

Zanzibar Investment Guide

Your Gateway to
Invest in Zanzibar







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MESSAGE FROM THE PRESIDENT

Zanzibar has opened doors for domestic and foreign sustainable investments to achieve the economic transformation and aspiration of Zanzibar Development Vision 2050. It is my pleasure to present the revised version of the Zanzibar Investment Guide (a Gateway to Invest in Zanzibar) that will be a crucial tool for realization of Zanzibar Development Goals for providing all relevant information regarding investment in Zanzibar.

The Zanzibar Investment Guide was revised to highlight Blue Economy investment opportunities particular high-end investment in small islands and other offshore and onshore related investment activities. In addition, the guide was necessitated to reflect the amendments of the Zanzibar Investment Promotion and Protection Authority Act. No.14, 2018 which bring the new investment incentives for strategic investment.

It is my sincere hope and conviction that this revised guide will be helpful to our esteemed partners in development, both local and foreign investors and will make Zanzibar more attractive and competitive investment destination, regionally and globally.

I'm delighted to personally extend a warm welcome to prospective investors across all walks of the world to come and take advantage of the conducive and friendly business environment by investing in Zanzibar.

We therefore look forward to host you and partnering with you for mutual benefits.

Ahsante.
Karibuni sana.

DR. HUSSEIN ALI MWINYI
PRESIDENT OF ZANZIBAR AND
CHAIRMAN OF THE REVOLUTIONARY COUNCIL.



MESSAGE FROM THE MINISTER

Having recognized the role of dissemination of relevant investment information to various stakeholders, Zanzibar Investment Promotion Authority (ZIPA) has revised its Zanzibar Investment Guide to accommodate all necessary information regarding investment in Zanzibar. I'm highly delighted on the rich information provided in this guide.

The revised investment guide details the overview of Zanzibar as an investment destination, details on why invest in Zanzibar, the potential investment opportunities available in Zanzibar. It also details on high-end investment in small islands and Free Economic Zones. Furthermore, the guide elaborates the details information on the procedures for the application of investment certificate in Zanzibar. Lastly, the revised guide ends to provide the lucrative incentives and mentioned the responsibilities and functions of the main government entity responsible for investment promotion, facilitation and aftercare services in Zanzibar.

I take this opportunity to welcome all the prospective investors who seek to investment in our beautiful islands of Zanzibar.

We look forward to working with you as a collaborative partner in responsible and sustainable development.

Thank you all.

HON. MUDRIK RAMADHAN SORAGA
MINISTER OF STATE, PRESIDENT'S OFFICE,
LABOUR, ECONOMIC AFFAIRS AND INVESTMENT.



MESSAGE FROM THE EXECUTIVE DIRECTOR (ZIPA)

Zanzibar Investment Promotion Authority (ZIPA) is your gate for investing in Zanzibar, and the gate is wide open. ZIPA is at the forefront of the investment drive in Zanzibar and we warmly welcome investors from across the globe to join us in this paradise of endless opportunities.

The revised investment guide details the overview of Zanzibar as an investment destination, details on why invest in Zanzibar, the potential investment opportunities available in Zanzibar. It also details on high-end investment in small islands and Free Economic Zones. Furthermore, the guide elaborates the details information on the procedures for the application of investment certificate in Zanzibar. Lastly, the revised guide ends to provide the lucrative incentives and mentioned the responsibilities and functions of the main government entity responsible for investment promotion, facilitation and aftercare services in Zanzibar.

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Thank you all.

SHARIFF A. SHARIFF
EXECUTIVE DIRECTOR,,
ZANZIBAR INVESTMENT PROMOTION AUTHORITY (ZIPA)

ZANZIBAR AT A GLANCE

Zanzibar

Zanzibar is an archipelagic of two main islands of Unguja and Pemba and more than 50 islets.

Size

It covers a land area of 2,643 square kilometers (Unguja 1658 and Pemba 985) and an Exclusive Economic zone (EEZ) area of 223,000 square kilometers.



Population

About 1.6 million (2019/20 HBS), at growth rate of 2.8%.



