

GOVERNMENT NOTICE NO. 884 published on 22/11/2019

THE BANK OF TANZANIA ACT,
(CAP.197)

REGULATIONS

(Made under section 70 (1))

THE BANK OF TANZANIA (FINANCIAL CONSUMER PROTECTION) REGULATIONS,
2019

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THE BANK OF TANZANIA ACT,
(CAP .197)

REGULATIONS

Made under section 70 (1)

THE BANK OF TANZANIA (FINANCIAL CONSUMER PROTECTION) REGULATIONS,
2019

PART I
PRELIMINARY PROVISIONS

- Citation 1. These Regulations may be cited as the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019.
- Application 2.-(1) These Regulations shall apply to all financial service providers except where prescribed otherwise by the Bank in other Regulations.
(2) These Regulations shall apply to financial service providers operating in Mainland Tanzania as well as in Tanzania Zanzibar.
- Interpretation 3. In these Regulations, unless the context requires otherwise:
“abusive debt recovery” includes-
(a) unlawful collection of amount dues from borrowers;
(b) the use of any false statement; and
(c) harassment and coercion;
“Bank” means the Bank of Tanzania;
“complaint” means dissatisfaction expressed by a consumer or consumer on financial product or service provided by a financial service provider;
“consumer” means a person that uses, has used or is, using, any of the financial product or service provided by a financial service provider;

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- “Court” means the High Court of Tanzania;
- “dormant account” means an account that is left unused by the owner for more than five months;
- “financial consumer protection ”means laws, institutions, practices and policies to safeguard consumer rights, enable consumers to make informed financial decisions and ensure fairness in the provision of products and services by financial service providers;
- “financial education” means imparting financial knowledge, skills and influencing financial behavior of consumers to enable them to manage their personal financial matters and make informed decisions;
- “financial literacy” means possession of knowledge, skills and confidence required to manage personal finances and make informed financial decisions;
- “financial service provider” means an institution licensed, regulated and supervised by the bank.

PART II

GOVERNANCE BY FINANCIAL SERVICE PROVIDERS

Governance of
financial
consumer
protection

4. Every financial service provider shall have in place a structure of governance that will ensure effective implementation of consumer protection in accordance with the provisions of these Regulations.

Responsibility of
Board of
Directors

5. The responsibilities of the Board of Directors of any financial service provider shall include:

- (a) approving policies on financial consumer protection;
- (b) overseeing implementation of financial consumer protection policy and compliance with provisions of these Regulations;
- (c) ensuring that appropriate systems and processes are in place for effective implementation of financial consumer protection policy;
- (d) insuring that senior management has adequate processes in place for providing information necessary for monitoring and evaluation of the consumer protection initiatives; and
- (e) employ or appoint staff who have sufficient knowledge and expertise in carrying out consumer protection activities.

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Responsibility of senior management

6.-(1) The responsibilities of the senior management of the financial service provider shall include:

- (a) establishing functional consumer protection coordination and collaboration mechanisms among business units and prepare reports;
- (b) monitoring enterprise wide operations and functional compliance with consumer protection requirements;
- (c) providing consumer protection compliance guidance after review of current and proposed systems, products and marketing materials;
- (d) overseeing any agent and or third party by or through which the financial service provider provides consumer financial services;
- (e) identifying financial products and services that carry consumer protection compliance risk;
- (f) deploying courteous and experienced personnel to handle consumers complaints;
- (g) conducting research and analysis on the patterns and trends associated with complaints from consumers; and
- (h) providing relevant training and supervision for the employees, agents and third parties on the requirements of these Regulations.

(2) For the purpose of sub regulation (1) “senior management” include a Chief Executive Officer, head of function, any other senior officer reporting to the chief executive officer and any other person other than members of the Board of Directors who participates in making decisions that affect the whole or substantial part of the business of financial service provider.

Internal control systems

7.-(1) Every financial service provider shall put in place internal controls including effective assurance functions for consumer protection such as internal audit and compliance functions, governance policies and structures which are:

- (a) consistent with the risk profile of the financial service provider and its business conduct principles; and
- (b) sufficient to ensure effective discharge of responsibilities for stewardship of resources, compliance with legislative and other

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requirements.

(2) A financial service provider shall put in place adequate information management systems for measuring, monitoring, controlling and reporting consumer protection issues.

Policies and
procedures

8.-(1) Every financial service provider shall have in place appropriate financial consumer protection policies which are consistent with the provisions set forth in these Regulations

(2) Without prejudice to the generality of sub regulation (1), financial consumer protection policies shall include:

- (a) lay out of roles and responsibilities for consumer protection at all levels;
- (b) compliance risk management practices for consumer protection that facilitate the identification, measurements, monitoring and control of risks;
- (c) information sharing of consumer protection among functional units including complaint statistics, fraud reports and legal claims;
- (d) disclosure in respect of accountability, transparency, complaint handling process and other redress channels;
- (e) review of financial product or service to identify, monitor and control consumer protection risks;
- (f) adequate control mechanisms to safeguard consumers' assets against incidences of fraud, misappropriation and misuse;
- (g) procedures that aim to protect consumers' deposits and other assets against internal or external fraud or misuse;
- (h) procedures to resolve cases of suspected fraud or misuse regarding consumers' accounts;
- (i) periodic audit for control systems to ascertain consumer protection adequacy and effectiveness to guard against breaches;
- (j) regular update systems to guide against possible security lapses; and
- (k) periodic internal risk assessment to identify and assess data security risks on systems and appropriate control to restrict and monitor access to consumers' information database.

