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1. Introduction

This is a voluntary Code developed under the auspices of the Tanzania Bankers Association.

This Code of Banking Practice (“the Code”) provides valuable safeguards for our clients. It would assist you to understand how we, as members of the banking community should relate to you, our clients in Tanzania. We strive to establish good relationships with you and we are determined to promote good banking practice by formalizing standards of disclosure and conduct which we will observe when dealing with you. We commit ourselves to maintain the relevant standards of fairness set out in this Code. In addition, we are also committed to the highest standards of ethical behaviour as contained in our respective Codes of Ethics.

The Code will apply to our dealings with personal clients - businesses customers in respect of those specific products and services which are offered by the banks.

As a voluntary Code, it allows competition and market forces to operate and encourages higher standards of performance for the benefit of the customers.

This Code requires banks to establish procedures for handling customer complaints in a fair and speedy manner. Customers are encouraged at the first instance to send their complaints, queries and/or suggestions to their respective banks.

This Code accepts the jurisdiction of the Complaints Resolution Desk established by the Bank of Tanzania (“the Desk”), to mediate, to make binding determinations in respect of complaints submitted by the customers of the banking services, based on this Code.

This Code is available to customers on request from subscribing member banks or from the Tanzania Bankers Association. Banks adhering to this Code are listed on under **Clause 12** of this Code. The Code will be reviewed and amended whenever necessary. It comes into effect in Year 2014

2. Objectives and application of this Code

(a) Major Objectives of this Code

- To formulate and maintain high standards of good banking practice.
- To promote integrity and confidence in the banking industry.
- To ensure that banks act professionally, fairly and reasonably in their dealings with their customers.
- To provide valuable safeguards for customers including secure and reliable banking and payment systems.
- To assist customers understand their rights and how banks are expected to deal with them in various aspects of their banking relationship.

(b) Application of this Code

- This Code does not override the international and legal conventions covering trade business, cheque operations, money laundering, etc.,
- In the Code we refer to issues that may be subject to specific legislation and regulation which may change from time to time and will take preference over the Code.
- Detailed definitions and specific terms and conditions governing the above and other products/services not listed herein are available at individual banks and provide further details of customer rights and responsibilities.
- Information will be provided in plain language, and bank staff will be available to explain any terms if a customer requires more details.

3. Types of Services

- Current accounts.
- Fixed Deposit accounts.
- Savings accounts.
- Card Services and cash machines.
- Personal loans.

- Business loans and overdrafts.
- National Clearing operations.
- Foreign exchange transactions and international receipts and payments.
- Fund transfers within Tanzania.
- Mobile banking services
- Utility payment services
- Card less banking services
- Internet banking services
- Guarantees.
- Trade transactions.
- Leasing, asset finance and hire purchase.

Not all banks offer all the products and services listed.

All parts of this Code apply to all the products and services listed in the whole branch network of the banks subscribing to this Code.

This Code does not apply to forwards, swaps, options, repos or any other derivative products.

4. Changes of the Terms and Conditions

- (a) We shall give you reasonable notice of any changes made to the terms and conditions before any changes take effect, including changes in the schedule of rates, fees and charges and the liabilities or obligations of customers by either:
 - Letters/statements/other personal notices.
 - Communication by SMS or e-mail, where indicated as a preferred means of communication by the customer.
 - Notices/leaflets in branches.
 - ATM machine notices.
 - Media advertisements.
- (b) The notice should clearly explain the variation; the ways in which the customer may indicate refusal to accept the changes; and the consequences of refusing to accept the changes.

- (c) Where the variation involves substantial changes to existing terms and conditions or the changes are very complicated, the institution should provide a written summary of the key features of the revised terms and conditions.
- (d) In addition to the detailed terms and conditions, institutions should make readily available to customers general descriptive information on the key features of the various banking services as indicated in the following chapters of this Code.