Location:

It is located about 35 km off the coast of East Africa between 5 and 7 degrees south of the Equator and distance of about 257.56 nautical miles (477.32 km) and about 73 km (24 min) by flight to Tanzania Mainland.



Political:

Zanzibar is a Semi-Autonomous part of United Republic Tanzania, with an autonomous Government that has the President Cabinet, Legislature and Judiciary System.



Weather

It is tropical, hot & sunny. On average there are over 2750 hours of sunshine per year.

Accessibility:

It is accessible by air and sea. It has its own both airports and seaports which serve both domestic and international flights.

GDP Growth rate:
7.0% (2019).

GDP Per capita:
USD 1,099 (2019).

Inflation Rate:
3.4% (2019).

Currency
Tanzanian shillings (TZS).

Exchange Rate
1USD: TZS 2,300 (2021).

Culture
Swahili culture (cocktail of African, Arabian and Indian).

Official Language
Kiswahili & English.

Local time:
3 hours ahead GMT.



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WHY INVEST IN ZANZIBAR?

Stability and Investment Guarantees

Zanzibar is politically, socially and economically stable. Private investments are protected under domestic laws and through international conventions. The legal and regulatory framework is conducive to investment.

Strategic Location

Zanzibar has been a trading hub for millennia. Due to her geographical location, it has become an ideal place for companies that need to do business with mainland Africa and beyond.

Abundant Resources

Zanzibar has abundant resources in the areas of agriculture and marine industry. Its lovely sandy beaches and warm sunshine make it conducive for tourist investment. Zanzibar has recently discovered oil and gas which opens its doors to more investment.

Workforce

Zanzibar offers a young and dynamic workforce. It also gives investors an opportunity to employ expatriates in key positions. The Zanzibar Investment Promotion Authority (ZIPA) is available to facilitate the engagement of local labour force as well as processing necessary documents for expatriates.

Market Potential

Zanzibar is unique with outstanding differences from other island small economies in the world. Being part of the United Republic of Tanzania, it has huge market potential with a population of over 50 million. Since the United Republic of Tanzania is a member of East African Community (EAC) and Southern African Development Community (SADC), Zanzibar has easy access to a market area with over 300 million people. Besides, Free Economic Zones provide opportunities to investors who wish to conduct re-export business by putting their processing industries and repacks for the foreign market.

Predictable Fiscal Regime

Zanzibar has a stable and predictable fiscal regime that, among other things, recognizes the importance of the companies to recover investment costs prior to the payment of corporate tax.

Magnificent Business and Leisure Destination

The people of Zanzibar are very friendly and hospitable; and investors will find the Island a lively place for both work and leisure.

100% Foreign ownership is allowed

Zanzibar offers lucrative incentive packages to investors, where foreign investors are allowed to own hundred percent of their businesses.

3 | INVESTMENT OPPORTUNITIES

THE BLUE ECONOMY

In the context of Zanzibar, Blue economy means the sustainable use of the sea, coast and other water bodies. The BE in Zanzibar covers fisheries and aquaculture, maritime trade and infrastructures, ecotourism, energy sector and processing industries for marine products.

Tourism

Zanzibar has a competitive advantage in the tourism industry because of its nature, cultural heritage, history and renowned tradition of hospitality. Investment Opportunities include:

- Up market hotels/resorts specifically chain hotels
- Sports tourism
- Conference tourism.
- Health tourism
- Heritage tourism
- Mariners
- Special cuisine restaurants (Joint venture)
- Amusement and recreation activities
- Tour operation (Locals only)





FISHERIES

Zanzibar is surrounded by territorial waters totaling 4,450 km², which provide ample opportunities for fishing and Aquaculture. Zanzibar is also surrounded by many reefs that drop off into vertiginous crevasses 40 meters deep, wreathed in a plethora of marine species, undersea mountains, and gorgonians.

