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THE CAPITAL MARKETS AND SECURITIES ACT,

(CAP. 79)

REGULATIONS

(Made under section 10(2)(w) and 148(1))

THE CAPITAL MARKETS AND SECURITIES (REGULATORY SANDBOX)
REGULATIONS, 2024

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THE CAPITAL MARKETS AND SECURITIES ACT,

(CAP. 79)

REGULATIONS

(Made under sections 10(2)(w) and 148(1))

THE CAPITAL MARKETS AND SECURITIES (REGULATORY SANDBOX)
REGULATIONS, 2024

**PART I
PRELIMINARY MATTERS**

- Citation **1.-** These Regulations may be cited as the “Capital Markets and Securities (Regulatory Sandbox) Regulations 2024”.
- Application **2.-(1)** These Regulations shall apply to:
- (a) a company intending to offer innovative financial solution to financial services in capital markets regulated by the Authority; or
 - (b) a capital markets intermediary licensed by the Authority.
- Objectives **3.-(1)** The objectives of these Regulations are to:
- (a) provide guidance for operation of regulatory sandbox for capital markets products and services;
 - (b) bridge the information and expectation gap between the Authority and innovators for effective collaboration towards a robust, resilient and inclusive financial services;
 - (c) promote innovation in capital markets and increase the potential for innovative business models that enhance financial deepening and inclusion;
 - (d) ensure appropriate investor protection safeguards in innovative products and services;
 - (e) widen the scope of innovation and alternative financing through diversification of alternative financing products and enhancement of market liquidity;

- (f) enable the Authority to gather information that can be used to making policy decision and improve the existing legal and regulatory frameworks for innovative capital markets related products and solutions; and
- (g) assist innovators to graduate from the less stringent to the regulated environment.

Interpretation

4.- In these Regulations, unless the context otherwise requires–

- Cap.79 “Act” means the Capital Markets and Securities Act;
- Cap. 423 “AML/CFT Act” means the Anti Money Laundering and Combating Financing of Terrorism Act;
- Act No. 10 of 2009 “AMLPOC Act” means the Anti Money Laundering and Proceeds of Crime Act of Tanzania Zanzibar;
- “Applicant” means a company or a capital markets intermediary licensed by the Authority intending to offer an innovative capital markets related solutions and services within the Regulatory Sandbox;
- “Authority” means the Capital Markets and Securities Authority established under the Act;
- “Financial Technology (fintech)” means technological innovation to be utilized in the provision of an innovative capital markets related solutions and services;
- “Innovative capital markets related solutions and services” means a novel and creative approach to addressing capital markets needs and challenges. These solutions leverage new technologies, methodologies or business models to enhance the efficiency, accessibility and users experiences of financial services;
- “Investor” means a person using any of the capital markets product or services provided by a company;
- “Participant” means an entity that is approved to take part in the capital markets Regulatory Sandbox; and
- “Regulatory Sandbox” means a tailored regulatory environment for conducting live tests on a limited scale of capital markets innovative products, technology or business models under a special exemption, waiver, commission and other limited time bound exceptions to develop evidence and how the innovation works and the outcome it produces.

PART II
ELIGIBILITY REQUIREMENTS AND APPLICATION PROCEDURE

Submission of application

5.-(1) The Authority may, on such times as it deems proper, invite qualified applicants to participate in the regulatory sandbox.

(2) An applicant wishing to participate in the regulatory sandbox shall, within a period of thirty days from the date of invitation -

- (a) Fulfill the criteria for approval as provided in the first schedule;
- (b) furnish to Authority the rules that meet the minimum requirements as set out in the second schedule;
- (c) Submit an application form in the format prescribed in the third schedule;
- (d) submit an innovative capital markets related solutions and services risk profile indicating potential risks, causes, effects and control measures in place; and
- (e) submit supporting documents to support the information provided for in the application form.

(3) The Authority shall acknowledge receipt of the application to the applicant within five working days after submission of the application form.

