

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT No. 183 of 1995

The Banking and Financial Services Act
(Act No. 21 of 1994)The Banking and Financial Services (Disclosure of Deposit
Charges and Interest) Regulations, 1995

In EXERCISE of the powers contained in sections *forty-seven* of the Banking and Financial Services Act, 1994, and on the recommendation of the Bank of Zambia, the following Regulations are hereby made:

1. These Regulations may be cited as the Banking and Financial Services (Disclosure of Deposit Charges and Interest) Regulations, 1995. Title

2. (1) A bank or financial institution shall, by means of a written statement, disclose to its customers and to the public all charges on deposit accounts with that bank or financial institution for any of the following services in respect of such deposit accounts, namely- Disclosure of charges
 - (a) acceptance of deposits;
 - (b) acceptance of coins, cheques or Bank of Zambia notes for deposit;
 - (c) issuance of cheques;
 - (d) certification of cheques;
 - (e) handling of a cheque presented or issued by a customer that is subsequently returned because there are no sufficient funds, or for technical reasons such as where words and figures do not agree, etc;
 - (f) holding of a cheque for deposit;
 - (g) handling of a cheque or negotiable item, such as a draft or a money order drawn in a foreign currency;
 - (h) processing of a stop payment on a cheque or other instrument;
 - (i) handling of overdrafts;
 - (j) transfers between accounts;
 - (k) supplying of account statements;
 - (l) handling of account confirmations;
 - (m) conducting searches related to an account;

- (n) providing information in regard to an account balance; and
 - (o) closing of an account.
- (2) A bank or financial institution shall display and make available copies of the written statement referred to in sub-regulation (1) to customers and to the public at each branch of the bank or financial institution at which such account is kept.

(3) The written statement referred to in sub-regulations (1) and (2) may be in the form of a tariff and shall indicate that the statement-

- (a) sets out all charges for services provided in respect of deposit accounts with the bank or financial institution; or
- (b) does not set out all of the charges for services in respect of deposit accounts with the bank or financial institution and that charges for services not included in the statement shall be disclosed on request or at the time the service is offered.

3. (1) Where a bank or financial institution increases a charge on a service referred to in sub-regulation (1) of regulation 2, it shall disclose the increased charge in a notice:

Disclosure of increased charge

Provided that this Regulation shall not apply to a customer who has agreed in writing that the bank or financial institution shall charge an amount, other than an amount required to be disclosed under sub-regulation (1) or regulation 2.

(2) The notice referred to in sub-regulation (1) shall be displayed for a period of at least 30 days immediately before the effective date of the increase at all branches of the bank or financial institution.

4. A bank or financial institution shall-

Maintenance of list of charges

- (a) maintain, at each branch, a list of all charges applicable to deposit accounts and services provided by the bank or financial institution to its customers and to the public; and
- (b) on request, make available at each branch the list requested to in paragraph (a) to its customers and to the public for inspection during business hours.

5. (1) A bank or financial institution shall disclose to a person who wishes to open an interest bearing deposit account with it, the rate of interest applicable to the account and the manner in which the amount of interest shall be calculated.

Disclosure of interest rates

(2) The disclosures referred to in sub-section (1) shall-

- (a) be in writing, copies of which shall be made available and displayed in each branch of the bank or financial institution where such accounts are kept; or
- (b) be made by way of a general notice displayed in each branch of the bank or financial institution where such account is kept.

(3) The disclosure referred to in sub-regulation (1) shall include-

- (a) the annual rate of interest;
- (b) the frequency of payment of interest;
- (c) the manner, if any, in which the balance in the interest bearing deposit account will affect the rate of interest; and
- (d) any other circumstances that affects the rate of interest.

6. Where there is a change in the rate of interest, or in the manner of calculating the amount of interest on an interest bearing deposit account, the bank or financial institution shall disclose the changes by means of-

Changes in rate of interest

- (a) a written statement, delivered to the person in whose name the account is maintained;
- (b) a written statement, copies of which are available and displayed in each branch of the bank or financial institution where such account is kept;
- (c) a general notice that is displayed in each branch of the bank or financial institution where such account is kept; or
- (d) an advertisement in a daily newspaper.

7. Where a bank or financial institution renews a fixed term deposit account, it shall disclose the rate of interest and the manner of calculating the amount of interest on the deposit account in accordance with sub-regulation (1) of regulation (5) and clauses (1) and (ii) of paragraph (b) of sub-regulation 2 of regulation 5.

Renewal of fixed term deposit account interest.

8. Where a bank or financial institution makes an advertisement in respect of interest bearing deposits or debt obligations, a bank or financial institution shall disclose how the amount of interest applicable to each deposit and debt obligation shall be calculated by clearly indicating in the advertisement-

Disclosure of
advertisement

- (a) in respect of interest-bearing deposits, the manner, if any, by which the balance of the account shall affect the rate of interest; and
- (b) any other circumstances that may affect the rate of interest.

LUSAKA
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