



**Bankers Association
of Zambia**

BANKERS ASSOCIATION OF ZAMBIA

**CODE OF ETHICS
AND BANKING
PRACTICE 2020**

MEMBER BANKS

1. AB Bank Zambia Limited
2. Absa Bank Zambia Plc
3. Access Bank Zambia Limited
4. African Banking Corporation Zambia Limited T/A Atlas Mara
5. Bank of China Zambia Limited
6. Cavmont Bank Limited
7. Citibank Zambia Limited
8. Ecobank Zambia Limited
9. First Alliance Bank Zambia Limited
10. First Capital Bank Zambia Limited
11. First National Bank Zambia Limited
12. Indo-Zambia Bank Limited
13. Investrust Bank PLC
14. Stanbic Bank Zambia Limited
15. Standard Chartered Bank Zambia Plc
16. United Bank for Africa Zambia Limited
17. Zambia Industrial Commercial Bank
18. Zambia National Commercial Bank Plc

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PREAMBLE

The Banking sector is an ever changing sector from a legal and regulatory perspective and to keep up with the pace of legislative and regulatory changes, the Bankers Association of Zambia (BAZ) wishes to review and update the 2010 Code of Banking Practice (The Code) which was first introduced in August 2002 following the identification, in the year 2001, of the need to develop trust and good customer relationships by formalising standards of disclosure and conduct while dealing with customers.

In September 2010, BAZ revised the 2002 Code in recognition of the transformation of the financial services sector in Zambia and globally.

In 2020, BAZ has recognised the need to align and extensively review the 2010 Code in line with the ever changing technological, legislative and regulatory environment both locally and internationally. The updated Code has incorporated a section on standard ethics to set out principles relevant to all banks.

As customers' needs change and the banking industry evolves, the Code needs to be updated to reflect these developments. This will ensure that the Code remains a relevant best banking practice guide for the commercial banks that enhances and protects the bank's reputation and to ensure that bank customers continue to be treated fairly and reasonably at all times.

This Code keeps the customer's interests in mind and the banking industry is committed and accountable for its actions and reactions in delivering standards of practice no less than those stated in the Code. At the same time, it is our hope that by describing such standards clearly, this Code will foster a better understanding of what you the customer can reasonably expect from your bank.

Therefore, BAZ expects its members to employ best practices and the highest form of customer care when providing financial services to the banking public.



OBJECTIVES

The purpose of this Code is to define harmonised standards of best banking practice, which member banks of BAZ are expected to follow when dealing with existing and prospective customers. The Code is not legislation, however, BAZ member banks that adopt the Code are contractually bound by their obligations under the Code. The Code is a set of guidelines and standards that seeks to foster best banking practices and enhance qualitative relationships and communication between banks and their customers. As such, the Code is an important part of the broader national consumer protection framework and the financial services regulatory system. Given the existing legislation that governs banks operations, banks will be expected to comply with all applicable legislation, the Code, rules and supervisory requirements that relate to banking, market conduct and consumer protection.

This Code applies to all banks that are members of BAZ in respect of their dealings with customers. In this regard, all customers, potential customers and guarantors derive the protection afforded to them in this Code, subject to context.

This Code aims to:

- a. Promote best banking practices by setting acceptable standards for your bank;
- b. Increase transparency so that you can have a better understanding of what you can reasonably expect of the services provided;
- c. Build a fair and cordial relationship between you and your bank;
- d. Foster trust and confidence in the banking system; and
- e. Encourage a corporate culture that is fair, prudent and dependable for bank customers.

REVIEW OF THIS CODE AND ACCESSIBILITY

We will commission transparent review of this Code every 5 years or as dictated by the changes in banking practices or the environment in which we are operating.

BAZ recognises that the Zambian financial sector is dynamic and will continue to experience technological advancements and product enhancements prompted by customer demand, the local environment as well as globalisation. In this regard, various new initiatives have been taken by banks under the assiduous guidance of the Bank of Zambia (BoZ) for not only improving customer service and relationships, but also bringing in latest technology and advanced banking products in Zambia since the introduction of the Code in 2002. These developments and advancements have necessitated the implementation of this version of the Code, which shall be referred to as the Code of Ethics and Banking Practice, 2020.

Copies of the Code and details of the 2020 amendments are available from:

- a) The BAZ Secretariat located at:
3rd Floor, Citibank House
Stand 4646, Elunda 3
Addis Ababa Roundabout
P. O. Box 34180,
Lusaka
www.baz.org.zm
- b) Websites of the BAZ Member banks.

INTERPRETATIONS

For the exclusive purpose of interpreting this Code the following words and expressions shall have the meaning ascribed to them except where the context requires otherwise. These meanings are not necessarily precise, legal or technical definitions.

Automated Teller Machine (ATM)

An electromechanical device that allows authorised users, typically using machine-readable plastic cards, to withdraw cash from their accounts and/or access other services (allowing them, for example, to make balance enquiries, transfer funds or deposit money).

Bank

A bank (with small letter b) is a company that holds a banking license under the Banking and Financial Services Act 2017.

Bank of Zambia (BoZ)

The Bank (with capital letter B) means the Bank of Zambia established in accordance with the Bank of Zambia Act.

Basic Banking Service

The opening, maintenance and operation of accounts for financial transactions by means of cheque, Direct Debit and Credit Clearing, Mobile Payments, Electronic Funds Transfers and other alternate payment channels or savings or investment accounts.

BAZ

BAZ stands for Bankers' Association of Zambia.

Biometric Verification

This refers to any means by which a person can be uniquely identified by evaluating one or more distinguishing biological traits. Unique identifiers include fingerprints, hand geometry, earlobe geometry, retina and iris patterns, voice waves, DNA, and signatures.

Business Customers

Juristic (legal) persons, partnerships, Non-Governmental Organisations (NGO's), companies and trusts.

Business Day

Any day that is not a Saturday, Sunday or a Zambian public holiday.

Cards

A general term for any debit, prepaid or credit card (usually plastic), which may be used to pay for goods and services, online or transact at ATM's, and on Point of Sale (PoS) machines.

Corporate Body

Corporate Body shall include companies incorporated under the Companies Act No. 10 of 2017, and other legal entities.

Cost of borrowing

Cost of Borrowing refers to fees and charges normally charged by banks in respect of borrowing including administrative charges and similar charges, but do not include unwarranted charges.

Credit Reference Agencies

Organisations which collect, store and provide financial and non-financial information on entities (including individuals) that is of relevance to banks and other lenders/users/stakeholders. Once consent has been obtained from the customer, banks may seek or give information from / to these agencies on their customers to assist them with various decisions, e.g. whether or not to open an account or provide loans or grant credit.

Credit Scoring

This is a system that banks use in making decisions about granting credit facilities to their customers. Credit scoring usually uses statistical techniques to measure the likelihood that an application for credit (a loan or overdraft) will be a good credit. It is a numerical expression based on a statistical analysis of a customer's data to represent the credit worthiness of that customer.

Customary Authority

Customary Authority shall mean a body with which a person has or had business dealings as a customer of that body in relation to obtaining a reference and/or address verification required for opening of an account. Customary authority includes but is not restricted to the Chiefs, Headmen, Court Clerks or any other person in authority.

DDACC

DDACC stands for Direct Debit and Direct Credit Clearing. It is a payment stream under which funds are transferred electronically from one account to another.

Financial Institution

Means a company, other than a bank, providing a financial service.

Financial Service

Financial service means anyone or more of the following services:

- a) commercial or consumer financing services;
- b) brokering;
- c) factoring, with or without recourse;
- d) finance leasing;
- e) financing of commercial transactions, including forfeiting;
- f) issue and administration of credit cards, debit cards, traveller's cheques or banker's drafts;
- g) issue of guarantees, performance bonds or letters of credit, excluding those issued by insurance

companies;

- h) lending on the security of, or dealing in, mortgages or any interest in real property;
- i) payment of cheques or other demand orders drawn or issued by customers and payable from deposits held by the payer;
- j) purchase and sale of foreign exchange;
- k) issue of debentures and money market instruments;
- l) the acceptance of deposits;
- m) issue of building society and mutual society shares, with characteristics similar or identical to deposits;
- n) venture capital funding;
- o) micro-financing;
- p) development financing; and
- q) any other service that the Bank may designate, excluding the underwriting, marketing or administration of contracts of insurance or reinsurance.

Financial Service Provider

Financial service provider” means a bank, financial institution or financial business.

Foreign Currency Clearing House (FCCH) Rules

Foreign Currency Clearing House Rules are the rules that govern interbank clearing of foreign currency denominated payment instruments in Zambia.

Group

A Group means a holding company together with its wholly owned subsidiaries as defined in the Companies Act No. 10 of 2017.