Eligibility
requirements

6.-(1) An applicant seeking the Authority's approval to participate in a regulatory sandbox shall demonstrate-

- (a) an innovative capital markets related solutions and services that-
 - (i) uses new or emerging technology or utilizes an existing technology in an innovative manner;
 - (ii) bridges a market gap or open up new opportunities; or
 - (iii) improves accessibility, usage, efficiency, security and quality of financial services;
- (b) the adequacy and appropriateness of the assessment done on usefulness and functionality of an innovative capital markets related solutions and services;
- (c) the necessary resources to support testing in the regulatory sandbox including the financial resources and expertise to mitigate and control potential risks and losses arising from offering an innovative capital markets related solutions and services;
- (d) a realistic business plan to deploy an innovative capital markets related solutions and services on a commercial scale after exit from the regulatory sandbox;
- (e) significant risks associated with an innovative capital markets related solutions and services;
- (f) key Performance Indicators or other metrics in monitoring the progress of the testing;

- (g) credibility and integrity;
- (h) an acceptable exit and transition strategy once the test is completed; and
- (i) a plan to deploy an innovative capital markets related solutions and services upon success completion of the test.

Evaluation of application

7.-(1) In evaluating the application, the Authority shall assess –

- (a) completeness, correctness and suitability of the application based on eligibility requirements;
- (b) whether the proposed innovative capital markets related solutions and services-
 - (i) has potential to enhance financial deepening and inclusion in the country;
 - (ii) is genuine; and
 - (iii) provides benefits to customers.
- (c) measures to safeguard customers.

(2) In the event that the innovative financial solution is fintech related, the Authority shall ensure that the service or product is vetted by a responsible regulatory body.

Notification of evaluation results

8.-(1) The Authority shall, through a letter of acceptance, notify the applicants of evaluation results within forty-five days after closure of application date.

(2) The letter referred to in sub-regulation (1) shall entitle the applicant to test the proposed innovative financial solutions in the regulatory sandbox.

Rejection of application

9.-(1) Where an application does not meet criteria set by these Regulations, the Authority shall reject the application provided that, in so doing, the Authority shall furnish to the applicant reasons.

(2) The Authority shall not reject the application under sub-regulation (1) without first giving such person an opportunity of being heard.

Re-application

10.-(1) An applicant whose application is rejected may reapply within thirty days from the date on which the earlier application was rejected.

PART III
REGULATORY SANDBOX COHORT AND TESTING

Regulatory
Sandbox Cohorts

11.-(1) The Authority shall-

- (a) run two cohorts in every twelve months;
- (b) publish on the Authority's website a list of the successful applicants;
- (c) ensure the regulatory sandbox is based on thematic areas aligned with market needs and
- (d) prioritize innovative financial solutions that address market needs.

Commencement
of testing

12.- A successful applicant shall commence testing within one month from the date of receipt of the letter of acceptance.

Testing period

13.-(1) A participant shall complete testing of the innovative financial solution in the regulatory Sandbox within a period of twelve months from receipt of the acceptance.

(2) The Authority may extend testing period where the innovation has tested positive and, it can be justified that extension of testing period is necessary to respond to specific issues or risks identified during testing period.

Testing
environment

14.-A participant shall test the proposed innovative capital markets related solutions and services to the testing environment in line with the conditions provided in the letter of acceptance, provided that the Authority may add further provide conditions as it may deem appropriate.

Exit from
Regulatory
Sandbox

15.-(1) Upon the completion of the testing period, the Authority may decide whether to allow an innovative capital markets related solutions and services to be introduced in the market as the Authority may determine.

(2) The Authority may prohibit deployment of an innovative capital markets related solutions and services in the market upon completion of the testing due to-

- (a) unsuccessful testing based on agreed test measures;
- (b) unintended negative consequences for the public;
- (c) potential threats to stability of the financial system; or
- (d) Any other reason as may be prescribed by the Authority.

Revocation

16.-(1) The Authority may revoke an approval to participate in regulatory sandbox at any time before the end of the testing period if the participant-

- (a) fails to meet the conditions of the approval;
- (b) submits false, misleading, or has concealed or failed to disclose material facts in the application;
- (c) contravenes any applicable laws of the United Republic;
- (d) breaches data security and confidential requirements;
- (e) carries on business in a manner detrimental to investors or the public at large; or
- (f) fails to effectively address any technical defects, flaws or vulnerabilities in an innovative capital markets related solutions and services.

(2) In the event of revocation of approval under sub-regulation (1), the participant may reapply to the regulatory sandbox after a period of one year from the date of notice of revocation.

(3) A participant who has been convicted of any offence other than a traffic offence in Tanzania or elsewhere shall not be eligible to participate in the regulatory sandbox.

