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## Company Compliance – Tanzania

### Introduction

With globalization, there is now interconnectedness of people and businesses across the world. Entities are established for different purposes to generate profit or simply serve the public in order to bring about change in certain aspects of life. Tanzania is one of the countries where investors would like to invest and do business. This article aims at providing a general overview of the compliance matters that need to be adhered to when one intends to do business in Tanzania, specifically the important certificates/licenses required for a company.

These include:

- (i) Certificate of incorporation/ certificate of compliance;
- (ii) Tax Identification Number Certificate (**TIN Certificate**);
- (iii) Tax Clearance Certificate;
- (iv) Business license;
- (v) Value Added Tax Certificate (**VAT Certificate**);
- (vi) Certificate from Occupational, Safety and Health Authority;
- (vii) Certificate of registration from the Workers Compensation Fund;
- (viii) Fire Safety Certificate; and
- (ix) Sector licenses.

### Certificate of Incorporation/ certificate of compliance

A company that is to be established as a local company will apply to be issued with a certificate of incorporation while a branch will be required to apply for a certificate of compliance with the Business Registration and Licensing Agency (**BRELA**) by the Registrar of Companies as per the Companies Act Cap 212 R.E 2002.

### TIN Certificate

After obtaining certificate from BRELA, the law requires TIN certificate to be obtained from the Tanzania Revenue Authority (TRA) as per section 22(1) of the Tax Administration Act Cap 438 R.E 2019 within 15 days from the day of commencing business for purposes of paying tax as per the Income Tax Act Cap 332 R.E 2019.

### Tax Clearance Certificate

The tax clearance certificate is issued by TRA to certify that the taxpayer has complied with tax laws. Regulation 103 of the Tax Administration (General) Regulations G.N. 101 2016 states that an application for renewal of business license has to be accompanied with a tax clearance certificate issued by the Commissioner General of TRA.

## Business License

The law requires every entity to have a business license. No company can carry on business as a principal or agent in Tanzania without being a holder of a valid business license issued by the respective authority as per the Business Licensing Act No. 25 of 1972. A business license can be obtained from Ministry for Industry and Trade (Licensing Department) or the local government authority depending on the line of business of the company.

## Value Added Tax Certificate

The registration of value added tax is mandatory upon attaining the registration threshold where there is reasonable ground that taxable supplies shall be in excess of TZS 100 million in the next 12 months or TZS 50 million in a period of 6 months ending at the end of the previous month as per section 28 of the Value Added Tax Act Cap 148 R.E 2019.

## Certificate from Occupational, Safety and Health Authority

To ensure that the premises are safe, the law requires occupiers or owners of factory or work place to register the factory or work place before starting operations. After inspection by the Chief Inspector and upon satisfaction that the premises are suitable for use, a certificate of registration will be issued.

Apart from the certificate of registration, the occupier or owner has to also have the Compliance license which is issued after every 12 months upon fulfilling occupational health and safety requirements as per section 16 and 17 of the Occupational Health and Safety Act No. 5 of 2003.

## Certificate of registration from Workers Compensation Fund

Every employer is required within 30 calendar days from the date of recruitment of the first employee, to submit his particulars of registration to the Director General of Workers Compensation Fund. Upon verification of the particulars, a certificate of registration will be issued and the same has to be displayed at a conspicuous place in the work place so that it can easily be seen as per Regulation 9 of the

Workers Compensation Regulations G.N 185 of 2016. The aim of this registration is to ensure that the employees are provided with equitable compensation when they suffer occupational injuries or diseases in the course of their employment.

## Fire Safety Certificate

The fire safety certificate is issued by the Fire Rescue Force which permits the use of a premise vehicles, vessels and any other conveyance facility after the fire safety inspection as per Regulation 3 of the Fire and Rescue Force (Safety Inspections and Certificates) Regulations G.N 106 of 2008. The same has to be displayed on the widescreen of the facility or any other conspicuous place. The premise should be safe for use and not fire hazardous.

## Sector licenses

Some sectors/ industries require sector specific licenses which need to be obtained from the relevant government authorities or ministries. Such sectors include banking, mining, construction, engineering, telecommunications, aviation, shipping, etc. It is to be noted that the general business license cannot be obtained without first having the specific sector license for companies intending to do business in such sectors.

## Conclusion

The above are just some of the certificates and licenses required. A company intending to do business in Tanzania should understand how the business would work and the permits that should be obtained prior to operations to avoid penalties for non-compliance with the law.

### Caveat

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