

THE BANKING AND FINANCIAL INSTITUTION ACT, 1991
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PRELIMINARY

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SCHEDULE

Amendment of certain laws (s.5)

THE UNITED REPUBLIC OF TANZANIA



No. 12 OF 1991

I ASSENT,
[Signature]
President
5/8/91

An Act to consolidate the law relating to business of banking, to harmonize the operations of all financial institutions in Tanzania, to foster sound banking activities, to regulate credit operations, and to provide for other matters incidental to or connected with those purposes

I I

ENACTED by the Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY

1--(1) This Act may be cited as the Banking and Financial Institutions Act, 1991. Short title and commencement

(2) This Act shall come into operation on such date as the Minister may, by notice published in the *Gazette*, appoint and the Minister may appoint different dates for the coming into operation of the different provisions of this Act. Application

2.-(1) This Act shall extend to Tanzania Zanzibar as well as to Mainland Tanzania and shall bind the United Republic.

(2) The provisions of this Act shall apply to all banks and financial institutions, and where there is a conflict between this Act and any provision of any law establishing a bank or financial institution the provisions of this Act shall prevail over those of that law.

(3) The Bank may, with the prior approval of the Minister, by notice published in the *Gazette*, order that the provisions of this Act or any part thereof shall, subject to such terms and conditions as it may impose, apply to-

- (a) Any insurance company, social security scheme, and any other person involved in the business of financial intermediation;
- (b) any Savings or Credit Society established under the Cooperative Societies Act, 1991, or the provisions of the law for the time being in force relating to the establishment and operation of cooperative societies in Tanzania Zanzibar;
- (c) any other Savings or Credit Scheme, by whatever name called, established by-
 - (i) any Village registered under the Local Government (District Authorities) Act, 1982, or
 - (ii) any other person or authority.

Acts, 1982
No. 7

(4) In exercising the power under sub-section (3), the Bank may, if it deems appropriate so to do, order that the provisions of this Act, or any part thereof, shall apply either to all or to any class of Savings or Credit Societies or Schemes.

(5) In this section, "Savings or Credit Society" or "Scheme" means a society or, as the case may be, a scheme whose principal objects are to encourage thrift among its members and to create a source of credit for its members at a fair and reasonable rate of interest.

Interpre-
tation

3. In this Act unless the context requires otherwise-

"the Bank" means the Bank of Tanzania established under the Bank of Tanzania Act, 1965;

"bank" means a financial institution authorised to receive money on current account subject to withdrawal by cheque;

"banking business" means-

- (i) the business of receiving funds from the general public through the acceptance of money deposits payable upon demand or after a fixed period or after notice, or any similar operation through the frequent sale or placement of bonds, certificates, notes or other securities, and the use of such funds either in whole or in part for loans or investments for the account and at the risk of the person doing such business; and
- (ii) any other activity recognised as customary banking practice which a financial institution engaging in the activities described in paragraph (i) may be additionally authorized to do by the Bank;

"director" means any person by whatever title or designation known carrying out or empowered to carry out functions in relation to the direction of a bank or financial institution which are substantially the same as those carried out by a member of board of directors of a company incorporated under the Companies Ordinance;

"effective date" means the date on which this Act comes into operation; Cap. 212

"financial institution" means any person authorized by or under this Act to engage in banking business not involving the receipt of money on current account subject to withdrawal by cheque;

"Governor" means the Governor of the Bank of Tanzania, appointed in accordance with the provision of section 7(2) of the Bank of Tanzania Act, 1965;

"Minister" means the Minister for the time being responsible for finance;

"place of business" means a branch or office of a bank or a financial institution including a mobile office open to the public;

"prescribed" means prescribed by regulations made in accordance with the provisions of this Act;

"unsecured" in relation to advances or credit facilities means advances or credit facilities granted without security, or in the case of any advance or credit facility granted against security, any part of such advance or credit facility which at any given time exceeds the market value of the assets comprising the security given or which exceeds the valuation approved by the Bank whenever the Bank deems that no ascertainable market value exists for the said assets. For the purposes of this definition, the Bank may prescribe the terms and conditions under which a third party guarantee may be considered as security.

PART II

LICENSING OF BANKS AND FINANCIAL INSTITUTIONS

4.-(1) No person other than a bank shall receive money on current account subject to withdrawal by cheque. Prohibition on

(2) With effect from the effective date, no institution may carry on banking business unless it has a licence issued in that behalf by the Bank. doing banking business,

(3) Any person who contravenes the provisions of this section shall be guilty of an offence and on conviction shall be liable to a fine of not less than one million shillings or to imprisonment for a term of not less than five years or to both such fine and imprisonment. etc.

(4) Any body corporate which contravenes the provisions of this section and every director and every officer who is in default thereof shall be guilty of an offence and on conviction shall be liable to a fine of not less than one million shillings. In addition every director and every officer who is in default shall be liable to imprisonment for a term of not less five years unless such director or officer proves that the contravention occurred without his knowledge or consent; save that it shall be no defence for a director or officer to prove that the contravention occurred without his knowledge if, having regard to the duties of his office, he ought to have known of the contravention.

"Power of Bank to grant licences"

5.-(1) Subject to subsection (2) and to section 12, the Bank may, upon application being made by any person intending to undertake banking business, grant the said person a licence to carry on banking business in the United Republic.

(2) In exercising its licensing powers under subsection (1) in relation to any applicant intending to carry on banking business in Tanzania Zanzibar, the Bank shall, through the Minister, consult with the Minister responsible for finance in the Revolutionary Government of Zanzibar.

(3) The Bank shall, in considering any application for a licence take into account, in addition to any other thing, the factors specified in section 7 and other provisions of this Act."

Licensed banks and financial institutions authorized to carry on banking business

6. Upon the grant of a licence by the Bank in accordance with the provisions of section 4, the relevant bank or financial institution shall be authorized to carry on banking business.

Application for a licence

7.-(1) Every application for a licence under this Act shall be in writing and shall include-

- (a) five authenticated copies of the law or other statutory instrument by or under which the applicant is established;
- (b) a statement of the address of its head office, and the name and address of every director and of its principal officer;
- (c) such financial data as the Bank may require;
- (d) full particulars of the business it proposes to do;
- (e) the location of the principal and other places of business in Tanzania where it proposes to do business, and in the case of a mobile agency, the area to be served; and
- (f) such other information as the Bank may from time to time prescribe.

(2) The application and every document submitted in accordance with subsection (1) of this section shall be signed by the directors of the applicant, or by any principal officer legally authorized to do so.