Indemnity

The right of injured party to shift the loss onto the party that is responsible for the loss, and/or an obligation or duty upon an individual to incur the losses of another.

Juristic person

An entity that is recognised by law as having rights, duties, and the ability to carry out legal acts as if it were a natural person.

Member Bank(s)

A member bank is a member of the BAZ.

Ombudsperson

An official appointed to investigate individuals’ complaints against a company or organization, especially a public authority.

Opening an Account

Entering into a relationship with a bank to operate inter alia a current account, a fixed account, digital account,

a savings account or a loan account and includes transmission of money and investment of funds.

Password

A code that is either supplied by a bank or chosen by a customer to permit a customer to access electronic banking services and could also be used for identification by the bank.

Personal Customer

A natural person, whether carrying on business or not, who maintains an account or who receives other services from a bank.

Personal Identification Number (PIN)

A PIN is a personal and confidential numerical code used to authenticate a Cardholder in an ATM or POS transaction.

Professional

In relation to obtaining a reference for opening of an account and/or for address and other document verification, Professional includes the Chartered Accountants, Lawyers/Advocates, Officer-In-Charge of a Police Station, Clergymen, and Commissioner of Oaths etc.

Reference Letter

This is a letter introducing the prospective account holder and certifying that the signatory to the letter has known the named prospective account holder, and may also include verification of residential address of the said prospective account holder and other information required by the bank, if any.

Regulator

Refers to the primary and secondary regulators of the financial services sector.

Real Time Gross Settlement (RTGS)

Real Time Gross Settlement is an electronic payment system in which processing of transactions for settlement takes place continuously on a transaction by transaction basis in real time, that is, each transaction is settled in finality with immediate value to the ultimate beneficiary.

Security

A word used to describe items of value which a borrower pledges as collateral as support for a loan. Under a secured credit facility, the lending bank has the right to realise the security if the loan is not repaid.

Selected personal information

A selection of memorable facts and information of a private and personal nature chosen by the customer (the sequence of which is known only to the customer) which can be used by the bank for identification and to verify identification when accessing accounts, usually by phone and electronically.

Service Standards and Responsibilities

These are the National Payments Systems Directives on Processing of Direct Debit and Credit Instructions

and funds transfer on the Zambia Interbank Payment Settlement System (ZIPSS) prescribed in Government Gazette Notice No. 732 of 2018 and as advised/prescribed by the Bank of Zambia from time to time.

Stale Cheque

A cheque with a date more than 6 months old written on it when presented for payment to a banker.

Tax Payer Identification Number (TPIN)

This is a unique computer-generated number allocated to a taxpayer.

Terms and Conditions

Terms and Conditions means those terms and conditions specifically applied by us to a banking service but does not include any other terms and conditions that may apply by operation of law.

The NPSA

The National Payment Systems Act, 2007 (Act No. 1 of 2007).

Third Party Cheques

A cheque payable to a person(s) other than the drawer of the cheque.

Unpaid Cheque

This is a term for a cheque which, after being presented over the counter of a bank for encashment or deposited into the account of a person to whom it is payable, is subsequently returned “unpaid” (“bounced”) by the bank whose customer issued the cheque. This leaves the person to whom the cheque is payable without the money in the account.

Unwarranted charges and fees

These are charges and fees prohibited by the Bank of Zambia as prescribed in Government Gazette Notice No. 731 of 2018 and as advised/prescribed by the Bank of Zambia from time to time.

We, us and our

“We, us and our” means the bank that you deal with that is a member of BAZ and includes a bank's representatives, employees and agents.

You and Your

“You and Your” means a person or an entity who at the time the service or product is provided, is our customer or, subject to the context in this Code is a potential customer.

ZECHL

ZECHL stands for Zambia Electronic Clearing House Limited which is a limited liability company jointly owned by BOZ and BAZ, established to conduct interbank clearing business.

ZECH RULES

These are the Zambia Electronic Clearing House Rules that govern Interbank Clearing of local currency (Kwacha) denominated payment instruments.

PART A: CODE OF ETHICS

The following general principles on which the Code of Ethics is premised will establish the bedrock for building a fair and cordial relationship between customers and banks:

1.1 Responsible business conduct of banks and authorized agents

Banks and their authorized agents will work in the best interest of their customers and be responsible for upholding financial consumer protection. Banks will also be responsible and accountable for the actions of their authorized agents and third-party service providers. Depending on the nature of the transaction and based on information primarily provided by customers, institutions will assess the financial capabilities and needs of their customers before offering them a product, advice or service. Staff (especially those who interact directly with customers) should be properly trained and qualified. Banks and their authorized agents should endeavour to avoid conflicts of interest.

1.2 Equitable and Fairness when dealing with customers

Banks shall treat all customers equitably, honestly and fairly at all stages of their relationship with the banks. Treating consumers fairly shall be an integral part of the good governance and corporate culture of all banks and their authorised agents.

1.3 Disclosure and Transparency

Banks and their authorized agents shall set out and explain clearly the key features, risks and terms of the products, fees, commissions or charges applicable, and make available the details of these to customers. Additional disclosures, including appropriate warnings, shall be developed to provide information commensurate with the nature and risks of the products and services. They shall also provide information on conflicts of interest associated with the use by institutions of their authorized agents through which any product is sold. Appropriate information shall be provided at all stages of the relationship with the customer. All financial promotional material should be accurate, honest, understandable and not misleading. Standardised pre-contractual disclosure practices shall be adopted where applicable and practicable to allow comparisons between products and services of the same nature.

Where advice is provided, the advice should be as objective as possible and should in general be based on the customer's profile considering the complexity of the product, the risks associated with it as well as the customer's financial objectives, knowledge, capabilities and experience.

Banks shall inform customers that it is important to provide banks with relevant, accurate and available information.

1.4 Financial Education and Awareness

Recognising that customers have their responsibilities in enhancing financial literacy, banks will collaborate with the government, regulatory bodies and other relevant stakeholders to promote financial education and awareness and help existing and future customers to develop the knowledge, skills and confidence required to understand risks, including financial risks and opportunities, make informed choices, know where to go for assistance, and take effective action to improve their own financial well-being. The provision of broad-

based financial education and information to deepen consumer financial knowledge and capability should be promoted, especially to marginalised groups and in rural areas. Clear information on consumer protection, rights and responsibilities should be easily accessible by customers.

1.5 Protection of Customer Assets against Fraud and Misuse

Banks should have in place relevant information, control and protection mechanisms to protect customers' deposits, savings, and other similar financial assets appropriately and with a high degree of certainty, including against fraud, misappropriation or other misuses.

1.6 Protection of Consumer Data and Privacy

Banks should have in place appropriate control and protection mechanisms to protect customers' financial and personal information and as guided in section 111 of the Banking and Financial Services Act No. 7 of 2017. These mechanisms should comply with all applicable legislation and in particular should define the purposes for which the data may be collected, processed, held, used and disclosed. The mechanisms should also acknowledge the rights of customers to be informed about data-sharing, to access data and to obtain the prompt correction and/or deletion of inaccurate, or unlawfully collected or processed data.

1.7 Complaints Handling and Redress

Banks and, where appropriate, their authorized agents will provide customers with reasonable channels to submit claims, make complaints and seek redress that are accessible, fair, accountable, timely and efficient. Such channels will not impose unreasonable cost, delays or burdens on customers. At a minimum, banks will display such complaint handling procedures on the notice boards of their branches.

1.8 Competition

Banks should allow customers to search, compare and, where appropriate, switch between products and banks easily and at reasonable and disclosed costs. Bank of Zambia publishes comparative cost information in print media on a quarterly basis.

1.9 Acceptance of Gifts

While we understand that gifts are usually given as a gesture of goodwill, our view is that business gifts, favours and gratuities in connection with official duties, tend to create an obligation which distorts the whole aspect of sincere giving. Banks are encouraged, through their internal policies, to provide guidelines and rules that govern the acceptance and giving of gifts.

1.10 Corporate Governance

A sound corporate governance framework is a prerequisite for the effective functioning of banks. We adhere to the underlying principles relating to corporate governance in line with the Bank of Zambia Corporate Governance Directives, given the increasing importance of the matter in the sphere of banking and finance.

1.11 Responsible banking

We will endeavour to align our business strategies with the society's goals such as the Sustainable Development Goals and the Seventh National Development Plan (7NDP) to contribute to the wellbeing of the people of Zambia.

1.12 Compliance

We will recognise and comply with all applicable laws, regulations and codes, including this Code, rules, guidelines and supervisory requirements relating to our operations and the banking services that we offer. If this Code imposes an obligation on us in addition to obligations applying under a relevant law, we will also comply with this Code to the extent that in so doing we do not commit a breach of any applicable law.

1.13 Staff training and competency

We will ensure that our staff (and our authorised representatives) are adequately trained and have sufficient knowledge of the provisions of this Code to competently and efficiently discharge their functions and provide the banking services they are authorised to provide.

