



PAYZ NEWSLETTER

ISSUE NO 1, 2025





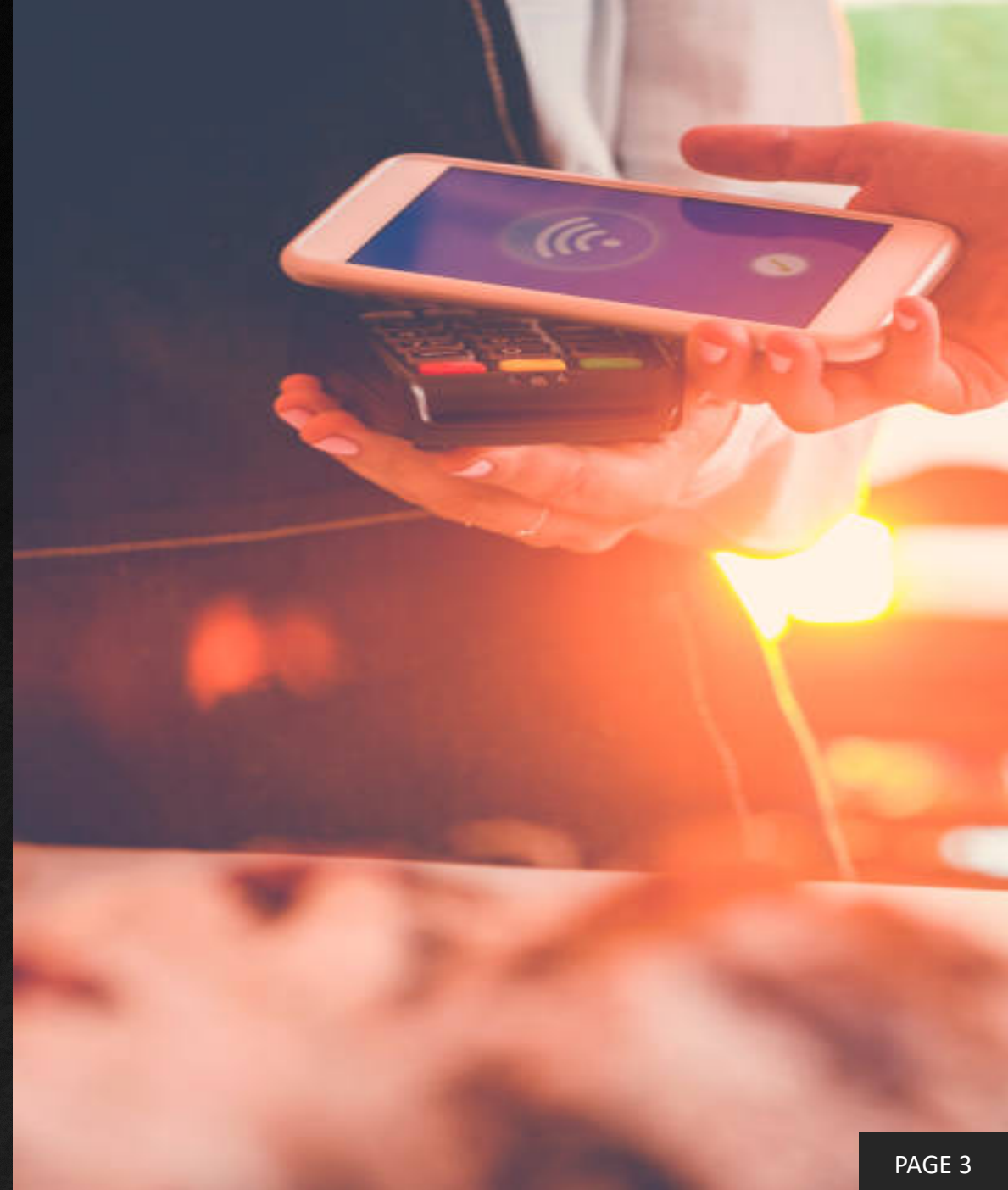
Your Q1 Payments Newsletter

- “Hello there,
Welcome to our latest newsletter! We’re excited to share some latest trends, events, what the Association has been up-to and hear from industry voices on the new developments in the space!
Enjoy reading!”