Zanzibar is blessed with 20,000ha of mangrove forests along her coastline. Zanzibar shares Exclusive Economic Zone (EEZ) of about 223,000 km² which is the pathway of major Indian Ocean currents which favor abundant fish stocks making the area have various fish hotspots suitable for deep-sea fishing. Zanzibar's fish reserves are among the largest on the Eastern Coast of Africa. Zanzibar has two fishing seasons February to May and July to September.

Fisheries Investment Opportunities:

- Deep-sea fishing (snappers, emperors, tuna, swordfish, marlin, kingship, sailfish)
- Construction of boat building factory
- Ice making plants
- Establishment of dry dock fishing vessels facilities
- Manufacturing of fishing gears.

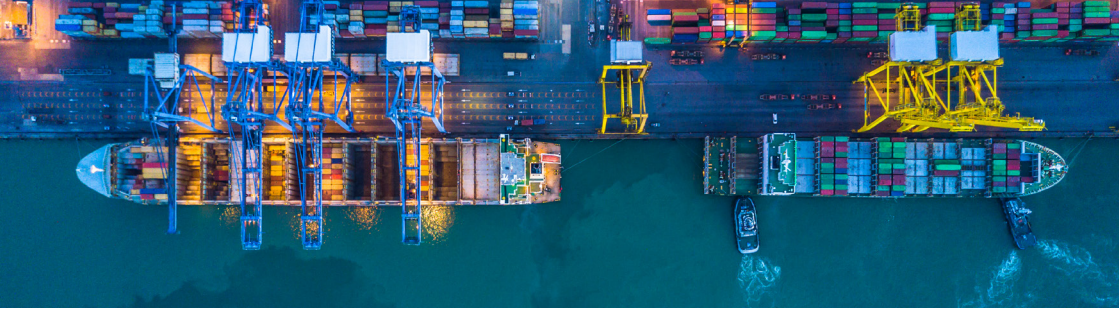
AQUACULTURE

Zanzibar has a vast space of about 600km of coastal line for the local aquaculture operations and also lies on the crossroads of many rare marine resources and biodiversity of about 1400 species like sea cucumber, milkfish and other organisms. Zanzibar is endowed with many small water bodies that include many bays, lagoons, tidal flats that provide ideal sites for aquaculture activity like cultivation of seaweed.

Seaweed is a commodity with a high investment potential; it is currently produced in 88 constituencies and employs 15,859 farmers, the majority of whom are women. Seaweed is a lucrative investment opportunity due to its numerous health, wellness, and esthetic benefits.

Aquaculture Opportunities

- Seaweed cultivation.
- Fish farming.
- Value addition in seaweed production.
- Establishment of hatcheries.
- Pearl Farming.



MARINE TRADE AND TRANSPORTATION

Zanzibar vision is to become a Marine service harbor. This will create various investment opportunities across the Zanzibar Coastline.

Investment Opportunities:

- Integrated harbor
- Development of marine service harbor
- Cargo and Shipment
- Cruise ports
- Transport Hub

ENERGY (OIL & GAS)

The high rate of economic growth in Zanzibar, combined with the development of the tourism sector, has increased energy demand. This demand creates a potential market for renewable energy investment.

Investment Opportunities:

- The potential source of energy available in Zanzibar as per an EU study conducted in 2017 are solar and wind.
- Zanzibar has huge potential for oil and natural gas.



OTHER INVESTMENT OPPORTUNITIES

ICT, MEDIA AND TELECOMMUNICATION



Zanzibar has a robust legislative framework for facilitating Information Communication Technology (ICT) and media services. The telecommunication system is also another avenue in which the country has a strong regulatory framework that governs the sector and supports the investment.

Investment Opportunities:

- Telecommunication services
- Media company
- ICT Data centers and hubs
- Publishing activities
- Programming and broadcasting activities
- Computer programming, consultancy and related activities

MANUFACTURING



Zanzibar is committed to developing a modern manufacturing industry with backward and forward linkages. Due to their immediate social-economic linkages and development impact, the following opportunities are among the preference.

