

**A SUMMARY OF THE LEGAL AND REGULATORY REGIME  
FOR DOING BUSINESS IN MAINLAND TANZANIA AND ZANZIBAR**

If you require any clarification, please contact the individuals listed at the end of this article

country profile	
time zone	<ul style="list-style-type: none"> <li>GMT+3</li> </ul>
official language	<ul style="list-style-type: none"> <li>English &amp; Kiswahili but with emphasis on Kiswahili</li> </ul>
population	<ul style="list-style-type: none"> <li>Both Mainland and Zanzibar – 2022 census 69.4 M</li> <li>Zanzibar – 2022 Census - 1.9M</li> </ul>
currency	<ul style="list-style-type: none"> <li>Tanzanian Shilling (“TZS”)</li> </ul>
The United Republic of Tanzania	<ul style="list-style-type: none"> <li>The United Republic of Tanzania is a union of former Tanganyika (Mainland Tanzania) and Zanzibar with an executive organ for each, two judicial organs, except the Court of Appeal and two legislative organs.</li> <li>The Union Government doubles as the Tanzania Mainland Government. The Union Government deals with all Union matters such as the Union Constitution, political parties, citizenship, foreign affairs, national security, currency, immigration, certain taxes, etc. Zanzibar Government handles all non-union matters.</li> </ul>
government structure	<p><b>Mainland Tanzania:</b></p> <ul style="list-style-type: none"> <li><b>Executive:</b> The president is head of state and serves a five-year term. And may be re-elected for another one term of five years only. The prime minister has authority over the day-to-day functions of the government, is the leader of government business in the National Assembly and is head of Cabinet.</li> <li><b>Legislative:</b> Mainland Tanzania has a one chamber parliament for the United Republic which includes members from Zanzibar as well.</li> <li><b>Judicial:</b> The Court of Appeal of the United Republic of Tanzania; the High Court of Tanzania and subordinate courts. The Court of Appeal of Tanzania extends to Zanzibar.</li> </ul> <p><b>Zanzibar:</b></p> <p><b>Executive:</b> The Revolutionary Government of Zanzibar is the executive arm, headed by the President of Zanzibar, who is also Chairman of the Revolutionary Council. The president of Zanzibar serves a period of five years and may be re-elected for one more term of five years. The Second Vice President of Zanzibar has authority over the day-to-day functions of the government, the Leader of Government business of the Revolutionary Government of Zanzibar in the House of Representatives. The First Vice President comes from the main opposition party as part of an inclusive Government.</p> <ul style="list-style-type: none"> <li><b>Legislative:</b> The House of Representatives of Zanzibar and the Revolutionary Council</li> <li><b>Judicial:</b> The Court of Appeal of the United Republic of Tanzania; The High Court of Zanzibar, and subordinate courts</li> </ul> <p><b>Next presidential and parliamentary elections:</b> October 2025.</p>
economic data	<ul style="list-style-type: none"> <li>GDP growth 5.7% in 2025 projected at 6% in 2025:</li> <li>GDP per capita (USD): 1,272</li> <li>Inflation rate (% change): 3.2 in 2025</li> <li>Government revenue (% of GDP): 13.3</li> <li>Government gross debt (% of GDP): 48.5 - forecast decline by 2026 to 47%</li> </ul> <p><i>*Source: IMF, National Bureau of Statistics and the Bank of Tanzania and World Bank</i></p> <ul style="list-style-type: none"> <li>Tanzania's economy is reliant on gold mining, tourism, manufacturing, services, transportation, and agriculture.</li> <li>Tourism is the leading source of revenue in Zanzibar</li> <li>Owing to Tanzania's development-driven import demand, the country's main imports are machinery and transport equipment, petroleum products and industrial raw materials.</li> </ul>
risk ratings	<ul style="list-style-type: none"> <li>AfDB:</li> <li>Moody – B1 – Sept. 2024 with positive outlook and ranking top in East Africa</li> <li>Fitch -B+ 2024 and 2025 with stable outlook</li> <li>Corruption perception (2023) Index: Rank 87/180</li> </ul>

international treaties and memberships		
international and regional organisations and customs unions	<ul style="list-style-type: none"><li>African Caribbean and Pacific Group of States</li><li>African Continental Free Trade Area</li><li>African Development Bank (“AFDB”)</li><li>African Union</li><li>Commonwealth</li><li>East African Community (“EAC”)</li></ul>	<ul style="list-style-type: none"><li>European Union</li><li>International Monetary Fund</li><li>Southern African Development Community (“SADC”)</li><li>United Nations</li><li>World Bank</li><li>World Trade Organization</li></ul>
bilateral investment treaties	<ul style="list-style-type: none"><li>Tanzania has bilateral investment treaties with Canada, China, Denmark, Finland, Germany, Italy, Mauritius, Sweden, Switzerland and the United Kingdom.</li><li>Treaties have been signed with Egypt, Jordan, the Republic of Korea, Kuwait, Oman, South Africa, Turkey, and Zimbabwe, but these have not yet entered into force.</li></ul>	