Industry News

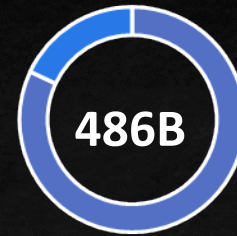
- **PAYZ Secures grant from BOZ for Six Industry-wide initiatives.**

Bank of Zambia approves grant to PAYZ for use of Interest Earned on Holding Funds for implementation of industry-wide activities which include; **Digital/financial literacy campaign for customers & the General public, Development of a DFS Code of Conduct and Standard Operating Procedure, Development of a Standardized, Uniform Mobile Money Agent Training Manual, Facilitate Domestic Fintech Development, and Support towards development of sector specific centralised E-KYC/U-KYC after successful application.**

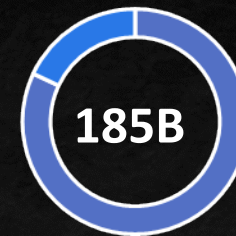


MoMo Bossing Payments Transaction Values

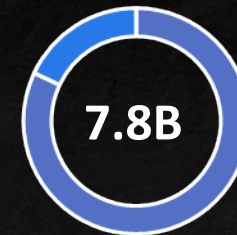
- First quarter 2025 stats (in Kwacha)



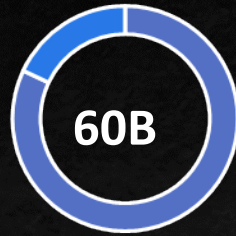
MoMo



POS

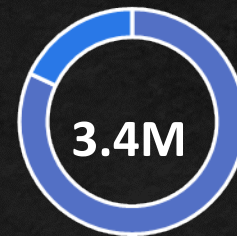


CHEQUE

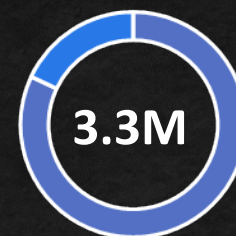


ATM

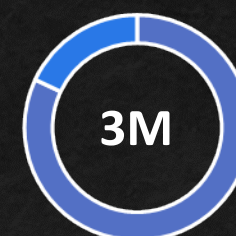
- Cards in circulation



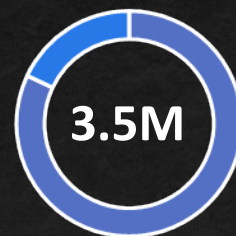
2020



2021



2022



2023

Industry News

- Payments Aggregators Directives Under the Microscope! BOZ Launches Review.

14 February 2025, BoZ hosted the review of the submissions made by players on the Payment Aggregator Directives.



Industry News

- BOZ Issues NPS Directives on VAS & Stablecoins Coming Soon.

On 18 March 2025, BoZ Issued PSB- Circular No. 04/2025 requesting comments on the BoZ Directives on Virtual Assets and Stablecoins.

“Indeed, a progressive and recommendable step by the central bank.”

Industry News

- **BFSA Amendment Under Review! BOZ Gathers Industry Submissions.**

On 17 March 2025, The Bank of Zambia held its inaugural stakeholder consultation meeting for the review of the proposed Draft of the Banking and Financial Services (BFSA) bill. The proposed draft will be re-circulated for submissions of comments.



Compliance and Regulatory Issues Facing Small Payment Systems in Zambia

By Nomankhosi Jere – MTN Fintech



Industry Voice

Imagine this: You're running a small payment system in Zambia that allows vendors at Lusaka's bustling Soweto Market to accept digital payments. Your platform is growing fast. But behind the scenes, you're grappling with regulations—from anti-money laundering rules to data privacy laws. This is the reality for small payment systems in Zambia.

Small payment systems are transforming how Zambians pay. However, they face growing compliance hurdles. Navigating this is critical, especially in Zambia, where financial inclusion is a priority.

- **Anti-Money Laundering (AML) and Know Your Customer (KYC) Regulations**

The Challenge: Systems must comply with AML and KYC regulations by the Bank of Zambia (BoZ) and the Financial Intelligence Centre (FIC). These require verifying identities, monitoring transactions, and reporting irregularities.

Why It Matters: Non-compliance results in fines and reputational damage.

The Solution: Leverage technology to streamline KYC. Partner with regulators for updates.

- **Data Privacy and Security**

The Challenge: Systems handle sensitive data, making them targets for cyberattacks. The Data Protection Act of 2021 sets guidelines.

Why It Matters: Data breaches lead to losses and lost trust.

The Solution: Invest in cybersecurity and adopt privacy-by-design.

- **Licensing and Regulatory Approval**

The Challenge: Systems must obtain licenses to operate legally.

Why It Matters: Operating without licenses results in fines and shutdowns.

The Solution: Work with experts to meet requirements.

- **Consumer Protection**

The Challenge: Systems must comply with protection regulations, providing clear information.

Why It Matters: Failure leads to complaints and reputational damage.

The Solution: Prioritize customer education and implement complaint resolution.

■ **Cross-Border Transactions and Compliance**

The Challenge: Systems offering cross-border services must comply with international and local laws.

Why It Matters: Non-compliance results in penalties and restrictions.

The Solution: Implement transaction monitoring systems and collaborate with partners.



Conclusion

Compliance is a big challenge. With the right strategies, these challenges become opportunities. Prioritizing compliance builds trust and contributes to Zambia's digital economy. Collaboration is key to creating a framework that fosters innovation while protecting consumers.

