

BANK OF ZAMBIA v. ATTORNEY-GENERAL AND A. A. YOUSUF AND COMPANY

SUPREME COURT
NGULUBE, C.J.

8TH AUGUST AND 1ST DECEMBER 2000
APPEAL NO. 125/2000

Flynote

Commercial Law - foreign exchange - debt servicing.
Paris club - question of recovery of equivalent value of currency.

Headnote

One of the main issues in this appeal was whether the respondent could get full value for the local money that had been paid many years ago for the purchase of foreign exchange which was stuck in what was called a pipeline, that is, foreign exchange actually treated as bought and sold but unremitted due to an acute shortage of such foreign funds. Another question was whether the respondent must join the scheme of debt servicing arrangements entered into on behalf of the Republic with international institutions and the creditors popularly known as the paris club.

Held:

- (1) There was no transaction wholly sounding and designated in kwacha terms, there was foreign currency purchased and acknowledged as owing as such.
- (2) The debt was in fact not disputed and the arguments raised go to the enforcement of the judgment and can not affect the entitlement of the respondent to a judgment for the acknowledged debt in the foreign sums specified in the correspondence from the central bank.

Appeal dismissed.

Cases referred to:

1. Appolo Enterprises Ltd. v Enock Percy Kavindele Appeal No. 98 of 1995.
2. Zimco v Muuka S.C.Z. Judgment No. 1 of 1998.
3. Camdex International Ltd. v Bank of Zambia (1996) 3 All ER 431.

For the Appellants M.M. Mundashi, Mulenga, Mundashi and Company.
For the Respondents Musa A.A. Yusuf, Adam and Company,
M. Mutemwa, Mutemwa and Company.

Judgment