Food Agro-processing Industries for Milling, Processing, Packaging and Canning

- Meat, fish and poultry products;
- Horticulture Food products: vegetables and fruits;
- Natural sweetness: sugar, honey and their derivative products;
- Salts: Rock salts and sea salts;
- Dairy Products: milk and milk products;
- Beverages: soft drinks and organic juices; Natural Food Additives: spices, seaweed and culinary herbs

Apparel and Beauty Products Industries

- Garments;
- Cosmetics and fragrances;

Building and Construction material industries

- Household electrification material for wiring and lighting;
- Sanitary ware, ironmongery and plumbing accessories;
- Bricks and building blocks;
- Construction aggregates;
- Wall Protection Paints, Wallpapers and Roofing Materials;
- Wood Building Columns, Panels and Decorative Products;
- Construction stones, Decorative and Paving Stones;
- Building Construction Glass and Decoration Glass/Glassware;
- Gypsum Building Columns & Panels, and Decorative products.

Agriculture

The climate of Zanzibar allows different types of crops, vegetables and fruits to be grown and processed. There is, therefore, great potential for agro-related industries which private investors can engage in.

In Zanzibar, you only enjoy fresh fruits, fresh vegetables and freshly brewed fruit juice of your choice—a healthy way of life. Investment opportunities include:

Crop Production

- Flower production in green houses
- Fruit and vegetable production through hydroponics techniques
- Agro processing and value addition
- Exportation of fresh fruits such as oranges, rambutan, dorians, mangoes and pineapples





Animal Production

- Dairy farming
- Animal feed production
- Poultry farming and processing
- Construction of modern slaughter house Establishment of parent stock farms with hatchery

Spices

For centuries Zanzibar has been exporting quality exotic home-grown spices to the world market. Our famous traditional spice is clove. Others are cinnamon, cardamom, nutmeg, ginger, black pepper and chilies.

Untapped opportunities in spices are the 'value addition' and processing by-product such as perfumes, perfumed soap, medication and food processing items.

Real estate Development



Real estate is an emerging business in Zanzibar. Demand for residential, industrial and commercial purposes buildings is on the rise in Zanzibar. The opportunities are:

- Residential and commercial buildings Business/Industrial Parks
- Shopping Malls
- Mixed-use development
- Construction of ZIPA
- Business Tower in Pemba under concession arrangements







Stone Town

The Stone Town of Zanzibar boasts a nearly preserved urban fabric and townscape dated from 18th Century, as well as many excellent buildings that reflect its unique culture, which has brought together and homogenized various components of African, Arab, Indian, and European cultures over millennia. In 2000, Zanzibar was inscribed as a UNESCO World Heritage Site with Outstanding Universal Value. It is home to 2,770 tall houses as well as numerous ancient memorials and attractions.

Due to the area's global historic classification, the stone town is reserved for only small-scale real estate development such as hotel, restaurant and refurbishing building for offices and like.

Social and Finance Service Sectors

The provision of social services to the public is the priority area for the Government of Zanzibar. To this end, The Revolutionary Government of Zanzibar has liberalized the provision of social and other basic services in health, education, insurance, banking and other sectors.

There is significant increasing demand for quality and professionally delivered services in all sectors. The Government as thereby invested in skills and development and continues to attract private investment in these social services sectors.

Health Care Opportunities

- Health Research Institute
- Pharmaceutical industries
- Health City
- Private Hospitals
- Establishment of specialized hospitals and diagnostic centers



Education Investment Opportunities

- Vocational Training Centres,
- Research and Innovation Centres
- Establishment of maritime institutes
- Establishment of modern colleges for hospitality industry

Financial & Insurance Services Investment Opportunities

- Establishment of Financial services including investment banks
- Establishment of insurance business

Aviation Services

Zanzibar is well-connected to the rest of East Africa, the Common Wealth, and the Gulf countries due to its strategic geographical location. Zanzibar is served by major international airlines such as Qatar Air, Oman Air, and Lufthansa, to name a few. The recently completed airport terminal has a capacity of 2 million passengers per year, increasing the number of investment market opportunities.