5. (a) Statement of Key Commitments

We subscribers to this Code undertake to:

- (a) Act fairly and reasonably in all our dealings with you.
- (b) Make sure that most of the products and services we offer meet the requirements of this Code even if they have their own terms and conditions.
- (c) Give you information on our products and services in plain language, and offer help if there is anything you do not understand.
- (d) Help you to understand the financial implications of our products and services, how they work, and help you to choose the ones that meet your needs.
- (e) Make sure that the procedures our staff follow reflect the commitments set out in this Code.
- (f) Make sure that all products and services meet relevant laws and regulations.
- (g) Tell you if we offer products and services in more than one way (for example, on the internet, over the phone, or in branches and so on) and tell you how to find out more.

(b) Customer Responsibilities

The body of the Code that follows includes a number of responsibilities that bank expects customer to fulfill when dealing with bank. For ease of reference these responsibilities include the following:

- (a) It is your responsibility to disclose all relevant information as part of any credit application to us so that we may make an informed decision to grant credit to you.
- (b) You are responsible to ensure that you do not extend yourself beyond your financial means.
- (c) Where credit is granted to you it is your responsibility to ensure that sufficient credit insurance cover is in place to protect you and /or your family in the case of losing your regular income (e.g. loss of employment, disability, or death).
- (d) All products and services offered by us are governed by a set of general and specific Terms and Conditions. Although we will take all reasonable steps to advise and inform you of these Terms and Conditions, it is your responsibility to read and understand the Terms and Conditions.
- (e) Before we are allowed by law to establish a relationship with you, or from time to time during the existence of such a relationship, we are required to perform certain identification and verification steps about you. It is your responsibility to assist us in performing these legal obligations to ensure that our relationship can lawfully be established or continue.
- (f) In the event that you wish to switch your account to a new bank we will assist you in this process. However, you are responsible to provide the new bank with all the relevant information to assist you in switching your account transactions. You are, however, ultimately responsible for ensuring that your account details are changed with each third party service provider or the party that makes a payment to your account.
- (g) It is your responsibility to inform us of any change in your *contact details* or in your financial affairs as and when this occurs.
- (h) You are responsible to check and verify all the entries included in statements for correctness, and to inform us immediately in the event that you do not agree with any entry or item that reflects on such statements.
- (i) Protecting your *card* and *PIN* is a crucial security measure for which you are responsible. You should never disclose your *PIN*, or other unique means of personal identification to anyone, including an employee of the bank.
- (j) To enable us to take the necessary measures to prevent or limit fraud or theft on your account it is your responsibility to inform us

- as soon as possible when you discover any unauthorized activities on your account.
- (k) When making use of our *ATM* services, you should take note of any cautionary notices that may be placed at *ATMs* for your protection, and exercise due caution accordingly.
 - (l) It is important to familiarize yourself with the circumstances under which you may be responsible for any losses suffered by you as a result of fraud, theft, or where you acted without reasonable care.
 - (m) The purchase of immovable property carries a great deal of responsibility. You should take independent qualified advice on the structural or other condition of the property before concluding such a purchase.
 - (n) When considering buying a motor vehicle you should ensure that you deal with a reputable dealer or individual.
 - (o) Binding yourself as a *surety* for another person's debt is a risky decision. You must keep in mind that you are effectively undertaking to take on the responsibilities of that other person in the event that he/she/it does not honour his/her/its responsibilities in accordance with the terms and condition agreed to between that person and the bank. You should take independent legal advice before agreeing to be a surety or guarantor.
 - (p) In the event that you run into difficulty in meeting your financial obligations toward the bank it is your responsibility to advise the bank of this as soon as possible.
 - (q) When making use of internet, *telephone* or *cell phone banking* channels you should take reasonable steps to prevent fraud, theft or the unauthorized use of your account or *personal information*.

Notwithstanding the above, we undertake to:

- (i) Tell you about what you need to provide in order to open an account including documents you will provide to prove your identity.
- (ii) Help you understand the various processes of your accounts including:
 - The cheque clearing process.
 - Stopping a cheque.

