

Tanzania

Government Loans, Guarantees and Grants Act

## Government Securities (Book Entry) Regulations, 1998

Government Notice 627 of 1998

Legislation as at 31 July 2002

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## Government Securities (Book Entry) Regulations, 1998

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# Tanzania

## Government Loans, Guarantees and Grants Act

# Government Securities (Book Entry) Regulations, 1998

## Government Notice 627 of 1998

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*[This is the version of this document at 31 July 2002.]*

*[Note: This legislation has been thoroughly revised and consolidated under the supervision of the Attorney General's Office, in compliance with the Laws Revision Act No. 7 of 1994, the Revised Laws and Annual Revision Act (Chapter 356 (R.L.)), and the Interpretation of Laws and General Clauses Act No. 30 of 1972. This version is up-to-date as at 31st July 2002.]*

*[Section 21; G.N. No. 627 of 1998]*

### 1. Citation

These Regulations may be cited as the Government Securities (Book Entry) Regulations.

### 2. Interpretation

In these Regulations unless the context requires otherwise—

"**authorised dealer**" means—

- (a) a commercial bank licensed under the Banking and Financial Institutions Act; or
- (b) a dealer duly licensed under the Capital Markets and Securities Act,

who meets the conditions prescribed by the Bank for participating in the book entry system for Government Securities;

"**the Bank**" means the Bank of Tanzania;

"**book entry**" means the entries made on a register or computer database, within the Central Depository of Securities, to record the ownership of securities;

"**book entry security**" means any debt security issued by the Government in uncertificated form and is registered as part of an issue of the Government book entry securities;

"**central depository**" means the Central Depository for Government Securities;

"**certificate**" means any document that is, or is a document of title to, a security;

"**depositor**" means a holder of a securities account;

"**government securities**" means treasury bill, bonds or stocks issued in accordance with the Government Loans, Guarantees and Grants Act <sup>1</sup>;

"**securities account**" means an account established by a central depository for the recording of deposit or withdrawal of securities.

### 3. Insurance of government securities

- (1) The Government may issue bills, bonds or stocks or convert government securities already issued by an entry of securities interest to the credit of the holder in the register kept at the central depository
- (2) The issuance of government securities in the manner described under subregulation (1) shall not affect the validity of the obligations of the Government arising therefrom.
- (3) Subject to the provisions of these Regulations, securities issued or converted into a book-entry security may be negotiated to third parties.

### 4. Operation and management of the central depository

- (1) There shall be established a central depository of securities at the Bank which shall provide or cause to be provided all such services as maybe necessary for the proper keeping and management of records, clearing and settlement of all dealings or transactions in Government securities.
- (2) Subject to the provisions of the Act any directions as the Minister may give from time to time, operation and management of the Central depository and any other dealings arising therefrom shall be vested with the Bank.

### 5. Bank services

The Bank shall, in relation to the functioning and operation of the central depository provide or cause to be provided all such services as may be necessary for the following namely:

- (a) buying and selling of securities;
- (b) deposit and withdrawal of securities interests of holders;
- (c) registration of dealings in deposited securities;
- (d) safe custody of certificates and other records in relation to deposited securities; and
- (e) system for recording, identification, and verification of deposited securities.

### 6. Book entry securities

- (1) Subject to these Regulations and the Act, book-entry securities shall be offered in accordance with the terms and conditions of the public offer published in one or more of newspapers of general circulation.
- (2) An obligation for a subscriber to book-entry securities to Day the price offered in the tender shall be valid and binding upon submission of the relevant forms to primary dealers.
- (3) A security interest or beneficial ownership of book-entry securities shall be created when value is given or other formalities as may be established by the Bank are fulfilled:  
  
Provided that records held at the central depository shall be conclusive evidence of the contractual obligation of the Government with respect to any holder of a security issued as such.
- (4) An entry in the records held at the central depository shall unless the contrary is proved be deemed to have been made by or with the authority of the central depository.
- (5) A security holding standing to the credit of an identified holder at the central depository shall be presumed exclusive to the beneficial interest of the holder identified as such unless the contrary is proved.

## **7. Non-disclosure of information or document**

Except as provided under any written law or with the consent of the holder, no employee of or authorised agent of the central depository or any other person who has access to any information or document relating to records of securities holdings kept at the central depository shall during his tenure of office or employment or thereafter give, reveal, divulge or disclose such information or document to any person.

## **8. Function of the Bank**

- (1) Subject to the Act and these Regulations, the Bank shall determine and administer rules and procedures relating to the operations of the central depository for the purpose of ensuring orderly transactions and dealings of securities held at the central depository.
- (2) Subject to any written law and these Regulations, the Bank shall keep, and execute any dealing or transaction in relation to deposited securities on trust for beneficial interest of holder thereof.
- (3) Any person who uses central depository services in the course of any securities dealings or transactions shall comply with the rules and procedures issued by the Bank.
- (4) For the purpose of this regulation, "rules" include any direction given by the Bank to any person pursuant to these Regulations.

## **9. Limitation of liability**

When acting in good faith and without negligence, the Bank shall not be liable for any breach of trust, duty or loss in respect of any dealing or transaction executed on instructions of holder whether or not the holder had beneficial right in relation to the securities held at the central depository.

## **10. Fees**

The Bank may impose fees for services provided under the scheme contemplated under these Regulations.

## **11. Transfer pledge or charge of beneficial ownership of interest in securities**

- (1) Subject to the Act, any transfer, pledge or charge of beneficial ownership of interest in securities whole or in part held at the central depository between holders shall be affected on the basis of an instrument of transfer and an appropriate entry into the records at the central depository.
- (2) Subject to these Regulations and rules and procedures determined by the Bank, any deposit, withdrawal, pledge, charge, transfer or any analogous transactions which have the effect of transferring right or interest of a holder in particular securities held at the central depository shall be effected through authorised dealers.

## **12. Attachment of securities**

- (1) Upon receipt of a written request for an attachment, of securities and authentic copy order of the court authorising the attachment, the Bank may enter appropriate entry in the records of central depository in recognition of, and enforcement of the order.
- (2) No person shall deal or transact in the securities in any manner after such entries have been made except with the order of the court.

## **13. Extension of application of these Regulation**

The Bank may, with the consent of the Minister, and subject to any written law extend the application of these Regulations to securities issued by a public authority.