Investment Opportunities

- Cargo and ground handling services
- Establishment of airline services
- Aircraft maintenance



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HIGH END INVESTMENT IN SMALL ISLANDS

Zanzibar is an archipelago made up of two main islands, Unguja and Pemba, as well as several smaller islands (islets). In total, there are estimated to be fifty-seven (57) islets in Zanzibar, 32 in Pemba, and 25 in Unguja, with nine (9) in Pemba and two (2) in Unguja being inhabited. All islets offer unique investment opportunities that are tailored to their nature and diversity.

Investing in Small Islands

Zanzibar welcomes investments in specially selected islets with High Ends Investment projects that do not disturb the delicate nature of both the terrestrial and marine environments, as well as the islets' neighboring communities. An islet that has been opened up for investment is made available to the public through a transparent and competitive bidding process, which is followed by a biodiversity inventory study conducted by the Government to provide a baseline for protection and development guidance.

The successful bidder receives a Land Lease Agreement. In exceptional circumstances, the Government may lease an islet, a portion of an islet, or a cluster of islets directly to an investor with an exceptional track record of major investments that have demonstrated environmental stewardship or for strategic investment.



Investment Opportunities in Small Islands

Zanzibar islets provide a unique and untapped investment opportunity in high-end tourism, including the following:

- High-end boutique and luxury hotels
- Restaurants, including specialty cuisines;
- Nature and adventure activities such as water sports, scuba diving, and transportation;
- Educational tourism;
- Nightlife activities

5 | FREE ECONOMIC ZONES

Free Economic Zones (FEZs) are geographical areas that have more enticing incentivized economic regulations than the rest of the country. Free Economic Zones were created specifically to attract investment, particularly foreign direct investment (FDI), in labor-intensive projects to increase exports. Companies that locate their operations in these designated areas of Zanzibar generally benefit from simplified customs and other administrative procedures.

As the custodian of the Free Economic Zones, Zanzibar Investment Promotion Authority (ZIPA) readily offers potential investors land, office space, and warehouse space for lease in the zones. The Zanzibar Revolutionary Government is welcoming the private sector in infrastructure development in the Free Economic Zones through Public-Private Partnership (PPP) arrangements. Zanzibar currently has five Free Economic Zones:

- Fumba Zone
- Micheweni Free Economic Zone
- Amaan Industrial Park
- Maruhubi Free Port Zone
- Airport Free Port Zone







Fumba Zone

In 1992, Fumba Zone was designated as an Export Processing Zone (EPZ). It is located on the southwest coast of Unguja Island, about 24 kilometers from Malindi seaport and 10 kilometers from Zanzibar's main airport, Abeid Amani Karume International Airport (AAKIA).

The declared zone encompasses approximately 3,000ha of land, which is divided into residential and light industrial areas.



Fumba zone is an excellent location for real estate development, customer-tailored construction of industrial sheds or warehouses, and light engineering projects that make the best use of locally available raw materials. The Fumba Master Plan is in place, and the projects are expected to be developed in phases due to the size of the area.

Micheweni Free Economic Zone

Micheweni Free Economic Zone, with an area of 808.8ha, is located in the Northeastern tip of Pemba, approximately 75 kilometers from the Mkoani seaport and 45 kilometers from Chake Chake Airport. The zone provides uninhabited and ready land for a variety of investments. Micheweni borders the sea and is ideal for fishing, fish processing, and related products. The Micheweni Free Economic Zone Master Plan is in place, and it divides the zone into industrial (547.4ha) and residential (261.4ha) areas.



Amaan Industrial Park

The Amaan Industrial Park was designated as a zone in 1993. It is only 3 kilometers from Malindi's seaport and 2 kilometers from Amani Abeid Karume International Airport. Amaan Industrial Park has been developed and is now operational on a 12.5ha plot of land. This zone is home to the manufacturing and processing industries. The existing infrastructure consists of industrial sheds/warehouses, office spaces, all necessary utilities such

Maruhubi Free Port Zone

The Maruhubi Zone is about 5 kilometers from Zanzibar's main port (Malindi Seaport, which handles about 99.8 percent of total imports) and has all basic facilities such as cargo handling equipment, 24-hour security, utility services (electricity and water), and telecommunications services

The zone has so far attracted 24 projects mainly transit trade business. Maruhubi Zone is ideal for goods to be trans-shipped or warehoused to have minimal administrative and operational efficiency and security to meet the market needs of today's international trade.

