

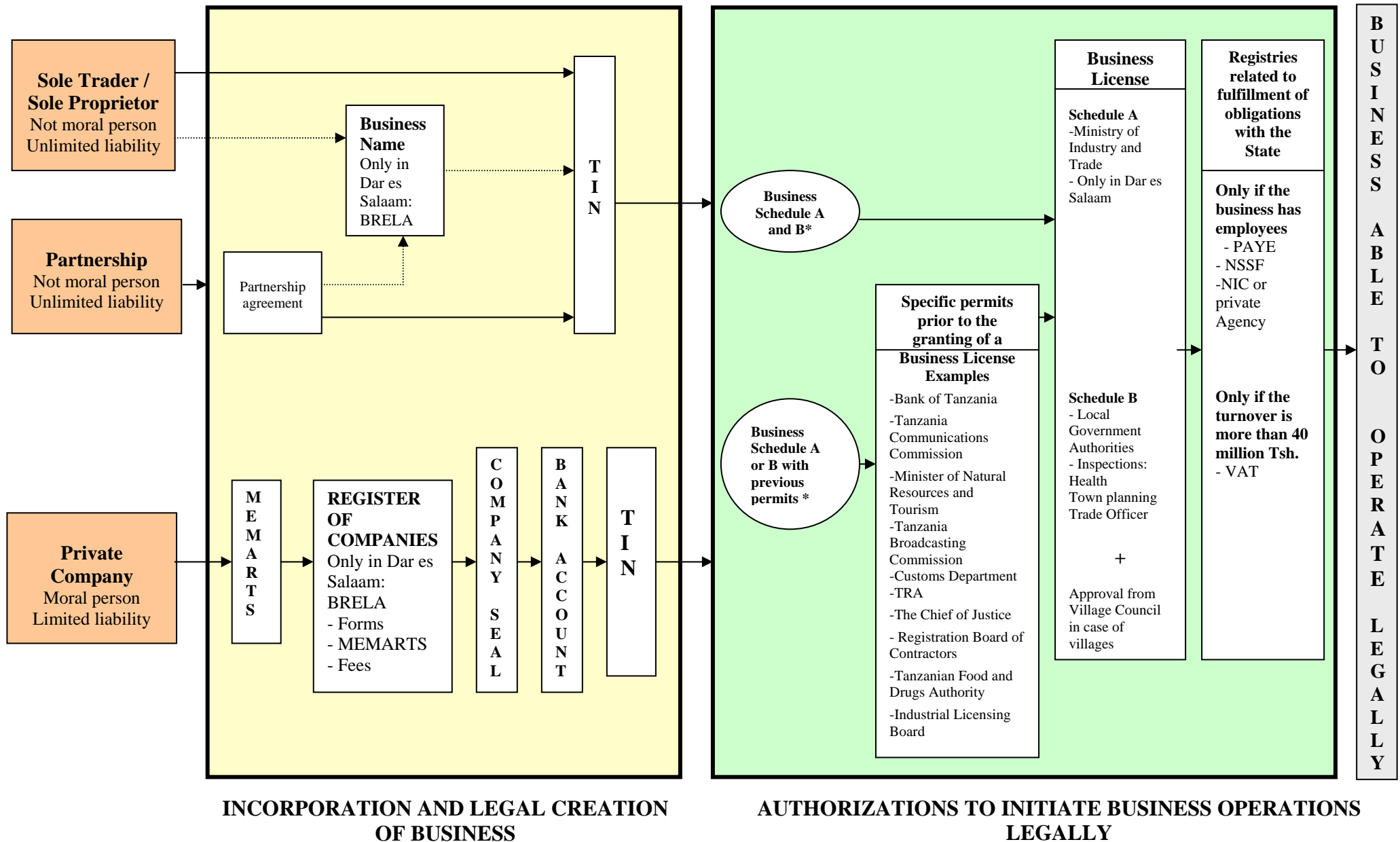
Table III.5.1

## LIST OF LAWS AND REGULATIONS GOVERNING BUSINESS ACTIVITIES IN TANZANIA

1. Act No.11 of Parliament of 1995
2. Arbitration Act, Chapter 15
3. Banking and Financial Institutions Act, 1991
4. Bankruptcy Ordinance
5. Business Licensing Act, 1972
6. Business Name (Registration) (Cap 213)
7. Capital Market and Securities Act, 1994
8. Companies Ordinance (Cap212)
9. Companies Act, 2002 (enacted but not yet enforce)
10. Competition Law
11. Copy Rights and Neighboring Rights Act, 1999
12. The Customs and Excise Management Act, 1977
13. Employment and Regulations Act, 2004 (enacted but not yet enforce)
14. The Labour Institutions Act, 2004 (enacted but not yet enforce)
15. The Executive Agencies Act No. 30, 1997
16. High Court Registries Rules, 1999
17. The Income Tax Act, 2004
18. The Insurance Act, 1996
19. Law of Contract Ordinance, 1961
20. The Local Government Laws, 2000
21. The Non-Governmental Organizations Act, 2002
22. The Patents Act, 1987
23. Civil Procedure Code, 1966
24. The Public Procurement Act, No 21, 2004
25. Security Employment Act
26. Societies Ordinance (Cap 337)
27. Stamp Duty Act, 1972
28. Tanzania Communications Act
29. The Tanzania Investment Act, 1997
30. The Magistrates' Courts Act, 1984
31. Trustee's Incorporation (Cap 375)
32. Workmen's Compensation Ordinance
33. The Tax Revenue Appeals Act, 2000
34. The Industrial Court Act
35. The Value Added Tax Act, 1997
36. National Industries and Licensing and Registration
37. The Government Proceedings Act
38. The Finance Bill, 2004
39. The Law of Limitations Act, No 20, 1971 and its Amendments
40. The Cooperative Societies Act No. 20, 2003
41. The Cooperative Societies Rules, 2004
42. Government Notice No. 280
43. Food, Drugs and Cosmetics Act No. 1, 2003
44. The Pharmacy and Poison Act, 1978
45. Private Hospitals (Registration) Act, 1997
46. Private Healthy Laboratories Act, 1997
47. Contractors Registration Act No 7, 1997
48. Tanzania Communication Regulatory Authority Act, 2003
49. The Foreign Exchange Act, 1992
50. The Bank of Tanzania Act, 1995
51. The Banking and Financial Institutions Act, 1991