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(2) A financial service provider shall annually review financial consumer protection policies and submit to the Bank the revised policies indicating all changes made therein not later than thirty days after its Board's approval.

Submission of reports

9. Every financial service provider shall report financial consumer protection matters to the Bank in the form and at the time prescribed by the Bank.

PART III

FAIR AND EQUITABLE TREATMENT OF CONSUMERS

Non-discrimination

10. Every financial service provider shall:

- (a) not discriminate consumers based on social status, physical ability, marital status, race, gender, age, religion or tribe; or
- (b) not engage in practices which may include including threats, intimidation, humiliation, misrepresentation, deception or unfair inducements.

Unfair practices

11.-(1) Every financial service provider or its agent shall not employ unfair business practices to its consumers.

(2) For the purposes of sub regulation (1), "unfair business practices" shall include:

- (a) unsolicited loan offers;
- (b) abusive debt recovery practices;
- (c) applying new higher interest penalty rates to the existing balance including past purchases made at a lower interest rate;
- (d) requiring payment of un-accrued interest on credit facility;
- (e) automatically increasing credit limits without prior consent by the consumer;
- (f) continuing to charge maintenance fees on dormant accounts or an account with balance less than maintenance fees;
- (g) granting automatic overdraft facilities and imposing fees and charges without prior opt-in consent by the consumer;
- (h) using opt-in clauses for facilities that auto-deduct payments and fees when loans are tied to deposit account; and
- (i) bundling and tying practices on products or

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services.

(3) In this regulation, the terms-

- (a) “bundling of product” means the sale of two or more financial products or services as one combined product or service;
- (b) “tying of products or services” means the sale of two or more financial products or services without the option of distinguishing them upon sale;
- (c) “opt-in clause” means a clause in an agreement which imposes an obligation on a consumer without a voluntary consent.

(4) Notwithstanding sub regulation (2), a financial service provider shall not apply straight line method or any other method which has not been sanctioned by the Bank in calculating interest amount on loans.

Sales practices

12.-(1) Every financial service provider shall:

- (a) put in place formal sales policies and procedures for their products or services;
- (b) not mis-sell, mis-represent or apply aggressive practices or discriminate during the sales process;
- (c) not down play or dismiss warnings or cautionary statements in written sales materials; or
- (d) disclose actual and potential conflict of interest to a consumer, particularly when the consumer receives advice before entering into a consumer agreement.

(2) For the purpose of sub regulation (1) (b), “mis-sell” means deliberate, reckless, or negligent sale of unsuitable financial product or service to the consumer

Suitability of
financial products
and services

13. Every financial service provider shall:

- (a) before entering into agreement with a consumer, gather, file and record sufficient information from the consumer with a view to determine suitability of the financial product and service to be offered;
- (b) design and offer financial products or services that are appropriate to the varying needs, risk profile and interests of different types of consumers; and
- (c) offer market-based prices for financial products and services.

Consumer
mobility

14.-(1) Every financial service provider shall:

- (a) not unduly limit a consumer’s ability to cancel or

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transfer a financial product or service to another provider, on consumer's notice; and

- (b) provide comprehensive information about cancellation and portability procedures to consumers.

(2) Upon receiving consumer's notice, the financial service provider shall affect consumer's demand within thirty days from the date of receipt of the consumer's notice.

(3) The financial service provider may charge a reasonable cancellation fees or a penalty or prepayment penalty only if such fee or penalty is set out in the consumer's agreements.

(4) A financial service provider shall:

- (a) provide a consumer with a reasonable reflection and cooling-off periods for financial product or service; and
- (b) fully disclose the reflection and cooling-off periods to a consumer in writing.

(5) The cooling-off period shall not overlap with the reflection period and shall start only when an agreement has been signed.

(6) For the purpose of sub regulations (4) and (5), "cooling-off period" means a period after a sale contract is agreed during which the consumer may cancel the contract without incurring a penalty.

Contract language

15.-(1) Every financial service provider shall not use technical terminology or language in contract and where used, shall clearly be explained to a consumer.

(2) A financial service provider shall use either English or Kiswahili language based on the consumer's preference.

Fair contract terms

16.-(1) Every financial service provider shall provide to a consumer a contract with terms and conditions which clearly set out respective rights and obligations of all parties to transactions.