- Unpaid cheques.
 - Stale cheques.
 - Closing and/or transferring of accounts.
 - Issuance of periodic statements.
- (iii) Correct errors and handle complaints speedily.
- (iv) Act with uncompromising integrity so as to promote trust and confidence in ourselves individually and as an industry as a whole.
- (v) Explain the key features and benefits of the main services.
- (vi) With regard to loans and overdrafts, we will ensure that:
- Upon receiving your application for credit, your bank shall assess your application expeditiously and advise you of the outcome accordingly.
 - We shall consider your purpose for borrowing, your credit worthiness, your ability to repay the principal amount, interest and charges.
 - We shall assess the security offered, your guarantors and information about you from other banks.

Due to the many aspects involved, it may not be always possible to promptly advise the fate of loan and overdraft applications. Customers are encouraged to observe each bank's stipulated conditions and requirements for loans and overdrafts.

- (vii) The bank is not obliged to disclose specific reasons in the event your application is not successful.
- (viii) For our ATM services, we will:
- Issue you a card and instructions on how to operate a cash machine.
 - Advise you on specific aspects of your particular card.
 - Advise you of any charges the bank will make for using the cash machines.
 - Advise you how to manage risks associated with your card.
- (ix) Regarding Foreign Exchange Transactions, we will:
- Advise you the applicable rate of exchange.

- Advise you on the prevailing commission and charges.
- Advise you on different modes of payments/fund transfers.

6. Rates and Charges

When you become a customer, your bank will provide you with general information on interest rates and charges applicable to different products and services upon request.

With regard to interest rates, we will advise you:

- The rates of interest payable to or by the bank.
- The method of calculating interest.
- The frequency at which these rates are applied.

Charges and commissions will be outlined in the schedule of rates and charges.

- Whilst the schedule will detail general aspects of charges and commissions, further detailed explanations will be provided by our staff upon request.
- This schedule may be available to customers on request from individual member banks.
- The schedule of rates and charges is subject to change.

7. Marketing of Services

- Your bank will compete for business with other banks in a responsible and fair manner.
- Your bank will not make negative inference or reference to other banks in their promotional campaigns.
- We will ensure that all advertising and promotional material is clear, fair reasonable and not misleading.
- We will comply with the appropriate advertising authority guidelines that will be in force from time to time.
- We will bring to your attention details of our other products/services that may be of benefit to you.

- In order to enhance our relationship with you, with your consent, we may give certain information about you to partnering organizations or vice versa.

8. Confidentiality and Protection

- All information about you and your relationship with your bank will be held in strict confidence except in the following circumstances:
 - (i) You give your bank written permission to reveal the information.
 - (ii) If the law compels or permits your bank to disclose your information. For example to credit reference agencies
 - (iii) If there is a duty to the public to reveal the information.
 - (iv) If it is in the interest of your bank to reveal information. For example, in the process of recovering debts.
 - (v) If banks agree with their customers to share information amongst themselves.
- We will take all reasonable measures to protect you while in the bank premises.
- Any instance of suspicious transactions will be reported to the relevant authorities in our endeavors to fight money laundering and other vices.
- In very exceptional circumstances, such as suspected fraud, your bank may stop operations/close your account without giving you prior notice.
- Make sure that you keep your cheques, cards, personal identification numbers and other security information safely to protect your account and help prevent fraud.
- Inform your bank as soon as you suspect or discover that these items have been lost or stolen or are known to someone else who may use them fraudulently.

9. Financial Counseling

- We appreciate that in the course of business, circumstances may arise that may negatively impact on the performance of your account.
- Whilst your bank will endeavor to contact you to discuss the matter, we encourage you to approach your bank at the earliest opportunity. In so doing, we shall act professionally and we shall do what we can to assist you.
- It will be in our mutual interest for you to disclose full financial circumstances in order for us to be in a better position to assist you.
- You may also seek advice from your financial advisers.

10. Social Responsibility

- We recognize that we are part of a large society playing a substantial role as corporate citizens.
- It follows that we should be socially accountable to this society and commit ourselves in service of the society in which we operate.
- This commitment will take account of a number of factors including internal policies, customer and employee expectations and community involvement.

