LEGAL UPDATE

FB ATTORNEYS

26 July 2026

Cash Payments Banned

- **Electronic payments mandatory for specified transactions**
- **List of covered transactions stipulated and wide**
- **Six-month transition period provided**

On 30 June 2026, the Minister for Finance issued the Electronic Transactions (Mandatory Electronic Payments for Specified Transactions) Order, 2026 (the Order) pursuant to section 13(2) of the Electronic Transactions Act. The Order came into operation on 1 July 2026 and requires payments for specified transactions to be made or received through electronic means.

The Order makes it mandatory for persons making or receiving payments in respect of specified transactions to use electronic payment methods such as mobile money, bank transfers, electronic funds transfer, payment cards, electronic wallets, point of sale devices, internet or mobile banking and the Government electronic payment system, and not by cash.

The Order applies to a wide range of transactions including payments for public transport services such as bus rapid transit, ferries, railways, air transport, long-distance buses, online taxi services, bridges and parking services. It also covers payments for goods and services in shopping malls, gymnasiums, cinemas, filling stations, conference and event venues, sports arenas and international trade exhibitions such as Saba Saba and Nane Nane.

Also covered are payment of fees and contributions for educational services in pre-primary, primary and secondary schools, tertiary institutions and universities; payment of contributions for educational services in tertiary institutions and universities; payment relating to tourism-related services; payment relating to renting, sale or purchase of a building, plot or farm; payment for motor vehicle sale or purchase; payment relating to agricultural activities.

Even payment for accommodation, food and beverages in hotels, restaurants and cafes is covered under the Order meaning that all restaurants, cafes and the like will not be allowed to accept cash payments.

It is worth noting that persons who were already receiving payments for the specified transactions before the commencement of the Order are granted a transition period of 6 months within which to establish electronic payment systems in compliance with the Order. On top of that, the Order makes it clear that it does not affect any arrangement or contract entered into before it came into force.

Lastly, given the wide range of sectors covered by the Order, businesses and institutions receiving payments in the affected sectors are required to review their payment collection arrangements and, where necessary, establish appropriate electronic payment channels within the six-month transition period to ensure compliance with the Order.

The Order does not provide on who will bear for the cost of transacting electronically but it is likely going to be the person transferring the funds, hence directly hitting the consumer's pocket, making it an added expense. Moreover, it is to be seen how the Order will be implemented considering the current payment infrastructure, and threats from hackers and fraudsters.

To read the Electronic Transactions (Mandatory Electronic Payments for Specified Transactions) Order, 2026 click here

For further information on legal updates please contact:

E: info@fbattorneys.co.tz

About FB Attorneys
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FB Attorneys
8th Floor, Amani Place, Ohio Street
P. O. Box 19813
Dar es Salaam, Tanzania
T: +255 22 2135994/5
E: info@fbattorneys.co.tz
W: www.fbattorneys.co.tz

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