52. Foreign Exchange (Bureau de Change) Regulations, 1999
53. Cooperative Society Act, 1991 as Amended 2003
54. Liquor License Act No. 28, 1968
55. The Hotel Levy Act, 1972
56. The Hotel Levy Regulations, 1982
57. The Hire Purchase Act
58. The Law of Limitation Act
59. The Appellate Jurisdiction Act
60. Court Fees Rules
61. The Act No 4, 2004
62. Public Procurement Regulations, 2004
63. The Basic Rights and Duties Enforcement Act, No 33, 1994
64. Customary Laws
65. Primary Court Rules
66. Government Notice No 140
67. Government Notice No 141
68. The Board of External Trade Act, 1978
69. East African Custom and tariff tax management Act, 1970
70. The crop Marketing Board, Act No 11, 1993
71. Crop Industry Legislations 2001
72. Banking and Financial Regulations, 1997
73. Town and Country Planning Act, 1962
74. Kinondoni Municipal Council; By Laws 2000
75. The Bankruptcy Rules
76. Winding up rules 1939
77. The Tanzania court of appeal sub registries (establishment)

Table III.5.3

CURRENT LEGAL PROCEDURES REGULATING LEGAL ACCESS TO BUSINESS ACTIVITIES IN TANZANIA



\*These businesses can be sole traders / sole proprietorships, partnerships or private companies

**Table III.5.4**

**Types of Business Organizations in Tanzania<sup>1</sup>**

Type	Minimum capital or investment required by law	Moral Person (legal status)	Liability	Legislation	Official entities for legal incorporation and registration
a) Sole Trader / Sole Proprietorship	No	No	Unlimited	Business Name (Registration) Ordinance – Cap 213 (*)	Business Name Registry – BRELA (*)
b) Partnership	No	No	Unlimited	Law of Contract Ordinance, 1961 Business Name (Registration) Ordinance – Cap 213 (*)	Business Name Registry – BRELA (*)
c.1) Private Company Unlimited	No	Yes	Unlimited	Companies Ordinance Cap 212	Register of Companies -BRELA
c.2) Private Company Limited by Shares	No	Yes	Limited by shares	Companies Ordinance Cap 212	
c.3) Private Company Limited by Guarantee	No	Yes	Limited by guarantee	Companies Ordinance Cap 212	
d) Public Company	No	Yes	Limited	Companies Ordinance Cap 212	
e) Cooperatives	No	Yes	Limited	Cooperatives Societies Act	Registrar of Cooperatives

