilities for business continuity and disaster recovery as may be prescribed by ZECHL from time to time.
- 16.3.5 The bank, Financial Institution or Payment service provider shall comply with all the prudential regulations and other Financial System Supervision and Payment Systems requirements of the Bank.
- 16.3.6 The bank, Financial Institution or payment service provider's admission to the ZECH shall not adversely affect the integrity and efficiency of the clearing system.
- 16.3.7 The bank, Financial Institution or payment service provider shall agree to pay any Admission fees required of any new ZECH Participating bank/Institution/payment service provider and any subscriptions or charges that ZECHL may set.
- 16.3.8 A new bank, Financial Institution or Payment service provider shall immediately be allowed direct participation in the Interbank Clearing (IBC) System upon meeting the ZECH requirements.

16.4 Admission of a bank to Participate in the Interbank Clearing System

- 16.4.1 Upon the Bank's approval of the application for a bank to participate in the ZECH, the applicant shall transfer sufficient securities to the Bank as collateral for failure to settle mitigation.
- 16.4.2 The Bank shall confirm in writing to ZECHL that the applicant has transferred to the Bank sufficient eligible securities as collateral to satisfy the requirements specified in Clause 21 of these Rules.
- 16.4.3 Upon receiving confirmation from the Bank that the applicant has satisfied the ZIPSS requirements, and upon satisfying the ZECH entry requirements, ZECHL shall approve the eligibility of the new Participating bank in writing.
- 16.4.4 Once the applying bank is approved for participation and the collateral specified by the Bank has been placed in trust with the Bank, the ZECHL shall notify the Bank and all ZECH Participants of the date the bank will commence participating in the ZECH.

16.5 Admission of a Financial Institution/ Payment service provider to Participate in the Interbank Clearing System

16.5.1 Upon the Bank's approval of the application for a Financial Institution/payment service provider to become a Participating Institution in the ZECH:

16.5.1.1 The Financial Institution/ Payment Service provider shall enter into a Settlement agreement with the Settlement Sponsor bank for settling settlement obligations on behalf of the Financial Institution/ Payment Service provider.

16.5.1.2 The Bank shall approve the Settlement agreement between the Settlement Sponsor bank and the Financial Institution/Payment Service Provider.

16.5.2 When the Financial Institution/Payment Service provider fulfills the requirements in Clause 16.2 above, full participation in the ZECH shall be confirmed by ZECHL in writing to all Participants clearly stating the date when the Financial Institution/payment service provider shall commence participating in the ZECH.

17 PARTICIPATION ON THE NATIONAL FINANCIAL SWITCH

17.1 An applicant shall submit to ZECHL a formal request in writing for participation in the NFS.

17.1.1 The applicant shall advise ZECHL of the products /services that it intends to use which may include:

17.1.1.1 Cards

17.1.1.2 Transaction types to be supported

17.1.1.3 Terminals – ATM/POS

17.1.1.4 Issuing – ATM/POS

17.1.1.5 Acquiring – ATM/POS

17.1.1.6 Issuing- E-Money

17.1.1.7 Acquiring-E-Money

17.1.2 The applicant must be PCI DSS compliant if it intends to offer card-based services on the NFS.

17.1.3 The applicant shall execute a Non-Disclosure Agreement (NDA) and apply using the application form provided by ZECHL.

17.1.4 The applicant shall submit to ZECHL an executed NDA and a filled-in application form accompanied with K1,000 application fee.

17.1.5 ZECHL shall review the submitted NFS application form and related documents. ZECHL shall confirm the completeness of the application form and accordingly acknowledge the lodgment.

17.1.6 ZECHL shall process the acknowledged NFS application within 30 calendar days from the date of acknowledgement of the NFS complete application.

17.1.7 The verification process shall consider but not be limited to the following:

17.1.7.1 ZECHL shall verify that all the required documents have been provided.

17.1.7.2 ZECHL shall write to BOZ to confirm the validity of the designation certificate as well as their settlement agreement.

17.1.7.3 BOZ shall within 14 working days confirm to ZECHL the validity of the designation certificate and settlement agreement.

17.1.7.4 Where feedback from BOZ is negative (rejected), ZECHL shall write to the applicant advising them that the application is unsuccessful.

17.1.7.5 Where feedback from BOZ is positive (approved) and the applicant has met all the other application requirements, ZECHL shall write to the applicant:

17.1.7.5.1 Officially admitting them as a direct participant.

17.1.7.5.2 Requesting them to pay the admission fee of Twenty-Five Thousand Kwacha only (K25,000).

17.1.7.5.3 Providing them with the following documents:

- 17.1.7.5.3.1 NFS General Requirements for participation.
- 17.1.7.5.3.2 NFS ISO8583:1993 External Interface Functional Specifications.
- 17.1.7.5.3.3 NFS Operating Standards and Procedures.
- 17.1.7.5.3.4 RTGS Mandate Form for NFS settlements (for banks only).
- 17.1.7.5.3.5 NFS Rules.
- 17.1.7.5.3.6 NFS Service Level Agreement (SLA).
- 17.1.7.5.3.7 NFS Test scripts.

17.1.7.5.4 The applicant shall provide to ZECHL the following documents:

- 17.1.7.5.4.1 A signed SLA.
- 17.1.7.5.4.2 A copy of the RTGS Mandate Form for NFS settlements (for banks only).

17.1.7.6 The applicant shall have to establish the network connection to ZECHL through the network provider as advised by ZECHL from time to time.

17.1.7.7 The applicant shall conduct System Integration Testing (SIT).

17.1.7.8 The applicant shall conduct User Acceptance Testing (UAT).

17.1.8 Once the applicant has conducted successful UAT and met all the other ZECHL requirements, ZECHL shall advise all the other participants that the applicant has been admitted as a direct participant.

17.1.9 The participant shall conduct scaled-down pilot runs on the live environment for a period to be determined by ZECHL.

17.1.10 Upon successful completion of pilot runs, the participant shall go-live in production.

17.1.11 Effective January the year following the admission, the participant will be required to be paying an annual participation fee of Five Thousand Kwacha (K5,000) at the beginning of each calendar year.

18 PARTICIPATION IN THE SETTLEMENT SYSTEM

18.1 Only Participating banks shall participate in the Settlement System.

18.2 Settlement by Financial Institutions/Payment Service provider shall be via a Settlement Sponsor bank.

18.3 Participating banks shall satisfy the Failure to Settle Arrangements as provided for in Clause 22 of these rules.

19 COMPLIANCE

19.1 Participating banks/Financial Institutions/Payment Service providers in the ZECH shall comply with and abide by the laws, procedures and practices of banking in Zambia including but not limited to those pertaining to the handling of Eligible Items.

19.2 Participating banks/Financial Institutions/Payment service providers in the ZECH shall comply with and abide by these Rules or as the same may be amended from time to time by notice in writing to the ZECH Participating banks/Financial Institutions and Payment service providers.

20 CRITERIA FOR SPONSORED SETTLEMENT

20.1 All arrangements for sponsored settlement must meet the following requirements:

20.2 Each participant wishing to enter into a sponsorship arrangement for purposes of settling settlement obligations shall enter into an agreement that clearly outlines the terms and conditions for the relationship.

20.3 A bank wishing to sponsor another participant for the purpose of settling settlement obligations must hold a settlement account with the Bank of Zambia.

20.4 The sponsored participant must hold a collateral account with the sponsor bank and ensure adequate funds are held in this account at all times to meet settlement obligations as agreed between the sponsor bank and the sponsored participant.

- 20.5 When applying for participation on the ZECH system, the sponsored participant shall be required to provide the sponsorship agreement to ZECHL.
- 20.6 The agreement between the sponsored participant and the sponsoring bank shall have clear provisions on the collateral that the sponsored participant should provide to the sponsoring bank for purposes of managing the risk of failure to settle.

21 MEASURES TO MITIGATE PARTICIPATING BANK'S FAILURE TO SETTLE

- 21.1 As a precondition to participation in the ZECH, each commercial bank shall deposit and maintain collateral with the Bank of Zambia at the values computed by the Bank of Zambia and in the form prescribed in these rules.