"(3) In considering an application for a licence under subsection (1), the Bank shall-

- (a) conduct such investigation as it may deem necessary to ascertain the validity of the documents submitted, the financial status and history of the applicant, the character and experience of its management, the adequacy of its capital structure, the convenience and needs of the community it intends to serve, the operations it intends to carry on and the earning prospects afforded by the area to be served;

- (b) take into account the extent to which the intended lending policies of the applicant are designed to promote the financing of economic activities in the rural sector, and the extent to which the intended training and employment programmes of the applicant are aimed at promoting professionalism in the financial sector.
- (c) take into account such other considerations as the Bank may, deem appropriate.";

(4) Within ninety days after the receipt of an application under subsection (1) of this section, or where further information has been required, after the receipt of such information, the Bank may grant a licence to such applicant or, where such application has been rejected, furnish the applicant the grounds upon which the rejection is based;

(5) The Bank may, in any case where it grants a licence impose such terms and conditions as it may deem appropriate.

8. The licence issued under section 7 shall remain in force until revoked; but the Bank may suspend a licence granted under section 7 where a licensed bank or financial institution fails to fulfill any of the minimum requirements set forth in section 13 or where the Bank is of the opinion that the affairs of such an institution are being conducted in a manner detrimental to the interests of the depositors or the national interest.

9.-(1) The Bank may revoke the licence granted to any person if that person-

- (a) fails to commence operations within a period of twelve months from the date the licence was granted unless such period is extended in writing by the Bank;
- (b) fails to comply with the terms and conditions of the licence or any remedial measures relating to an inspection of the affairs required by the Bank in accordance with section 51A of the Bank of Tanzania Act, 1965;
- (c) is carrying on its business in a manner detrimental to the interests of the depositors or has insufficient assets to cover its total liabilities or is in breach of any of the provisions of this Act; or
- (d) ceases to do business in Tanzania.

(2) Before any licence is revoked the Bank shall give the relevant bank or financial institution notice of its intention to revoke the licence and shall afford it a reasonable opportunity to show cause why the licence should not be revoked.

(3) When any licence has been revoked, the Bank shall after the expiry of the time period set out in section 10 publish a notice of revocation in Gazette and in a newspaper of general circulation in the areas in Tanzania in which the main office of the relevant bank or financial institution is located and take any other steps necessary to inform the public of such revocation.

Duration
of Licence

Revoca-
tion of li-
cence

Acts, 1965
No.....

Appeals 10.-(1) Within thirty days of receipt of notice of the grounds of rejection by the Bank to licence a bank or financial institution under section 4, or of its decision to suspend or revoke the same, the applicant may appeal to the Minister whose decision shall be final and not subject to any review.

"(2) There shall be established an Appeals Advisory Committee consisting of three persons to be appointed by the Minister, one of whom shall be an experienced legally qualified person, which shall discharge functions ascribed to it by or under this Act. The Minister shall appoint one of the members to be Chairman of the Committee"

(3) Before deciding any appeal brought to him under this section, the Minister shall provide for the applicant to be given an opportunity to appear before and be heard by the Appeals Advisory Committee appointed under subsection (2), and if the applicant avails himself of such opportunity the Appeals Advisory Committee shall give the Bank and any other person it may deem fit an opportunity to also appear before and be heard by the Committee on the same occasion.

(4) The Appeals Advisory Committee may take evidence and examine witnesses upon oath or affirmation, which oath or affirmation the Committee is hereby empowered to administer through its Chairman, and shall at the conclusion of the proceedings submit the record of the evidence together with its recommendations to the Minister who shall then make a decision on the matter.

Transitional provisions

11.-(1) Notwithstanding the provisions of section 6, every bank or financial institution which was, immediately before the effective date, duly authorised by or under any law for the time being in force to carry on banking business in Tanzania and which intends to continue to carry on such business, shall, upon furnishing to the Bank such information as the Bank may require within such time as the Bank may determine, be entitled to continue to operate as such, for a provisional period of twenty four months from the effective date, or such longer period as the Bank may determine.

(2) Every bank and every financial institution operating pursuant to the provisional status provided under subsection (1) shall be subject to the provisions of this Act; save that during the provisional period of twenty four months or such longer period, as the Bank may determine the provisions of section 12 and section 13 shall not apply to the bank or financial institution concerned.

PART III

CAPITAL, RESERVES AND ACCOUNTS

Minimum capital requirements 12.-(1) Every bank and every other financial institution shall maintain unimpaired capital at least equal to the minimum requirements specified in section 13.

(2) In this Part, for the purposes of determinating capital requirements-

"core capital" means permanent shareholders' equity in the form of issued and fully paid-in shares of common stock plus all disclosed reserves, less goodwill or any other intangible assets;

"disclosed reserves" includes all reserves created or increased through share premiums, retained profits (after deducting all expenses, provisions, taxation, and dividends), and general reserves, if such disclosed reserves are permanent and unencumbered and thus able to absorb losses;

"off balance sheet risks" means all items not shown on the balance sheet but which constitute credit risk. Such risks include guarantees, acceptances, performance bonds, letters of credit, and other off balance sheet items deemed to constitute credit risk by the Bank;

"supplementary capital" means general provisions which are held against future, presently unidentified, losses and are freely available to meet losses which subsequently materialize, and any other form of capital as may be determined and announced from time to time by the Bank;

"total assets" means the amount submitted under such heading in each monthly balance sheet submitted to the Bank and the amount submitted under such heading in the latest audited balance sheet as verified by an external auditor whose report on such bank or financial institution was satisfactory to the Bank;

"total capital" means the sum of core capital and supplementary capital.

13.-(1) Every bank shall-

"(a) commence operations with a minimum of core capital of not less than 1,000,000,000 shillings or such lesser amount as the Minister may, by order published in the *Gazette*, prescribe, and shall maintain this minimum amount at all times. The minimum amount of core capital may be changed from time to time on the advice of the Bank to reflect growth in the banking sector;"

Minimum
capital

(b) at all times maintain core capital at not less than 6% of its total assets plus off balance sheet risks.

(c) at all times maintain total capital at not less than 8% of its total assets plus off balance sheet risks.

(2) Every financial institution shall-

"(a) commence operations with a minimum of core capital of not less than 500,000,000 shillings or such lesser amount as the Minister may, by order published in the *Gazette*, prescribe, and shall maintain this minimum amount at all times. This minimum amount of core capital may be changed from time to time on the advice of the Bank to reflect growth in the financial sector;"

(b) A financial institution shall maintain at all times core capital at not less than 8% of its total assets plus off balance sheet risks.

(3) Notwithstanding subsections (1) and (2), no one individual or body corporate owned or controlled by one individual shall own more than 5% of the core capital of any bank of financial institution.

(4) If, as a result of a review of capital adequacy as part of its inspections accordance with the provisions of Section 51A of the Bank of Tanzania Act the Bank determines that in reviewing risk both on and off the balance sheet, a bank or financial institution has insufficient capital with regard to such risks, the said bank or financial institution may be directed by the Bank to increase its capital above the requirements stated in Section 13(1)(b) and (c) for banks and 13(2)(b) for financial institutions to such a level as the Bank determines in accordance with its powers to correct unsound conditions under Section 18.