- a) **Sole Trader / Sole Proprietorship:** Most companies in Tanzania are individually organized. These are companies where a single individual is the owner of the business, though other members of his family participate and work therein. The liability of the business owner is unlimited. All of his personal assets are at risk of losses incurred in the business.
- b) **Partnership:** Relations sustained between individuals that engage in business together for purpose of generating profit. These individuals are collectively referred as firm. Every partner is liable for all debts and obligations in the business or acts on behalf of the partnership.
- c.1) **Private Company Unlimited:** The legal status of this organizational form is separate from its members but the liability of the members is not limited. The minimum number of members is two and the maximum is fifty. There is no minimum capital stock required to create this form of company.
- c.2) **Private Company Limited by Shares:** These companies are normally formed by persons with prior relationships other than business relationship. The minimum number of members is two and the maximum is fifty. There is no minimum capital stock required to create this form of company. The shares are not freely transferable. These type of companies may not list in the stock exchange. The member's liability is limited to the amount imposed on the share paid.
- c.3) **Private Company Limited by Guarantee:** The minimum number of members is two and the maximum is fifty. There is no minimum capital stock required to create this form of company. The liability of its members is limited to the amount given as guarantee and is payable only upon company winding up.
- d) **Public Company:** The minimum number of members is seven and there is no maximum number of members. This type of company can invite the general public to contribute share capital and can be listed on the stock exchange.
- e) **Cooperatives:** These are association of persons voluntarily joined for the purpose of achieving a common need who make equitable contributions to the capital required for the formation and who accept the risks and benefits of the undertaking in which they actively participate. It may be primary society (10 or more persons), secondary society and federation.

(\*) Business Name Registration is compulsory in the case that the sole trader or partnership conducts a business in the Territory under a business name that does not consist in his true name or the true names of all the partners

<sup>1</sup> This table shows the business organizational forms used most in Tanzania. It does not include trustees, societies, parastatal companies and public corporations.



**Table II.5.6****Registered Insurance Companies**

S/N	Insurance Company	Type of Ownership					Regional	Distribution	Number of branches
		Type of service	Public	Private	Local	Foreign	District	Regional	
1	National Insurance Corporation	Life and Non Life	√		√			√	18
2	The Jubilee Insurance Co. (T) Ltd	Life and Non Life		√	√	√			3
3	Alliance Insurance Corporation Ltd.	Life and Non Life		√	√	√			1
4	Zanzibar Insurance Corporation	Life and Non Life	√		√			√	5
5	Heritage A.I.I. Insurance Co.(T) Ltd.	Non Life		√	√	√			
6	Reliance Insurance Co. Tanzania Ltd.	Non Life		√	√	√			
7	Lion of Tanzania Insurance Co. Ltd.	Non Life		√	√	√			2
8	Royal Insurance Tanzania Ltd.	Non Life		√	√	√			1
9	Phoenix of Tanzania Assurance Co. Ltd.	Non Life		√	√	√			2
10	Imperial Insurance Company Limited	Non Marine		√	√	√			
11	Strategis Insurance (T) Limited	Accidents sickness		√	√	√			
12	Tanzidia Assurance Company Limited	Non Life		√	√	√			
13	Tanzania National Reinsurance Corporation	Reinsurance	√	√	√	√			
14	African Life Assurance Company Limited	Life		√	√	√			

Note: the Insurance Act 1996 Section 8(l) requires 1/3 of the controlling interest in an Insurance Company to be held by citizens of Tanzania

