



INVESTMENT CERTIFICATE IN ZANZIBAR UNDER THE ZANZIBAR INVESTMENT PROMOTION AGENCY (ZIPA)

Investment Certificate is issued to investor under Section 23 of Zanzibar Investment Promotion and Protection Act No. 14 of 2018. The minimum investment capital requirement for foreign investors are US\$2,5 million for hotel and real-estate investments and US\$ 300 thousand for other sectors capital required to establish hotel investment is US\$ 300 thousand and US\$ 100 thousand for other sectors. The issuance of investment Certificates involves two stages as follows:

STAGE 1: SUBMISSION OF INVESTMENT INTENTION FORM

Investor shall submit a concept note for the proposed project to be implemented in Zanzibar through Investment Intention Form which is available free of charge at ZIPA offices or can be accessed [here](#)

Once the concept note is accepted, the investor shall be notified and provided with Application Form for a non-refundable fee of US\$ 500 , to be paid at Peoples' Bank of Zanzibar at Account number 0400424000 (US\$) or its equivalent in Tanzanian Shillings at Account number 0404140000 (TZS); or advised otherwise. The processing time is 3 working days.

STAGE 2: SUBMISSION OF APPLICATION FORM

A dully filled application form should be submitted to ZIPA, accompanied with the following documents:

- Ten (10) copies of Business Plan/feasibility study
- Proof of availability of funds for investment including a bank statements for the last six months
- Passport copies, passport size photographs, CV and police clearance certificates from country of residence and country of origin of all Directors and shareholders



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- Certificate of Incorporation
- Memorandum and Article of Association
- Any other document to support the Application
- Receipt of the payment of Application Form.

Once investment proposal is approved by ZIPA, investor is issued with Investment Certificate. The Certificate is renewed annually until all approved capital is invested. Thereafter Investment Service License shall apply. The fee structure for the Interim Certificate is provided.

Please note: The Investment Certificate is issued within 7 working days or advise investor otherwise.

APPLICATION PROCEDURES FOR TAX INCENTIVES

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.



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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
- 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.

Building Permits

APPLICATION PROCEDURES FOR A BUILDING PERMIT

Building Permit is issued by Development Control Unit (DCU) through ZIPA after approval of drawings of the proposed project. All drawings should be drawn in accordance with Drawing Guidelines provided by DCU through ZIPA.

Investors shall apply a Building Permit to ZIPA and submit Ten (10) copies of proposed drawings for the project to be implemented. The drawing shall include the following:-

- Architectural Drawings
- Topographic Maps
- General Site Lay out Plan
- Plans, Section and Elevations of all Structures
- Architectural Details



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- Engineering/Structural Drawings
- Optional Drawing

Note: All submitted drawings should have a stamp of Zanzibar Board of Professional of Architects, Engineers, and Quantity Surveyors.

Work and Residence Permits

Application procedures for work and Residence permits Zanzibar Investment Promotion and Protection Act No.14 of 2018 provide an opportunity for the approved projects to employ expatriates in key positions that are determined by ZIPA. The issuance of Work and Residence Permits is governed by Employment Act No. 11 of 2005 and Immigration Act No.7 of 1995 respectively.

APPLICATION PROCEDURES

- All permit applications should be submitted to ZIPA office at Maruhubi on working days from 08:00AM to 02:00PM.
- All documents should be submitted in English or Swahili language. The State University of Zanzibar (SUZA) and Investors respective Embassies may be used for documents translation (if necessary).
- All applications should be accompanied with all required documents. Incomplete applications shall not be received.
- Full submission of documents does not guarantee the issuance of permits. The Competent Authorities reserve the right to approve/disapprove any application.
- All Academic and Professional certificates must be certified by Competent Authorities such as University, High Court and the like
- Evidence of original Police Clearance shall be required during submission of the application for which Investors should bring with them during the submission of application.
- Permit renewal must be done timely to avoid penalty. Any delay in submitting application to ZIPA for renewal of permits shall attract a penalty of United State Dollars ten (US\$ 10) payable to ZIPA for each delayed day for both investor as well as expatriates.
- Investors shall bring with them passport of the applicant for any permit cancellation application. Failure to submit the passport, Investor shall be liable to a penalty of US\$ 300, payable to ZIPA.



