Dear Sir/Madam

REVIEW OF NET OPEN POSITION

This is to inform all commercial banks that following review of recent developments in the foreign exchange market, Bank of Tanzania has revised the foreign exchange Net Open Position (NOP) limit of commercial banks.

Accordingly, the current NOP limit of seven and half percent (7.5%) has been reduced to five and half percent (5.5%) of Core Capital. The reduction of NOP takes effect from 1st May 2015. This Circular supersedes the previous Circular with Ref: FA. 56/248/01 dated 26th November 2012.

All commercial banks are reminded to ensure strict compliance with the existing requirements of computation of the NOP and the revised limit. Please note that the limit may be subjected to further review by the Bank.

Sincerely,

Prof. Benno Ndulu
GOVERNOR