Notification of revocation

17.-(1) Before revoking the participant's approval to participate in the regulatory sandbox, the Authority shall-

- (a) give the participant 30 days' notice in writing of its intention to revoke the approval; and
- (b) require the participant to show good cause within the time stated in the notice why the approval should not be revoked.

(2) Notwithstanding the provisions of sub-regulation (1), where any delay in revoking the approval would be detrimental to the interests of the participant, their customers, the financial system or the public generally, the Authority may revoke the approval with immediate effect.

Effect of revocation

18.-(1) Upon acceptance of letter of revocation, the participant shall-

- (a) immediately cease the provision of an innovative capital markets related solutions and services to new and or existing customers;
- (b) provide notification to customers informing them of the cessation and their rights to redress where relevant;
- (c) comply with obligations imposed by the Authority to dispose of all confidential information including customer personal information collected over the duration of the testing;
- (d) compensate any customer who had suffered financial losses

arising from the testing; and

- (e) submit a report to the Authority on the actions taken under this Regulation within 30 days after revocation.

Voluntary
withdrawal

19.-(1) The participant may, by notice in writing, apply to the Authority, thirty (30) days prior, of its intention to voluntarily withdraw stating its grounds for the withdrawal.

(2) The withdrawal of the approval in sub-regulation (1) shall not:

- (a) take effect until the Authority is satisfied that adequate arrangements have been made to meet all the liabilities and obligations of the participant that are outstanding at the time when the notice of the withdrawal is given; and

(b) operate as to:

- (i) avoid or affect any agreement, transaction or arrangement relating to the regulated activities entered into by the participant whether the agreement, transaction or arrangement was entered into before or after the withdrawal of the registration; or

- (ii) affect any right, obligation or liability arising under any such agreement, transaction or arrangement.

(2) In the event of withdrawal under sub-regulation (1) the participant may reapply after a period of six months from the date of submission of notice of withdrawal.

(3) The Authority shall evaluate the re-application and may either approve or reject the re-application to participate in the regulatory Sandbox.

PART IV OPERATIONS OF THE REGULATORY SANDBOX

Responsible
person

20.-(1) A regulatory sandbox participant shall have at least one responsible person, who shall be a principal officer undertaking the role as a main contact person for the purpose of liaising with the Authority and perform any duty as may be directed by the Authority;

(2) The responsible person in sub-regulation shall have a minimum requirement of a bachelor's degree or its equivalent in either of the following-

- (a) Economics;
- (b) Finance;
- (c) Information Technology;
- (d) Law;

- (e) Business and Personal Financial Services Marketing Operations;
- (f) Investments and Securities;
- (g) Financial Planning and Services;
- (h) A strong background in investments and securities such as practical experience through internship opportunities at licensed capital markets intermediaries; or
- (i) Any other training or specialization as may be considered by the Authority that may be considered by the Authority as relevant to capital markets intermediaries.

(3) Any vacancy in relation to the position of appointed responsible person shall be filled within one month from the date of departure of the former responsible person and the information of the appointment sent to the Authority in accordance with these Regulations.

Duties of
Regulatory
Sandbox
participant

21.-(1) A participant shall commence testing within one month from the date of receipt of the approval.

(2) During testing, a participant shall-

- (a) Conduct an oversight of its operation;
- (b) gather information on the test carried out;
- (c) monitor effective compliance with the conditions of approval;
- (d) comply with relevant laws;
- (e) submit periodic reports as stipulated in these Regulations;
- (f) obtain and maintain investor's prior consent for participation in the test;
- (g) adhere to the approved investor terms and conditions for testing an innovative capital markets related solutions and services;
- (h) handle investor complaints and protect personal and financial data;
- (i) seek approval from the Authority in the case of changing terms or conditions;
- (j) develop rules for carrying out the regulatory sandbox operations;

- (k) ensure compliance with the requirements of the reporting persons obligations stipulated under AML/CFT Act and AMLPOC Act; and
- (l) perform any other obligation as may be required by the Authority.

Authority's responsibilities

- 22.-** (1) In the implementation of these Regulations, the Authority shall-
- (a) Ensure that the objectives of the regulatory sandbox are fully achieved;
 - (b) Evaluate the applications for regulatory sandbox operations;
 - (c) Monitor regulatory sandbox operations;
 - (d) Monitor the implementation of the participants' testing plan and take necessary actions of deemed necessary; and
 - (e) Apply appropriate action for non-compliance where needed.

