**ASSESSMENT OF TANZANIA’S COMPLIANCE WITH INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS STANDARDS ON SECURITIES MARKET REGULATION**

**Abstract**

Tanzania’s compliance with International Organization of Securities Commissions Organization (IOSCO) objectives, principles and Multilateral Memorandum of Understanding (MMOU) is ongoing process. This paper provides a comprehensive assessment of Tanzania’s compliance with international securities market standards, with a focus on the IOSCO Principles as the global benchmark. It examines Tanzania’s legal and regulatory framework governing securities markets by highlighting the roles of the Capital Markets and Securities Authority (CMSA), the Dar es Salaam Stock Exchange (DSE), and the Bank of Tanzania. The study explores the main legal instruments, including the Capital Markets and Securities Act and the Companies Act, which establish licensing, disclosure, compliance, and enforcement mechanisms critical for market integrity and investor protection. Through a critical legal analysis with IOSCO the study reveals Tanzania’s legal framework contains significant legal challenges particularly in enforcement capacity, technological infrastructure, cross-border regulatory cooperation, and investor awareness. These limitations constrain the full realization of market transparency, efficiency, and fairness. The study argues that strengthening institutional capabilities, enhancing legal provisions, and fostering regional and international collaboration are crucial for addressing existing gaps. Additionally, improving public awareness and investor education is essential to promote greater market participation and confidence. Therefore, while Tanzania has made considerable progress in developing its securities markets continued reforms and capacity building are necessary to achieve full alignment with global standards. Such alignment is expected to support sustainable securities markets development, investor protection, and economic growth.

**Keywords:** *Securities markets, Securities Regulation, IOSCO Principles, Investor Protection, Market Transparency, Enforcement, Legal Reform*,

**Introduction**

The internationalization of securities markets has become a global concern that necessitates cross-border cooperation among IOSCO signatories. This demands securities commissions and similar bodies with the responsibilities for securities regulation to join together to with the view of improving their efficiency, coordinating enforcement of securities regulation and implementing common standards[[1]](#footnote-1). This situation is driven by rapid economic and technological changes worldwide, which significantly impact securities markets. In the process of opening up to the world, multinational corporations have acted as vital bridges by optimizing global resource allocation, facilitating technology transfer, enhancing managerial efficiency[[2]](#footnote-2). As these changes unfold, there is an increasing need for the international community to strengthen regulatory frameworks, particularly in relation to cross-border trading.

The internationalization of world’s securities markets has become a common parlance among securities regulators and market analysis. The expansion of securities markets has attracted numerous investors, with many companies choosing to cross-list in various countries to broaden their capital base. Without a robust legal framework to govern these processes, market participants are vulnerable to abuses that undermine fairness and integrity in securities trading. For example, China’s equity markets internationalization process started in the early 2000s but accelerated after 2012, when Chinese firms’ shares listed in Shanghai and Shenzhen gradually became available to international investors[[3]](#footnote-3). Developing securities markets and having strong financial functions is one of the important economic goals of global powers

According to Article 31 of IOSCO by-laws it is stipulated that market intermediaries should be required to establish an internal function that delivers compliance with standards for internal organization and operational conduct, with the aim of protecting the interests of clients and their assets and ensuring proper management of risk, through which management of the intermediary accepts primary responsibility for these matters[[4]](#footnote-4). As countries become increasingly economically connected, the internationalization of securities markets has gradually become an important development plan for all countries. The capital market serves to link capital with the real economy[[5]](#footnote-5) Increased trading volume originating from foreign nations with secrecy and blocking laws has compounded the complexity of enforcement and multinational trading linkages have spread transactions in securities around the globe. The phenomenon of insider trading transcends national borders presenting complex challenges for regulatory framework around the world.

