

THE UNITED REPUBLIC OF TANZANIA

Supplement No. 92

29th October, 2021

SUBSIDIARY LEGISLATION

*To The Gazette Of The United Republic Of Tanzania No. 92 Vol. 102 Dated 29th October, 2021
Printed By The Government Printer, Dodoma By Order Of Government*

GOVERNMENT NOTICE No. 766 Published On. 29/10/2021

THE BANKING AND FINANCIAL INSTITUTIONS (DEVELOPMENT FINANCE)
REGULATIONS, 2021

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

REGULATIONS

(Made under section 71)

THE BANKING AND FINANCIAL INSTITUTIONS (DEVELOPMENT FINANCE)
REGULATIONS, 2021

PART I
PRELIMINARY PROVISIONS

- Citation 1. These Regulations may be cited as the Banking and Financial Institutions (Development Finance) Regulations, 2021.
- Application 2. These Regulations shall apply to any person engaged in development finance operations.
- Interpretation
in Cap.342 3. In these Regulations, unless the context requires otherwise:
"Act" means the Banking and Financial Institutions Act;
"allied undertaking" includes business of insurance, securities trading, credit card services, and such other activities as may be specified by the Bank; "Bank" has the meaning ascribed to it by the Bank of Tanzania Act;
"Board" means the board of directors of a development finance institution; "conflict of interest" means a situation in which someone in a position of trust,
has competing professional, business or personal interest, making it difficult to fulfill his duties impartially;
"core capital" has the meaning ascribed to it under the Act;
"development finance institution" means a financial institution which carries on any activity, whether for

profit or otherwise, with or without any Government funding, with the purpose of promoting development in the industrial, agricultural, commercial or other economic sector, including the provision of capital or other credit facility;

"director" has the meaning ascribed to it under the Act;

"first class international bank" has the meaning ascribed to it under the Act; "first class international financial institution" means an international insurance

company, international development finance institution or other international financial institution that has a minimum long-term rating by internationally recognized rating agencies of "A" or above;

"fit and proper person" means a person with the attributes required of a member of the board of directors and management of a development finance

PART II LICENSING

Application
for licence

4.-(1) A person who intends to engage in development finance operations shall, by a letter in the form prescribed in the First Schedule, apply for a licence to the Bank.

(2) A person shall, before submitting an application under subregulation (I), apply for a pre-filing meeting with the Bank.

(3) An application referred to under sub-regulation (I) shall be signed by the directors of the applicant or a person authorized by the applicant and be accompanied with a copy of-

(a) each of the documents listed in the Second Schedule; and
(b) telegraphic transfer or banker's cheque of ten million Tanzanian Shillings or any other amount as may be determined by the Bank, payable to the Bank as non-refundable application fee.

(4) A person who contravenes the provision of subregulation (I) commits an offence and shall, on conviction, be liable to the punishment stipulated in the Act.

(5) The provisions of this regulation shall not apply to

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bank or financial institution provided that such bank or financial institution-

- (a) has a minimum core capital of Tanzania Shillings two hundred billion; and
- (b) submits to the Bank a specific business plan for purpose of carrying out development finance business.

Feasibility
study

5.-(1) An applicant for a license shall provide details of a feasibility study, business plan and projected balance sheets, income statements and cashflow statements for four years.

(2) The applicant shall, at minimum, provide-

- (a) proposed policies and procedural manuals establishing the manner in which the development finance institution shall operate in accordance with the principles established in Risk Management Guidelines for Banks and Financial Institutions;
- (b) description of accounting system and information and communication technology to be used in the operations of the institution and proposed future investment;
- (c) number of employees, job descriptions of senior management positions and an organization chart;
- (d) description of internal control procedures that the development finance institution shall implement;
- (e) narrative description of shareholders, board and senior management of the development finance institution;
- (f) plans and strategies for promoting and supporting financial inclusion in the rural areas; and
- (g) sources of funds of shareholders and subscribers.

(3) The business plan referred to under sub-regulation (1) shall be prepared in accordance with the guidelines provided in the Third Schedule.

(4) A development finance institution shall, when changes are made to its key policies set out in the Sixth Schedule of these Regulations or organization chart, submit copies of revised policies or organization chart to the Bank within thirty days after they are approved by the Board of Directors.

(5) When a development finance institution submits a revised copy of policy or organisation structure referred to under

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sub-regulation (4), it shall indicate areas of change.

Contact person 6. An applicant shall designate a principal contact person of the company and inform the Bank of such designation.

Legal opinion 7. The Bank may require the applicant to provide legal opinion on any issue related to the application of the licence as it may determine.

Financial capacity 8.-(1) The Bank shall evaluate the financial capacity of the applicant.

(2) The soundness of an applicant's financial position, his business affiliates and the financial condition of those business affiliates shall be measured on-

- (a) levels of capital as shown on balance sheets; and
- (b) the potential financial support that may be made available when the development finance institution requires capital injection.

(3) The Bank shall assess-

- (a) the ability of the applicant and his business affiliates to pay their current obligations from their income;
- (b) reasonability of valuation they assign to their assets; and
- (c) net-worth in relation to liabilities.

Proof of source of capital 9.-(1) The applicant shall indicate and declare to the Bank sources of funds for acquiring shares in the proposed development finance institution

(2) The Bank shall establish that shares in a development finance institution are not acquired with borrowed money.

(3)The provision of subregulation (2) shall not apply to a development finance institution going public, provided that shares to be acquired at the Initial Public Offer stage shall not be pledged as collateral.

Assurance of capital 10. A shareholder of a proposed development finance institution shall, provide to the Bank an assurance that the proposed paid up capital shall be fully paid before

commencement of operations.

Integrity of
shareholders

11. The Bank shall consider the history of the applicants in assessing the applicants' reputation, experience in banking operations, financial soundness and integrity in past and present business practices

Grant of
licence

12.-(1) The Bank shall, within ninety days after receipt of a complete application, or where further information has been required, after receipt of such information, grant a licence or reject the application.

(2) Where an application is rejected, the Bank shall, in writing, inform the applicant of the reasons for the rejection.

(3) An applicant whose application has been rejected may re-apply, if the deficiencies, which were the basis for rejection of the application have been corrected.

Commence-
ment of
business

13. A development finance institution shall commence operations within twelve months from the date the licence was granted unless such period is extended in writing by the Bank.

Opening of
business
units

14.-(1) A development finance institution shall not invest in capital expenditure for the purpose of establishing a subsidiary, branch, agency or additional office, without prior approval of the Bank.

(2) An application for establishment of a subsidiary, branch, agency or an additional office shall be in writing and supported by-

- (a) projected operational cost of the additional office for the next three years;
- (b) consolidated projected balance sheet and income statement for the next three years;
- (c) proposed organization structure;
- (d) detailed budget and programme for the establishment of additional office;
- (e) names and particulars, including curriculum vitae for persons proposed to take up senior positions; and
- (f) any other information the Bank may require.