1.14 Elderly customers and customers with special needs

We recognise the needs and rights of elderly customers and customers with special conditions to have access to transaction services, so we will take reasonable measures to facilitate their access to those services.

1.15 Safety at bank premises

We will take all reasonable steps and precautions to protect you and others whilst in our bank premises.



PART B: CODE OF BANKING PRACTICE

The Code acts as a guide for you when you transact with your bank and it will help you better understand your rights and responsibilities as well as your bank's responsibilities as they serve you. The members of BAZ are committed to meeting the standards set out in this Code.

2. RELATIONSHIP BETWEEN BANKS AND CUSTOMERS

2.1 Our Key Commitments

We, the members of BAZ, undertake that we will act fairly and reasonably in a consistent and ethical manner towards you and we commit to:

- a) Act professionally, fairly and reasonably in all dealings with our customers;
- b) Give you information on our services and products in plain language, and offer help if there is any aspect which you do not understand;
- c) Create open channels of communications with customers, including knowledgeable complaints handling support systems, and ensure these channels are advertised and made accessible to all customers;
- d) Handle customer complaints within reasonable time, and advise customers on the approximate timelines in which their inquiries or complaints would be responded to and addressed;
- e) Promote informed decisions about our banking services or products to suit your needs:
 - by providing effective disclosure of information relating to accounts and services, their terms and conditions and the interest rates which may apply;
 - by explaining to you, when asked, the contents of brochures and other written information about our banking services;
- f) We will help you to understand the basic financial implications of and provide general information about the rights and obligations that arise out of the banker and customer relationship in relation to services and products that we offer which may include without limitation to the following:
 - Loans
 - Overdrafts
 - Bank guarantees
 - Letters of credit
 - Invoice Discounting
 - Shipment Finance
 - Local Purchase Order Finance
 - Commodity Finance
 - Documentary Collections
 - Structured Trade Finance
 - Other credit products
 - Savings and investment products
 - Card products
 - Payment services
 - Foreign exchange
 - Current accounts

- Basic, No-Frills Accounts
- Cheque Clearing
- Direct Debit and Credit Clearing
- R.T.G.S.
- Custodial services
- Safe custody
- electronic banking
- Mobile Banking
- Night safe facility
- Such other service or product that we may offer



Note: Each member bank may not be offering all such products indicated above and accordingly limits its undertaking to services and products that it actually offers.

- g) Ensure that our credit criteria, products and services are based and applied solely on commercial principles and criteria and do not discriminate against you on the basis of race, religion, age, pregnancy, marital status, gender, sexual orientation, ethnic or social origin, disability, colour, political inclination, conscience, belief, culture, language and birth; save to the extent that a distinction is required or justified by any law or to the extent that the factor has commercial implications or in respect of special product or service offerings designed for all members of a particular target market group;
- h) We will take all relevant precautionary and remedial actions that promote the provision of efficient, safe, secure and reliable banking and payment systems services.
- i) Ensure that products and services adhere to relevant laws and regulations, including the Bank of Zambia Prudential obligations.

2.2 Terms and Conditions

- a) We will provide you with clearly written terms and conditions that are relevant and applicable to a service or product which you select for the first time. We will be prepared to answer queries from our customers or prospective customers relating to the terms and conditions.
- b) In cases where the query relates to a service provided by a third-party service provider, the bank will, where necessary, refer the query to the relevant third-party service provider after obtaining the customers consent or direct the customer to contact the third-party service provider. Banks will thereafter provide assistance to the customer if the customer so requests.
- c) In the event that it is impracticable to provide you with the terms and conditions applicable to a product or service at the time or prior to entering into a contract relating to the service or product, we will provide the terms and conditions orally and provide a full set of the terms and conditions as soon as practicable afterwards.
- d) Where the provision of written or oral terms and conditions is not practicable at the point of sale, banks will inform prospective customers where they can find terms and conditions (including providing a link to the bank's website) and advise them to read and understand the terms and conditions before applying for the banking service and provide a full set of terms and conditions as soon as practicable afterwards.
- e) The terms and conditions applying to a service or product that we provide you will, if relevant, include:

- the method by which interest, if any, is calculated and the frequency with which it will be credited or debited;
 - the manner in which you will be notified of changes to the terms and conditions;
 - if appropriate, the fact that more than one interest rate may apply
 - any minimum balance requirement or restriction on depositing money in, or withdrawing money from, an account; and
 - the frequency with which statements of account will be provided.
- f) The terms and conditions of our banking services and products will be distinctive from non-binding marketing and promotional material.
- g) Terms and conditions will be in English and any other local language which we consider to be appropriate.
- h) Terms and conditions will be in plain language and we will avoid complex legal and technical terms wherever practicable. Where legal and technical language is used, an appropriate explanation will be provided.
- i) Terms and conditions will be presented in a reasonable layout and font size that is readily readable. Where necessary banks will provide this information in braille for our differently abled customers in line with the country's move towards financial inclusion.
- j) Terms and conditions will, where applicable, highlight any fees, charges, penalties and relevant interest rates (or the basis on which these will be determined) and the customer's liabilities and obligations in the use of a banking service.
- k) Occasionally, terms and conditions may have to be changed. We will give you notice in accordance with the agreed terms or in the absence of an agreement we will give you reasonable notice of these changes either by way of individual notification at the last postal address, contact number or email provided by you to us or by way of general notification displayed at our places of business or by press release if circumstances so warrant before they become effective such that you will have time to decide if you want to continue with the product or service, taking the changes into account.
- l) If it is observed that you are failing to adhere to the Terms and Conditions of any service, product or prevailing applicable rules and regulations or issuing cheques on an insufficiently funded account we reserve the right to close your account/withdraw the service/facility by giving you reasonable written notice, which, in any case, shall be of not less than 7 days, at the last postal address, contact number or email you gave us.



Did you know?

As a customer, you have the right to switch or close your bank account in case you are adversely affected by the change in the terms and conditions of the account or service. However, certain fees and charges may apply for terminating the contract.

2.3 Sanctioned Entities/Individuals & the Banks' Responsibilities

- a) Banks may refuse to do business with any person or entity that is considered undesirable.
- b) Banks will not willingly and knowingly do business with sanctioned entities/individuals or entities/individuals linked to any restricted country/government/individual.
- c) Banks shall be at liberty to exit customer relationship with sanctioned entities/individuals or entities connected to sanctioned entities/individuals.

- d) Banks shall be at liberty to monitor any transactions or instructions.
- e) Banks can request for further information from the customer before acting on any instructions or transaction.
- f) Banks may refuse to carry out any instruction or transaction on behalf of the customer to comply with section 5.2 of the Bank of Zambia AML/CFT directives of 2017.
- g) Banks will not be liable or legally responsible to any person or customer for any loss or damage that may be suffered if the bank exercises its options mentioned above or anything else necessary to comply with laws and regulations.

3. CUSTOMER ENTITLEMENTS AND RESPONSIBILITIES

3.1 Your Entitlements

As an existing or potential customer, you can expect the following reasonable conduct from your bank as more fully outlined and detailed in the body of the Code. Your bank will:

- a) Act fairly, reasonably and ethically towards you
- b) Provide you with effective and adequate disclosure of information, including the Terms and Conditions of products and services.
- c) Provide you with information in a plain and understandable language format;
- d) Ensure that its staff members attend to your transactions and enquiries promptly;
- e) Provide you with reasonable notice before the implementation of changes in the Terms and Conditions, fees and charges, the discontinuation of products and/ or services and the relocation of premises;
- f) Acknowledge a formal complaint within reasonable time and deal with it within five business days from the date of receipt;
- g) Provide affordable and accessible basic banking services to all Zambians.

