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## **PUBLIC NOTICE**

### **BANK OF TANZANIA OPERATIONAL GUIDELINES FOR INTEREST RATE-BASED MONETARY POLICY FRAMEWORK**

The Bank of Tanzania wishes to inform the general public that, in order to improve the effectiveness of the monetary policy, it will shift from conducting monetary policy based on the current monetary targeting framework, which targets money supply, to an interest rate-based monetary policy framework that focuses on interest rate, effective from January 2024. The interest rate-based framework started to be used by countries in 1990 and currently it is used by 45 central banks around the world.

Interest rate-based monetary policy framework has proven to be more efficient and transparent in delivering the desired monetary policy outcomes in the countries that have been using it. The details of the new monetary policy framework are attached to this Public Notice as Attachment I. Further details can be found in the Bank of Tanzania Monetary Policy Statement for 2023/24 and the Bank of Tanzania Website: [www.bot.go.tz/Publications/Filter/48?lang=en](http://www.bot.go.tz/Publications/Filter/48?lang=en)

To ensure smooth and effective implementation of the new monetary policy framework, the Bank of Tanzania has prepared the Operational Guidelines for Interest Rate-Based Monetary Policy Framework, attached herewith as Attachment II. These Guidelines aim at providing necessary information to stakeholders to understand the monetary policy objectives, processes and procedures involved. Therefore, the Guidelines will help to provide clarity on the manner in which the monetary policy will be formulated and implemented, assist stakeholders to plan for their operations and enhance transparency and accountability in the conduct of monetary policy.

The Bank of Tanzania will continue to engage stakeholders to foster a deeper understanding of the new monetary policy framework with ultimate goal of achieving price stability and supporting sustainable growth of the economy.

**GOVERNOR**  
**BANK OF TANZANIA**