

SUBSIDIARY LEGISLATION

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THE CAPITAL MARKETS AND SECURITIES ACT
(CAP. 79)

REGULATIONS

(Made under Section 10(l),(u) (w) and section 148(1))

THE CAPITAL MARKETS AND SECURITIES (FOREIGN
INVESTORS) REGULATIONS, 2014

- Citation
1. These Regulations may be cited as the Capital Markets and Securities (Foreign Investors) Regulations 2014.
- Interpretation
2. In these Regulations unless the context requires otherwise-
“central securities depository” means an authorized central securities depository for the time being licensed by the Authority to hold securities in the name of investors to facilitate trading and settlement on a stock exchange;
“foreign investor” means a person who or a body corporate which intends to acquire or has

*The Capital Markets and Securities (Foreign Investors)
Regulations, 2014*

G.N. No. 338 (contd.)

acquired securities in a public or listed company and-

- (a) in case of an individual, means a person who is not a citizen of Tanzania; and
- (b) in the case of a body corporate, means a body corporate in which more than fifty percent of its shareholding is held by-
 - (i) persons who are not citizens of Tanzania; or
 - (ii) body or bodies corporate not registered in Tanzania;

“issuer” means a company or other legal entity whose securities are subject of a public offer or application for listing or have been offered to the public and listed on a stock exchange;

“institutional investor” means a body corporate or an organization that trades securities in large quantities or amounts of money and are assumed to be more knowledgeable and better able to protect

themselves and includes the pension funds, insurance companies and banks;

“listed” means being admitted to the official list of a stock exchange and listing shall be construed accordingly;

“listed company” means an issuer whose securities have been listed on a stock exchange;

“official list” means the register of listed securities maintained by a stock exchange;

“public issue” means an offer by an issuer to the public to purchase securities of the issuer.

PART TWO
REGULATION OF FOREIGN INVESTORS

Participation of
foreign investors

3.-(1) A foreign investor may purchase the securities of a listed company or an issuer in respect of which the issuer is making a public offer.

(2) Notwithstanding subregulation (1), the participation of foreign investors in the primary market of the government securities shall be subject to such conditions or requirements as the Bank of Tanzania may prescribe.

G.N. No 168
of 2006

(3) The provisions of Regulations 7,8 9, of the Capital Markets and Securities (Substantial Acquisitions, Takeovers and Mergers) Regulations with respect to continuous disclosures of acquisition of five percent and more shall apply in relation to acquisitions by foreign investors.

Report by stock
exchange
to the Authority

4.-(1) A stock exchange shall prepare in respect of each day, a report showing-

- (a) number of securities of each listed company traded on that day; and
- (b) per centum of securities of each listed company held by foreign investors,

and shall furnish that report to the Authority before the commencement of trade on the next trading day.

(2) A stock exchange shall post in a prominent place at its principal place of business, the report prepared in accordance with subregulation (1).

Deposit of
securities with an
authorized
depository

5.-(1) A dealer or broker shall deposit the securities registered in the name of a foreign investor with an authorized depository designated by the foreign investor.

(2) An authorized depository shall hold in its custody the securities referred to in subregulation

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(1) in accordance with the provisions of the law regulating the custody of securities.

Report by
authorized
depository

6. An authorized depository shall, in respect of each month, prepare a report showing the statement of accounts of the securities which are in its custody and shall furnish such report to the Authority within seven days after the end of each month.

Revocation of G.N.
No:
163 of 2003

7. The Capital Markets and Securities (Foreign Investors) Regulations, 2003, are hereby revoked.

Dar es salaam,
....., 2014

SAADA MKUYA SALUM
Minister for Finance