

The Bank of Zambia (Export Proceeds Tracking Framework) Directives, 2023

IN EXERCISE of the powers contained in sections 50 and 73 of the Bank of Zambia Act, 2022, the following Directives are hereby made:

1. Short title

These Directives may be cited as the Bank of Zambia (Export Proceeds Tracking Framework) Directives, 2023.

2. Interpretation

In these Directives, unless the context otherwise requires:

“bank” has the meaning assigned to the word in the Banking and Financial Services Act;

"Bank" means the Bank of Zambia established in accordance with the Constitution and the Bank of Zambia Act, 2022;

"export proceeds" means the monetary consideration paid or payable to an exporter in respect of goods or services exported from Zambia;

"exporter" means a person who is entitled to receive a payment in foreign currency from outside Zambia in respect of goods or services sold abroad from Zambia;

“financial institutions” has the meaning assigned to the word in the Banking and Financial Services Act;

"foreign currency denominated account" means a bank account provided to a person in Zambia by a bank or financial institution and denominated in a currency other than the currency of the Republic;

"foreign exchange" includes –

- (a) bank notes and coins, other than the currency of Zambia, which are legal tender outside Zambia;
- (b) a unit of account of an international body to which Zambia is a member;
- (c) any financial instrument denominated in a currency other than that of Zambia;
- (d) any right to receive foreign bank notes or coins in respect of any balance at a financial service provider located within or outside Zambia; and

- (e) foreign currency denominated travellers cheques, credit and debit cards and similar modes of foreign currency payment;

"international transaction" means the buying or selling of, or offering to buy or sell, goods or services to or by a person who is not resident in Zambia;

"outflows" means current, financial or capital account flows of money to a jurisdiction outside Zambia from a person in Zambia; and

"person" means an individual, a company or an association of persons whether corporate or unincorporate.

3. Application

These Directives apply to –

- (a) a bank;
- (b) a financial institution; and
- (c) an exporter of goods or services.

4. Authority of the Bank

- (1) The Bank shall, for the purposes of these Directives, be the regulatory authority.
- (2) The Bank may, subject to such conditions as may be considered necessary, delegate to any person the performance of any of the powers conferred upon it, in these Directives.

5. Electronic Balance of Payments (eBoP) Monitoring System

- (1) The Bank shall establish an electronic Export Proceeds Tracking Framework for purposes of these Directives.
- (2) The electronic Export Proceeds Tracking Framework referred to in sub-Directive (1) will link the Electronic Balance of Payments Monitoring system with other Government agencies, including institutions responsible for the collection of revenue or import and export formalities.

6. Bank account for exporter

- (1) An exporter shall open and maintain a bank account with a bank or financial institution domiciled in Zambia for purposes of these Directives.
- (2) An exporter shall deposit all proceeds of exports of goods and/or services into an account, referred to in Sub-directive (1), within ninety (90) days from the date of export.
- (3) Notwithstanding sub-Directive (2), an exporter shall have full rights and control of the said account and utilise their funds as they deem fit.

7. Export declaration and notification

1. (1) Notwithstanding the Control of Goods Act, an exporter shall, for any proposed export to which these Directives apply, complete and submit to Zambia Revenue Authority (ZRA), the customs export declaration Form CE 20.
- (2) The Customs Form referred to in sub-Directive (1) shall be endorsed by an authorized officer of the ZRA.
- (3) An exporter who sells goods or services abroad in accordance with sub-Directive (1) shall, by way of acquittal, notify the bank or financial institution of the receipt of export proceeds within ninety (90) days from the date of export.
- (4) A bank or financial institution shall, for any export on which a declaration is made, notify the Bank by periodic return through submission of money receipts and remittances report on the e-BoP Monitoring System.

8. Mode of payment for exports

An exporter shall receive payment for an export as follows:

- (a) for all non-credit payments for exports, denominated in any foreign currency, by means of electronic transfer of funds; and
- (b) for an export on credit terms, denominated in any foreign currency, by irrevocable letter of credit issued by a bank or financial institution.

9. Applicability of anti-money laundering measures

These Directives do not exempt a bank or financial institution from their obligations under the Financial Intelligence Centre Act, 2010, the Prohibition and Prevention of Money Laundering Act, 2001, or any other written law relating to money laundering and proceeds of crime.

10. Inspections by the Bank

The Bank may conduct an inspection on any persons and enterprise/exporter to whom these Directives apply for the purpose of ensuring accurate monitoring of export proceeds of goods and services.

11. Offence and penalty

- (1) A person who contravenes these Directives commits an offence and is liable, upon conviction, to a fine not exceeding five hundred thousand penalty units, or to imprisonment for a period not exceeding five years, or to both.
- (2) A person who contravenes these Directives commits an offence and may be liable to revocation of their tax clearance certificate and blocking of TPIN for export purposes.
- (3) Where an offence under these Directives is committed by a body corporate or an unincorporate body, every director or manager of the corporate or unincorporate body directly involved in the transaction is liable, upon conviction, as if the director

or manager had personally committed the offence, unless the director or manager proves to the satisfaction of the court that the act constituting the offence was done without the knowledge, consent or connivance of the director or manager or that the director or manager took reasonable steps to prevent the commission of the offence.

- (4) Where the Bank is satisfied, after due investigation, or where a person admits an offence in terms of these Directives, the Bank may compound the offence and impose such administrative penalties as prescribed.

12. Commencement

These Directives shall come into force on 1 January 2024.

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Dr. Francis Chipimo

DEPUTY GOVERNOR - OPERATIONS

Please send your comments to the following:

Ms Angela N. Chileshe (Assistant Director- Balance of Payments Monitoring)

anachivu@boz.zm

Ms Mwika Mwenechanya (Senior Economist- Balance of Payments Monitoring)

mmwenechanya@boz.zm

Schedule I -

ZRA Customs Declaration Form (CE20)

All exports of goods will be declared on the prescribed ZRA Customs Declaration Form CE20, which exporters will be required to accurately complete indicating all the required information such as:

- Unique Consignment Reference (UCR)
- Consigner details;
- TPIN (of exporter);
- Consignee details;
- Destination of goods;
- Value of goods;
- Description of product (HS-Code);
- Quantity; and
- Bill of entry number.