(2) The contract terms shall be considered unfair where there is significant imbalance in one party's rights and obligations to the detriment of the other including:

- (a) limiting the liability of the service provider in the event of total or partial non-performance of contractual obligations;
- (b) excluding the liability of the financial service

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- provider in the event of its negligence to the detriment of the consumer;
- (c) binding a consumer while the corresponding obligation on the financial service provider is conditional;
- (d) providing for termination of contracts or alteration of clauses without prior notice to the consumer;
- (e) limiting the financial service provider's liability with respect to actions or commitment undertaken by their agents;
- (f) giving the financial service provider a possibility of transferring rights and obligations under the contract, reducing the rights of the consumer without consent; and
- (g) excluding or limit the right of the consumer to take legal action.

Appointment of agent

17. Where a financial service provider appoints an agent in terms of any written law governing financial service provision, it shall:

- (a) enter into a formal agency agreement; and
- (b) continuously monitor the performance of the agent.

PART IV
FINANCIAL EDUCATION AND AWARENESS

Consumer strategy

18.-(1) A financial service provider shall develop a consumer strategy that defines and segments the market with needs and communication preferences.

The design of the strategy shall consider the following-

- (a) market segment;
- (b) key financial needs and messages;
- (c) appropriate channels for reaching the markets segment; and
- (d) stakeholders mapping.

(2) A financial service provider shall, not later than thirty days after approval by the Board of Directors, submit a consumer strategy to the Bank for review.

Financial education program

19.-(1) Every financial service provider shall develop financial education programs taking into consideration the,

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geographical location, gender, level of education, physical and mental ability and occupation of the consumers.

(2) A financial service provider shall be required to deploy financial education programs which:

- (a) are cost effective and make optimal use of resources;
- (b) are capable of influencing consumers' financial behavior;
- (c) use simple language that resonates with the target audience;
- (d) provide objective advice and not being used as marketing initiatives; and
- (e) are repetitive and reinforced over time.

(3) The financial education programs referred to under this regulation shall include:

- (a) public awareness campaigns and information resources that empower consumers on important aspects of their financial lives particularly budgeting, financial planning, savings, investing, borrowing, retirement plans and self-protection against fraud; and
- (b) financial education tools of information materials that are updated and readily understood and transparent.

(4) The materials for financial education shall be developed in English and Kiswahili languages except where there is need for languages other than English and Kiswahili.

Communication
strategy

20. Every financial service provider shall develop a communication strategy which:

- (a) has a variety of channels and delivery mechanism; and
- (b) deploy client focused delivery channels that reflect demographic, cultural and financial context, and learning needs and preferences of the targeted group.

Monitoring and
evaluation

21. Every financial service provider shall establish mechanisms for monitoring and evaluation which are capable of tracking and assessing campaigns and programs of financial education initiatives.

PART V
DISCLOSURE AND TRANSPARENCY

Information on
financial
products and
services

22.-(1) Every financial service provider shall provide complete and accurate information in advertisements and marketing of financial products and services.

(2) The information provided under sub regulation (1) shall be in a simple, plain and comprehensible language.

(3) Without prejudice to sub regulation (1), a financial service provider shall provide advertisement, sales materials or other forms of communication or disclosure in plain and easily understandable language that is preferred based on geographical location of the area.

(4) Any written communication shall:

(a) be in a font, size, spacing and placement of content that makes communication easy to read for the consumer; and

(b) contain and highlight key features of the given financial product or service.

(5) A financial service provider shall provide a consumer with documents including agreements, forms, receipts and statements relating to the financial product or service in written form.

(6) A financial service provider shall, before a consumer signs up for any financial product or service, provide clear information on the features of the financial products and services.

Disclosure of
terms and
conditions

23. Every financial service provider shall provide agreements to consumer with key terms and conditions which includes:

(a) rights and responsibilities of the consumer consisting of conditions that may lead to termination of the agreement;

(b) rights and responsibilities of the financial service provider;

(c) all interest rates, costs, fees and charges;

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- (d) notification to consumers on the changes on the agreement;
- (e) the penalties and other remedies in the event of a breach;
- (f) the contact information for the provider's consumers service; and
- (g) the contact information for dispute resolution for both internal and third parties.

Information for
account
functionality

24. Without prejudice to regulation 22 (1), every financial service provider shall be required to disclose to a consumer all information relating to:

- (a) charges or fees for account opening and minimum balances;
- (b) account maintenance fees;
- (c) applicable interest yield;
- (d) account balance;
- (e) responsibility of the consumer to keep personal information confidential including Personal Identification Number and passwords linked to the account;
- (f) type and amount of transactions allowed free of charge;
- (g) limitation on the account functionality such as a number of withdraws;
- (h) procedures and costs for the consumers to close the account; and
- (i) features for inactive account and the consequences of becoming inactive.

Guidelines on
fees and charges

25.-(1) The Bank shall issue guidelines for the charges and fees imposed on products or services offered by a financial service provider.

(2) A financial service provider shall not impose fees and charges on financial product or service in excess of the amount to be imposed under sub regulation (1).

(3) A financial service provider shall not impose fees and charges on any new financial service or product unless such fees and charges intended to be imposed has been cleared the Bank.