PART III

ORGANISATION, OWNERSHIP AND MINIMUM CAPITAL

Incorporation

15. A development finance institution shall be incorporated as a company limited by shares under the laws of Tanzania.

Board of directors

16.-(1) The board shall be composed of not less than seven members, majority of whom shall be non-executive members and non-government officials.

(2) Members of the board shall be appointed from amongst persons who are experienced in development financing, banking, finance, accountancy or related experience.

(3) The chairperson of the board shall be a non-executive member and non-government official.

Appointment of Chief Executive Officer

17. A development finance institution shall establish procedures for appointment of the Chief Executive Officer and define the required qualifications and experience.

Vetting of board and senior management

18.-(1) The Bank shall make an assessment as to whether the proposed members of the Board and senior management of a proposed institution are fit and proper in accordance with the criteria set out in the Fourth Schedule to these Regulations.

(2) Without prejudice to sub-regulation (1), the Bank shall-

- (a) evaluate the proposed members of the Board and senior management with respect to their experience and ability to manage funds, institute proper credit evaluation, collection procedures, accounting systems, effective internal controls, audit programmes and management information systems;
- (b) interview the proposed board members and senior management and enquire as to past performance, reputation and skills where appropriate;
- (c) make an assessment of proposed board members and senior management regarding their formal education, professional qualifications, work experience, reputation, criminal record and conflict of interest; and
- (d) assess whether individuals proposed as board members

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and senior management have the requisite decision-making skills and ability to demonstrate reliability and sound character.

(3) For the purpose of the assessment under this regulation, the proposed directors and senior managers shall complete the questionnaire set out in the Fifth Schedule to these Regulations.

Declaration by
Board members

19.-(1) A member of the board shall declare to the Bank that he shall:-

Cap. 197

- (a) fulfil his obligations towards maintaining a safe, sound and profitable institution.
- (b) comply with the provisions of the Act, Bank of Tanzania Act, any written law, regulations, policies, circulars, orders, directives and 8 instructions.

Risk
management
policies

20. The board shall:-

- (a) ensure that policies on risk management are in place; and
- (b) be responsible and accountable for the implementation of such policies.

Restrictions
on ownership

21.-(1) A person shall not own or control, directly or indirectly, a beneficial interest of more than twenty percent of the voting shares of any development finance institution, except as provided under the Act.

(2) For the purpose of subregulation (1) "indirect ownership or control" means ownership or control through related parties.

Minimum
capital

22.-(1) A development finance institution shall commence operations with and maintain at all times a minimum core capital of not less than Tanzanian Shillings two hundred billion or such higher amount as the Bank may determine.

(2) An existing development finance institution shall, within five years, increase its core capital to the amount prescribed under sub-regulation (1).

(3) Notwithstanding sub regulation (2), an existing development finance institution shall increase its core capital

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to Tanzanian Shillings one hundred and fifty billion during the first three years from the date of commencement of these Regulations

(4) A development finance institution shall maintain at all times a minimum core capital and total capital equivalent to thirteen percent and fifteen percent respectively of its total risk-weighted assets and off balance sheet exposures.

(5) Where a development finance institution owns or controls a bank or financial institution, directly or indirectly, the capital adequacy requirements shall be satisfied by each bank or financial institution on a solo basis, and the parent institution shall comply with the capital adequacy requirements on a solo and consolidated basis.

Deposit of paid up capital

23. A development finance institution shall, within thirty days after grant of the licence, deposit paid up capital in Tanzanian Shilling or foreign currency in a bank or financial institution registered in Tanzania, or invest in Treasury Bills or other Government securities of not more than 364 days.

Additional capital requirements

24. The Bank may prescribe additional capital requirements based on the risk profile of a development finance institution.

Transfer of ownership

25. A development finance institution shall not transfer ownership of significant interest, merge with, acquire or take over any other development finance institution unless it has obtained prior approval of the Bank.

Determination of available capital

26.-(1) A development finance institution shall, in determining the amount of available capital for the purposes of complying with the minimum capital required under regulation 22, consider the following-

- (a) fifty per cent of the year to date profits where accounts are unaudited; or
- (b) one hundred percent of the year to date profits where accounts have been audited subject to submission of the signed accounts to the Bank.

(2) The amount of the investment of the development finance institution in the capital of another company, firm or its subsidiary to the extent of the reciprocal investment of

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such company, firm, or its subsidiary shall be deducted from the capital of development finance institution.

Subordinated
debt

27. The aggregate amount of subordinated debt that may be eligible and recognized by the Bank as supplementary capital is limited to fifty percent of core capital, provided that such subordinated debt shall-

- (a) be discounted by a cumulative factor of twenty percent per year during the last five years to maturity;
- (b) be unsecured, uninsured and not a deposit;
- (c) have an original maturity of not less than five years;
- (d) be subordinated to claims of all depositors and general creditors of the development finance institution;
- (e) not be redeemable at the option of the holder prior to maturity, except with the prior approval of the Bank; and
- (f) have no requirement for payments of principal or interest except to the extent that the development finance institution is solvent and shall remain solvent immediately thereafter.

Hybrid
instruments or
preferred stock

28.-(1) A development finance institution intending to include hybrid instruments or preferred stocks not qualifying as tier 1 capital in supplementary capital for the purposes of satisfying the requirements of regulation 22 shall apply to the Bank for approval.

(2) In considering the application under sub-regulation (1), the Bank shall take into account the requirements for eligible subordinated debt specified in regulation 27.

Capital charge
for market risk
and operational
risk

29.-(1) A development finance institution shall measure and apply capital charges in respect of market and operational risks.

(2) The minimum capital requirements for foreign exchange risk, interest rate risk and equity position risk shall be determined by applying the Standardized Measurement Method specified in the Basel Committee on Banking Supervision or such other methods as the Bank may approve.

(3) The minimum capital requirements for operational risk shall be determined by applying the standardized approach specified by the Basel Committee on Banking

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Supervision or such other methods as the Bank may approve.

Computation of
capital
adequacy ratio

30. The capital charge for market and operational risks calculated under regulation 29 shall be multiplied by the reciprocal of the minimum capital adequacy ratio of fifteen percent and added to the sum of risk-weighted assets.

PARTIV

CREDIT CONCENTRATION AND OTHER EXPOSURE LIMITS

Single
borrower's limit

31. A development finance institution shall not grant to any person and his related parties, directly or indirectly credit accommodation that exceeds the following limits-

Collateral position	(as a percentage of core capital)
Secured by collateral the value of which is at least 125% of the credit accommodation deemed by it (Fully secured)	25%
Secured by collateral the value of which is less than 125% of the credit accommodation secured by it (Partly secured)	10%
Unsecured	5%

Exceptions to
single
borrower's
limit

32.-(1) A development finance institution may exceed a limit prescribed under regulation 31 provided that the amount in excess of single borrower's limit-

- (a) is granted to, or the repayment of which is guaranteed by the Government of the United Republic;
- (b) is secured against cash, fixed deposit, Government securities, or other instruments as the Bank may approve; or
- (c) the repayment of which is unconditionally and irrevocably guaranteed by a first class international bank or a first class international financial institution.

