



REX
Attorneys at Law
Law | IP | Tax | Forensics

New Regulations on Use of Foreign Currency in Tanzania: What Businesses Need to Know

On **28 March 2025**, the Government of Tanzania issued the **Foreign Currency Use Regulations** under **Government Notice No. 198**, fundamentally changing how foreign currency may be used in domestic transactions. These Regulations were made pursuant to **Section 70 of the Bank of Tanzania Act [Cap. 197 R.E. 2019]**, as amended by the **Finance Act, 2023**, which introduced a new subsection 26(2) prohibiting the use of currencies other than the Tanzanian Shilling for domestic transactions—unless otherwise permitted by the Minister through regulation.

A. Key Highlights of the Regulations:

1. **Mandatory Use of Tanzanian Shillings:** All prices and payments for goods and services within Tanzania must be quoted and made in Tanzanian Shillings. This requirement applies across all sectors and industries.
2. **Limited Exemptions:** A specific schedule of exempted transactions remains, allowing limited use of foreign currency. These include:
 - a. Contributions by the Government to regional institutions;
 - b. Transactions involving embassies and international organizations;
 - c. Loans issued by commercial banks and financial institutions;
 - d. Payments in duty-free shops.
3. **Moratorium Period for Existing Contracts:** A **12-month moratorium** (ending **27 March 2026**) applies to existing contracts that stipulate payment in foreign currency. After this period, such contracts will become **void** unless an extension is granted by the Minister. Notably, **the entire contract becomes void**, not just the foreign currency clause.

B. Compliance Obligations for Businesses:

To comply with the new legal framework, businesses operating in Tanzania should:

1. **Conduct a Contract Audit:** Review all contracts, including employment and service agreements, that reference payment in foreign currency. Amendments should be initiated and completed before the moratorium expires.

Should you require any assistance please contact our Partner, Daudi Ramadhani, via:

email: d.ramadhani@rexattorneys.co.tz

web: www.rexattorneys.co.tz

Who we are:

a firm of dedicated lawyers enjoying noticeable and prominent presence in the private legal practice industry in Tanzania.

Rankings:

iflr1000

the legal 500

chambers & partners global

Dar es Salaam

REX House,
344 Ghuba Road | Toure Drive,
Oysterba

Dar es Salaam
Tanzania.

Tel. No.: +255 22 221 1180-8
Email: info@rexattorneys.co.tz

Zanzibar

Mbweni,
Zanzibar, Tanzania.

Tel. No.: +255 22 221 1180-8
Email: info@rexattorneys.co.tz

Disclaimer:

This article is of a general nature and solely for information purposes. It counts as expert opinion but not professional advice. While the information is accurate as at the date of this article, there can be no guarantee that the information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice and after a thorough examination of the circumstances of each situation.



REX
Attorneys at Law
Law | IP | Tax | Forensics

New Regulations on Use of Foreign Currency in Tanzania: What Businesses Need to Know

2. **Adjust Procurement Processes:** Procurement and finance teams must review the pricing and payment terms of all locally sourced goods and services to ensure compliance, especially where foreign components are involved.
3. **Review Internal Policies:** Ensure that internal financial systems, payroll structures, and invoicing mechanisms are aligned with the mandatory use of Tanzanian Shillings.
4. **Engage Proactively Where Necessary:** For sectors such as mining—particularly companies still negotiating agreements with the Government—any need to transact in foreign currency for local procurements should be raised with the **Government Negotiation Team (GNT)**. While holding foreign currency accounts remains permissible, their use is now highly restricted for domestic transactions.

C. Enforcement and Reporting:

The Bank of Tanzania has urged the public to report any violations of the Regulations to the BOT, Financial Intelligence Unit (FIU), the Police, or other relevant enforcement authorities..

D. Conclusion:

The Foreign Currency Use Regulations represent a major shift in Tanzania's monetary and contractual environment. Entities must act swiftly to ensure compliance through timely contract amendments, policy reviews, and strategic engagement with regulators where exemptions may be required. Adhering to these Regulations not only mitigates legal risks but also reflects a commitment to sound governance and regulatory alignment in Tanzania.

Should you require any assistance please contact our Partner, Daudi Ramadhani, via:

email: d.ramadhani@rexattorneys.co.tz

web: www.rexattorneys.co.tz

Who we are:

a firm of dedicated lawyers enjoying noticeable and prominent presence in the private legal practice industry in Tanzania.

Rankings:

iflr1000

the legal 500

chambers & partners global

Dar es Salaam

REX House,
344 Ghuba Road | Toure Drive,
Oysterba

Dar es Salaam
Tanzania.

Tel. No.: +255 22 221 1180-8

Email: info@rexattorneys.co.tz

Zanzibar

Mbweni,
Zanzibar, Tanzania.

Tel. No.: +255 22 221 1180-8

Email: info@rexattorneys.co.tz

Disclaimer:

This article is of a general nature and solely for information purposes. It counts as expert opinion but not professional advice. While the information is accurate as at the date of this article, there can be no guarantee that the information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice and after a thorough examination of the circumstances of each situation.