3.2 Your Responsibilities

While we are committed to ensure our fair and reasonable dealings with you, we also expect that, to safeguard your own interest, you will assume certain responsibilities towards us. It is in our view your responsibility to:

- a) Assist us in performing our legal obligations with regard to carrying out certain identification and verification procedures about you to ensure that our relationship can lawfully be established or continued;
- b) Submit all information/documents that we may request you at on-boarding stage or during the course of our relationship, such as financial statements, source of wealth/funds and other related documents, as may be required. Failure on your side to provide the requested information/documents may result in the cessation of our relationship or rejection of the proposed relationship;
- c) Read and understand the set of general and specific terms and conditions of the products and services offered by us, although we will take all reasonable steps to advise and inform you of these terms and conditions. Once you have signed a document, it will become legally binding;
- d) Disclose all relevant information as part of any credit application to us so that we may make an informed decision to grant credit to you;
- e) Ensure that you do not subscribe to obligations or commit yourself beyond your financial means;
- f) Advise us as soon as possible in the event that you run into difficulty in meeting your financial obligations towards us as and when they fall due;
- g) Where credit is granted to you, consider, after seeking legal advice if necessary, whether sufficient credit insurance cover is in place to protect you and/or your family in the case of losing your regular income (e.g.

loss of employment, disability, or death);

- h) Promptly inform us of any change to your Know Your Customer (KYC) profile such as but not limited to change of name, residential/postal address, phone number, email, employment details, National Identity Card (NRC), Passport number, TPIN or in your financial affairs as and when this occurs;
- i) Check and verify all the entries included in statements sent to you for correctness, and inform us immediately in the event that you do not agree with any entry or item;
- j) Protect your card and PIN which is a crucial security measure and never disclose your PIN, or other unique means of personal identification to anyone, including an employee of the bank;
- k) Enable us to take the necessary measures to prevent or limit fraud or theft on your account and inform us as soon as possible when you discover any unauthorised activities on your account;
- l) Take note of any cautionary notices, when making use of our ATM services, that may be placed at ATMs for your protection, and exercise due caution accordingly;
- m) Familiarise yourself with the circumstances under which you may be responsible for any losses suffered by you as a result of fraud, theft, or where you acted without reasonable care;
- n) Understand that to bind yourself as a guarantor for another person's debt is a risky decision and keep in mind that you are effectively undertaking to take on the responsibilities of that other person in the event that they do not honour their responsibilities in accordance with terms and conditions agreed to between that person and the bank, so that you may wish to take independent legal advice before agreeing to be a guarantor;
- o) Take reasonable steps when making use of internet, telephone or mobile banking channels to conduct a banking transaction with a view to prevent fraud, theft, or the unauthorised use of your account or personal information;
- p) Ensure that there are sufficient funds on your account before doing any transaction;
- q) Ensure that you do not withdraw funds that have wrongly been credited to your account; kindly report to your bank of such funds immediately;
- r) Assist the banks to comply with the laws and regulations by providing the banks with all the information and documents they may require. If the customer neglects to do so or provides false information, banks shall be at liberty to refuse to enter into a relationship with the customer, refuse to carry out any instruction or process instruction with the option of ending the relationship;
- s) Ask any information/clarification, whatsoever, from the bank official(s) in case of doubt relating to the bank's product(s) and services or the use of the bank's product(s) and services; and
- t) Deal with us in a fair, ethical and responsible manner and be courteous towards our employees at all times.



Did you know that as a bank account holder you are required to submit your TPIN to your bank?

Effective 1st January 2017, legislation was enacted to make it mandatory for financial institutions registered under the Banking and Financial Services Act to require all bank account holders to obtain a TPIN issued by the Zambia Revenue Authority (ZRA).

All existing bank customers; individuals over the age of 18 years, corporate and business entities as well as Small and Medium Enterprises (SMEs) are required to submit their TPINs to their banks. New customers are also required to register for a TPIN and submit it to the bank at the time of opening an account.

Submitting your TPIN to the bank does not mean that taxes will be charged on your bank account but will enable the TPIN holders to transact with ZRA and other institutions that require a TPIN such as:

- Ministry of Lands for registration and transfer of titles;
- Road Transport and Safety Agency (RTSA) for motor vehicle registration and change of ownership;
- Ministry of Commerce, Trade and Industry for import and trade licensing;
- ZESCO for new applications for power connection;
- PACRA for transfer of shares and;
- Transfer of property such as mining rights.

You can register for your TPIN using the ZRA website or visit any ZRA office.

3.3 Choosing the right products and services that meet your needs

Before you become a prospective customer, we will:

- a) Give clear and appropriate information explaining the key features of the product or service and products you tell us you are interested in, including any fees, charges and/or commissions applicable thereon;
- b) Give clear and appropriate information on the different types of products and accounts available from us to assist you in making an informed choice appropriate to your needs;
- c) Say what information we need from you to ascertain and keep a good record of your identity (by law, we are required to do so for the purpose of protecting our customers, members of the public and ourselves against fraud and other misuse of the banking system);
- d) Indicate recommended safety measures and tips on our services and products in which you express an interest, and say whether we offer products and services through different modes, for example, on the internet, in branches or other remote banking facilities and how to find out more about them;
- e) Any information provided with respect to products or services shall unless otherwise specified, be deemed to be a guideline only designed to assist you in making your own decisions;
- f) We will continuously strive to improve our basic banking services through product innovation;
- g) In the event that you wish to switch or move your account, we will co-operate in a timely manner with the request, subject to terms and conditions in place. However, you are responsible to provide your new bank with all the relevant information to assist you in switching your account transactions. It is your responsibility to ensure that your account details are changed with each third-party service provider.

4. BUSINESS CONDUCT

4.1 Meeting your needs

When you inquire about any service or product offered by any member bank, the member bank is committed to provide you with the following vital information to enable you make appropriate financial decisions:

- a) Provide you with clear information on the key features of services or products in which you are interested;
- b) Provide you with rules and regulations governing that particular service or product;
- c) Provide you with alternative services or products available;
- d) Provide you with the requirements on documentation and other information concerning you/your business for using that particular service or product.

4.2 Charges

- a) At the time of opening an account or availing of any service, we will provide you with written information of all charges for maintaining that particular account and accessing the funds on account or accessing that service as the case may be. We will also state how we will communicate any new charges or changes in the charges to you.
- b) Details of charges for all other banking services and products can be obtained from our branches on request.
- c) On inquiry, we will provide you with information whether fees or charges are negotiable or not on a particular service or product.
- d) For comparison purpose, you may wish to make reference to the schedule of charges levied by different banks/financial institutions published by Bank of Zambia in the print media from time to time prior to making your decision to avail of a particular service or product from a particular member bank.



Customer Tip:

You reserve a right to shop around for the product or service that suits your needs. Ask the bank officials for information about the different accounts. Take time to review the terms and conditions; and features of the account and select an account that best suits your financial needs.

- e) We reserve the right to amend/modify charges periodically. However, we will keep you informed about changes in the charges within a reasonable period prior to implementation.
- f) You may obtain the information about the prevailing charges from branches of member banks. However, reasonable notice of new charges or changes in charges will be given either by way of individual notification personally or sent to the last postal address, contact number or email provided by you to us or by way of general notification displayed at our places of business or by press release if circumstances so warrant before they become effective such that you will have time to decide if you want to continue with the product or service, taking the changes into account. The manner in which the notice is issued will be determined by the nature of the banking service availed.

4.3 Interest Rates

- a) At the time of opening an account for you we will provide you written information on the interest rates applicable on the type of account(s) you opt for and when we will take interest or pay it to you. We will also

indicate how we will advise you of any changes in the interest rate disclosed.

- b) We will inform you the basis on which interest is calculated on the type of account(s) you opted for.
- c) The interest rates, which apply on your account(s), may change from time to time in response to the international and/or local financial market conditions. We will keep you informed about changes to the interest rates on your accounts by giving reasonable notice of these changes. The notice will be given either by way of individual notification at the last postal address, contact number or email provided by you to us or by way of general notification displayed at our places of business or by press release if circumstances so warrant before they become effective.
- d) When your account becomes overdrawn without prior arrangement or you wish to draw against un cleared effects, it will attract interest and/or charges in accordance with the applicable terms and conditions.
- e) At or before the time we agree to make a loan or credit available to you, we will furnish you, in writing, with the cost of borrowing to you.
- f) We will keep you informed about changes in interest rates applicable to loans or credits within the agreed period and if no period has been agreed within a reasonable period prior to implementation. Changes in interest rates will be given either by way of individual notification through SMS, email, in-branch-notification, electronic and print media, or sent to the last postal address provided by you to us or by way of general notification displayed at our places of business or by press release if circumstances so warrant before they become effective such that you will have time to decide if you want to continue with the product or service, taking the changes into account. The manner in which the notice is issued will be determined by the nature of the banking service availed.

5. MARKETING OF SERVICES

We will compete for business based entirely on merit and, in marketing our services; we will act responsibly and prudently and ensure that advertisements in our promotional campaigns are fair and reasonable and do not contain negative inferences or references to other banks. During the course of our relationship, we may from time to time bring to your attention details of our other services and products, which may be of benefit to you.

5.1 Consent to group marketing

In order to enhance our existing relationships with you, we may give information about you that is not of a confidential nature to other subsidiaries within our group for marketing purposes. Unless you have given your express consent, no confidential information shall be divulged. We may also tell you about another company's services or products and, if you respond positively, you may be contacted directly by that company.

5.2 Withholding consent

If you are a new customer, we will first obtain your consent for giving certain information about you to other subsidiaries in our group. If you are an existing client, you may withhold your consent to our doing so by informing us in writing. If you do not withhold your consent, we will presume that you have agreed to our continuing the practice. You will not be pressurised for your consent in return for our services and products.

