



frequently
asked
QUESTIONS



1. What are the requirements for investors to register with TIC and benefit from TIC services?

- Investors must meet the following criteria in order to benefit from TIC services/activities.
- The intended project must have a capital value of USD 100,000 or USD 300,000 for local and foreign investors respectively.
- The investor should have registered and incorporated a company in Tanzania.
- Bank confirmation that the intended investor has opened a bank account. Bank balance is not required
- Memorandum of association
- Proof of land to set the project
- Board resolution

NB: for details see TIC website: www.tic.co.tz

2. How much are investors required to pay to secure a TIC Certificate of Incentives? How long does it take to prepare and issue such a certificate?

- Investors are required to pay a total of USD 1,100. This amount covers the application form (USD 100) and Certificate of Incentives (USD 1,000)
- It takes 3 weeks to prepare and issue a Certificate of Incentives.

3. Are there any special areas/sites which the Government has set aside for investors?

- The Government has created Special Economic Zones for economic and commercial investment. The aim is to promote investment in industrial products which are meant for export. Such areas are under the supervision of the Export Processing Zone Authority (EPZA).



4. What type of taxes do foreign investors pay?

- All investors, regardless of their nationality, are required by law to pay corporate income taxes and submit Pay As You Earn (PAYE) returns to the Government for the company's employees.

5. Does TIC inspect registered projects to monitor their progress?

- TIC has an 'after care' section tasked with following upon all registered projects. To this end, TIC staffs are required to make project visits in order to monitor project development and help resolve problems (if any). Furthermore, all investors are required by law to submit to TIC project progress reports in six months intervals.

6. Does TIC deal with only foreign investors?

- TIC deals with both local and foreign investors and it treats all investors equally provided that they follow the laid down procedures and criteria.

7. For an investor to be registered and recognized by TIC are they required to hold their financial capital in a particular bank account?

- There is no legal requirement for an investor to keep the money of the company in a certain bank. What is important is that the bank in which such money is kept be reputable and legally established.

8. How does TIC assist investors who are interested in investing in infrastructure?

- Infrastructure is one of the priority sectors promoted by TIC. Investment in infrastructure is eligible to get incentives which may be fiscal like capital goods and deemed capital goods or non-fiscal like an immigration quota. If an investment is good enough to

qualify for a strategic investment status an investor can receive over and above the normal incentives TIC can provide.

9. Does the Government have designated land ready for investors to utilise so that conflicts between local communities and investors can be minimized?

- The Government intends to establish 'land bank' for investment purposes. Furthermore, some regions of the country have set aside tracts of land suitable for investments of various kinds.

10. What are the consequences for an investor who is allocated land for investment but later fails to develop and eventually abandons the land?

- For an investor with derivative right (lease hold) TIC can terminate the lease agreement so that such land becomes free to be given to another investor. Termination of the lease agreement will automatically cancel the Certificate of Incentives issued to the investor in question.
- For an investor with only a Certificate of Incentives but without derivative right, TIC will only cancel the Certificate of Incentive and advise the commissioner to undergo a process of revocation of the investor's title.

11. What is the minimum capital required to be designated a 'strategic investor'?

- In order for an investor to attain a status as a 'strategic investor', they are required to have a project worth no less than USD 20,000,000. Other criteria for a strategic investment can be found on the TIC website www.tic.co.tz

12. Is TIC responsible for ensuring that investors pay the applicable taxes?

- Legally, the Tanzania Revenue Authority (TRA) is the institution vested with responsibility of tax collection. The responsibility of TIC is to promote investment and assist investors to establish their projects in Tanzania.

13. Can TIC provide specialist technical advice to investors?

- TIC has specialist advisors from the key Government departments who are available to provide advice to investors. Specialists from the following departments are on hand:
- Ministry of Lands, Housing and Human settlement development
- Ministry of Labour and Employment
- Ministry of Industries and Trade
- Tanzania Revenue Authority (TRA)
- Business Registration and Licensing Authority (BRELA)
- Immigration Department

14. Which residence permits does TIC issue?

- TIC, through the Immigration Department, issues class 'A' residence permits to owners of registered investment projects. Similarly, class 'B' residence and work permit are issued to foreign employees working in invested projects.

15. For how many years can an investor lease land through TIC for investment purposes?

- Investors get access to land through government leases whereby they can be issued with a document known as a 'derivative right' through TIC. The duration of occupation is less one year than the years declared in the certificate of occupancy which may be 32, 65 and 98 years. The maximum duration given in the certificate of occupancy is 99 years as per the Land Act, 1999.

16. If a local citizen does not have USD 100,000 but has a landed property (e.g.a house) which is worth more than USD 100,000, can he/she qualify as an investor with TIC?

- Owning a property valued in excess of USD 100,000 will not qualify a local citizen as an investor. In order for citizen to qualify as an investor, they must present a project requiring USD 100,000 or more in capital investment and they must demonstrate their ability to finance the venture in question.

17. Is TIC setting aside land for investment to investors according to their needs?

- TIC, in collaboration with Ministry of Lands, has started establishing areas for investment (plots and farms). To start with TIC has been issued with a Certificate of Title on Mkulazi measuring 63,227 hectares, which is earmarked for cultivation of sugarcane and rice. Allocation of this farm will follow tendering legal requirement.
- Another area is situated in Kimandolu in Arusha, this measures 43,000 hectares. This plot earmarked for a tourist hotel. TIC has not yet allocated this land to any investor.

18. Are there any plans for development and investment in the Rufiji Basin?

- TIC, in collaboration with RUBADA and other relevant ministries and institutions under SAGCOT, is promoting the Rufiji Basin with strategic support from the World Bank, World Economic Forum and the Government of Tanzania.

19. How does TIC ensure that the environment is protected during mining exploration and extraction?

- Environmental protection is critically important however TIC is not the primary entity responsible for ensuring that environmental protection rules are adhered to. Investment in mining is regulated and under the mining law. Prior to the issuance of a mining license, all the environmental assessment issues must be adhered to by the investor.

20. Apart from TIC, is there any other Government entity that works with investment issues?

- **EPZA, ZIPA**