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- The issuance of Work and Residence permits shall not exceed 14 working days from the date of submission. Investors are advised to make their payment on time to avoid unnecessary delays. All payment should be deposited to PBZ Bank at account number 0400485001 (USD), 0400485000 (TZS) for Work permit and account number 0400257000 (USD) for Residence permit.
- All approved Permit/Passport shall be collected at ZIPA on working days from 01:00PM to 03:00PM.
- The wage of every employee shall be payable in legal tender directly deposited to each employees local bank account and any agreement to the contrary shall be null and void.
- It is an offence for any foreigner to work without a valid work permit. It is also an offence for any employer to employ or permit any foreigner without a valid work permit to work in his or her establishment.

NEW APPLICATIONS

For each post to be filled by non-citizen, investor shall apply in writing to ZIPA for a work and residence permits, prior to the arrival of the applicant in Zanzibar and submit together with the application the following documents:

For shareholders

- Three (3) copies of passport
- Three (3) sets of Curriculum Vitae (CV)
- Nine (9) passport size photographs
- Three (3) certified copies of Police Clearance Certificate from country of origin and residence.
- Three (3) copies of Company Memorandum and Article of Association
- Three (3) copies of Certificate of Incorporation/Compliance
- Three (3) copies of Board Resolution certified by Registrar of Companies (if applicable)
- Two (2) copies of Business License / Investment Certificate
- Evidence of business premises (if applicable)
- Three (3) copies of TIN Certificate
- Immigration forms (TIF1, TIF 12 and Data sheet-original and its copies)

FOR EXPATRIATES

- Three (3) certified copies of academic and professional certificates
- Three (3) sets of Curriculum Vitae
- Three (3) passport copies



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- Nine (9) passport size photographs
- Three (3) certified copies of Police Clearance Certificate from country of origin and residence.
- Three (3) original sets (and 2 copies) of Employment Contract which is in line with section 57 of Zanzibar Employment Act no. 11 of 2005
- Three (3) sets of Job description
- Permit from appropriate Body/Ministry (e.g. Medical Doctors Board for doctors etc.)
- Medical report certifying fitness of the applicant for the post being applied for.
- Evidence of unavailability of local personnel for the post
- Special Pass , Business Visa ,Temporary Work Permit (if applicable)
- Immigration forms (TIF 1, TIF 12 and Data sheet original and its copies)

FOR DEPENDENTS

- Two (2) copies of Passport of dependent
- Four (4) passport size photographs of the dependent
- Two (2) copies of work and residence permits of a sponsor
- Two (2) copies of evidence of relationship to sponsor (eg. marriage certificate for spouse)
- Immigration forms (TIF2 and TIF 12 - original and its copy)

RENEWAL OF WORK PERMIT

Work permit is valid for one year and can be renewed. Where a work permit is about to expire and the applicant is eligible for renewal, investor shall apply to ZIPA for the renewal, at least 14 working days before expiry date of the permit. The application shall be made in writing and accompanied with the following documents:

FOR SHAREHOLDERS

- Original expiring work permit and its copy
- Three (3) passport size photographs
- Receipt of payment of outstanding dues from ZIPA (if applicable)
- Tax Clearance Certificate issued by Tanzania Revenue Authority.

FOR EXPATRIATES

- Original expiring work permit and its copy
- Three (3) passport size photographs
- Two (2) sets of updated Curriculum Vitae (CV)



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- Bank statement of a previous year
- Two (2) copies of existing contract of employment or three (3) sets of original contract of employment plus its copy (for new contract)
- Tax Clearance Certificate issued by Tanzania Revenue Authority.
- Permit from appropriate Body (e.g. Medical Doctors Board for doctors etc.)
- Receipt of payment of outstanding dues from ZIPA (if applicable)

REPLACEMENT OF RESIDENCE PERMIT

Where a residence permit is about to expire, and the same is eligible for replacement, investor shall apply to ZIPA for its replacement at least 14 days before expiry date. The application shall be made in writing and accompanied with the following documents:

