# STRENGTHENING REGULATORY STRATEGIES AGAINST INSIDER TRADING IN TANZANIA SECURITIES MARKETS

## Abstract

This paper examines regulatory measures aimed at enhancing the Tanzania’s legal framework in combating insider trading within securities markets. It identifies substantive and procedural deficiencies in the Capital Markets and Securities Act (CMSA) that undermine market integrity and investor protection. Employing a doctrinal legal methodology, complemented by empirical legal inquiry, the study analyses statutory provisions, jurisprudence, regulatory practices, and stakeholder perspectives to evaluate the adequacy of existing legal and institutional mechanisms for the purpose of proposing legal reforms for enhancing it. The study reveals significant shortcomings, including the absence of clear statutory definitions for critical terms such as “insider,” “insider trading,” and “non-public material information,” as well as the failure to designate insider trading as an independent criminal offence. These gaps generate legal uncertainty and impede enforcement. Further constraints arise from limited regulatory capacity, lack of advanced surveillance tools, and the concentration of investigative and adjudicative powers within a single regulatory entity. Guided by international best practices, particularly the standards of the International Organization of Securities Commissions (IOSCO), the study proposes comprehensive reforms to the CMSA. Key recommendations include codifying clear definitions, criminalizing insider trading and related conduct tipping, enhancing regulatory enforcement powers, and investing in real-time surveillance infrastructure. Institutional reforms are proposed to ensure functional separation of investigatory and adjudicative roles, thereby promoting regulatory independence and procedural fairness. Additionally, the study advocates for the establishment of investor protection mechanisms, legal reforms addressing emerging financial instruments (including digital assets), and harmonization of domestic law with regional and international frameworks to ensure legal coherence, investor confidence, and market stability.

**Key words**: *Insider Trading, Capital Markets, Regulatory Reform, Investor Protection, Surveillance Technology, Securities Law.*

**Introduction**

Securities markets in Tanzania function as a vessel for economic growth. They contribute to improving liquidity, expanding the capital of companies, aggregating and mobilizing resources, providing risk pooling, and facilitating privatization.[[1]](#footnote-1) Furthermore, securities markets offer investment opportunities, speculation, hedging, security trading, and arbitrage opportunities.[[2]](#footnote-2) There is a positive relationship between efficient securities markets and economic growth, both in the short run and the long run.[[3]](#footnote-3) Securities markets stimulate economic growth by providing a pool of domestic reserves and enhancing the quality of investment.[[4]](#footnote-4) Therefore, the contributions of securities markets to national economies are significant and cannot be underestimated.

In Tanzania, issuers of securities such as shares, bonds, and units typically include the government, collective investment schemes (CIS), and companies that issue securities to the public to raise capital and facilitate privatization.[[5]](#footnote-5) The Dar es Salaam Stock Exchange (DSE), which currently has twenty-eight listed companies, has been instrumental in expanding the capital of these companies through Initial Public Offerings (IPOs)[[6]](#footnote-6). For example, in 2017, Vodacom Tanzania PLC offered a total of 560,000,100 shares at a rate of TZS 850, successfully raising capital of TZS 476,000,085,000, as reflected in the gross proceeds of the offer.[[7]](#footnote-7) Securities markets are an important contributor to the efficiency of domestic economy and its capacity to improve living standards through innovation-based growth.[[8]](#footnote-8)

Without liquid securities markets, many profitable long-term investments would likely be overlooked, as savers may hesitate to commit their funds for extended periods.[[9]](#footnote-9) However, despite the contributions of securities markets in Tanzania, the connection between exchanges and economic development remains limited, largely due to a lack of desirable characteristics in the stock exchange market, insufficient public awareness, a limited number of market participants, [[10]](#footnote-10) and a shortage of experts to address market abuses, including insider trading[[11]](#footnote-11). Additionally, the DSE faces challenges such as illiquidity, inadequate market infrastructure, and asymmetric information regarding stocks, all of which contribute to corporate insider trading.[[12]](#footnote-12)

The genesis of market abuses, such as insider trading, in securities markets can be traced back to the economic transformations of the 1980s and 1990s, which were marked by increased investment resulting from a shift in economic policy from a centrally controlled economy to an open market system.[[13]](#footnote-13) In line with this transition, the DSE was established as part of government initiatives aimed at transforming the economy from a public sector-driven model to a free market economy.[[14]](#footnote-14) Similarly, the enactment of the Capital Markets and Securities Act (CMSA) of 1994[[15]](#footnote-15) reflects this economic transformation, facilitating the shift from a state-controlled economy to one driven by the private sector.

