

DOING BUSINESS IN TANZANIA

COMPANY REGISTRATION

Introduction

To register a company in the United Republic of Tanzania is a right of those who wish to associate and form themselves into a company pursuant to the existing company laws.

Companies Act, 2002

There are four main types of companies as follows: -

- (a) Private companies
- (b) Non-private companies (Public)
- (c) Foreign companies (companies incorporated out of Tanzania)
- (d) Parastatal or state owned companies

(a) Private companies

Private companies are normally formed by persons with prior relationships other than only business relationship e.g. Father and son's and or daughters, friends etc.

Minimum number of membership for a private company is two and maximum is fifty excluding persons who become member by virtue of being employees of the company.

The shares of these companies are not freely transmissible. The transferability is subject to strict control and regulations, as such, these type of companies may not list in the stock exchange for purposes of trading in shares.

These type of companies are supposed to submit annual returns and any other statutory filable documents to the Registrar (e.g. Changes of particulars of directors, change of company names etc). Filing fees are also payable and penalty for late filing is also levied.

(b) Non-private companies (Public)

Public companies are open ended, and there is no restriction on the maximum number of members, while the minimum number is seven.

Any person may subscribe and buy shares in the company, which may be listed in the stock market and traded in shares.

One condition for incorporating these type of companies is the issuance of a prospectus in which the objectives, the proposed share capital, source of finances and general prospects of the company are stated. The Prospectus is in essence an invitation to the general public to subscribe for shares.

A private company may be converted to a public one by merely amending its Articles of Association, increasing the minimum number to seven and issuing a prospectus.

These type of companies need to have very effective articles of association to regulate their relationships between the members themselves, between

members and directors, between dealers and stock brokers (in cases of listed companies) and the stock exchange.

(c) Foreign companies (companies incorporated out of Tanzania)

These are companies incorporated outside Tanzania. Their offices in Tanzania are treated as branches of foreign company. Even if all subscriber and or shareholders are nationals of the United Republic of Tanzania, the companies are regarded as foreign. They are registered under part XII of Cap.212.

The Registration procedure of this type of companies include the submission of :-

1. Certified copies of Memorandum and Articles of Association.
2. Notice of the location of the registered office in the country of domicile.
3. List of Directors of the company.
4. Persons resident in the country who are the representatives of the company

Fees payable is US\$ 500 towards registration fees and US\$ 300 for filing.

Certificate of companies is issued to applicants.

(d) Parastatal or state owned companies

These are normally private companies which have more than 50% stake in the government.

All Companies

All companies need to submit annual returns which is done in prescribed forms. Audited balance sheets form a part of the returns. Foreign companies are required to file only audited balance sheets of their companies

Fees Payable ([CLICK HERE](#)) to download a document which contains all fees)

There are three types of fees payable by applicants for registration of new companies:-

- (i) Registration fees
- (ii) Filing fees
- (iii) Stamp duty

(a) Registrations Fees

Company whose nominal share capital is TShs. 300,000,000 or less:

(b) Filing fee;

is Shs. 45,000/- for the whole application. Meaning 15,000/- for each document i.e. Memorandum and Articles of Association, form no.1, 14a and 14beach Shs.15,000/- total shs. 45,000/-

(c) Stamp Duty

Is paid Tshs.6,000/- for the original Memorandum and Articles of Association, shs. 1,200/- for form no.1. Tshs. 5,000/- is paid as stamp duty for each copy of Memorandum and Articles of Association.

4. All payments are payable to the Registrar or Companies against which

receipts are issued. Applicants are advised to desist from making payments for which no receipts are issued. Any demands or request by any officer in the Registry for money, which is not within the payment schedule stated, should forthwith be reported to phone no. 2180113 for necessary action.

5. Any changes that occur in the company should be reported to the Registrar immediately. The registrar after noting the reported change registers the same on payment of filing fees. Penalty is charged if the change in particulars is not reported in time. The current rate of penalty Shs. 1,500/- per month and part thereof.

