



## **NOTICE TO THE PUBLIC**

### **IMPLEMENTATION OF THE DIRECTIVE FOR BANKS AND FINANCIAL INSTITUTIONS TO ESTABLISH A PRIMARY OR SECONDARY DATA CENTRE IN TANZANIA: NATIONAL BANK OF COMMERCE LIMITED (NBC) FINED TZS 1 BILLION**

The Bank of Tanzania (BoT) has imposed a penalty charge of TZS 1,000,000,000.00 (one billion shillings) to National Bank of Commerce Limited (NBC) for failure to implement directives to establish either a primary or secondary data centre in the country as directed through circular letters number FA.56/293/043/VOL.III/28 and FB.44/475/01/35 dated 3<sup>rd</sup> March 2014 and 29<sup>th</sup> February 2016, respectively.

The Bank of Tanzania vide its circular letter number FA.56/235/20/29 dated 10<sup>th</sup> July 2019, directed all banks and financial institutions operating in Tanzania, to revisit the arrangement and operational efficiency of their secondary data centres in the country, to ensure among others, that they are capable of sustaining bank operations in case there are no access to primary data centres established outside the country and provide written confirmation on the same. However, following targeted on site examination of the bank carried out after issuance of the circular, the Bank of Tanzania has noted with serious concern that NBC did not implement the directive for establishing secondary data center in the country, despite confirming in writing that it had implemented the directive.

In addition to the penalty explained above, additional charge of 10% of the penalty amount will be imposed to NBC for every month in which the non-compliance continues.

The above notwithstanding, the Bank of Tanzania has directed all banks and financial institutions to establish primary data centre in Tanzania within the period of three months. BoT wishes to remind all banks and financial institutions to ensure compliance, with all laws, regulations and directives issued by BoT at all times.

**BANK OF TANZANIA**

**23<sup>rd</sup> August 2019**