

GOVERNMENT NOTICE NO: 88 Published on 20/June/2008

**THE FOREIGN EXCHANGE ACT, 1992
(CAP. 271)**

REGULATIONS

Made under section 5(a) and 7(1)

THE FOREIGN EXCHANGE (BUREAUX DE CHANGE) REGULATIONS, 2008

Regulation

Title

PART I

PRELIMINARY

1. Citation and commencement.
2. Application.
3. Interpretation.

PART II

LICENSING

4. Dealing in foreign currency.
5. Structure and ownership of licenced bureau de change.
6. Capital requirements.
7. Business name.
8. Application for licence.
9. Processing of application.
10. Review.
11. Bureau de change premises.
12. Effect and duration of licence.
13. Opening of bank accounts.
14. Revocation of licence.

PART III

MODE OF OPERATION

15. Display of exchange rates and dealings.
16. Prohibition of dealings other than spot transactions.
17. Dealings with banks and financial institutions.
18. Refusal to sell.
19. Prohibited transactions.
20. Inter-bureaux transactions.
21. Sale of foreign currency to non-residents.

PART IV

FOREIGN CURRENCIES FOR TRAVEL PURPOSES

22. Travel allowance.

PART V

GENERAL

23. Confidentiality of transactions.
24. Submission of returns.
25. Change of ownership.
26. Audited Accounts.
27. Powers of inspection.
28. Administrative sanctions.
29. Revocation and savings.

SCHEDULES

REGULATIONS, 2008

PART I

PRELIMINARY

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| Citation and commencement | 1. | These Regulations may be cited as the Foreign Exchange (Bureaux de Change) Regulations, 2008 and shall come into operation effective on the 1 st July, 2008. |
| Application | 2. | These Regulations shall apply to all Bureaux de Change operating in Tanzania Mainland and Tanzania Zanzibar. |
| Interpretation
Cap. 271
Cap. 197
Cap. 342 | 3. | (1) In these Regulations, unless the context requires otherwise –
“Act” means the Foreign Exchange Act;
“the Bank” has the meaning ascribed to it by the Bank of Tanzania Act,;
“bank” has the meaning ascribed to it by the Banking and Financial Institutions Act;
“capital” means owner’s equity invested in a business;
“company” means a company as defined in the Companies Act, in the case of Tanzania Mainland or Companies Decree in the case of Tanzania Zanzibar;
“financial institution” has the meaning ascribed to it by the Banking and Financial Institutions Act;
“Governor” has the meaning ascribed to it by the Bank of Tanzania Act;
“licence” means a bureau de change licence issued under Regulation 9 to carry on the business of a bureau de change;
“spot transaction” means an immediate over the counter sale and purchase of foreign currency. |
| Cap. 212 | | |
| Cap. 342 | | |
| Cap. 197 | | |
| | | (2) In these Regulations, a reference to any amount in United States dollars shall, unless the context requires otherwise, include reference to an equivalent amount in any foreign currency or a combination. |

PART II

LICENSING

- | | |
|--|---|
| Dealing in foreign currency | 4. Subject to the Act and to these Regulations, any bureau de change established in accordance with these Regulations shall carry on the business of buying and selling of foreign currency on spot. |
| Structure and Ownership of a licenced bureau de change | 5. (1) A licensed bureau de change shall be organized in the form of a company.
(2) Existing bureaux de change to which sub-regulation (1) applies shall be given a period of one year from effective date of these Regulations to be organized as a company.
(3) A bureau de change shall be owned by Tanzanian citizens and/or Tanzanian legal entity in which all owners and managers are Tanzanian citizens. |
| Capital requirements | 6. (1) A bureau de change shall commence operations with a minimum capital of forty million shillings.
(2) Existing bureaux de change to which sub-regulation (1) applies shall be given a period of eighteen months from effective date of these Regulations, to increase the minimum capital to the amount prescribed in these Regulations.
(3) Where a bureau de change fails to comply with the requirements of sub-regulation (1) of this Regulation, the Bank may revoke the license. |
| Business name | 7. A company intending to operate a bureau de change shall incorporate the words "forex bureau", "foreign exchange bureau", or "bureau de change" in its business name. |
| Application for licence | 8. (1) A company intending to carry on the business of a bureau de change shall apply to the Bank for a licence.
(2) An application for a licence shall be in the form prescribed in the First Schedule accompanied by certified copies of Certificate of Incorporation, a registration of a business name, Memorandum and Articles of Association, Lease Agreement or copy of Title Deed plus any other information as may be required by the Bank from time to time; and shall |

state among other things, the name in which the Bureau de Change is proposed to be registered.