Corporate insider trading involves the investment behavior of insiders in the securities of their own companies.[[16]](#footnote-16) According to section section 106(1) of CMSA of Tanzania any person who creates or causes to be created, or who engages in actions intended to create, a false or misleading impression in securities in Tanzania commits the offense of insider trading.[[17]](#footnote-17) The behaviors of concern here are those involving dealings with non-public information that result in unfair prejudice to investors in the securities markets as per section 233 of the Company Act of Tanzania 2002. In the same line, section section 108(B) of the CMSA of Tanzania also provides that any person who makes a statement or disseminates information that is false or misleading in a material particular, and that is likely to affect the market price while knowing that the information is false or misleading, commits the offense of insider trading.[[18]](#footnote-18) This means that a person is said to contravene the law if the information has effect in price of the shares in the markets.

Contrarily, instances of insider trading have occurred in Tanzania, such as when the general manager of Uchumi Supermarket Limited, which was cross-listed [[19]](#footnote-19) on the Dar es Salaam Stock Exchange (DSE), instructed his stockbroker to sell Uchumi shares just a few days before the retail supermarket chain collapsed in 2006.[[20]](#footnote-20) Similarly, in the case of Michael Naalehu Shirima v. African Banking Corporation Tanzania Limited,[[21]](#footnote-21) the High Court of the United Republic of Tanzania ruled in favor of the plaintiff due to the fraudulent actions of the defendant concerning the plaintiff’s shares. Such situations contravene the laws regulating securities markets, which mandate that no person shall trade or engage in conduct that is misleading or deceptive or is likely to mislead or deceive.[[22]](#footnote-22) The necessity for regulating insider trading is underscored by the significant potential that well-functioning securities markets can contribute to economic growth, provided that insider trading practices are effectively controlled by law, if not completely eradicated.[[23]](#footnote-23)

**Methodology**

This study primarily adopts a **doctrinal legal methodology,** which involves an in-depth analysis of existing legal texts, statutes, case law, and regulatory frameworks governing insider trading in Tanzania’s securities markets. The doctrinal approach enables a critical examination of the Tanzanian Capital Markets and Securities Act (CMSA) and related legal instruments to identify gaps, ambiguities, and inconsistencies in the current regulatory framework. This method facilitates a systematic interpretation and evaluation of the law’s provisions relating to insider trading, insider definitions, enforcement mechanisms, and investor protection. Secondary sources such as legal commentaries, journal articles, and comparative analyses of foreign legal systems are also reviewed to benchmark Tanzania’s legal framework against international best practices, thereby providing a comprehensive understanding of the legal principles and their application within the Tanzanian context.

To complement the doctrinal analysis, the study incorporates an **empirical legal methodology** aimed at assessing the practical enforcement and effectiveness of insider trading regulations in Tanzania. This involves collecting qualitative data from various stakeholders, including regulatory authorities, market participants, legal practitioners, and investors, through interviews, and case studies. Empirical evidence provides insights into the challenges faced in implementing insider trading laws, the capacity of regulatory bodies such as the CMSA, and the real-world impact of current legal provisions on market integrity and investor confidence. Combining doctrinal and empirical methods allows for a more nuanced analysis, bridging the gap between legal theory and practice, and informing recommendations for regulatory reforms tailored to Tanzania’s unique market environment.

**Insider Trading and Market Integrity**

Globally, capital markets and securities regulations have undergone extensive reforms to enhance market integrity, strengthen investor protection, and improve financial transparency. In Tanzania, the Capital Markets and Securities Authority (CMSA) became operational in the 1995/1996 financial year[[24]](#footnote-24). Its establishment followed comprehensive financial sector reforms in the early 1990s, aimed at developing capital markets and related infrastructure[[25]](#footnote-25). Capital market development plays a pivotal role in mobilizing long-term savings and ensuring efficient resource allocation to productive sectors, thereby stimulating economic growth.