Compliance with international securities market standards is critically important for emerging economies like Tanzania, as it fosters investor confidence, promotes transparency, and supports sustainable economic growth. In Tanzania, the capital market is governed by the Capital Markets and Securities Act, Chapter 79 R.E. 2002 (CMS Act), which is supplemented by 19 Regulations and Guidelines that address various aspects of capital markets operations[[6]](#footnote-6). Additionally, the Capital Markets and Securities Authority (CMSA) is mandated to supervise, develop, and regulate commodity exchanges in the country. This function is supported by the Commodity Exchanges Act of 2015 and the Commodity Exchanges Regulations of 2016[[7]](#footnote-7). For countries such as Tanzania, adherence to globally recognized principles is not only vital for protecting investors but also crucial for attracting foreign investment, improving access to capital, and integrating into the global financial system. These international standards provide a framework for sound regulation and market stability, thereby reducing the risk of financial misconduct such as insider trading, fraud, and market manipulation.

Tanzania, one of the fastest-growing economies in East Africa, has made substantial progress in developing its securities market over the past two decades. The government continues to pursue strategies aimed at building a vibrant capital market, including the full liberalization of financial accounts to encourage broader and more active participation in the securities market in terms of both products and players[[8]](#footnote-8). The securities market is primarily regulated by the Capital Markets and Securities Authority (CMSA), which operates in collaboration with other financial institutions. The Dar es Salaam Stock Exchange (DSE) serves as the country’s sole official platform for share trading[[9]](#footnote-9). Financial instruments such as equities, bonds, and collective investment schemes are traded on the DSE, making it the central hub for securities transactions in Tanzania. The government has prioritized reforms in the securities market as part of broader financial sector development efforts aimed at stimulating investment and promoting financial inclusion [Footnote]. Moreover, monetary policy remains a fundamental pillar of economic management, shaping financial markets and contributing to macroeconomic stability[[10]](#footnote-10).

The Capital Markets and Securities Authority (CMSA) has implemented initiatives that have opened new market frontiers including development of thematic and innovative capital market products and services; promotion of technology-enabled financial service distribution channels; increasing the number of certified market professionals recognized internationally; and enhancement of financial literacy and public awareness[[11]](#footnote-11). The total value of investments in the capital markets increased by 9.3 percent, reaching TZS 37,410.1 billion during the year ending December 2023. Trading activities in equity and bond markets rose by 31.4 percent, while the Net Asset Value (NAV) of Collective Investment Schemes increased by 50.2 percent.[[12]](#footnote-12) These positive developments were mainly attributed to the improved regulatory and business environment, pick-up in economic activities and growth in the financial sector[[13]](#footnote-13).

Despite notable progress, Tanzania’s securities markets remain relatively underdeveloped compared to more mature global markets. Key challenges persist, including limited market depth, low liquidity, and insufficient diversification of financial products. These structural constraints continue to impede market growth and limit broader investor participation. Moreover, foreign investment in the Dar es Salaam Stock Exchange (DSE) is subject to Tanzania’s foreign investor policies, which significantly influence the investment environment[[14]](#footnote-14).When evaluating investment opportunities, individuals typically consider their objectives, associated risks, and expected returns. However, in Tanzania, stock market participation remains notably low. Recent statistics reveal that only about 1% of the population is engaged in stock market investment, highlighting both a lack of awareness and persistent structural barriers to entry[[15]](#footnote-15). This situation raises important questions about whether Tanzania adequately complies with the standards set by the International Organization of Securities Commissions (IOSCO), of which it is a signatory.

**Methodology**

To achieve the objective, the research employed doctrinal legal research complemented by empirical legal research. The doctrinal approach involves analyzing primary legal texts, regulations, and international standards to establish the legal framework and its alignment with global best practices. Complementing this, the empirical legal methodology gathers qualitative data from market participants, regulatory reports, and case studies to evaluate the practical application and effectiveness of the regulatory regime. This combined approach provides a comprehensive understanding of both the legal provisions and their real-world implementation within Tanzania’s securities market.