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Information for
credit facilities
and instruments

26. –(1) Every financial service provider offering a credit facility shall provide the following information to its consumer:

- (a) fees and other costs for the credit facility;
- (b) total and frequency of instalment payments, or minimum periodic repayment in the case of revolving credit;
- (c) liability of parties in the event of unauthorized transactions on their accounts;
- (d) total cost of credit with a breakdown of all costs of each installment including annual percentage rate, total interest payments, total principal and third-party charges and fees;
- (e) terms and conditions of all tied or bundled financial products or services sold together with the loans; and
- (f) policies regarding transfer of credit facilities, late payment and prepayments including related procedures and costs.

(2) For the purpose of sub regulations (1) “credit facility” means an arrangement between a financial service provider and a consumer to allow borrowing of particular amount of money for different purposes for a particular period of time.

(3) A financial service provider offering credit instruments shall provide the following information to the consumer:

- (a) fees, charges and other costs, applicable to each type of a transaction or service;
- (b) procedures to countermand or stop payment on a credit instrument by the consumer;
- (c) liability of the parties in the event of fraud of a credit instrument; and
- (d) consequences and costs to the consumer on using credit instrument to the account with insufficient funds.

(4) For the purpose of sub regulations (3), “credit instrument” includes a document other than paper money that serves as evidence of debt including cheques, letters of credit and bonds.

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Key facts
statements

- 27.-(1) Every financial service provider shall required to:
- (a) produce and provide key facts statement of its product or service to a consumer;
 - (b) provide key facts statement through convenient channels, including at least a channel through which a particular financial product or service is provided;
 - (c) attach to the agreement for provision of financial service or product a key facts statement which is signed by the consumer; and
 - (d) retain copies of the key facts statement.
- (2) The minimum standards for key facts statements to be used in relation to different financial product or service shall include:
- (a) use of plain and easy language to understand;
 - (b) standardized formula for disclosure of all-inclusive total cost or return; and
 - (c) standardized formats or templates.
- (3) For the purpose of this regulation, “key fact statement” means a statement that provides consumers with simple and standard disclosure of key contractual information of a financial product or service.

Provision of
accounts
statements

- 28.-(1) Every financial service provider shall provide a consumer with:
- (a) a periodic written statement of every account the provider operates for the consumer, free of charge;
 - (b) a closing statement when terminating or concluding an agreement; and
 - (c) information on account balances upon request by the consumer.
- (2) A financial service provider shall provide periodic statements aligned to the manner in which the agreement was initially signed.
- (3) For the purpose of sub regulation (2), a financial service provider-
- (a) shall, at the first instance, at the beginning of each respective month or at any time where provision of the statement is by electronic means, issue a financial statement at no charge; or
 - (b) may at a prescribed fee or charge, issue a financial statement under circumstances other than as

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provided under paragraph (a).

(4) The frequency with which statements are provided shall commensurate with the type of financial product or service, its term and the type of clientele.

(5) The statement referred to under this regulation shall contain the following information-

- (a) all types of transactions;
- (b) values and dates concerning the account during the time period of the statement;
- (c) opening and closing balances;
- (d) interest rate;
- (e) fees and penalty charged; and
- (f) any impending risk for the consumer or changes in account rules or financial products or services terms and conditions.

Settlement of obligation

29.-(1) A financial service provider shall provide a consumer who has fully settled financial obligations with a written declaration indicating the full settlement of obligation.

(2) For the purpose of sub regulation (1), a financial service provider shall on behalf of the consumer, and within thirty days from the date of full settlement of the obligation, cause the property that is subject of collateral of a credit facility be discharged and handed over to the consumer.

Notification of changes in terms and conditions

30.-(1) Every financial service provider shall be required to notify a consumer in writing, including in electronic form prior to changes in-

- (a) the interest rates to be paid or charged on any account of the consumer;
- (b) any non-interest charge on any account of a consumer; and
- (c) any other key product feature or previously agreed term or condition such as procedure for cancellation, prepayment of loans and transfer of loan servicing.

(2) A financial service provider shall be required to notify a consumer in case transactional accounts have become inactive or dormant.

(3) The nature and extent of the change shall guide the mode of communication for advance notice.

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PART VI
RESPONSIBLE BUSINESS CONDUCT

- Timely response
31. Every financial service provider shall respond to a consumer's request for information clearly, timely and in writing.
- Advertisement and sales promotion
32. Every financial service provider shall:
- (a) conduct sales promotion ethically and professionally;
 - (b) provide suitable financial products or services based on consumers' needs and capability;
 - (c) provide channels for consumers to make inquiries and complaints;
 - (d) ensure advertisement and sales materials do not contain misleading or false information or omit information that is important for the consumer to make a decision;
 - (e) be responsible for the statements made in advertising and sales materials; and
 - (f) not use marketing strategy which may harm a consumer by taking advantage of the consumers' condition.
- Consumer's creditworthiness
33. Every financial service provider shall, before a consumer signs up for any financial product or service-
- (a) assess the consumer's creditworthiness on the basis of character, capacity, capital, collateral, condition and such other factors; and
 - (b) assess the consumer's ability to fulfill terms and conditions associated with the financial products and services.
- Sale or transfer of debt
34. Every financial service provider shall, where the sale or transfer of debt without borrowers' consent is permitted by law:
- (a) notify a consumer of a sale or transfer within a reasonable number of days and the remaining debt obligation;
 - (b) provide a consumer with information as to where to make payment; and

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- (c) provide a consumer with the purchaser's or transferee's contact information.