The idea of a fair market is dependent on all parties to a transaction possessing similar information when executing a transaction or trade[[26]](#footnote-26). However, because of unfair market practices such as insider trading, this is rarely the case[[27]](#footnote-27). Insider trading is a form of market abuse where one party deals in the securities of a public company while in possession of material non-public information. Often, a person practicing insider trading gains an advantage because of the information they possess over the other party[[28]](#footnote-28). Today, insider trading is one of the most condemned corporate vices[[29]](#footnote-29). As a result of its adverse effects on the market, insider trading has been prohibited by many countries in the world including Tanzania. In Tanzania, insider trading is contemplated as an offence that attracts criminal sanctions under the Capital Markets and Securities Act Cap 79, however, as jurisprudence witnesses; it is difficult to sustain a conviction on a charge of insider trading in Tanzania. As a result, the practice of insider trading often goes unpunished[[30]](#footnote-30).

Insider trading has become a deeply troubling corporate vice that erodes investor confidence and exploits unsuspecting market participants globally[[31]](#footnote-31). Safeguarding the integrity and fairness of securities markets is one of the core justifications for establishing securities regulators and enacting securities laws[[32]](#footnote-32).Protecting market integrity remains a central objective of securities regulation worldwide. Alongside investor protection, enhancing market efficiency and reducing systemic risk form the four fundamental goals of such regulation[[33]](#footnote-33). In Tanzania, despite steady progress, the securities markets continue to face serious challenges particularly in the form of insider trading and other market abuses. Insider trading, defined as the use of non-public material information to gain unfair trading advantages, undermines fairness and transparency, weakening investor trust[[34]](#footnote-34). This concern is especially acute in emerging markets like Tanzania, where legal and enforcement frameworks remain underdeveloped compared to mature economies[[35]](#footnote-35). The ongoing prevalence of insider trading poses a significant threat to market integrity, discouraging investor participation and adversely affecting market liquidity.

**Analysis of Securities Market regulation in Tanzania**

The securities market in Tanzania is governed by the Capital Markets and Securities Act, Chapter 79 R.E. 2002 (CMS Act), which is supplemented by 19 regulations and guidelines covering various operational aspects[[36]](#footnote-36). Following the enactment of the Commodity Exchanges Act of 2015, the CMSA was also mandated to supervise, regulate, and develop commodity exchanges, supported by the Commodity Exchanges Regulations of 2016[[37]](#footnote-37). Additionally, The Bank of Tanzania also plays a crucial role in fostering the development of financial markets by providing an enabling environment. This includes establishing financial market infrastructure, drafting supportive legislation, and overseeing the design of market instruments[[38]](#footnote-38). The Bank of Tanzania Act of 1995 laid the foundation for modern financial markets in the country, encompassing both money and capital market instruments traded in primary and secondary markets[[39]](#footnote-39). Its Financial Markets Directorate is tasked with implementing monetary policy, managing the nation’s foreign reserves, and issuing and managing government debt securities[[40]](#footnote-40).

In Tanzania, securities markets legal framework consist of fundamental laws, regulations, guidelines and authority which is endowed with powers to make regulations in specific aspects[[41]](#footnote-41). The legal framework aims at combating market abuses and fraudulent activities and ensures market integrity, transparency and investor protection.[[42]](#footnote-42) According to the section 5 (2) (A-C) of CMSA of Tanzania persons deemed to have interest in the securities include corporate insiders who have fiduciary duty to the company.[[43]](#footnote-43) The persons include the body corporate or directors accustomed or under obligation whether formal or informal to act in accordance with the directions and instructions or wishes of that person in relation to the security[[44]](#footnote-44). Also, section 5(2) (B) of chapter 79 of Tanzania provides that a person who creates or causes or does anything calculated to a false or misleading appearance of active trading on a stock exchange markets or the price of such securities commits an offence of insider trading.[[45]](#footnote-45) However, despite the establishment of a legal framework aimed at ensuring market integrity and protecting investors, significant challenges undermine the effectiveness of these markets. Some of which contravenes the provisions stipulated in CMSA[[46]](#footnote-46) that provides for the offence of insider trading yet its ingredients and prosecutions remains unclear. For example dealing in securities as provided in section 2 of CMSA of Tanzania is not clear as it is presented in generic manner that it lacks clarity.