(2) Where a development finance institution grants a credit accommodation in accordance with sub-regulation (1), it shall, within seven days from the date it approves the credit accommodation, notify the Bank and submit a copy of the collateral documents or guarantee.

Prior approval
for equity
investments

33. A development finance institution shall not engage in equity investment without obtaining prior approval of the Bank.

Equity
investment in
allied
undertaking

34. The equity investment in any allied undertaking shall not exceed twenty-five percent of the core capital of the development finance institution.

Equity
investment in
nonallied
undertaking

35.-(1) Subject to sub-regulation (2), the equity investment in any nonallied undertaking shall not exceed five percent of the core capital of the development finance institution.

(2) The equity investment in any single company other than an allied undertaking shall not exceed thirty five per cent of the total subscribed share capital of the investee company.

Total equity
investment
and credit
accommodati
ons

36. The total equity investments and credit accommodations to any single company shall not exceed twenty-five per cent of the core capital of the investing development finance institution.

Aggregate
equity
investments

37. The aggregate equity investments in all companies shall not exceed fifty per cent of the core capital of the development finance institution.

Monitoring of
credit
accommodati
on

38. A development finance institution shall establish systems to identify and monitor credit accommodation to its insiders.

Transactions
with insiders

39. All transactions of a development finance institution with any of its insider shall be on the terms not more favourable than would be available to others.

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Conditions
for credit
accommodati
on to insiders

40.-(1) A development finance institution shall not grant, directly or indirectly, any credit accommodation to any of its insider unless the credit accommodation has been unanimously approved by all members of the board in a meeting where the director or alternate director who stands to benefit from the credit has inhibited himself from attending.

(2) Where a development finance institution grants a credit accommodation to an insider in accordance with sub-regulation (I), shall, within seven days from the date of granting such accommodation, notify the Bank.

Credit
limit to
single
insider

41.-(1) The total amount of credit accommodation, which a development finance institution may grant, directly or indirectly, to any insider shall not exceed ten percent of the core capital of the development finance institution.

(2) The limit prescribed under sub-regulation (1) shall apply notwithstanding the type and value of security held.

Aggregate
credit limit to
insiders

42. A development finance institution shall not grant credit accommodations whose aggregate amount exceeds twenty five percent of its core capital to its insiders or a person who has ceased to be an insider within two years from the date when such a person ceased to be an insider.

Restriction on
unsecured
credit
accommodati
ons

43. A development finance institution shall not grant unsecured credit accommodation to insiders except salary advance to senior management.

Loans
to
emplo
yees

44.-(1) A development finance institution shall not grant salary advances to any of its officers and employees, which exceed the annual remuneration of the borrowing officer or employee.

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Aggregate
large
exposures
limit

45. Aggregate large exposures shall not exceed one thousand five hundred percent of core capital of the lending development finance institution.

Restrictions
on
investments
in fixed
assets

46. A development finance institution may purchase, acquire or lease fixed assets where it is necessary for its business, including reasonable provision for anticipated future expansion and housing of its officers or employees provided that-

- (a) the total investment of the development finance institution in such fixed assets at depreciated net book value, shall not exceed twenty percent of its core capital;
- (b) the limitations under this regulation shall not apply to-
 - (i) the acquisition of any asset in settlement of a debt to the development finance institution provided that the asset is sold within three years of its acquisition date or within a period approved by the Bank; and
 - (ii) institutions carrying on the business of mortgage financing and property acquired for leasing activities.

PART V
MANAGEMENT OF RISK ASSETS, CLASSIFICATION AND
PROVISIONING

Credit risk
management
policies

47.-(1) The Board shall ensure that there are appropriate credit risk management policies which are consistent with principles set out in the Risk Management Guidelines for Banks and Financial Institutions ..

(2) The policies under sub-regulation (1) shall, include-

- (a) a credit policy establishing a framework for making credit and investment decisions;
- (b) procedures and limits providing for adequate identification, measurement, monitoring, and control of the risks posed by lending activities;

- (c) lines of accountability and authority across the institution's lending activities;
- (d) an appraisal mechanism and appraisal-reporting system for all loans;
- (e) prescription of a minimum internal rate of return required for projects in different sectors and sizes;
- (f) requirement for defining and monitoring performance indicators that measure the broader economic benefits of the project;
- (g) requirement for periodic supervision of all projects financed by the institution; and
- (h) requirement for review of new activities to ensure that there are infrastructures necessary to identify, monitor, and control risks associated with that activity before the activity is initiated.

Review of
credit policy

48.-(1) The Board shall review the credit policy at least once a year to ensure the policy remains relevant.

(2) The policy under sub-regulation (1) shall be submitted to the Bank within thirty days after approval by the Board, provided that where any changes are made to the policy, the development finance institution shall indicate such changes.

Quarterly
review and
classification

49.-(1) A development finance institution shall review and classify its outstanding loans and other risk assets including contingent accounts or off balance sheet items at least once every quarter.

(2) A development finance institution shall not upgrade a classified credit accommodation into a better category without prior approval of the Bank.

(3) Notwithstanding sub-regulation (2), a development finance institution shall downgrade credit accommodations which have demonstrated weaknesses that warrant downgrading.

Classifica
tion
criteria

50.-(1) Credit accommodations shall be classified into five categories and assigned provision rates as follows-

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Classification	Provision rate
Current	Zero percent
Especially mentioned	Five percent
Substandard	Ten percent
Doubtful	Fifty percent
Loss	One hundred percent

	<p>(2) Non-performing credit accommodation shall include substandard, doubtful and loss categories.</p> <p>(3) A development finance institution shall, in classifying its credit accommodations, apply both qualitative and quantitative criteria.</p>
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Number of Days Past Due	Classification
181 - 365	Substandard
366 - 540	Doubtful
541 and above	Loss

Classification
by quantitative
criteria

51. Outstanding credit accommodations reviewed by quantitative approach shall be classified as follows:

Classification
by qualitative
criteria

52. In addition to classifying credit accommodation as either current or past due, a development finance institution shall review qualitatively and classify such credit accommodations into current, especially mentioned, substandard, doubtful or loss.

Current
classification

53. Current credit accommodations are those which do not have a greater than normal risk and do not possess the characteristics and weaknesses of classified credit accommodations as described in these Regulations.

