

Government revokes banking licences

Tanzania has shut down FBME Bank, one of the country's largest banking institutions, amid allegations that it financed terrorism. [Legalbrief](#) reports that the central bank confirmed it had revoked the licence after the US Treasury's Financial Crimes Enforcement Network (FinCEN) claim the institution laundered money and facilitated the payment of thousands of dollars from a financier of the Lebanese Hezbollah Islamist militants. [BBC News](#) reports **the bank mounted a legal challenge against the allegations, saying it had complied with regulations.** A US court, however, ruled in favour of the central bank in April, allowing it to prevent the institution from accessing US financial markets. The [Tanzania Daily News](#) notes that the central bank has also suspended the Mbinga Community Bank's licence after it became 'undercapitalised and faced acute liquidity problems'. 'The capital and liquidity shortfalls threatens the money sector and endangers the safety of customer deposits,' the Central Bank said. Tanzania Bankers Association (TBA) chairperson Charles Kimei expressed concern at the developments. 'Because (small banks) are not very profitable, they will be forced somehow to go into acquisitions or mergers,' he said.