Industry News

- **Zambia Cyber Laws Passed, await presidential Assent.**

On 31 of March 2025, Parliament successfully passed the Cyber Crimes and Cyber Security Bills, 2024 at Third Reading.

The two Bills will now be transmitted for Presidential Assent.

The laws are to provide a legal framework for protecting critical national infrastructure, securing digital transactions, and addressing cyber threats.





CRISP KWACHAS & NGWEES

On 31 March 2025, The Bank of Zambia released new local currency in circulation.

The new bank notes are comprised of (K500, K200, K100, K50, K20, and K10 and six coins namely K5, K2, K1.50N, 10N, and 5N).

According to the central Bank, the new currency will come with an app to determine legitimacy.

“Exchange engine now Oiled!”

Industry News

- Zambia Digital Week is Here! PAYZ & Loita Business Join Forces

Loita business Zambia hosted Digital Week 2025, in collaboration with the Ministry of Technology and Science in Zambia, Smart Africa, among others, to bring new ways to advance Zambia's digital economy and shaping, accelerating, and sustaining Zambia's ongoing digital revolution. The event ran from 24 – 26 March, 2025 at Mulungushi International Conference Centre.





Industry News

- New TPIN Requirement for Digital Financial Services! ZRA Forms Taskforce for Smooth Mobile Money Integration.

The taskforce created by ZRA is spearheaded by PAYZ and GSMA, with 4 meetings held to discuss and develop an implementation plan following the request to have a phased approach, taking into consideration system migrations and integrations to facilitate TPIN implementation for all.

Industry News

- **The Financial Sector Deepening Zambia Releases Geospatial Census Results On Village Banking (Savings Groups) in Zambia**

FSDZ releases Savings Groups (SGs) census landscape results as:

- Only 13% of SGs opened bank accounts; 11% used mobile money services
- Total Savings hit ZMW 50.5 million (avg. ZMW 29,000/group)



ZeePay Leads TPIN Implementation Efforts

In a significant advancement for the financial technology landscape in Zambia, My ZeePay Zambia is disrupting the mobile money ecosystem through international remittances and cross border payments. The company has earned the distinction of being the first fintech firm to implement the Zambia Revenue Authority (ZRA) led Tax-Payer Identification Number (TPIN) directive on all its registered mobile wallets.