Impairment of capital prohibited 14.-(1) No bank or financial institution shall at any time declare, credit, or pay any dividend or make any other transfer from profits if such payments or transfers result in such bank or financial institution not meeting the requirements of Section 13.

(2) If any bank or financial institution contravenes the provisions of this Section, the bank or financial institution and any officer of a bank or financial institution who is-in default shall be guilty of an offence and shall be liable on conviction to a fine of not less than 1,000,000/- Shillings, and where the convict is not a corporate body, in addition thereto imprisonment for a term of not less than seven years.

Computation of capital and financial ratios 15. In making the calculations necessary to ascertain that a bank or financial institution is complying with the requirements of Section 13, provisions shall be made to the satisfaction of the Bank for the following items-

- (a) provisions for bad and doubtful debts (to be calculated at least once in each calendar year and approved by the Bank before annual accounts are finalized), including bad debts not yet written off;
- (b) operating and accumulated losses;
- (c) preliminary expenses, representing expenses relating to organization, extension or the purchase of business goodwill, and including underwriting commission;
- (d) such other items as the Bank may prescribe.

Accounts and audit 16.-(1) The Board of Directors of every bank or financial institution shall ensure that proper books of accounts and other records are kept in relation to the operations of the bank or financial institution and shall prepare in respect of each financial year of the bank or financial institution a statement of accounts in such form as the Bank shall prescribe. Such statement of accounts must be ready for submission to the Auditors within two months of the close of the financial year of each bank or financial institution.

(2) Except where the law or other instrument by or under which a bank or other financial institution provides to the contrary or differently, every bank and every financial institution shall appoint annually an independent Auditor approved by the Bank. The Auditor appointed under this section shall have the right to submit directly to the Bank such reports as it considers necessary to bring to the attention of the Bank for Purposes of improving the operations of banks and financial institutions in Tanzania.

(3) Every bank and every financial institution shall prepare and submit quarterly to the Bank within one month of the end of the quarter to which the statement relates, a summary statement of its financial position duly certified by Auditors of the bank or financial institution concerned.

(4) As soon as the accounts of a bank or financial institution have been audited, and in any case not later than three months after the close of the financial year, the Board of Directors shall send a copy of the statement of accounts to the Bank together with a copy of any report made by the auditor.

(5) The Bank may arrange trilateral meetings with a bank of financial institution and its auditor from time to time, to discuss matters relevant to the Bank's supervisory responsibilities which have arisen in the course of the statutory audit of the bank or financial institution including relevant aspects of the bank's or financial institutions business, its accounting and control system and its annual accounts.

(6) All entries in the books and accounts of banks and financial institutions in Tanzania shall be in English or Kiswahili or in both of these languages.

(7) If any bank or financial institution contravenes or fails to comply with any of the provisions of this section, the bank or financial institution concerned and every director and every officer thereof who is in default shall be on conviction by a court of law be liable to a default fine under section 50.

PART IV

SUPERVISION, REGULATION, COORDINATION AND CONTROL

17--(1) Notwithstanding any provision of any other law, the power relating to the supervision, bank control and regulation of all banks and financial institutions in the United Republic is hereby vested in the Bank which, for the purposes of this Act and without prejudice to the generality of the power conferred by the foregoing, shall have power to-

- (a) carry out inspections over the operations of all banks and financial institutions in accordance with the provisions of section 51A of the Bank of Tanzania Act, 1965;
- (b) coordinate the investment, finance and credit policies of all banks and financial institutions so as to be in line with the prevailing credit, currency, exchange control and banking policies of the

Supervi-
sion . to
vest in the
Bank

Government, with a view to facilitating the more efficient discharge of the functions of the Bank relating to the formulation, implementation and monitoring of the annual finance and credit plan, foreign exchange plan and other monetary plans of the Government as specified in section 50A of the Bank of Tanzania Act; and

- (c) require any bank or financial institution within such time as it may stipulate, to furnish any information or to comply with any order, directive or determination issued or made by the Bank pursuant to all the powers of the Bank conferred on it under this Act or the Bank of Tanzania Act.
- (d) require any bank or financial institution to provide periodical written reports at such times and in such manner as may be prescribed by the Bank.

(2) If any bank or financial institution contravene or fails to comply with any requirement under paragraph (c) of subsection (1) of this section, the bank or financial institution concerned and every officer thereof who is in default shall be liable on conviction to a default fine under section 50. of this Act.

Establishment of branches

18. If in the opinion of the Bank, an examinations as authorized under Section 51A of the Bank of Tanzania Act and Section 17 of this Act shows that a bank or financial institution is conducting its business in an unlawful or unsound manner or that it is otherwise in an unsound condition, the Bank may in addition to any other course of action open to it:

- (a) require such institution to take such measures as it may consider necessary to rectify the situation;
- (b) appoint a person who, in the opinion of the Bank, has had the proper training and experience to advise the bank or financial institution on measures to be taken to rectify its situation, and shall fix his remuneration which shall be paid by the bank or financial institution;
- (c) prohibit the declaration and/or payment of dividends until such situation is corrected;
- (d) withhold approvals on establishment of new branches or other expansion of operations;
- (e) initiate a legally binding cease -and desist order, of either temporary or indefinite duration, specifying that the bank or financial institution and its management either stop an unacceptable practice or take affirmative action to cure an undesirable condition;
- (f) initiate a legally binding removal or suspension order requiring a person or persons in the position of management of a bank or financial institution to cease participating in the affairs of the bank or financial institution on either a temporary or permanent basis;
- (g) impose fines, consistent with the provision of this Act, on individual members of management for violations of this Act., regulations, or previously issued orders from the Bank.

19--(1) Any bank or financial institution may upon an application to and with the approval of the Bank:-

- (a) establish a branch whether in Tanzania or abroad;
- (b) close down the business of an existing branch and move it to another place.

"(2) If approval of an application by a bank or financial institution under subsection (1) (a) is rejected, the Bank shall provide the reasons for the rejection, and if the applicant is nevertheless aggrieved he may appeal to the Minister against the decision of the Bank, and the appeal shall be dealt with the Minister in the same manner as appeals under section 10 are dealt with.

(3) In granting approval of an application to close down the business of an existing branch under paragraph (b) of subsection (1) of this section the Bank shall ensure that the bank or financial institution concerned has complied with all regulatory requirements.

20. Any transfer of ownership in a bank or financial institution representing 5% or more of its capital stock must obtain prior approval of the Bank.