(3) An application for a bureau de change licence, change of name and change of premises, shall be accompanied by a non-refundable fee of one million shillings.

Processing of
Application

9. (1) The Bank shall, within one month after receipt of an application for a licence and upon submission of a complete set of required documents, either approve or reject the application.
- (2) The Bank shall, where an application is approved and upon payment of licence fee of Tanzanian shillings two million shillings or such amount as may be prescribed by the Bank from time to time, issue the applicant with a licence.
- (3) In reviewing the application, the Bank shall conduct an investigation to satisfy itself as to the character, integrity and experience of the shareholders, directors and senior operators and in the case of, information about the shareholder(s) as prescribed in the Second Schedule shall be submitted along with the application for a licence.
- (4) Appointment of directors and senior operators and any change thereto, shall be subject to prior approval of the Bank.
- (5) The Bank shall, where an application is rejected, notify the applicant in writing and give reasons for the rejection.

Review

10. (1) An aggrieved applicant may apply to the Bank for review of its decision within twenty one days from the date of notification.
- (2) The Bank shall, within thirty days review the decision and notify the aggrieved applicant in writing of its decision.
- (3) The Bank's decision on review shall be final and conclusive.

Bureau de change
Premises

11. Upon approval of an application, a bureau de change shall be required to ensure the business premises-
- (a) are easily accessible;
- (b) have an availability of a minimum of two counters;
- (c) has telephone and fax facilities;

- (d) have computerized operations and are able to generate electronic receipt that will be made available to customers and store information in the database with a time stamp;
 - (e) availability of a safe and note counting machine; and
 - (f) fire extinguisher and physical security.
- Effect and duration of licence
12. (1) Any company which holds a licence issued under these Regulations shall carry on the business of a bureau de change subject to the provisions of these Regulations.
- (2) A bureau de change licence shall not be transferred, assigned or encumbered in any way.
- Cap. 423
- (3) A bureau de change licence shall be valid for one year and may be renewed upon the Bank being satisfied that the operations of the bureau de change have been carried out in compliance with these Regulations, the Act, the Anti Money Laundering Act, Circulars and directives issued by the Bank and any other competent authority from time to time.
- (4) The shareholders of a bureau de change which intends to continue with the business of bureau de change shall apply for renewal of licence three months prior to expiry of the existing licence.
- (5) An application for renewal of a bureau de change licence shall be in the form prescribed in the First Schedule and accompanied by an application for renewal fee of one million shillings or such amount as may be determined by the Bank from time to time.
- Opening of banks accounts
13. A bureau de change shall open and maintain local and foreign currency accounts with a bank or financial institution and the accounts shall be used solely for the day-to-day operations of the bureau de change.
- Revocation of Licence
14. (1) The Bank may revoke the licence where-
- (a) a bureau de change fails to commence operations within a period of six months from the date the license was granted without the written consent of the Bank;
 - (b) a bureau de change suspends or closes down its operations for a period exceeding three months;
 - (c) a bureau de change is found to engage in activities beyond the

- scope of operations authorized under the licence;
- (d) it is found that the licence was issued as a result of false or fraudulent representation supplied to the Bank or during the course of operations;
 - (e) a bureau de change is found to be insolvent; and
 - (f) a bureau de change is in contravention of any provision of these Regulations, the Act, Anti Money Laundering Act, circulars and directives issued by the Bank and other competent authorities from time to time.
- (2) The Bank shall issue a written notice to the bureau de change to show cause within fourteen days as to why the licence should not be revoked.
- (3) The Bank may revoke the licence where-
- (a) the bureau de change fails to comply with the notice issued under sub-regulation (2); or
 - (b) the bureau de change fails to show sufficient cause.
- (4) The Bank's action to revoke a licence shall be final and conclusive.

