LEGAL UPDATE

FB ATTORNEYS

4 August 2026

Foreign Exchange Regulations Amended

- **Definition of direct investment expanded**
- **Non-residents now allowed to invest more broadly in securities**
- **Export and import reporting procedures streamlined**

In exercising his powers under the Foreign Exchange Act, the Governor of the Bank of Tanzania issued the Foreign Exchange Regulations, 2022 (the Regulations) which came into force on 13 May 2022. The Regulations introduced a comprehensive framework governing foreign exchange transactions, including export and import transactions, outward remittances, foreign borrowing, capital account transactions and direct investments. On 17 July 2026, the Governor issued the Foreign Exchange (Amendment) Regulations, 2026 (the Amendments) vide Government Notice No. 206. The Amendments mainly seek to clarify certain provisions relating to direct investments, securities and export and import reporting procedures.

One of the notable amendments is the expansion of the definition of direct investment. Previously, direct investments generally referred to investments made by residents and non-residents that confer control or significant influence over an enterprise. The Amendments now provide greater clarity by expressly recognizing outward direct investments by residents and confirming that direct investment includes equity capital, reinvested earnings and debt instruments between affiliated enterprises. Further, for outward investments, the Amendments introduce a ten per cent ownership threshold as one of the indicators of a direct investment relationship. Further, the Amendments introduce a definition of “securities”, which now covers a wider range of financial instruments, including shares, debentures, Government bonds, collective investment scheme interests, derivatives, options, warrants and futures. This provides greater clarity on the types of instruments that fall within the scope of the Regulations.

In relation to export and import transactions, the Amendments simplify a number of reporting requirements. Previously, exporters were required to submit export documents to their banks within 7 days after completion of customs procedures. Under the Amendments, banks or financial institutions may instead request the relevant export documents after completion of customs procedures, where necessary. Further, where export proceeds or imported goods are delayed beyond the prescribed period, exporters and importers are now required to provide reasons to their respective bank or financial institution within five days, after which the bank or financial institution has five working days to consider whether an extension should be granted. Similar timelines have also been introduced where there is a shortfall or excess in export proceeds or imported goods.

The Amendments also liberalize investments in securities by non-residents. Under the Regulations, non-residents were only permitted to purchase, sell or transfer Government securities if they were residents of an East African Community or Southern African Development Community member state or Tanzanian citizens in the diaspora. The Amendments replace this restriction by allowing non-residents to purchase, sell or transfer securities in Tanzania in accordance with the Regulations.

To read the Foreign Exchange (Amendment) Regulations, 2026 **click here**
To read the Foreign Exchange (Amendment) Regulations, 2023 click here
To read the Foreign Exchange Regulations, 2022 click here
To read our previous update on the Foreign Exchange Regulations, 2022 click here

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About FB Attorneys
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