



THE UNITED REPUBLIC OF TANZANIA
BANK OF TANZANIA



7th August 2025

PUBLIC NOTICE

**INTRODUCTION OF A GUIDED SELF-REGULATORY APPROACH FOR TIER II
MICROFINANCE SERVICE PROVIDERS**

The Bank of Tanzania (BoT), in collaboration with the Tanzania Association of Microfinance Institutions (TAMFI) and the Tanzania Microfinance Institutions Union (TAMIU), is pleased to announce the formal commencement of a strategic collaborative initiative aimed at enhancing good market practices within the microfinance sector.

As part of its continued efforts to strengthen financial consumer protection and improve governance among Tier II Microfinance Service Providers, the Bank has adopted a guided self-regulatory approach in partnership with the Microfinance Associations. This initiative is designed to complement the Bank's existing supervisory framework by leveraging the outreach and peer-regulation capabilities of the associations.

Through this collaboration and in accordance with the regulatory mandate of the Bank of Tanzania:

- Microfinance Associations (TAMFI and TAMIU) have been formally appointed as a Guided Self-Regulatory Institutions (GSRIs) responsible for promoting and enforcing sound market conduct, dispute resolution, and best practices among their members.
- The Bank of Tanzania will continue to issue licenses to Tier II Microfinance Service Providers, oversee overall implementation, and support TAMFI and TAMIU in ensuring compliance with the agreed terms, so that Microfinance Service Providers are self-regulated in accordance with the conditions of their

licenses, thereby ensuring proper implementation and adherence to legal and regulatory standards.

- All Tier II Microfinance Institutions are required to join TAMFI or TAMIU within six months from the date of this notice and to comply with the self-regulation agreements under this arrangement.

The implementation of this arrangement reflects a shared commitment to improving the environment for Microfinance Service Providers to ensure it is trustworthy, transparent, and user-friendly for clients. Therefore, the Bank of Tanzania encourages all stakeholders and the general public to support and actively participate in this important initiative to promote financial inclusion and strengthen a robust microfinance service delivery system in Tanzania.



Emmanuel M. Tutuba
GOVERNOR