Transfer of ownership

21.-(1) The Bank may, after consultation with the Minister, give to the Board of Directors of any bank or financial institution, directions of a general or specific character as to the exercise and performance by the said board of their functions and in relation to matters appearing to the Bank to affect their operations or national interest, and the said Boards shall give effect to any such directions.

Power of the Bank to give directive,

"(2) Where the Bank intends to exercise its functions under subsection (1) in relation to a bank carrying on business in Tanzania Zanzibar, the Minister shall before responding to the Bank consult with the Minister responsible for finance in the Revolutionary Government of Zanzibar. "

22.-(1) No bank or financial institution shall, without the prior written authorization of the Bank;

Bank to authorize , voluntary mergers

- (a) effect any voluntary merger, consolidation or other reorganization of its business or affairs with another bank or financial institution;
- (b) transfer to any other institution the whole or any of its assets or liabilities in Tanzania;
- (c) effect a reduction of its paid-up capital;
- (d) alter its name;
- (e) amend the instrument or charter under which it is organized or established.

(2) Notwithstanding the provisions of any other law the Bank may in respect of any bank or financial institution advise the merger of that bank or financial institution with any other bank or financial institution, if the financial condition of the concerned bank or financial institution so requires.

PART V

THE DEPOSIT INSURANCE FUND

Establish-
ment of
the Fund

23.-(1) There shall be established a Fund called a Deposit Insurance Fund which shall be managed and controlled by a Deposit Insurance Board (hereinafter referred to as the "Board") into which shall be paid at: all contributions and other payments required by this Part to be paid into the Fund and out of which shall be made the payments required by this Part to be made out of the Fund.

(2) The Minister may, from time to time in consultation with the Bank and by notice in the *Gazette*, fix the size of the Fund sufficient to protect the interests of depositors to be made up by the contributions under section 25 and may authorize the Board to borrow from the Bank or any other person such amount as it may require for temporary purposes of making up deficiency in the Fund pending collection of contributions.

(3) The Fund shall consist of;

- (a) moneys contributed to the Fund by licenced banks and licenced financial institutions under section 26.
- (b) income credited to the Fund under subsection (4).
- (c) money borrowed for purposes of the Fund under subsection (2)

(4) The moneys constituting the Fund shall be placed in an account with the Bank to be invested in such manner as the Board shall deem appropriate, and any income from the investment shall be credited to the Fund.

(5) There shall be chargeable to the Fund the administrative expenses of the Board, repayment of money borrowed by the Fund and payments made in respect of protected deposits.

Deposit
Insurance
Board

24.-(1) There shall be a Board to be called the Deposit Insurance Board responsible for policy formulation in connection with the Fund and for the management and control of the Fund.

The Board shall have perpetual succession and a common seal and shall have the power to acquire, own, possess and dispose of property, to contract and to sue and to be sued in its own name.

(2) The Board shall consist of-

- (a) the Government of the Bank who shall be the Chairman; and
- (b) the Principal Secretary to the Treasury;
- (c) the Principal Secretary to the Ministry of Finance of the Revolutionary Government of Zanzibar; and
- (d) three other members to be appointed by the Minister.

(3) Subject to the provisions of this Part, the Board shall determine its own procedure.

(4) The Bank shall make available to the Board such facilities and the services of such officers as are necessary for the proper and efficient exercise of the functions of the Board.

25.-(1) Every bank and every financial institution which is licensed to carry on banking business in Tanzania shall be a contributor to the Fund and shall pay into the Fund such annual amount, and at such times, as the Board may determine.

Con-
tributors
and Con-
tributions
to the
Fund

(2) Where the Board is satisfied that a savings or credit society or scheme to which the Bank has extended the application of the provisions of this Act accept deposits of money from the public repayable on demand or after notice and employs those deposits in whole or in part by lending or any other means for the account and at the risk of the person accepting the deposits. shall be a contributor to the Fund and the provisions of this Part shall apply *mutatis mutandis* to that savings or credit society or -scheme; but nothing in this subsection shall be construed as rendering that savings or credit society or scheme a bank or financial institution for the purposes of this Act.

(3) The Board shall serve on a bank or financial institution a notice specifying the amount and the period, which shall not be later than twenty-one days after the date of service of the notice, within which the amount shall be paid into the Fund by the bank or financial institution.

(4) The amount of a contribution to the Fund under this section shall not be less than one per cent of the average of the bank's or financial institution total deposit liabilities during the period of twelve months prior to the date of the notice served under subsection (2) but the Minister may after consultation with the Board by order, amend the minimum and maximum amounts of contributions prescribed by this subsection.

(5) A bank or financial institution which for any reason fails to pay its contribution to the Fund within the period specified in a notice issued under subsection (2) shall be liable to pay to the Fund a penalty interest charge not exceeding one-half per cent of the unpaid amount for, every day outside the notice period on which the amount remains unpaid.

(6) If it appears to the Fund that the affairs of a bank or financial institution are being conducted in a manner detrimental to its own interests -or to the interests of the depositors, the Fund may increase the contributions of that bank or financial institution beyond the maximum set out under subsection (4) or terminate the protection of the deposits of such bank or financial institution.

Protec-
tion of
Deposits
and Pay-
ments out
of Fund

26.-(1) The amount being the aggregate credit balance of any accounts maintained by a customer at a bank or financial institution less any liability of the customer to the bank or financial institution shall be a protected deposit to the extent determined by the Minister from time to time by order published in the *Gazette*.

(2) A customer of a bank or financial institution may upon the bank or financial institution becoming insolvent, lodge a claim with the Board in such form as the Board may approve for payment to him out of the Fund of any protected deposit which he would but for the insolvency have been paid had he demanded payment from the insolvent bank or financial institution.

(3) The Board may, before paying any claim-lodged under subsection, (2), require the claimant to furnish it with such documentary proof as may be proper to show that he is entitled to payment out of the Fund; and the Board may decline to make any payment under this section to a person who, in the opinion of the Board, had any responsibility for, or may have profited directly or indirectly from the circumstances leading up to the bank or financial institution becoming insolvent.

(4) Notwithstanding subsection (3), the Board may require the Bank to carry out inspections under section 19 and ascertain the type, number and values of the protected deposits which, but for the insolvency would be payable by an insolvent bank or financial institution and information obtained pursuant to the inspection shall, subject to section 19, be made available by the Bank to the Board.

(5) Upon payment of a protected deposit the Fund shall be entitled to receive from the bank, financial institution or liquidator, as the case may be, an amount equal to the insolvency payment paid by the Fund on account of its subrogation to the claims of any customer or depositor.

(6) A bank or financial institution shall become insolvent for the purposes of this Part if;

- (a) It commits an act of bankruptcy under section 3 of the Bankruptcy Ordinance or the relevant law applicable in Tanzania Zanzibar; or
- (b) a winding-up order is made against it, or a resolution for creditors' voluntary - winding up is passed, under the Companies Ordinance or the relevant law applicable in Tanzania Zanzibar; or
- (c) it is unable to pay sums due and payable to its depositors or the value of the bank's or financial institution's assets is less than the amount of -its liabilities.

