



Strategic Market Entry & Advisory Support 2024

TANZANIA



Tanzania Overview

Business leaders considering market entry into Tanzania require a clear perspective on the operational, regulatory and employment requirements for a successful takeoff. Here's what you need to know...



CAPITAL

Dodoma (Administrative)
Dar es Salaam (Commercial)



AREA

947,303 km²



PRESIDENT

Samia Suluhu Hassan



LANGUAGES

**Kiswahili, English,
Arabic** (only in Zanzibar)



TYPE OF GOVERNMENT

**Unitary republic with
multi-party democracy**



LIFE EXPECTANCY

66.41 years



CURRENCY

Tanzania Shilling (TZS)



POPULATION

61.7 million
37% increase over the last 10 years



CALLING CODE

+255



TIMEZONE

GMT + 3

INVESTMENT OPPORTUNITY

Tanzania's investment potential is rising rapidly. In February, the number of registered projects in the country increased by an impressive 128%, with a total of 41 projects registered nationwide.

SAFETY

According to the 2019 Global Peace Index, Tanzania is the 7th safest country in Africa.

ECONOMIC DRIVERS

The main sectors of Tanzania's economy as per their contribution to the GDP are Construction (16%), Crops (14%), Manufacturing (9%), Wholesale and Retail Trade; Repairs (9%), Transport (8%), Livestock (8%), and Mining and Quarrying (5%).

Sources:

1. Demographic yearbook by the UN Statistics Division.
2. Bank of Tanzania.
3. TanzaniaInvest.

Let Adili guide your market entry journey

Adili is Africa's leading corporate advisory with over 150 years experience in supporting businesses at every stage of their journey.

We possess the knowledge, agility, efficiency, pan-African experience and diligence needed to create bespoke solutions for our clients to navigate today's corporate challenges, and ensure that their businesses thrive. Our work ensures that our clients, who range from start-ups and SMEs to multinationals and public-listed companies focus more on their core business and reputation.



Image by: Dicksonpicha

What we offer

Company set-up support

Forms of incorporation

Under the Companies Act, 2002, Tanzania recognizes three types of companies: companies limited by shares, companies limited by guarantee (CLG), and unlimited companies. These companies can be classified as either private or public. Foreign investors commonly establish a presence in Tanzania by either registering a branch of a foreign company or incorporating a local company. The latter option is more prevalent due to advantages such as ring-fencing the subsidiary from the parent company and the familiarity of regulators with the subsidiary setup. This familiarity can streamline licensing procedures compared to setting up branches.

Incorporation of subsidiary companies (Limited Liability Companies)

Our support includes undertaking name reservation, preparing and certifying the required documents, executing incorporation papers and submitting applications to the Registrar of Companies.

Branch registration

Our support includes providing an Adili nominee to act as the resident person in Tanzania authorized to accept on behalf of the foreign company service of process and any notices required to be served on the company. The Adili nominee also acts as the resident person in Tanzania authorised to represent the foreign company as its permanent representative for the place of business.

CLG registration

Presently, an entity in Tanzania can only be registered as a CLG if it is formed with the objectives of promoting commerce, trade and investment or any other activity that is approved by the Minister of Trade as per the provisions of The Written Laws (Miscellaneous Amendments) (No.3) Act, 2019 (the "Amendments"). Our support includes providing the right advice regarding the incorporation of this form of entity.

Set up of statutory records

We offer support in preparing and issuing of share certificates, preparing the first minutes and inaugural resolutions, establishing member registers, registers of directors and registers of secretaries, and purchasing of company seals and stamps.

Assistance in opening company bank accounts

Our support includes preparing the necessary board resolutions and extracts for opening bank accounts, gathering supporting documents, and providing any required company secretary certifications requested by banks.

Registered office address service

Our support will include providing the use of our office address as the registered office address of the company in Tanzania and the use of our postal address. We receive communications and notices on behalf of our clients and forward them to the company's contact person for necessary action to be taken.

Regulatory compliance

Application for Taxpayer Identification Number (TIN) certificate

After the certificate of incorporation/compliance is issued by the Registrar of Companies, it is mandatory by law to apply for a TIN within 30 days. Our team is available to offer support throughout the TIN certificate application process, which involves:

- ▶ Completing the application forms for submission to the Tanzania Revenue Authority (TRA).
- ▶ Collating all the required documents for the TIN application.
- ▶ Applying for confirmation from Serikali ya Mtaa (Local Government Authority).
- ▶ Arranging for at least one resident director to appear at the TRA Office, which is a mandatory requirement. In the event the company does not have a resident director, we provide an Adili nominee to hold a Power of Attorney on behalf of the non-resident directors in this regard.
- ▶ Following up with TRA and collecting the TIN Certificate.