PART VII

PROTECTION OF CONSUMERS' ASSETS AND INFORMATION

Safeguarding
consumer assets

35. Every financial service provider shall-

- (a) be liable for the consumers' loss incurred through fraud, misappropriation or misuse involving consumers assets held, administered or controlled by the financial service provider;
- (b) take disciplinary action against employees involved in fraud, misappropriation and misuse of consumers' assets and report to the Bank;
- (c) promptly refund a consumer for the actual amount lost due to fraud, misappropriation and misuse of consumers' assets, unless proved that the loss occurred due to consumer's negligence or fraudulent behavior;
- (d) require consumers to update their details within the timeline specified by the Bank;
- (e) create convenient avenue through which consumers can make the required updates;
- (f) continuously create awareness on fraudulent practices and consumers' responsibility to guide against threats; and
- (g) require consumers to update their records as and when the need arises to ensure data accuracy and ultimate enhance protection.

Protection of
consumer's
information

36. Every financial service provider shall be require-

- (a) to put in place appropriate security and control measures to protect consumers' financial and personal information;
- (b) not share consumers' information with a third party except with consumer's consent or as required by the law;

Collection and
use of data

37.-(1) Every financial service provider shall collect consumers' data within the limits established by these regulations and where applicable, with the consumer's consent.

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- (2) A financial service provider shall make rules for collection and usage of data including means, purpose and types of data that may be collected and retained.
- (3) The data collected shall be handled in compliance with the Anti-Money Laundering Act.
- (4) A financial service provider shall comply with data privacy and confidentiality requirements that limit the use of consumer data exclusively for the purpose for which data is collected.

Confidentiality
and security of
consumer
information

38.-(1) Every financial service provider shall formulate and implement policies and procedures to ensure confidentiality, security and integrity of consumer's data.

(2) The data referred to under sub regulation (1) shall include:

- (a) personal information;
 - (b) accounts records;
 - (c) deposits records;
 - (d) deposited properties information;
 - (e) transactions records; and
 - (f) other information in possession of the financial service provider.
- (3) A financial service provider shall-
- (a) establish different levels of permissible access to consumers data depending on the role of the employees within the organization;
 - (b) formulate and implement policies and procedures for security of networks and databases;
 - (c) be liable for misuse of consumer data; and
 - (d) be liable for any breaches in data security that result in loss or other harm to the consumer.

Sharing of
consumers'
information

39. Every financial service provider shall-
- (a) put in place rules for the release and use of consumer information by authorized third party;
 - (b) not share consumers' information with a third party for any purposes including marketing, promotion and advertisement unless the information is being used for the purpose that is consistent with the purpose for which it was originally collected;

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- (c) obtain prior consent of the consumer in writing before using such information for future promotional offers via emails, Short Message Service, phone calls and other channels;
- (d) put in place appropriate data protection measures and staff training programs to prevent unauthorized access, alteration, disclosure, accidental loss or destruction of consumer data; and
- (e) inform a consumer the possibility of a third party accessing the information in the case of bundling financial products or services.

PART VIII
COMPETITIVE ENVIRONMENT

Free market

- 40.-(1) The Bank shall:
- (a) encourage product development to enable consumers access to range of innovative financial products and services;
 - (b) monitor the market to restrict practices which may inhibit competition; or
 - (c) discourage tying of financial products or services.
- (2) A financial service provider shall-
- (a) not engage into exclusive arrangements with agents and merchants;
 - (b) operate systems which are open and interoperable;
 - (c) not charge a consumer fees which have not been previously disclosed.
- (3) A financial service provider shall-
- (a) publish interest rates, fees and charges, and other related costs at least quarterly in at least one Kiswahili and one English newspapers of wide circulation in Tanzania;
 - (b) display the information referred to in paragraph (a) in a conspicuous position in the public place of its places of business; and
 - (c) report to the Bank the information referred to in paragraph (a) within five days after publication.

Switching
barriers

- 41.-(1) Every consumer shall be at liberty to engage with any preferred financial service provider.
- (2) A financial service provider shall-

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- (a) not place restrictions on consumers that prohibit termination of contracts, change of financial service provider, financial products or services; or
- (b) provide the necessary information to the new financial service provider when a consumer decides to switch to other financial service provider.

PART IX

COMPLAINTS HANDLING AND REDRESS MECHANISM

Right to lodge
complaint

42. Every consumer shall have the right to file a complaint against a financial service provider upon dissatisfaction or being aggrieved by the conduct of the financial service provider contrary to the manner set out in these Regulations

Mechanism for
handling
consumer's
complaints

43.-(1) Every financial service provider shall establish a mechanism for receiving, processing and determining consumer complaints.

(2) The mechanism for receiving complaints under sub regulation (1) shall have multiple channels with clear procedures including telephone numbers, help desk, dedicated email addresses and web chat.