## International Securities Market Standards

IOSCO is the leading international policy forum for securities regulators and the global standard setter for financial markets regulation. It develops, implements and promotes adherence to internationally recognized standards for financial markets regulation and works closely with other international organizations on the global regulatory reform agenda[[16]](#footnote-16). International securities market standards provide a framework for regulating and supervising securities markets to promote their integrity, efficiency, and transparency. One of the most influential and widely recognized sets of standards is the **Objectives and Principles of Securities Regulation** developed by the **International Organization of Securities Commissions (IOSCO)**[[17]](#footnote-17)**.** The IOSCO Principles outline 38 key principles organized into three main objectives: protecting investors, ensuring that markets are fair, efficient and transparent, and reducing systemic risk[[18]](#footnote-18). These principles serve as a global benchmark for securities regulators to design, implement, and enforce effective regulatory frameworks.

In addition to IOSCO, other international standards complement these principles. For example, the **International Financial Reporting Standards (IFRS),** issued by International Financial Reporting Standards (IFRS) are issued by the International Accounting Standards Board (IASB)[[19]](#footnote-19). Furthermore, the **Financial Action Task Force (FATF)** provides recommendations to combat money laundering and terrorist financing, which have significant implications for securities markets as channels for illicit financial flows. FATF is a critical tool that helps prevent terrorists and other illicit actors from abusing domestic and international financial systems[[20]](#footnote-20). These standards collectively contribute to strengthening market confidence and facilitating cross-border investment by harmonizing regulatory expectations

The International Organization of Securities Commissions (IOSCO) serves as a critical reference point for jurisdictions with securities markets, providing globally recognized standards that guide the development of effective regulatory frameworks. While IOSCO standards are not legally binding, jurisdictions are expected to align their national securities laws and regulatory practices with these principles to promote consistency, transparency, and investor protection across global markets. Adhering to IOSCO standards demonstrates a jurisdiction’s commitment to international best practices, thereby enhancing market credibility, facilitating cross-border investment, and contributing to the overall stability and integrity of the global financial system.

Compliance with IOSCO standards plays a vital role in promoting and enhancing cross-border trading of securities. This is because investors and companies seeking to raise capital increasingly operate across multiple jurisdictions and may pursue cross-listing of their securities in foreign markets. By aligning national regulatory frameworks with internationally recognized IOSCO principles, jurisdictions foster greater investor confidence, reduce regulatory arbitrage, and facilitate smoother access to global capital markets.

Cross-listing regulation plays a crucial role in overcoming international investment barriers. Evidence from country-level cross-sectional analyses suggests that this effect is more pronounced for firms based in countries with weaker investor protection and less developed stock markets during the performance period[[21]](#footnote-21). Reforms tend to have a stronger impact on firms that receive limited analyst coverage and are more reliant on external financing. At the national level, corporate governance is a significant determinant in facilitating the inflow of cross-border capital, which, in turn, incentivizes firms to cross-list[[22]](#footnote-22). Therefore, countries lacking well-developed capital markets should strengthen their corporate governance frameworks to enhance firms’ access to external financing and attract international capital flows.

The BRICS nations are increasingly central to the global economy. However, to ensure sustained economic growth, they must continually address key challenges related to governance, encompassing political, socio-economic, and legal domains[[23]](#footnote-23).The rationale for establishing and adhering to international securities market standards stems from the increasingly globalized and interconnected nature of securities markets[[24]](#footnote-24). In today’s environment, cross-border investment flows have rendered national securities markets interdependent and subject to the influence of diverse regulatory frameworks. Inconsistent or weak regulation in one jurisdiction can introduce systemic risks and jeopardize global financial stability. Accordingly, international standards serve as benchmarks to help countries develop robust regulatory frameworks that promote cooperation, facilitate information sharing, and enhance enforcement efforts across borders.