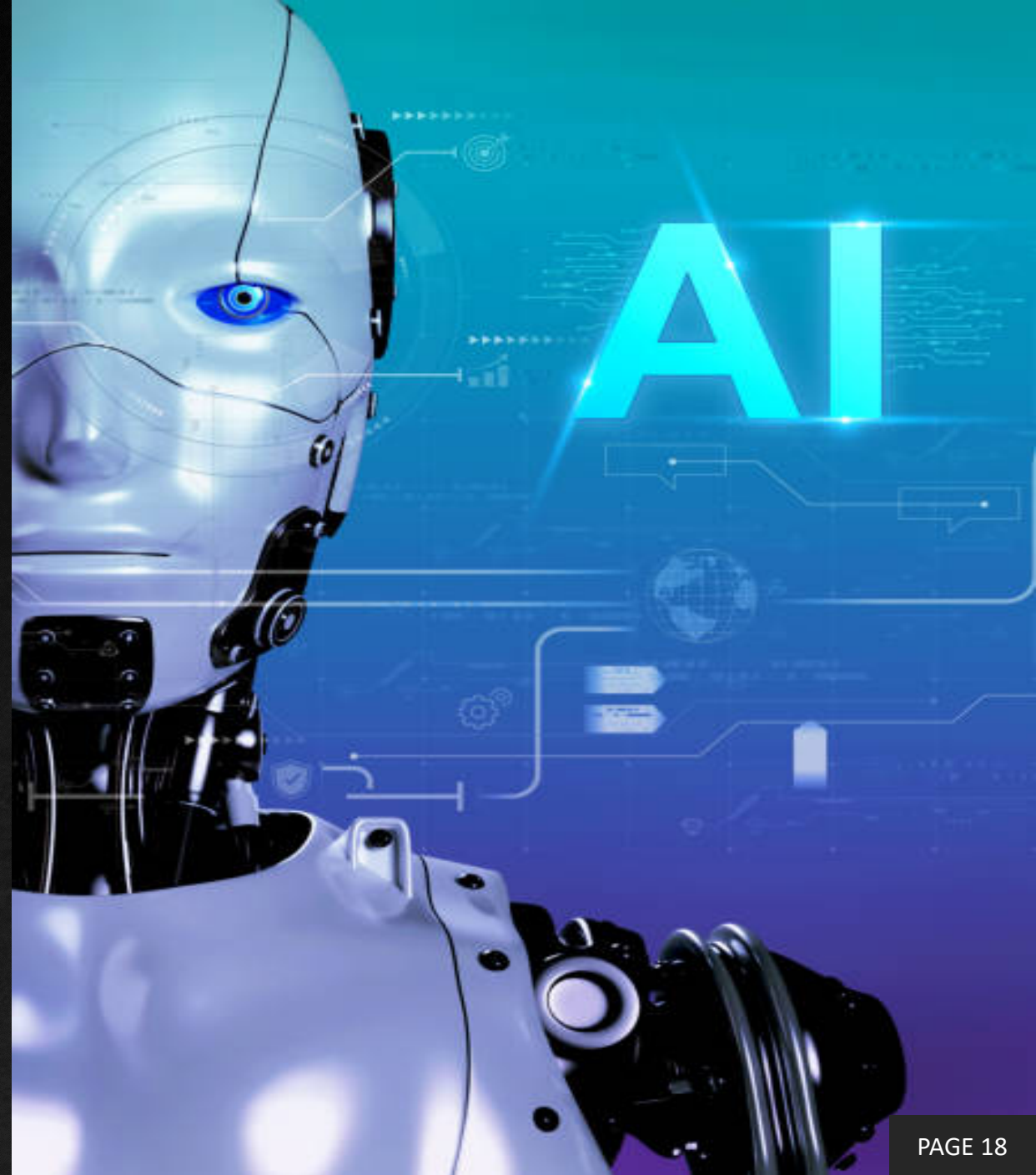




Furthermore, Zeepay stands out as the frontier platform to implement the electronic money transfer levy in line with the Mobile Money Transfer Levy Act No.25 of 2024. This highlights the Zeepay platform agility and drive in ensuring regulatory compliance is adhered to, while innovatively providing customer centric products aimed at increasing last mile financial access.

Emerging Trends Driving Fintech Growth

- **Smart Phone and Internet Penetration:** With over 60% of the population owning a smartphone and increased internet access, more people are engaging in digital transactions.
- **Social Media and E-Commerce:** Platforms like Facebook and Whatsapp are becoming tools for businesses to accept payments and communicate with customers.
- **Data & AI:** The use of Artificial Intelligence and big data are enhancing financial services, fraud detection and customer service automation.





Industry News

- CCPC Champions Consumer Rights! World Consumer Rights Day Celebrated with a Call for Sustainable Lifestyles

The Competition and Consumer Protection Commission (CCPC) together with the World Consumer Rights Day (WCRD) National Organizing Committee (NOC) hosted an event to commemorate this year's World Consumer Rights Day under the theme "**A Just Transition to Sustainable Lifestyle.**" The Association moderated a panel discussion comprising regulators Bank of Zambia (BoZ), Zambia Information Communication Technology Authority (ZICTA), and Zambia Compulsory Standard Authority (ZCSA), who were joined by Green Giraffe Zambia.

Industry News

- Governor's Forum- BOZ Hosts Key Industry Players for Quarterly Insights.

The first quarters' Governors meeting with CEOs was held on 22 January 2025, which addressed several pertinent industry issues including adjustment of the MPC, onboarding of two Banks on the Pan African Payments System (PAPS), adjustment of operating time on RTGS, the National Payments System amendment bill under ministry of justice for review, The phasing out of cheques, work been done on industry specific E-KYC, and framework consideration on open finance, all for the modernization of the financial landscape!



QR CODE SCAMS ON A RISE

- QR Code scams are now on a rise as scammers create fake QR codes that when scanned, direct users to malicious websites or phishing meant to extract sensitive information and redirection of payments.
- Be cautious when scanning QR codes from unfamiliar sources or unsolicited messages!
- Exercise caution and verify the legitimacy before scanning!

Industry News

- **Big Win for Flutterwave!**

Flutterwave expands into Zambia after Securing Payment system License for Operations, empowering local and Global Enterprises.





Industry News

- PAYZ Calls for Consultants to Help Shape the Future of Mobile Money & DFS Code of Conduct.

The Payments Association is in the process of onboarding consultants to develop **1. A standardized mobile money Agents training manual** and **2. A Digital Financial Services Code of Conduct.**

This is aimed at improving professionalism among mobile money agents and promote ethical practices and innovation within the DFS landscape.

Updates and Milestones

- PAYZ Goes Green! BOZ/UNDP Certifies Green Finance Trainers to Train Financial Firms on Green Products.
- Breaking Barriers! PAYZ Leads Talks on Zambia's Sustainable Future.
- Building the Next-Gen Workforce! PAYZ Engages BAZ on Mobile Money Agent Training.
- Fintech Innovation in Motion! Experts Onboarded to Develop DFS Code of Conduct & Training Manual.
- Industry Titans Step Up! Digital Safe Ltd, BOZ, SEC & More Offer Training on Cybersecurity, Compliance & Financial Inclusion.
- Banking Beyond Borders! Bank Yako-Yako Expands to Western Province.



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