

**Legal challenges and risks embodied in the realization of collaterals in Tanzania:
a case study of selected Banks
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The study focuses on the role of the Banks on the economic development of any country through the banking business. One of the businesses of the banks and financial institutions is lending/advancing loans and accepting securities for the purpose of ensuring that payment of the loan is fulfilled. The study explores the legal challenges and risks that are posed by intricacies emerging during the process of realization of the collaterals up on default by the borrowers to honour the loan. The study reveals that banks play a vital role in the economic development. They have control of the large part of the supply of money circulation. Thus being the main stimulus of economic progress. The study is presented in total of four chapters. Chapter one is general introduction, setting the premise of the study and underscores the conceptual understanding of collaterals and their conceptual theories and legal concept in the context of Tanzania. In Chapter two, an international legal aspect of collaterals and a comparative study on collaterals is made. It provides for The Hague and Geneva conventions on the securities and relationship with issuer, the rights of the account holder as well as the special aspect relevant to collateral transactions. It also provide for issues relating to realization of collaterals in the republic of Kenya and Malawi in order to bring about a comparative study on matters of the collaterals. Chapter three focuses on the law and practical challenges in the realization of collaterals in Tanzania against defaulting borrowers. It focuses on different procedures of realization of collaterals under the Civil Procedure Code and under the High Court (Commercial Division) Procedure rules of 2012 as well as legal and practical problems brought by the realization of collaterals in Tanzania. Chapter Four is the concluding chapter which sums up the main finding in a summary form and provides recommendations relevant in addressing all legal and practical challenges encountered during realization of collaterals in Tanzania.