Globalization and technological advancements have amplified information spillovers across stock markets, arising from both macroeconomic and firm-level variables[[25]](#footnote-25). Despite this, comprehensive reviews examining how such variables influence stock market volatility remain scarce. International standards aim to address these challenges by correcting market failures and reducing asymmetric information persistent issues in securities markets. By mandating the timely, accurate, and comprehensive disclosure of information by issuers, these standards promote fairness among investors and reduce the incidence of fraud, insider trading, and market manipulation.

Furthermore, international benchmarks encourage the adoption of sound market infrastructures, including transparent trading platforms and efficient clearing and settlement systems. These elements are essential to ensuring market efficiency and sustaining investor confidence. In the absence of such standards, securities markets risk becoming opaque, inefficient, and vulnerable to crises ultimately deterring investment and impeding economic development

**Relevance for Investor Protection, Transparency, and Fair Markets**

Investor protection is a cornerstone of international securities market standards, as regulators worldwide prioritize safeguarding market participants. Empirical legal analysis of securities firms across 34 countries provides evidence that fair value measurements regardless of their level within the fair value hierarchy are value-relevant in jurisdictions with strong or moderate investor protection environments[[26]](#footnote-26). Conversely, in countries with weaker investor protection, only market-based prices (Level 1) are considered relevant by investors[[27]](#footnote-27). Moreover, the disparity in value relevance between Level 1 market prices and Level 3 fair value estimates narrows as the quality of investor protection improves[[28]](#footnote-28). These findings underscore the importance of regulatory standards that prioritize transparency and fairness in financial reporting and market behavior. International benchmarks, such as IOSCO’s principles, recognize that investors particularly retail and less sophisticated one are vulnerable to risks stemming from misinformation, conflicts of interest, and fraudulent activities . As such, IOSCO emphasizes the establishment of regulatory frameworks that enforce robust disclosure requirements, prohibit manipulative practices, and guarantee access to effective investor redress mechanisms.

Additionally, the standards advocate for proactive initiatives like investor education and awareness programs, which aim to empower market participants to make informed investment decisions. Scholars argue that prioritizing financial literacy programs, while expanding technology access to facilitate broader market participation enhances investor confidence in securities markets.[[29]](#footnote-29) Efforts to reduce transaction costs and address liquidity constraints can further encourage individual investors[[30]](#footnote-30). Enhancing social interaction platforms within investment communities will foster greater engagement, contributing to a more inclusive and vibrant stock market in Tanzania.[[31]](#footnote-31) For example in Tanzania, Enhancing awareness of the Dar es Salaam Stock Exchange (DSE) and fostering social interactions are essential to increase investment. Policy interventions are also essential to promote broader stock market participation.[[32]](#footnote-32).

Transparency is equally vital for the proper functioning of securities markets, as it ensures accountability and trust. Integrating artificial intelligence (AI) into global financial markets redefines capital allocation, investment management, and risk evaluation processes[[33]](#footnote-33). However, these innovations bring significant legal and regulatory challenges, including accountability for AI errors, transparency issues in machine learning frameworks, cross-border data governance, and regulatory inconsistencies[[34]](#footnote-34). These issues are particularly challenging in international financial markets, where differences in jurisdiction amplify legal loopholes, threatening market integrity and overall systemic stability.[[35]](#footnote-35) The international standards require issuers to provide timely and accurate information about their financial condition, business operations, and material events, enabling investors to assess risks and opportunities effectively. Market transparency also extends to trading activities, where regulators must monitor behavior to prevent abuse and ensure prices reflect genuine supply and demand. This openness reduces information asymmetry, enhances price discovery, and facilitates efficient capital allocation.