Equally, significant uncertainties persist regarding the effectiveness of these legal protections. For instance, the application and enforcement of laws pertaining to insider trading are ambiguous, leading to a lack of clarity on how corporate insiders can be effectively regulated. For example, section 106 to 113 of CMSA of Tanzania remain uncertain whether the current regulatory mechanisms are adequate to address emerging challenges in the market, especially as practices evolve and participants become more sophisticated. The major deficiencies in the securities market intermediaries sector include suspicious activity detection and reporting remains also unclear[[47]](#footnote-47). For example, DSE has seen various phases of growth and development, influenced by economic conditions, regulatory changes, and investor sentiment but studies have that showed a long-term inverse relationship between interest rates and financial sector stock returns.[[48]](#footnote-48) Additionally, during the specific period from June 2014 to April 2021, interest rates at DSE were insignificant in affecting stock returns despite the inverse trend[[49]](#footnote-49)Equity market capitalization is low and there is little secondary market liquidity on the stock exchanges.[[50]](#footnote-50) On the debt side corporate bond markets are virtually nonexistent and work is still needed to improve government borrowing programs.[[51]](#footnote-51) The lack of deep, liquid capital markets has a dampening effect on private-sector-led growth and long-term development.[[52]](#footnote-52)

This slow capital-market growth comes in spite of multiple reforms to enhance the stock exchange of securities in the country.[[53]](#footnote-53) The ongoing challenges in the securities markets have broader economic implications. Reduced investor participation and market liquidity can stifle capital formation, limiting the resources available for businesses and public projects. Consequently, this underdevelopment of capital markets hinders Tanzania’s economic growth, as lower investment levels can lead to diminished tax revenues and slowed economic progress.

As regards to the **ineffectiveness of regulatory frameworks;** while the Capital Markets and Securities Act sections section 106 to 113 that include provisions against insider trading and market manipulation, there is substantial ambiguity surrounding the enforcement of these laws. This ambiguity creates uncertainty for both market participants and regulators, hindering their ability to effectively combat abuses. For example, the specific criteria for what constitutes insider trading as provided in section 5 of the Act does not are not clearly define what constitutes insider trading leading to inconsistent interpretations and applications in practice. There is also **lack of transparency and detection mechanisms of Cap 79 especially in sections 106-113 of CMSA of Tanzania.** The legal instruments currently in place do not adequately address how suspicious activities should be detected and reported. This gap in regulatory oversight raises concerns about the integrity of trading practices and the potential for market manipulation. Without robust mechanisms for monitoring and reporting, the likelihood of insider trading and other fraudulent activities increases, eroding investor confidence. The lack of clarity regarding investor protections in CMSA Cap 79 further complicates the situation. It remains uncertain whether investors have adequate access to material information that affects market prices, which is crucial for informed decision-making. This ambiguity may deter potential investors from participating in the market, as they may perceive the risks of investing as too high compared to the potential returns.

There is also uncertainty regarding the alignment of Tanzania's regulatory framework with international standards for securities regulation. As global financial practices evolve, it is crucial for Tanzania’s securities laws to remain relevant and effective in safeguarding investor interests. Failure to align with these standards could further isolate Tanzania's capital markets from foreign investment, exacerbating the issues of market illiquidity and underperformance. In summary, the central problem is the inadequacy of Tanzania's legal and regulatory frameworks in addressing insider trading and other market abuses. This inadequacy poses a dual threat as it compromises investor confidence and risks further economic stagnation. Addressing the legal framework is imperative to ensure the stability of the securities markets, protect investors, and promote sustainable economic growth.

This creates a critical gap in understanding the legal framework associated with insider trading and other forms of market manipulation in Tanzania. Without a comprehensive analysis of these issues, the potential for market abuses to undermine investor confidence and harm the broader economy may continue to grow. Furthermore, the regulatory ambiguities which can be observed in sections 106 to 113 of CMSA Cap. 79 raise pressing questions about the adequacy of protections for investors, which, if unaddressed, could escalate the risk of manipulation within Tanzania’s securities markets. This situation poses a dual threat as it jeopardizes the securities well-being of investors and risks decreased market participation and increased illiquidity. Therefore, it is imperative to conduct a thorough study of the legal framework governing corporate insider trading in Tanzania’s securities markets. This research aims to identify and address these regulatory gaps, ultimately fostering a more stable and trustworthy market environment that supports economic growth.