Especially
mentioned
classification

54. Especially mentioned credit accommodations refer to credit accommodation which are superior in quality to those classified as substandard, but which are potentially weak and thus require closer management supervision and includes-

- (a) credit accommodations with technical defects and collateral exceptions such as-
 - (i) un-located collateral file and documents including but not

- limited to title papers and deeds, mortgage instruments and promissory notes;
- (ii) improper execution of supporting deed of assignment, pledge agreement, or mortgage;
 - (iii) unregistered mortgage instruments;
 - (iv) collateral not covered by appraisal reports or whose appraisal reports are un-located;
 - (v) credit accommodations where corresponding promissory notes or credit agreements were signed by a person other than the authorised officer of the borrowing firm;
 - (vi) credit accommodations secured by property the title to which bears an un cancelled lien or encumbrance;
 - (vii) collateral not insured or with inadequate or expired Insurance coverage;
 - (viii) credit accommodations to companies not covered by authenticated board resolutions authorizing the borrowings;
or
 - (ix) unsecured credit accommodations granted to directors and officers contrary to the provisions of subsection (2) of section 26 of the Act.
- (b) credit accommodations not supported by up-to-date and adequate financial statements or credit information and they include:
- (i) credit accommodations renewed, renegotiated or restructured without updated financial statements or income tax returns; or
 - (ii) credit accommodations without credit investigation or analysis reports or updated credit information independently verified by the lender.
- (c) credit accommodations that need the attention of management for special or corrective action or both, these includes:
- (i) credit accommodations wherein efforts to collect are not evident or are deemed inadequate;
 - (ii) credit accommodations granted beyond the discretionary limit of the approving authority;
 - (iii) drawings or availing against an expired credit line or drawings or availing without prior approval of the appropriate executive officers;
 - (iv) credit accommodations to borrowers who failed to comply with conditionality of the credit accommodations such as, failure to operate the account satisfactorily;
 - (v) credit accommodations to firms with profitable operations

- but belonging to a distressed industry;
- (vi) combined indebtedness to the development finance institution of a group of persons, firms or companies that are related, linked or connected to each other through common ownership, management or control or through common family or business interest where twenty five per cent or more of such combined indebtedness is past due;
 - (vii) credit accommodations to borrower who frequently fails to respond to bank calls, visits or demand notices to pay; or
 - (viii) credit accommodations the repayment of which may be endangered by economic or market conditions or other factors which in the future may adversely affect the borrowers' ability to meet scheduled repayments such as declining or fluctuating operation, illiquidity, increasing leverage trend, or declining market prices over a given period.

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Substandard
classification

55.-(1) Credit accommodations classified as substandard are those with weaknesses that jeopardise their liquidation such as weaknesses inherent in loans especially mentioned which are more severe or which have remained uncorrected over a period of one hundred and eighty one days or more.

(2) The weaknesses under sub-regulation (1) may include adverse trend or developments of financial, managerial, economic, or political nature, or a significant weakness in collateral.

(3) The basic characteristics of credit accommodations subject to substandard classification are as follows-

- (a) credit accommodations which are non-performing;
- (b) credit accommodations which possess the technical defects and weaknesses of loans especially mentioned and which have remained uncorrected for one hundred and eighty one days or more since the occurrence of deficiency;
- (c) credit accommodations, whether current or past due, which have become unsound due to unfavourable results of operations of the borrower, significant under-capitalisation of the borrower, or absence of favourable track record showing borrower's financial responsibility;
- (d) term loans to borrowers whose cash flows are not sufficient to meet currently maturing debts and or overdrafts whose funds had been diverted or proceeds of the financed projects are not used to repay the amount outstanding; or
- (e) credit accommodations to distressed industries repayments of which are impaired.

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Doubtful
classification

56. Credit accommodations having the following basic characteristics shall be classified as doubtful.

- (a) credit accommodations classified as substandard in previous two consecutive quarterly reviews without any significant improvement since then in terms of full payment of interest due among other things, except where such loans are well-secured by legally enforceable collaterals, standby letters of credit and irrevocable guarantees of top rated international banks, or the Government and that legal action has commenced and realization of collateral within one year or enforcement of the guarantees within thirty days from demand can be expected;
- (b) past due loans secured by collaterals such as inventories, receivables, equipment, and other chattels which have declined in value materially, without the borrower offering additional collateral and the borrower's financial condition does not justify unsecured lending;
- (c) past due loans secured by real mortgage title to which property is subject to an adverse claim rendering settlement of the loan through foreclosure doubtful or unviable; or
- (d) credit accommodations whose possibility of loss is extremely high but for certain important and reasonably specific pending factors that may work to the advantage and strengthening of the asset, its classification as an estimated loss is deferred until a more exact status is determined.

Loss
classification

57. Credit accommodation having the following basic characteristics shall be classified as loss-

- (a) credit accommodations classified as doubtful in previous two consecutive quarterly reviews without any significant improvement since then;
- (b) credit accommodations to borrowers whose whereabouts are unknown, or who are insolvent, whose earning power is permanently impaired and the guarantors or co-obligors are insolvent, or that their guarantees are not financially supported; or
- (c) credit accommodations considered as absolutely uncollectible.

Multiple
credit
accommo-
dations

58. Where a development finance institution has granted more than one credit accommodation to a borrower or group of related parties, all such credit accommodations shall be assigned the least favourable classification given to any one of those credit accommodations.

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Security consideration	59. The criteria for classifying credit accommodations shall apply notwithstanding the type of security held.
Rescheduling and restructuring	<p>60.-(1). A development finance institution shall maintain detailed written procedures to be followed in rescheduling or restructuring credit accommodations.</p> <p>(2) The rescheduled or restructured non performing credit accommodations shall not be upgraded into better classification unless new repayment schedule has been fully complied with for at least;</p> <p>(a) four consecutive instalments for credit accommodations whose repayment schedules are equal or less than two months, or</p> <p>(b) two consecutive instalments for credit accommodations whose repayment plan is scheduled on quarterly, semi-annually or annually basis.</p> <p>(3) Credit accommodations shall not be classified as non-performing where-</p> <p>(a) they are rescheduled once at the time of project completion;</p> <p>(b) the project is completed within six months of the original schedule;</p> <p style="padding-left: 20px;">and</p> <p>(c) cost overruns do not exceed ten percent.</p>
Special non-distributable reserve	<p>61.-(1) Notwithstanding International Financial Reporting Standards, a development finance institution shall classify credit accommodations and other assets and establish specific provisions not less than those specified in these Regulations.</p> <p>(2) Where the provisions computed in accordance with International Financial Reporting Standards are less than those required by these Regulations, a special non-distributable reserve shall be created through an appropriation of distributable reserves to eliminate the shortfall.</p>

PART VI
LIQUIDITY REQUIREMENTS

Liquidity
management
policies

62.-(1) The Board shall adopt liquidity management and funding policies which are consistent with the principles set out in the Risk Management Guidelines for Banks and Financial Institutions.

(2) The policies under sub-regulation (1) shall include-

- (a) delegation of responsibility for overall management of liquidity of the development finance institution to a specific, identifiable group;
- (b) establishment and implementation of effective techniques and procedures to identify, measure, monitor and manage liquidity risk both in individual currencies and overall;
- (c) requirement for analysing net funding needs under alternative scenarios;
- (d) contingency liquidity planning;
- (e) requirement for preparation of cash flow forecasts to be carried out monthly for the next twelve months period;
- (f) requirement for preparation of a gap analysis to be carried out at least quarterly to compare the tenor of assets and liabilities in different time bands, from as short as thirty days to as long as five years and a plan for dealing with negative gaps; and
- (g) a policy on minimum acceptable debt service ratio.

(3) The liquidity management and funding policies under sub-regulation (1) shall be reviewed at least once a year to ensure that they remain relevant.