(3) The mechanism referred to under sub regulation (1) shall be free, fair, accessible, timely, transparent and independent, capable of:

- (a) acknowledging complaint and keeping complainant updated throughout the process; and
- (b) keeping a record of all complaints.

Provision of
information on
complaints
handling
mechanism

44.-(1) Every financial service provider shall provide a consumer with information on available mechanism for handling complaints.

(2) The information referred to under sub regulation (1) shall include:

- (a) available channels for complaints handling and redress;
- (b) timeline for complaints resolution;
- (c) responsibility of the complainant at each stage of the process;
- (d) obligation of the financial service provider; and
- (e) escalation process to various levels.

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Fair redress mechanism and compensation policy

45.-(1) Every financial service provider shall develop a fair redress mechanism and compensation policy for an aggrieved consumer who qualifies for compensation.

(2) A compensation policy referred to in sub regulation (1) shall:

- (a) be in line with the provision of these Regulations and guidelines which may be issued by the Bank;
- (b) contain provisions which include compensation for:
 - (i) unauthorized or erroneous debits;
 - (ii) excess charges; and
 - (iii) financial loss to consumers due to staff negligence or fraudulent activities.

Timeframe for resolving consumer complaints

46. Every financial service provider shall, upon receipt complaint from the consumer respond to the consumer and resolve such complaint within the timeframe provided under the First Schedule of these Regulations.

Conflict of interests

47.-(1) A financial service provider shall, in handling consumer complaints, avoid conflict of interest.

(2) An officer shall not be involved in processing of the complaints if he is a party to or has interest in the complaint.

Declaration of complaints resolution

48.-(1) Where a complaint has finally been determined by a financial service provider, a financial service provider and a consumer shall sign a Complaint Resolution Declaration Form provided under the Second Schedule of these Regulations.

(2) A financial service provider shall furnish the Complaint Resolution Declaration Form referred to under-sub regulation (1) to the Bank in the manner and time to time prescribed by the Bank.

Notification and extension of time

49.-(1) A financial service provider shall, if unable to resolve a complaint within time specified under the First Schedule, notify the Bank and a complainant before the expiration of the time specified, showing reasons for inability and measures taken to resolve the matter.

(2) Upon notification to the Bank and a complainant pursuant to sub regulation (1) and after expiration of the period provided under the First Schedule, a financial service provider shall determine the matter within the time not exceeding half of

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the period specified.

Complaints handling at Bank 50. The Bank may issue guidelines, circulars or such instruments governing the receipt, processing and determination of consumer complaints.

Submission of complaint to Bank 51.-(1) Subject to regulation 49(1), a complainant may file a complaint with the Bank if-

(a) the complainant has not received a response from the financial service provider as required under regulation 46 or his complaint has not been attended to in the manner provided under such regulation:

Provided that a complaint shall be entertained in the case of non-receipt of notification under regulation 49(1) or the non-attendance to a complaint, at any time immediately upon the lapse of time of determination as stipulated in the First Schedule, but in any case, not later than fourteen days:

(b) the complainant is dissatisfied with the decision of a financial service provider:

Provided that a complaint shall be entertained in the case of dissatisfaction with the decision by the complainant, if it is lodged within fourteen days from the date of receipt of notification of the resolution referred under regulation 49(1).

(2) Notwithstanding the time specified under sub regulation (1), a consumer may apply to the Bank for determination after the expiration of such time upon showing good cause for inability to lodge the appeal within specified time.

(3) A complaint lodged with the Bank shall be in a form prescribed in the Third Schedule.

Conditions for admitting complaints 52. The Bank shall receive, process and determine consumer's complaints after being satisfied that:

(a) the complaint has been handled by financial service provider to its finality;

(b) the consumer has not been satisfied with the decision reached by financial service provider;

(c) time for handling the complaint as set out in the First Schedule has lapsed without consumer getting

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notification from the financial service provider;

- (d) a complaint has not been subject to legal proceedings before a court or tribunal or any other competent authority; and
- (e) a complainant has suffered financial loss or material inconvenience.

Determination
by the Bank

53.-(1) The determination by the Bank on the complaint referred by a complainant shall be binding and conclusive.

(2) The Bank shall deliver written determination on the matter within the time specified in the Fourth Schedule.

(3) The Bank shall, in determining a complaint, adhere to the general principles of natural justice and not be bound by the strict legal principles.

(4) The determination shall be binding on the parties unless a dissatisfied party has lodged an application for review.

(5) A complainant may at any time, before delivery of the determination, withdraw a complaint in writing from the Bank, and the matter shall be considered closed.

Award

54. The Bank may upon making determination of complaint under regulation 53 order a financial service provider to:

- (a) compensate and refund the affected consumer;
- (b) make correction of erroneous data, information or statement;
- (c) cease or desist from the conduct that is subject of complaint;
- (d) make a formal apology; or
- (e) do or desist from doing any other thing or action as the Bank may deem appropriate.