investment-related agreements / institutions	<ul style="list-style-type: none"><li>Multilateral Investment Guarantee Agency; and</li><li>African Growth and Opportunity Act.</li></ul>	
dispute resolution	<ul style="list-style-type: none"><li>International Centre of Settlement of Investment Disputes</li><li>Convention on the Recognition and Enforcement of Foreign Arbitral Award (New York Convention)</li><li>Local arbitration or judicial process</li></ul>	
intellectual property (“IP”) treaties	<ul style="list-style-type: none"><li>A comprehensive list of IP-related treaties signed by Tanzania is available at: <a href="http://www.wipo.int/wipolex/en/profile.jsp?code=tz">http://www.wipo.int/wipolex/en/profile.jsp?code=tz</a></li><li>See the trademarks section below for further detail.</li></ul>	
legal regime		
applicable legal regime	<ul style="list-style-type: none"><li>Mainland Tanzania’s and Zanzibar’s legal system is based on English common and case law, Islamic law and customary law. Where Islamic and customary law is applied on matters of family and succession. There are Kadhi courts in Zanzibar which apply Sharia and in the absence of Kadhi courts in Mainland Tanzania, sharia is applied by the secular courts only in matters of marriage and succession.</li><li>Except for the Court of Appeal, each member of the Union has their own judicial organs at all levels up to the High Court.</li></ul>	
dispute resolution	<b>Mainland Tanzania:</b> <ul style="list-style-type: none"><li>Foreign investor may choose, subject to agreement with the Government or any other Government entity, including the Tanzania and Special Economic Zones Authority Act No- 6 of 2025 (“TISEZA”), to submit disputes through any of the following options:<ul style="list-style-type: none"><li>❖ in accordance with arbitration laws of Tanzania, (Arbitration Act, of 2020);</li><li>❖ in accordance with the rules of arbitration of the International Centre for the Settlement of Investment Disputes;</li><li>❖ within the framework of any bilateral or multilateral agreement on investment protection agreed to by the Government of Tanzania and the government of the country from which the investor originates.</li></ul></li><li>The commercial court, a division of the High Court of Tanzania, is exclusively intended for the speedy adjudication of commercial disputes.</li><li>In the case of disputes concerning natural wealth resources (mining, petroleum and water), the government is prohibited from submitting to foreign courts/arbitral bodies.</li></ul>	
	<b>Zanzibar:</b> <ul style="list-style-type: none"><li>Similar to Mainland Tanzania, foreign investors in Zanzibar have access to international dispute settlement mechanisms including, framework of any bilateral or multilateral agreement on investment protection agreed to by the Government and the government of the country where the investor originates, or rules and procedures provided under the Arbitration Rules of the United Nations Commission on International Trade Law in force at the time when the Certificate was issued or International Centre for Settlement of Investment Disputes.</li></ul>	
	<ul style="list-style-type: none"><li>The Zanzibar Investment Act No- 10 of 2023 (“ZIA”) contains wide dispute resolution provisions allowing investors alternative options for disputes resolution mechanism.</li><li>Since matters (of foreign affairs fall under the Union Matters under the Constitution of the United Republic of Tanzania, Zanzibar is as well party to all multilateral treaties and organizations entered by the United Republic.</li></ul>	
land acquisition, planning and use	<b>Mainland Tanzania:</b> <ul style="list-style-type: none"><li>All land in Mainland Tanzania is vested onto the President who grants leases of 33, 66 or 99 years and may be renewed upon expiry unless there is a breach of condition by the lease holder. The land lease</li></ul>	

	<p>known as a right of occupancy may be sold or charged as security and the buyer will have the unexpired period on the right of occupancy.</p> <ul style="list-style-type: none"> <li>Foreigners cannot have a direct right of occupancy and may hold land only through or approved by the Tanzania Investment and Special Economic Zones Investment Centre (“TISEZA”) or Special Economic Zones Authority (“TISEZA”) and for investment purposes only. The land right granted to foreigner is known as a <b>derivative title</b> but has similar elements to the direct right of occupancy in relation to transferability and mortgaging but subject to approval by TISEZA.</li> </ul>
	<p><b>Zanzibar:</b></p> <ul style="list-style-type: none"> <li>All land in Zanzibar is as well vested onto the state and the Ministry for Land in consultation with the Zanzibar Investment Authority (“ZIA”) may lease land for a specified period in the lease document for purposes of investment already approved by ZIA.</li> </ul>
<b>competition</b>	