21.2 Collateral

- 21.2.1 Where a new member bank of BAZ applies for participation in the ZECH, Bank of Zambia shall determine the necessary value of securities as collateral based on the current month's average collateral of the middle banks excluding the top three and bottom three volume-wise ranked banks or as may be revised by the Bank of Zambia from time to time. The estimate of the collateral determined by Bank of Zambia shall be final and not subject to challenge.
- 21.2.2 The participating bank shall transfer to the Bank of Zambia cash or eligible securities with a current market value as determined by the Bank of Zambia based on the current month average collateral of the middle banks excluding the top three and bottom three volume-wise ranked banks or as may be revised by the Bank of Zambia from time to time.
- 21.2.3 Such proportion of the collateral that qualifies as liquid assets as prescribed by the Bank of Zambia shall be eligible and included in the computation of the bank's liquid assets.
- 21.2.4 Where a bank has applied to join the ZECH the Bank of Zambia shall estimate the applying participating bank's collateral requirement. The estimate of the collateral determined by Bank of Zambia shall be final and not subject to challenge.
- 21.2.5 Only Treasury Bills or securities guaranteed by the Government of the Republic of Zambia within maturity of one hundred and eighty-two (182) days or as may be decided by the Bank and cash shall be eligible for collateral.
- 21.2.6 Bank of Zambia will hold the collateral in trust for the ZECH participating bank.
- 21.2.7 When the eligible securities mature, the Bank shall receive and hold the proceeds of the maturing securities in trust.
- 21.2.8 The Bank of Zambia shall pay the proceeds of the maturing securities held in trust to the beneficiary Participating Bank against the deposit with Bank of Zambia by the beneficiary Participating Bank of eligible securities of the same value as the maturing securities.
- 21.2.9 The Bank of Zambia shall review the market value of eligible securities held in trust, as collateral, at least once per annum. When the Bank of Zambia reviews the value of eligible securities held in trust the method in Sub-Clause 22.2.1 shall be used. The Bank of Zambia may require that the ZECH Participating Bank place in trust additional eligible securities at the Bank of Zambia to meet the collateral requirements.
- 21.2.10 Where the Bank of Zambia reviews a ZECH participating bank's holdings of collateral and decides that the Participating Bank shall increase its collateral holdings in terms of Sub-Clause 22.2.1 of these rules, then the member/ Participating Bank shall have five working days from the effective date of review in which to regularize its collateral holdings to the required level. In the event that the defaulting ZECH Participating Bank fails to regularize its collateral levels within the stipulated period, then the procedures outlined in Clauses 22.9, 22.10 and 22.11 will take effect.
- 21.2.11 Where the Bank holds more than the required amount of eligible securities in trust the proceeds from maturing eligible securities in excess of the collateral requirements may be retained by the Participating bank.
- 21.2.12 The collateral held in trust by the Bank of Zambia for the ZECH participating bank shall be transferred to the Bank of Zambia where the ZECH member/participating bank fails to arrange Settlement.
- 21.2.13 Notwithstanding Sub-Clause 21.2.11, the ZECH Participating Banks shall endeavor to operate above the prescribed collateral levels as determined by the Bank of Zambia from time to time.

21.2.14 This calls for continuous monitoring of collateral levels by individual participants using the available tools to achieve this task, as failure to comply would attract penalties prescribed under Sub-Clause 21.2.11 for each day that a participant operates below the required collateral level.

22 PARTICIPATING BANK'S FAILURE TO SETTLE

22.1 Every interchange of Eligible Items between participating banks through the ZECH shall be final and irreversible.

22.2 Each ZECH participating bank shall be required to arrange sufficient current account balances at the Bank of Zambia for purposes of transacting Net Settlement Positions arising from participating in the interbank clearing at the ZECH. While sponsored institutions shall be required to place enough collateral with their sponsor bank.

22.3 Where there are insufficient balances in a participating bank's current account to arrange Settlement, the participating bank's ZECHL pledged collateral with the Bank of Zambia shall automatically be discounted to obtain required balances to settle the outstanding obligation. The transfer shall be undertaken at the market value determined by the Bank of Zambia.

22.4 Where the Bank of Zambia determines that the notional balance on the Participating bank's current account is sufficient to settle the Consolidated Net Settlement Position, the Bank of Zambia shall immediately and irrevocably credit the account of the Participating bank at Bank of Zambia with the proceeds of the collateral.

22.5 The Bank of Zambia shall immediately thereafter effect the settlement and advise the ZECHL.

22.6 The ZECHL shall then declare the clearing closed and advise Bank of Zambia, the participating banks and the Chairperson of the BAZ.

22.7 Where the Participating bank is unable to arrange sufficient balances to settle after discounting securities transferred to Bank of Zambia as collateral for ZECHL NSI, the Participating bank may apply to the Bank of Zambia in its capacity as Lender of Last Resort for a loan.

22.8 Where a loan is made, the Bank of Zambia shall immediately and irrevocably credit the proceeds of the loan to the current account of the ZECH Participating bank.

22.9 Where Bank of Zambia has not granted the loan and the ZECH Participating bank still cannot arrange for sufficient funds on its Bank of Zambia current account and the Bank of Zambia cannot confirm settlement of the clearing by the time designated in **Schedule II** of these rules, the Bank of Zambia shall immediately advise the ZECH and the ZECH shall immediately notify the following of the ZECH participating bank's failure to settle:

22.9.1 The Chairperson of BAZ

22.9.2 The Governor of Bank of Zambia through the office of the Deputy Governor, Operations or other designated office of the Bank of Zambia.

22.10 The Chairperson of the BAZ, on notification of the ZECH participating bank's failure to settle in terms of Sub-Clause 22.9 shall immediately do all that is reasonably possible to discuss and resolve the failure to arrange settlement with the Chief Executive of the defaulting Participating bank.

22.11 Upon receipt by the BAZ Chairperson of notification under Sub-Clause 22.9 and following an hour's reasonable attempt to contact, discuss and resolve the participating bank's failure to settle (in terms of Sub-Clause 22.9) the BAZ shall:

22.11.1 Provisionally suspend the ZECH participating bank from Clearing at the ZECH.

22.11.2 Notify the ZECH of the provisional suspension of the ZECH participating bank.

22.11.2.1 ZECHL shall immediately notify the participants not to accept instruments drawn on the suspended participant.

22.11.2.2 Participants with unpaid CIC items and unpaid and unapplied EFT items shall send Yufig messages to the suspended participant and shall await the final decision of the fate of the suspended participant.

22.11.2.3 Participants shall keep evidence of all the Yufig messages sent to the suspended participant.

- 22.11.3 Require the BAZ Chairperson to arrange a meeting of the Executive Committee of the BAZ as early as possible on the very day of the ZECH participating bank's failure to settle.
- 22.11.4 Invite a representative of Bank of Zambia to attend the meeting.
- 22.12 The meeting called in terms of Sub-Clause 22.11.3 shall consider all the measures available to the ZECHL Participating banks to ensure the stability of the Zambia National Payment System and whether the participating bank should be suspended from the ZECHL.
- 22.13 Where a ZECHL participating bank(s) fails to settle, that ZECH participating bank(s) shall be treated in terms of Clause 22.9.

23 EXPULSION OR SUSPENSION OF THE ZECHL PARTICIPANT

23.1 A ZECH Participant shall be suspended or expelled from the ZECH where:

- 23.1.1 ZECHL is convinced that the ZECH Participant is in serious breach of the qualifying conditions as provided in Clause 17 and 18.
- 23.1.2 The ZECH Participating bank has failed to arrange Settlement as provided for in Clause 22.
- 23.1.3 Bank takes possession of a ZECH Participating bank/Financial Institution/payment service provider or a Liquidator is appointed for the ZECH Participating bank/Financial Institution/payment service provider.
- 23.1.4 Where in the opinion of the BAZ, in consultation with the Bank, the Receivership/Liquidation of the Participants holding company may cause a systemic disruption to the National Payment System
- 23.1.5 -The Participant's holding company may cause a systemic disruption to the National Payment System.
- 23.1.6 The ZECH Participant fails to maintain the required level of eligible securities at Bank of Zambia as collateral under the Failure to Settle Arrangements.
- 23.1.7 A Participant who fails to meet the requirements set forth in the SLA.

23.2 Ongoing rights and obligation of debarred participants

- 23.2.1 The debarred participant shall not disclose any information regarding the ZECH clearing and switching network to the external world. Failure to comply with the same shall be treated as breach of trust and shall invite legal penalties. This rule shall be binding on the debarred participant for a period agreed in the Service Level Agreement from the date of the termination.

