

GOVERNMENT NOTICE NO. 417 published on 28/12/2012

THE BANK OF TANZANIA (CREDIT REFERENCE  
DATABANK) REGULATIONS, 2012

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**THE BANK OF TANZANIA ACT**

**(CAP 197)**

**REGULATIONS**

(Made under Section 70(1))

**THE CREDIT REFERENCE DATABANK REGULATIONS, 2012**

**PART I**

**PRELIMINARY PROVISIONS**

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|----------------|--|
| Citation       | 1. These Regulations may be cited as the Bank of Tanzania (Credit Reference Databank) Regulations, 2012.   |
| Application    | 2. These Regulations shall apply to all reporting institutions including credit reference bureaux.   |
| Interpretation | 3. In these Regulations unless the context otherwise requires:   |
| Cap.197        | “Act” means the Bank of Tanzania Act;  |
|                | “Bank” means the Bank of Tanzania;   |
|                | “collateral” means asset, right or interest pledged, assigned, mortgaged or hypothecated to secure the repayment of an obligation;   |
|                | “credit information” means any information including but not limited to information about a person’s specific identification, full name, date of birth, place of residence, previous places of residence, marital status, spouse’s name place of employment, previous places of employment, paying habits, outstanding debt obligations, and assets and inquiries made of credit history or information relative to a legal entity or business that would identify the legal entity or business and include incorporation information, tax information, director information, government information, other business details, outstanding debt obligations, assets and inquiries made of credit history; |
|                | “credit reference bureau” means an entity specialized in the collection and sale of credit performance information for individuals and   |

companies;

“Credit Reference Databank” means a computerized mechanism created by the Bank to receive and supply credit information to banks, financial institutions, credit reference bureaux and other institutions authorized by the Bank, regarding the credit transaction of customers, including off balance sheet operations;

“data processing” means any operation performed upon financial data for professional purposes, whether by automatic means or manually and it includes collection, storage, organisation, analysis and alteration as well as retrieval, disclosure or otherwise making available, alignment or combination, blocking, erasure or destruction;

Cap 212 “director” means a person appointed to carry out functions that are usually carried out by a member of board of director of a company incorporated under Companies Act and Companies Decree;

“financial institution” means an entity engaged in the business of banking which is limited to size, locations served, or permitted activities, as prescribed by the Bank or required by the terms and conditions of its license;

“micro-finance company” means a financial institution incorporated as a company limited by shares formed to undertake banking business primarily with households, small holder farmers and micro-enterprises in rural or urban areas;

“reporting institutions” means banks and non-bank financial institutions, savings and credit schemes, micro-finance companies and any other finance company that are licensed and supervised by the Bank;

“savings and credit scheme” means a society or scheme established under the applicable law for cooperatives or other societies, whose principal objectives is to encourage thrift among its members and to create a source of credit for its members.

## PART II

### FUNCTION AND PURPOSE OF THE CREDIT REFERENCE DATABANK

- Establishment of Credit Reference Databank
4. (1) The Bank shall establish and administer the Credit Reference Databank in accordance with the provisions of these Regulations.
- (2) The objectives of the Credit Reference Databank established under sub-regulation (1) shall be to –
- (a) promote credit information sharing among banks and non-bank financial institutions;
  - (b) enable the Bank to safeguard financial stability;
  - (c) promote competition in the financial sector;
  - (d) increase access to finance; and
  - (e) promote development of sound credit business.
- (3) The Credit Reference Databank shall be used to facilitate–
- (a) determination of total indebtedness of clients of reporting institutions;
  - (b) determination of payment behaviour of clients of reporting institutions;
  - (c) monitoring of credit activities of the reporting institutions; and
  - (d) data analysis for bank supervision and general statistical purposes, and for periodical publications.
- Functions of the Credit Reference Databank
5. The functions of the Credit Reference Databank shall be to -
- (a) receive credit information from reporting institutions;
  - (b) disseminate received credit information to credit reference bureaux; and
  - (c) store and process credit information for use by the Bank in the discharge of its supervisory functions.

**PART III**  
**REPORTING AND ACCESS TO CREDIT REFERENCE DATABANK**

- Reporting
6. (1) Every reporting institution shall –
- (a) submit to the Credit Reference Databank credit information in a data format prescribed by the Bank;

- (b) provide credit information on all existing and new credit facilities granted to a person to the Credit Reference Databank;
- (c) provide credit information on monthly basis for all existing and new credit facilities granted to a person to the Credit Reference Databank;

(2) The deadline for submission of credit information data for the reference month shall be the tenth day of the following month.