<i>merger control</i>	<p><b>Mainland Tanzania:</b></p> <ul style="list-style-type: none"> <li>The Fair Competition Act, 2023 (“FCA”) regulates merger control in Tanzania.</li> <li>A merger as defined under the FCA means an acquisition of shares, a business, or other asset, whether inside or outside Tanzania, resulting in the change of control of a business, part of a business, or an asset of a business in Tanzania.</li> </ul>
	<ul style="list-style-type: none"> <li>In calculating merger thresholds, Tanzania uses financial thresholds based on a combined market value of assets or turnover of the merging firms (whichever is high). Mandatory notification applies to mergers where the turnover or asset value is above a threshold amount of TZS 3.5 billion, which is approximately USD 1,600,000 at current exchange rates.</li> <li>Merger filing fees are payable on a sliding scale ranging between TZS25-million and TZS100-million.</li> <li>The Fair Competition Commission (the “FCC”) considers public interest issues in its determination of the merger notification.</li> <li>The FCA has a pre-implementation regime in terms of which the implementation of a notifiable merger prior to the approval by the FCC is strictly prohibited.</li> <li>Any person who implements a merger in contravention of the Competition Act commits an offence. The FCC may impose a penalty of not less than 5% and not more than 10% of the annual turnover (during the preceding year) in Tanzania of the undertaking or undertakings in question.</li> <li>Tanzania is a member of a regional competition body, the EAC. The EAC is not, however, operational insofar as merger control is concerned.</li> </ul> <p><b>Zanzibar:</b></p> <ul style="list-style-type: none"> <li>In 2018, the Government of Zanzibar passed the Fair Competition and Consumer Protection Act No. 5 of 2018 (FCCPA), which regulates mergers in Zanzibar. The FCCPA sets up the Zanzibar Fair Competition Commission (ZFCC) and the Zanzibar Fair Competition Tribunal (ZFCT) which is responsible for the regulation of mergers and acquisitions in Zanzibar.</li> <li>As it is the case in Tanzania Mainland, the FCCPA defines a merger as an acquisition of shares, a business, or other asset, whether inside or outside Zanzibar, resulting in the change of control of a business, part of a business, or an asset of a business in Zanzibar.</li> <li>According to the Act, there are 2 factual situations that must be present before the requirement of an obligation to notify the Commission may be considered triggered, namely: <ul style="list-style-type: none"> <li>(a) At least one of the enterprises is established within Zanzibar; and</li> <li>(b) The resultant market share in the country, or any substantial part of it, relating to any product or service, is likely to create market power, especially in industries where there is a high degree of market concentration, where there are barriers to entry and where there is a lack of substitute for a product supplied by firms whose conduct under scrutiny.</li> </ul> </li> </ul> <p>Unlike Tanzania Mainland, mandatory notification in Zanzibar applies to mergers or acquisitions where the combined value of turnover or asset of the merging firms is above a threshold amount of Five Hundred Million TZS (500,000,000.00) whichever is greater”. This amount is approximately USD 220,000.00.</p> <p>Fees for filing an application for a merger, takeover, joint ventures, or acquisition shall be 2% of the combined total annual turnover of the last audited accounts or assets of the merging firms which ever the greater provided the fees charged shall not exceed TZS 100 Million (Approximately USD 45,000.00).</p> <p>Any person who contravenes the provision of the ZFCCPA shall be liable to a fine not less than One (1) Million Tanzania Shillings and not more than Five (5) Million Tanzania Shillings or One (1) year imprisonment or both fine and imprisonment.</p>
<i>prohibited practices</i>	<ul style="list-style-type: none"> <li>The Tanzania Mainland Competition Act prohibits horizontal and vertical agreements between undertakings if the object, effect or likely effect of the agreement is to appreciably prevent, restrict or distort competition. It must be presumed that an agreement does not have the object, effect or the likely effect of appreciably preventing, restricting or distorting competition if none of the parties to the agreement has a dominant position in a market affected by the agreement and either of the following applies: <ul style="list-style-type: none"> <li>the combined market shares of the parties to the agreement of each market affected by the agreement is 35% or less; or</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ none of the parties to the agreement are competitors.</li> <li>▪ Cartel conduct (such as price fixing and collusive tendering) is prohibited.</li> <li>▪ The FCA prohibits abuses of dominance.</li> <li>▪ Any person who commits an offence under the FCA is liable to a fine of not more than 10% but not less than 5% of the offender's annual turnover. Where a person charged with an offence under the FCA is a corporate entity, every person who, at the time of the commission of the offence, was a director, manager, or officer of the corporate entity, may be charged jointly in the same proceedings with such corporate entity and where the corporate entity is convicted of the offence, every such director, manager or officer shall be deemed to be guilty of that offence unless he/she proves that the offence was committed without his/her knowledge or that he/she exercised all due diligence to prevent the commission of the offence.</li> </ul>