24 READMISSION OF A SUSPENDED PARTICIPATING BANK

- 24.1 The suspended Participant shall have the right to appeal to ZECHL Bank of Zambia (BOZ) for re-admission.
- 24.2 ZECHL shall check and verify that the breach has been remedied and submit to the Bank its findings and recommendation for re-admission.
- 24.3 Upon approval by BOZ, ZECHL shall inform the industry of their decision to re-admit the suspended Participating bank/financial institution/**Payment Service provider**.
- 24.4 The re-admitted participant shall provide collateral to the Bank upon re-admission by BOZ.
- 24.5 The BOZ shall confirm to ZECHL that the re-admitted participant has provided collateral and may commence clearing.
- 24.6 ZECHL shall inform all clearing Participants that the suspended /Participant has been re-admitted as a participant in the clearing house.
- 24.7 Upon re-admission of the suspended participant, the participants with obligations such as unpaid CIC, unapplied EFT, Bilateral and FCC and charge backs items shall immediately return them to the re-admitted participant.
- 24.8 There shall be no time limit for returning the items mentioned in Clause 24.7 to the re-admitted participant.
- 24.9 In the event that the account is closed or invalid, liability shall fall on the re-admitted participant.

25 **RESIGNATION OF A PARTICPANT**

- 25.1 A Participant may resign from the ZECHL by giving ZECHL not less than one month's notice. Until the end of the notice period, the Participant will comply with these Rules and will meet any subscriptions, fees and charges payable.

26 **CONTRIBUTIONS TOWARDS ZECHL**

26.1 **Contributions Towards ZECHL Monthly Budget**

- 26.1.1 All Participants on the Cheque Truncation System (CTS) and Electronic Funds Transfer (EFT) platform shall contribute to the monthly ZECHL budget based on CIC and EFT volumes.
- 26.1.2 All Participants on the National Financial Switch (NFS) shall pay the switching fees as prescribed in the NFS manual fees and charges.
- 26.1.3 From time to time, the Participants shall be required to contribute towards infrastructural developments at the ZECHL.

26.2 **Direct Debit Contribution Collection**

- 26.2.1 ZECHL shall collect contributions from Participants by directly debiting the participants Settlement accounts at Bank of Zambia with the invoiced amounts and credit ZECHL's bank account on the first business day of every month.
- 26.2.2 Contributions by sponsored participants shall be via a Settlement Sponsor bank.
- 26.2.3 ZECHL shall generate monthly invoices for each Participant 10 business days before the first business day of the following month.
- 26.2.4 ZECHL shall place the electronic invoice in the folder of each Participant Bank. The Participant shall download the electronic invoice using the CHI Client.
- 26.2.5 Within 6 days of receiving the invoice, each participant shall validate the invoice and notify ZECHL of any discrepancies.
- 26.2.6 Participants shall ensure that they allocate sufficient balances on their Settlement account to meet the obligation on the first day of the month.

26.3 **Failure to Arrange for Settlement of the Contribution**

- 26.3.1 Where a Contribution file is rejected due to insufficient funds, ZECHL shall notify the erring participant in writing. The file shall be regenerated and resubmitted the following business day.

26.4 **Generating the SWIFT File**

- 26.4.1 After invoices have been distributed to and validated by Participants, a SWIFT file containing instructions to debit Participants' Settlement Accounts at the Bank shall be generated and transmitted to the Bank on the first business day of each month at 08:30 hours for settlement on the ZIPSS system at 9:00 hours.
- 26.4.2 Where a Participant fails to fund its account, the Bank shall charge the Participant with the applicable penalties.
- 26.4.3 The sponsored participant's contribution amount shall be aggregated to the Sponsor bank's contribution amount at the time of generating the SWIFT file to be submitted to ZIPSS for processing.

26.5 **Dispute Resolution on Direct Debit Contribution Collection**

- 26.5.1 The period for resolving a discrepancy shall be 8 business days from day of invoice generation.
- 26.5.2 Where a participant discovers a discrepancy, the participant shall notify ZECHL in writing within six (6) business days after acknowledged receipt of invoice and ensure there is acknowledgement of the dispute.

- 26.5.3 ZECHL and the affected participant shall provide evidence and reconcile within two (2) business days of acknowledged receipt to resolve the dispute.
- 26.5.4 Where the dispute is not resolved within eight business (8) days of receipt of invoice, then the ZECHL invoice shall be taken as issued.
- 26.5.5 Where the matter remains unresolved after 8 business days the affected participant may appeal to the office of the BAZ Tech Chairperson for final dispute resolution.
- 26.5.6 The decision made in clause 26.5.5 shall be final and shall be implemented within two (2) business days of the decision.

26.6 **BOZ Mandate to Debit Participants Settlement Accounts**

- 26.6.1 Each participant shall formally authorize the Bank in writing to authorize the Bank to directly debit their settlement account with the monthly contributions as per appendix I.

27 **COMPENSATION FOR UNDUE ENRICHMENT-CIC**

27.1 **Participant to Participant**

- 27.1.1 ZECH participant which benefits from duplicates on the CIC stream and is subsequently unduly enriched and puts the other participant in a position where they use their own money in order to cover their position at BOZ, the unduly enriched participant shall compensate the other participant(s) that suffered financially as a result of the error.
- 27.1.2 The participant that has suffered loss shall notify the collecting participant of the duplicates on CIC by way of a telephone call or email which shall be followed by a duly signed letter. In case of a dispute, the matter shall be referred to ZECHL for resolution.
- 27.1.3 The paying participant shall send the files or settle their obligation through bilateral clearing.
- 27.1.4 The amount of damage for undue enrichment shall be computed by applying interest to the principal value of the funds incorrectly received. The interest shall be calculated daily by applying the weighted average yield rate on the 91 Day Treasury Bill in the auction, immediately preceding the date of the 'return item' in effect on each day the error or errors benefited or enriched the ZECH participant. The damages shall be paid to the participant that may have suffered financially.

27.2 **Participant to Customer**

- 27.2.1 A Collecting participant that fails to provide cleared funds to its customers within the clearing period upon receipt of the credit in respect of a CIC transaction in its current account at the Bank shall pay the beneficiary interest.
- 27.2.2 A Collecting participant shall pay interest to its customer where it delays in crediting the customer's account with proceeds of cleared cheques that have been credited to the bank's account at the Bank in respect of a CIC transaction.
- 27.2.3 The Paying participant shall pay interest to a customer where it receives value for a CIC transaction and delays the transfer of such funds for more than one business day.
- 27.2.4 The interest in respect of CIC transaction shall be calculated daily by applying the weighted average yield rate on the 91-day Treasury Bill in the auction immediately preceding the date of the delay. This rate will apply each day the value of funds is delayed.

28 **COMPENSATION FOR UNDUE ENRICHMENT-EFT**

28.1 **Participant to Participant**

- 28.1.1 A ZECH participant that benefits from an error or a number of like errors such as duplicates and is unduly enriched as a result, shall compensate the other participant(s) that may have suffered financially as a result.
- 28.1.2 The amount of damage for undue enrichment shall be computed by applying interest to the principal value of the funds incorrectly received. The interest shall be calculated daily applying the weighted average yield rate on the 91 Day Treasury Bill in the auction immediately preceding the date of the

'return item' in effect on each day the error or errors benefited or enriched the ZECH participant. The damages shall be paid to the participant who may have suffered financially.

28.2 Participant to Customer

- 28.2.1 A Collecting participant that fails to provide cleared funds to its customers within the clearing period upon the receipt of credit in respect of an EFT transaction in its current account at the Bank of Zambia shall pay the beneficiary interest.
- 28.2.2 A Collecting Participant shall pay interest to its customer where it delays in crediting the customer's account with proceeds credited to the bank's account at Bank of Zambia in respect of an EFT transaction.
- 28.2.3 The Paying participant shall pay interest to a customer where it receives value for an EFT transaction and delays the transfer of such funds for more than one business day.
- 28.2.4 The interest in respect of an EFT transaction shall be calculated daily by applying the weighted average yield rate on the 91-day Treasury Bill in the auction immediately preceding the date of the delay. This rate will apply each day the value of funds is delayed.

28.3 Customer to Participant

- 28.3.1 Where a ZECH Participant (Paying participant) duplicates credit transactions in a file or files, it shall notify the Receiving participant of the duplicate(s) by email or telephone which shall be followed by a duly signed letter.
- 28.3.2 To correct the error, the Paying participant shall send a Direct Debit file or files with the view of making recoveries, although this is subject to availability of funds in the customer's account.
- 28.3.3 Where the Direct Debit File or Files has been sent to the collecting participant and there are no funds on customer's account that benefitted from the duplication, the collecting participant shall return the file or files and settlement shall be done bilaterally.

29 DISPUTE RESOLUTION BETWEEN PARTICIPANTS

29.1 Dispute Resolution For NFS

- 29.1.1 All dispute relating to transactions on the NFS shall be resolved as per NFS ATM, POS and E-money dispute resolution guideline manual.