11. Disputes Resolution Process

(a) Internal Complaints Handling Procedure

- a. A bank must have in place and operate appropriate and effective internal complaint handling procedures (which must be written down) for handling any expression of dissatisfaction, whether oral or written and whether justified or not, about that banks provision of, or failure to provide a financial service.
- b. The internal complaint handling procedure should provide for: -
 - i. receiving complaints
 - ii. responding to complaints

- iii. the appropriate investigation of complaints; and
 - iv. notifying complainants of their right to lodge complaints with the Bank of Tanzania Complaints Resolution Desk, where relevant.
- c. When deciding what constitutes an appropriate complaint handling procedure, a Bank should have regard to;
- i. the type of business it undertakes;
 - ii. the size and organizational structure;
 - iii. the nature and complexity of the complaints it is likely to receive and;
 - iv. the likely number of complaints it will receive and how to investigate.
- d. Bank's may use third party administrators for the purpose of handling complaints.
- e. The internal complaint handling procedures should enable complainants to make a complaint by any reasonable means (for example- letter, telephone, email or in person).
- f. The bank's internal complaint handling procedures should provide for response to customers and resolution of complaints within a reasonable period of time, and within 30 days where reasonably practicable.

(b) Bank of Tanzania Complaints Resolution Desk

- (i) In the event there is a dispute between you and your bank, concerted efforts shall be made by your bank to resolve the dispute internally as speedily as possible.
- (ii) Member banks agree to submit themselves to the provisions of the **Guidelines for Resolution of the Banking Complaints, 2014** ("Guidelines").
- (iii) However, if we do not resolve your dispute, or you are not satisfied with the outcome of our dispute handling process, you shall be at liberty to refer the

dispute to Complaints Resolution Desk established by the Bank of Tanzania (“the Desk”), in line with the Guidelines.

- (iv) The Desk has been established and its services are available at no cost to you to consider any complaint that we have not been able to resolve with you. The Desk is entitled to mediate, make a determination based on this Guidelines or the law where it is reasonably certain or make a recommendation in other circumstances including those based on equity. We undertake to abide by the procedures governing the conduct of the Desk and be bound by findings made by the Desk.
- (v) All banks that are members of the Tanzania Bankers Association are automatically subject to the jurisdiction of the Desk. We will supply you with the Desk’s address, telephone and fax numbers and we will ensure that the Desk’s contact details are prominently displayed in our branches. If we fail to resolve your dispute with us, or at your request, we will, on a timely basis, provide you with the documentation required to lodge a complaint with the Desk.

(c) Other Dispute Resolution Mechanisms

- (i) We will also, where relevant, give you information on other dispute resolution mechanisms, which might have jurisdiction over your complaint.
- (ii) In the event of any disputes not resolved through the Internal Complaints Handling Procedure or the Bank of Tanzania Complaints Resolution Desk, your bank will endeavor to resolve the dispute with you by means of arbitration in consultation with the Tanzania Institute of Arbitrators, and in accordance with the Arbitration Act.

12. Disclaimer

- Your relationship with your bank is contractual.
- This Code is not a binding legal document and cannot be quoted in any proceedings between you and your bank.
- None of the provisions of this Code shall be enforceable in a court of law.
- They cannot be used to influence the interpretation of the legal relationship between you and your bank.

13. Statement Against Money Laundering

Tanzania Bankers' Association is committed to fighting money laundering and complying fully with the letter and spirit of money laundering laws in all parts of the world and guiding regulations as established by regulatory authorities from time to time. All Bank employees will accept accountability and responsibility for observing these laws and policies. Any instances of suspicious transactions will be reported to the appropriate authorities.

