

Tanzania Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Tanzania’s national cooperative legal framework, based on the work of national legal experts and ICA member input.

Main regulations: This table displays a selection of cooperative regulations identified by experts and ICA members. For the full analysis including all relevant regulations, see the full report.

Law	Type of cooperative and nature of regulation
The Cooperative Societies Act, 2013 (Cap 112).	All cooperatives.
The Cooperative Societies Regulations, 2015 (GN. No. 272 of 2015)	All cooperatives, except the licensing of SACCOs has to follow Microfinance Regulations
The Cooperative Audit and Supervision Act No. 15 of 1982	All cooperatives must be audited by COASCO, except where the Registrar of Cooperatives approves a private auditor
Microfinance Act, No. 10 of 2018.	It regulates the licensing of all types of Microfinance Institutions, including SACCOs (Tier 3 microfinance institutions)
Microfinance (SACCOS) Regulations, 2019 (GN No. 675 of 2019)	It regulates SACCOS licensing, inspection and supervision and consumer protection of SACCOS products
The Cooperative Societies Act, No 15 of 2018 (Zanzibar)	All cooperatives established in Zanzibar
Cooperative Societies Regulations, 2019 LN No. 171 of 2019	All cooperatives, except the licensing of SACCOS
SACCOS Regulation, 2019 LN No. 172 of 2019	Regulates the licensing of SACCOS

Cooperative Friendliness: From the view of ICA contributing member organizations, both the Mainland and Zanzibar Acts create a legal environment that may not be conducive enough to encourage sustainable cooperative development. Instead of encouraging cooperatives to take lead in the establishment, regulation and promotion of cooperatives, the laws give respective governments powers to over-regulate cooperatives, but at varying degrees.

Key recommendations for improvement: The amended legislation should aim at phasing out the external control, particularly by the government while phasing in the cooperative movement.

Conclusions: The cooperative legal frameworks of the United Republic of Tanzania have produced cooperatives which may be referred as pseudo-public or quasi-governmental organizations, not as private sector organizations which should be operated according to the internationally recognized values and principles.

Under these circumstances, a proper reform in the cooperative legal frameworks would involve not only amending the cooperative laws to recognize and translate the said values and principles into action, but also inciting the understanding of the relevant enablers within and outside government circles to change their stance towards cooperative development.

