



REGISTRATION OF A COMPANY IN TANZANIA, FREQUENT ASKED QUESTIONS

What is Company?

A **company**, is a [legal entity](#) made up of an [association](#) of people, be they [natural](#), [legal](#), or a mixture of both, for carrying on a [commercial](#)/investment or [industrial enterprise](#). Company members share a common purpose, and unite to focus their various [talents](#) and organize their collectively available [skills](#) or [resources](#) to achieve specific, declared [goals](#).

A company or association of persons can be created at [law](#) as a legal person so that the company in itself can accept [limited liability](#) for civil responsibility and taxation incurred as members perform (or fail to discharge) their [duty](#) within the public.

In order for registration of a company in Tanzania and setting up a company in Tanzania to take effect under the Companies Act (Act no. 12 of 2002), it must have a memorandum and articles of association amongst other things. To register a company in Tanzania is a right of those who wish to associate and form themselves into a company pursuant to the existing company laws.

What are the types of companies in Tanzania?

- **Unlimited companies**

They are a fairly rare type of corporation aggregate as each member is jointly and severally liable for the debts of the company in the event of its winding-up. The incorporation of an unlimited company may be suitable where limited liability is not essential but perpetual succession is important. An unlimited company does not have to file accounts with the registrar of companies, unless it is the parent or subsidiary of an undertaking whose member's liability is limited at that time. An unlimited company may or may not have a share capital.

- **Companies limited by guarantee**

Another type of corporation aggregate is a company limited by guarantee. Each member undertakes upon the winding-up of the company to contribute to its assets up to a specified amount.(Section 3 (2)(a) and (b) of the Companies Act of Tanzania.

- **Companies limited by shares**

Each member's liability is limited to the amount, if any, unpaid on the shares held by him/her. A company limited by shares can either be a "private company" or a "public



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company”.

1. **Private company**

A private company is defined as any company that is not a public company. A private company tends to be smaller than a public company and cannot issue shares to the public. The registration of companies in Tanzania requires for a Public company to be formed of two or more members but not more than fifty members. (Article 2 of Part II of the schedule to the Tanzania Act)

1. **Public company**

Companies whose shares are traded freely on a stock exchange. In a public company, the shares are made available to the public. The shares are traded on the open. The registration of companies in Tanzania requires a Public company to be formed or seven or more members.

Where to register a company in Tanzania?

Being legally recognized as an entity possessing legal capacity with all the favors and entitlements, a company has to be registered for its existence to be honored. Thus, in Tanzania, the law under the Companies Act provides for the requirement of all companies to be registered to the responsible authority (**BRELA**). The Business Registrations and Licensing Agency (BRELA) is an Executive Agency under the Ministry of Industry and Trade responsible for business administration and regulation of the laws; namely Companies Registration, Business Names Registration, Trade, and Service Marks Registration, granting of Patents and issuing of Industrial License. It was established under the Government Executive Agencies Act No. 30 of 1997 and formally launched on 3rd December. The Registration of a company in Tanzania is done by qualified lawyers or law firms such as ABC Attorneys.

How to register a foreign Company in Tanzania?

A company that has been incorporated outside of Tanzania may establish a branch office in Tanzania by obtaining a Certificate of Compliance from BRELA (s. 433(1) of the Companies Act. A company is treated as a foreign company when it is incorporated by the laws of the foreign countries or its management, the majority number of the shareholders are foreigners and where management control is exercised outside Tanzania. Registration is done by submitting the application online.



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What are the requirements for the registration of a foreign company in Tanzania?

- A certified copy of the charter, statutes or memorandum and articles of the company or other instrument constituting or defining the constitution of the company from the country where the company was formed
- A list containing particulars of the directors and secretary of the company as to residential addresses, personal details
- Tax Payer's Identification Number (TIN) for one of the director's Identification
- A statement of subsisting charges created by the company related to property located in Tanzania
- Name(s) and address (es) of one or more person(s) resident in Tanzania authorized to act as the company's representative
- Full address of the registered principal place of business and place of business in Tanzania
- A copy of the most recent audited accounts
- Copies of Passports if there are foreign directors, shareholders, or secretaries.

How to register a local company in Tanzania?

The company to be registered in Tanzania as a local company must have been formed by the laws of the land, and during the registration process, an application needs to be submitted with the following;

- A copy of a memorandum and articles of the company stipulating the objects and operation of the company.
- Full address of the registered principal place of business
- A list containing particulars of the directors, shareholders, and secretary of the company as to residential addresses, personal details
- A list of the activities to be carried on by the company
- Tax Payer's Identification Number (TIN) for all the directors
- Personal residential addresses and details for all the directors (in the format of, Region, District, Ward, Block No, Plot No, House No, Street and Road)
- Proposed Company's name
- Copies of Passports if there are foreign directors, shareholders, or secretaries.



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How long does it take for the Certificate of Incorporation/Compliance to be issued?

It takes about 7 to 14 days after payment has been effected for the certificate of incorporation or compliance to be issued. A certificate of incorporation or Compliance of the company plays an evidential role as for the existence of the company and its legal capacity.

How to obtain a Tax Payer's Identification (TIN) Number for Company?

Next after obtaining the certificate is an application for the Tax Payer's Identification Number (TIN) of the company from the Revenues Authority (TRA). The certificate is proof to a person or an entity that has been registered as a taxpayer.

A person (director or anyone with a registered power of attorney to act on behalf of directors or a company itself) need to fill the specific forms of application. The TIN application form has to be accompanied by the following.

1. Copy of the Company's Memorandum and Articles of association
2. Certificate of incorporation
3. Lease Agreement as for the registered place of Business of a Company
4. Copies of directors'/shareholders' Identity Cards or Passports.
5. Passport size
6. Letter from the local government where a registered place of business of a company rests.

How to obtain a Business License for the company?

Business licenses are permits issued by government agencies that allow individuals or companies to conduct business registered within the government's geographical jurisdiction. It is the authorization to start a business issued by the local government or certainly responsible authorities. In order to obtain a Business License one must fulfill the following requirements:

1. Certified copy of the Memorandum & Articles of Association;
2. Certified copy of a Certificate of Incorporation/compliance;
3. Certified copy of a TIN certificate obtained from the Tanzania Revenue Authority;
4. Certified copy of the Tax Clearance obtained from the Tanzania Revenue Authority;
5. Certified copy of the Lease Agreement (stamp duty & Withholding tax paid) for the office; and



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6. Directors/ Shareholders Passport copies or Copies of National Identity Cards.

What are the advantages of registering a Company in Tanzania?

A company registered under the laws of Tanzania will acquire an artificial legal capacity with an ability to stand alone on its registered name, acquire and dispose properties in its name, sue and be sued, and have perpetual succession. A certificate of incorporation of a company acts as evidence for the existence of the company.

What are the post-registration requirements of the company?

Since it is treated as an artificial living legal entity, a company does not rest as after registration. This is to say that, after incorporation and start of the business, a company is still under obligation to furnish the authorities or agencies with various things. Below are the post-registration matters to be adhered or performed by the company;

1. Updating annual returns of the Company to BRELA (Online),
2. Paying revenues, for example, Income tax from employment (PAYE for employees where a company acts as a withholding agent), Corporate Tax and VAT,
3. Making Contributions to Social Security schemes as for employees,
4. Undertake Corporate Social responsibility and
5. Properly maintain books of accounts and other financial credentials.

ABC attorneys help in the Registration of Companies in Tanzania as well as the post-incorporation compliance matters such company secretarial duties and tax matters.