Due diligence on customer

23.-(1) A regulatory sandbox participant shall conduct due diligence on each customer on its platform.

(2) The due diligence in sub regulation (1) shall be in addition to due diligence requirements to be conducted under the AML/CFT Act and AMLPOC Act legislations and shall include, at a minimum, the due diligence include:

- (a) identity and proof of address in the case of a natural person;
- (b) identity including details of its incorporation, business registration and good standing, if a legal person;
- (c) identity and proof of address of each of its directors, officers and controllers if a legal person;
- (d) fitness and propriety of the investor and that of its directors, officers and controllers where applicable;
- (e) risk assessment and rating of a legal person; and
- (f) sources of funds.

Customer safeguards

24.- A participant shall ensure safeguard to its customers against losses through provision of funds, guarantees, insurance or any other mechanisms as may be prescribed by the Authority.

Authority to issue terms and

25.-(1) The Authority shall issue terms, conditions and directives to a

conditions regulatory Sandbox participant, Board of Directors, Chief Executive, Controller or any other person regarding:

- (a) compliance with the requirements of the securities laws and these Regulations;
- (b) the conduct of business or operations of the regulatory sandbox participant;
- (c) the appointment or removal of the responsible person;
- (d) fees payable;
- (e) the services that may be offered;
- (f) the requirement to submit periodic reports to the Authority;
- (g) the requirement to maintain relevant records; and
- (h) any other matter as the Authority considers necessary for the protection of investors or the proper functioning of the an innovative capital markets related solutions and services

Key performance indicators **26.**-(1) Upon the issuance of approval, the Authority will engage the admitted participants on the following:

- (a) Testing parameters such as the scope and duration of the test, regulatory flexibilities requested; and
- (b) Specific measures to determine the success or failure of the test at the end of the testing period.

Risk warnings **27.**-A participant shall disclose all risks to the investor in a clear, fair and not misleading format prior to the investor providing its written consent.

Requirement to obtain consent **28.**-(1) A participant shall obtain a written consent from the investors prior to engagement in the regulatory sandbox.

(2) The written consent referred in sub-regulation (1) must be obtained that states that the investor-

- (a) clearly understands the inherent risks;
- (b) explicitly agrees that the product or service is currently operating within a regulatory sandbox and agrees to participate in the experiment and
- (c) Has an option to opt out of the regulatory sandbox provided they abide with non-disclosure agreements.

Progress reports

29.-(1) During testing the participant shall be required to submit to the Authority progress report after every two months provided that, the report shall include-

- (a) key milestones achieved during the reporting period including the key performance;
- (b) Key issues arising as observed from fraud or operational incident reports;
- (c) risks identified during testing including risk mitigation measures;
- (d) customer complaints handled;
- (e) operational challenges encountered and measures taken during testing period;
- (f) personal or financial data protection;
- (g) Details on any audits conducted (and where applicable, submission of signed audit reports);
- (h) list of investors participating in the regulatory sandbox; and
- (i) any other relevant information.

Final report

30.- (1) A Participant shall, after completion of testing, submit a final report indicating-

- (a) performance of the test;
- (b) risks identified during the test and mitigation measures; and
- (c) readiness to deploy the tested innovative capital markets related solutions and services in the market.

(2) The report referred under sub-regulation (1), shall be submitted to the Authority within thirty days after testing period.

PART V GENERAL PROVISIONS

Transparency

31.-(1) For the purpose of ensuring transparency, participants shall maintain proper records of innovative capital markets related solutions and services containing:

- (a) issues observed;
- (b) risk mitigation;
- (c) customer participation; and

(d) any other relevant information.

Accountability

32.-(1) The participants have a duty to-

- (a) provide true and accurate information to the Authority and their investors, and
- (b) ensure protection of investors' funds and assets.

Notification of change of particulars

33.-(1) Where a Participant intends to make any material change(s) relating to any information provided in its application, it shall-

- (a) notify the Authority at least one (1) month before it intends to make such changes along with a copy of the reasons for making such change(s) and
- (b) provide the proposed date from which the change(s) will take place.

Data protection

Act No.
11 of 2022

34.-(1) The participant shall ensure that all data collected during testing and or upon the completion of testing of an innovative capital markets related solutions and services are treated in accordance with the Personal Data Protection Act.