5.3 Marketing of credit products

While marketing credit products we will:

- a) provide you with all the required information, including features concerning that particular credit product;

- b) not mislead you in getting that product;
- c) maintain reasonableness in marketing such products to you; and
- d) endeavour to conduct ourselves responsibly so as not to put unnecessary pressure on you to take any product.

5.4 Marketing of savings, other deposits and investment products

- a) We will take care to give you clear and appropriate information on the different types of savings, other deposits and investment accounts available from us to help you make an informed choice on the products to suit your needs.
- b) We will help you understand how savings, other deposits and investment accounts work, including charges or loss of interest for withdrawal or early cancellation etc.
- c) We will endeavour to conduct ourselves responsibly so as not to put unnecessary pressure on you to take that product.
- d) Should you wish to consider the tax implications of your choice of investment, you should seek independent advice from an appropriate consultant qualified to provide such information to you.

5.5 Advertising

We will ensure that all advertising and promotional materials are clear, fair, reasonable and not misleading. We will comply with the appropriate advertising authority guidelines, as guided by the Zambia Institute of Marketing (ZIM).

6. OPENING OR CLOSING OF BRANCHES/OFFICES AND ATM SITES

We will give reasonable prior notice of our intention to open or close any of our branches/offices and ATM sites.

7. RELOCATION OF BRANCHES/OFFICES AND ATM SITES

We will give you reasonable prior notice of events like planned relocation of branches/offices and ATM sites and information on the closet alternative branch, ATM or agency.

8. DISRUPTION OF SERVICES AT BRANCHES/OFFICES AND ATM SITES

In case of any eventuality of disruption of our services, we will endeavour to inform you at the earliest of the disruption of services at branches/offices and ATM sites and the alternative arrangement available. It will not be possible for us to inform you individually, and information on disruption of services will be given either by way of general notification displayed at our places of business or by press release in view of the circumstances.



Cash security Tip: Avoid being a victim of cash robberies by carrying as little cash as possible, use cell phone banking or electronic payment platforms such internet and ATMs to send or receive money.

9. ALERTS

We may, depending upon circumstances, issue a communiqué either electronically or through print media or by other means advising you of important developments, precautions to be taken, or steps to be taken by you for protecting yourself from frauds, theft, loss or injury while transacting your business with us.

10. BASIC/ NO FRILL ACCOUNT

With a view to reach out to masses, and in line with the country's move towards financial inclusion, we are committed to offering you a basic / no frill account which would enable you to perform basic banking operations. Each member bank will come up with the requirements and terms and conditions for such type of account.

11. ACCOUNT OPERATIONS

11.1 Running your account

11.1.1 Mandate for operating your account

- a) We will adhere to the written mandate given by you at the time of opening the account and/or changed subsequently by you.
- b) You can change your mandate any time by providing us, in writing, with the new authorised signatories and/or mode of operations. Any such change should be supported by appropriate documentation duly signed as per the mandate and/or as required under the Laws of Zambia. In such cases you will also need to provide us with appropriate identification documents for the new signatories and/or authority.
- c) Our adhering to any mandate that you give us will be on the condition that the mandate is within the scope of the terms and conditions applicable to the account and is not inconsistent with any applicable bank operating procedure. We will advise you when we are unable to adhere to a mandate.





Know Your Customer requirements when opening a bank account:

The bank will give you a form to complete and will help you to complete it. This form usually requires the following information:

- a) Name;
- b) Date of birth/age;
- c) Occupation;
- d) Address;
- e) Identification e.g. National Registration Card, passport, birth certificate, driving licence, etc

The bank will verify your personal information and address using any one or more of the following methods:

- Utility bills such as an electricity, water, telephone or property rate bill. Some financial institutions may also accept any of the mentioned bills in the name of your landlord;
- Obtaining a reference from a professional or a letter from your employer or school, a known customer of the regulated institution or a customary authority, civic or community leader that knows you.

The bank will also need copies of the following:

- Your National Registration Card or passport for positive identification purposes
- Passport size photos
- Your TPIN
- Company/ Business Certificate of Registration (For Companies' and businesses)

All of the above requirements form part of the Know Your Customer (KYCs): Information that Banks require to have a better understanding of their customers.

11.2 Statements

- a) To help you manage your account and check entries on it, we will give you regular e- statements. These may be provided monthly, quarterly, within the frequency stipulated in the agreement or applicable terms and conditions or at a minimum annually, unless this is not appropriate for the type of account. You may ask for account statements to be provided more frequently than normally available on your type of account or for a previous period for which the statement was issued in normal course, at a fee. You must ensure that you manage your use of statements to meet your requirements taking into account that you are only entitled to one free statement per month.
- b) The statements of the account may be provided, at your specific written request, in electronic format in lieu of hard copy format where such facility is available.
- c) If your statement or savings account book has an entry which seems to be wrong, you should write to us within 30 days after receipt of the statement or as soon as possible so that we can resolve matters.
- d) Transaction details may also be available on request free of charge, provided such request is made within a period stipulated by us.
- e) Customers are encouraged to make use of available self-service platforms for checking of account statements as and when required at their convenience

**Customer Tip:**

According to the Government Gazette Notice No. 732 of 2018, customers are entitled to a free account statement per month. However, a charge may apply for any additional statement. Take time to review your account statement and report any transactions that you may not be aware of.

11.3 Cheques

When you open an account with cheque access, and on request, **we** will provide **you** with general descriptive information on:

- a) the time generally taken for clearing a cheque
- b) how and when a cheque may be stopped;
- c) how a cheque may be made out so as to reduce the risk of unauthorised alteration;
- d) the dishonour of cheques, including post-dated and stale cheques;
- e) The implications of issuing a cheque which is subsequently dishonoured; and
- f) The importance of safeguarding your cheque as a payment instrument.

11.4 Collecting cheques

- a) When you deposit cheques into your account, your bank acts as the Collecting Bank. The Collecting Bank acts as your agent only. This and any other responsibilities are prescribed by law.
- b) The bank on whom cheques are drawn acts as the Paying Bank (Drawee Bank). The responsibilities of the Paying Bank are also prescribed by law.
- c) When you deposit a cheque drawn on another bank, we will give value of this deposit to your account as per ZECH /FCCH rules. At our sole discretion, we may determine if funds may be accessed before the value date and before we receive value ourselves. Should we in turn not receive value for any reason, we will reverse the credit and where appropriate, adjust associated interest thereon. A charge for processing an unpaid cheque may apply.
- d) Locally drawn cheques are subject to ZECH and FCCH Rules.
- e) When the cheques deposited by you are subsequently returned unpaid as per ZECH/FCCH rules, your bank is entitled to debit your account, or collect the amount due from you if your account has been closed. This applies irrespective of the fact the bank may have, at its discretion, given you value or allowed you to draw against the cheque.
- f) Cheques payable/drawn abroad are subject to different laws or rules. However, where such cheques are returned in accordance with the rules applying in the country where the cheque is drawn, your bank is entitled to debit your account, or collect the amount due from you if your account has been closed. This applies irrespective of the fact that the bank may have, at its discretion, given you value or allowed you to draw against the cheque.
- g) It is inevitable that cheques payable/drawn abroad take longer to clear, in some cases cheques may be returned unpaid after a number of years. If in doubt you should first talk to your bank before accepting cheques drawn abroad. In certain circumstances it may be preferable to use an alternative method for obtaining funds from the drawer of the cheque. For example, you may wish the person paying you to instruct their bank to transfer the money directly, by electronic means into your account.

- h) Good title to the proceeds of a cheque can only be obtained if the cheque has been obtained honestly. If a cheque has been received by mistake, theft or fraud or has been fraudulently signed, endorsed or altered in anyway, title becomes defective. In such circumstances the transaction is void and your bank is entitled to debit your account, or recover from you, the amount of the cheque(s), whatever the circumstances and without time limit.
- i) When we become aware that a cheque deposited by you is returned unpaid, we will inform you within a reasonable period of time and in the most cost-effective way.
- j) When you deposit a cheque drawn on another bank for clearing and the cheque is returned unpaid, you will not be allowed to re-present it to a bank. You will be required to obtain a replacement cheque from the drawer/s.
- k) We shall not accept cheques for deposit into your account that are not in your name. However, this does not apply for collection accounts for deposit taking non-bank financial institutions.
- l) We shall not accept cheques for deposit or for encashment which are more than 6 months old from the date written on the cheque. Such cheques are considered to be stale.

11.5 Issuance of cheques

- a) You are advised not to issue a cheque or payment instruction when there are no sufficient cleared funds on your account. When you issue or cause to be issued a cheque on an insufficiently funded account you expose yourself to criminal proceedings under the National Payment Systems Act, No. 1 of 2007.