Our support will also include registering the company on the TRA E-Filing system for the purpose of filing tax returns and applying for a tax clearance certificate which is a pre-requisite for business license application. The registration process will require the company to have an E-Filing System Representative and a Declarant, and we provide both services on behalf of our clients.

Application for business licenses

It is mandatory by law to acquire business licenses before commencing any business activities. Our team is available to offer support throughout the business license acquisition process, which involves:

- ▶ Collating the required company documents and making business license applications.
- ▶ Facilitating the assessment and payment of the license fees.
- ▶ Following up and collecting licenses.

Application for Value-Added Tax (VAT) certificates

Registration for VAT is mandatory for every person upon attaining the registration threshold of TZS 100 million in the period of twelve months and above or TZS 50 million in a period of six months ending at the end of the previous months.

We offer support in applying for VAT registration numbers and acquiring Value Added Tax (VAT) certificates. We also facilitate the purchasing and registering of electronic tax devices.

Registration with the National Social Security Fund (NSSF) and Workers Compensation Fund (WCF)

Our services include facilitating the registration process, following up on the applications, and ensuring that the registration certificates are issued.

Beneficial ownership disclosures

Every company must identify and maintain a register of its ultimate beneficial owners, and submit their details to the Registrar of Companies in line with the Companies (Beneficial Ownership) Regulation of 2021. Adili is at hand to offer support in complying with regulations around beneficial ownership disclosures.

Company secretarial services

It is mandatory by law for a company to have a company secretary during and after incorporation. Adili is at hand to act as your named company secretary and attending to the standard annual compliance and routine secretarial

work. We also offer meeting support services for the board of directors and shareholders' meetings.

Registration of trademarks, patents and copyright

Adili is at hand to help you throughout the whole process of your trademark, patent and copyright registration. We provide both registration and post-registration support including advising you on the information and documents required for each application, submitting the application on your behalf and following up for approval, renewal process, assignment process, applying for any changes in the particulars of the owner etc.

Outsourcing Solutions

Accounting and bookkeeping

We offer efficient, scalable, and cost-effective accounting and bookkeeping services, designed to seamlessly plug into your business systems. We take care of your accounting needs using reliable accounting systems and reporting tools.

Our package comprises a dedicated team of professionals to provide end-to-end accounting services that match your needs. Our accounting and bookkeeping services cover the following:

- ▶ Assistance in opening company bank accounts
- ▶ Setting up accounting systems, including uploading data and documents that have been reviewed for compliance with accounting standards and government regulations.
- ▶ Supporting all business transactions, including reconciling all involved processes before final payment authorization.
- ▶ Managing, reporting, and journaling monthly and annual accounts.
- ▶ Preparing accounting files for auditing and responding to audit queries.
- ▶ Preparing monthly management accounts and annual financial statements.

Tax compliance

As tax laws become increasingly complex, businesses are required to respond appropriately through models and processes that ensure compliance

with legal requirements. At Adili, we help our clients understand their tax obligations whilst ensuring compliance to reduce tax risks, continuously adapt to regulatory changes, and optimise cash flow.

Our tax compliance solutions cover the following:

- ▶ Registering with the relevant authorities
- ▶ Acquiring tax clearance status for Adili to be able to make various tax filings on your behalf on the Tanzania Revenue Authority (TRA)'s e-filing portal.
- ▶ Preparing and filling of the Statement of Estimated Tax Payable by Instalment (SETPI) and quarterly instalment tax.
- ▶ Preparing and filing quarterly city service levy returns.
- ▶ Advising on corporate income tax, preparing deferred tax computation, and making submissions to relevant authorities.
- ▶ Reviewing and reconciling corporate tax liability.
- ▶ Reviewing, computing, and making payments for withholding tax.
- ▶ Assessing the compliance, computing, making payments and filing of the Value Added Tax (VAT).
- ▶ Preparing and filing corporate income tax returns on iTax.
- ▶ Preparing and filing individual income tax returns on iTax.
- ▶ Providing relevant updates with regard to changes in tax legislation.

Payroll

End-to-end payroll solutions, supported by top-of-the-line technologies, are key to efficiency and compliance in any organisation. We strive to ensure the smooth administration of your business' payroll while maintaining the strictest levels of confidentiality and data compliance.