29.2 Dispute Resolution For CIC and EFT

- 29.2.1 Where a dispute arises between participants, the participants shall in the first instance attempt to settle the dispute by mutual agreement within seven days of the aggrieved party notifying the other party of such grievance.
- 29.2.2 Where the parties fail to settle the dispute by mutual agreement, the aggrieved party may submit the relevant facts to ZECHL for the interpretation of the rules and guidance. Should the parties fail to agree to accept the guidance/recommendation provided by ZECHL to amicably resolve the issue, then the matter will be referred to the BAZ Technical Committee or PAYZ for further consideration. The recommendation, however, shall not be binding upon any party to the dispute, unless all parties have so agreed in writing. Should the dispute not be resolved at this stage, the matter shall be referred to the BAZ Main Committee or PAYZ who may appoint an Adjudicator as provided for in the Banking Code of Practice of Zambia.
- 29.2.3 Where the dispute remains unresolved, the aggrieved party may refer the dispute to arbitration in accordance with the Arbitration Act.

30 EXTENSION OF A CLEARING SESSION

- 30.1 Participants wishing to apply for an extension on the ZECHL operated payment platforms shall be required to make an application to ZECHL no later than 13:30 hours.

- 30.2 Such application shall be done in Writing, addressed to the office of the CEO and indicating the reason for the request to extend the CIC session 1 or EFT session 4 as well as the duration of the extension being applied for.
- 30.3 The conditions under which ZECHL may extend the system include the following:
- 30.3.1 Challenges on ZECHL operated payment platforms (EFT and CIC);
 - 30.3.2 Where all or a significant number of Participants fail to access the ZECHL system on account of communication challenges; and
 - 30.3.3 Processing of critical payments such as Government payments.
- 30.4 ZECHL reserves the right to reject any such application for extension.
- 30.5 Where the time for an extension results in settlement taking place beyond the normal operating hours of the ZIPSS, ZECHL shall apply to the Bank for an extension of the ZIPSS no later than 15:30 hours. The Bank reserves the right to reject any such application for extension.
- 30.6 The decision to extend the ZECHL operated systems shall be communicated to the participants within the hour of application.
- 30.7 ZECHL shall charge a fee of K5,000 for any successful application and this fee shall be recovered by ZECHL from the settlement account of the applicant at the Bank of Zambia on the following business day.
- 30.8 For any application that results in the extension of the RTGS system, an additional fee of K5,000 shall be recovered by the Bank from the settlement account of the applicant on the following business day.

31 LIMIT OF LIABILITY

- 31.1 ZECHL shall not in any way be responsible or liable in the event a participant incurs a loss in connection with participation in the ZECHL, except in case of the ZECHL own negligence or misconduct.
- 31.2 ZECHL shall not be liable for any inaccurate transmission and deliveries.
- 31.3 All claims related to untimely return, failure to return, failure to settle by a ZECH participant, shall be resolved directly between the participants.
- 31.4 The Collecting and Paying participants therefore shall not hold ZECHL responsible for any reason related to the provision of interbank clearing operations, and any legal action brought against ZECHL, and costs associated therewith, shall be assumed by the respective ZECH participants.

32 ADDITION AND DELETION OF BRANCHES

- 32.1 A participant shall advise the BAZ, Bank of Zambia and ZECHL when a new branch is opened, or an existing branch is closed or renamed. Participants shall give fourteen days written notice to ZECHL of the intention to open or close or rename a branch to allow for further circulation of such action to other participants.
- 32.2 The participant shall rename a branch while maintaining the sort code.
- 32.3 ZECHL shall circulate the notice to all participants within seven days from receipt of the notice.
- 32.4 The ZECH shall add the branch and the branch's sort code or delete the closed branch as the case may be from the system and advise the other participants, Bank of Zambia and the BAZ in writing.

33 BALANCES MAINTAINED AT THE BANK OF ZAMBIA

- 33.1 ZECH Participants by signing these Rules authorise the Bank to post to their accounts at the Bank any Consolidated Net Settlement Positions or amounts that shall occur directly or indirectly as a result of the clearing of Eligible Items and the actions of the ZECH and shall at all times maintain funds in these accounts adequate to cover such clearing, actions and Settlements.

34 EMERGENCY CONDITIONS

- 34.1 Conduct of daily clearing operations may be delayed within a Business Day or deferred to a later day in the event that Participants are unable to attend due to adverse conditions as may be attributed to weather, losses of power or communications, or any other major disruption in the city or country. In such cases, all entries applicable to the Clearing or return items shall be deferred until normal conditions are restored. However, individual Participants shall prepare for disruptions in their own facilities and are responsible for maintaining contingency plans and alternate processing sites with the necessary equipment to continue operations for the duration of the emergency.
- 34.2 In cases where a Participant fails to clear Eligible Items electronically due to system challenges, the participant shall notify the ZECH in writing, of the emergency. ZECH will verify and confirm the occurrence of the emergency and upon confirmation, shall immediately inform all the other participants of such emergency.
- 34.3 Where such an emergency arises, the ZECH shall simultaneously advise the Bank and BAZ in writing of the emergency for information.
- 34.4 Where the entire electronic clearing system fails, Participants shall revert to manual clearing.

35 BUSINESS CONTINUITY AND DISASTER RECOVERY

- 35.1 Participants shall ensure that they have Business Continuity Plans in place which shall ensure uninterrupted business operations and include all the organizational, technical and staffing measures employed in order to:
- 35.1.1 Ensure the continuation of all business activities in the immediate aftermath of a crisis
- 35.1.2 Gradually ensure the continued operation of all business activities in the event of sustained and severe disruption.
- 35.2 All participants shall be required to carry out at a minimum bi-annual testing of their Business Continuity and Disaster Recovery Plans.
- 35.3 Participants are also responsible for compliance with disaster recovery procedures whenever initiated and/or requested by ZECHL.

36 CONFIDENTIALITY

- 36.1 A Participant shall ensure that any information it receives relating to ZECH clearing and switching operations is kept confidential and only provided to its employees, legal advisers, auditors and any of its contractors, prospective contractors, consultants or prospective consultants, who have a need to know the information to carry out their roles, and not used or copied except for the purposes of the Rules, subject to an explicit approval from ZECHL.
- 36.2 A Participant's transaction activity reports are confidential and shall not be disclosed to any person or used in any form or format except as permitted by these Rules.
- 36.3 ZECHL may disclose aggregated data with respect to the volume and value of transactions or any particular type of transaction in line with these Rules.
- 36.4 ZECHL shall disclose and/ or use confidential information and/or transaction data as follows:
- 36.4.1 For the benefit of the Participant providing the information.
- 36.4.2 As required by the Bank of Zambia, a judicial authority or government agency.
- 36.4.3 For Transaction processing, clearing and settlement.
- 36.4.4 For resolving /processing claims and/or other forms of Disputes.
- 36.4.5 For protection against, or prevention of actual or potential fraud, unauthorised transactions, claims or other liability.
- 36.4.6 For Risk Management and compliance with these Rules.

- 36.4.7 For the preparation of financial and monetary research and studies, statistical reports and analyses.
- 36.5 A Participant shall ensure that they are compliant with applicable laws in Zambia in cases where furnishing or disclosing confidential Transaction data is required.

37 IMPOSITION OF CONDITIONS TO PARTICIPATION

- 37.1 ZECHL may impose conditions on a participant, where the participant's activities may be deemed to potentially introduce additional risk on the ZECHL clearing and switching operations.
- 37.2 Any conditions imposed by ZECHL should be necessary to preserve the reputation, integrity, security, reliability and stability of ZECH.
- 37.3 ZECHL will immediately notify all participants in writing of any conditions, waivers or variations imposed unless notification is not required having regards to the reputation, integrity, security, reliability, confidentiality and stability of the operations of ZECH.

38 ENFORCEMENT OF RULES

- 38.1 ZECHL or a participant will identify an issue.
- 38.2 A participant shall identify an issue and write to ZECHL for further investigation of the issue.
- 38.3 ZECHL shall investigate the issue. Where the issue is confirmed, ZECHL shall:
- 38.3.1 Use moral suasion to have the issue rectified by writing through email to the defaulting participant to rectify the issue within a specified period. If the defaulting participant does not rectify the issue, ZECHL shall escalate the issue and write formally to the participants CEO.
- 38.3.2 If moral suasion does not work out and the participant does not rectify the issue within the specified period, ZECHL shall write to BOZ and recommend for the participant to be penalized.

