

# NEW FOREIGN EXCHANGE REGULATIONS ISSUED

We wish to bring to your attention that the government of Tanzania has introduced new rules on the use of **FOREIGN CURRENCY** under the Foreign Exchange Use Regulations (GN. No. 198 of 2025), made under the Bank of Tanzania Act, Cap. 197 was officially published on **March 28, 2025**.

These regulations aim to streamline financial transactions and encourage the use of the Tanzanian Shilling (TZS) to strengthen the local economy

## KEY REGULATIONS

1. **ALL** prices for goods and services to be in Tanzanian Shillings (TZS)
2. Cannot quote or advertise prices in foreign currency (Applicable to **ALL** foreign currencies)
3. Limited transactions allowed in foreign currency
4. All contracts now must be in Tanzanian Shillings (TZS)

## KEY POINTS TO NOTE:

1. The Regulations apply to **ALL** individuals and companies in Tanzania including transactions conducted within Tanzania.
2. **Transaction** means quoting, advertising, specifying, publishing, or pricing, or paying or receiving payment for goods or services within the country.
3. **ALL** prices for goods and services within the country must be displayed in Tanzanian Shillings (TZS).
4. It is **PROHIBITED** to force or facilitate payments for goods or services in the country using foreign currency
5. Hotels serving foreign guests- Tanzanian residents **MUST PAY** in TZS, but international guests booking from abroad may be charged in foreign currency
6. Importers and exchange rate fluctuations- Contracts may include price adjustment clauses, as long as they adhere to legal requirements.
7. Foreign currency accounts are not addressed in the new rules, so individuals and businesses can still hold them as long as they comply with other financial laws
8. It is **NOT ALLOWED** to quote, advertise, specify, or publish prices for any goods or services in the country using foreign currency.

## LIMITED TRANSACTIONS ALLOWED IN FOREIGN CURRENCY

1. **Membership fees** paid by the Government to regional institutions located in the country;
2. Transactions involving embassies and international organizations located in the country;
3. Foreign currency loans provided by commercial banks and financial institutions within the country and
4. Payments for goods in duty-free shops.

## CONTRACTS, COMPLIANCE AND PENALTIES

1. All contracts currently in foreign currency **MUST BE AMENDED** to comply with the regulations within **ONE YEAR** of their announcement.
2. Non-compliance may lead to legal consequences.

We are here to assist you throughout this process and ensure your compliance with the regulatory requirements. Please do not hesitate to reach out should you require any further clarification or support.

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