Fairness in securities markets is closely linked to both investor protection and transparency, ensuring equitable participation[[36]](#footnote-36). International standards promote equal access to market information and equal treatment of participants, fostering a level playing field. Effective regulation of insider trading and market manipulation ensures no participant gains unfair advantages, which is critical for maintaining investor trust. Furthermore, the standards emphasize robust enforcement and supervision, recognizing that laws alone are insufficient without credible implementation. The political supervision, increasingly regularized output, and bureaucratic order make international financial regulation look increasingly like an administrative agency stretched into a global multilateral context[[37]](#footnote-37). Despite all these views, compliance to IOSCO standards would serve as an alternative to cross border trading on securities markets.

## Overview of Tanzania’s Legal and Regulatory Framework on Securities Markets.

The capital markets industry is governed by the Capital Markets and Securities Act, Chapter 79 R.E. 2002[[38]](#footnote-38). The CMS Act is supplemented by 19 Regulations and Guidelines governing specific aspects of capital markets. The Capital Markets and Securities Authority derives ~~is~~  its regulatory powers in Section 10 of the Capital Markets and Securities Act[[39]](#footnote-39). The CMSA regulates the industry by exercising surveillance over capital markets intermediaries and issuers of securities with a view of maintaining proper standards of conduct, professionalism thus ensuring integrity of securities dealings[[40]](#footnote-40). This regulatory structure aims to foster investor confidence while promoting securities market development in line with Tanzania's national development goals. The Dar es Salaam Stock Exchange plays a pivotal role as Tanzania's sole securities exchange, facilitating trading in equities, bonds, and other financial instruments. DSE has various members, including Licensed Dealing Members (brokers and dealers who conduct trade), institutional investors, listed companies, academic institutions, fund managers/investment advisors and professional bodies[[41]](#footnote-41). These members appoint among themselves parties to sit on the DSE Council, the governing body of the exchange. CMSA, the market regulator, was vested with the power to appoint one person to represent public interest on the Council[[42]](#footnote-42).

### Legal Instruments

The **Capital markets and Securities Act (CMSA Act) Cap 79 RE 2002** is the principal legislation governing Tanzania’s securities markets ~~s~~, providing the legal framework for market operations, licensing, and enforcement actions[[43]](#footnote-43). It is an act that establishes capital markets and securities authority for the purposes promoting and facilitating the development of an orderly, fair and efficient capital markets and security industry in Tanzania to make provisions with respect to stock exchanges and other persons dealing in securities for connected purposes[[44]](#footnote-44).

Moreover, law provides that no person shall establish or assist in establishing or maintain or hold himself out as providing or maintaining a stock market unless it is a stock market or a stock exchange. Any person who contravenes subsection (1) of Section 32 of Capital Markets and Securities Act of Tanzania Cap 79 RE 2002 commits an offence and on conviction is liable to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding two years or to both. It also criminalizes market manipulation and insider trading while establishing rules for disclosure and investor protection. Securities regulators therefore prohibit insider trading and market manipulation in order to protect investors and promote market integrity[[45]](#footnote-45).

The **Companies Act, Cap. 212**, RE 2002 of Tanzania complement the CMS Act by regulating company registration[[46]](#footnote-46), governance, and financial disclosures[[47]](#footnote-47), which are vital for listed companies’ transparency and accountability. Supplementary subsidiary legislation and regulations issued by the CMSA further detail licensing requirements[[48]](#footnote-48), disclosure obligations, and operational guidelines for market participants. Moreover, Tanzania’s adherence to international accounting standards such as the IFRS enhances the credibility of financial reporting in the securities markets[[49]](#footnote-49).

### Licensing, Disclosure, Compliance, and Enforcement Mechanisms

Licensing procedures under CMSA require market intermediaries such as brokers, dealers, and asset managers to meet stringent fit-and-proper criteria to safeguard market integrity[[50]](#footnote-50). The authority regularly supervises licensees and can impose sanctions or revoke licenses for non-compliance, which reinforces professional standards within the industry. The Act provides that no person shall be allowed to carry out the business of securities unless he is the holder of license or certificate of dealing with securities[[51]](#footnote-51). Any person who ~~contrives~~ contravenes the provision commits an offence and is liable to offence and upon conviction is liable to a fine not exceeding five hundred thousand shilling or to imprisonment of two years or both[[52]](#footnote-52).

