

29 March 2025



Foreign Exchange Regulations Issued

- All prices for goods and services to be in TZS
- Cannot quote or advertise prices in foreign currency
- Limited transactions allowed in foreign currency
- All contracts now must be in TZS

The Foreign Exchange Use Regulations, GN. No. 198 of 2025 (Regulations) made under the Bank of Tanzania Act, Cap. 197, have been published on 28 March 2025. The Regulations will affect all businesses and individuals in Tanzania. FB Attorneys has compiled a quick overview of the Regulations.

Who do the Regulations apply to?

The Regulations apply to all individuals and companies in Tanzania including transactions conducted within Tanzania.

How is 'transaction' defined in these Regulations?

Transaction means quoting, advertising, specifying, publishing, or pricing, or paying or receiving payment for goods or services within the country.

What currency should be used for pricing goods and services in Tanzania?

All prices for goods and services within the country must be displayed in Tanzanian Shillings (TZS).

Is it permissible to quote, advertise, specify, or publish prices in foreign currency?

No. It is not allowed to quote, advertise, specify, or publish prices for any goods or services in the country using foreign currency.

Can payments for goods and services be mandated or facilitated in foreign currency?

No. It is prohibited to force or facilitate payments for goods or services in the country using foreign currency.

Are there any transactions that can be conducted in foreign currency?

Yes. A limited number of transactions listed in the Schedule to the Regulations can be conducted in foreign currency.

What transactions are currently allowed to be conducted in foreign currency according to the Schedule?

The transactions include:

(a) membership fees paid by the Government to regional institutions located in the country; (b) transactions involving embassies and international organizations located in the country; (c) foreign currency loans provided by commercial banks and financial institutions within the country and (d) Payments for goods in duty-free shops.

What is an international organization? Does it include a multinational company resident in Tanzania?

No definition is provided.

For further information on legal updates please contact:

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About FB Attorneys

FB Attorneys is an all service law firm based out of Dar es Salaam, Tanzania.

We cover all aspects of the law and specialise in all corporate and commercial matters including Mining, Oil & Gas, Tax, Litigation, Competition, Banking & Intellectual Property law.

FB Attorneys has been ranked as a tier 1 law firm by the IFLR 1000 in the Energy & Infrastructure and Financial & Corporate sectors, tier 1 by Legal 500 and band 1 by Chambers and Partners General Business Law.

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Can the list of permissible foreign currency transactions be changed?

Yes, the Minister, after consulting with the Governor of the BoT, can add to or reduce the list of transactions allowed to be conducted in foreign currency.

Can a seller refuse payment in TZS?

No. A seller cannot refuse payment in Tanzanian Shillings for any goods or services within the country.

Is it legal to receive payment in foreign currency for goods or services within Tanzania?

No. It is not allowed to receive payment in foreign currency for goods or services within the country.

What happens to contracts entered into in foreign currency before these Regulations came into effect?

These contracts must be amended within 1 year from the date these regulations were announced.

What if I have borrowed in foreign currency can I bill in foreign currency?

Unless you fall under the Schedule to the Regulations, the answer is no.

I am a hotel owner and get mainly foreign guests. Am I allowed to bill them in foreign currencies?

For local residents booking from Tanzania, the answer is no. For foreign guests who book from abroad, our opinion is that the guest has no option but to use foreign currency at the time of booking.

Since I deal with foreign currency when I import, can I have a contract with a review clause in it for the pricing in case the currency depreciates or appreciates?

The Regulations have not disallowed this provided the contract is legal, this appears to not be prohibited by the Regulations.

Do the Regulations apply to USD only, which is the dominant foreign currency, or all foreign currencies?

All foreign currencies.

What are the consequences if I don't comply?

Non-compliance with the Regulations may result in legal consequences.

Can I hold foreign exchange in my account?

The Regulations do not deal with holding foreign exchange accounts. Subject to complying with other laws, you can continue holding such currencies.

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