Section 33(1) of the National Payments Systems Act 2007 states as follows:

“any person who wilfully, dishonestly or with intent to defraud issues a cheque on an insufficiently funded account or causes to be issued a cheque to be drawn on that account and which cheque when it is presented for payment is dishonoured, commits an offence and is liable on conviction to a fine not exceeding one hundred thousand penalty units or imprisonment for a term not exceeding two years, or to both.”

- b) If you issue a cheque which is subsequently returned unpaid for lack of funds, we will submit your name to a credit reference agency. If you persistently (three times within 12 months) issue cheque(s) which are subsequently returned unpaid for lack of funds, after exhausting the permissible occasions of returning cheques as prescribed by our Regulators, we will: withdraw the cheque book facility granted to you and submit your name to a credit reference agency. In addition, we reserve the right to close your account and take such other steps as provided for in the applicable terms and conditions. We may offer you alternative and appropriate product and services which do not require a cheque book.
- c) When we need to inform you that we have returned one of your cheques or other items as unpaid, we will do this within a reasonable period of time, assuring you of our efforts to maintain confidentiality and privacy.
- d) We will be able to provide you, at your specific request, with images of cheques issued by you, may be at a fee, to be decided by member banks. Providing you with original cheques may not be feasible in all cases / it may take a long period of time if feasible.
- e) If, within a reasonable period after the entry has been made, there is a dispute with us about a cheque paid from your account, we will provide you with the image of the cheque as proof of the instruction to pay.

11.6 Encashment of third-party cheques

- a) We will not pay over the counter cheque(s) issued by you in favour of a third party. We encourage you to persuade the payee of your cheque to deposit such cheques into their account.
- b) We will not pay over the counter to you the proceeds of the cheque issued by another customer of our bank. To protect your own interests, we encourage you to deposit such cheques into your own account.
- c) Cheques payable to juristic person(s) shall only be credited to a named juristic person(s) account.



Cheque Security Tip:

- Never sign blank cheques or pre-sign cheques
- Always keep cheque books in safe places to avoid cheque books and leaves being stolen.
- Report the loss of your cheque book to the bank immediately
- When writing on the cheque, do not leave blank or open spaces on the payee and amount lines
- Always draw two lines across all cancelled cheques or simply destroy them
- Always record the amount drawn on cheque folio
- Never endorse a check until you are ready to cash or deposit it. The information can be altered if it is lost or stolen.
- Check your bank statements often for any suspicious transactions.
- Ensure there is segregation of accounts responsibilities and/or duties especially preparing of payments and reconciliations.
- Always verify that the cheque has cleared with the bank before releasing goods you have sold.

11.7 Lost or damaged payment instruments

All banks (locally and internationally) work on the principle that if you hand over a cheque to them for collection/clearing, they act as your agent to collect the funds from the cheque issuer's bank. As such, and given the complexities of a cheque clearing system, they cannot accept responsibility for the loss or theft of the cheque in the system. Consequently, if a cheque or other payment instrument which you have deposited for collection/clearing is lost or damaged, you will have to approach the issuer of the cheque or instrument to stop payment (if it has not already been paid out) and issue a replacement cheque or instrument. If you provide us with the relevant details of the drawer of the 'lost' cheque, we may assist to arrange replacement of the cheque.

11.8 Dishonoured payment instructions

- a) Penalty for issuing a payment instruction without sufficient funds
When you issue a payment instruction (e.g. cheque, DDACC, RTGS, Standing Order, etc.) without sufficient funds you will be exposed to the consequences prescribed under the National Payment Systems Act, 2007; any other applicable legislation; applicable Regulatory Directives and such other measures as may be incorporated in applicable bank terms and conditions.
- b) Release of payment instructions without backing sheet or confirmation list
Where you have instructed us to honour your payments (i.e. cheques, EFT, DDACC, RTGS etc.) against the backing sheet or confirmation list, we will not act on the instructions until we receive the backing sheet or confirmation list. Should you issue payment instructions before submitting the backing sheet or

confirmation list, we will return the payment instructions to you.

11.9 Stop payment instructions

- a) Normally, once you have issued payment instructions to your banker, it is expected of you not to stop/cancel them. However, in case of warranting circumstances, you may wish to stop/cancel them.
- b) We will process your stop/cancel payment instructions immediately upon receipt of the same and take appropriate action provided the cheque(s) or other instruments like Direct Debit or RTGS etc. have not already been processed.

12. ANTI-MONEY LAUNDERING & TERRORISM FINANCING

The Bankers' Association of Zambia is committed to fighting money laundering and terrorism financing and complying fully with the letter and spirit of all applicable legislation/regulations/guidelines/policies for prevention of money laundering in Zambia. In addition, individual banks reserve the right to apply International Best Practices which are not contrary to Zambian law. Any instances of suspicious transactions will be reported to the appropriate authorities as guided by the Financial Intelligence Centre Act No. 46 of 2010 and Financial Intelligence Centre (Amendment) Act No. 4 of 2016.

13. DORMANT / INOPERATIVE ACCOUNTS / UNCLAIMED FUNDS

- a) Where your account(s) remains inoperative, i.e. when there are no transactions, except bank charges, done for a period ranging from six months to one year (depending upon rules of individual banks and/or product type), your account will be marked as a dormant or an inoperative account(s).
- b) Our tariff guides will provide you with information on charges payable/recoverable from you on such dormant/inoperative account(s).
- c) Any funds or other personal property removed from a safe deposit box or any other safekeeping facility on which the bailment period has expired due to the non-payment of rental charges or by reason of some other default by the bailor or any surplus amounts arising from the sale of the property in accordance with the law, that have been unclaimed by the owner for more than ten years from the date on which the bailment period expired shall be regarded as abandoned and shall be remitted to Bank of Zambia as "unclaimed balances" as prescribed in section 128 (5) (6) of the Banking and Financial Services Act No. 7 of 2017.
- d) We will guide you on the procedures to be followed and/or additional documents to be submitted, if any, for reviving the status of your safe custody account or your other deposit account(s) to normal/operative account.
- e) By law, we are required to transfer to the Bank of Zambia funds or safe custody items you have deposited with us, which have been left untouched and not reclaimed for a period of 10 years or more. Prior to the transfer of funds, we will give you notice in writing to the last known postal address or email you have provided to us or place a notice in print media and if no response is received, we will effect the transfer.
- f) If such funds or property are transferred to Bank of Zambia, you may claim them from the Bank of Zambia by following laid down procedures and we will extend necessary support to you.

14. CLOSING YOUR ACCOUNT

- a) Subject to the terms and **conditions** of any relevant **banking service** and any related security, **we**:
 - will, at **your** request, close an account of **yours** that is in credit or debit;
 - may close an account of **yours** that is in credit by giving **you** notice that is reasonable in all the relevant circumstances and paying **you** the amount of the credit balance or requesting you to settle the balance;
 - will close your account at any time if it is conducted contrary to the terms and conditions of the account, in breach of applicable legislation, or in a manner likely to compromise the safety and security of our operations;
- b) Except where compelled by law or for purposes of preserving security, reasonable notice of our intention to close your account will be issued prior to effecting the closure to the last known postal address, email or phone number that you provided us.
- c) We reserve the right to protect our interests should we have to act against you for defaulting/misconduct on your account or in the event of fraud or suspected fraud on your account.

15. COURT ORDERS AND STATUTORY OBLIGATIONS

- a) Where any Court Order on your account is issued, we shall comply with the Order.
- b) Where a Customer Information Order or an Account Monitoring Order is issued by a Judge in Chambers or in otherwise; we shall comply with such orders.
- c) Where a Garnishee Order on your account is issued by the Zambia Revenue Authority, we shall freeze the relevant account up to the amount specified in the Garnishee Order.
- d) Where a statutory requirement imposes the obligation on us to debit your account, we shall act accordingly, and in such cases, where practicable and permissible under the law, we shall inform you, prior to debiting your account.

16. BUSINESS CONTINUITY

- a) We will take all necessary measures to ensure the continuity of business operations and to minimise recovery time in the case of a disaster (natural or otherwise) or in the event of an emergency. We will inform you of any such occurrence.
- b) If we plan to close or move a branch where you have an account, we will give you advance notice and tell you what the procedure is to continue to be a customer.



Did you know that following the enactment of the Movable Property (Security Interest) Act No. 3 of 2016, borrowers can obtain credit from banks and other credit providers using movable property as collateral? Movable property includes inventory, equipment, consumer goods, accession, negotiable instruments, negotiable documents and money.

17. LENDING

- a) We will provide financial support to you/your business by way of credit facility (conventional loans, overdrafts, advances and mobile banking credit facilities, that is, those offered by banks) based on good lending principles and provisions of Laws of Zambia. Lending is a process and we will help you to understand this process.
- b) We may have different types of credit products with certain features exclusive to that credit product. We will provide you with information pertaining to the particular product you request for.

