



**GUIDELINES ON FEES AND CHARGES FOR BANKS AND FINANCIAL
INSTITUTIONS, 2024**

BANK OF TANZANIA

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PART I

PRELIMINARY PROVISIONS

Introduction	1. The Bank of Tanzania is mandated to ensure integrity and stability of the financial system. In pursuit of the mandate, the Bank has developed the Guidelines on Fees and Charges through a consultative approach to balance business sustainability and protect financial consumers. Further, the Guidelines provide guidance on imposition of fees and charges on products and services offered by banks and financial institutions. The Guidelines aim to ensure imposition of price is equitable to both consumers, banks, and financial institutions, fostering competition and innovation in provision of financial product and services ultimately contribute to financial inclusion.
Citation	2. These Guidelines shall be cited as “ <i>Guidelines on Fees and Charges for Banks and Financial Institutions, 2024</i> ”.
Authorization	3. These Guidelines are issued under Regulation 25(1) of the <i>Bank of Tanzania (Financial Consumer Protection) Regulations, 2019</i> .
Application	4. These Guidelines shall apply to all banks and financial institutions.
Definitions	5. In these Guidelines, unless the context requires otherwise: “Act” means the Banking and Financial Institutions Act, 2006. “Bank” means the Bank of Tanzania. “bank” has the same meaning ascribed to it in the Act. “financial institution” has the same meaning ascribed to it in the Act; “Regulation” means the Bank of Tanzania (Financial Consumer Protection) Regulation.

Objectives	<p>6. The main objective of these Guidelines is to provide guidance to banks and financial institutions on imposition of fees and charges on financial products and services offered to customers.</p> <p>Specifically, the Guidelines aims to;</p> <ul style="list-style-type: none"> (a) ensure fair and equitable imposition of fees and charges; (b) deter unfair fees and charges; (c) promote fair competition among banks and financial institutions; (d) spur innovation in provision of financial products and services; and (e) enhance access to and usage of formal financial services and products.
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PART II

GOVERNANCE AND INTERNAL CONTROLS

Governance	<p>7. A bank or financial institution shall establish an adequate governance arrangement with a clear management level, policies and reporting structure for the management of imposition of fees and charges on financial products and services offered to the public.</p>
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Responsibilities of the Board of Directors	<p>8. Board of Directors of a bank or financial institution shall-</p> <ul style="list-style-type: none"> (a) approve and periodically review the strategy and policy for imposition of fees and charges; (b) clearly set the roles and responsibilities of senior management, internal organizational structures for the proper management of fees and charges of financial products and services; and (c) ensure the fees and charges on financial products and services are fair and equitable to both consumers and the bank or financial institution.
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<p>Responsibilities of the Senior Management</p>	<p>9. Senior management of a bank or financial institution shall -</p> <ul style="list-style-type: none"> (a) develop and implement strategy and policy frameworks for imposition of fees and charges on financial products and services; (b) regularly review the effectiveness of the strategies, policy frameworks, and controls; (c) provide periodic reports related to imposition and revision of fees and charges on financial products and services to the Board of Directors; and (d) ensure that the internal structures responsible for managing and controlling imposition of fees and charges are clearly defined and have adequate resources, skills, and expertise.
<p>Internal Control</p>	<p>10. A bank or financial institution shall put in place an adequate and appropriate internal control to ensure effective management and control on imposition of fees and charges on financial products and services.</p>
<p>Policy for Fees and Charges</p>	<p>11. A bank or financial institution shall establish a policy for imposition of fees and charges which at the minimum shall include: -</p> <ul style="list-style-type: none"> (a) roles and responsibilities of the Board of Directors and Senior Management in relation to management of fees and charges on financial products and services; (b) roles and responsibilities of frontline staff, risk management, compliance, and internal audit functions in relation to imposition of fees and charges on financial products and services; (c) a framework for imposition and revision of fees and charges on financial products and services; at minimum, the framework shall: - <ul style="list-style-type: none"> (i) include charges that reflect the actual direct costs incurred;