**Strengthening Securities Markets Regulation in Tanzania**

The Capital Markets and Securities Act (CMSA) of Tanzania Cap 79 RE 2002 provides the foundational legal framework for regulating securities markets; however, it suffers from significant gaps and ambiguities that hinder effective enforcement of insider trading laws. Analysis made on the provisions of the Capital Market and Securities Act, 79 of 1994 (RE 2002) revealed that the enforcement mechanisms are inadequate and ineffective. The Act[[54]](#footnote-54) neither defines nor provides the interpretation to legal concepts such as insider, inside information and publication. Civil remedies and criminal penalties provided in the law are inadequate for deterrent purposes to combat insider trading practices[[55]](#footnote-55). This legal vagueness complicates efforts to detect and prosecute insider trading cases, allowing market manipulators to exploit loopholes with relative impunity. Furthermore, enforcement efforts are hampered by institutional constraints, as the CMSA’s regulatory authority must often rely on the Directorate of Public Prosecutions for criminal actions, leading to procedural delays and reducing the regulator’s independence in swiftly addressing violations. Therefore best practices like the South Africa, UK and US demonstrate that clarity in the law, combined with institutional strength and technological capacity, is essential for deterring and addressing market abuse.

Investor protection also plays a critical role in combating insider trading. Strengthening mechanisms that provide compensation and legal recourse to victims of insider trading enhances investor confidence and promotes fairness. In Tanzania, insider trading scandals like the one of Uchumi Supermarkets contributed to reduced investor confidence, impeding the growth of a vibrant and liquid capital market. Investors tend to avoid markets where information asymmetry and unfair advantages prevail, limiting capital inflows and economic development. Addressing these challenges requires urgent reforms to the CMSA, including clear statutory definitions of insider trading and the establishment of insider trading as a distinct offense separate from general securities dealing. Such legislative clarity would empower regulators with better tools to identify violations and prosecute offenders effectively. In addition to legal reforms, enhancing the powers and independence of the Capital Markets and Securities Authority is crucial. Empowering the regulator with authority to conduct investigations, impose sanctions, and prosecute insider trading cases independently would streamline enforcement processes and improve deterrence.

Additionally, investor education initiatives that raise awareness about insider trading risks and legal protections are essential, particularly in markets like Tanzania where retail investors may lack sophisticated market knowledge and thus are more vulnerable to exploitation. Individual investors are important capital market participants, and improving their financial welfare has been a long-standing objective for policymakers and researchers[[56]](#footnote-56). Individual investors who receive financial education are more likely to increase their profits in the stock market because they have good investment habits and elevate they are more risk tolerant[[57]](#footnote-57). Further, financial education demonstrates a greater effect on stock market profit making among investors with less experienced and from areas with lower levels of investor protection. Thus, the implementation of targeted public education campaigns could play a pivotal role in increasing awareness and understanding of the benefits and opportunities offered by the stock market[[58]](#footnote-58). Moreover, trust emerged as another crucial determinant of stock market participation. Building trust in the market necessitates transparency, integrity, and effective regulation. Therefore, policymakers and market regulators should prioritize measures to enhance market integrity and investor protection, thereby fostering greater confidence among potential investors[[59]](#footnote-59). By improving access to financial literacy programs and investment education, individuals from diverse socio-economic backgrounds can be empowered to engage more actively in the stock market.

Apart from that leveraging technological advancements such as real-time market surveillance and data analytics can significantly strengthen oversight by detecting suspicious trading patterns as they occur. Investing in such technology is particularly important in Tanzania’s evolving market landscape where traditional enforcement methods are insufficient. Also, Tanzania must modernize its legal framework to address emerging financial instruments such as digital assets and crypto-currencies, which present new regulatory challenges[[60]](#footnote-60). Factors such as financial inclusion efforts, economic instability, and supportive government policies have contributed to this growing interest. The younger generation, in particular, is embracing digital currencies as a means of participating in the global economy and preserving their wealth in the face of inflation. The establishment of crypto exchanges and supporting infrastructure, along with educational initiatives and awareness programs, has further facilitated cryptocurrency adoption[[61]](#footnote-61).

The 21st-century global financial landscape has been transformed by the emergence and diversification of modern financial instruments, ranging from traditional securities and derivatives to finance tools and digital assets[[62]](#footnote-62).The rapid growth of digital financial instruments, including crypto-currencies, initial coin offerings (ICOs), and block chain-based securities, presents novel regulatory challenges for markets worldwide. These instruments operate on decentralized platforms, often transcending national borders and regulatory jurisdictions, which complicate traditional enforcement against insider trading and market abuse. Modern financial instruments are the cornerstone of today’s global financial architecture. Their emergence reflects the increasing complexity of financial markets and the diversification of investor demands, institutional frameworks, and macroeconomic objectives. These instruments are not only vehicles for capital allocation but also tools of financial innovation that enhance risk sharing, liquidity creation, and intermediation efficiency[[63]](#footnote-63).