(7) For the purposes of this section "customer" includes persons entitled to a deposit as trustees or persons holding any deposits jointly.

27. Wherever a bank or financial institution becomes insolvent the Board shall be entitled to receive any notice or other document required to be sent to a creditor of the bank or financial institution whose debt had been proved, and a duly authorised representative of the Board shall be entitled to attend any meeting of creditors of the bank or financial institution and to be a member of any committee of inspection appointed under the Bankruptcy Ordinance or the relevant law applicable in Tanzania Zanzibar and in the case of winding up by the High Court, the Board shall be entitled to appear at the hearing of the petition and make representations.

Role of Board where bank or financial institution insolvent

28. If the Board considers it desirable to reduce risk or avert threatened loss to the Fund, the Board may on such terms and conditions as it may prescribe lend, place a deposit with, issue a guarantee, or purchase the assets of a bank or financial institution.

Power of Board to lend

29.-(1) The Board shall, within three months after the close of each financial year, submit an annual report of its operations to the Minister.

Annual Report of the Board's activities

(2-) The financial year of the Board shall be the same as the Bank's financial year.

PART VI

SPECIAL DUTIES OF BANKS AND FINANCIAL INSTITUTIONS

30.-(1) Every bank and financial institution shall at all times exhibit the licence granted to it under this Act in a conspicuous position in the public part of its principal place of business in Tanzania and shall similarly exhibit copies of such licence in each of its branches in Tanzania.

Exhibition of licences

(2) If any bank or financial institution fails to comply with this section the Bank or financial institution and every officer of the bank or financial institution and every officer of the bank or financial institution who is in default shall be liable to a default fine.

31.-(1) Every bank or financial institution shall at all times exhibit a copy of its last audited balance sheet in conspicuous position in the public part of its principal place of business in Tanzania and shall similarly exhibit copies of such balance sheet in each of its branch offices in Tanzania.

Exhibition of balance sheet

(2) If any bank or financial institution fails to comply with this section the bank or financial institution, and every officer of the bank or financial institution who is in default shall be liable to a default fine.

Publica-
tion of
balance
sheet

32.-(1) Every bank or financial institution shall at least once in every, year publish copies of its last audited balance sheet in such newspapers, as the Bank may, by order published in the *Gazette*, direct; save that no bank or financial institution shall be required to publish such copies in more than two newspapers in any year.

(2) If any bank or financial institution fails to comply with this section the bank or financial institution and every officer of the bank or financial institution who is in default shall be liable to a default fine.

State-
ments to
be Fur-
nished
Banks

33. Every bank and every financial institution shall furnish to the Bank within 14 days after the end of every quarter a statement in a prescribed form giving an analysis of "advances and bills discounted at the last day of that quarter.

Bank to
deal with
aban-
doned
property

34.-(1) Every bank or financial institution holding any of the items enumerated in section 35 shall report such holding once every year to the Bank and thereafter pay or deliver to the Bank all abandoned property listed as the Bank shall specify.

(2) Upon paying or delivering abandoned property into the custody of the Bank, the relevant bank or financial institution shall be relieved of all liability to the value of the property for any claim in respect thereof.

(3) The Bank shall dispose of all abandoned property, paid or delivered to it under this section, in accordance with the provisions of the law applicable in Tanzania.

(4) Any bank or financial institution which fails to file the report or to pay or deliver property presumed to be abandoned into the custody of the Bank in accordance with this section, commits, an offence and shall be liable on conviction by a court of law to a fine which is not less than Shs. 100,000 (one hundred thousand shillings)-

Aban-
doned
property

35.-(1) The following items held', or owing by a bank or financial institution shall, unless dealt with as specified in sub-section (2) of this section, be presumed to have been abandoned, namely:

- (a) any general deposit (demand, savings or matured time deposit) made in Tanzania with a bank or financial institution, together with any accrued interest or dividend but excluding any lawful charges;
- (b) any funds paid in Tanzania toward the purchase of shares or other interest in a bank or financial institution, together with any accrued interest or dividend but excluding any lawful charges;
- (c) any sum payable on a cheque certified in Tanzania or written instruments issued in Tanzania on which a bank or financial institution is directly liable;

(d) any contents of a safe deposit box upon which the lease or rental period has expired and concerning which any bank or financial institution has sent a notice, by registered letter to the last known address of the lessee and to which notice the lessee has failed to respond within one year.

(2) The items enumerated in paragraphs (a), (b) and (c) of subsection (1) of this section, shall not be presumed to have been abandoned if the owner has, within fifteen years of the date of deposit, payment of funds, or issuance of instruments. as the case may be:

- (a) increased or decreased the amount of the deposit or funds or presented the pass-book or other record for the crediting of interest or dividends in respect of the items set forth in paragraphs (a) and (b) of subsection (1).
- (b) corresponded in writing with the bank or financial institution concerning the items.
- (c) otherwise indicated an interest in the items as evidenced by a memorandum written by the bank or financial institution concerning the items.

36.-(1) Every bank or financial institution shall observe except as otherwise required by law, the practices and usages customary among bankers, and, in particular, it shall not divulge any information relating to its customers or their affairs except in circumstances in which, in accordance with the law or practices and usages customary among bankers, it is necessary or appropriate for the bank or financial institution to divulge such information. Fidelity
and sec-
recy

(2) Every director and every member of any committee, auditor, advisor, manager, officer, and employee of a bank or financial institution shall, before entering upon his duties, make a written declaration of fidelity and secrecy, which shall be witnessed by the principal officer or the Secretary of the bank or financial institution concerned.

(3) Except as otherwise required by law, nothing in this Act shall authorize an enquiry to be made into the affairs of any individual customer of a bank or financial institution:

Provided that nothing herein shall prevent a bank or financial institution from providing to any person upon a legitimate business request a general credit rating, a summary of which shall, upon request, be provided to the customer concerned.

(4) The Bank shall not, unless lawfully required to do so by a competent court of law, reveal to any person any information as to the affairs of any individual customer of a bank or financial institution obtained in the exercise of its regulatory and supervisory jurisdiction whether under this or any other law.

(5) Every person who contravenes the provisions of this section commits an offence and shall be liable, on conviction to a fine not less than Shs. 200,000 (shilings two hundred thousand) or imprisonment for a term of not less than five years.

PART VII

RESTRICTIONS ON BANKS AND FINANCIAL INSTITUTIONS

Prohibited Operations

37.-(1) It shall be unlawful for any bank or financial institution to receive any deposit while insolvent, or for a director, officer or employee who knows or in the proper performance of his duties ought to know of such insolvency to receive or to authorize the acceptance of such deposit.