Source: Ministry of Finance Insurance Supervisory Department

**Table III.5.8a**

**License Categories to Set up and Operate a Business (\*)**

**According to Business Licensing Act 1972 and its amendments**

BUSINESS LICENSE SCHEDULE A (UNDER RESPONSIBILITY OF MINISTRY OF INDUSTRY AND TRADE)	BUSINESS LICENSE SCHEDULE B (UNDER RESPONSIBILITY OF LOCAL GOVERNMENT AUTHORITIES)
<ul style="list-style-type: none"> <li>• Agency business.</li> <li>• Broker business.</li> <li>• Banking.</li> <li>• Financial institutions and capital markets.</li> <li>• Clearing and forwarding.</li> <li>• Cargo valuation and superintendence.</li> <li>• Shipping business.</li> <li>• Insurance.</li> <li>• Manufacturer's representative.</li> <li>• Estate.</li> <li>• Commercial traveler.</li> <li>• Postal services.</li> <li>• Electricity power and energy supply.</li> <li>• Telecommunication business.</li> <li>• Passengers and goods transportation.</li> <li>• Electrical media.</li> <li>• Processing and manufacturing of goods and selling</li> <li>• Hunting</li> <li>• Nightclubs.</li> <li>• Tourists business.</li> <li>• Exportation.</li> <li>• Importation.</li> <li>• Dealership/franchise.</li> <li>• General trading (silver and gold - Ministry of Industry and Trade, dealers locally owned).</li> <li>• Endorsement on transfer of license</li> <li>• Duplicate license for lost one.</li> <li>• Any other business of national/international nature.</li> </ul>	<ul style="list-style-type: none"> <li>• Non- tourist hotels.</li> <li>• Regional trading companies.</li> <li>• Building contractors.</li> <li>• Co-operative societies.</li> <li>• Specified professions.</li> <li>• General trading.</li> <li>• Auctioneers.</li> <li>• Spare parts sales.</li> <li>• Electrical contractors.</li> <li>• General merchandising</li> <li>• Endorsement on transfer of licenses.</li> <li>• Duplicate license for lost one.</li> <li>• Any other business not of national or international nature.</li> </ul>

(\*) This list is according the Finance Bill 2004. This list contains some variations respect to the list included in the application form (Form TFN 211 rev. March 2004)

**Table III.5.8b**

**Examples of Specific Permits or Licenses required prior to Obtaining a  
Business License**

<b>Business Activities</b>	<b>Legislation</b>	<b>Agency where the permission is applied for</b>
<b>1. Banking and Financial activities</b>	Banking and Financial Institutions Act No. 12 of 1991	Bank of Tanzania
<b>2. Insurance</b>	Insurance Act No. 18 of 1996	
<b>3. Public postal services and telecommunications services and systems.</b>	Tanzania Communications Act, No. 18 of 1993	Tanzania Communications Commission
<b>4. Tourist agents, tourist hotels and other related activities.</b>	Tourist Agents (Licensing) Act No. 2 of 1969	Minister of Natural Resources and Tourism
<b>5. Broadcasting services including transmitting, receiving or broadcasting.</b>	Broadcasting Service Act No. 6 of 1993	Tanzania Broadcasting Commission
<b>6. Clearing, forwarding and bonded warehouse activities</b>	East African Customs and Transfer Tax Management Act (Cap 27)	Customs Department of Tanzania Revenue Authority.
<b>7. Practice advocacy in Tanzania (mainland)</b>	Advocates Ordinance, Cap 341 and its amendments	The Chief of Justice
<b>8. Building contractors, civil work contractors and mechanical contractors, etc.</b>	The Contractors (Registration) Act No. 17 of 1997	Contractors Registration Board
<b>9. Pharmacy approval</b>	The Tanzanian Food, Drugs and Cosmetics Act No 1 of 2003 (*)	Tanzanian Food and Drugs Authority (TFDA)
<b>10. Industries</b>	National Industries (Licensing and Registration) Act No. 10 of 1967 and its amendments	Industrial Licensing Board (in BRELA).
<b>11. Activities related with liquor</b>	Intoxicating Liquors Act No. 28 of 1968 and its amendments	Local Government Authorities

(\*) This law also regulates the quality control, safety and effectiveness of foods, drugs, herbal drugs, cosmetics and medical devices

