



Repatriation of Profit by Foreigners in Tanzania

Repatriation of Profit meaning:

Repatriation of profit is the ability of a firm to send foreign-earned profits or financial assets back to the firm's home country in hard currency such as USD, EUR and others, after meeting the host nation's tax obligations.

Tax repatriation is the process by which multinational companies bring overseas earnings back to the home country.

Repatriation Tax :

Where a branch (domestic permanent establishment) of a foreign company operates in Tanzania, its profits are charged at the rate of 30% of taxable income and funds repatriated by the branch to its foreign company are charged at the rate of 10% on repatriated income as provided in section 72 of the Act.

Residents are liable to income tax on a worldwide basis, while non-residents pay tax only on Tanzania source income. Persons present in Tanzania for at least six months are regarded as residents for income tax purposes.

Residents are subject to taxation on their worldwide income in Tanzania. On the other hand, non-residents are subject to tax with a flat rate of 15% on the employment income, which is the final rate. The disposal of an investment in Tanzania is subject to a tax rate of 15% for residents and 30% for non-residents.