39 DATA RETENTION

- 39.1 Participants are obliged to retain transactional data for a minimum number of ten (10) years in compliance with the provisions of the Financial Intelligence Centre Act.
- 39.2 Collecting Participants shall retain all pertinent records necessary to reconstruct any clearing or individual Eligible Item for ten years beyond the date of original "Outwards" clearing.

40 ADDRESS FOR NOTICES

- 40.1 Any written notice to the ZECH as required by these Rules shall be addressed as follows (or wherever the ZECH shall be located):

The Chief Executive Officer
Zambia Electronic Clearing House Limited
COMESA Centre, Ben Bella Road
P. O. BOX 37390
Lusaka, Zambia

- 40.2 Any written notice between and among participants required under these Rules shall be addressed to the designated locations specified and published from time to time by the BAZ. Properly addressed notices shall be effective when received or at the expiration of a fixed period in cases where advance knowledge is necessary.
- 40.3 These rules are monitored and regularly reviewed by the Bankers Association of Zambia and the Bank. Complaints and suggestions concerning the terms and general operation of the rules can be made in writing to the Bankers Association of Zambia.

41 **VIOLATION OF LAW**

- 41.1 In all cases of violation of laws the measure of damages shall be determined under the applicable laws of Zambia.

42 **REVIEW, AMENDMENT AND ACCESSIBILITY OF THE RULES**

- 42.1 All payment streams operating rules shall be reviewed after 2 years in conjunction with the Bankers Association of Zambia and the Bank. Complaints and suggestions concerning the terms and general operation of the rules can be made in writing to the BAZ.
- 42.2 Adhoc amendments to the rules shall be inserted in the appropriate section of these rules.
- 42.3 Proposed changes can either be initiated by participants, the Bank or ZECHL.
- 42.4 Where a change is initiated by a single participant, the proposed change shall be submitted to ZECHL for review and thereafter ZECHL shall submit it to the Bankers Association of Zambia for consideration before approval by the Bank.
- 42.5 Where a change is initiated by ZECHL, the proposed change shall be submitted to BAZ for consideration before submitting to the Bank for approval.
- 42.6 Where these rules have been amended, all participants shall be required to sign-off.
- 42.7 Copies of the ZECH Rules shall be accessed from the BOZ and ZECHL website.

SCHEDULE I – BANK BRANCH AREA SORT CODES

BANK SORT CODES	Bank	Area	Branch	
Bank Of Zambia	00			
Lusaka	00	00	01	
Ndola	00	01	02	
	Bank	Area	Branch	
Zambia National Commercial Plc	01			
Head Office	01	00	01	
International Bank	01	00	02	
Lusaka Business Centre	01	00	03	
Kawambwa	01	21	04	
Petauke	01	43	05	
Mfuwe	01	26	06	
Human Resources	01	00	07	
Chinsali	01	17	07	
Chisamba	01	45	08	
Mkushi	01	23	09	
Longacres	01	00	10	
Head office Processing Centre	01	00	16	
Treasury	01	00	18	
Cairo Business Centre	01	00	40	
Lusaka North End	01	00	41	
Ndola Business Centre	01	01	42	
Mufulira	01	05	43	
Livingstone	01	10	44	
Kitwe Business Centre (Obote)	01	02	45	
Kabwe	01	09	46	
Mazabuka	01	36	47	
Mansa	01	19	48	
Chingola	01	03	49	
Findeco House	01	00	50	
Mongu	01	31	51	
Lusaka Centre	01	00	52	
Ndola West	01	01	54	
Debt Recovery	01	00	55	
Kitwe Industrial	01	02	56	
Monze	01	37	57	
Kafue	01	34	58	
Choma	01	12	59	
Chipata	01	11	60	
Kapiri Mposhi	01	24	61	
Kasama	01	08	62	
Luanshya	01	07	63	
Mpika	01	18	65	
Lusaka Premium House	01	00	66	
Lusaka Civic Centre	01	00	67	
Siavonga	01	28	68	

Maamba	01	38	69	
Lundazi	01	40	70	
Namwala	00	25	71	
Namwala	01	33	72	
Twin Palms	01	00	73	
Northmead	01	00	74	
Manda Hill	01	00	78	
Itezhi-Tezhi	01	47	79	
Senanga	01	51	81	
Chirundu	01	35	82	
Xapit	01	00	83	
Government Complex	01	00	84	
Woodlands	01	00	85	
Acacia Park Branch	01	00	86	
Digital	01	00	93	
Nakonde	01	15	96	
	01		97	
Mukuba	01	02	98	
Waterfalls	01	00	99	
	Bank	Area	Branch	
ABSA Bank Zambia Plc	02			
Head Office	02	00	01	
Head Office -Elunda	02	00	02	
Chingola & Chingola Prestige	02	03	03	
Chipata	02	11	04	
Choma	02	12	05	
Kabwe	02	09	06	
Kafue	02	34	07	
Lusaka - Kamwala	02	00	08	
Kitwe Business Centre	02	02	09	
Kitwe Chimwemwe	02	02	10	
Kapiri Mposhi	02	24	11	
Livingstone & Livingstone Prestige	02	10	12	
Luanshya	02	07	13	
Lusaka Northend	02	00	14	
Lusaka - Matero	02	00	15	
Lusaka Business Centre	02	00	16	
Lusaka Longacres & Prestige	02	00	17	
Chilenje	02	00	18	
Lusaka - Industrial	02	00	19	
Mansa	02	19	20	
Mazabuka	02	36	21	
Mfuwe	02	26	22	
Mufulira	02	05	23	
Monze	02	37	24	
Ndola Business Centre	02	01	25	
University of Zambia Lusaka	02	00	26	
Kalomo	02	41	27	
Katete	02	49	28	
Solwezi	02	28	29	
Petauke	02	43	30	

Lundazi	02	25	31	
Kasama	02	08	32	
Lusaka - Soweto	02	00	33	
Mumbwa	02	53	34	
Mongu	02	31	35	
Lusaka Chelston & Airport Agency	02	00	36	
Chongwe	02	46	37	
Mkushi	02	23	38	
Ndola Operations Processing Centre	02	01	39	
Nakonde	02	15	40	
Kitwe Parklands Center	02	02	41	
Chirundu	02	35	42	
Kabwata	02	00	43	
Lusaka - Chawama	02	00	44	
Mpika	02	18	45	
Ndola - Masala	02	01	46	
Chambishi	02	52	47	
Kalulushi	02	06	48	
Lusaka Operations Processing Centre	02	00	50	
Mbala	02	14	51	
Kitwe Operations Processing Centre	02	02	52	
Chililabombwe	02	04	53	
Lusaka Kabelenga	02	00	54	
Elunda Premium Banking Centre	02	00	55	
Manda Hill	02	00	49	
	Bank	Area	Branch	
Citibank Zambia Ltd	03			
Lusaka	03	00	01	
Ndola	03	01	02	
Mcommerce Branch	03	00	03	
Natsave	03	00	07	
ZNBS Branch	03	00	08	
Permanent House	03	00	31	
Society House	03	00	32	
Soweto Agency	03	00	33	
Nyimba	03	54	34	
Ndola Branch	03	01	37	
Kitwe	03	02	38	
Chingola	03	03	36	
Kasama	03	08	46	
Chipata	03	11	49	
Livingstone	03	10	50	
Choma	03	12	64	
Chingola	03	09	65	
Luanshya	03	07	67	
Mufulira	03	05	68	
Chilabombwe	03	04	69	
Masansa	03	19	70	
Solwezi	03	28	71	

Mongu	03	31	72	
Mazabuka	03	36	73	
Mpika	03	18	74	
Kapiri Mposhi	03	24	87	
	Bank	Area	Branch	
Stanbic Bank Zambia Ltd	04			
Head Office	04	00	00	
Lusaka	04	00	02	
Lusaka Industrial	04	00	07	
Ndola Main	04	01	03	
Ndola South	04	01	05	
Kitwe	04	02	06	
Mkushi	04	23	08	
Chingola	04	03	09	
Arcades	04	00	10	
Matero	04	00	11	
Solwezi	04	28	12	
Mazabuka	04	36	13	
Mufulira	04	05	14	
Mulungushi	04	00	15	
Chipata	04	11	16	
Livingstone	04	10	17	
Choma	04	12	18	
Kafue	04	34	19	
Lumwana	04	48	21	
Kabwe	04	09	22	
Soweto	04	00	23	
Chisokone	04	02	24	
Chambishi	04	52	25	
Kabwata	04	00	26	
Private Banking	04	00	27	
Kabulonga	04	00	29	
Woodlands	04	00	30	
Waterfall	04	00	39	
Cosmopolitan Mall	04	00	93	
East Park Mall	04	00	94	
Kafubu Mall	04	01	95	
Mukuba Mall	04	02	96	
	Bank	Area	Branch	
Standard Chartered Bank Zambia Plc	06			
Customer Services Centre	06	00	02	
Financial Control	06	00	11	
Kasama	06	08	13	
Kabulonga	06	00	14	
Crossroads	06	00	15	
Lusaka Main	06	00	17	
Livingstone	06	10	18	