Our payroll solutions cover the following:

- ▶ Registering with the Workers Compensation Fund (WCF)
 - ▶ Registering the employer with various statutory authorities, including the National Social Security Fund, National Hospital Insurance Fund, and the National Industrial Training Authority.
 - ▶ Registering employees with various statutory authorities, a one-off exercise for each employee in the event they are not already registered.
 - ▶ Setting up your payroll details onto our system.
 - ▶ Providing ad-hoc payroll consulting advice.
 - ▶ Preparing the payroll on a monthly basis and providing the relevant reports.
 - ▶ Making remittance of the employees' salaries via EFT, once adequate funds are received in our Adili Outsourcing Services client account.
- ▶ Preparing pay slips and distributing them in the manner agreed with yourselves.
 - ▶ Preparing the monthly returns for Pay As You Earn (PAYE), National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF) and National Industrial Training Authority (NITA) and remitting any amounts due to the relevant authorities.
 - ▶ Ensuring any undertaking given by yourselves to any staff lender is complied with.
 - ▶ Maintaining all the staff salary and related control accounts once we have access to your accounting system.
 - ▶ Ensuring compliance with the local statutory and tax requirements.
 - ▶ Preparing and submitting all payroll-related monthly, quarterly, and annual returns to the relevant authorities.

Immigration

We provide professional immigration services based on the latest related country's immigration laws, professional advice and guidance on the requirements and procedures.

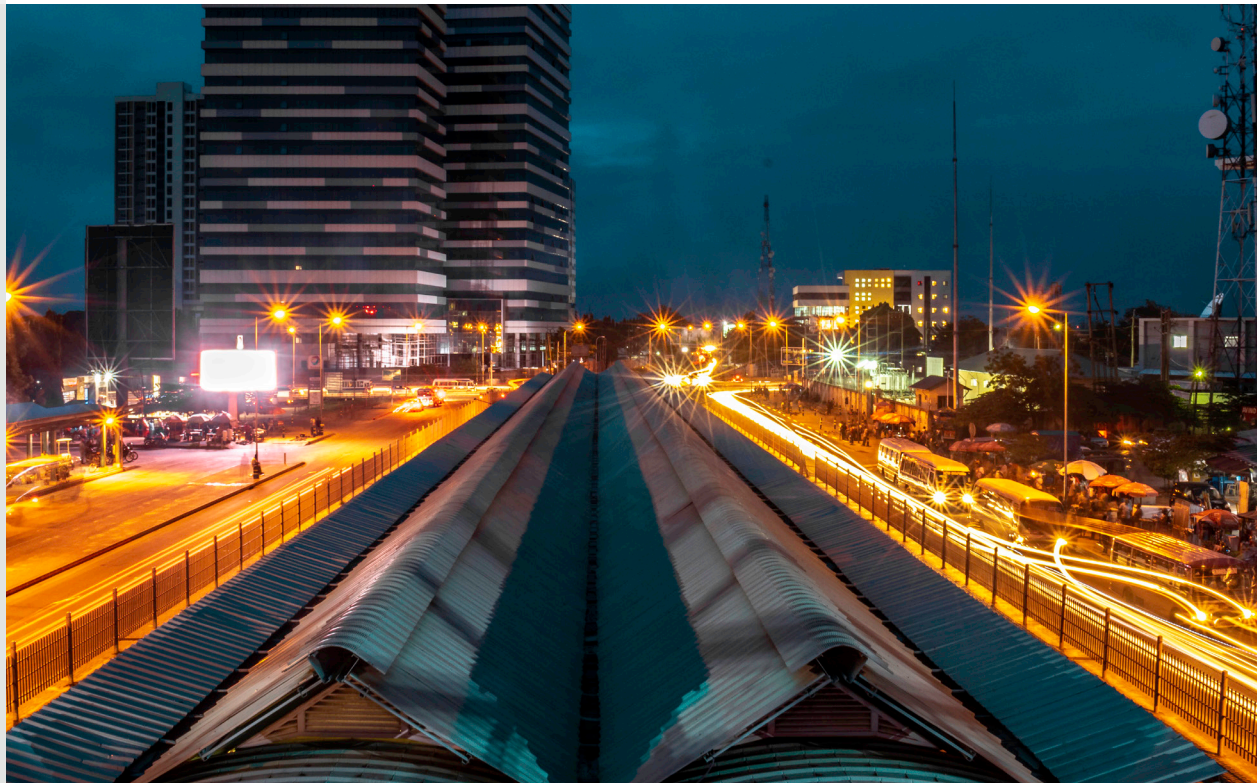
Key Contact



Silas Nalyanya

Silas is a General Manager at Adili Corporate Services Tanzania and a certified public secretary with over twelve years of experience. He supports public and private companies through company secretarial, shares registration and corporate trustee services.

Silas has significant experience in board management, board committee planning and the administration of annual general meetings for both listed and non-listed companies. He is also well-versed in corporate governance matters, including board corporate governance practice, induction, evaluation, charters and committee terms of reference, and company statutory health checks.



Planning your market entry strategy?

Talk to our experts

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