



## LEGAL UPDATE ON THE MANDATORY USE OF THE LOCAL CURRENCY IN TRANSACTIONS CONDUCTED IN TANZANIA.

### Local Currency for Transaction in Tanzania

From 28 March 2025, all business operation in Tanzania were put on notice on the mandatory use of Tanzania shillings for all transactions conducted in Tanzania by the Foreign Exchange Use Regulation GN No. 198 of 2025.

### What is a Transaction?

Transaction include quoting, publishing, pricing, invoicing, advertising, making or receiving payments for goods and services in Tanzania.

### Transactions Permitted to use Foreign Currency

- Membership fees paid by the Government to institution
- Transactions with Embassies and International Organizations in Tanzania.
- Foreign currency loan from commercial banks and financial institutions
- Payment of goods in duty-free shops.

### Strictly Prohibited

- To force or facilitate payment for goods and services
- To refuse goods and services in Tanzanian Shillings
- To quote, advertise or publish prices in foreign currency
- To receive payments for goods and services in foreign currency
- To display prices for goods and services in foreign currency

### Deadline for Amendment of Contracts in Foreign Currency

All contracts in foreign currency are required to be amended to Tanzanian shillings within 12 months from March 28, 2025. From March 28, 2026, contracts in foreign currency will become null and void.

### Foreign Currency Bank Accounts

Businesses can still open and operate foreign currency bank accounts but cannot invoice or price services and goods in foreign currency. We recommend that all internal accounting and billing systems be updated.