	<ul style="list-style-type: none">(ii) include rationale of particular charge;(iii) include actual value added to customers;(iv) encourage use of alternative and cheaper methods of accessing services;(v) include a disclosure of key service information to enable customer to make informed decision;(vi) clearly show basic financial inclusion services or products that are not charged; and(vii) promote use of formal banking services. <p>(d) contents and frequency of reporting of fees and charges to the Board of Directors.</p>
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PART III

FEES AND CHARGES

Reasonable and affordable fees and charges	12.(1)) A bank or financial institution shall impose reasonable and affordable fees and charges.
	(2) In determining reasonability and affordability referred to in guideline 12 (1)) a bank or financial institution shall consider, among others, the following proportionate pricing attributes based on: - (a) service and benefit offered or provided; (b) customer segment; (c) public good and marginalized groups; (d) cost options for services and products; and (e) customer's needs and preferences.
Lending	13.(1) A bank or financial institution shall ensure to provide reasonable and affordable fees for lending. Lending fees and charges shall include: - (a) management fees or charges; (b) commitment fees or charges; (c) facility enhancement; and (d) loan restructuring.
	(2) A bank or financial institution shall ensure transparency and disclosure of all lending fees and charges in the agreement.
	(3) management fees or charges under Guideline 13 (1) (a) shall include processing fees, appraisal fees, credit reference report fees, and search fees on a new loan application.
	(4) Without prejudice to Guideline 13 (2) to (3), a bank or financial institution may impose fees or charges for payments made to third parties on behalf of the consumer to fulfill regulatory requirements, which are payments for valuation of collaterals, security registration, insurance cover, Government taxes and levies and any other fees and charges as may be approved by the Bank. However, such fees

	or charges shall not exceed the actual payments made to the third parties.
Insurance	14. (1) A bank or a financial institution shall not charge insurance premium above the actual premium charged by the insurer.
	(2) Notwithstanding Guideline 14 (1) bank or a financial institution shall not charge insurance if the loan is not insured by a licensed insurance company.
Early Settlement or Cancellation Fees	15. A bank or financial institution may charge early settlement or cancellation fee only if such fee was clearly stipulated in the loan agreement.
Penalty for Late Repayment	16. (1) A bank or financial institution may charge a penalty for late repayment only if such penalty is stipulated in the loan agreement.
	(2) Without prejudice to the requirement of Guideline (1), no penalty shall be levied to the consumer where late repayment has been occasioned by a bank or financial institution negligence.
Universal Saving Account	17. (1) For the purpose of onboarding the unbanked, low-income earners into the banking sector, a bank or financial institution shall offer a special individual universal saving account.
	(2) At minimum, the special account referred under Guideline 17 (1) above shall have the following features: - <ul style="list-style-type: none"> (a) do not attract monthly maintenance fee; (b) maintained in TZS; and (c) individual owned account.
Electronic Transactions	18. (1) A bank or financial institution shall ensure to provide reasonable and affordable fees for electronic transactions.
	(2) Electronic transactions shall include at minimum: - <ul style="list-style-type: none"> (a) Merchant payments (Cards & QR); (b) Bank to Wallet; (c) Bank to Bank; and (d) Any other electronic transactions.

<p>Merchant Payments (Card)</p>	<p>19. (1) A bank or financial institution and their merchant shall not impose fees and charges to the consumer on merchant payments by cards.</p> <p>(2) Without prejudice to Guideline 19 (1), the bank shall impose sanctions to merchants in the event of surcharge for digital merchant payments.</p> <p>(3) Without prejudice to Guideline 19 (1) and (2), a bank or financial institution shall: -</p> <ul style="list-style-type: none"> (a) maintain a list of non-compliant merchants as per Guideline 19 (1); (b) submit to a centralized registry; and (c) use the information as part of due diligence and review of contracts. <p>(4) Without prejudice to Guideline 19 (3), the registry shall also maintain a list of fraudulent merchants.</p>
<p>Prohibited Fees and Charges</p>	<p>20. A bank or financial institution shall not impose fees or charges on the following:</p> <ul style="list-style-type: none"> (a) One-month bank statement by electronic means, at the first instance of each respective month; (b) review of 30 days past transactions through mobile app or internet banking channels; (c) other internal banking activities which do not involve the transfer of value including management of beneficiaries (adding, updating, deleting beneficiaries), updating client profile and on us card PIN reset; and (d) card cancellation fee.
<p>Internal Operating Processes</p>	<p>21. A bank or financial institution shall not impose fees and charges on the following services that are part and parcel of own internal operating processes and or risk management practices to consumers provided the services are not prompted by the consumer or a systemic change: -</p> <ul style="list-style-type: none"> (a) card replacement fee with exception of expiry;