2. (a) Subject to paragraph (b), no bank or financial institution shall, without the prior written approval of the Bank, directly or indirectly, grant to any person, any accommodation so that the total value of such accommodation to or on behalf of such person:

(i) if less than fully secured in accordance with paragraph (ii) is at any time more than ten percent of the core capital of such bank or financial institution; or

(ii) if granted against security, the type and value of such security having been ascertained to be acceptable to the Bank and the value of which is at least 25 percent more than the obligations secured thereby, is at any time more than 25 percent of the core capital of the bank or financial institution.

(b) The limitation in paragraph (a) shall not apply in respect of the foregoing transactions if such transactions represent accommodations to, or guaranteed by the Government of Tanzania.

(c) For the purpose of paragraphs (a) and (b) "accommodation" means a credit facility given by a bank or financial institution to or on behalf of any person. Credit facility include loans, advances overdrafts, lease financing, acceptances, guarantees, letters of credit, performance bonds, foreign exchange contracts, and any other form of direct or indirect financial obligation to a bank or financial institution as defined by the Bank. "core capital" means capital as defined in Section 12(2).

(d) If the Bank determines that the interests of a group of two or more persons are so interrelated that they should be considered as a unit, then for the purposes of paragraph (a), the total indebtedness of that group shall be combined and be deemed to be in respect of a single person:

Provided that where the Bank makes a determination that the combined indebtedness exceeds the limitation provided in paragraph (a), the bank or financial institution concerned shall be permitted to dispose of the excess of such indebtedness within such reasonable period as the Bank shall determine.

(3) No bank or financial institution shall:

(a) grant any advance against the security of its own shares;

- (b) grant or permit to be outstanding unsecured advances unless such advances have been unanimously approved by all of its directors and have been notified in advance to the Bank.
- (i) to the directors, whether such advances, are obtained by them jointly or severally;
- (ii) to any other person in which it or any one or more of the directors has any personal interest as a director, partner, manager, agent, member of otherwise.
- (c) grant or permit to be outstanding to its officers or employees (including any spouse or child of any officer or employee) advances which, in aggregate amount for any one officer or employee, exceed the annual remuneration of such officer or employee;
- (d) engage in trade or other commercial operations except insofar as may be temporarily necessary in the conduct of its business or in the course of the satisfaction of debts due to it;
- (e) purchase acquire or lease immovable property except as may be necessary for the purpose of conducting its business as a bank or financial institution, including reasonable provision for anticipated future expansion and housing of its officers or employees:

Provided that-

- (i) the provisions of paragraph (e) shall not apply to financial institutions carrying on insurance business or the business of mortgage financing;
- (ii) in respect of any immovable property held or leased by a bank or financial institution prior to the commencement of this Act for purposes other than those referred to herein, the bank or financial institution shall be allowed a period of five years in which to comply with this paragraph; and
- (iii) a bank or financial institution may secure a debt on any immovable property or other property and in default of repayment may acquire such property for resale as soon as possible thereafter.

(4) If any bank or financial institution contravenes or fails to comply with any provision of this section, the bank or financial institution concerned and every director and officer thereof who is in default shall be liable on conviction to a default fine under section 50 of this Act.

Persons
not eligi-
ble to take
part in
manage-
ment of
banks or
financial
Institu-
tions

38.-(1) Any person who is a director or officer concerned with the management of a bank or financial institution shall cease to hold office-

- (a) If he is an adjudged bankrupt or suspends payments or compounds with his creditors;
- (b) If he is convicted of a felony or any offence involving fraud or dishonesty.

(2) No person who has been a director of, or who has been directly or indirectly concerned in the management of a bank or financial institution the licence of which has been revoked shall, without the approval of the Bank act or continue to act as a director, or be concerned directly or indirectly in the management of any bank or financial institution.

(3) Any person acting in contravention of this section commits an offence and shall be liable on conviction to imprisonment for a term not less than two years or to a fine not less than 200,000/- shillings or to both.

Restric-
tion use of
the word
"bank"
etc.

39.-(1) No person shall without the consent of the on Bank use the word "bank" or any of its derivatives in any language, or any other word indicating the transaction of banking business, in the name, description or title under which such person is doing business in Tanzania or make or continue to make any representation of such effect in any letter, paper, notice, advertisement or in any other manner whatsoever for the purpose of doing business in Tanzania.

(2) Nothing in subsection (1) shall prevent a person from using the word "bank" or any of its derivatives in any language, when it is for the purpose of organizing a company with the aim of making an application to the Bank for a grant of a licence under section 7 of this Act.

(3). Except with the prior writing consent of the Bank:-

- (a) no bank or financial institution shall use, or refer to itself by a name other than that under which it is established.
- (b) no bank or financial institution shall be or remain licenced under a name which so closely resembles the name of an existing institution as would be likely, in the opinion of the bank of mislead the public.

PART VIII

LIQUIDATION, SEIZURE AND REORGANIZATION

Voluntary
Liquida-
tion

40.-(1) Any bank or financial institution may, with the approval of the Bank voluntarily liquidate its operation in accordance with the provisions of its constitution.

(2) Subject to the provisions of subsection 1 of this section, the bank or financial institution shall, forthwith cease all activities, except those incidental to the orderly realization, conservation and preservation of its assets and the settlement of its obligations.

(3) In the event of voluntary liquidation of the operation under this section:-

- (a) the liability of the shareholders for uncalled subscriptions to the capital stock of the bank or financial institution concerned shall continue until all claims of creditors, including all contingent claims, shall have been discharged.
- (b) all creditors holding direct claims shall first be paid out of the assets of the bank or financial institutions concerned and then out of payments to the bank or financial institution concerned on unpaid or callable subscriptions;
- (c) before making any payments to creditor holding direct claims, the Board of Directors of the bank or institution concerned shall, with the approval of the Bank make such arrangements as are necessary, in the judgment of the Board, to ensure a pro rate distribution among holders of claims and those contingent claims that are likely to be reduced to judgment in a court of law.

41. If the Bank is satisfied that the assets of a bank or financial institution which is under voluntary liquidation in terms of the provisions of section 41 will not be sufficient for the full discharge of its obligations or that completion of the liquidation of its operations is unduly delayed, the Bank may, if it deems it fit take possession of the bank or financial institution concerned and take proceedings leading to its compulsory liquidation in conformity with the provisions of this Act.

Seizure
pending
Compul-
sory liqui-
dation

42. The Bank may, with the approval of the Minister take possession of any bank or financial institution:-

- (a) whose minimum required capital is impaired or whose condition is otherwise unsound;
- (b) whose business is being conducted in an unlawful or imprudent manner or contrary to public interest.
- (b) whose business is being conducted in an unlawful or imprudent manner or contrary to public interest.
- (c) when the continuation of its activities is detrimental to interests of its depositors;
- (d) that refuses to submit itself to or otherwise obstruct any inspection by the Bank under the provisions of section 51A of the Bank of Tanzania Act;
- (e) whose licence has been revoked in accordance in section 9 of this Act.

