

BENKI KUU YA TANZANIA

S.L.P. 2939

DAR ES SALAAM

TANZANIA

Simu ya mdomo: 2234494/2234495

2234497/2235531

Anuani ya Simu "BENKUU"



BANK F TANZANIA

P.O.BOX 2939

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CABLE "BENKUU"

{*Kumbukumbu*
Ref.No. }

FA.480/522/02

29th July, 2010

TO: ALL BANKS AND FINANCIAL INSTITUTIONS

RE: TREATMENT OF DEPOSITS FROM PENSION FUNDS IN COMPUTATION OF STATUTORY MINIMUM RESERVES BY BANKS AND FINANCIAL INSTITUTIONS

Reference is made to the captioned subject.

As you might recall, in November 2008, Bank of Tanzania issued a revised Circular no. 1 on Statutory Minimum Reserves (SMR) Against Deposits and Borrowings which required among other things, inclusion of 20% of total Government deposits in computation of SMR.

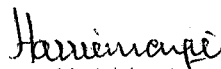
Banks and financial institutions have been including deposits from pension funds as part of deposits from the Government. Pension funds are contributions of employees and not Government. For that reason, banks and financial institutions are henceforth required to exclude deposits of Pension Funds in the determination of Government deposits for the purpose of computing SMR. Deposits from Pension Funds should be treated as deposits from private sector. In case of further clarification please do not hesitate to contact Director, Banking Supervision.

Yours faithfully

BANK OF TANZANIA


M. C. Mangore (Ms)

DIRECTORATE OF BANKING SUPERVISION


M. H. Mgayi

C. C: Chairman
Tanzania Bankers Association
P. O. Box 70925
Dar es Salaam