FOR SHAREHOLDERS

- Original Passport and its two (2) copies
- Original expiring permit and a copy
- Seven (7) passport size photographs
- Two (2) copies of Tax Clearance Certificate issued by Tanzania Revenue Authority
- Two (2) copies of work permit
- Special pass (if applicable)
- Financial statement (if applicable)
- Immigration forms (TIF 1, TIF12 and Data sheet)

Note:

FOR EXPATRIATES

- Passport and its two (2) copies
- Original expiring residence permit and its copy
- Two (2) copies of Work permit
- Seven (7) Passport size photographs
- Two signed copies of attested employment contract
- Tax Clearance Certificate issued by Tanzania Revenue Authority
- Permit from appropriate Body (e.g Ministry of Education for teachers) if applicable
- Special pass (if applicable)
- Immigration forms (TIF 1, TIF 12 and Data sheet)



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FOR DEPENDENTS

Where a Dependent pass is about to expire, investor shall apply for the renewal of the same at least 14 days before expiry date. The application shall be made in writing to ZIPA and accompanied with the following documents:

- Original Passport and its two (2) copies
- Expiring Dependent Pass and its copy
- Two (2) copies of work permit of a sponsor
- Two (2) copies of residence permit of a sponsor
- Four (4) passport size photographs
- Two (2) copies of evidence of the relationship (e.g. marriage certificate for spouse)
- Immigration forms (TIF 2 and TIF 12)

CANCELLATION OF WORK AND RESIDENCE PERMITS

FOR INVESTORS

Where investor decides to cancel the work and residence permits, shall apply in writing to ZIPA and submit the following documents:

- Passport and its copy
- Original Work and Residence permits and their copies
- Dependent Pass (if any)
- Tax Clearance Certificates issued by TRA
- Recent Audited Final Accounts
- Board Resolution approved by Registrar (if applicable)
- Winding up certificate from the Registrar of Companies (if applicable)
- Business closure certificate from the Registrar of Companies (if applicable)

FOR EXPATRIATES

Where a contract between an expatriate and employer is about to end/terminated, and is not eligible for renewal employer shall apply to ZIPA for the cancellation of both work and residence permits at least 7 days before departure. The application shall be made in writing and accompanied with the following:-

- Passport of the applicant and its copy
- Work permit and its copy
- Residence permit and its copy



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- Income Tax Clearance Certificate
- Dependent Pass (if any)
- Receipt of payment of outstanding dues from ZIPA (if applicable)
- Return ticket of the applicant

TEMPORARY WORK PERMIT

This permit is issued for temporary assignment for a period of less than six (6) months. The application shall be made in writing to ZIPA and accompanied with the following documents:-

- Two (2) copies of Passport
- Three (3) passport size photographs
- Two (2) sets of Curriculum Vitae
- Two original contract of the assignment and its copy
- Business Visa or Business Pass

Investors investing in Free Economic Zones are granted the following tax incentives:-

- 10 year Corporate Tax Holiday and 25% tax rate for the subsequent ten years.
- 10 year withholding tax holiday on dividends to non residents.
- Duty and VAT Exemption on raw materials, machinery, equipment and other inputs.
- Stamp Duty Exemption
- 100% investment deduction on capital expenditure within 20 years.
- Exemption from Tax on dividend for ten years.
- Duty and Tax free Import of goods from domestic area permissible.
- Duty Free import of raw materials for construction of factory buildings.
- Duty free export of goods produced.
- Exemption of income Tax on interest on borrowed capital.
- Exemption from payment of all taxes and levies imposed by local government authorities for goods and services produced in Free Economic Zones.
- On site custom inspection of goods in lieu of off-port inspection.

Investors investing in Free Zones are granted the following tax incentives:

- Exemption from any tax on all goods destined for re-export.
- Exemption from local taxes on all goods produced in Freeport for export



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- Exemption from payment of corporate tax for the first 20 years.
- No limit to the durations that goods may be stored to Freeport Zones.
- 100% retention of all profits.
- 100% foreign ownership allowed.
- Free repatriation of profit.

NB: 20% of turnover is allowed for sale at the local market and is subject to the payment of all taxes.