(4) The policies under sub regulation (3) shall be submitted to the Bank within thirty days after approval by the Board, provided that where any changes are made to the policies, the development finance institution shall indicate such 18 changes.

Adequacy of
liquidity

63. A development finance institution shall maintain sufficient liquid assets to meet maturing obligations and fund assets growth.

PART VII GENERAL PROVISIONS

Prohibited
activities

64. A development finance institution shall not-

- (a) mobilize or accept demand deposits or operate account similar to a current account that can be debited by the customer by writing a cheque or requesting a payment order;
- (b) mobilize or accept any savings deposits;
- (c) mobilize or accept time or fixed deposit with a maturity of less than twenty four months; and
- (d) open a branch or subsidiary abroad, if its majority shares are owned by the Government.

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Compliance with other regulations	<p>65.-(1) The provisions of regulations relating to</p> <ul style="list-style-type: none">(a) disclosures;(b) external auditors;(c) foreign exchange exposure limits except net open position requirement;(d) prompt corrective actions except for the meaning of adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized;(e) internal control and internal audit;(f) corporate governance; and(g) consolidated supervision, shall apply to development finance institutions. <p>(2) For the purpose of this regulation:</p> <ul style="list-style-type: none">(a) "adequately capitalized" means core capital of not less than thirteen per cent of total risk-weighted assets and off balance sheet exposure determined in accordance with these regulations(b) "critically undercapitalized" means core capital of less than seven percent of risk-weighted assets and off balance sheet exposure determined in accordance with these regulations.(c) "significantly undercapitalized" means core capital of less than nine percent of total risk-weighted assets and off balance sheet exposure determined in accordance with these regulations; and(d) "undercapitalized" means core capital of less than thirteen percent of total risk-weighted assets and off balance sheet exposure determined in accordance with these regulations; and
Policies on management of foreign exchange risk	<p>66.-(1) The Board shall adopt foreign exchange risk management policies which are consistent with the principles set out in the Risk Management Guidelines for Banks and Financial Institutions.</p> <p>(2) The foreign exchange risk policies shall provide for establishment of foreign currency exposure limits in any single currency, irrespective of short or long position, overall exposure and risk mitigation measures.</p>
Socially viable programs or products	<p>67.-(1) A development finance institution may, for the purpose of implementing its policy objectives, and subject to a written agreement with the Government, undertake socially viable programs or products that do not meet the institution's commercial credit assessment criteria.</p> <p>(2) The agreement entered under sub-regulation (1), shall provide</p>

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for obligations of the Government to finance such socially viable programs or products.

PART VIII
ADMINISTRATIVE SANCTIONS

Sanctions

68. Without prejudice to the other penalties and actions prescribed by Act, the Bank may impose one or more of the following sanctions where any of the provisions herein are contravened-

- (a) penalty on the development finance institutions, its directors, officers or employees responsible for non-compliance in such amounts as may be determined by the Bank;
- (b) prohibition from declaring or paying dividends;
- (c) suspension of access to the credit facilities of the Bank;
- (d) suspension of lending and investment operations;
- (e) suspension of capital expenditure;
- (f) suspension of the privilege to issue debt instruments;
- (g) suspension from office of the defaulting director, officer or employee;
- (h) disqualification from holding any position or office in any bank or financial institution ; and
- (i) revocation of the license.

Revocation
GNNo.
99 of 2012

69. The Banking and Financial Institutions (Development Finance) Regulations are hereby revoked.

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FIRST SCHEDULE

(Made under regulation 4(1))

APPLICATION FOR DEVELOPMENT FINANCE INSTITUTION LICENCE

The Governor,
Bank of Tanzania,
P.O. Box 2939,
Dar es Salaam,
TANZANIA.

Re: Application for a licence to carry out development finance business

Sir,

We, the undersigned, hereby apply for a License to carry out development finance business in Tanzania to be known as _____ with principal place of business at _____

The proposed development finance institution shall have an authorized share capital of _____ Tanzanian shillings and paid up capital of _____ Tanzanian shillings which shall be contributed by the following subscribers:

Subscribed Shares

	Name of Subscriber	Number	Amount	Amount Paid-up	Percentage of Ownership
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____
7.	_____	_____	_____	_____	_____
8.	_____	_____	_____	_____	_____

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9.	_____	_____	_____	_____	_____
10.	_____	_____	_____	_____	_____
11.	_____	_____	_____	_____	_____
12.	_____	_____	_____	_____	_____
13.	_____	_____	_____	_____	_____
14.	_____	_____	_____	_____	_____
15.	_____	_____	_____	_____	_____
16.	_____	_____	_____	_____	_____
17.	_____	_____	_____	_____	_____
18.	_____	_____	_____	_____	_____
19.	_____	_____	_____	_____	_____
20.	_____	_____	_____	_____	_____

Total

We jointly and severally make a firm commitment to deposit the total amount of paid up capital for the proposed development finance institution with any bank registered in Tanzania such deposit to be made not later than thirty days after grant of this application.

In support of this application, we submit herewith the documents listed in the accompanying checklist. We certify the correctness of all the information indicated in such documents to the best of our knowledge and belief.

We hereby authorize the Bank of Tanzania and any of its authorized agents or staff members to make an enquiry or obtain any information from any source for the purpose of determining the correctness of all the representations made in connection with this application or of assessing its merits.

To facilitate communication between us, we have authorized

.....
to represent all of us in regard to this application. It is understood that any notice to him shall constitute sufficient notice to all of us.

Enclosed is a cheque for three million Tanzanian Shillings being payment of our application fee.

Yours faithfully,

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_____, _____
_____, _____
_____, _____

SECOND SCHEDULE

(Made under regulation 4(3))

CHECKLIST OF DOCUMENTS

1. Letter of application in the prescribed form.
2. Proposed Memorandum and Articles of Association.
3. Proof of source and availability of funds for investment as capital of the proposed company.
4. List of shareholders and proposed members of board of directors and Chief Executive Officer.
5. Proof of citizenship of every shareholder and every proposed director and senior management officer.
This includes detailed curriculum vitae, photocopy of the pages of the passport, which contain personal information and two recent passport size photographs.
6. Description of accounting system and information and communication technology in use or to be used in the operations of the development finance institution and proposed future investment;
Number of employees, job descriptions of senior management positions and an organization chart;
Key policies that shall ensure that the development finance institution operates in a safe and sound manner.
Audited Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flows for the last three years, of every subscriber who owns five per cent or more of the share capital of the proposed development finance institution;
10. Certified copies of annual returns of every shareholder who owns five per cent or more of the share capital of the proposed company and every proposed member of the board of directors and Chief Executive Officer together with accompanying schedules or financial statements filed during the last three years with relevant Authority.
11. Certified copies of tax returns of every shareholder who owns five per cent or more of the share capital of the proposed company and every proposed member of the board of directors and Chief Executive Officer together with accompanying schedules or financial statements filed during the last three years with relevant Tax authorities together with respective tax clearance certificates.
12. Statements from two persons who are not relatives vouching for the good moral character and financial responsibility of the subscribers who own five per cent or more of the share capital of the proposed company and the proposed directors and Chief Executive Officer.

