

## Frontclear support to developing local money markets in Zambia

LUSAKA, January 2019 – Amid further demand for interbank and money market development in Zambia, Bank of Zambia (BoZ) and Frontclear Management B.V. joined forces to develop an optimal regulatory and legal environment as well as conducive market infrastructure.

Due diligence and discussions between Frontclear, Bank of Zambia and other local market participants confirmed the need for further technical assistance. With the legal and regulatory review on enforceability of ISDA/GMRA in Zambia as a priority, Frontclear agreed to review the new Insolvency Act and relevant laws and regulations and benchmark these against international best practice and come-up with an action plan detailing necessary legislative actions and other recommendations. Frontclear successfully completed a similar initiative in African and other jurisdictions. Frontclear and BoZ will jointly host a market wide conference early in 2019 to sensitize the market participants on the results of this legislative study.

Additional options are also being considered that include the introduction of a Money Market Development Framework diagnostic tool.

“We are delighted to support the development of local money markets in Zambia. With the help of our regional and global partners, we are confident that the partnership will lead to Zambia’s capital markets gaining further depth and liquidity and thus supporting economic growth and poverty alleviation,” Philip Buyskes, CEO of Frontclear, noted.

Frontclear has played an active role in the Zambian interbank market, having conducted training programs to local banks on a range of topics that include legal documentation for derivatives and repo (ISDA/GMRA), products (fixed income/derivatives) and risk management. Its partnership with ACI Zambia has delivered free training activities to over 150 participants from local banks in 2016 and 2017.

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### About Fronclear

**Frontclear** is a development finance company dedicated to stable and inclusive money markets. Its investors are largely European development financial institutions. Frontclear has unlocked access to global and local interbank markets for EMDC banks by providing credit guarantees to cover counterparty credit risk, on the condition that local currency assets can be used for collateral management purposes. Complementarily, Frontclear offers technical assistance and implements regulator roundtables, advisory projects on legal enforceability, industry training and market infrastructure development – all targeting the development of a healthy money markets. To-date, Frontclear has issued over USD 240 million in guarantees on transactions with USD 490 million in notional. It has trained over 900 obligors and regulators in over 13 countries and signed a near dozen partnerships with central banks and local beneficiaries. For further information, please visit [www.frontclear.com](http://www.frontclear.com).

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