The general criteria for lending may be summarised as below:

Financial assessment

You will all be required to submit an application for credit facility in the standard format (wherever applicable) of the individual member bank from where you wish to obtain such facility, along with the required information and data pertaining to you and/or your business/activity. All lending will be subject to our assessment of your ability to repay.

This assessment may include but is not limited to:

- the analysis of your financials (income and expenditure, profit & loss and assets & liabilities) both for the previous periods and attainability of estimates/projections for the future; of estimates/projections for the future;
- how you have handled your financial affairs in the past;
- information obtained from credit reference agencies and, with your consent, from other appropriate parties, for example employers, other lenders and landlords;
- information supplied by you, including verification of your identity and the purpose of the borrowing;
- credit assessment techniques, for example, credit scoring;
- your age;
- any security or collateral being provided; and
- the period for which the loan/advance is required

Notification that credit has been approved

- once all the required information and data is submitted by you, we will process your request for a credit facility in a timely manner.
- upon approval of your application for a credit facility we will clearly inform you of your duties & obligations and the terms & conditions on which it has been approved.
- the terms and conditions will include but not be limited to:
- the amount and tenure of the facility granted;
- the interest to be charged thereon and the manner in which it is to be calculated;
- any applicable fees or other charges and the manner in which they are to be calculated;
- the security and/or guarantee(s) required to be provided;
- the operation and repayment of your loan, including all the charges and costs, and interest payable on an overdue payment on the facility. We will also explain the benefits and applicable additional fees with

regard to accelerated payment;

- whether the bank requires insurance to be taken out and whose responsibility it is to arrange and pay for the insurance.
- giving your consent to the bank's forwarding your facility details to a Credit Reference Agency.
- the credit facility being recalled at any time, should you fail to comply with the terms and conditions applicable to the credit;
- you will be given a reasonable time to convey your acceptance to the terms and conditions on which we agree to extend you the credit facility requested. We encourage you to take expert advice.
- upon receipt of your acceptance further appropriate steps will be taken in actually disbursing the facility to you.

Notification that credit has been refused

If an application for credit is declined, we will inform you of our decision, which may include reasons such as:

- the overall credit score
- credit reference agency information
- over-indebtedness; or
- a specific policy of the bank.



NOTE: With automated credit scoring systems these reasons may not been explicit in which case general reasons only can be provided.

18. OVERDRAWING ACCOUNT(S)

- You should manage the operations of your account(s) in such a way that the balance remains in credit in the case of deposit account(s) and within the approved limits in case of approved overdraft limits or other credit limits.
- As a general rule we will not allow you to draw against un cleared effects/un cleared balances/beyond approved limits. In case we decide to accede to your specific request in writing to allow you to draw against un cleared effects/un cleared balances/beyond approved limits, you will have to pay applicable interest or administrative charges on such over-drawings and undertake to clear the overdrawn position within the agreed time period.
- When your account becomes overdrawn without prior arrangement or you exceed your approved limit or your loan falls into arrears, your actions will attract charges or interest rates applicable to overdrawn and overdue payments.

19. RIGHT OF SET-OFF

We reserve the right to set off any of your indebtedness against your credit balances by giving you prior notification in accordance with the applicable terms and conditions. This will apply to all types of accounts irrespective of the currency in which they are held.

20. OTHER PRODUCTS AND SERVICES

20.1 Foreign exchange services

- a) We will give you an explanation of the service, details of the exchange rate and an explanation of the charges which apply to any foreign exchange transactions which you are about to make.
- b) If you wish to transfer money abroad, we will inform you how this is done and we will give you, at least, the following information:
 - description of the services and how to use them;
 - an explanation of when the money you have sent abroad should get there and any reason for potential delays;
 - any commission or charges which you will have to pay, including a warning where a foreign bank's charges may also have to be paid by the recipient.

20.2 Cards and pins (issuance of cards)

- a) Member Banks who have the facility of issuing cards, such as, Debit Cards, Credit Cards, pre-paid cards etc., will issue it to you based on the eligibility criteria used by individual Member Banks.
- b) Upon your written application in the standard format and upon agreeing to the terms and conditions of issuance and operations of such cards, you may be issued with the card for use.
- c) You may also be issued a replacement card in case the original is lost/damaged/misplaced based on the terms and conditions applicable for the same against your indemnity.
- d) There may be a charge (for lost cards) for issuing a card to you including a replacement one (for first issuance, and on card expiry, charges do not apply). In the event your card is captured, it will be destroyed, in this case, your bank will replace your card.
- e) We will provide you with security tips on safeguarding and usage of your cards.





Card Security Tips:

- Do not allow your credit or debit card out of your sight as you transact at Point of Sale.
- Immediately report your stolen or lost card to your bank to ensure that it is blocked prior to being issued with a new one.
- Do not share your PIN with anyone.
- Ensure that your bank has issued you with an EMV compliant CHIP and PIN card. Ensure to swap your magnetic strip card for a Chip and PIN card which is more secure.
- Always shield your hand as you key in your PIN to make sure no one sees the digits you enter, and only enter your PIN when prompted to do so.
- Register for mobile alerts and take keen interest to monitor all transactions and immediately report suspicious transactions on your account to your bank.
- Make sure to check that the card in your possession is yours both prior to and immediately after the transaction at the ATM or Point of Sale.
- Should your card be captured, immediately report to your bank and never rely on the help of strangers to retrieve a captured card.
- Avoid synchronisation of your PINs, have a different PIN for each of your cards and regularly change your Pin.
- Memorise your PIN and passwords, and avoid noting these in your phone, purse or wallet.

20.3 Personal Identification Number (PIN)

- a) When any card is issued to you, you will also be issued with your PIN (Personal Identification Number).
- b) The PIN issued to you is strictly confidential. It will be advised only to you and will be issued to you separately from your card. You should never disclose your PIN to anyone including any employee of the bank or even family member, or write it down or keep the PIN and card together. You are solely responsible for the safety of the card and PIN.
- c) We will tell you if you can select your own PIN and, if so, you will be encouraged to do so carefully. This should make it easier for you to remember your PIN.
- d) In case of loss of your card and/or PIN, you should immediately inform your bank who will take steps to block the same card from use. Alternatively, you can use the bank's self-service mobile platform to block your card. However, you will be responsible for transactions done on your account using your card up to the time you report loss of the card to the bank. Should your card and PIN be used on your account for a transaction which you dispute, we will not be responsible if it is proved that the card and/or the PIN were not reported lost.
- e) Where a card transaction is disputed, we will investigate the matter and this may entail a request for you to show that you did not authorize the transaction. In such cases we would expect you to co-operate with us and with the police in any investigation.
- f) We accept that if it is clear that members of the public are vulnerable to crime when they transact at certain ATM's and PoS merchant sites, we will take reasonable precautions to minimise crime at those ATM's and PoS merchant sites.

- g) You also have a responsibility to take reasonable precautions when using an ATM to minimise the possibility of criminal activities. You are required to adhere to any notices of caution at ATM's in order to protect yourself against criminal activities at ATM's. In particular do not let anybody come near you or distract you while you are transacting at the ATM. In an event of a failed ATM or PoS transaction, and there is no auto-reversal, you are required to report to your bank. Upon investigation, a charge-back will be given within fourteen days (for local transactions, and for international transactions, the applicable rules of the card association will apply).

20.4 Lost Cards/PINs

- a) You should inform your bank as soon as reasonably practicable when you find that your cards/PINs have been lost or stolen or when someone else knows your PIN.
- b) We will provide an effective and convenient means by which you can notify us regarding a lost or stolen card or unauthorized use of a card; facilities such as telephone hot-lines will be available, which will provide for logging and acknowledgement of the notifications.
- c) When such facilities are not made available by us during particular periods, we will be liable for any losses due to non-notification, provided the you notify your bank within a reasonable time after the facilities have become available again.
- d) We will act on telephone notification provided that the customer can be identified satisfactorily. We may also ask the customer to confirm in writing any details given by telephone. On being advised of a loss, theft or possible misuse of a card/PIN, we will take action to prevent further use of the card/PIN. Where a principal card has been reported lost, we will explain to you whether the card is still valid in such circumstances.

20.5 Internet/mobile banking

- a) Member banks who offer such facilities will make available the same to you based on the eligibility criteria used by individual member banks.
- b) Upon your written application in the standard format and upon agreeing to the terms and conditions of utilising such facilities the same may be made available to you.
- c) Online and mobile banking services are safe as long as you take a number of simple precautions such as:
- keeping your password/PIN secret,
 - changing the password as often as possible.
 - securing your mobile phone used for mobile banking.
 - reviewing and reconciling your account(s) regularly.
 - checking the site security certificate for Internet Banking.
 - not using cyber cafes or shared computers for checking balances or doing transactions.
- d) Treating emails asking you to reveal any personal security details with caution or not answering calls seeking such information. Neither the Police nor we will ever contact you to ask you to reveal your online banking or payment card PINs.
- e) Not using the browser facility to store your password in order to avoid having to enter it each time you transact, using internet banking.
- f) Logging off your PC when not in use.