<b>employment requirements</b>	
<i>immigration</i>	<ul style="list-style-type: none"> <li>▪ Expatriates working in Tanzania must hold a valid work permit issued by the Commissioner for Labour and a residence permit issued by the Director of Immigration Services.</li> <li>▪ An investor registered under TISEZA may in terms of S. 19 of the Non-Citizens (Employment) as amended vide Act No. 6 of 2021 employ up to ten expatriates without the local content conditionalities and other restrictions.</li> <li>▪ Any application for additional permits is to be submitted to the TISEZA, which shall, in consultation with the immigration department, authorise any additional person that it shall deem necessary, taking into consideration the availability of qualified Tanzanians, the complexity of the technology employed by the business enterprise and agreements reached with the investors.</li> <li>▪ Employers of non-citizens must articulate a succession plan showing when the position will be assumed by a citizen.</li> </ul>
	<p><b>Zanzibar:</b></p> <ul style="list-style-type: none"> <li>▪ Employment is a non-union matter and as such, the legal regime governing matters of employment in Zanzibar is primarily based on the Zanzibar Employment Act, No. 11 of 2005, and the Employment and Labour Relations Act, 2005.</li> <li>▪ While visas are issued through the Immigration Department, a Union matter, residence permits for expatriates must be processed through the Zanzibar Labour Department. In the case of approved investors applications for work permits and subsequently residence permits must be made through ZIA, and the Immigration Department will grant residence permits for applications submitted through ZIA without much ado.</li> </ul>
<i>local employment vs secondment</i>	While both Mainland Tanzania and Zanzibar do not prohibit employee secondment from a group company, the seconded employee must however be engaged by a local entity. This is because an application for a work permit and residence permit must be sponsored by a local entity.
<i>fixed-term contracts and temporary employment services</i>	<ul style="list-style-type: none"> <li>▪ Fixed-term contracts may be entered into with staff for specific tasks and specific duration. Such contracts will terminate on their expiry unless renewed by agreement between the employer and employee.</li> <li>▪ The laws on both sides of the Union treat fixed-term contracts during their pendency in the same way as long-term contracts, and termination prior to expiry other than as prescribed under the respective laws may be termed as unfair.</li> <li>▪ Employing staff through labour brokers/employment agencies is allowed in Tanzania, but such employees cannot be considered employees of the broker or agent, and the broker or agent must hold a valid license from the Labour Commissioner.</li> </ul>
<i>payment in local currency</i>	<ul style="list-style-type: none"> <li>▪ The 2024 Finance Act prohibits transacting in a currency other than the Tanzanian Shilling ("TZS") between residents. Before the Finance Act, 2024 there was no restriction in the use of US Dollars for transactions which was happening parallel with the Tanzanian Shilling. The Tanzanian Shilling is the legal tender to both Tanzania Mainland and Zanzibar because currency is a Union Matter.</li> </ul>
<i>restraint of trade agreements</i>	<ul style="list-style-type: none"> <li>▪ Any agreement that prohibits one from exercising a lawful profession, trade or business, including restraint of trade agreements is generally not valid and enforceable, in both Mainland Tanzania and Zanzibar, unless the restraint is in the interest of the parties involved and the public.</li> </ul>
<b>foreign investment regime</b>	
<b>investment regime</b>	<p><b>Mainland Tanzania:</b></p> <p>The Tanzania Investment and Special Economic Zones Authority Act, ("TISEZA") governs investment in Mainland Tanzania. The Tanzania Investment and Special Economic Zones Centre ("TISEZAC") acts as a one-stop shop to coordinate, encourage, promote, and facilitate investment in Tanzania.</p>
	<p><b>Zanzibar:</b></p> <p>Zanzibar Investment Authority ("ZIA"), acts as a one-stop shop to coordinate, encourage, promote, and facilitate investment in Zanzibar.</p>

