



Payment System Provider License requirements in Tanzania (non-financial institutions)

Payment System Provider License requirements in Tanzania

1. Establish a trust entity separate from the common business;
2. Obtain network services or application services license from Tanzania Communications Regulatory Authority (TCRA);
3. Fill in the application form (Form A); *Attached*
4. Attach the accompanying documents prescribed under regulation 6 of the Licensing Regulations; which includes:
 - (a) Memorandum and Articles of Association;
 - (b) copy of Certificate of Incorporation;
 - (c) an original letter from the Registrar of companies listing names of Shareholders, their addresses, their nationalities, shares held by each, names of directors and whether directors are nominees or not or whether non shareholder directors;
 - (d) reference letters from two individuals who are not relatives vouching for the good moral character of each of the applicant's significant shareholders, proposed directors and senior managers;
 - (e) a duly filled Fit and Proper Person Form B, for shareholders, directors and senior manager as set out in the Second Schedule to these Regulations;
 - (f) source of funds with supporting documents for the proposed business as set out in Form C of the Second Schedule to these Regulations;
 - (g) the following documents, if a foreign company is a shareholder-
 - (i) copy of certificate of incorporation of the foreign company certified by a notary public;
 - (ii) share certificate of the foreign company; and
 - (iii) names of shareholders, their addresses, their nationalities, shares held by each, names of directors and whether directors are nominees or not or whether non-shareholder directors;



Payment System Provider License requirements in Tanzania (non-financial institutions)

- (h) certified copy of certificates of paid up capital or audited financial statements;
- (i) certified copy of tax identification number for a new company and copy of tax clearance certificate for a going concern;
- (j) certified copy of a valid network services and or application services licence from Tanzania Communications Regulatory Authority;
- (k) proof of payment of a non-refundable application fee provided in the first schedule to these regulations;
- (l) documented procedures and policies for detecting and reporting incidences of money laundering in line with anti-money laundering and combating the financing of terrorism laws;
- (m) governance arrangements including internal controls, risks management, accounting procedures, administrative controls, operational risks management with disaster recovery plans and business continuity arrangements, that demonstrates that the arrangements, control and procedures are appropriate, sound and adequate;
- (n) documented organization arrangements for the intended use of agents and merchants;
- (o) documented outsourcing arrangements;
- (p) plans to participate in a domestic or foreign payment systems;
- (q) the type of payment system service intended to be offered in accordance with the Act; and
- (r) process flow and system architecture
- (s) any other information that the Bank may require.



Payment System Provider License requirements in Tanzania (non-financial institutions)

5. Pay for the application fee.

LICENCE FEES (In TZS)

Category of payment system provider based on services	Licence Fee	Licence Renewal Fee
Inter-institutional payment systems	Five Million	Five Million
Intra-institutions payment system	One Million	One Million
Payment system Data management	Five Million	Five Million
Remittance	One Million	One Million

NOTE:

1. A licence shall be issued with conditions.



Payment System Provider License requirements in Tanzania (non-financial institutions)

- 2. Subject to paragraph (1), the conditions of a licence shall limit provision of services only for the category of the licence.**

- 3. Payment of the licence fee s shall be charged for one category of services of either inter-institutional and data management and intra institutional services.**

Within thirty days following receipt of an application for a licence, or where further information has been required, after receipt of such information, either grant or reject the application and notify the applicant.

In considering the application, the Bank(BOT) shall, where the applicant is a non bank or non financial institution satisfy itself as to-

- (a) the character, integrity and experience of the shareholders, directors and senior managers;
- (b) the applicant's financial condition and history;
- (c) the capability of the applicant to provide payment system services in a secure and efficient manner;
- (d) applicant's source of funds;
- (e) applicant's credit worthiness as determined through various sources including Credit Reference Bureau;
- (f) the commitment of the applicant to comply with applicable anti-money laundering requirements;
- (g) applicants disaster recovery plans and business continuity arrangements;



Payment System Provider License requirements in Tanzania (non-financial institutions)

(h) the potential of the applicant's other licensed commercial activities to impair or otherwise affecting-

(i) the safety or the financial soundness of the payment service provider; or

(ii) the ability of the Bank to effectively monitor compliance of the payment service provider with this regulation; and

(iii) any other factor as may be determined by the Bank.

The Bank may request for additional information from the applicant if the information submitted is not complete or if the Bank considers it necessary.

The Bank shall, upon receiving a complete application and all information required, and if it is satisfied that the applicant has met all the application requirements, advise the applicant to pay the prescribed licence fees as set out in the First Schedule.

The Bank shall assess the application in regard to the ability of the entity and the suitability of its trustees, significant shareholders, directors and senior managers.

Where the Bank approves the application it shall within seven working days after receipt of licence fees, issue a licence certificate to the applicant.

Where the Bank rejects the application, it shall notify the applicant in writing and give



Payment System Provider License requirements in Tanzania (non-financial institutions)

reasons for the rejection

An applicant, who is aggrieved by the Bank's decision under Regulation 10, may within thirty days of the date of the notification apply to the Bank for review of its decision.

The Bank shall, within thirty days of receipt of the application under sub-regulation (1), review the decision and notify the aggrieved applicant in writing of its decision.

Conditions of the board:

A payment system provider shall have a Board of Directors composed of at least three members one of whom shall have payment system or related experience.

1. The Board shall appoint senior management of the payment systems operations.
2. A payment system provider shall not appoint any person to the post of director or senior manager without obtaining prior approval of the Bank.
3. A director and senior manager of a payment system provider shall have adequate knowledge and experience necessary to carry out payment system business.
4. Where a director or a senior manager ceases to hold a post, the payment system provider shall within seven days of the post falling vacant notify the Bank of the cessation and reasons for the cessation.

Responsibilities of the board:

Board of Directors of a payment system provider shall-

- (a) have overall understanding of payment system operations;
- (b) provide effective oversight of payment system provider's affairs;
- (c) ensure compliance with regulations and directives issued by the Bank;



Payment System Provider License requirements in Tanzania (non-financial institutions)

(d) review and approve internal policies and operations procedures; and

(e) ensure that the payment system provider maintains an effective system for internal controls at all times.

Other Licences:

Payment instrument licence

1. Fill in the application form (Form F);
2. Attach the supporting documents prescribed under regulation 30 (2) of the Licensing Regulations;
3. Banks and financial institutions that simply require BoT's approval in order to issue payment instruments are required to fill in Form E only and provide the supporting documents prescribed (Regulation 22 (2) of the Licensing Regulations).

Electronic money issuer licence

1. Fill in the application form (Form C);
2. Attach the accompanying documents prescribed under Regulation 13 of the Electronic Money Regulations.