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Declaration that the funds to be invested have not been obtained criminally or associated with any criminal activity.

14. Business plan for the first four years of operations including the strategy for growth, branch expansion plans, dividend pay-out policy, career development programme for the staff and budget for the first year.

15. Projected annual Statements of Financial Position, annual Statements of Comprehensive Income and annual Statements of Cash Flows for the first four years of operation.

Brief description of economic benefits to be derived by Tanzania and the community from the proposed company.

16. Brief description of economic benefits to be derived by Tanzania and the community from the proposed company.

THIRD SCHEDULE

[Made under regulation 5(3)]

General guidelines for preparation of Business plan:-

1. The business plan should be prepared by the promoters and will be reviewed by the Bank to determine whether approval should be given to operate a development finance institution. The plan should identify the institution's markets, its proposed services, management capabilities, growth plan, and strategies for profitability.
2. The business plan should present data, which accurately reflect the economic condition of the delineated market and address statutory and regulatory changes, which may affect the operations of the proposed development finance institution. Proposal should reflect the realities of the market place.
3. A business plan should contain sufficient information to demonstrate that the proposed development finance institution has reasonable likelihood of success. In this regard a detailed listing of all assumptions such as used in preparing the business plan should be attached to the submission (e.g. a margin analysis and cost of funds). Therefore, organizers must ensure that the business plan projections are well supported and goals and objectives are properly defined on initial submission.

Market Analysis

4. Analyse the market to be served. Describe the market in which you expect to provide services in terms of economic characteristics for example size, income and industry patterns. Include anticipated changes in the market, the factors influencing those changes, and the effect they will have on the proposed institution. To the extent necessary for making business decision, describe differences in the product market to be served for example, differences in the depository and credit market. Analysis will be based on use of the most current economic data available. Sources of information used are reviewed for credibility and are important in reviewing the data.
5. Analyse the competition. List the competitors inside the market to be served, those outside who might affect the markets served and any potential competition. Give your perception and analysis of the market strategies and expected results in terms of relative strength, market shares and prices.
6. Explain the strategies you will follow to capture a share of each product market and the results you expect to achieve. Use a sample format to present a summary of your expectations.

7. Review major planning assumptions used in the analysis and in setting the plans and objectives for a new institution. Include at least the following market growth, interest rates, cost of funds and competition.
8. Projections should show the expected asset and liability mix, volume for each type of services, fixed asset investments and officer and staff remuneration. Projections must be based on the planning assumptions which must be submitted as part of the application, market analysis, and strategies discussed above. Discuss the advantages and disadvantages of the proposed asset/liabilities mix, including a net interest margin analysis, and any actions, which will be taken to reduce major risks through appropriate funds management techniques and systems.
9. Discuss the formula or basis used to arrive at the proposed capital structure and an explanation of why the promoters believe the proposed amount is sufficient in light of given market factors, strategies, and expenses. Promoters are expected to raise an amount sufficient to effectively compete in the market and adequately support planned operations in addition to all organizational expenses. The Bank may require a higher amount to maintain capital adequacy to support operations projected through the end of the institution's fourth year.
10. Discuss plans for raising capital initially and to finance growth within the first four years. Explain how the plans will keep the institution in conformity with the Bank's Capital Adequacy Regulations, 2008 specifically addressing compliance with the risk-based capital guidelines.

Credit Policy and Procedures

11. Credit policies are a set of broad statements establishing the concept and objective parameters for type, limits for maturities, loan pricing criteria client and collateral standards to be fulfilled by borrowers, aggregate and individual concentration limits, and loan authority and procedures for collection and charge-offs.
12. Credit manual must be prepared comprising of detailed guidelines for implementing the stated policies. The manual generally will address types of business desired, proper borrower financial information; credit files maintenance; enforcement of repayment schedules; and periodic review and other reports to be generated and distributed.
13. Credit policies and manuals need to cover all the steps of credit production and administration which include initiation, investigation and analysis, procedures for approval, renewals and extensions, documentation, perfection of collateral, funds disbursement and recovery.
14. The structure should in principle reflect the nature and scope of the intended activities of the institution and the mechanism by which the management envisages to govern the institution and to monitor as to what extent the objectives of the institution are achieved.
15. The structure should show the relationships between the board and management. It should also show the composition of various departments of the institution. The structure should also indicate the number of staff envisaged for each unit. Support units such as internal audit, legal services and others should be indicated.

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16. The promoters should be able to show the names of specific persons that are envisaged to take certain key positions in the institution. If the actual persons cannot yet be identified, promoters should indicate the requirement clearly in terms of training, experience and personal characteristics.
17. Promoters are required to disclose how the proposed development finance institution will develop the professional and technical skills of their staff and Tanzanians will be employed, trained and occupy positions of senior or managerial ranks in the institution. All future plans should be indicated.

Financial Projections

18. Promoters must prepare projected Statements of Financial Position, Statements of Comprehensive Income and Statements of Cash Flows. They must submit statements that reflect their assets, liabilities, and capital projections for the number of years projected to reach profitability; however, a minimum of four years must be displayed.
19. At a minimum, the information in the following forms must be provided. Additional data should be included to reflect important element of your planned asset and liability mix for example, the loan and deposit schedules might be expanded. Average balances, rather than year-end estimates, should be used. Average balances may be computed by projecting monthly or quarterly account balances and averaging (annualizing) for the appropriate number of periods used.

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20. PROJECTED STATEMENTS OF FINANCIAL POSITION [In'000 Tanzanian Shillings]

PARTICULARS	Year 1	Year 2	Year 3	Year 4
Assets				
Cash				
Balances with Bank of Tanzania				
Balances with other banks				
- in Tanzania				
- abroad				
- investment in debt securities				
- Treasury bills				
- Other Securities (use separate schedule]				
Loans, Advances and Overdrafts (Net]				
- loans and Advances				
- overdrafts				
- allowance for losses (as a deduction]				
Premises, Furniture and Equipment				
- use separate schedule]				
Other Assets (Use separate schedule]				
TOT AL ASSETS				
Liabilities				
Time Deposits				
Deposits from other banks				
- in Tanzania				
- abroad				
- other deposits (use separate schedule]				
Total deposits				
Other liabilities (use separate schedule]				
Capita				
- paid-up capital				
- Ordinar				
- preference				
Reserves				
- share premium (discount]				
- retained earnings				
- capital reserves				
- others (specify]				

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Total Equity				
TOTAL LIABILITES AND CAPITAL				
Off-balance sheet commitments				

PROJECTED STATEMENTS OF PROFIT OF LOSS AND OTHER COMPREHENSIVE
INCOME [In'000 Tanzanian Shillings]