According to the International Financial Reporting Standards (IFRS), a financial instrument is “any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity[[64]](#footnote-64). For Tanzania, where existing securities laws primarily target conventional financial instruments, the regulatory framework risks becoming outdated and ineffective in addressing the risks posed by digital assets. Recent global developments reveal that proactive regulation of digital assets is essential to prevent insider trading and fraud in this fast-evolving space. Jurisdictions like the United Arab Emirates and Singapore have updated their securities laws to incorporate clear definitions, disclosure requirements, and trading restrictions specific to digital assets, ensuring investor protection and market integrity. Such legal modernization provides clarity to market participants and regulators alike, helping to close regulatory gaps exploited by insiders or fraudulent actors.

Tanzania’s securities regulator must adopt a forward-looking approach by incorporating digital asset regulations within the CMSA framework. This would involve defining digital assets, establishing licensing regimes for digital asset service providers, and delineating insider trading rules applicable to virtual markets. Failure to adapt risks exposing the Tanzanian market to unregulated speculative trading and insider abuse, which could undermine investor trust and destabilize the capital market. At the latest the global financial crisis has raised the awareness of the need for a globally coordinated financial market regulation. Even though the necessity to cooperate is widely acknowledged, cooperation is often limited in practice[[65]](#footnote-65). Given the globalized nature of securities markets, insider trading offenses often span multiple jurisdictions, making international cooperation critical to effective enforcement . Regional collaboration allows regulators to share intelligence, coordinate investigations, and close loopholes created by fragmented legal systems. In East Africa, efforts by the East African Community (EAC) to harmonize securities market regulations represent a significant step toward enhancing cross-border oversight, though full implementation remains a work in progress.

**Conclusion**

The findings indicate that Tanzania’s current regulatory framework is inadequate to address the complexities and risks of insider trading effectively. The lack of clear statutory definitions and a distinct insider trading offense undermines legal certainty and weakens enforcement efficacy. This creates an environment where insider trading can persist with limited risk of detection or penalty, threatening market fairness and investor confidence. Separating the investigative and adjudicative functions within the CMSA is necessary to eliminate potential conflicts of interest and increase public trust in regulatory processes. Institutional reforms, combined with enhanced enforcement capacity, will contribute significantly to strengthening Tanzania’s securities regulatory regime.

Furthermore, the legal framework must evolve to reflect the realities of modern financial markets. Incorporating provisions that address digital assets, online trading platforms, and cross-border activities is essential to closing current loopholes. Investor education and protection should be prioritized to empower market participants with the knowledge and tools needed to identify and report suspicious activities. Strengthening regional cooperation with other East African regulatory bodies will enhance cross-border enforcement capabilities and help harmonize securities laws in the region. Ultimately, these reforms will promote a more transparent, fair, and resilient capital market that supports economic growth and attracts both local and international investors.

**Recommendation**

The study recommends a comprehensive legislative reform of the CMSA to explicitly define insider trading and related concepts, establishing insider trading as a separate and punishable offense. Clear statutory language will reduce ambiguity, facilitate enforcement, and serve as a deterrent to market participants considering engaging in illicit activities. Institutional reforms should follow, with the creation of an independent adjudicative body separate from the investigative arm of the CMSA to enhance fairness and accountability. The establishment of specialized enforcement units with dedicated resources and expertise will improve the detection and prosecution of insider trading cases.

Additionally, the CMSA should invest in advanced market surveillance technologies such as artificial intelligence and big data analytics to enable real-time monitoring of trading activities and early detection of irregularities. Strengthening investor education programs is also crucial, ensuring market participants understand their rights, the risks of insider trading, and how to report suspicious conducts. The legal framework must be updated to regulate emerging financial instruments, including digital assets and cross-border transactions, to close existing loopholes. Finally, Tanzania should intensify cooperation with regional regulators to facilitate information sharing, joint investigations, and harmonized enforcement efforts. Instituting a continuous law review process will ensure the legal framework remains responsive to market innovations and global best practices, sustaining market integrity and investor confidence over time.

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