6. If a company after one year fails to take off, for any reasons whatsoever, the officers thereof may notify the Registrar who issues notice to strike such company off the register of companies. If no notification is made, the Registrar assumes that the company is carrying on business and is therefore required to comply with all the requirements relating to existing companies.

Conclusion

1. The process of company registration is done under the law and is a transparent one.
2. If the correct procedure is followed, the process takes approximately three days and not more than five days.
3. If after three days the process is not completed, an applicant may demand, as of right, to see any member of the management who will provide an explanation or assist the applicant to be informed of reasons for delay.
4. The office sincerely looks forward to having cooperation from the stakeholders whose views and suggestions on the improvement of services of the registry are taken very seriously. Company Registration Procedures

INDUSTRIAL LICENSING PROCEDURES

The Industrial Licensing Section implements the National Industries Licensing and Registration Act No. 10 of 1967. The act makes provision for orderly Promotion and Development of Industries to provide for Registration and Licensing of Industries. There are two methods of issuing out Industrial Licenses to firms, and it is dependent on whether the requesting firm goes through the Tanzania Investment Center (TIC) or not.

Firms with TIC Approval

These firms are generally those with huge investments greater than Shs. 500 Million. These firms start at TIC (seeking exemptions), who scrutinize their documents, and issue a Certificate of Incentive approval. A copy of this certificate is then presented to the Registrar, together with the appropriate BRELA forms filled in. The Registrar then issues an Industrial License to the firm.

Firms applying directly to the Registrar

These are firms/companies which do not send their applications through TIC.

The applicants fill in the appropriate BRELA forms, and with an application letter, they attach a feasibility study and copy of the Certificate of Registration, and hand in all these documents to the Registrar. The Registrar makes sure all relevant documents are present and then forwards them to the Industrial Board, which usually sits every quarter of the year. (Sitting of the Industrial Board depends on the number of applications, which must be more than six). There are measures in force to handle urgent applications by using a sub-committee of the board.

The Industrial Board deliberates on the applications, and notes any deficiencies which must be rectified before a Certificate is issued. The Industrial Licensing Section serves as the Secretariat for the Board. For all approved applications, the applicant is notified and an Industrial License is issued.

Types of Certificates

Enterprises whose capital Investment cost is lower than TShs. 100,000,000/= get Certificate of Registration. These are issued by the Registrar without passing through the board.

Enterprises whose capital Investment is above TShs. 100,000,000/= qualify for Industrial License. The process for Industrial License is as stated above.

Tanzania Investment Center deals with enterprises whose minimum capital is not less than US\$ 300,000 if Foreign owned or US\$ 100,000 if locally owned.

Fees

Enterprises with investment cost of over TShs. 100,000,000 pay a fee of US\$ 500 or its equivalent in TShs. While projects with investment cost less than TShs. 100,000,000/= pay US\$ 400 or equivalent TShs value.

ALTERNATIVE ONE: APPLICATION THROUGH THE INDUSTRIAL LICENSING BOARD

1. The application includes the following documents:-

- (i) A copy of Feasibility Study
- (ii) A copy of Certificate of Incorporation
- (iii) Dully filled application form

2. Board paper preparation

3. Submission of the application to the Industrial Licensing Board for Approval/rejection

4. Grant of the Industrial Licence after payment of the necessary fees.

ALTERNATIVE TWO: APPLICATION THROUGH TANZANIA INVESTMENT CENTRE (TIC)

1. Submit the following documents:

- (i) A copy of TIC Certificate of Incentives.
- (ii) A copy of Feasibility Study
- (iii) A copy of Certificate of Incorporation
- (iv) Dully filled application form

2. Grant of an Industrial Licence after payment of the necessary fees.

CERTIFICATE OF REGISTRATION PROCEDURES

* Application is through the Registrar of Industries

The following documents should be submitted.

- (i) A copy of the Project Profile
- (ii) A copy of business name certificate/ certificate of Incorporation
- (iii) Dully filled application form.
- (iv) Grant of a certificate of Registration after payment of the necessary fees.

Application is through the Registrar of industries payment of necessary fees.