TIER 2 MICROFINANCE BUSINESS LICENCE APPLICATION CHECKLIST – ZANZIBAR

Name of Applicant (Institution): ……..

Date of Submission: …….

Please indicate **YES** for items that are attached, **NO** for items that are not attached, and **N/A** for items that are not applicable to your application.

Reference is made to *the Zanzibar Microfinance Service (Non-Deposit Taking Microfinance Service Providers) Regulations, 2025*.

General Information to the Applicant

1. The applicant must formally be established under the Companies Act, No.15 of 2013 or any other relevant law.
2. The business name of the applicant must include either of the following words: "microfinance", "finance", "financial services", "financial solution", "credit" or "microcredit".
3. The applicant is required to pay a non-refundable application fee of TZS 500,000 through a direct transfer made to the Bank of Tanzania:

   Account No: 9944713001
   Account Name: MFCs & FICOs Applicant Fees
   Remittance Information: Application fee for (Put Name of Applicant)

4. All Tier 2 License applications for Microfinance Service Providers in Zanzibar can be submitted to the Bank of Tanzania Head Office (Dodoma) and all Bank branches located at Mwanza, Dodoma, Mbeya, Mtwara, and Arusha, and Sub-Head Offices located at Dar es Salaam and Zanzibar.

NOTE: Bank of Tanzania will only receive and process applications with all required documents as itemized hereunder.

List of Documents required for Tier 2 license application

S/n	Name of Document	Submission Status
	Indicates the status of document submission **i.e. (Yes, No, N/a)**	
	A. To all applicants	
1.	Letter of application in the format prescribed under the First Schedule of *the* Zanzibar *Microfinance Service (Non-Deposit Taking Microfinance Service Providers) Regulations, 2025.*	
2.	Swift advice or any other document acceptable to the Bank evidencing payment of application fee	
3.	Proof of the source of capital for foreign owners or shareholders (Example: Audited financial Statements of companies owned by the applicant, Salary Slip, dividend statement indicating the number of shares held and dividend paid, rental income - attach proof of	

S/n	Name of Document	Submission Status
	Indicates the status of document submission **i.e. (Yes, No, N/a)**	
	ownership of the house/property, coupon from debt instruments, and other similar evidence).	
4.	Proof of availability of capital (bank account statement indicating a balance of at least TZS 50,000,000 for locally owned microfinance service provider and TZS 100,000,000 for foreign-owned microfinance service provider)	
5.	Certified copies of academic and professional certificates of the owners, members of the governing body, and the Chief Executive Officer	
6.	The lending policy layout should comply with Regulation 36, as follows:	
	(a) lending procedures and required documents;	
	(b) eligibility requirements for a loan;	
	(c) types of loans, tenure and frequency of payments;	
	(d) types of acceptable collateral;	
	(e) loan limits per borrower and per product;	
	(f) loan pricing which includes interest rates, fees and charges. (The interest rate is to be computed based on the reducing balance method);	
	(g) loan approval process;	
	(h) determination of the borrower's ability to repay the loan;	
	(i) loan guarantee requirements if applicable;	
	(j) monitoring and evaluation of credit quality;	
	(k) the grace period, if applicable;	
	(l) loan recovery and follow-up procedures;	
	(m)the criteria and procedure for restructuring loans;	
	(n) loan processing time upon submission of a complete loan application; and	
	(o) the criteria and procedure for approval and authorization required for writing off bad debts	
7.	Loan Application Form to comply with Regulation 37, as follows:	
	(a) full name;	
	(b) date of birth or date of registration;	
	(c) gender;	
	(d) an applicant's identity card, which may be Zanzibar Identification Card, National Identification Card, or Passport;	
	(e) place of residence or place of business;	
	(f) occupation or type of business;	
	(g) loan purpose;	
	(h) economic sector;	
	(i) loan amount;	
	(j) collateral offered;	
	(k) marital status;	
	(l) number of dependents;	

S/n	Name of Document	Submission Status
	Indicates the status of document submission **i.e. (Yes, No, N/a)**	
	(m) employer;	
	(n) monthly income;	
	(o) monthly expenses;	
	(p) existing loan obligations with other lenders; and	
	(q) any other information as the Bank may require.	
	Loan application form shall contain a requirement that the applicant shall provide consent and a declaration that his credit information may be obtained, shared, or disclosed in accordance with the requirements of the Act and these regulations, as stipulated under regulation 35.	
8.	Sample loan agreement to comply with regulation 38(2), as follows:	
	(a) loan amount;	
	(b) loan purpose;	
	(c) collateral details for the loan;	
	(d) interest rate per repayment frequency;	
	(e) interest rate per annum;	
	(f) all other fees charged;	
	(g) loan repayment schedule that includes the date of loan disbursement, number of installments, total amount of each installment indicating principal, interest, and fees components separately, and due date of each payment;	
	(h) sum of all payments until the loan is fully paid;	
	(i) interest rate computation method;	
	(j) late payment penalty and its computation method;	
	(k) debt recovery fee, charges or expenses;	
	(l) notice of security interest for collateral used to secure the loan;	
	(m) conditions for early settlements of loan;	
	(n) rights and responsibilities of the borrower, consisting of conditions that may lead to termination of the agreement;	
	(o) rights and responsibilities of the microfinance service provider; and	
	(p) names and signatures of the borrower and the microfinance service provider.	
9.	A declaration of the source of capital and that the funds to be invested have not been obtained criminally or associated with any criminal activity. (It must be attested by Commissioners for Oaths) in the format prescribed under the Fifth Schedule.	
10.	Proof of citizenship of every subscriber, proposed Director, Chief Executive Officer, and individual money lender. This includes: two recent passport-size photographs, and either a certified copy of: (i) Passport; or (ii) National ID; or (iii) Zan ID.	
11.	Duly filled Questionnaire for Owners, members of the governing body, and the Chief Executive Officer of the microfinance service provider as provided in the Third Schedule.	

S/n	Name of Document	Submission Status
	Indicates the status of document submission **i.e. (Yes, No, N/a)**	
12.	Details of the Contact Person including Name, Postal Address, Telephone Number, and E-Mail Address. (This should be the owner or shareholder or director of the company)	
	B. To an entity	
	In addition to the documents listed in item A above, an entity shall submit the following:	
1.	Certified copy of certificate of incorporation and company search from BPRA.	
2.	Governing body Resolution authorizing application for License in the case of an entity.	
3.	Latest Credit Reference Report for owners, members of the governing body and chief executive officer from Credit Reference Bureaux.	
4.	Copy of latest Audited financial statements for an existing entity.	
	C: To individual money lenders	
	In addition to documents listed in item A above, individual money lenders shall submit the following:	
1.	Certified copy of the certificate of business name registration.	
2.	Latest Credit Reference Report for the Owner, CEO from Credit Reference Bureaux.	

Declaration of the Applicant

I, ……., hereby declare that all required documents have been attached as indicated above for Tier 2 license application, and I understand that the application with incomplete documents will not be received by the Bank of Tanzania.

…… …….

Signature of Applicant or Authorized Officer **Date**