(2) Participants are required to keep confidential all information disclosed by one party to the other participant during regulatory sandbox events, whether that information is disclosed verbally, in writing or in any other form and whether or not expressly stated to be confidential.

(3) For the purposes of these Regulations, confidential information will not include information that is publicly available or has been independently developed without reference to the confidential information shared within the regulatory sandbox, as demonstrated by reasonable written evidence.

Protection of Intellectual property rights

35.-(1) The Authority shall accept applications from applicants whose an innovative capital markets related solutions, products and services are duly verified and registered by the authority responsible for protection of intellectual property rights.

(2) For the purpose of protecting intellectual property, applicant shall not disclose the technical specifications of the innovation.

Monitoring compliance

36.-(1) The Authority shall-

- (a) monitor compliance by participants during the testing process; and
- (b) have powers to access participants' premises, documents and systems for purposes of monitoring and verification during testing.

Provision of information

37.- A person shall furnish to the Authority, at such time and manner as may be prescribed by the Authority, such information as may be required by the Authority for proper discharge of its functions and responsibilities under these Regulations.

Customer complaints

38.- Customer complaints arising from the testing phase shall be handled in accordance with the Capital Markets and Securities (Customer handling) procedures.

Limitations on the participants

39.-(1) A participant shall be limited to-

(a) the number and type of clients with or for whom the Participant carries on or intends to carry on the activities in the regulatory sandbox;

(b) the participant's ability to hold or control investor Money and investor Investments; and

(2) Notwithstanding the provision under sub-regulation (1), the participant shall not represent himself as a licensed capital markets intermediary.

Compliance with relevant legislations

40.-(1) The participant shall comply with all the relevant legislations with regard to regulatory sandbox operations.

(2) Without prejudice to sub clause (1), the Authority may exempt a person from application of some of the requirements under the Act, and these Regulations as may be deemed appropriate.

Administrative action

41.-(1) The Authority may, in the event of non-compliance with the Regulations, take some administrative actions against the defaulter thereof which may include-

(a) non-participation in the regulatory sandbox for period of two (2) years from the time of non-compliance;

(b) Publication of the names of offenders; or

(c) reprimand

Amendment

42.- The Authority may amend these Regulations where it deems necessary.

FIRST SCHEDULE

(Made under Regulation 5(2)(a))

CRITERIA FOR APPROVAL

Application	Application form referred to in subregulation 6(2)(a) shall be accompanied with-
	(a) covering letter as set out in Part B of the Schedule;
	(b) certified copies of memorandum and articles of association;
	(c) certified copy of certificate of incorporation;
	(d) evidence of source of funding to facilitate testing;
	(e) curriculum vitae accompanied by one recent passport size photograph of each key personnel of the applicant;
	(f) certified copies of the national identification card or passport;
	(g) duly executed agreement between the company and the owner of the testing environment in case of applicant who falls under Regulation 2 (1)(b) and (c);
	(h) system architecture;
	(i) anti-money laundering and combating the financing of terrorism policy;
	(j) complaints handling procedures;
	(k) resolution of the Board of Directors approving the company to participate in the regulatory sandbox;
	(l) realistic business plan to deploy an innovative capital markets related solutions and solution on a commercial scale after exit from the regulatory sandbox;
	(m) documented an innovative capital markets related solutions and services containing:
	(i) description of the an innovative capital markets related solutions and services and the problem it solves;
	(ii) description of financial and human resources needed for testing;
	(iii) benefits to the investors;
	(iv) timelines and deployment plan of the proposed an innovative capital markets related solutions and services ;
	(v) description of the proposed testing environment and how the testing will be conducted;
	(vi) intended key outcomes of the testing; and
	(vii) proposed testing strategy including exit arrangements;
	(n) documented procedures proposed for managing risks resulting from-
	(i) deposits;
	(ii) cyber security;
	(iii) financial stability;
	(iv) scalability and resilience of proposed an innovative capital markets related solutions ; and
	(v) interoperability.
	(o) a realistic business plan that outlines the applicant’s readiness, including development timeline, to test the practical feasibility of its solution;
	(p) indicative plans to secure the necessary resources to support testing in the regulatory sandbox;
	(q) an applicant must demonstrate the practical feasibility of its solution via a prototype and the readiness of its front-end and back-end infrastructure supplemented by proper product documentation (such as functional, technical design document, user guide);
	(r) an applicant must demonstrate it has sufficient resources to support testing of its solution in the regulatory sandbox prior to live testing with proper evidence (such as letter of funding); and
	(s) an applicant must be able to identify the potential risks to financial institutions and financial consumers that may arise from the testing of the solution in the regulatory sandbox and propose appropriate safeguards to address the identified risks.