PARTICULARS	Year 1	Year 2	Year 3	Year 4
Total Interest Income				
Interest Expenses				
- deposits (use separate schedule)				
- borrowings				
- Others (specify)				
Total Interest Expenses				
NET INTEREST INCOME				
Provision for loan losses				
Bad debt written off				
Non-Interest Income				
- foreign exchange gain/losses				
- commission and fees (use separate schedule)				
- others (use separate schedule)				
Total Non- Interest Income				
Non- Interest Expenses				
- officers' salaries and benefits				
- employees' salary and benefits				
- depreciation expenses				
- maintenance costs				
- others (use separate schedule)				
Total Non-Interest Expenses				
Operating Income (Losses)				
Extra Ordinary Income/Losses (specify)				
Net Income/Loss before Income Tax				
Income				

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Net Income/Loss after tax				
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PROJECTED STATEMENTS OF CASH FLOWS

[In'000 Tanzanian Shillings]

PRACTICE	Year 1	Year 2	Year 3	Year 4
Part I				
Cash flow from operating activities				
Net Income (Loss)				
Adjustments to reconcile income				
- provision				
- net change in loans and advances				
- gains/Loss on sale of assets				
- net change in deposits				
- net change in short-term negotiable				
- net change in other liabilities				
- net change in other assets				
- others (specify)				
Net cash provided (used) by operating activities				
Part II				
Cash flow from investing activities				
- dividend received				
- purchases of fixed assets				
- purchases of investment securities				
- proceeds from sales of investment securities -				
others (specify)				
Net cash provided (used) by investing activities				
Part III				
Cash flow from financing activities				
- Repayment of long-term debt				
- Proceeds from issuance of long-term debt				
- Proceeds from issuance of share capital				
- Proceeds from sale of fixed assets				
- Payment of cash dividends				
- Net change in other borrowings				
- Others (specify)				

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Net Cash provided (used) by financing activities				
Part IV				
Cash and Cash Equivalents				
Net decrease/increase in cash and cash equivalents				
- Cash and Cash equivalents at the beginning the year				
- Cash and Cash equivalents, current year-to- date				

FOURTH SCHEDULE

(Made under regulation 19(1))

CRITERIA FOR DETERMINING THE CHARACTER AND EXPERIENCE REQUIRED FOR A
MEMBER OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF
DEVELOPMENT FINANCE INSTITUTION

1. In order to determine, for the purpose of these Regulations, the character and moral suitability of persons proposed to be members of the Board or senior management, the Bank shall have regard to the following qualities, in so far as they are reasonably determinable, of the person concerned.

- (a) adequate education background; (b) general character;
- (c) professional skills, competence and soundness of judgment for the fulfilment of the responsibilities of the office in question; and
- (d) the diligence with which the person concerned is likely to fulfil those responsibilities.

2. For the purpose of and without prejudice to the generality of the provisions of paragraph (1), the Bank may have regard to the previous conduct and activities of the person concerned in the business or financial matters and, in particular to evidence that such person-

- (a) has committed any act of bankruptcy;
- (b) was a director or in a senior management position of a bank or financial institution that has been liquidated or is under liquidation or statutory management;
- (c) has committed or been convicted of the offence of fraud or any other offence of which dishonesty is an element; and
- (d) has contravened the provision of any law designated for the protection of members of the public against financial loss due to the dishonesty or incompetence of, or malpractices by, persons engaged in the provision of banking, insurance, investment or other financial services.

3. Any other criteria, which the Bank may prescribe, from time to time.

4. The following documents shall be submitted to the Bank with respect to each proposed director and senior management team, together with other documents the Bank may require-

- (a) detailed curriculum vitae;
- (b) certified copies of academic and professional certificates;
- (c) photocopy of the pages of the passport which contain personal information including

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- photograph, nationality, date and place of birth and issuer of the passport;
- (d) two certified passport size photographs; and
 - (e) references from two persons who are not relatives, vouching for good moral character, integrity and performance.

FIFTH SCHEDULE

(Made under Regulation 19(3))

Questionnaire for Directors and Senior Managers of development finance institution

Part I: Instructions for Filling the Questionnaire

1. This Questionnaire should be filled in duplicate by each director and senior manager of a development bank institution licensed by the Bank.
2. This form is to be completed in English. Any documents required are to have a certified English translation appended.
3. Answers to ALL questions should be TYPED or written in INK and in BLOCK LETTERS.
4. No question should be left unanswered. Where the Applicant believes that a question does not apply, the Applicant should write "Not Applicable" or "N/A".
5. If there is insufficient space to answer a question, additional information may be provided on an attachment page and identify the continuation of an answer by stating the question number.
6. All dates should be completed in the form: Day / Month / Year
7. All amounts are to be recorded in Tanzanian Shilling (TZS). Conversion from foreign currency should be made using the current exchange rate.
8. Please ensure that all answers and information are true and correct. Failure to do so constitutes a criminal offence and can lead the Bank to reject an application or disqualify a director or senior manager who has been cleared on the basis of untrue or incorrect information.
9. The following documents shall be submitted to the Bank with respect to each proposed director and senior management team, together with other documents the Bank may require-
 - (a) certified copies of academic and professional certificates;
 - (b) photocopy of the Tanzania national identity card or pages of the passport which contain personal information including photograph, nationality, date and place of birth and issuer of the passport;
 - (c) two certified passport size photographs; and
 - (d) references from two persons who are not relatives, vouching for good moral character, integrity and performance.
10. The completed application form and any supporting material, should be submitted to the office of:

Directorate of Financial Sector Supervision
Bank of Tanzania

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P.O. Box 2939
Dar-es-Salaam

*NOTE: Failure to disclose and submit all necessary information may lead to the Bank of
Tanzania rejecting the application*

Affix passport
size
photographs (2
Copies)

Part II: Personal Particulars:

1. Name of the development finance institution in connection with the application	
2. Surname	
3. First Name(s)	
4. Middle Name	
5. Have you been known by any previous name(s)?	
6. Are there any names by which you are also known as?	
7. Date of Birth	
8. Place of Birth	
9. Position to be held in a bank or financial institution	
10. For Chairman and Non-Executive Directors only:	
(a) How much time do you give, or (if a new appointment) do you anticipate giving in every month, to the business of the development finance institution?	
(b) What particular contribution do you consider that you bring, or (if new appointment) you will bring, to the work of the license holder?	

