



## **PRESS RELEASE**

### **STUDY ON PHYSICAL MOVEMENT OF CASH**

On 9<sup>th</sup> September 2020, the Bank of Tanzania issued a circular letter to banks and financial institutions informing them about a study that was being conducted to determine the extent to which Tanzania has made progress towards a less cash economy. In the said circular letter, banks and financial institutions were directed to submit daily reports on over the counter cash withdrawals by customers starting from 7<sup>th</sup> September 2020.

The Bank of Tanzania wishes to provide further clarification on the mentioned circular as follows:

1. As part of financial sector development endeavors various initiatives have been undertaken to minimize usage of hard cash in carrying out transactions. This is in tandem with global financial market developments, and in consideration of benefits of a less cash economy
2. Measures that have so far been implemented in Tanzania as part of the initiatives toward a less cash economy include development of Tanzania Interbank Settlement System for facilitation of government payments, government revenue collection, and inter-bank fund transfers; East African Payment System to facilitate fund transfers within the East African region; SADC Integrated Regional Electronic Settlement System to facilitate fund transfer and settlement within SADC region; Tanzania Automated Clearing House; Electronic Fund Transfer and Card Switches. Other measures include licensing of Mobile Network Operators offer mobile financial services with a view to encourage usage of electronic money as opposed to cash.
3. It is worth noting that, apart from advancing financial inclusion digital payments reduce the cost of providing financial services to the poor, increase safety and convenience, reduce Government expenditure associated with printing and distribution of currency.
4. The essence of the circular letter to banks and financial institutions was therefore to enable the Bank of Tanzania gather information that will facilitate assessment of impact of measures towards less cash economy as indicate above and determine additional

policy, legal and technological measures required for further advancement towards this objective.

The Bank of Tanzania wishes to assure members of the public that the study on less cash economy is aimed solely for the purpose mentioned therein and that all information gathered will be treated responsibly and with utmost confidentiality.

Issued by:

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