SECOND SCHEDULE

(Made under Regulation 5(2)(b))

RULES TO BE COMPLIED BY THE REGULATORY SANDBOX PARTICIPANT

	The rules of the Regulatory Sandbox participant make satisfactory provisions–
	(i) for the protection of investors and public interest;
	(ii) to ensure proper functioning of the market;
	(iii) to promote fairness and transparency;
	(iv) to ensure integrity, availability and completeness of information;
	(v) to manage any conflict of interest that may arise;
	(vi) to promote fair treatment of its users or any person who subscribe for its services;
	(vii) to promote fair treatment of any person who is hosted, or applies to be hosted, on its platform;
	(viii) to ensure proper regulation and supervision of its users, or any person utilising or accessing its platform, including suspension and expulsion of such persons; and
	(ix) to provide an avenue of appeal against the decision of the regulatory sandbox participant; and
	(x) the applicant has sufficient financial, human and other resources for the operation of the recognized market, at all times.

THIRD SCHEDULE

(Made under Regulation 5(2)(c))

THE CAPITAL MARKETS AND SECURITIES ACT
(CAP. 79)
(Section 36)

APPLICATION FORM FOR REGULATORY SANDBOX APPLICANT BY A COMPANY

Application is hereby made for Regulatory Sandbox approval under the Act and the following statements are made in respect thereof:

Note:

If space is insufficient to provide details, where necessary, please attach annexure(s). Any such annexure should be identified as such and signed by the signatory to this application.

PART I: INFORMATION ON THE APPLICANT

1. (a) Name of the applicant:
- (b) Registered office:
.....
.....
- (c) Place of incorporation:
- (d) Full address and telephone number of the principal place at which the business of the applicant is or is to be carried on:
.....
.....
- (e) Authorised and paid-up capital of the applicant, including the types of shares issued or to be issued:
- | | | |
|-----------------------------|-------|---------|
| Authorised | Share | Capital |
| | | |
| Paid Up Share Capital | | |
| Types of Shares | | |
- (f) The details of shareholders of the applicant, including the name, address, amount of shares being held and date of acquisition:

(Separate Annexure)

- (a) Address of place at which applicant's register under section 52 of the Capital Markets and Securities Act will be kept
-
-
-

(b) Set out as an annexure hereto details of each director and secretary showing full name, residential address, date of birth, office held, date of appointment and academic as well as professional qualifications.

2. State the nature of the principal business for which the applicant requires Regulatory Sandbox approval:
(Separate Annexure)

(a) Indicate areas of proposed business for which the applicant requires a Regulatory Sandbox approval: either: advises others concerning securities; or: issues or promulgates analyses or reports concerning securities; or: pursuant to a contract or arrangement with a customer, undertakes on behalf of the customer (whether on a discretionary authority granted by the customer or otherwise) the management on behalf of investors of a portfolio of securities for the purpose of investment.

(b) For each indicated area of proposed business, state in detail the manner in which the business will be conducted and the experience of the applicant and its management. (Separate Annexure)

(c) The type of investors with whom the applicant proposes to do business. (Separate Annexure)

(d) Describe in detail the organizational structure and internal control procedures which the applicant has adopted or proposes to adopt in the conduct of its business. (Separate Annexure)

3. Set out name and address of each person who directly or indirectly exercises or has power to exercise a controlling influence over the management and policies of the applicant other than those shown as directors. (Separate Annexure)

4. Is any director or secretary of the applicant a director of any other corporation? Using an annexure, answer "Yes" or "No" for each person; if "Yes" give details of:

(a) names of corporation;

(b) places of incorporation; and

(c) dates of appointment.

(For questions 4 to 6 answer "Yes" or "No" in space provided. If "Yes" attach annexure giving all relevant particulars.)

5. Has the applicant or any director or secretary of the applicant within the past ten years:

(a) been licensed or registered in any place under any law which requires licensing or registration in relation to dealing in securities or acting as an investment adviser?
.....

(b) been licensed, registered or otherwise authorised by law to carry on any trade, business or profession in any place?