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11. National Identity Number and/or National Insurance number and/or Social Security number. Please tick and provide identification number below. Attach a certified copy of the social security identity card and or national insurance identity card aooropriately.	National Identity Number <input type="checkbox"/>	National Insurance Number <input type="checkbox"/>	Social Security Number <input type="checkbox"/>
12. Nationality (ies): Please state how nationality (ies) was acquired, e.g. by birth, naturalisation or marriage. If acquired by naturalisation or marriage, indicate previous nationality.	Birth <input type="checkbox"/>	Naturalization <input type="checkbox"/>	Marriage <input type="checkbox"/>
13. Please attach a certified copy of the Tanzania national identity card or pages of your passport(s) which contain personal information including photograph, nationality, date and place of birth and issuer of the passport;			
14. List below your official and residential addresses. If you have had any other addresses during the last 5 years, indicate them as well as relevant dates.			
Dates	Residential Address		Official Address
	Block/Plot number. Street. Postal Address District/Town City Country	Name of the Organization Block/Plot number. Street Postal Address District/Town City Country	
	Block/Plot number. Street. Postal Address District/Town City Country	Name of the Organization Block/Plot number. Street Postal Address District/Town City Country	
	Block/Plot number. Street. Postal Address District/Town City Country	Name of the Organization Block/Plot number. Street Postal Address District/Town City Country	
15. Details of academic qualifications and the year in which they were obtained. (E.g. Certificate, Diploma, Degree, Master's Degree,, etc). Please provide certified true copies of certificates in relation to the qualifications obtained.			
Qualification	Educational Establishment/ Awarding Body	Year Obtained	

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Part IV: Professional Qualifications				
16. Details of any professional qualifications and the year in which they were obtained (E.g. ACA, ACCA, ACIB etc ...). Please provide certified true copies of certificates in relation to the qualifications obtained.				
Membership No.	Professional Qualification	Year Obtained		
Part V: Professional Membership				
17. Details of current membership of any relevant professional bodies, their contact details and year of admission (e.g. Institute of Directors, Institute of Management, etc ...)				
Membership No	Professional Body's Name and Contact Details	Levels of Memberships (e.g. Associate, Fellow, Member)	Year Admitted	Status of membership (e.g. active or inactive)
Part VI: Employment History				
18. Beginning with your present occupation or employment, please list all occupations and employment. If self-employed please indicate, "SELF EMPLOYED" (NB: The Bank may seek references from previous employers.)				
Name / Address of employer	Nature of	Position	Relevant	Percentage

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	Business	Held	Dates	of ownership (For self- employed only)
Name of the Organization				
Block/Plot number..				
Street				
Postal Address				
District/Town				
City				
Country				
Name of the Organization				
Block/Plot number..				
Street				
Postal Address				
District/Town				
City				
Country				
Name of the Organization				
Block/Plot number..				
Street				
Postal Address				
District/Town				
City				
Country				

Part VII: Directorships

19.Beginning with your present directorship, please list all directorships				
Company Name	Company's nature of business	Incorporation Number	Country of Registration	Relevant Date

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20. Have you ever been involved in any litigation?

Yes

No

If any of the answers to questions 21 to 32 are "Yes", please give full particulars on a separate sheet of paper clearly stating the number of the question to which the details relate. Please note that no time restrictions apply to the matters you are asked to disclose. Any convictions and other facts must be stated.

21. Have you or any other body corporate, partnership or unincorporated institution to which you are, or have been associated with as a director, senior manager, or officer ever applied for banking business to any jurisdiction for a license or other authority to carry on banking business or other related business (e.g. insurance, mortgage finance, lease finance, development finance, etc.) regardless of whether the application was successful?	
22. Have you or at any time been convicted of any criminal offence? If so, give full details of court by which you were convicted, the offence and the penalty imposed and the date of conviction.	
23. Have you or anybody corporate, partnership or unincorporated institution to which you are, or have been associated with as a director, senior manager, or officer been subject of an investigation by a government, professional or other regulatory body?	
24. Have you ever been subject of a disciplinary enquiry?	
25. Have you ever been suspended from any office or asked to resign?	
26. Have you been dismissed from any office of employment or barred from entry to any profession or occupation?	
27. Have you ever been disqualified from acting as a director of a company, or from acting in the management or conduct of the affairs of the company, partnership or unincorporated company?	
28. Have you ever been adjudged bankrupt by a court, or entered into any compromise with creditors, or are you currently the subject of bankruptcy proceedings? Are you aware of any such proceedings pending?	

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29. Have you ever failed to honour any credit obligation as borrower of any bank or financial institution or other money lending institution?	
30. Have you failed to satisfy any debt adjudged due and payable by you as a judgment-debtor under an order of a court?	
31. Have you in connection with the formation or management of any body corporate, partnership or unincorporated institution been adjudged by a court civilly liable for any fraud misfeasance or other misconduct by you towards such a body or company or towards any members thereof?	
32. Has any body corporate, partnership or unincorporated institution with which you were associated as a director, senior manager or officer been compulsory wound up or made any compromise or arrangement with creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims.	
33. In carrying out your duties, will you be acting on the directions or instruction of any other person?	
34. State the name, address and occupation of two persons who are not relatives, vouching for your good moral character, integrity and performance of whom the Bank may enquire regarding their character and reputation.	

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DECLARATION BY THE APPLICANT

I,hereby declare the following:

I,hereby declare the following:

The content of this declaration is true to the best of my knowledge and belief. I am aware that should any information submitted herein be false, I may be liable to prosecution. I undertake, that for as long as I continue to be a director or executive officer of the institution, I will notify the Bank of any material changes to, or affecting the completeness or accuracy of, the information supplied by myself as soon as possible, but in any event not later than 21 days from the day that the changes come to my attention. I know and understand the content of this declaration. I have/do not have* objections to taking the prescribed oath. I consider the prescribed oath to be binding /not binding* on my conscience.

_____Signature of Applicant

I certify that the above statement was taken by myself and that the deponent has acknowledged that he*/she knows and understands the content of this statement. This statement was sworn to*/affirmed before me and the deponent's signature was placed thereon in my presence at

..... on this day of two thousand and

.....

COMMISSIONER OF OATHS

Full Names:.....

Address:.....

**Delete whichever is not applicable*

Checklist

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Below is a checklist that has been designed to assist applicants to ensure that all of the information required by the Bank has been submitted.

Has the Personal Questionnaire form been filled out in full?	<input type="checkbox"/>
Certified copy of pages of passport that contain personal information including photograph, nationality, date and place of birth and issuer of the passport or Tanzania national identity card.	<input type="checkbox"/>
Certified copy of the social security identity card and or national insurance identity card	<input type="checkbox"/>
Copies of stated academic qualifications	<input type="checkbox"/>
Copies of stated professional qualifications	<input type="checkbox"/>
Copies of stated membership to professional bodies	<input type="checkbox"/>
Past Employment references	<input type="checkbox"/>
List of Directorships (if applicable)	<input type="checkbox"/>

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SIXTH SCHEDULE

(Made under Regulation 5(4))

KEY POLICIES

The key policies referred to under regulation 5(4) of these Regulations are:

S/No.	Type of Policy
1	Risk Management Policy
2	Credit Risk Management Policy
3	Liquidity Risk Management Policy
4	Market Risk Management Policy
5	Operational Risk Management Policy
6	Strategic Risk Management Policy
7	Compliance Risk Management Policy
8	Human Resource Management Policy
9	Accounting Policy (Including Fixed Assets Policy)
10	Audit Policy (Including Internal and External Audits)
11	Asset/Liability Management Policy (Including Investment Policy)
12	Information and Communication Technology Policy
13	Business Continuity Management Policy
14	Anti-Money Laundering (AML) and Combating of Terrorism (CFT) Policy
15	Physical Security Policy
16	Outsourcing Policy

Dar es Salaam,
17th September, 2021

FLORENS J. LUOGA,
Governor