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THE FOREIGN EXCHANGE ACT, 1992  
(ACT NO. 1 OF 1992)

REGULATIONS

Made under Section 7(1)

**The Foreign Exchange (Listed Securities) Regulations, 2003**

*Citation*

1. These Regulations may be cited as the Foreign Exchange (Listed Securities) Regulations, 2003 and shall be deemed to have come into operation on the 21<sup>st</sup> May 2003.

*Interpretation*

2. In these Regulations, unless the context requires otherwise:-

*Act No. 5 of 1994*

*“Authority”* means the Capital Markets and Securities Authority established by the Capital Markets and Securities Act, 1994;

*“Approved stock exchange”* means a stock exchange approved under the Capital Markets and Securities Act, 1994;

*“Effective date”* means 21<sup>st</sup> May, 2003;

*“foreign investor”* means a person who or a body corporate which intends to acquire or has acquired securities in a listed company and –

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- (a) in case of an individual, means a person who is not a citizen of the United Republic of Tanzania; and
- (b) in the case of a body corporate, means a body corporate in which more than fifty percent of its shareholding is held by-
  - (i) persons who are not citizens of the United Republic of Tanzania; or
  - (ii) body or bodies corporate not incorporated in the United Republic of Tanzania;

*"Foreign Investors Tanzania Currency Account (Securities Investment Account)"* means a local currency account opened by a foreign investor at a licensed bank in Tanzania with inward foreign currency transfers and through which payments and receipts of share and bond transaction proceeds shall be processed or maintained;

*"Licensed Dealing Member"* means a member of an approved stock exchange duly authorised to conduct trading of securities at the facilities of the approved stock exchange;

*"Listed"* means being admitted to the official list of an approved securities exchange and listing shall be construed accordingly.

*Permission of Foreign  
Investors to Invest*

3.

- (1) From the effective date, and subject to the conditions prescribed by the Bank, foreign investors are hereby permitted to acquire, sell or transfer securities listed at an approved stock exchange in Tanzania
- (2) Save for banks and financial institutions licensed under the Banking and Financial Institutions Act, 1991, the permission provided in Sub Regulation 1 does not extend to Government securities.

*Act No.12 of 1991*

*Payments for Foreign  
Investors Transactions*

4. Payment for the shares or corporate bonds acquired by a foreign investor shall be made either in foreign currency transfer received through normal banking channels or by withdrawal from a foreign currency account or by debiting the Securities Investment Account maintained by the investor with a licensed bank operating in Tanzania.

*Transactions to be  
through a Licensed  
Dealing Member*

5. Whenever shares or corporate bonds are to be acquired or sold, the transaction shall be carried out through a Licensed Dealing Member of an approved stock exchange in Tanzania in accordance with the transfer formalities prescribed by the respective stock exchange.

*"Lock-in" Provision*

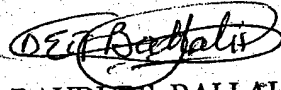
6. Upon acquisition of shares or corporate bonds listed at an approved stock exchange, foreign investors shall not dispose of such shares or corporate bonds for a period of three months following acquisition.

*Securities Investment  
Account*

7. (1) Subject to such directions as may be issued by the Bank, any person who is a foreign investor may open and maintain a Securities Investment Account with a licensed bank operating in Tanzania.
- (2) Subject to such conditions as may be prescribed by the Bank from time to time, any person maintaining a Securities Investment Account may transact through such account payments and receipts of share and bond transactions.
- (3) Local currency deposits, origin of which are not evidenced by inward foreign currency transfers or proceeds of which are not related to securities transactions shall not be allowed to be deposited in the Securities Investment Account.

- (4) Subject to such conditions as may be prescribed by the Bank from time to time, balances held in the Securities Investment Account may be repatriated outside Tanzania provided that conditions under regulations 4 and 6 above are satisfied.

Dar es Salaam,  
8<sup>th</sup> July, 2003

  
DAUDI T.S. BALLALI  
Governor,  
Bank of Tanzania