(c) been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific licence, registration or other authority is required by law in any place?
.....

6. Has any director or secretary of the applicant within the past ten years:

(a) been a member or partner in a member firm of any securities exchange?
.....

(b) been suspended from membership of any securities exchange or otherwise disciplined by a securities exchange?

(c) been refused membership of any securities exchange?

(d) been known by any name other than the name or names shown in this application?
.....

(e) been convicted of any offence other than a traffic offence in Tanzania or elsewhere or are there any proceedings now pending which may lead to such a conviction?
.....

- (f) has judgement including findings in relation to fraud, misrepresentation or dishonesty been given against him in any civil proceedings, in Tanzania or elsewhere? (If "Yes", using an annexure, give full details, including whether judgement is unsatisfied.)
.....
- (g) been declared bankrupt or compounded with or made an assignment for the benefit of his creditors, in Tanzania or elsewhere?
- (h) been engaged in the management of any corporation other than those referred to in answer to question 5?
- (i) been refused a fidelity or surety bond in Tanzania or elsewhere?
- (j) been disqualified as a director, or been a director of a company that has gone into receivership or liquidation, in Tanzania or elsewhere?

7. In relation to each director and secretary of the applicant, set out below details of the officer's employment and business activities, during the previous ten years.

Name of Director or Secretary	Name and address of employer (if self-employed, so state)	Nature of business	Description of duties in relation to the employment or activity	Period of employment or activity (give exact date)

8. Set out any additional information (including any formal qualifications or training of the directors or secretary of the applicant and the name of the institution that conducted the relevant course) considered relevant to this application. (Separate Annexure)

9. Set out below details of two persons (who shall not be related to the applicant, and neither of whom shall have any interest in the success or otherwise of this application) with whom each director and the secretary of the applicant has had regular contact over the past five years and of whom the Authority may enquire regarding the character and reputation of the respective director or secretary.

(Separate Annexure)

Name of character referee	Address of character referee	Occupation of character referee	Name of director or secretary in respect of whom enquiries may be made

10. Details of the proposed innovative capital markets related solutions and services

Describe the nature and scale of your operations	<i>Please keep the response below 100 words. Additional information may be provided as supporting documents.</i>
Briefly describe the proposed an innovative capital markets related solutions and services.	<i>Please keep the response below 100 words. Additional information may be provided as supporting documents.</i>

Briefly indicate source of funding to facilitate testing and deployment of the proposed innovative capital markets related solutions and services.	<i>Please keep the response below 100 words. Additional information may be provided as supporting documents.</i>
Briefly describe the timelines for testing and deployment of the proposed innovative capital markets related solutions and services	<i>Please keep the response below 50 words. Additional information may be provided as supporting documents.</i>
Briefly describe the underlying technologies and infrastructure of the proposed innovative capital markets related solutions and services.	<i>Please keep the response below 200 words. Additional information may be provided as supporting documents.</i>
Briefly describe the financial and human resources requirements for testing and deployment of the proposed an innovative capital markets related solutions and services	“”
Provide details of the problem to be solved in the financial ecosystem.	“”
Describe how the proposed an innovative capital markets related solutions and services will solve the problem and provide benefits to the consumers and/or the industry.	“”
Describe and attach the business plan including the roadmap to deploy the proposed an innovative capital markets related solutions and services on a broader scale after exiting the regulatory sandbox.	“”
Describe your proposed exit strategy in the event of discontinuation at any time or deployment on a broader scale if testing is successful.	“”
Identify the legal or regulatory requirements that are challenges on deployment of proposed an innovative capital markets related solutions and services and the regulatory flexibilities needed to undertake the test.	“”
Briefly describe the proposed testing environment and how the testing will be conducted	“”
Explain the intended key outcomes of the testing.	“”
Outline the risks including safeguarding deposits, money laundering, financing terrorism proliferation financing, financial stability, cyber security, consumer protection, scalability and resilience of proposed solutions, interoperability, and proposed mitigation measures.	“”

PART II: MISCELLANEOUS

1. We are aware of the provisions of section 39 of the Capital Markets and Securities Act relating to false statements made in applications.
2. We declare that all information given in this application and in the attached annexure (if any) is true and correct.

Dated this day of 20.....

Signature

Signature

.....

.....

Name of Director

Name of Director/Secretary

Dated the.....of.....2024

Chairman

Capital Markets and Securities Authority