Disclosure requirements for listed companies in Tanzania include the submission of audited financial statements, timely reporting of material events, and continuous disclosure obligations to maintain market transparency. For example the Company Act of Tanzania, RE 2002 provides that every company shall keep in English or Kiswahili books of accounts which are sufficient to show company transactions[[53]](#footnote-53). Additionally section 208 under subsection one of the Companies Act Cap 212 RE 2002 stipulates that it shall be the duty of any director of a company to give notice to the company of such matters relating to him as may be necessary for the purposes of sections 205, 206 and 207 of the same Act. These provisions align with IOSCO principles, emphasizing transparency as essential for fair and efficient markets. Compliance monitoring is undertaken through periodic audits, market surveillance, and investigation of irregular trading patterns or suspected market abuses.

## Tanzania’s Compliance with International Securities Market Standards

Tanzania’s securities market regulatory framework demonstrates partial compliance with the principles of the International Organization of Securities Commissions (IOSCO), particularly through the establishment of formal licensing requirements and disclosure obligations under the Capital Markets and Securities Act[[54]](#footnote-54). However, critical gaps remain in enforcement effectiveness, largely due to capacity constraints that limit the operational reach of the Capital Markets and Securities Authority (CMSA). Recent assessments highlight constrained budget to support capital markets development initiatives leading to a slow pace in growth of the industry[[55]](#footnote-55). Consequently, there is significant reliance on donor funding for Capital Markets development projects. g. Moreover, the sanctions imposed for securities violations are less stringent than those of regional peers, diminishing their deterrent value and eroding overall market integrity. These enforcement challenges are compounded by Tanzania’s reliance on outdated monitoring systems, in contrast to the data-driven surveillance technologies employed by more advanced markets.

Robust enforcement is essential for building investor confidence and maintaining the integrity of Tanzania’s securities markets. While the regulatory framework is supported by a network of specialized institutions, comprehensive legal instruments, and procedural safeguards aimed at promoting transparency and investor protection, enforcement and infrastructure constraints continue to limit effectiveness. Consequently, sustained reform is necessary to fully align with international standards and to foster broader and deeper market development.

Technological limitations represent a further obstacle to full IOSCO compliance. Tanzania’s market infrastructure lacks the sophisticated tools required for real-time trade monitoring and analysis. There is limited data sharing mechanism among institutions resulting from limited level of automation in data collection and dissemination[[56]](#footnote-56). Although pilot initiatives for automated trade reporting have shown promise, their widespread implementation remains hampered by financial constraints and technical capacity limitations. The continued reliance on largely manual settlement systems increases operational risk and decreases efficiency, especially when compared to jurisdictions utilizing distributed ledger technology. These technological shortcomings expose the market to manipulation and diminish the confidence of foreign institutional investors who expect advanced surveillance frameworks. Without significant investment in market infrastructure, Tanzania will remain vulnerable to integrity challenges already addressed in more digitized economies.

Cross-border regulatory cooperation is also underdeveloped. Restrictions on foreign ownership in certain industries may deter large-scale investments, reducing the market’s competitiveness compared to regional exchanges with more liberal policies. Revisiting these restrictions, while maintaining safeguards for key sectors could unlock greater capital inflows and stimulate economic growth[[57]](#footnote-57). Potential for capital loss arising from currency fluctuations leading to low level of participation of foreign investors[[58]](#footnote-58). Despite Tanzania’s membership in regional platforms such as the East African Securities Regulatory Authorities (EASRA), the country has been slow to formalize bilateral agreements with major financial centers. This has hindered the resolution of transnational enforcement cases. Available data indicates that Tanzania fulfills only a small portion of international information-sharing requests within recommended timelines, trailing regional peers in cross-border cooperation. Weaknesses in data-sharing protocols and legal harmonization further constrain the country’s ability to oversee and regulate international capital flows, creating regulatory blind spots that sophisticated actors may exploit in cases involving insider trading or money laundering.