<b>registration/licensing requirements</b>	<ul style="list-style-type: none"> <li>Registration with the TISEZA is not compulsory, but a foreign investor who intends to invest in Tanzania is entitled to apply to the TISEZAC for a certificate of approved enterprise if, <i>inter alia</i>, the amount to be invested by the foreign investor is at least USD500,000 or the equivalent in any currency.</li> <li>Investment in the mineral and petroleum sectors are excluded from registration with TISEZAC but the provisions of the Act relating to investment protection, guaranteed repatriation of profits and sale proceeds of a business apply to such businesses.</li> </ul>
	<p><b>Zanzibar:</b></p> <ul style="list-style-type: none"> <li>Foreign investment must be registered with the Zanzibar Investment Promotion Authority (“ZIPA”), and approval, Projects approved by ZIPA are designated as an approved foreign investment. The minimum investment for approved foreign investment is USD 300,000.00.</li> </ul>
<b>non-industry specific registrations/licences</b>	<p>There are a multitude of licenses and approvals authorizing the doing of business ranging from general to specific sector licenses. It is advisable to seek advise from local lawyers on the required licenses or approvals.</p>
<i>business / commercial licence</i>	<ul style="list-style-type: none"> <li>General business licensing for carrying on any form of trade, commerce, craftsmanship or specified profession for profit or gain on both sides of the Union is subject to a mandatory general business licensing.</li> <li>There are as well on both sides of the Union, other sector-based regulatory licences as well as licences focused on consumer protection.</li> </ul>
<i>Tanzania Revenue Authority (“TRA”)</i>	<ul style="list-style-type: none"> <li>Income tax is a Union matter pursuant to the Constitution of the United Republic and as such in both Mainland Tanzania and Zanzibar, all taxpayers must register with the TRA and obtain a taxpayer identification number (“TIN”) within 30 days of the date of its establishment, incorporation or registration in Tanzania. However, the Zanzibar Revenue Authority (“ZRA”) is responsible for other taxes locally including custom duties.</li> <li>VAT rate is 18% on the Mailand and 15% in Zanzibar.</li> <li>If an enterprise’s turnover exceeds the VAT registration threshold (see ‘tax’ below), it should also specifically apply for VAT registration.</li> </ul>
<i>Zanzibar Revenue Board (ZRB)</i>	<p>All taxpayers must register with the <b>Zanzibar Revenue Board (ZRA)</b> and obtain a taxpayer identification number (“TIN”)</p> <ul style="list-style-type: none"> <li>If an enterprise’s turnover exceeds the VAT registration threshold, it should apply for VAT registration.</li> <li>Hotel: To be registered for VAT it should have a charging rate of at least USD 100 and above for accommodation (BB) per person per night.</li> </ul>
<i>social security funds</i>	<ul style="list-style-type: none"> <li>Both in Mainland Tanzania and Zanzibar employers in the private sector must register with the National Social Security Fund (“NSSF”) and the Zanzibar Social Security Fund (“ZSSF”) respectively.</li> <li>Employers in Mainland Tanzania are required to contribute 10% of the employee’s salary and must deduct another 10% from the employee’s salary and pay a total contribution of 20% of gross monthly employees’ pay to the NSSF.</li> <li>In Zanzibar, employers are required to contribute 13% of the employee’s salary and deduct another 7% from each employee’s salary and pay a total of 20% contribution to the ZSSF.</li> </ul>
<i>Workers Compensation Fund (“WCF”)</i>	<p><b>Mainland Tanzania:</b></p> <ul style="list-style-type: none"> <li>Every employer is obliged to register with the Workers Compensation Fund (“WCF”) and to contribute 1% of the total employee’s monthly emoluments.</li> </ul>
<b>incentives</b>	<p>There are both fiscal and non-fiscal incentives available to investors both in Mainland Tanzania and Zanzibar for investments approved by TISEZA/ZIA. Tax incentives are subject to confirmation of investment and further approvals and publication in the Government Gazette.</p>
<b>exchange control regulation</b>	<ul style="list-style-type: none"> <li>Exchange control, currency, and commercial banks being Union matters the Exchange Control Act, 1992, extends to Zanzibar.</li> <li>Residents may maintain foreign currency accounts with commercial banks but the Finance Act, 2024 and 2025 provide in an amendment to the Bank of Tanzania Act, that transactions between residents must be in the legal tender which is the Tanzanian Shilling.</li> <li>Subject to the payment of applicable taxes and the submission of supporting documents to a commercial bank, the repatriation of foreign currency from the country is not restricted. In relation to a foreign obligation, the same must be notified to the Bank of Tanzania (BOT) for record purposes and servicing of such obligation or repatriation of funds will be subject to production to the commercial bank of the receipt issued by the BOT recording the obligation.</li> <li>Mineral and petroleum export proceed must be banked with local banks.</li> <li>Where external bank accounts are required to service foreign loans, such accounts may be established only with prior approval of the Bank of Tanzania.</li> </ul>