Mazabuka	06	36	19	
Jacaranda Mall Branch	06	01	20	
Levy Park Branch	06	00	21	
Zambia Way	06	02	28	
Manda Hill	06	00	30	
Luanshya	06	07	32	
Chingola	06	03	36	
Choma	06	12	37	
Mongu	06	31	48	
North end	06	00	43	
Chililabombwe	06	04	44	
Buteko	06	01	71	
Solwezi	06	28	16	
	Bank	Area	Branch	
Indo Zambia Bank Ltd	09			
Head Office	09	00	00	
Lusaka Main	09	00	01	
Chilanga	09	00	03	
Kamwala	09	00	04	
North end	09	00	05	
Kabwe	09	09	06	
Ndola	09	01	07	
Kitwe	09	02	08	
Chingola	09	03	09	
Livingstone	09	10	10	
Lusaka Industrial	09	00	11	
Chipata	09	11	12	
Chawama	09	00	13	
Manda Hill Branch	09	00	14	
Nyimba Branch	09	54	15	
Chandwe Musonda	09	00	16	
Kasumbalesa Branch	09	04	17	
Choma Branch	09	12	18	
Solwezi	09	28	19	
Kasama	09	08	20	
Chinsali	09	17	21	
Jacaranda Mall	09	01	22	
Crossroads Shopping Mall	09	00	23	
Mansa Branch	09	19	24	
Copperhill Branch	09	02	25	
Mungwi Branch	09	31	26	
Kafue Branch	09	34	27	
Chilenje Branch	09	00	28	
Zimba	09	42	29	
Serenje Branch	09	22	30	
Lundazi Agency	09	25	31	
Mungwi	09	56	32	
Levy Mwanawasa Medical University Agency	09	00	33	

	Bank	Area	Branch	
Zambia Industrial Commercial Bank	14			
Head office	14	00	00	
Lusaka Business Centre	14	00	01	
Kitwe	14	02	02	
Intercity Agency	14	00	03	
Digital Banking	14	00	99	
	Bank	Area	Branch	
Investrust Bank Plc	17			
Lusaka	17	00	01	
Kitwe	17	02	02	
Chipata	17	11	03	
Luangwa	17	11	04	
Arcades	17	00	05	
Savings Center	17	00	06	
Chililabombwe	17	04	07	
Solwezi	17	28	08	
Lumwana	17	48	09	
Livingstone	17	10	10	
Odys Branch	17	00	11	
Lusaka Industrial Branch	17	00	12	
Soweto Branch	17	00	13	
Kafue Road Branch	17	00	14	
Chirundu Branch	17	35	15	
Manda Hill Branch	17	00	16	
Mulungushi Branch	17	00	17	
Levy Business Branch	17	00	18	
Kabwe	17	09	19	
Choma Branch	17	12	20	
Head Office Branch	17	00	99	
President Avenue	17	01	21	
Mumbwa Road Branch	17	00	22	
Buteko Branch	17	01	23	
Mongu Branch	17	31	24	
Freedom Avenue Branch Kitwe	17	02	25	
Chingola	17	03	26	
Copperbelt University (CBU) Branch	17	02	27	
	Bank	Area	Branch	
	Bank	Area	Branch	
Bank Of China (Zambia) Ltd	19			
Lusaka	19	00	01	
Kitwe	19	02	02	

	Bank	Area	Branch	
BancABC Zambia Ltd	20			
Head Office	20	00	00	
Lusaka Main	20	00	01	
Ndola	20	01	02	
Kitwe Branch	20	02	03	
Kasama	20	08	04	
Choma	20	12	05	
Longacres	20	00	06	
Kamwala	20	00	07	
Chipata	20	11	08	
Arcades	20	00	09	
Kalomo	20	41	10	
Serenje	20	22	11	
Chingola Branch	20	03	15	
Katete	20	11	16	
Samfya	20	20	12	
Mufulira	20	05	13	
Chirundu	20	35	14	
Chingola	20	03	15	
Sesheke	20	32	17	
Mwinilunga	20	27	18	
Kabombo	20	29	19	
Nakonde	20	15	20	
Mbala	20	14	21	
Solwezi	20	28	22	
Livingstone	20	10	23	
Monze	20	37	24	
Kabwe	20	09	25	
Mpika	20	18	26	
Isoka	20	16	27	
Chinsali	20	17	28	
Mpulungu	20	13	29	
Kaoma	20	44	30	
Luanshya	20	07	31	
Downtown	20	00	32	
Industrial	20	00	33	
Kasumbalesa	20	04	34	
Nyumba Yanga	20	00	36	
Chongwe	20	46	38	
Mumbwa	20	53	39	
Lundazi	20	25	41	
Mansa	20	19	42	
Chililabombwe	20	04	43	
Pyramid Plaza	20	00	44	
Mongu	20	31	45	
Arcades	20	00	46	
Sinazeze	20	12	47	
Kafubu Mall	20	01	49	
East Park Mall	20	00	50	
Mukuba Mall	20	02	51	

UTH	20	00	52	
Tenga	20	00	53	
Livonia	20	00	54	
Zambezi	20	30	56	
AB Bank Zambia Limited	21			
	Bank	Area	Branch	
Head Office	21	00	00	
Main Cairo Road Branch	21	00	01	
Chilenje Branch	21	00	02	
Matero	21	00	03	
Kalingalinga Branch	21	00	04	
Chelston	21	00	05	
Garden Branch	21	00	06	
Kitwe	21	02	07	
Ndola	21	01	08	
	Bank	Area	Branch	
First National Bank Zambia Limited	26			
Commercial Suite Lusaka	26	00	01	
Industrial Branch	26	00	02	
Ndola Branch	26	01	03	
FNB Operations Centre	26	00	04	
Head Office Lusaka	26	00	05	
Electronic Banking Branch	26	00	06	
Treasury	26	00	11	
Kitwe	26	02	12	
Mazabuka	26	36	13	
Manda Hill	26	00	14	
Vehicle and Asset Finance	26	00	15	
Makeni Mall	26	00	16	
Jacaranda Mall	26	01	18	
Mkushi	26	23	19	
Home Loan	26	00	20	
Solwezi	26	28	23	
Chingola	26	03	22	
Chipata	26	11	21	
Branchless Banking	26	00	25	
Electronic Wallet	26	00	27	
Kalumbila Branch	26	28	27	
CIB Corporate	26	00	29	
PODS-Visa	26	00	31	
POS-MasterCard	26	00	32	
POS-FNB	26	00	33	
Government and Public Sector	26	00	36	
Kabwe	26	09	37	
Choma Branch	26	12	38	
Premier Banking	26	00	39	
Agriculture Centre	26	00	40	
Luanshya Branch	26	07	41	
Corporate Investment Banking	26	00	42	

Mukuba Mall	26	02	43	
Mufulira	26	05	44	
Chilenje	26	00	46	
Kitwe Industrial	26	02	47	
Cash Centre	26	00	48	
PHI Branch	26	00	49	
Cairo	26	00	50	
Livingstone	26	10	61	
Kabulonga	26	00	72	
	Bank	Area	Branch	
First Capital Bank	28			
Head Office	28	00	00	
Industrial Branch	28	00	01	
Cairo Branch	28	00	02	
Lusaka Main Branch	28	00	03	
Makeni	28	00	04	
Ndola Branch	28	00	05	
Kamwala Branch	28	00	06	
Kitwe Branch	28	02	07	
	Bank	Area	Branch	
First Alliance Bank Zambia Ltd	34			
Head Office	34	00	00	
Lusaka Main	34	00	01	
Ndola	34	01	03	
Kitwe	34	02	04	
Lusaka Head Office	34	00	05	
Industrial Branch	34	00	06	
East Park Branch	34	00	07	
	Bank	Area	Branch	
Access Bank Zambia Limited	35			
Head Office	35	00	00	
Cairo Road	35	00	01	
Longacres	35	00	02	
Acacia	35	00	03	
Ndola Broadway	35	01	04	
Kitwe	35	02	05	
Makeni	35	00	06	
Solwezi	35	28	07	
Lusaka Square	35	00	08	
Chililabombwe	35	04	09	
Chingola	35	03	10	
Chipata	35	16	11	
Garden	35	00	12	
Kalingalinga	35	00	13	