PART III

MODE OF OPERATION

Display of
exchange rates
and dealings

15. A bureau de change shall-
- (1) quote its foreign exchange buying and selling rates which shall be displayed in a conspicuous place in the business premises of the bureau de change.
 - (2) display at all times in a conspicuous place in its premises, a notice informing customers that they are entitled to be issued with a receipt for any purchase or sale of foreign currency made by them.
 - (3) issue an electronic receipt with a time stamp for every purchase or sale of foreign currency in the form prescribed by the Bank from time to time.

- (4) keep copies of valid identification and supporting documents for every sale of foreign currency in excess of an amount that is equivalent to two thousand U\$ Dollars; and.
- (5) have the necessary mechanism for detecting counterfeit notes.
- Prohibition of dealings other than spot transactions
16. (1) A bureau de change shall not engage in transactions other than spot transactions.
- (2) An officer or staff member of a bureau de change shall not-
- (a) deposit or accept Tanzanian shillings with intent to obtain or supply the foreign currency equivalent, either wholly or in part at a future date;
- (b) deposit or accept foreign currency with the intent of obtaining or supplying the Tanzanian shillings or its equivalent, either wholly or in part at a future date;
- (c) fail or refuse to issue a receipt to cover any purchase or sale of foreign currency;
- (d) issue a receipt for any purpose other than to cover an actual purchase or sale of foreign currency.
- (3) A bureau de change may accept cheques, bank drafts and other payment instruments in their normal business dealings subject to proper identification of the individuals and verification of the instruments involved.
- Dealings with banks and financial institutions
17. A bureau de change shall buy foreign currency from a bank or financial institution for the purpose of reselling, to meet its day to day operations only through its bank accounts.
- Refusal to sell
18. A bureau de change shall not refuse to sell foreign currency to any customer as provided for under these Regulations, if the foreign currency is available.
- Prohibited transactions
19. A bureau de change shall not sell foreign currency, for any purpose, in excess of an amount that is equivalent to ten thousand US Dollars.

- Inter-Bureaux transactions 20. The buying and selling of foreign currency between the bureaux de change shall be carried out by the bureaux de change through their bank accounts or on cash basis.
- Sale of foreign currency to Non-Residents 21. A bureau de change shall not sell foreign currency to non-residents unless the non-resident proves that the Tanzanian shillings were obtained in Tanzania from the sale of foreign currency or obtained from other lawful activities with proper identification and retention of record.

PART IV

FOREIGN CURRENCIES FOR TRAVEL PURPOSES

- Travel Allowances 22. (1) A bureau de change shall not sell foreign currency or Traveler's cheques in excess of an amount that is equivalent to ten thousand US Dollars to a resident wishing to travel outside Tanzania at any one time for each trip.
- (2) A bureau de change shall obtain and retain a copy of confirmed travel ticket and documentary proof of residence for every sale of foreign currency for travel allowance purposes where the amount sold is in excess of an amount that is equivalent to two thousand US Dollars.
- (3) At the exit point, purchase of foreign currency by a non-resident shall be evidenced by the relevant sale receipt in respect of the foreign currency sold.

PART V

GENERAL

- Confidentiality of transactions 23. Every bureau de change shall ensure that its transactions are conducted and maintained in strict confidence.
- Submission of returns 24. (1) Every bureau de change shall submit to the Bank:-
- (a) not later than first week following the month under review, a monthly return of weekly average foreign currency selling and buying rates in accordance with the Bank's prescribed format; and