Access to  
Credit  
Reference  
Databank

7. (1) The following shall have access to the Credit Reference Databank in a non-discriminatory and timely manner –

- (a) credit reference bureaux;
- (b) authorised staff of the Bank; and
- (c) reporting institutions.

(2) A credit reference bureau shall, after completion of the licensing process, receive a designated copy of relevant credit information from the Credit Reference Databank.

Denial to  
access the  
Credit  
Reference  
Databank

8. (1) The Bank shall deny a credit reference bureau to access the Credit Reference Databank where –

- (a) a credit reference bureau does not meet the requirements for accessing the Credit Reference Databank as provided under Bank of Tanzania (Credit Reference Bureau) Regulations;
- (b) there is gross and repeated violation of these Regulations by a credit reference bureau;
- (c) a credit reference bureau made a request for access in a fraudulent manner.

(2) The Bank shall issue a notice to credit reference bureau which grossly or repeatedly violates these Regulations and demand measures be taken to end such violation.

(3) The Bank shall inform all reporting institutions where a credit reference bureau has been denied access to the Credit Reference Databank.

Use of credit

9. (1) Access to and use of credit information data stored in the Credit

information  
data

Reference Databank shall be permitted where reasonable steps to ensure data security and confidentiality have been taken.

(2) Credit information collected, exchanged with or disclosed by the Credit Reference Databank to reporting institutions or credit reference bureaux shall be used for -

- (a) verifying accuracy of the credit information or resolving disputes;
- (b) conducting credit investigation, affordability assessments and credit scoring on new credit applications and renewal of existing facilities;
- (c) executing credit agreements; and
- (d) conducting and executing financial fraud detection and financial fraud prevention services or other similar types of offences.

(3) The Bank shall use credit information stored in the Credit Reference Databank for the purpose of promoting safety, soundness and stability in the financial system.

#### PART IV PROTECTION OF CREDIT INFORMATION

Credit  
information  
protection

10. (1) Credit information submitted by a reporting institution shall be processed in accordance with international standards and best practice to ensure that data is protected against unlawful intrusion, destruction, alteration, access and disclosure.

(2) Every reporting institution shall put in place comprehensive policies and procedures for -

- (a) access authorisations to credit information and Credit Reference Databank;
- (b) dissemination, duplication, and retention of credit information;
- (c) verifying the accuracy and updates of credit information submitted to the Credit Reference Databank; and
- (d) receipt and investigation of credit information complaints and disputes.

(3) Every reporting institution shall ensure that credit information submitted to the Credit Reference Databank is accurate and up to date.

- Prohibited information
11. A person shall not, for the purpose of credit information sharing, store, share or process information relating to –
- (a) positive balances on cheque, savings and time-deposit accounts;
  - (b) a person’s political affiliation;
  - (c) a person’s medical status or history;
  - (d) a person’s religion or philosophical beliefs;
  - (e) a person’s sexual orientation, except to the extent that such information is self-evident from the record of the natural person’s marital status and list of family members; and
  - (f) a person’s membership of a trade union, except to the extent that such information is self-evident from the record of the natural person’s employment information.

PART V  
REMEDIES AND SANCTIONS

- Remedies
- Cap 197  
Cap 342
- Sanctions
12. Where a reporting institution fails to submit credit information as required under these Regulations, that reporting institution shall be subjected to enforcement measures provided for under the Act and the Banking and Financial Institutions Act.
13. The Bank may, where there is contravention of any provision of these Regulations except where it is otherwise provided by any other written law, impose one or more of the following sanctions -
- (a) revocation or suspension of access to the Credit Reference Databank;
  - (b) a fine of not less than Tanzania shillings five hundred thousand for every day during which the contravention continues;
  - (c) suspension from issuing letters of credit or guarantee;
  - (d) suspension from office of the defaulting director, officer or employee of the reporting institution or credit reference bureau; or
  - (e) disqualification of defaulting director, officer or employee from holding any position or office in any reporting institution or credit reference bureau.

PART VI  
GENERAL PROVISIONS

- Directives      14. The Bank may issue directives for the proper carrying out of the provisions of these Regulations.
- Revocation of GN No. 177 of 2010      15. The Credit Reference Databank Regulations, 2010 are hereby revoked.

Dar es Salaam,  
6<sup>th</sup> December, 2012

WILLIAM A. MGIMWA,  
*Minister for Finance*