14. List of Members

The following are members of the Tanzania Bankers Association subscribing to this Code:

1. AccessBank Tanzania Limited
2. Advans Bank Tanzania Limited
3. African Banking Corporation Tanzania Limited
4. Akiba Commercial Bank Limited
5. Amana Bank Limited
6. Azania Bank Limited
7. Bank of Africa (Tanzania) Limited
8. Bank M Tanzania Limited

9. Bank of Baroda Tanzania Limited
10. Bank of India Tanzania Limited
11. Barclays Bank Tanzania Limited
12. Community Banks Association
13. Commercial Bank of Africa Tanzania Limited
14. Citibank Tanzania Limited
15. CRDB Bank Plc.
16. DCB Commercial Bank Plc
17. Diamond Trust Bank Tanzania Limited
18. Ecobank Tanzania Limited
19. Efatha Bank Limited
20. Equity Bank Tanzania Limited
21. Exim Bank Tanzania Limited
22. FBME Bank (T) Limited
23. First National Bank Tanzania Limited
24. Habib African Bank Tanzania Limited
25. I & M Bank Tanzania Limited
26. International Commercial Bank Tanzania Limited
27. KCB (Tanzania) Limited
28. Kilimanjaro Co-operative Bank Limited
29. Maendeleo Bank Plc
30. Mkombozi Commercial Bank Plc.
31. National Bank of Commerce Limited
32. National Microfinance Bank Plc
33. NIC Bank Tanzania Limited
34. People's Bank of Zanzibar Limited
35. Stanbic Bank Tanzania Limited
36. Standard Chartered Bank Tanzania Limited
37. TIB Development Bank
38. Tanzania Postal Bank Limited
39. Tanzania Mortgage Refinance Company Ltd
40. Tanzania Women's Bank Plc

41. Twiga Bancorp Limited
42. UBL Bank Tanzania Ltd
43. United Bank for Africa Tanzania Ltd

15. Glossary

The following definitions explain the meaning of words and terms used in the Code. They are not meant to be precise legal or technical definitions:

Card

A general term for any plastic card which a customer may use to pay for goods and services or to withdraw cash. In this code, it does not include electronic purses.

Cash machine

An automated teller machine (ATM) or free-standing machine at which a customer can use the card to get cash, information and other services.

Credit reference agencies

Organisations, which hold information about people and businesses that is useful to lenders. Banks and financial institutions may contact these agencies for information to help them make various decisions, for example, whether or not to open an account or provide loans or credit. Banks and financial institutions may also give information to the agencies.

Electronic purses

Any card, or function of a card, which contains real value in the form of electronic money which someone has paid for beforehand. Some cards can be reloaded with more money and can be used for a range of purposes.

Fixed deposit

This applies to deposits which require the customer to maintain funds on deposit with the bank for a set period, or where certain terms are fixed for a set period. The customer may be charged if the bank or financial institution agrees to alter or terminate the deposit before the end of the set period.

Other security information

A selection of facts and information (in an order which only the customer knows) which is used for identification when using accounts. This includes passwords and PINs for internet, PC and telephone banking.

Other services

These are services which you may not use regularly and so are not included in standard account services. Typical examples are, night-safe facilities, stopped cheques and cheques returned unpaid. We usually take charges for these services when you use them.

Password

A word or an access code which the customer has chosen to allow him to use a telephone, PC or internet banking service. It is also used for identification.

PIN (Personal Identification Number)

A confidential number which allows customers to withdraw cash and use other services at a cash machine.

Security

Security is a term used to describe valuable assets which are used as support for a loan or other credit facility. Under the terms of the security, if the borrower cannot repay the loan, the lender has the right to sell or get rid of the security in order to repay the loan. Security provided by businesses can include charges over property, life policies and share certificates. In the case of limited companies, security may include guarantees from other group companies or from company directors, or a mortgage debenture (which is a form of security which includes a charge on all the assets of the company).

Stale cheque

A cheque which has not been paid because the date written on the cheque is too old, normally older than six months.

Standard account services

These will be defined by each bank and generally include opening, maintaining and running accounts for transmitting money (for example, by cheque or debit card). Services which are not part of the day-to-day running of the account are known as other services and are defined above.

Unpaid cheque

This is a cheque which, after being paid into the account of the person or business it is written out to, is returned 'unpaid' (bounced) by the bank whose customer issued the cheque. This leaves the person or business the cheque was written out to, without the money in their account.