<b>types of entities available for</b>	<p>Company registration and the oversight agencies are not Union matters but the types of registrable entities do not defer: These are:</p> <ul style="list-style-type: none"> <li>registered branch of a foreign company;</li> </ul>



<b>foreign investment</b>	<ul style="list-style-type: none"> <li>▪ company limited by guarantee (private or public);</li> <li>▪ company limited by shares (private or public);</li> <li>▪ trusts – generally for charitable purposes; and</li> <li>▪ unlimited company (private or public).</li> <li>▪ A company incorporated in the mainland can only operate in Zanzibar vide a branch office registered under the Zanzibar Companies Act and vice versa. This is again because commerce is not a Union Matter.</li> </ul>
<b>private limited liability company</b>	
<b>minimum number of shareholders</b>	<ul style="list-style-type: none"> <li>▪ A minimum of two shareholders in the case of Mainland Tanzania and one (single members private company), in the case of Zanzibar is required and the maximum allowed is 50 in the case of private companies.</li> <li>▪ There is generally no requirement for local shareholding, but it is required in specified industries, such as banking, insurance, telecommunications, radio and TV, mining, shipping agency and clearing and forwarding companies.</li> <li>▪ Amendments and new regulations introduced under the Mining Act and the Petroleum Act in 2017, 2018 and 2025 introduced strict local content compliance requirements, covering license holders, lenders, contractors, and sub-contractors in the mineral sector. There is an obligation of 16% mandatory free carried interest in all companies holding a mining license.</li> </ul>
<b>minimum share capital</b>	<ul style="list-style-type: none"> <li>▪ There are generally no minimum share capital requirements in Tanzania save for the prescribed capital adequacy requirements for banks and insurance companies.</li> <li>▪ There is however, a minimum investment requirement for foreign investors seeking TISEZA or ZIA approval of foreign investment of USD 500,000.00 in Mainland Tanzania and USD 300,000.00 in Zanzibar.</li> </ul>
<b>directors</b>	<p><b>Tanzania:</b></p> <ul style="list-style-type: none"> <li>▪ A private company must have at least two directors.</li> <li>▪ There is no requirement to have any resident directors, except in the case of insurance companies, where one-third of the members of the board of directors must be Tanzanian citizens and “unaffiliated directors” and in mining and petroleum companies where local participation and state free carried interest in terms of equity and directorship is mandatory. Commercial banks are also required to have at least two local directors.</li> </ul> <p><b>Zanzibar:</b></p> <p>A private company must have at least two directors except for Single Member Private Company which can have only one director.</p>
<b>company secretary</b>	<ul style="list-style-type: none"> <li>▪ Every company in both Tanzania Mainland and Zanzibar must appoint a company secretary (firm or individual).</li> <li>▪ The company secretary does not need to be a Tanzanian resident but, in practice, this is recommended, as the secretary needs to be present in the country to sign documents or take required actions.</li> </ul>
<b>auditor</b>	<ul style="list-style-type: none"> <li>▪ A private company on both sides of the Union must appoint an auditor.</li> </ul>
<b>registered address</b>	<p><b>Mainland Tanzania:</b></p> <ul style="list-style-type: none"> <li>▪ Every company must have a registered office in Tanzania to which all communications and notices may be addressed.</li> <li>▪ A company may have its registered address at the offices of the company’s accountants, lawyers, or a third party.</li> </ul> <p><b>Zanzibar:</b></p> <p>Every company must have a registered office in Zanzibar to which all communications and notices may be addressed.</p>
<b>shelf companies</b>	<ul style="list-style-type: none"> <li>▪ There are no shelf companies available for purchase in Tanzania Mainland or Zanzibar.</li> </ul>
<b>Company registration</b>	<p><b>Mainland Tanzania:</b></p> <p>Companies are registered with the Business Registrations and Licensing Agency (“BRELA”) and it takes approximately three to five working days to complete registration once all the required documents have been submitted.</p> <p><b>Zanzibar:</b></p> <p>Companies based in Zanzibar are required to register with the Zanzibar Business and Property Registration Agency (BPRA) and it takes at least a week plus or minus to have a company registered if all required documents are available.</p>

Tax		
<b>tax system</b>	Tanzania has a residence-based tax system in terms of which Tanzanian residents in both mainland and Zanzibar are subject to tax on their worldwide income, whereas non-residents are subject to tax only on their Tanzanian-sourced income.	