- (b) not later than the first week of the following month, a monthly return of the bureau de change sales and purchases of the foreign currencies in accordance with the Bank's prescribed format.
- (2) Every bureau de change shall put in place an accounting system, which will include:
- (a) a daily foreign exchange register and summary according to prescribed format;
 - (b) a cash book containing columns for date, particulars, folio, amount in hand and amount at bank; and
 - (c) a general ledger, containing purchases account, sales account and expenses account and shall be updated on monthly basis.
- Change of ownership
25. Every bureau de change shall seek and obtain approval of the Bank for any change of ownership, directors or business premises.
- Audited accounts
26. Every bureau de change shall submit to the Bank Audited accounts duly certified by the auditors and signed by the director within three months after the end of a financial year, which shall be 31st December of every year.
- Powers of inspection
27. (1) The Bank may, at any time conduct inspection on the business premises of a bureau de change, its books of accounts and any other proper records in relation to them.
- (2) Every officer or staff of a bureau de change shall produce for inspection within a reasonable time, such books of accounts and other proper documents relating to the operations of the bureau de change as the Bank may require.
- Administrative sanctions
28. (1) The Bank shall impose administrative sanctions against a bureau de change or a staff of a bureau de change contravening any provision of these Regulations.
- (2) The administrative sanctions referred to in sub-regulation (1) may include:-
- (a) Warnings;
 - (b) Suspension from operations;

- (c) fines; and
- (d) Revocation of a licence.

Revocation and
savings G.N No: 86
of 1999

29. (1) The Foreign Exchange (Bureaux de Change) Regulations, 1999 (hereinafter in this regulation referred to as “the former Regulations”) are hereby revoked.
- (2) Notwithstanding the provisions of paragraph (1), where on the date when these Regulations come into operation there are any proceedings that have been commenced under the former Regulations but have not been completed, the same shall be completed under the provisions of and in accordance with the former Regulations as if those Regulations were still in force.
- (3) The shareholders or directors of a bureau de change which immediately before the commencement of these Regulations were holding a licence for the operation of a business of buying and selling foreign currency shall, if they intend to continue with the operation, apply for a licence to be licenced under these Regulations after the expiration of the licence previously issued.

SCHEDULES

FORM BDCA

FIRST SCHEDULE

[Regulations 8 (2) and 12 (5)]

APPLICATION/RENEWAL FORM OF BUREAU DE CHANGE LICENCE

PLEASE USE BLOCK (CAPITALS) LETTERS

1. NAME OF BUREAU DE CHANGE:.....

2. PHYSICAL AND POSTAL ADDRESS OF HEAD OFFICE:

A) CITY/TOWN

C) STREET

D) PLOT NO.

D) BUILDING

E) P.O. BOX NO:.....

3. DATE OF INCORPORATION:.....

4. CERTIFICATE OF INCORPORATION NO:.....

5. CURRENT BUREAU DE CHANGE LICENCE NUMBER AND DATE OF ISSUE:

.....

6. TIN NUMBER:.....

7. NAMES OF BUREAUX DE CHANGE AND THE NUMBER OF YEARS IN RESPECT OF EACH BUREAU'S OPERATION CURRENTLY OWNED OR MANAGED BY ONE OR MORE OF THE SHAREHOLDERS, DIRECTORS OR OFFICERS OF THE BUREAU DE CHANGE:

S/N	NAME OF BUREAU DE CHANGE	NUMBER OF YEARS OF OPERATION

8. PARTICULARS OF SHAREHOLDERS:

S/N	NAME	NATIONALITY	SIGNATURE

9. PARTICULARS OF DIRECTORS AND SENIOR OPERATORS IN ORDER OF SENIORITY:

S/N	NAME	DESIGNATION	NATIONALITY	SIGNATURE

10. DECLARATION (by Shareholders):

I/We, the undersigned, hereby declare:

- a) THAT the particulars set out herein are true and correct to the best of my knowledge and belief;
- b) THAT I am/we are not undischarged bankrupt and that I/we have never been convicted of fraud or embezzlement;
- c) THAT if licenced, I/we shall transact foreign exchange business in accordance with the provisions of the Foreign Exchange Act, 1992 and of any regulations, guidelines or directives as may from time to time be issued by the Bank of Tanzania.

Date.....

