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Mandatory Electronic Payments for Specified Transactions in Tanzania: What You Need to Know

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On 30 June 2026 the Minister for Finance published the Electronic Transactions (Mandatory Electronic Payments for Specified Transactions) Order, 2026, Government Notice No. 158C (**Order**). The Order was made under section 13(2) of the Electronic Transactions Act (Cap. 442 Revised Edition 2023) and came into force on 1 July 2026. The Order requires that payments for a defined list of transactions must be made and received through electronic means. It forms part of Tanzania's wider push toward a more digital economy, greater transparency in commercial dealings, stronger tax compliance and better financial inclusion.

WHAT THE ORDER REQUIRES

The Order requires any person who makes or receives payment for a transaction listed in the Schedule must do so through electronic means. The duty applies to both the payer and the recipient. "**Electronic Means**" is defined broadly to cover any method, system or channel that uses electronic or digital technology. This includes, but is not limited to:

- Mobile money
- Bank transfers
- Electronic funds transfers
- Payment cards
- Electronic wallets
- Point-of-sale (POS) devices
- Internet or mobile banking
- Government electronic payment systems

The Order does not constitute a general prohibition on cash payments. The Tanzanian shilling remains legal tender, and the requirement to use electronic means applies only to the categories of transactions specified in the Schedule. Transactions falling outside those categories may continue to be settled in cash.

TRANSACTIONS THAT MUST BE PAID ELECTRONICALLY

The Schedule lists nine categories:

1. Fees, charges, levies, tolls or fares for bus rapid transit services, ferries, bridges, long-distance passenger bus services, online taxi services, air transport, railway transport and parking services.
2. Payment for goods or services in shopping malls, gymnasiums, cinema theatres, filling stations, conference and event venues, sports arenas, and international trade exhibitions such as Saba Saba and Nane Nane.
3. Fees and contributions for educational services in pre-primary, primary and secondary schools, tertiary institutions and universities.
4. Contributions for educational services in tertiary institutions and universities.
5. Payment for accommodation, food and beverages in hotels, restaurants and cafés.

6. Payment relating to tourism-related services.

7. Payment relating to renting, sale or purchase of a building, plot or farm.

8. Payment for motor vehicle sale or purchase.

9. Payments linked to agricultural activities carried out through cooperative unions and Agricultural Marketing Cooperative Societies (AMCOS) in respect of strategic crops (including cotton, cashew nuts, coffee, tea, sisal and tobacco), as well as agricultural inputs and pesticides.

Some of the wording (for example "shopping malls", "tourism-related services" or "renting of a building") is not further defined in the Order. This may create practical questions about borderline cases. Further guidance from the Government would be helpful.

TRANSITIONAL ARRANGEMENTS

Anyone who was already receiving payments for a listed transaction immediately before 1 July 2026 has six months to put electronic payment facilities in place. That period runs until 31 December 2026. The Order also states that it does not affect arrangements or contracts relating to any transaction made before it came into force. This raises a practical question for long-term contracts signed before 1 July 2026 (for example a lease or an instalment sale of a vehicle). The duty attaches to each individual payment, not merely to the original contract. Parties to ongoing contracts should therefore seek advice rather than assume that pre-existing arrangements automatically remain cash-based.

PRACTICAL CONSEQUENCES

The most immediate effect is that every payment falling under the Schedule will leave a digital record on a bank statement, mobile-money ledger or POS reconciliation. This creates a clear audit trail linking payer and recipient.

That trail has several practical results:

- The Tanzania Revenue Authority can more easily monitor turnover in sectors such as hospitality, retail, education, real estate, motor-vehicle sales and strategic crop purchases.

- Taxpayers who previously relied on cash receipts may find the gap between declared and actual turnover narrowing.
- Businesses that have struggled to prove cash expenditure for tax purposes should find it easier to support claims.
- Commercial disputes over whether a deposit, rent instalment or purchase price was paid become simpler to resolve because the electronic record is usually clearer than a paper receipt.
- Anti-money-laundering controls are strengthened because large property or vehicle transactions leave a visible trail.

The Order itself does not prescribe any specific penalty for non-compliance. Enforcement details may appear in later guidance or regulations.

STEPS BUSINESSES AND INSTITUTIONS SHOULD TAKE

1. Map current payment practices against the Schedule and identify where cash is still accepted.
2. Onboard electronic channels (bank accounts, mobile-money merchant accounts, POS devices or payment-service-provider solutions) well before the end of the six-month window.
3. Review standard contracts, tenancy agreements, sale agreements and fee structures to ensure payment clauses do not still contemplate cash for listed transactions.
4. Decide how deposits, part-payments and refunds will be handled under the new rules.
5. Train staff and communicate the change clearly to customers and suppliers.

HOW OTHER JURISDICTIONS APPROACH ELECTRONIC OR CASHLESS PAYMENTS

Tanzania is not alone in encouraging or requiring digital payments for certain transactions. Whether it is regulatory led model , infrastructure led model or market led model, the below governments have also encouraged a move from a cash economy.

- **Infrastructure and mobile money: Kenya**
  Kenya provides a strong example of infrastructure-led adoption, particularly through mobile money. Its extensive mobile-money and agent network has made electronic payments widely accessible, supported by a regulatory framework for electronic

payment service providers and continued development of the national payments system.

- **Interoperable digital payment infrastructure at scale: India**
  India provides an example of infrastructure-led digital payment adoption at exceptional scale. Its Unified Payments Interface (**UPI**) enables real-time account-to-account payments through participating banks and payment applications, including QR-code payments. National Payments Corporation of India (**NPCI**) recorded more than 24.5 billion UPI transactions in August 2026.
- **Regulatory/Cash Intervention - Nigeria**
  Nigeria provides a closer example of regulatory intervention to reduce reliance on cash. The Central Bank of Nigeria introduced its cashless policy in 2011 to reduce the amount of physical cash in circulation and encourage electronic transactions. From January 2026, the CBN introduced nationwide weekly cash-withdrawal limits of ₦500,000 (approximately TZS 984,050) for individuals and ₦5 million (approximately TZS 9.84 million) for corporate organisations, with excess-withdrawal charges applying above those limits. *TZS equivalents calculated using the Bank of Tanzania mean exchange rate of TZS 1.9681 per NGN as at 31 August 2026.*

These examples show that successful transitions usually combine clear rules, reliable and affordable infrastructure, interoperability between providers, and public awareness. Tanzania's approach of targeting specific high-visibility sectors while leaving ordinary cash transactions untouched is a measured version of the same trend.

LOOKING AHEAD

The Order is an important step in Tanzania's digital-economy agenda. It will improve transparency, support tax administration and create clearer records for commercial disputes. At the same time, undefined terms, the treatment of long-running contracts, and the absence of published penalties mean that practical questions will continue to arise. Businesses operating in the listed sectors should treat the remaining months of 2026 as a compliance window rather than a distant deadline. Mapping payment flows, putting systems in place and updating contracts now will reduce the risk of disruption when the transitional period ends.

RELIANCE

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