

Banking and Financial Institutions (Mortgage Refinance Companies) (Amendment)

GOVERNMENT NOTICE NO 456 published on 14/07/2023

THE BANKING AND FINANCIAL INSTITUTIONS ACT,
(CAP. 342)

REGULATIONS

(Made under section 71)

THE BANKING AND FINANCIAL INSTITUTIONS (MORTGAGE REFINANCE COMPANIES)
(AMENDMENT) REGULATIONS, 2023

Citation

1. These Regulations may be cited as the Banking and Financial Institutions (Mortgage Refinance Companies) (Amendment) Regulations, 2023 and shall be read as one with the Banking and Financial Institutions (Mortgage Refinance Companies) Regulations, 2022 hereinafter referred to as the “principal Regulations”.

GN. No.
559 of 2022

Amendment of
regulation 3

2. The principal Regulations are amended in regulation 3 by adding in their appropriate alphabetical order the following definitions:

“executive director” means a person who is involved in the day-to day management of a bank or financial institution and sits on the board of directors;

“non-executive director” means a person who does not hold any executive or management position in a bank or financial institution;”

Amendment of
regulation 6

3. The principal Regulations are amended in regulation 6(3) by deleting paragraph (b) and substituting for it the following:

“(b) a copy of proof of payment of a non-refundable application fee of five million Tanzanian shillings.”

Deletion of
regulation 8

4. The principal Regulations are amended by deleting regulation 8.

Amendment of
regulation 10

5. The principal Regulations are amended in regulation 10 by adding immediately after subregulation (2) the following:

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“(3) Where the Bank is satisfied that the proposed member does not meet the specified criteria, the Bank shall direct the MRC to propose another person.”

Amendment of
regulation 12

6. The principal Regulations are amended in regulation 12 by deleting subregulation (2) and substituting for it the following:

“(2) The business plan under subregulation (1) shall, at minimum, include MRC’s vision and mission, principal business activities, organization and management, planned sources and uses of capital and other funds, market analysis and business projections under various scenarios and assumptions.”

Amendment of
regulation 14

7. The principal Regulations are amended in regulation 14 by-

(a) deleting subregulation (3) and substituting for it the following:

“(3) The MRC credit extensions shall be fully secured by qualified collateral.”

(b) adding immediately after subregulation (3) the following:

“(4) For the purpose of subregulation (3), a credit extension shall be deemed fully secured when a qualified collateral covers at least:

(a) 111% of credit amount, for the case of first ranking specific debenture charge on the selected loan portfolio of mortgages;

(b) 100% of credit amount, for the case of-

(i) securities issued or guaranteed by the Government of the United Republic; or

(ii) bank fixed deposits.”.

(c) renumbering subregulations (4) to (7) as subregulations (5) to (8) respectively.

Amendment of
regulation 31

8. The principal Regulations are amended in regulation 31, by-

(a) designating the contents of that regulation as subregulation (1); and

(b) adding immediately after subregulation (1) as designated the following:

“(2) The suspension referred to under subregulation (1) shall continue to be in force until where the mortgage refinance company, director,

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officer or employee has rectified the non- compliance which led to the suspension.”

Amendment of
First Schedule

10. The principal Regulations are amended in the First Schedule by deleting the words “Enclosed is a cheque for Tanzanian Shillings five million being payment of our application fee.” and substituting for them the words “Enclosed is a copy of proof of payment of Tanzanian shillings five million being payment for application fee.”

Amendment of
Third Schedule

9. The principal Regulations are amended in the Third Schedule by -
(a) deleting subparagraph (b) in paragraph 1;
(b) renaming subparagraphs (c) and (d) as paragraphs (b) and (c) respectively;
(c) deleting paragraph 3; and
(d) renumbering paragraph 4 as paragraph 3.

Dar es salaam,
6th July, 2023

EMMANUEL M. TUTUBA
Governor