Seizure in
other cir-
cumstanc
es

43. Where the Bank takes possession of any bank or financial institution under this Part:-

- (a) any term, whether statutory, contractual or otherwise, on the expiration of which a claim or right of the relevant bank or financial institution would expire or be extinguished, shall be extended by six months from the date of seizure;

Consequ-
ences of
seizure

- (b) any attachment or lien except a lien existing six months prior to the seizure of the relevant bank or financial institution shall be vacated and no attachment or lien except a lien created by the Bank in the application of the provisions of this Part, shall attach to any property or assets of the bank or financial institution concerned so long as possession by the Bank continues;
- (c) any transfer or any asset of the relevant bank or financial institution made after or in contemplation of its insolvency or the seizure with intent to effect a preference shall be void,

Management by Bank upon seizure

44.-(1) Upon entering into possession of a bank or financial institution, the Bank shall be vested with the full and exclusive power of management and control of the affairs of the relevant bank or financial institution, including the power to continue or discontinue its operations as a bank or financial institution (notwithstanding that its licence has been revoked), to stop or limit the payment of its obligations, to employ any necessary staff, to execute any instrument in the name of the relevant bank or financial institution, to initiate, defend and conduct in its name any action or proceeding to which the bank or financial institution may be a party, and to reorganize or liquidate the bank or financial institution in accordance with the provisions of this Act.

(2) As soon as possible after taking possession, the bank shall make an inventory of the assets of the bank or specified financial institution concerned and shall transmit a copy thereof to a court of competent jurisdiction. The copy of the inventory transmitted to the court under this subsection shall be available for examination by all interested parties at such places and during such times as the court shall direct.

Compulsory liquidation

45.-(1) Compulsory liquidation and compulsory reorganization of any bank or financial institution taken possession of by the Bank under this Part, shall be decreed only by a court of competent jurisdiction acting upon a petition, by the bank.

(2) Immediately following the petition to the court, the Bank shall notify, by means approved by the Court, the relevant bank or financial institution, their directors, shareholders, depositors, creditors and any other interested parties; and they shall have a period of thirty days from the giving of the notice of file any objections either the court.

(3) Within a period of twenty one days after the end of the period during which objections are admissible under subsection (2), the court shall make an order:-

- (a) requiring the compulsory liquidation of the bank or financial institution concerned; or
- (b) refusing compulsory liquidation and requiring instead the lifting of the seizure by the Bank; or
- (c) requiring the reorganization of the bank or financial institution.

Reorganization by order of Court

46.-(1) If, under paragraph (c) of subsection (3) of section 44, the court decides to reorganize the affairs of any bank or financial institution, the Bank shall, after granting a hearing to all interested parties, make

and send a copy of a reorganization plan to all depositors and other creditors who will not receive full payment of their claims under the reorganization plan.

(2) The copy of the reorganization plan referred to in subsection (1) shall be accompanied by a notice stating that if the reorganization plan is not objected to in writing within a period of twenty one days by persons holding at least one-third of the aggregate amount of deposits and claims and representing at least one-third of the depositors, or if within the same period of twenty one days the court does not order a stay of proceedings the Bank shall proceed to carry out the reorganization plan.

(3) Notwithstanding any other provision of this or any other law, the application of a reorganization plan under this Part shall:

- (a) be equitable to all classes of depositors, creditors and shareholders;
- (b) provide for bringing in new funds so as to establish adequate ratios between:-
 - (i) Capital and deposits, And
 - (ii) liquid assets and deposits; and
- (c) provide for the removal of any director, officer, or employee responsible for the circumstances which led to the seizure of the bank or financial institution concerned.

PART IX

REPRESENTATIVE OFFICES OF FOREIGN BANKS AND FINANCIAL INSTITUTIONS

47.-(1) The Bank may, in writing and subject to such conditions as it may consider necessary, authorise a bank or a financial institution incorporated outside Tanzania which does not propose to transact banking business in Tanzania but which proposes, and applies in writing to the Bank to establish representative office in Tanzania, to open an office in a place in Tanzania -approved by the Bank.

Representative offices of foreign banks and financial institutions

(2) The Bank may require a representative office to furnish to it, at such time and in such manner as the Bank may direct, such information as the Bank may require.

(3) Where a representative office is required to furnish information under subsection (2), it shall furnish that information and any supplemental material that may be required as a result of that information within the period specified in the direction or within such reasonable period thereafter as may be agreed.

(4) The Bank may at any time, if it appears to it that a representative office is engaged in banking or financial business or that the affairs of a representative office are being conducted contrary to any condition of authority granted under subsection (1) or in a manner detrimental to banking business in Tanzania, issue directions to the representative office to take such corrective action as the Bank considers to be necessary

within such period as may be specified in the directions; and, if the representative office fails to comply with such directions, the Bank may order that the affairs of the representative office in Tanzania be wound up and the office be closed within such time as the bank may direct.

PART X

MISCELLANEOUS PROVISIONS

Declara-
tion of
Bank holi-
days

48.-(1) Where the Minister considers that it is in the public interest that banks or a particular bank, or a particular branch of bank should remain closed on a day which is not a public holiday, he may by notice in the *Gazette* declare any day or days to be a bank holiday for all banks or for a particular bank or for that particular branch as the case may be, and every licenced bank, or that particular branch as the case may be, shall remain closed on that day.

(2) No bank shall do any business with the public on any day declared to be a bank holiday under subsection (1) of this section.

(3) A bank holiday declared under subsection (1) of this section shall not necessarily be a public holiday and nothing in this section shall be deemed to affect the provisions of the Public Holidays Ordinance.

(4) Any reference in any law for the time being in force in Tanzania to a bank holiday shall include any day declared under this section to be a bank holiday and any day which is a public holiday within the meaning of the Public Holidays Ordinance.

Penalty
doing un-
au-
thorized
business

49.-(1) Whenever the Bank has reason to believe that any person is-

- (i) doing banking business without being a financial institution authorized under the provisions of this Act to do such business; or
- (ii) is receiving money on current account subject to withdrawal by cheque without being a bank, the Bank may call for and examine the books, accounts, and records of such person in order to ascertain whether such is the case.

(2) Any person-

- (a) who is found to be in violation of (i) or (ii) under subsection (i) or
- (b) who refuses or fails to make available for examination such books, accounts and records after having been duly requested to do so by the Bank under subsection (1),

is guilty of an offence and shall be liable on conviction to a fine of not less than one million shillings and, where the accused person is not a corporate body, to imprisonment for a term of not less than five years. In addition, any such person shall, in accordance with such directives as the Bank may give, repay any funds that he has obtained in the course of unlawfully doing such business or receiving such money.