	<p>(b) reminder fee for all products (including notices on dormant account);</p> <p>(c) dormant account activation fee;</p> <p>(d) domestic inward transfer fee; and</p> <p>(e) account closure fee.</p>
On-demand Services	<p>22. (1) A bank or financial institution shall impose fees or charges for on-demand services. These are services not offered by banks or financial institutions on a regular basis, which may include audit confirmation, photocopying of loan documents, issuance of redemption statements, and retrieval of documents. Such fees or charges should not exceed the actual costs incurred.</p>
	<p>(2) Fees and charges for on-demand services shall not be bundled under vague headings such as administrative fees or miscellaneous costs.</p>
	<p>(3) A bank or financial institution shall not impose fees and charges on deposit of coins not exceeding Tanzanian shillings one hundred thousand.</p>
	<p>(4) A bank or financial institution shall not impose fees and charges on changing of coins to notes and vice versa not exceeding Tanzanian shillings fifty thousand.</p>
<p>PART IV</p> <p>DISCLOSURE REQUIREMENTS</p>	
Disclosure	<p>23. (1) A bank or Financial Institution shall comply with disclosure requirements provided under the Banking and Financial Institutions (Disclosures) Regulations.</p>
	<p>(2) Without prejudice to Guideline 23 (1), banks or financial institutions shall be required to disclose fees or charges on electronic transactions before a consumer confirm the transaction. These transactions include but not limited to -</p> <p style="padding-left: 40px;">(a) On us automated teller machine (ATM) transactions;</p> <p style="padding-left: 40px;">(b) transfers; and</p>

	(c) payments.
<p>PART V</p> <p>SANCTIONS AND PENALTIES</p>	
Administrative Sanctions	<p>24. Without prejudice to penalties and sanctions prescribed in the Act, the Bank may impose on any bank or financial institution any of the following administrative sanctions: -</p> <ul style="list-style-type: none"> (a) suspension from operations for a period not exceeding one year; (b) suspension or order for withdrawal of financial product or service or advertisement materials; (c) suspension of management staff; (d) conditions, restrictions or cancellation of registration or license provided; (e) disqualification of management to carry out regulated activities; (f) publication of the names of offenders; (g) reprimands; or (h) other sanctions deemed appropriate.
Penalties	<p>25. (1) The Bank may impose on any bank or financial institution a fine or penalty not exceeding Tanzanian shillings twenty million for failure to adhere to the requirement of these guidelines.</p>
	<p>(2) The penalty referred to in Guideline 25 (1) may apply to directors, officers or employees of the bank or financial institution.</p>
<p>PART VI</p> <p>CIRCULARS AND DIRECTIVES</p>	
Circulars and Directives	<p>26. The Bank shall, notwithstanding the provisions of these Guidelines, from time to time, issue Circulars and/or Directives on fees and charges relating to specific financial services and products.</p>

PART VII

GENERAL PROVISIONS

General Provisions	27. (1) A bank or financial institution shall seek written approval from the Bank when intending to revise upward existing or imposing new fees and charges.
	(2) Applications for approval shall be submitted to the Bank in writing and shall at minimum contain the following: - (a) type of fees and charges; (b) existing fees and charges; (c) proposed fees and charges; and (d) the justification for the imposition of, or increase in, fees and charges.
	(3) Each bank or financial institution shall adopt the same terminology for fees and charges as stipulated in these Guidelines or any other name as may be approved by the Bank.
	(4) Notwithstanding guideline 27 (1), (2) and (3), a bank or financial institution shall in the event of above the line marketing campaign notify the Bank of a downward change of fees and charges, provided the campaign will be of a specific period of time and upon the expiry of the period the fees and charges shall revert to its status quo.

Dodoma

Emmanuel Mpawe Tutuba
Governor