<b>Corporate residence</b>	<ul style="list-style-type: none"> <li>A company is resident in Tanzania if it is incorporated or formed under the laws of Tanzania Mainland or in the case of Zanzibar, under the laws of Zanzibar, or if the management and control of its affairs are exercised in Tanzania or Zanzibar.</li> </ul>	
<b>corporate tax rate</b>	<ul style="list-style-type: none"> <li>Resident companies and permanent establishments of foreign companies through branch registration is subject to corporate tax rates at the rate of 30%.</li> <li>A reduced corporate tax rate of 25% applies for three consecutive years to companies newly listed on the Dar es Salaam Stock Exchange if at least 30% of the company's shares are issued to the public.</li> <li>Companies with newly established plants for assembling motor vehicles, tractors, fishing boats, or outboard engines that have a performance agreement with the government are taxed at 10% for a period of five years, whereas newly established manufacturing companies in the pharmaceutical and leather industries are taxed at 20% for the first five years of operation.</li> <li>An alternative minimum tax applies at the rate of 0.5% of the annual turnover of companies with perpetual unrelieved losses of 3 consecutive years (excluding companies conducting agricultural business, provision of health or education).</li> </ul>	
<b>capital gains tax ("CGT")</b>	<p>An entity or an Individual realizing his assets is subject to CGT at the rate of 10% for a resident and 20% for a non-resident.</p> <p><b>Exemption on Disposal of Investment Assets:</b></p> <ul style="list-style-type: none"> <li>Agricultural land whose market value is less than TZS. 10 Million is exempted from payment of the CGT</li> <li>Shares at DSE held by a person with shareholding less than 25% is exempted from payment of the CGT</li> </ul>	
<b>withholding tax ("WHT") rates</b>	<b>payment to</b>	<b>WHT rate (%) residents Non-residents</b>
	branch profits	N/A 10%
	dividends	5% (listed companies) 5% (at least 25% shareholder) 10% (other dividends) N/A (export processing zones) 5% (listed companies) 10% (other)
	interest	10% 10% (bank deposits) 0% (if paid by strategic investors holding a TIC to a non-resident bank)
	royalties	15% 15%
	management, consulting, and technical service fees	5% (service fees) 5% (technical service fees for mining) 15% (service fees) 20% (technical service fees for mining)
<b>double tax agreements ("DTAs")</b>	<ul style="list-style-type: none"> <li>DTAs are in force with Canada, Denmark, Finland, India, Italy, Norway, South Africa, Sweden, and Zambia.</li> </ul>	
<b>losses</b>	<ul style="list-style-type: none"> <li>Losses may be carried forward indefinitely. However, tax losses in the agricultural, mining, and petroleum sectors are ring-fenced.</li> </ul>	
<b>transfer pricing</b>	<ul style="list-style-type: none"> <li>In terms of Tanzania's transfer pricing rules, transactions between "associates" must be entered into on an arm's basis. A company is an associate of another person where it, whether alone or with an associate(s), controls or may benefit from 50% or more of the rights to income or capital or voting power of another entity.</li> </ul>	
<b>thin capitalization</b>	<ul style="list-style-type: none"> <li>In terms of Tanzania's thin capitalisation rules the maximum accepted debt: equity ratio is 7:3 for an "exempt-controlled resident entity". An exempt-controlled resident entity includes a resident entity of which 25% or more of the underlying ownership of the entity is held by a non-resident.</li> </ul>	
<b>employee taxes</b>	The income tax rates applicable to resident individuals (Tanzania Mainland) are:	
	<b>Monthly chargeable income (TZS)</b>	
	Where total income does not exceed TZS 170,000.00	NIL
	Where total income exceeds TZS. 170,000.00 but does not exceed TZS. 360,000.00	9% of the amount in excess of TZS. 170,000.00
	Where total income exceeds TZS. 360,000.00 but does not exceed TZS 540,000.00	TZS. 17,100.00 plus 20% of the amount in excess of the TZS. 360,000.00

	Where total income exceeds TZS. 540,000.00 but does not exceed TZS. 720,000.00	TZS. 53,100.00 plus 25% of the amount in excess of TZS. 540,000.00
	Where total income exceeds TZS. 720,000.00	TZS. 98,100.00 plus 30% of the amount in excess of TZS. 720,000.00
Note: Threshold per annum: Annual income of TZS. 2,040,000.00 is not taxable		
The income tax rates applicable to resident individuals (Tanzania Zanzibar) are		
Monthly chargeable income (TZS)		tax rate
Where total income does not exceed TZS. 180,000.00		NIL
Where total income exceeds TZS. 180,000.00 but does not exceed TZS. 360,000.00		9% of the amount in excess of TZS. 180,000.00
Where total income exceeds TZS. 360,000.00 but does not exceed TZS. 540,000.00		TZS. 16,200.00 plus 20% of the amount in excess of the TZS. 360,000.00
Where total income exceeds TZS. 540,000.00 but does not exceed TZS. 720,000.00		TZS. 52,200.00 plus 25% of the amount in excess of TZS. 540,000.00
Where total income exceeds TZS. 720,000.00		TZS.97,200.00 plus 30% of the amount in excess of TZS. 720,000.00
Note: Threshold per annum: Annual income of TZS. 2,160,000.00 is not taxable.		
