



**AGREEMENT**

**FOR PARTICIPATING IN**

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**THE TANZANIA INTERBANK CASH MARKET SYSTEM**

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**BETWEEN**

**BANK OF TANZANIA**

**AND**

.....

This Agreement made the .... day of ..... 20.....

By and between

**THE BANK OF TANZANIA**, a statutory body established under the Bank of Tanzania Act, 2006 with its registered office situated at 2 Mirambo Street, 11884, Dar es Salaam with P.O. Box 2939, Dar es Salaam, (hereinafter referred to as “the Bank”) which expression shall include where the context so requires its assigns and successors in title) on the one part;

And

..... a limited liability company incorporated under the laws of United Republic of Tanzania and licensed to conduct banking business whose registered office is of P.O. Box ....., (hereinafter referred to as “the Participant”) which expression shall include where the context so requires its assigns and successors in title) on the other part;

**WHEREAS:**

- under the Bank of Tanzania Act, 2006 the Bank has powers to formulate, implement and be responsible for monetary policy;
- pursuant to these powers the Bank has established and operates the Tanzania Inter-bank Cash Market (IBCM) System in the country to facilitate communication and trading in the inter-bank cash market.
- the Participant has applied to the Bank for admission as a participant to the IBCM system and the Bank has granted the Participant’s application and has agreed to admit the Participant to the IBCM system subject to the terms and conditions contained in this Agreement, the IBCM system Code of Conduct and Operational Guidelines issued by the Bank.

**NOW THEREFORE** in consideration of the Bank having agreed to admit the Participant into the IBCM system, the parties to this Agreement do hereby covenant and agree as follows:

## **1.0. COMPLIANCE**

- 1.1 The Participant irrevocably agrees and undertakes for as long as it remains a system participant to be bound by, comply with and strictly adhere to:-
- (i) The provisions of this Agreement;
  - (ii) The IBCM system Code of Conduct and Operational Guidelines which have the effect of binding all IBCM participants *inter se*, a copy of which is attached to this Agreement, together with any amendments to the Code of Conduct and Operational Guidelines that may be made from time to time,
  - (iii) Any rules, regulations and directives published in terms of this Agreement;
  - (iv) The IBCM system access and participation criteria and standards as adopted by the Bank from time to time;
  - (v) Such other statutes, rules, regulations, jurisprudence, conventions and directives relating to IBCM operations as may now or in the future become applicable to the system participant.

## **2.0 MULTILATERAL CONTRACT**

- 2.1. The Participant is aware that Agreements similar to this one have been, are being or will be entered into between the Bank and other Participants in the IBCM system for the purpose *inter alia* of the discharge of IBCM operations. The Participant agrees that the rights and obligations contemplated herein shall govern the operations between the Participant and other Participants in the IBCM system.
- 2.2 For the avoidance of doubt, the Participant agrees that the Agreements referred in subsection 2.1 have the effect of creating a binding contract between the Participant and those other participants *inter se*, as well as between the Bank and each of those other participants upon the terms and conditions contained herein for the purposes of IBCM participation.
- 2.3 Upon signing this Agreement by the Participant, the Participant becomes contractually bound to other Participants of the IBCM system upon the terms and conditions contained herein.

## **3.0 INCONSISTENCY WITH THE CODE AND GUIDELINES**

- 3.1. If a provision of this Agreement is inconsistent with the provisions of the IBCM Code of Conduct and Operational Guidelines, the provisions of the IBCM Code of Conduct and Operational Guidelines shall prevail.

#### **4.0 OBJECTIVE OF IBCM SYSTEM**

- 4.1. The objective of the IBCM system is to provide a platform for lending and borrowing amongst banks. The platform shall serve the purpose of equilibrating short-term liquidity position of banks.

#### **5.0 DISCIPLINARY AND ARBITRATION**

- 5.1. The Bank shall take disciplinary action against any IBCM system participant for a violation of any provision of this agreement, code of conduct and operational guidelines; or for other conduct detrimental to the operations of the IBCM system, by expulsion, suspension, limitation or restriction of activities, functions and operations, fine or censure or any other action as may be deemed necessary.
- 5.2. The Participant agrees further that should it be in breach that causes loss to another participant following the Participant's failure to adhere to the IBCM system code of conduct and operational guidelines applicable from time to time, the Participant shall forthwith upon demand make good such loss to the aggrieved Participant(s).
- 5.3. The Participant agrees further that it shall not institute legal action against any other Participant in respect of a loss, unless and until the matter has been referred to the Bank, and the Bank has ruled that the matter is incapable of being satisfactorily dealt with in terms of this Agreement, and or the IBCM Code of Conduct and Operational Guidelines.

#### **6.0 ALTERATION, CLOSURE OR SUSPENSION, OF THE IBCM SYSTEM OPERATIONS**

- 6.1. The Bank and the Participant agree that for the purposes of this Agreement, the IBCM system' Business Day and the hours of operation shall be as specified in the operational guidelines.
- 6.2. The Bank may, on sufficient reasons to be communicated, temporarily suspend operations of the IBCM system.

#### **7.0 REPRESENTATIONS AND WARRANTIES**

- 7.1. The Participant represents and warrants to the Bank and to all other Participants that it has full legal capacity to enter into this Agreement and the person or persons acting on its behalf are duly authorized to bind the Participant by virtue of a resolution of its directors.

**8.0 LIMITATION OF LIABILITY**

8.1. The Bank shall not be liable for any act or failure to act in the performance of its obligations under this Agreement, nor for the consequences of such acts or omissions and shall therefore not be liable to the Participant or any other IBCM system participant for any loss, costs, claims, demands or other damages howsoever suffered or incurred by the participant or any other IBCM system participant, arising out of this Agreement or the performance of it.

**9.0. AMENDMENTS**

9.1. Any amendment to this Agreement must be in writing, signed by authorized representatives of both parties

9.2. Notwithstanding the foregoing provisions, the Bank is hereby authorized by the Participant to advise all other Participants of the terms of this Agreement and of any amendments to this Agreement.

**IN WITNESS WHEREOF** the IBCM system participant and the Bank have caused these presents to be executed in the manner and year first above written.

SIGNED and SEALED with the COMMON )  
SEAL of the said BANK OF TANZANIA and )  
DELIVERED in our presence this ..... )  
day of .....2018: )

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**SEAL**

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Name .....  
Signature.....  
Postal Address .....  
Designation .....

Name .....  
Signature.....  
Postal Address .....  
Designation .....

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SEAL of the said ..... and )  
DELIVERED in our presence this .....)  
day of .....2018: )

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