Revision of
determination
by Bank

55.-(1) A complainant or financial service provider may, within seven days from the date of delivery of the determination by the Bank, request the Governor in the prescribed form appearing in the Fifth Schedule for revision of determination made by the Bank.

(2) The Governor may make a decision on the request for revision by providing an opportunity for the complainant or the financial service provider to make further written submissions or without requesting further submissions.

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(3) The Governor shall, within twenty one days from the date of receipt of the application for revision, make a determination.

Review of complaint 56. Where the complainant or the financial service provider signifies dissatisfaction with the determination or revision of determination by the Bank, the complainant may apply for a judicial review to the Court.

Case stated 57. The Bank may refer to the Court, matters which by their nature require the Court's guidance or interpretation.

Complaints involving multiple financial service providers 58. Where a complaint from the consumer involves more than one financial service provider, the responsibility to resolve the matter shall solely be on the service provider who initiated the financial product or service.

General powers of the Bank on consumer's complaints 59. Notwithstanding any provisions under this Part, the Bank may, on its own initiative (*suo moto*), deal with any financial consumer protection matter without being moved by any party.

PART X
ENFORCEMENT AND SANCTIONS

Powers of Bank 60.-(1) The Bank shall have a clear supervisory mandate and objectives for conduct of financial consumer protection which include:
(a) clear powers to impose pre-emptive measures to address non-compliance and instances of misconduct; and
(b) adequate range of enforcement powers and tools to allow investigation and address various situations adequately.
(2) The Bank shall establish an effective supervisory system including the power to obtain any relevant information from the financial service providers.
(3) The Bank shall-
(a) establish a mechanism for coordinating financial consumer protection matters; and

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(b) develop a mechanism for monitoring and evaluation for financial consumer protection initiatives.

(4) The Bank shall-

(a) develop mechanism to enforce protection of consumers' assets;

(b) for, the purposes of monitoring effective implementation of sanction by the financial service providers against malpractices of the employees, maintain a database of employees who are subject of the malpractices;

(c) establish and maintain a database of financial service providers' employees who have been involved in malpractices; and

(d) use appropriate mechanism in examination and mystery shopping to monitor financial service providers and ensure proper engagement of consumers prior to the sale of financial products or services.

(5) The Bank shall use a variety of tools to ensure robust conduct of business supervision, depending on the nature, scale and complexity of the market which include-

(a) market analysis;

(b) policy review;

(c) off-site surveillance;

(d) on-site examination;

(e) thematic reviews; and

(f) complaint handling.

Sanctions

61.-(1) Without prejudice to penalties and sanctions prescribed under the Act, the Bank may impose on any financial service provider any of the following sanctions for non-compliance-

(a) suspension from operations for a period not exceeding one year;

(b) a fine or penalty not exceeding Tanzanian shillings twenty million;

(c) suspension or order for withdrawal of financial product or service or advertisement materials;

(d) suspension of management staff;

(e) conditions, restrictions or cancellation of registration or license provided;

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- (f) disqualification of management to carry out regulated activities;
 - (g) publication of the names of offenders;
 - (h) reprimands;
 - (i) other sanctions deemed appropriate.
- (2) A financial service provider who fails to comply with the Bank's final determination on a complaint shall be liable to a penalty of Tanzanian shillings one million per day.
- (3) For the purpose of sub regulation (2), the Bank's determination shall be deemed to be final where parties to a complaint have not sought any further redress by way of revision or review as provided for under these Regulations.

SCHEDULES

FIRST SCHEDULE

(Made under regulation 46)

TIMEFRAME FOR RESOLVING CONSUMER'S COMPLAINTS

<i>S/N</i>	<i>Product/Service</i>	<i>Category</i>	<i>Number of Days</i>
1.	Payments products:		within 6 hours
	(i) mobile financial services		
	(ii) remittance (MTO, MNOs,)		within 24 hours
	(iii) card payments (POS, ATM)		within 6 hours
	(iv) cheques (TACH)		within 24 hours
	(v) internet banking		within 24 hours
	(vi) inter-bank payments (TISS)		within 6 hours
	(vii) instant payments (TIPS)		within 6 hours
	(viii) regional payments (EAPS, SIRESS)		within 48 hours
2.	Banking products:		14 days
	(i) credit facilities		
	(ii) deposits		8 hours

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	(iii) electronic transfers		24 hours
	(iv) safe custody		24 hours
	(v) foreign exchange services		2 hours
3.	Bureau de change:		2 hours
	(i) foreign exchange services		
	(ii) remittances		2 hours
4.	Financial leasing		24 hours
	• financial lease		
5.	Credit reference bureau		24 hours
	• credit report		

SECOND SCHEDULE

(Made under regulation 48(1))

COMPLAINT RESOLUTION DECLARATION FORM

Complaint Reference Number:.....

Date Received:

Date Resolved:

A. Complainant's Details:			
i. Name:.....			
.....			
ii. Address & Number:.....			Phone
B. Financial Service Provider's Details			
i. Name:			
.....			
.....			
ii. Address		&	Phone Number:
.....			
Branch/Agent		(if	Applicable):
.....			

