THE BANKING AND FINANCIAL INSTITUTIONS (PHYSICAL SECURITY MEASURES) REGULATIONS, 2008

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PART I

PRELIMINARY

1. These Regulations may be cited as the Banking and Financial Institutions (Physical Security Measures) Regulations, 2008 and shall come into operation on the date of publication in the Gazette.

2. These Regulations shall apply to all banks and financial institutions.

3. In these Regulations, unless the context requires otherwise:

   “the Act” means the Banking and Financial Institutions Act;

   "the Bank" means Bank of Tanzania;

   “bank” has the same meaning given to that expression in the Act;

   "banking business" has the same meaning given to that expression in the Act;

   “burglary” means entering a building or a vehicle with the intent to commit a theft or any other crime;

   "financial institution" has the same meaning given to that expression in the Act;

   “law enforcement agency” means the police force, and includes any person authorized in writing by the Inspector General of Police to perform investigative or monitoring duties;

   “person” means an individual or an entity

   “physical security” means the physical safeguarding or protection of property to prevent or deter acts of burglary or robbery in a bank or financial institution;

   “robbery” means taking something of value from a person by means
4. The principal objective of these regulations is to prescribe minimum security measures to be instituted by all banks and financial institutions for the purpose of:-

(a) preventing acts of robbery and burglary;
(b) assisting in identifying and apprehending persons who commit acts of robbery or burglary;
(c) preventing injury and loss of lives to staff and customers;
(d) preventing damage or loss of assets, which could result into major losses to individual institutions, the banking sector and the national economy, and;
(e) creating security awareness among management and staff in all banks and financial institutions thereby promoting a security conscious working environment.

PART II

REQUIRED MINIMUM SECURITY MEASURES

5. (1) Every bank or financial institution shall have a written physical security policy and procedure manual which shall be submitted to the Bank for review and clearance.

(2) The physical security policy and procedure manual under sub-regulation (1) shall at least address the following:-

(a) security measures for transporting of cash and other valuables;
(b) measures for ensuring the safekeeping of all currency, negotiable instruments, and other valuable items;
(c) measures for ensuring security of strong rooms/vaults;
(d) procedures for assisting in identification of persons committing acts of robbery or burglary against the bank or financial institution;
(e) procedures for preserving evidence that may aid identification and prosecution of persons committing acts of robbery or burglary against the bank or financial institution;
provide for initial and periodic training of management and staff in their responsibilities under the security program for proper employee conduct during and after a robbery or burglary;

(f) procedures for selecting, testing, operating and maintaining appropriate security devices, as specified in regulation 10;

(g) Criteria and procedures for selecting security company or institution to provide security services to a bank or financial institution should such services be needed; and

(h) Provide for need of having security program.

6. The physical security policy and procedure manual shall exhaustively address events of burglary and robbery.

7. Every bank or financial institution shall train its Management and staff on physical security measures and such training shall cover the importance of security measures, including at minimum:

(a) how the security systems and devices work;

(b) what to do in the event of robbery or burglary;

(c) how to be a good witness;

(d) how to preserve evidence;

(e) how to deal with threatening messages and kidnappings; and

(f) what measures to take in the event of fire outbreak.

8. Every bank or financial institution shall appoint or designate a suitable officer who shall be responsible for day-to-day security matters of the bank or financial institution.

9. The Board of Directors of every bank and financial institution shall ensure effective implementation and administration of the security program and other security issues.

10. Every bank and financial institution shall install at minimum security devices as indicated in the First Schedule to these Regulations.
11. Upon prior written request from a bank or financial institution the Bank may grant exemption from complying with the provision of regulation 10.

12. (1) Every bank or financial institution shall maintain records on implementation, administration and effectiveness of the security policy, security program and other security issues.

(2) The records under sub-regulation (1) shall at least cover the information reflected in the Second Schedule to these Regulations.

13. Every bank or financial institution, after immediate reporting to law enforcement agencies, shall also report to the Bank, not later than one working day, any incident of robbery and burglary against the bank or financial institution.

14. Every bank or financial institution shall include in its internal audit manual comprehensive procedures for auditing its physical security measures.

15. Every bank or financial institution shall ensure that its banking halls are built in a manner that limits customer’s visibility and access to cash vaults, safes or strong rooms.

16. Notwithstanding the location or set-up of banks and financial institutions' strong rooms as prescribed under regulation 15, every bank or financial institution shall ensure its strong rooms are built in accordance to the best international construction standards and shall include:

(a) fire alarm security system;
(b) Intrusion detection Security Systems;
(c) 24 hours monitored surveillance cameras (CCTVs);
(d) secured locks and keys to avoid duplication; and
(e) Secured safes and storage equipments, which are rust free, water resistant and fire proof.

PART III

MISCELLANEOUS PROVISIONS

17. Without prejudice to other penalties and sanctions prescribed by the Act the violation of any of the provisions of these regulations shall attract one or more of the following sanctions and penalties:-

(a) suspension of the right to establish or open new branches;
(b) suspension of the right to accept deposits;
(c) revocation of banking license;

(d) suspension from office of the defaulting director, officer or employee;

(e) perpetual disqualification from holding any position or office in any bank or financial institution under the supervision of the Bank; and

(f) imposition of other penalties on the bank or financial institution in such amounts as may be determined by the Bank to be appropriate and reasonable;
FIRST SCHEDULE

(Made under Regulation 10)

MINIMUM SECURITY DEVICES

Every bank or financial institution shall install and appropriately maintain and operate in all its banking premises, the following security devices:

1. A means of protecting cash and other liquid assets, such means may include vault, safe or other secure space;

2. A combination lock for all safe and vault or strong room doors, with at least dual control;

3. Time locks or time delay locks for safe and strong room doors, with special time for opening and closing;

4. An alarm system or other appropriate device for promptly notifying the nearest responsible law enforcement agency or a contracted security company or institution, of an attempted or perpetrated robbery or burglary.

5. Intruder Alarm System;

6. Surveillance cameras or any other device for monitoring movements;

7. Panic buttons for all tellers;

8. Bullet proof glass for tellers’ cubicles;

9. A means of controlling unauthorized persons to access various areas in a bank or financial institution.
SECOND SCHEDULE

(Made under Regulation 12)

RECORDS ON IMPLEMENTATION, ADMINISTRATION AND EFFECTIVENESS OF THE SECURITY PROGRAM AND OTHER SECURITY ISSUES

Every bank or financial institution shall maintain records covering at least the following:-

1. Incidences of robbery or burglary the bank or financial institution experienced during the year. Please provide details;

2. Type of security devices the bank or financial institution has installed. Please list;

3. Frequency during the year the bank or financial institution tested each of its security devices to determine its effectiveness and efficiency;

4. Frequency during the year the bank or financial institution carried out maintenance of its security devices;

5. Plans the bank or financial institution has to improve testing and maintenance of security devices in the coming year;

6. Frequency during the year the bank or financial institution carried out training of its management and staff on security issues;

7. Type of training on security matters during the year the bank or financial institution conducted for its management and staff;

8. Members of management and staff who were trained during the year. Please list them by titles or positions;

9. Plans on training of security matters the bank or financial institution has for next year;

10. General annual security vulnerability assessment;
11. Any other security issues the bank or financial institution would wish to report.

Dar Es Salaam,  
3rd December 2008

BENNO J. NDULU  
Governor