NameSignature

NameSignature

NameSignature

NameSignature

NameSignature

Made before me this day of20.....

NOTARY PUBLIC

NOTE:

PLEASE ATTACH THE FOLLOWING:

1. Application fee of Tshs. 1,000,000/= by TISS transfer to BOT A/C No: 9944 711 501 as a one-off payment (for a new licence).
2. Renewal fee of Tshs 1,000,000/= by TISS transfer to BOT A/C No: 9944 711 501 (annual fee for renewal of licence).
3. Sources of funds for the proposed Bureau de Change.
4. Current Business Activity of the Shareholder(s).
5. Confirmation from bank or financial institution that the Bureau de Change maintains local and foreign currency accounts.

6. CERTIFIED COPIES OF:

- (a) Certificate of Incorporation;
- (b) Registration of Business Names;
- (c) Business licence;
- (d) TRA Tax Clearance Certificate for the current business;
- (e) Passports of the proposed applicants; and
- (f) Two certified passport size photographs of each applicant.

- 7. Credentials and curricula vitae of all Shareholders and Directors.
- 8. The Bureau de Change shall be required to present the senior officers for interview.
- 9. All information provided in this form shall be treated as confidential.

FORM BDCB

SECOND SCHEDULE

[Made under regulation 9(3)]

SHAREHOLDER(S) FORM

(TO BE COMPLETED BY SHAREHOLDERS OF A BUREAU DE CHANGE)

1. PERSONAL INFORMATION

- (a) Surname.....
- (b) Other Names.....
- (c) Previous Names (if any) by which you have been known:
.....
- (d) Year and Place of Birth:.....
- (e) Nationality:.....
- (f) Passport Number, Date and Place of issue:.....
- (g) Postal Address:.....
- (h) Physical Address:.....
- (i) Educational Qualifications:
.....
.....
.....
- (j) Professional Qualifications
.....
.....

2. EMPLOYMENT/BUSINESS RECORD

Period	Name of Employer/Business and Address	Position Held	Reasons for Leaving (where applicable)

3. SHAREHOLDING (DIRECTLY OWNED OR THROUGH NOMINEES)

Company Name	Date of Incorporation	Amount of Shareholding	% of Shareholding	Remarks

4. SOURCES OF FUNDS

Please provide details of the actual source(s) of funds that you, as shareholder, would like to invest or use in the Bureau de Change business:

(a)

(b)

(c)

5. TRA Tax Clearance Certificate for the last three years for each of your current business.

6. OTHER INFORMATION

6.1 Have you or any entity with which you are associated as shareholder or director held or applied for a licence to carry on the business of Bureau de Change?

-
.....
- 6.2 Have you at any time been convicted of any criminal offence in any jurisdiction? If so, give particulars of the court in which you were convicted, the offence, the penalty imposed and the date of conviction.
.....
.....
- 6.3 Have you ever been dismissed from any office or employment, been subject of disciplinary proceedings by your employer or barred from entry of any profession or occupation? If so, give particulars.
.....
.....
- 6.4 Have you ever been declared bankrupt by a court or has a bankrupt petition ever been served on you? If so, give particulars.
.....
.....
- 6.5 Have you ever been held liable by a court, for any fraud or other misconduct? If so, give particulars.
.....
.....
- 6.6 Is there any additional information which you consider relevant for the consideration of your application for Bureau de Change licence?
.....
.....

NOTE: The information given in response to this questionnaire shall be kept confidential by the Bank, except in cases provided by law.

7. DECLARATION

I am aware that it is an offence to knowingly or recklessly provide any information which is false or misleading in connection with an application for Bureau de Change licence.

I certify that the information given above is true to the best of my knowledge and that there are no other facts relevant to this application of which the Bank should be aware.

I undertake to inform the Bank of any changes material to the application which arises while the application is under consideration.

Name:

Dated at:this.....day of.....20.....

.....
APPLICANT

BEFORE ME:

NAME:.....

SIGNATURE:.....

ADDRESS:.....

NOTARY PUBLIC

Dar es Salaam

.....May, 2008

BENNO NDULU,

Governor