(3) Where any corporate body contravenes the provisions of this section, every director and officer thereof shall, unless he proves that the contravention occurred without his knowledge and consent, be guilty of .

an offence and shall be liable on conviction to a fine of not less than one million shillings or to imprisonment for a term of not less than five -years or to both such fine and imprisonment; save that if shall not be a defence for any director or officer to prove that the contravention occurred without his knowledge if, having regard to the duties of his office, he ought to have known of the contravention.

50--(1) When by any provision of this Act it is provided that a bank or a financial institution and every director and officer thereof who is in default shall be liable to a default fine, the relevant bank or financial institution and every director or officer concerned shall, for every day during which the default or contravention continues, be liable on conviction by a court of law to a fine not less than one thousand shillings.

Default
fines

(2) In any proceedings against a person alleged to be a director or Officer who is in default it shall be a good defence:-

- (a) in the case of non-compliance with any provision of this Act, to prove that he had reasonable grounds to believe that a competent and reliable person was responsible for complying with the particular requirement and was in a position to discharge that responsibility;
- (b) in the case Of contravention of any provision of this Act to prove that the contravention Occurred without his knowledge and consent unless, having regard to the duties of his office, he ought to have known of the contravention.

51-(1) The Governor may make regulations for carrying out or giving effect to the Purposes and provisions of this Act.

Regula-
tions and
rules of
court

(2) The Chief Justice may make rules Of court for regulating proceedings arising under this Act, and the rules shall apply in all courts throughout the United Republic.

52. The provisions of the written laws set out in the first, second and third columns of the Schedule to this Act are hereby amended in the, manner set Out Opposite thereto in the fourth column of that Schedule.

Amend-
ments

53. The Banking Ordinance is hereby repealed,

Repeal of
Cap 530

SCHEDULE

AMENDMENT OF CERTAIN LAWS (SECTION 52)

1	2	3	4
The Bank of Tanzania Act	Act No. 12	Section 3	<p>Substitute the following new definitions for the definitions of, "bank" and "banking business" - —</p> <p>"The Bank" means the Bank of Tanzania established under Bank of Tanzania Act, 1965 "bank, means a financial institution authorized to engage in banking business and, additionally to receive money on current account subject to withdrawal by cheques;</p> <p>"banking business" means (i) the business of receiving Fund from the general public through the acceptance of money deposits payable upon demand or after a fixed period or after notice or any similar operation through the frequent sale or placement of bonds. Certificates notes or other securities, and the use of such funds either in whole or in part for loans or investments for the account and at the risk the person doing such business or (ii) any other activity recognized as customary banking practice which a financial institution may additionally be authorize to do by the Bank.</p>
	Section 52		<p>Substitute the expression "section 25 of the Banking Ordinance" with the 'expression "section 50 of the Banking and Financial Institutions Act, 1991.</p>
The National Bank of Commerce (Establishment and Vesting of Assets and Liabilities Act, 1967	Act No. 1. of 1967	Section 4A	<p>Add immediately after sub-section (3), the following new subsection: (4) Notwithstanding anything contained in the preceding subsection the President may, by order published in the Gazette direct that the parastatal organization or any person specified in such order shall subscribe for and be allotted the shares as may be specified in the order, and where such order is, made, the parastatal organization or person shall subscribe for and allotted the shares, and reference in this Act, to shareholders shall include references to such parastatal organization or such person.</p>
		Section 7	<p>(a) Substitute Bank for "Minister" wherever the latter occurs in sub-section (1)</p>

			(b) Add the words the Bank of Tanzania and in between the words 'to' and 'the' appearing on the second line of Subsection 3
			(c) Delete subsection (2) and substitute the following: '(2) the accounts of the National Bank shall be audited by the Tanzania Audit Corporation established by the Tanzania Audit Corporation Act, 1968 or such other auditor as the board may determine to select from amongst Auditors approved by the Bank of Tanzania in that behalf.
		Section 7A	(a) insert at the end of subsection (1), the words:- "in accordance with the provisions of section 14 of the Banking and Financial Institutions Act, 1991.
			(b) substitute "Bank" for "Minister" occurring in subsection (2)
		Section 16	Delete.
The Tanzania Housing Bank Act, 1972	Act No. 34	Section 15	Insert at the end of subsection (1) the following words:- "in accordance with the provisions of section 14 of the Banking and Financial Institutions Act, 1991.
		Section 16	Delete the provision to the section and substitute the following:- "Provided that the Board shall in all respects be bound by the Provision of the Banking and Financial Institutions Act, 1991 relating to the computation of reserve funds"
		Section 25	Add the words "the Bank of Tanzania in between the words 'to' and 'the' appearing on the first line of subsection (2) and subsection 3.
		Section 26	(a) Add the words "With the approval of the Bank of Tanzania after the words 'The Bank may'; (b) Substitute "Bank of Tanzania" for 'Minister'
The Tanzania Investment of 1970 Bank Act, 1970	Act No. 20	Section 4	renumber paragraph (d) as (e) and add a new paragraph (d) as follows- (d) to carry any or all of the activities ordinarily carried on by merchant banks, subject to the Banking and Financial Institutions Act, 1991.
		Acts, 1991 No. 12	
		Section 17	(a) Insert at the end of subsection (1) the following words:- in accordance with the provisions of section 14 of the Banking and Financial institutions Act, 1991.

1	2	3	4
			(b) Delete the provision to subsection (2) and substitute the following:— 'Provided that the Board shall in all respects be bound by provisions of the Banking and Financial Institutions Act, 1991 or regulations made thereunder relating to the computation of reserve funds'
		Section 23	Add the words 'or such other Auditor as the Bank may direct' at the end of subsection (1).
			Add the words 'Bank of Tanzania in the' between the words 'to' and 'the' appearing on the first line of subsection (2)
The Co-operative and Rural Development Bank Act, 1971	Act No .7 of 1971	Section 17	(a) Insert at the end of subsection (1) the following:- 'in accordance with the provisions of section 14 of the Banking and Financial Institutions Act, 1991'
			(b) Delete the provision to subsection (2) and substitute the following:- 'Provided that the Board shall in all respects be bound by the provisions of the Banking and Financial Institutions Act, 1991 and or regulations made thereunder relating to the computation of reserve funds'.
		Section 23	(i) Add the words 'or such other Auditor as the Bank of Tanzania may direct' at the end of subsection. Add the words 'Bank in the' between the words 'to' and 'the' appearing on the first line of subsection (2).

Passed in the National Assembly on-the 19th day of April, 1991.

MMwindad
Clerk of The National Assembly