



PROCEDURES FOR EAC AND SADC RESIDENTS AND TANZANIAN CITIZENS IN THE DIASPORA TO PARTICIPATE IN THE TANZANIAN GOVERNMENT SECURITIES MARKET

Following the Bank of Tanzania public notice dated 8th June 2022 relating to the issuance of the Foreign Exchange Regulations 2022 vide the Government Notice No. 294 published on 13th May 2022, the Bank would like to issue the following guidelines:

- (a) Residents of the EAC and SADC regions and Tanzanian citizens in the diaspora can now participate in the primary auctions and subsequently secondary trading of securities issued by the Government of the United Republic of Tanzania.
- (b) The Government securities that shall be traded include the Treasury bills of 182 and 364 days' maturity and Treasury bonds of 2, 5, 7, 10, 15, 20 and 25 years' maturity.
- (c) To participate in primary auctions, residents of EAC and SADC regions and Tanzanian citizens in the diaspora are required to open securities accounts through the registered Central Depository Participant (CDP). CDPs are banks licensed under the Banking and Financial Institutions Act and Broker-Dealers licensed under the Capital Markets and Securities Act in Tanzania.
- (d) CDPs are required to observe and ensure that the process of opening securities accounts for investors from other EAC and SADC regions, and Tanzanian citizens in diaspora involve market intermediaries licensed by the Capital Market Authority or Central Bank of the respective countries. In so doing, all market intermediaries will be

required to adhere to the Anti-Money Laundering (AML) and combating financing of Terrorism (CFT) regulations.

- (e) Secondary trading of Treasury bonds shall take place at a Stock Exchange in Tanzania which has been approved by the Capital Markets and Securities Authority. An investor wishing to buy or sell Treasury bonds shall approach the Dar es Salaam Stock Exchange (DSE) through a licensed broker/dealer to obtain details on trading procedures.
- (f) Settlement currency shall be in Tanzanian Shillings.
- (g) To make payment and receive proceeds in respect of securities transaction, an investor shall open and maintain a Securities Settlement Account with a bank or financial institution or appoint a custodian in the United Republic.
- (h) The conditions indicated in para (b) and (g) shall not apply to Tanzanian residents.

More details about a particular issue or auction will be obtained through the Prospectus (Call for Tender) to be issued one week before the auction in the newspapers. The Prospectus will also be published through the BOT Website: www.bot.go.tz.

The Bank of Tanzania has made arrangements to ensure transactions of securities of EAC and SADC regions, and Tanzanian citizens in the diaspora are captured, recorded, and reported per the regulations. This operation will commence on 10th August 2022.

For further enquires please contact:

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