Table III.5.9

**COMPARISON OF SCHEDULE B BUSINESS LICENSES: RETAIL SHOPS**

<b>Annexes and information examined in the files</b>	<b>Ilala Case # 1: Sole Trader</b>	<b>Ilala Case # 2: Sole Trader</b>	<b>Ilala Case # 3: Sole Trader</b>	<b>Dodoma Case # 1: Sole Trader</b>	<b>Dodoma Case # 2: Sole Trader</b>	<b>Dodoma Case # 3: Sole Trader</b>	<b>Dodoma Case # 4: Sole Trader</b>	<b>Mwanza Case # 1: Sole Trader</b>	<b>Mwanza Case # 2: Sole Trader</b>	<b>Mwanza Case # 3: Sole Trader</b>	<b>Temeke Case : Sole Trader</b>
<b>Application Requirements</b>											
1. Photocopy of Certificate of Incorporation (in case of a Company) or Certificate of Registration in the case of Business Name and Extract	<b>Not Applicable, (NA)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
2. Memorandum and Article of Association showing, among other things, that objectives of the company allow it to do the business for which the application is being made	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
3. Proof of Tanzania citizenship e.g. photocopy of passport, birth certificate or in case of non-citizen, Residence Permit Class "A" –showing the holder to be investor in that company/business	<b>X (affidavit)</b>	<b>X (passport)</b>	<b>X (affidavit)</b>								<b>X (affidavit)</b>
4. In case the shareholders of the company are non-residents, powers of attorney to a citizen/resident											
5. Proof submitted by applicant that has suitable business premises for the business applied for, (the following can be submitted as a proof, a copy of title deed, tenancy agreements, receipts of rent or property payment)	<b>X</b>	<b>X</b>									<b>X</b>
6. Tax Payer Identification Number (TIN)	<b>X</b>	<b>X</b>	<b>X</b>					<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
7. Others (Business License Tax Clearance – BLTC)	<b>X</b>			<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>			<b>X</b>	
<b>Other information</b>											
Date of application	28/07/04	Not Shown	18/10/04	02/09/04	09/08/04	17/02/05	Not Shown	05/01/05	Not Shown	31/01/05	20/10/04
Inspections/Approvals (i) Local government (ii) Health officer (iii) Business officer (iv) Town planner	NA 20/10/04 Not Shown Not Shown	NA 07/01/05 Non shown 05/01/05	NA 20/10/04 30/10/04 20/10/04	18/10/04 21/10/04 17/11/04 10/11/04	09/08/04 27/01/05 13/08/04 Not Shown	17/02/05 17/02/05 17/02/05 17/02/05	13/01/05 14/01/05 17/02/05 13/01/05	06/01/05 06/01/05 07/01/05 07/01/05	02/02/05 02/02/05 09/02/05 03/02/05	07/02/05 08/02/05 09/02/05 10/02/05	NA 20/10/04 Not Shown Not Shown
Date business license granted	Not Shown	28/02/05	15/11/04	27/01/2005	26/01/05	18/02/05	03/03/05	07/01/05	09/02/05	14/02/05	10/11/04
<b>Total days:</b>			<b>28</b>	<b>117</b>	<b>106</b>	<b>1</b>		<b>2</b>		<b>14</b>	<b>21</b>

**Conclusions:**      **Application of regulations regarding required documentation to be annexed to application not uniform**  
**Information on required inspections or approvals is not consistently gathered and/or recorded**  
**Time period for granting license varies widely: ranges from the same day to up to 106 days**



Table III.5.10

## COMPARISON OF SCHEDULE B BUSINESS LICENSES: STATIONARY SHOPS

Annexes and information examined in the files	Ilala Case # 1: Private Company	Ilala Case # 2: Private Company	Temeke Sole trader with Business Name	Kinondoni Sole trader with Business Name	Dodoma Sole trader	Mwanza Sole trader with Business Name
<b>Application Requirements</b>						
1. Photocopy of certificate of incorporation (in case of a company) or certificate of registration in case of business name and extract	X	X	X	X	Not Applicable (NA)	X
2. Memorandum and Article of Association showing, among other things that objectives of the company allow it to do the business for which the application is being made	X		NA	NA	NA	X
3. Proof of Tanzania citizenship e.g. photocopy of passport, birth certificate; or in case of non-citizen, Residence Permit Class "A" –showing the holder to be investor in that company/business	X (affidavit)	X (passport)				
4. In case shareholders of the company are non-residents, powers of attorney to a citizen/resident	NA	NA	NA	NA	NA	NA
5. Proof submitted by applicant that has suitable business premises for the business applied for, (the following can be submitted as a proof, a copy of title deed, tenancy agreements, receipts of rent or property payment))	X					
6. Tax Payer Identification Number (TIN)	X	X	X	X		X
7. Others (Business License Tax Clearance – BLTC)		X		X	X	X
<b>Other information</b>						
Date of application	08/10/04	31/10/05	28/06/04	08/02/05	18/11/04	28/12/04
Inspections/Approvals (i) Local government (ii) Health officer (iii) Business officer (iv) Town planner	NA Non shown Non shown 03/11/04	NA Non shown Non shown 01/02/05	NA 06/07/04 Non shown 15/07/04	NA Non shown Non shown Non shown	18/11/04 28/12/04 28/12/04 19/11/04	30/11/04 31/12/04 28/12/04 19/11/04
Date business license granted	02/02/05	05/02/05	04/08/04	08/02/05	No yet (04/03/05)	14/02/05
<b>Total days:</b>	<b>102</b>	<b>97</b>	<b>37</b>	<b>Same day</b>	<b>106</b>	<b>48</b>

**Conclusions:**

Application of regulations regarding required documentation to be annexed to application not uniform  
Information on required inspections or approvals is not consistently gathered and/or recorded  
Time period for granting license varies widely: ranges from the same day to up to 106 days