21. PROTECTION

21.1 Confidentiality

- a) We will treat all your personal information as private and confidential (even when you are no longer a customer). Nothing about your accounts nor your name and address will be disclosed to anyone, including other companies in our group, without your written consent, except in the following exceptional circumstances permitted by law. These are:
- where we are legally compelled to do so;
 - where there is a legally recognised duty to the public interest to disclose;
 - where disclosure is made at your request or with your written consent.
 - where our interests require disclosure;



NOTE: This will not be used as a reason for disclosing information about you or your accounts (including your name and address) to anyone else including other companies in our group for marketing purposes if we did not obtain your consent.

- b) Your personal information, credit documentation, records showing particulars of transactions and any other records shared with us will be safely stored and maintained and retained for a period of 10 years or longer as prescribed in Section 47 – 51 of the Banking and Financial Services Act, No. 7 of 2017.

21.2 Credit Reference Agencies

Information about your account and/or debts owed to us may be disclosed to credit reference agencies where:

- You have given us your written consent at the time of opening of the account and/or availing credit facilities; or
- You have fallen behind with your payments and you have not made proposals satisfactory to us for repayment of your debt following formal demand and you have been given one month's notice of our intention to disclose. Where the amount owed or arrears amount is in dispute, the fact (but not the amount) of this dispute will also be disclosed; or
- Your cheque has been returned unpaid by us for lack of funds with answer "Refer to Drawer" (R/D);
- Where information submitted by a bank reported to the credit agencies is proved to be erroneous, the bank must correct the information held by the credit agencies within a reasonable time.



Credit information/report tips

- A credit report is a description of your credit history and payment behavior that is maintained by the Credit Reference Bureau.
- Repaying your loan on time affects your credit profile positively.
- Late and missed payments affect your credit profile negatively.
- You have the right to dispute any incomplete or inaccurate information on your credit report. You should send your credit disputes directly to the Credit Reference Bureau that provided the report containing the error.
- You can obtain your credit report from the Credit Reference Bureau, trading as, Transunion Zambia.

Remember: 'a Good Credit Record Builds Good Credit Terms'

21.3 Data transparency

We will inform you of your rights to access your personal information held by us.

22. PROTECTING YOUR ACCOUNTS

22.1 Identification

When you first apply to open an account or obtain a loan, we will inform you what identification we need to prove your identity. This is important for your security and may be required by law. We will also inform you what checks we may make with credit reference agencies.

22.2 Safeguards

Taking care of your cheque book, tokens, cards, PIN's, passwords and selected personal information is essential to help prevent fraud and protect your accounts. Please ensure that you:

- Do not keep your cheque book, cards and PIN together.
- Do not allow anyone else to use your cheque book, card, PIN and/or password.
- Always take reasonable steps to keep your cheque book and card safe and your PIN, password and selected personal information secret at all times; never tell anybody who offers to help you your PIN or password, including any of our employee, or even other family members.
- Never write down and/or record your PIN, password or selected personal information, but memorize it instead. Take care that your PIN becomes unique to yourself and that it is difficult for anybody to guess e.g. never generate/make your PIN using the numbers in serial order like 1234, or your date of birth or your telephone number or your name etc.
- Take care and be alert to all safety and security risks when using an ATM or PoS. Please note that all assistance sought from any third parties, such as PoS-merchant employees, security guards, and others, is at owners' risk.
- When carrying out transactions at PoS, please ensure not to let your card out of sight
- It is essential that you tell us as soon as you can if you suspect or discover that:
 - your cheque book, or cards have been lost or stolen.

- someone else knows your PIN, password or your selected personal information. Avoid disclosure of passwords, PINs and other personal data to unauthorised persons through unsolicited requests via social media platforms.

22.3 What to do in case of loss

- a) When you report a lost or stolen cheque book, token, or card, we will ensure that the incidence is recorded manually or electronically in the register to confirm that it is reported. We will record the time when you made the report.
- b) Once you have advised us that a cheque book, token, or card has been lost or stolen or that someone else knows your PIN, password or selected personal information, we will take immediate steps to prevent these from being used to access your account.

22.4 Responsibility for losses

We expect you to report all incidents of stolen cheque books, tokens, cards or fraudulent transactions to your bank, and thereafter the, police for investigation. We may refund you the amount of any transaction together with any interest and charges:

- a) where you have not received your card and it is misused by someone else;
 - for all transactions not authorised or effected by you after you have informed us and we have acknowledged that you have lost / misplaced your card/ token or that you have reported that someone else knows your PIN, password or selected personal information;
 - where faults have occurred in the ATMs or PoS, or associated systems used, which were not obvious or subject to a warning message or notice at the time of use.

22.5 Fraud and gross negligence

If you act fraudulently you will be liable for all losses and to prosecution. If you do not act with reasonable care (i.e. leave blank signed cheques, not securely storing your cheque books, cards, tokens, PINs, etc.), you will be liable for any losses caused.

22.6 Indemnity

Where you give instructions to us on fax, telephone or e-mail, we shall require that you provide a duly executed indemnity in original form to indemnify us against losses arising from such modes of communication.

23. CUSTOMER CARE

23.1 Financial difficulties

- a) We will endeavour to understand any financial difficulties you may have, provided you approach us in good time. Should your account go into default, our first step will be to try to contact you to discuss the matter with you. It is therefore imperative that you inform us at all times, within banking hours, of any changes in your postal/physical address, email and phone numbers.
- b) If you find yourself in financial difficulties, you should let us know and in particular respond to communications we send to you as soon as possible. The sooner we discuss your problems, the easier it will be for both of us to find a solution. The more you tell us about your full financial circumstances, the more we may be able to help you.



NOTE: With your co-operation, we will take reasonable steps to develop a plan with you for dealing with your financial difficulties, consistent with both our interests and yours.

24. RESOLUTION OF DISPUTES

24.1 Complaints

The Banking and Financial Services Act No. 7 of 2019 provides for the appointment of an Ombudsperson for financial service providers. However, the Ombudsperson has not yet been appointed as such, banks will deal with customer complaints as guided in the Banking and Financial Services Act (Customer Complaints Handling and Resolution) Directives, 2019.

24.2 Internal procedures

We have internal procedures for handling disputes with you and written procedures for dealing with customer complaints are available at every branch. Our staff will help you with any question you have. Once the internal procedure has been exhausted and you remain aggrieved, we recommend that you refer your grievance to the Chief Executive Officer of BAZ.

- a) Should you have a complaint about the quality of service that we provide, we have internal procedures for handling complaints fairly and speedily. If you are not satisfied with the internal procedure, you are entitled to escalate your complaint up to the Chief Executive of your bank.
- b) If you are in dispute with your bank, you should raise your matter as above. If the dispute remains unresolved you may write to the Chief Executive Officer of BAZ enclosing copies of all relevant documentation to:

The Chief Executive Officer
 Bankers Association of Zambia
 3rd Floor, Citibank House
 Stand 4646, Elunda 3
 Addis Ababa Roundabout
 P. O. Box 34180,
 Lusaka
 Email: bazsecretariat@baz.co.zm

- c) The Chairman of BAZ shall consider the dispute and will then place the matter before a Financial Ombudsperson and advise you of this action.

APPENDIX I: BANKING CODE REVIEW WORKING GROUP

This document was revised in 2020 by the following working group:

S/N	NAME	INSTITUTION
1.	Dr. John Machayi	African Banking Corporation Zambia Limited T/A Atlas Mara
2.	Jacob Steven Mwale	Citibank Zambia Limited
3.	Henry Mlauzi	Zambia National Commercial Bank Plc
4.	Catherine Mwaba Chali	United Bank for Africa Zambia Limited
5.	Leonard Mwanza	Bankers Association of Zambia Secretariat
6.	Miriam Zimba	Bankers Association of Zambia Secretariat
7.	Precious Kaela Kalusha	Bankers Association of Zambia Secretariat





No Cash! Go Digital!

No need to carry cash, transact anywhere, anytime using:

- Electronic Funds Transfer
- Debit, credit and pre-paid cards
- Automated Teller Machines
- Internet/Online banking
- Mobile payment
- Point of Sale
- Real Time Gross Settlements

These digital channels can be used to transact and pay for:

- Utility bills e.g. electricity, water
- Receive and send money
- Pay TV e.g. DSTV & Go TV
- Buy airtime
- Taxes and Other Government payments
- Pension and insurance
- Good and services
- School fees



**Bankers Association
of Zambia**

[illegible]

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