

## INTRODUCTION OF THE NEW DEVELOPMENT LEVY ON MOBILE MONEY TRANSFER TRANSACTIONS

### INTRODUCTION

Electronic mobile money transfer and withdrawal is a transfer or withdrawal of money electronically from one person to another using a mobile phone. This services is available in Tanzania and is used in our daily life, it allow users to deposit, withdraw and transfer of money and further to pay for goods and services.

In Tanzania, there are various mobile-phone based money transfer and withdrawal service providers or electronic money issuers, such as Tigo Pesa, M-Pesa, Airtel Money, Halo Pesa and many others; also including bank and other financial institutions (hereinafter referred to as “**the collector**”)

The National Payment Systems (Electronic Mobile Money Transfer and Withdrawal Transactions Levy) Regulations, 2021 (“the regulation”) has been introduced to apply to electronic mobile money transfer and withdrawal transactions through the licensed payment system but does not apply to merchant, business or government payment transactions.

### NEW DEVELOPMENT LEVY ON MOBILE MONEY TRANSFER TRANSACTIONS

The regulation was issued on 30<sup>th</sup> June, 2021 via GN No. 496, however, the same came into operation on 1<sup>st</sup> July, 2021. Pursuant to the schedule of the said regulation the chargeable rates for electronic mobile money transfer and withdrawal levy are as follows:-



**ENDO**  
8 COMPANY ADVOCATES

S/N	Electronic Mobile Money Transfer and withdrawal amount in Tshs.	Rate in Tshs.
1.	1 to 999	-
2.	1,000 to 1,999	10
3.	2,000 to 2,999	16
4.	3,000 to 3,999	27
5.	4,000 to 4,999	56
6.	5,000 to 6,999	100
7.	7,000 to 9,999	125
8.	10,000 to 14,999	320
9.	15,000 to 19,999	610
10.	20,000 to 29,999	910
11.	30,000 to 39,999	1,100
12.	40,000 to 49,999	1,500
13.	50,000 to 99,999	2,050
14.	100,000 to 199,999	2,530
15.	200,000 to 299,999	2,940
16.	300,000 to 399,999	3,500
17.	400,000 to 499,999	4,100
18.	500,000 to 599,999	5,200
19.	600,000 to 699,999	6,400
20.	700,000 to 799,999	7,100
21.	800,000 to 899,999	7,520
22.	900,000 to 1,000,000	8,900
23.	1,000,001 to 3,000,000	9,400
24.	3,000,001 and above	10,000

## **COLLECTION OF LEVY**

This regulation has imposed a duty to the Tanzania Revenue Authority (TRA) to monitor electronic mobile money transfer and withdrawal transactions. First of all, TRA has to maintain a system for monitoring purposes, in that, it shall verify the returns of the collector, conduct inspection at the premises of the collector, request any information from collector and take an action against non-compliance for remission by the collector.

The collected levy from every user of the service shall be remitted to TRA within 7days of the month following the month to which the levy relates, failure to remit by the collector the interest shall accrue and the collector shall be liable to pay interest for each month.

## **CONSEQUENCES FOR FAILURE TO REMIT LEVY TO TRA**

The regulation requires the collector to file returns within 7days of the month following the month to which the levy relates failure of which the collector shall be liable for penalty of Tanzania Shillings One Million (Tshs. 1,000,000/=) for each month or part thereof. However, the collector may apply for extension of time for filling the returns by advancing reasonable ground to TRA in order to obtain extension of time.

The money collected as levy by TRA, shall be deposited into the consolidated fund. Any person aggrieved by the TRA decision may within 7days Appeal to the Minister for Finance and Planning.

## **IMPOSITION OF PENALTIES BY THE REGULATION**

There is also imposition of penalties for offences or contravening this regulation by to a fine of not less than Tanzania Shillings Five Million (Tshs. 5,000,000/=) or imprisonment for a term of not less than I year or both.

## **DUTY OF CONFIDENTIALITY BY THE TRA**

During monitoring of the levy, the collected information by TRA from the collector is not required to be divulged or released to anyone unless to another law enforcement officer for proper performance of official duties.

All in all, introduction of the new development levy on the mobile money transfer transactions will further contribute a lot to the development of our nation economically in one way or another. Mobile phone -based money transfer and withdrawal services is very useful to our societies as it has reduced crime in largely cash-based.

**Prepared by**

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