Kasama	35	08	14	
Masansa	35	19	15	
Mbala	35	14	16	
Mufumbwe	35	28	17	
Tazara	35	00	18	
	Bank	Area	Branch	
Ecobank Zambia Limited	36			
Head Office	36	00	01	
Thabo Mbeki	36	00	02	
Cairo Road	36	00	03	
Woodlands	36	00	04	
Kitwe	36	02	05	
Chibombo	36	55	06	
Industrial Branch	36	00	07	
Copperbelt University	36	02	08	
Ndola Branch	36	01	09	
Lumumba Branch	36	00	10	
Mazabuka Branch	36	36	11	
	Bank	Area	Branch	
United Bank for Africa	37			
Head Office	37	00	99	
Head Office Branch	37	00	01	
Kamwala	37	00	02	
Cairo	37	00	03	
Kitwe	37	02	04	
Ndola	37	01	05	
Lewanika Branch	37	00	06	
	Bank	Area	Branch	
Zambia National Building Society	51			
Banking Society Business Park	51	00	19	
Society House	51	00	31	
Permanent House	51	00	32	
Mongu	51	31	34	
Choma	51	12	35	
Chipata	51	11	36	
Livingstone	51	10	37	
Mazabuka	51	36	38	
Kapiri Mposhi	51	24	39	
Soweto	51	00	40	
Nyimba	51	54	41	
Cosmopolitan	51	00	42	
Ndola	51	01	62	
Kabwe	51	09	63	
Kitwe	51	02	64	

Mufulira	51	05	65	
Chingola	51	03	66	
Luanshya	51	07	67	
Chililabombwe	51	04	68	
Kasama	51	08	69	
Mansa	51	19	70	
Solwezi	51	28	71	
Mpika	51	18	72	
	Bank	Area	Branch	
Bayport Financial Services	55			
Head Office	55	00	99	
Lusaka	55	00	01	
Kitwe	55	02	02	
Heroes	55	00	03	
UTH	55	00	04	
Luanshya	55	07	06	
Chingola	55	03	07	
Mufulira	55	05	08	
Konkola	55	03	09	
Solwezi	55	28	10	
Kabwe	55	09	11	
Chipata	55	11	12	
Mansa	55	19	13	
Mongu	55	31	14	
Mpika	55	18	15	
Kafue	55	34	16	
Kasama	55	08	17	
Mazabuka	55	36	18	
Livingstone	55	10	19	
AREA CODES				
AREA	CODE			
LUSAKA	00			
NDOLA	01			
KITWE	02			
CHINGOLA	03			
CHILILABOMBWE	04			
MUFULIRA	05			
KALULUSHI	06			
LUANSHYA	07			
KASAMA	08			
KABWE	09			
LIVINGSTONE	10			
CHIPATA	11			
CHOMA	12			
MPULUNGU	13			
MBALA	14			
NAKONDE	15			

ISOKA	16			
CHINSALI	17			
MPIKA	18			
MANSA	19			
SAMFYA	20			
KAWAMBWA	21			
SERENJE	22			
MKUSHI	23			
KAPIRI MPOSHI	24			
LUNDAZI	25			
MFUWE	26			
MWINILUNGA	27			
SOLWEZI	28			
KABOMPO	29			
ZAMBEZI	30			
MONGU	31			
SESHEKE	32			
NAMWALA	33			
KAFUE	34			
CHIRUNDU	35			
MAZABUKA	36			
MONZE	37			
SIAVONGA	38			
CHISEKESI	39			
MAAMBA	40			
KALOMO	41			
ZIMBA	42			
PETAUKE	43			
KAOMA	44			
CHISAMBA	45			
CHONGWE	46			
ITEZHI-TEZHI	47			
LUMWANA	48			
KATETE	49			
SINAZONGWE	50			
SENANGA	51			
CHAMBISHI	52			
MUMBWA	53			
MUFUMBWE	54			
MWENSE	55			

SCHEDULE II – ZECH CLEARING SESSIONS, CLEARING, SETTLEMENT AND CONFIRMATION TIMES

DIRECT DEBIT AND CREDIT CLEARING			
CLEARING SESSIONS	TRANSMISSION END TIME	SETTLEMENT TIMES	BANK OF ZAMBIA CONFIRMATION TIMES
ONE	08.00 TO 9.30 HRS	10.00 HRS	10.30 HRS
TWO	10.00 TO 11.30 HRS	12.00 HRS	12.30 HRS
THREE	12.00 TO 13.30 HRS	14.00 HRS	14.30 HRS
FOUR*	14.00 TO 15.00 HRS	15.30 HRS	16.30 HRS

* Session Four is restricted to clearing credit transactions only. No debit transaction shall be sent in this session.

CHEQUE IMAGE CLEARING					
CLEARING SESSIONS	TRANSMISSION END TIME	TRANSMISSION OF SETTLEMENT FIGURES TO BOZ	SETTLEMENT ON THE RTGS	CONFIRMATION OF SETTLEMENT BY BOZ	TRANSMISSION OF YUFIG MESSAGES
One	14:00 hours	14:30 hours	15:00 hours	15:30 hours	By 10:00 hours (the following business day)
Sub-Session 1	09:00 hours				
Sub-Session 2	10:00 hours				
Sub-Session 3	11:00 hours				
Sub-Session 4	12:00 hours				
Sub-Session 5	13:00 hours				
Sub-Session 6	14:00 hours				

BILATERAL CLEARING				
CLEARING SESSIONS	DELIVERY TIMES	CUT-OFF-TIMES	SETTLEMENTS TIMES	BANK OF ZAMBIA CONFIRMATION TIMES
One	09:00 hrs – 16:30 hrs	16:30 hrs	10:00 hrs on the day of settlement (day 4, 5, 7 or 11)	10:30 hrs

SCHEDULE III – MAXIMUM ELECTRONIC NOTICE PERIOD AND RETURN OF ITEMS

Maximum electronic notice periods and return of unpaid Cheque Image items drawn and collected on branches

a) Cheques Deposited BY 12:00 hours:

AREA	CHEQUE IMAGE INSTRUMENT (VALUE GIVEN AT 12:00 HRS OF DAY)	ELECTRONIC NOTICE (BY 10.00 HOURS)
All towns	Day 2	Day 2

ACTIVITY		TIME	DAY
For Cheques deposited BY 12:00 hours			
1	Customers deposit cheques at Collecting Banks	By 12:00 hours	One <i>(say Monday)</i>
2	Collected cheque image is Out-cleared electronically through the ZECH.	14:00 hours	One <i>(Same Day Monday 14:00 hours)</i>
3	ZECH distributes images of cheques to Paying Banks	Up to 14:30 hours	One <i>(Same Day Monday)</i>
4	Paying Banks receive on-us Cheque Images of cheques from other participants via the ZECH	14:30 hours	One <i>(Same Day Monday)</i>
5	Paying Banks update customers' accounts	14:30 hours to 24:00 hours	One <i>(Same Monday at close of day)</i>
6	Fating of payment instruments (cheque images)	14:30 hours of Day One to 10:00 hours of Day Two	One <i>(Say Monday from 15:00 hours)</i> to Two <i>(say Tuesday before 10:00 hours)</i>
7	Paying Bank advises Collecting Bank by Electronic Notification of all unpaid items (YUFIG)	Not later than 10:00 hours	Two <i>(Say Tuesday)</i>
8	Collecting Bank updates customers' accounts on the basis of YUFIG messages	Not later than 12:00 hours	Two <i>(Say Tuesday)</i>
9	Customers receive value (cleared irrevocable credit)	12:00 hours	Two <i>(Say Tuesday)</i>
10	Paying Bank Out-clears unpaid items.	By 14:00 hours	Three <i>(Say Wednesday)</i>
11	Collecting Bank collects unpaid items from paying banks via the ZECH	14:30 Hours	Three <i>(Say Wednesday)</i>
Session One Settlement			
12	Transmission of Session One Settlement figures to BOZ	14:30 hours	One <i>(say Monday)</i>
13	Session One Settlement on the RTGS	15:00 hours	One <i>(say Monday)</i>
14	Confirmation of Session One Settlement by BOZ	15:30 hours	One <i>(say Monday)</i>

b) Cheques Deposited AFTER 12:00 hours:

