



## Bank of Tanzania uses FINInform to complement its RTGS

*FINInform is an efficient and cost-effective solution for ensuring banks comply with regulatory reporting*

“All the banks in Tanzania involved with cross border transactions are on the SWIFT network. With SWIFT FINInform, we automatically capture 100% of messages, without human intervention or errors.”

Joseph M.B. Massawe, Strategic Planning and Performance Review, Bank of Tanzania

The Bank of Tanzania was established in 1966 to perform all the traditional functions of a central bank.

In 2006 the Bank's role was modified to provide for a more responsive regulatory role in relation to the formulation and implementation of monetary policy; and to provide for the supervision of banks and financial institutions.

The Bank's mission is “to maintain price stability that is conducive to the attainment of financial and macroeconomic stability for balanced and sustainable growth of the national economy of Tanzania”.

The Bank reports to the Minister of Finance, and keeps the Minister informed of matters pertaining to monetary and financial sector policies.

### Benefits

- > Security
- > Reliability
- > Availability
- > Automation
- > Reduced cost
- > Support

### Business challenges

The Tanzanian Real Time Gross Settlement system has been in place since 2004.

As the Bank of Tanzania is the regulator, it identified the need to capture information in several areas.

There are significant cross border trade flows, and the central bank wanted to monitor the resulting transaction flows in a timely and efficient manner.

The central bank also wanted to monitor increasing hedge funds pouring into Tanzania.

A new anti-money laundering law meant that the central bank needed to track the transaction flows in and out of Tanzania in order to report to the newly created Financial Intelligence Unit.

“As a result of these requirements, we decided we needed to keep a database,” says Joseph M.B. Massawe, Strategic Planning and Performance Review, Bank of Tanzania. “FINInform was the ideal mechanism to feed the database with the required information. We were able to use FINInform since all the banks in Tanzania are connected to the SWIFT network. This enables us to copy actual messages, going in or out of the country.”

FINInform provides data on cross-border transaction flows in all currencies that enables the central bank to improve the country's monitoring of inflows and outflows and for anti-money laundering. It is an efficient, cost effective, and simple solution for ensuring banks comply with regulatory reporting.



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**Benefits achieved by the customer**

“The key benefit of using FINInform at the Bank of Tanzania is to be able to get timely information on cross border inflows and outflows, which is important in monetary policy implementation,” says Massawe.

Using FINInform over SWIFT has enabled the Bank of Tanzania to achieve numerous benefits:

- The key advantages of SWIFT are the reliability and availability of the network
- The Bank appreciates the round the clock support
- The Bank has been able to automate reports thanks to message standards

“Being connected to SWIFT has enabled us to meet many challenges,” says Mr. Massawe, in particular:

- Automating key business processes
- Imposing a minimum value of 5 million Tanzanian Shillings for cheques to be carried over SWIFT, thus benefiting from the high level of security of the network.

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**Solution overview**

“FINInform is ideal for a central institution to monitor cross-border payment flows,” says Michimaru Onizuka, Banking Initiatives, EMEA, SWIFT. “The way the Bank of Tanzania has implemented FINInform applies to sending and receiving banks in Tanzania, and to cross border transactions of all sorts.”

All incoming and outgoing messages are copied fully to the Bank of Tanzania, as shown in the diagram of FINInform.

The Bank of Tanzania built an in-house application to generate the reports it needs. The FINInform inflow and outflow messages are decoded, processed and inserted into a database, as depicted in the diagram of the Bank’s message input flows.

**Next steps**

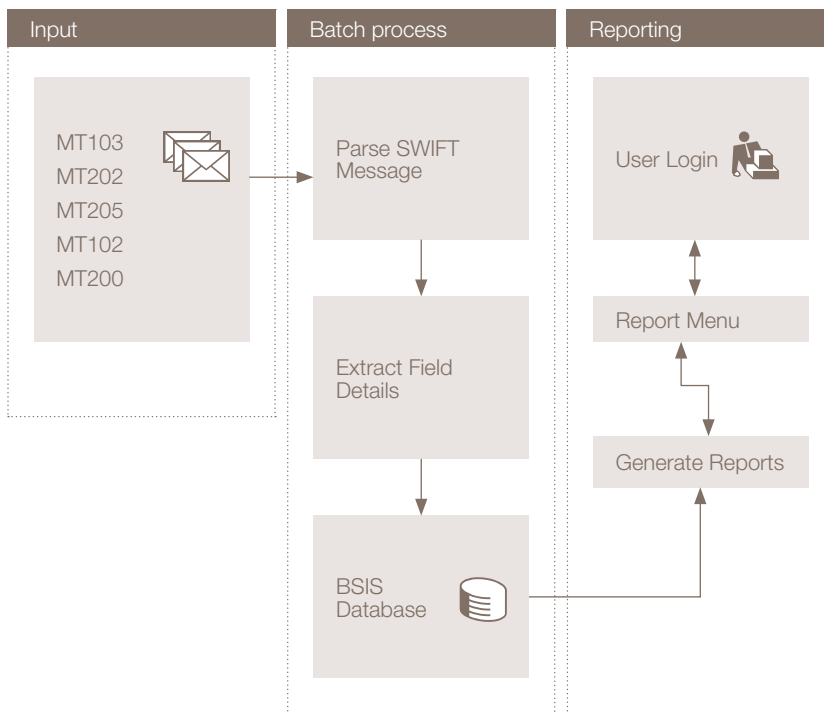
The central bank’s plans for the future to enhance usage of SWIFT, FINInform and other SWIFT services are to integrate the Ministry of Finance Integrated Financial System to enable government ministries, departments and agencies to make payments through the RTGS using SWIFT. This will enhance efficiency, reduce human intervention and achieve maximum straight-through processing, mitigate risks and improve on cash management.

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The Bank’s immediate plan is to deploy the specific Securities Market Infrastructures and SWIFT solutions that are relevant for specific broker/dealers, custodians and settlement agents. The SWIFT messaging services in mind are FIN and InterAct.

*For more information, please contact your SWIFT account manager or visit [www.swift.com](http://www.swift.com)*



▲ Bank of Tanzania payment: SWIFT message input decoding flow