Corporate governance practices among listed Tanzanian companies often fall short of global best practices, particularly concerning insider trading controls and the protection of minority shareholders. Lack of an active middle class of investors that leads to illiquid markets and securities being priced significantly below the market’s potential. This can be solved through cross-border issuance of fixed income securities, leveraging on Tanzania’s rich resource base[[59]](#footnote-59). Compliance audits reveal widespread deficiencies in internal control systems, with many firms lacking independent audit committees and effective whistleblower mechanisms. Material information disclosures are frequently delayed and inconsistently presented, fostering information asymmetry and disadvantaging retail investors. These governance shortfalls persist despite existing regulatory requirements, suggesting both enforcement inefficiencies and cultural resistance to transparency in parts of the corporate sector. The resulting environment elevates the risk of market abuse and deters both domestic and foreign investors seeking well-regulated investment opportunities.

Structural market limitations further constrain Tanzania’s regulatory environment. These include low level of capital markets awareness and literacy; low saving culture; constrained budget to support capital market development initiatives; and limited data sharing mechanism among financial sector players[[60]](#footnote-60). Low liquidity, limited financial instruments, and underdeveloped secondary markets impair effective price discovery and elevate volatility. Retail investor participation remains low by regional standards, influenced by limited financial literacy and lingering mistrust in capital market institutions. Recent financial inclusion strategies have yielded modest results in expanding participation beyond institutional investors. The market’s shallow depth continues to discourage foreign portfolio investors who require sufficient liquidity for timely market entry and exit. Addressing these challenges will require not only regulatory reforms but also broader initiatives to develop supporting financial infrastructure and foster an investment culture within Tanzania’s emerging middle class.

**Conclusion**

This assessment reveals that Tanzania has made significant strides in establishing a regulatory Tanzania has developed a securities market framework that incorporates many key elements of international standards, establishing a dedicated regulator and operational stock exchange as foundational pillars for market development. While this structure provides a basic platform for investor protection and capital mobilization, significant gaps persist in enforcement effectiveness, technological infrastructure, and cross-border coordination. These limitations constrain the market's potential to fully align with global benchmarks and serve as a robust engine for economic growth.

To realize its ambitions for a dynamic and transparent securities market, Tanzania must prioritize reforms to strengthen regulatory capacity, modernize market systems, and deepen regional integration. Critical focus areas include enhancing legal enforcement mechanisms, investing in surveillance technologies, expanding investor education programs, and fostering collaborative relationships with international regulators. By systematically addressing these priorities while adapting global standards to local conditions, Tanzania can build a more resilient and inclusive capital market capable of attracting long-term investment and supporting broader economic transformation.

## Recommendation

Tanzania’s securities market framework reflects a commitment to international standards by establishing a formal regulatory authority and operational exchange, laying the groundwork for investor protection and capital mobilization. However, persistent challenges—such as weak enforcement capacity, outdated market infrastructure, and limited cross-border cooperation—continue to hinder the market’s effectiveness and its alignment with global best practices. These deficiencies restrict the market’s ability to attract both domestic and foreign investment, undermining its potential to support inclusive economic development and financial sector growth.

To move toward full compliance with IOSCO standards, Tanzania must adopt a multidimensional reform strategy that addresses legal, institutional, and technological constraints. Strengthening regulatory powers, improving disclosure requirements, and investing in advanced surveillance technologies are critical steps. Equally important are efforts to enhance regional coordination, expand investor education, and develop a modern, integrated market infrastructure. These reforms should be adapted to local market conditions and implemented in a sequenced, sustainable manner. By doing so, Tanzania can build a transparent, well-regulated securities market that not only meets international benchmarks but also catalyzes long-term economic transformation and investor confidence.

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