	<ul style="list-style-type: none"><li>Income of a non-resident employee of a resident employer is subject to withholding tax of 15%.</li><li>The total income of non-resident individuals is chargeable at the rate of 30%</li><li>The monthly income includes basic salary, overtime, bonus, commission, allowances e.g. house allowance or transport allowance, and benefits in kind received in lieu of employment but after deducting the contribution to the approved retirement Fund.</li><li>An employee with secondary employment is chargeable at the rate of 30%</li></ul> <p><b>Benefits in Kind</b></p> <ul style="list-style-type: none"><li>Housing: Housing benefit is calculated based on the lower of the market value rental of the premises and the higher of the following:<ul style="list-style-type: none"><li>(a) 15% of the employee's total annual income and</li><li>(b) The expenditure claimed as a deduction by the employer in respect of the annual values.</li></ul></li><li>Motor vehicle: Benefits are based on engine size and vehicle age with respect to the premises. Note</li></ul>	
payroll taxes	<ul style="list-style-type: none"><li>A skills and development levy imposed under the Vocational Education and Training Act is payable by any company employing four or more employees at the rate of 4.5% of gross emoluments.</li></ul>	
stamp duty	<ul style="list-style-type: none"><li>Stamp duty is levied under the Stamp Duty Act on a number of instruments.</li><li>Stamp duty at the rate of 1% is payable on the transfer of shares, debentures, bonds, and other securities as well as immovable property.</li></ul>	
VAT		
taxable supplies	<ul style="list-style-type: none"><li>VAT is payable on the supply of goods or services in mainland Tanzania and on the importation of goods or services.</li></ul>	
VAT rate	<ul style="list-style-type: none"><li>18% of taxable supply in both Mainland Tanzania and 15% in Zanzibar.</li></ul>	
registration threshold	<ul style="list-style-type: none"><li>Any person whose annual taxable turnover is expected to exceed TZS 100-million in Mainland Tanzania and TZS 30 million in Zanzibar, must register for VAT purposes.</li><li>Professionals are required to register for VAT upon registration without considering whether the threshold has been achieved or not.</li></ul>	
reverse VAT on imported services	<ul style="list-style-type: none"><li>Resident companies making exempt supplies of at least 10% of total supplies, are required to account for output VAT in respect of imported services rendered by non-residents in terms of the reserve-charge mechanism.</li><li>To the extent that the services are used for making taxable supplies, such VAT may be claimed as an input credit.</li></ul>	
trademarks		
international conventions, treaties, and arrangements	<ul style="list-style-type: none"><li>African Regional Intellectual Property Organization</li><li>Nice Union</li><li>Paris Convention</li><li>The Harare Protocol</li><li>Trade-Related Aspects of Intellectual Property Rights</li><li>World Intellectual Property Organization</li></ul>	



<b>classification</b>	<ul style="list-style-type: none"> <li>The international classification of goods and services applies. A separate application is required for each class of goods and/or services.</li> </ul>
<b>categories of trademarks</b>	<p>Provision is made for:</p> <ul style="list-style-type: none"> <li>service marks;</li> <li>series marks;</li> <li>colour or combination of colours marks;</li> <li>associated marks;</li> <li>certification marks;</li> <li>three-dimensional marks, upon providing proof of registration from other countries; and</li> <li>collective marks.</li> </ul>
<b>filing requirements</b>	<ul style="list-style-type: none"> <li>Name, address, and occupation of the applicant;</li> <li>payment of official fee;</li> <li>signed Power of Attorney;</li> <li>10 prints of the mark, except for word marks in ordinary type;</li> <li>priority document (if applicable), with verified English translation;</li> <li>a verified English translation if the proposed trademark is in a language other than English; and</li> <li>specification of the goods and services for which registration is to be registered in accordance with the NICE classification current edition.</li> </ul>
<b>procedure</b>	<ul style="list-style-type: none"> <li>Applications are examined as to formalities, inherent registrability, and conflict with prior existing registrations/applications.</li> <li>Accepted applications are advertised.</li> </ul>
<b>oppositions</b>	<ul style="list-style-type: none"> <li>Opposition may be lodged within 60 days following the date of advertisement of the trademark application.</li> <li>Extension of the opposition period is possible at the discretion of the Registrar.</li> </ul>
<b>duration and renewal</b>	<ul style="list-style-type: none"> <li>Registration may be cancelled on application by an aggrieved person on the ground that one month prior to the filing of the application a continuous period of three years or longer had elapsed during which the registered proprietor did not use the mark.</li> <li>Permitted use by a third party cannot be relied on by the proprietor unless the user is recorded as a licensee/registered user.</li> <li>NB: For Zanzibar, registration of Trademarks is done through the Zanzibar Business and Property Registration Agency (BPRA), and in Mainland Tanzania is the Business Registrations and Licensing Agency ("BRELA").</li> </ul>
<b>Selected important links</b>	<ul style="list-style-type: none"> <li>TISEZA: <a href="http://www.tiseza.go.tz">www.tiseza.go.tz</a></li> <li>Bank of Tanzania: <a href="http://www.bot.go.tz">www.bot.go.tz</a></li> <li>Mining Commission: <a href="http://www.tumemadini.go.tz">www.tumemadini.go.tz</a></li> <li>Tanzania Revenue Authority: <a href="http://www.tra.go.tz">www.tra.go.tz</a></li> </ul>
<b>REX contact</b>	<ul style="list-style-type: none"> <li><b>General:</b> <a href="mailto:info@rexattorneys.co.tz">info@rexattorneys.co.tz</a></li> <li><b>Mwanaidi Maajar:</b> <a href="mailto:m.maajar@rexattorneys.co.tz">m.maajar@rexattorneys.co.tz</a></li> <li><b>Daudi Ramadhani:</b> <a href="mailto:d.ramadhani@rexattorneys.co.tz">d.ramadhani@rexattorneys.co.tz</a></li> <li><b>Nancy Tarimo:</b> <a href="mailto:n.tarimo@rexattorneys.co.tz">n.tarimo@rexattorneys.co.tz</a></li> </ul>