



# APPLICATION PROCEDURES FOR TAX INCENTIVES IN ZANZIBAR UNDER ZIPA INVESTMENT

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## PROCEDURES FOR CORPORATE TAX EXEMPTION

Investors may apply for corporate tax exemption after fulfilling the following conditions:

- Invest at least 75% of the capital specified in the Business plan/feasibility study;
- Start business operation

The application must be accompanied with:

- Audited Final Accounts
- Progress Report of the project
- Tax clearance certificate
- Valid Business license

**Please note:** *Application for Corporate Tax exemption shall be made in the first year of business operation.*

## PROCEDURES FOR EXEMPTION OF IMPORT DUTIES AND SIMILAR TAXES

Investor shall submit to ZIPA Bill of Quantity and a list of all capital goods to be imported as well as to be purchased locally for consideration and where appropriate be granted exemption. The list should be submitted in both hard and soft copy.

### **Exemption of Import duties**

For each consignment of approved imported materials, investor may apply for exemption in writing to ZIPA at least 2 weeks before arrival of goods in Zanzibar and submit together with the application 2 sets of the following documents:

- Bill of Lading/Air way Bill/Consignment notes/Local sale advise
- Customs Single Bill of Entry



## APPLICATION PROCEDURES FOR TAX INCENTIVES IN ZANZIBAR

- Invoice and
- Packing list

### **Value Added Tax Relief on local purchase**

For every goods to be purchased locally, investor may apply for Value Added Tax (VAT) relief to ZIPA and submit two sets of the following:

- A dully filled Value Added Tax form issued by Zanzibar Revenue Board
- Two copies of pro forma invoice

**Note:** *Investor shall pay 5% of the amount exempted to ZIPA as service charge, except for Strategic investment.*