LEGAL UPDATE

FB ATTORNEYS

24 November 2026



Foreign Exchange Use Regulations Amended

- **Cross border contracts excluded from the Regulations**
- **Additional transactions in foreign currency permitted**
- **Certain tourism and reinsurance payments now permitted in foreign currency**
- **Duty free shop exemption restricted to airports**
- **Minister empowered to revise exemptions without consulting BoT Governor**

The Minister for Finance has issued the Foreign Exchange Use (Amendment) Regulations, 2026 (the Amendments) vide Government Notice No. 372 published on 20 November 2026, amending the Foreign Exchange Use Regulations, 2025 (the Regulations). The amendments introduce additional exemptions permitting the use of foreign currency in certain transactions, while maintaining the general requirement for domestic transactions to be conducted in Tanzanian Shillings (TZS).

One of the notable changes is the introduction of regulation 4(3) which provides that the Regulations shall not apply to contracts for goods or services involving transactions across the borders of Tanzania, subject to the Foreign Exchange Act, Cap. 271. This provides greater clarity on the treatment of cross border transactions, particularly for businesses engaged in international trade and services.

Importantly, the Amendments expand the list of transactions that may be conducted in foreign currency. In addition to the exemptions previously provided under the Regulations, foreign currency may now be used for payments arising from agreements entered into by the Government and approved by the Cabinet as well as transactions involving reinsurance payments to insurance companies outside Tanzania..

Moreover, the Amendments also introduce an exemption for resident tour operators making payments for tourism goods or services on behalf of tourists from outside Tanzania. This is a significant development for the tourism sector, particularly for tour operators arranging accommodation and other tourism services for international visitors. However, the exemption is specifically limited to qualifying transactions undertaken by resident tour operators and does not generally permit all tourism businesses to charge or receive payments in foreign currency.

Furthermore, the Amendments clarify two existing exemptions. Transactions involving embassies and international organizations are now expressly linked to entities recognized under the Diplomatic and Consular Immunities and Privileges Act, Cap. 356. Additionally, the exemption relating to payments for goods in duty free shops has been restricted to duty free shops located within airports.

It is also worth noting that the Amendments remove the requirement for the Minister responsible for finance to consult the Governor of the Bank of Tanzania before adding or removing transactions from the list of permitted foreign currency transactions. The Minister may also establish an advisory committee, where necessary, to examine and advise on matters concerning implementation of the Regulations.

Despite these changes, the general restrictions under the Regulations remain applicable. Accordingly, prices for goods and services within Tanzania must continue to be quoted and advertised in TZS, and domestic payments must be made in TZS unless the transaction falls within the prescribed exemptions.

To read the Foreign Exchange Use (Amendment) Regulations, 2026, click here.

To read the Foreign Exchange Use Regulations, 2025, click here.

For further information on legal updates please contact:

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