



Bank of Zambia
OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/psd/bp

May 8, 2023

PSB Circular No. : 02/2023

To : Chief Executive Officers of Electronic Money Institutions

PAYMENT OF MOBILE MONEY REWARDS TO ELIGIBLE MOBILE MONEY CUSTOMERS

In line with Directive 23 of the National Payment Systems Directives on Electronic Money Issuance (e-money Directives), the Bank of Zambia (the Bank) has approved the distribution of interest earned on holding accounts on quarterly basis as follows:

1. Thirty (30) percent to be distributed to e-money wallet holders as a reward for using mobile money services and to encourage continued usage of Digital Financial Services (DFS). The distribution of the reward should not extend to wallets for institutions, corporate bodies, businesses, merchants and agents. This directive applies to interest earned on Holding Account balances effective April 1, 2023;
2. Ten (10) percent to be retained by e-money institutions as support towards costs incurred in providing DFS; and
3. Sixty (60) percent to be remitted to the Bank for industry wide projects to support development of DFS.

The allocation of the mobile money reward amongst qualifying e-money holders shall be based on the value of customer initiated outgoing payment transactions within the quarter as a proportion of total customer-initiated transactions on the qualifying wallets during the period as per formula below:

$$x = \frac{y}{z} \times 30 \text{ percent of interest in the quarter}$$

Where:

x = mobile money reward

y = value of customer's initiated outgoing transactions

z = total value of customer initiated outgoing transactions on all qualifying wallets

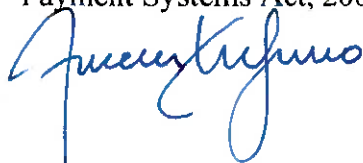
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Electronic money institutions shall pay the mobile money reward within fourteen (14) days following the end of each quarter. Similarly, the 60% of interest earned on Holding Account balances shall be remitted to the Bank 14 days following the end of each quarter. Electronic money institutions shall submit quarterly returns in respect of distribution of mobile money rewards to e-money holders.

This circular shall not apply to interest accrued on holding accounts before April 1, 2023. All balances being held in the Interest Accounts relating to interest earned on Holding Account balances before April 1, 2023, shall be used for industry wide projects and must be remitted to the following bank account held at the Bank by Friday, May 12, 2023:

Account Name	:	NPS Industry Wide Projects
Account Number	:	0019999980266
Bank	:	Bank of Zambia
Branch	:	Head Office
SWIFT Code	:	BAZAZMLU

Failure to comply with this Circular will attract penalties in line with Section 43 of the National Payment Systems Act, 2007.



Francis Chipimo (PhD)
DEPUTY GOVERNOR – OPERATIONS

cc Governor
Deputy Governor – Administration
Director – Bank Supervision
Director – Non-Bank Financial Institution Supervision
Director – Payment Systems
General Counsel and Bank Secretary