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<p>C. Subject of Complaint:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>		
<p>D. Complaint Resolution:</p> <p>.....</p> <p>.....</p> <p>.....</p>		
<p>E. Attachment(s):</p> <p>Attached Documents, if any: <input type="checkbox"/> No Documents: <input type="checkbox"/></p> <p>List of Attached Documents: <input type="checkbox"/></p>		
<p>F. Complainant Satisfaction/dissatisfaction:</p> <p>Satisfied: <input type="checkbox"/> Not satisfied: <input type="checkbox"/></p>		
<p>G. Appeal to the Bank of Tanzania</p> <p>i. By hand to the Financial Consumer Unit</p> <p>ii. By e-Mail to the attention of the Head of the Financial Consumer Protection Unit</p> <p>iii. By e-Mail addressed to complaints@bot.go.tz</p> <p>iv. Complaints Box displayed in the Bank's Reception Area</p> <p>v. Website: https://www.bot.go.tz</p> <p>vi. By Phone or Hotline: +255 22 223..... or Fax: Mobile:</p>		
<p>H. Declaration:</p> <p>We hereby declare that the information provided by us is correct and true to the best of our knowledge.</p> <p>We also declare that this complaint is not subject of any pending or concluded proceedings in any court of law or tribunal.</p>		
<p>I. Signature</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <p>Financial Service Provider:</p> <p>Name of the signatory:</p> <p>Designation:</p> <p>Signature:</p> <p>Date:</p> <p>Stamp:</p> </td> <td style="width: 50%; border: none;"> <p>Complainant:</p> <p>Name of the Complainant:</p> <p>Signature:</p> <p>Date:</p> </td> </tr> </table>	<p>Financial Service Provider:</p> <p>Name of the signatory:</p> <p>Designation:</p> <p>Signature:</p> <p>Date:</p> <p>Stamp:</p>	<p>Complainant:</p> <p>Name of the Complainant:</p> <p>Signature:</p> <p>Date:</p>
<p>Financial Service Provider:</p> <p>Name of the signatory:</p> <p>Designation:</p> <p>Signature:</p> <p>Date:</p> <p>Stamp:</p>	<p>Complainant:</p> <p>Name of the Complainant:</p> <p>Signature:</p> <p>Date:</p>	

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THIRD SCHEDULE

(Made under regulation 51 (3))

COMPLAINT FORM

<p><i>For official use only</i></p> <p>Complaint Reference Number:.....</p> <p>Date Received:</p> <p>Date Determined:</p>

A. Complainant's Details:

Male Female

Age: 16-24 25-34 35-44 45-54 55-64 65 and above

Name of

Complainant:.....

Address:.....

.....

Telephone No. email:

B. Name of the Financial Service Provider against which the complaint is raised:

.....

Branch/Agent (if Applicable):

.....

C. Amount (in figures and words), if any:.....

.....

.....

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D. Brief statement of complaint and Remedy Sought:

.....

E. Supporting Documents:

F. Declaration:

Ideclare that the information provided herein is true to the best of my knowledge and belief and that I did lodge my complaint to my financial service provider whereupon the financial service provider failed onday of 20..... to respond/resolve* the matter.

I also declare that this complaint is not subject of any pending or concluded proceedings in any court of law or tribunal.

Signed.....

Date.....

*Delete whichever is inapplicable

FOURTH SCHEDULE

(Made under regulation 53 (2))

TIMEFRAME FOR THE BANK'S DETERMINATION

<i>S/N</i>	<i>Product/Service</i>	<i>Category</i>	<i>Number of Days</i>
1.	Payments products:		within 30 days
	(i) mobile financial services		
	(ii) remittance (MTO, MNOs,)		
	(iii) card payments (POS, ATM)		
	(iv) cheques (TACH)		
	(v) internet banking		
	(vi) instant payments (TIPS)		
	(vii) inter-bank payments (TISS)		
	(viii) regional (EAPS, SIRESS)		

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2.	Banking products:		within 45 days
	(i) credit facilities		
	(ii) deposits		
	(iii) telegraphic transfers		
	(iv) safe custody		
(v) foreign exchange services			
3.	Bureau de change:		within 30 days
	(iii) foreign exchange services		
	(iv) remittances		
4.	Financial leasing		within 30 days
	• financial lease		
5.	Credit reference bureau		within 30 days
	• credit report		

FIFTH SCHEDULE

(Made under regulation 55(1))

A. Applicant's Details:			
Name:.....			
Address:.....			
Telephone	No.	email:
.....			

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B. Name of the Respondent:
C. Grounds for Review and Remedy Sought:
D. Supporting Documents, if any:
E. Declaration: Ideclare that the information provided herein is true to the best of my knowledge and belief. I also declare that this complaint is not subject of any pending or concluded proceedings in any court of law or tribunal.
F. Signed..... Date.....

REQUEST FOR REVIEW OF DETERMINATION FORM

For official use only

Complaint Reference Number:.....

Date Received:

Date Determined:

Dodoma
27th November, 2019

PHILIP I. MPANGO
Minister for Finance and plann