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BoT Issues Notice on Gold Purchase Program in Tanzania

On 1 October 2024, the Governor of Bank Tanzania (BoT Governor) issued a Notice regarding Gold Purchase Program in Tanzania (the Notice). According to BoT, the program offers an opportunity for gold sellers to sell their gold directly to BoT at a competitive international market price. Further, the said program provides that gold sellers will benefit from reduced fees and guaranteed prompt payments when they sell 20% of their gold to BoT.

It is worth noting that, section 59 of the Mining Act, Cap 123 [R.E. 2019] (the Act) requires mineral right holders to set aside certain amount of minerals at such percentage as the Minister may, after consultation with the mineral right holder and the Commission, determine for processing, smelting or refining within the United Republic.

Further, in materializing the requirements of the above section, the Minister, on 30 June 2024, issued the Mining (Minerals and Mineral Concentrates Trading) (Amendment) Regulations (the Regulations) which came into force on 1 July 2024. These Regulations make it mandatory for an authorized miner and licensed dealer to set aside not less than 20% of won or obtained gold and the set aside gold to be traded within the country to refineries, smelters, jewelers or BoT. It should be noted that failure to set aside the amount of gold to be traded in the country denies an authorized miner and licensed dealer a right to be issued with an export permit.

Moreover the Notice states the following:

- The price applied will be daily international gold price as provided by the Mining Commission
- 100% of the payment will be made after receiving the gold refining report
- Payment time will be 24 hours after receiving the refining report
- BoT will cover 100% of the gold refining costs
- 20% of the gold applies to holders of mining licences and large scale mineral traders
- The royalty is reduced to 4% instead of 6%; Inspection fee is 0% instead of 1%; and the value added tax is 0% allowing gold sellers to claim input tax
- Mining licence holders, large scale mineral traders, and gold refining industries can sell any amount of gold to BoT

The issuance of the Notice and the Regulations presupposes that the requirements under section 59 of the Act, including Minister's consultation with the mineral right holders, have been complied with.

To read the Notice [click here](#)

To read the Mining (Minerals and Mineral Concentrates Trading) (Amendment) Regulations, 2024 [click here](#)

For further information on legal updates please contact:

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