AREA	CHEQUE IMAGE INSTRUMENT (VALUE GIVEN AT 12:00 HRS OF DAY)	ELECTRONIC NOTICE (BY 10.00 HOURS)
All towns	Day 3	Day 3

ACTIVITY	TIME	DAY	
For Cheques deposited BY 12:00 hours			
1	Customers deposit cheques at Collecting Banks	By 12:00 hours	Two <i>(say Tuesday)</i>
2	Collected cheque image is Out-cleared electronically through the ZECH.	14:00 hours	Two <i>(Tuesday 14:00 hours)</i>
3	ZECH distributes images of cheques to Paying Banks	Up to 14:30 hours	Two <i>(Tuesday)</i>
4	Paying Banks receive on-us Cheque Images of cheques from other participants via the ZECH	14:30 hours	Two <i>(Tuesday)</i>
5	Paying Banks update customers' accounts	14:30 hours to 24:00 hours	Two <i>(Tuesday at close of day)</i>
6	Fating of payment instruments (cheque images)	14:30 hours of Day Two to 10:00 hours of Day Three	Two <i>(Say Tuesday from 15:00 hours)</i> to Three <i>(say Wednesday before 10:00 hours)</i>
7	Paying Bank advises Collecting Bank by Electronic Notification of all unpaid items (YUFIG)	Not later than 10:00 hours	Three <i>(Say Wednesday)</i>
8	Collecting Bank updates customers' accounts on the basis of YUFIG messages	Not later than 12:00 hours	Three <i>(Say Wednesday)</i>
9	Customers receive value (cleared irrevocable credit)	12:00 hours	Three <i>(Say Wednesday)</i>
10	Paying Bank Out-clears unpaid items.	By 14:00 hours	Four <i>(Say Thursday)</i>
11	Collecting Bank collects unpaid items from paying banks via the ZECH	14:30 Hours	Four <i>(Say Thursday)</i>
Session One Settlement			
12	Transmission of Session One Settlement figures to BOZ	14:30 hours	Two <i>(say Tuesday)</i>
13	Session One Settlement on the RTGS	15:00 hours	Two <i>(say Tuesday)</i>
14	Confirmation of Session One Settlement by BOZ	15:30 hours	Two <i>(say Tuesday)</i>

SCHEDULE IV – CENTRES AND LOCATIONS

LIST OF CENTRES AND THEIR LOCATION

CENTRE	LOCATION
NDOLA	COPPERBELT ZONE
KITWE	COPPERBELT ZONE
CHINGOLA	COPPERBELT ZONE
CHILILABOMBWE	COPPERBELT ZONE
MUFULIRA	COPPERBELT ZONE
KALULUSHI	COPPERBELT ZONE
LUSAKA	CENTRAL ZONE
LUANSHYA	COPPERBELT ZONE
KASAMA	NORTHERN ZONE
KABWE	CENTRAL ZONE
LIVINGSTONE	SOUTHERN ZONE
CHIPATA	EASTERN ZONE
CHOMA	SOUTHERN ZONE
MPULUNGU	NORTHERN ZONE
MBALA	NORTHERN ZONE
NAKONDE	NORTHERN ZONE
ISOKA	NORTHERN ZONE
CHINSALI	NORTHERN ZONE
MPIKA	NORTHERN ZONE
MANSA	LUAPULA ZONE
SAMFYA	LUAPULA ZONE
KAWAMBWA	LUAPULA ZONE
SERENJE	NORTHERN ZONE
MKUSHI	CENTRAL ZONE
KAPIRI MPOSHI	CENTRAL ZONE
LUNDAZI	EASTERN ZONE
MFUWE	EASTERN ZONE
MWINILUNGA	NORTH WESTERN ZONE
SOLWEZI	NORTH WESTERN ZONE
KABOMPO	NORTH WESTERN ZONE
ZAMBEZI	NORTH WESTERN ZONE
MONGU	CENTRAL ZONE
SESHEKE	SOUTHERN ZONE
ZIMBA	SOUTHERN ZONE
NAMWALA	SOUTHERN ZONE
KAFUE	CENTRAL ZONE
CHIRUNDU	CENTRAL ZONE
MAZABUKA	CENTRAL ZONE
MONZE	SOUTHERN ZONE
SIAVONGA	CENTRAL ZONE
CHISEKESI	SOUTHERN ZONE
MAAMBA	SOUTHERN ZONE
KALOMO	SOUTHERN ZONE
CHISAMBA	CENTRAL ZONE
MAJOR CENTRES	LOCATIONS

CHIPATA	EASTERN ZONE
CHILILABOMBWE	COPPERBELT ZONE
CHINGOLA	COPPERBELT ZONE
CHOMA	SOUTHERN ZONE
KASAMA	NORTHERN ZONE
KABWE	CENTRAL ZONE
KALULUSHI	COPPERBELT ZONE
KITWE	COPPERBELT ZONE
LIVINGSTONE	SOUTHERN ZONE
LUANSHYA	COPPERBELT ZONE
LUSAKA	CENTRAL ZONE
MAZABUKA	CENTRAL ZONE
MKUSHI	CENTRAL ZONE
MUFULIRA	COPPERBELT ZONE
NDOLA	COPPERBELT ZONE

SCHEDULE V – ZECHL MAXIMUM CHARGES

	Description	Penalty
1	Charges for incorrect out-clearing (sending items to a wrong bank)	ZMW100.00 per item
2	Re-presentments of cheques with answer “Refer to Drawer”.	ZMW200.00 per item
3	Wrong Stamping	ZMW100.00 per item
4	Cheque Printing Errors	ZMW100.00 per item
5	Cheques printed by unauthorized printers	ZMW200,000 per each printer used
6	Cheque Designs and Printing not meeting the ZPC&M Specifications	Withdrawal of accreditation to print cheques for banks in Zambia from the defaulting printer
7	Delayed Credit	As per Clauses 28 and 29– Compensation for Undue Enrichment
8	Late Settlement Of Bilateral Clearing	ZMW2,000.00 per outstanding settlement.
9	Delayed submission of deposited cheques	As per Clause 27 – Compensation for Undue Enrichment
10	Delayed submission of EFT file	As per Clause 28 – Compensation for Undue Enrichment
11	Incorrect Return Reason code	ZMW100.00 per item
12	Items cleared with wrong images	ZMW200.00 per item
13	Failure to send unpaid cheque images within 48 hours	ZMW100.00 per item
14	Sending Unpaid Direct Debit More Than 3 Times	ZMW100 per item
15	Failure to send EFT transactions with adequate narrations	ZMW50.00 per transaction
16	Cancellation of Yufig message by paying bank	K 200.00 per message
17	Sending Discrepancy transactions as unpaids in order to correct the wrongly captured amounts by the Collecting Bank	ZMK100.00 per item

SCHEDULE VI - MAXIMUM CHARGES AND FEES

Charge for unpaid items for lack of funds	Shall be in accordance with directives as issued by the Bank of Zambia as per Section 43 (1) of the National Payment Systems Act No. 1 of 2007 on cheques and Direct Debits instructions that are dishonored due to insufficiently funded accounts and as amended from time to time.
Charge for extension of ZECHL system	K5,000
Charges for post-dated cheques	The Presenting bank to be charged K200.00 per item for lack of due care.
Charge for withdrawing services from ZECH system	The participant that withdraws the services from the ZECH system without prior approval by the Bank and ZECHL will be charged K5000 per day.

APPENDIX -I RTGS DIRECT DEBIT MANDATE & DIRECT DEBIT GUARANTEE

(To be printed on your bank headed paper)

Name and full postal address of your bank

Date:

The Director
Banking, Currency and Payment Systems
Bank of Zambia
Lusaka

Dear Sir,

MANDATE TO BANK OF ZAMBIA TO PAY BY DIRECT DEBIT

As per clause 26.1.1 of the ZECH Rules that allows Zambia Electronic Clearing House Limited (ZECHL) to collect monthly Operational Contributions by directly debiting member bank's RTGS Settlement Accounts at the Bank of Zambia (BOZ), please pay ZECHL Direct Debits from our bank's account detailed in this mandate subject to safeguards assured under clause 26.6.1 of the ZECH Rules.

Account Name:	<i>(Your bank name)</i>
Account Number:	<i>(Your bank number)</i>
Payment Amount:	As per ZECHL monthly invoiced amount
Payment Date:	Every 1 st business day of each month

This mandate will remain in force as long as *(bank name)* remains a participant in the Interbank Clearing System at ZECHL.

Yours faithfully,
For and on behalf of *(your bank name)*

Authorized Signature(s)

Date

cc: The Chief Executive Officer – ZECHL