AirPort Zone

The Airport Zone is the most recently declared zone, and it is intended to serve air cargo. It is part of the cargo village in the master plan for Abeid Amani Karume International Airport. Investments in the site's development, as well as management of its future operations, such as a logistics park and other related activities are encouraged.

Free Economic Zones Investment Opportunities

Infrastructure Development

- Establishment of Industrial sheds and other types of storage facilities such as chillers and warehouses.
- Infrastructure development (Roads network within the zone, Sewage and drainage system, Power generation and distribution network, Clean water, and ICT facilities).

Industrial Sites

- Investment opportunities include manufacturing, processing, assembling, and packaging of various commodities such as:
- Food agro-processing industries for milling, processing, packaging, and canning
- Garments
- Cosmetics and fragrances
- Building and construction material industries
- Pharmaceutical and medical equipment supply industries
- Consumer durable goods production-component manufacturer and/or assembling

Free Port Services

- Transit trade and storage facilities
Export-oriented airport and seaport based activities

Mixed-use Opportunities

- Real estate development
- Sports tourism
- Marina
- Special cuisine restaurants
- Sports academy
- Ferry Port and Marine Transport between Fumba and Dar es salaam.
- Sports arenas, amusement and recreation activities
- Establishment of ICT parks and smart villages
- Establishment of exhibition and convention centers
- Commercial buildings
- Shopping malls



INVESTMENT FACILITATION AND AFTERCARE SERVICES

The procedure of Application of Investment Certificate

Stage 1

Explanation of Intention of Investment

Investors shall submit a concept note for the proposed project to be implemented in Zanzibar using the Investment Intention Form, which is available for free at ZIPA offices or online at www.zipa.go.tz

Once the concept note is accepted, the investor will be notified and provided with an Application Form for a non- refundable fee of US\$ 200, 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 otherwise advised. The processing time is three working days.

Stage 2

Submission of the Application form

A duly filled application form should be submitted to ZIPA, accompanied with copies of the following documents.

- Ten (10) copies of the Business Plan/- feasibility study
- Proof of availability of funds for investment including 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
- Certificate of Incorporation
- Memorandum and Article of Association
- Any other document to support the Application
- Receipt of the payment of Application Form.

NB:

Business Plan/ Feasibility Study should clearly explain the name and detailed information of the intended project, Action plan of the project, market analysis, number of employees and their categories, ten-year income projection, Project Implementation Plan, and the same.

Minimum Capital Investment

Sectors	Foreign Investment (USD)	Domestic Investment (USD)
Hotels & Real Estate	2,500,000	300,000
Others	300,000	100,000

Investment Certificate Fees

After Zanzibar Investment Promotion Authority (ZIPA) approves the investment proposal, the investor receives an investment certificate. The investor will be required to purchase an Investment Service License on an annual basis, with the same fee paid upon approval, until all approved capital has been invested. Following that, for a fee of \$500, the service License will be provided. The fee structure is classified based on the capital indicator. The fee structure is categorized according to the capital indicated in the table below:

Note:

- The Investment Certificate is issued within 7 working days upon completion of the required documents or ZIPA will advise the investor otherwise.
- Upon receiving the investment certificate, the investor will be required to renew the Invest Service License annually, submit the Quarterly Progress Report punctually.
- Upon receiving the investment certificate, the investor is required to commence the implementation of the project within six months.



Capital Investment	Investment Certificate Fees
500,000 and below	600
500,001 - 2,000,000	1,000
2,000,001- 4,000,000	1,200
4,000,001 and above	1,500
Free Economics Zones projects	1,000
Strategic Investments	2,500

Land Acquisition

The land law facilitates easy access to land for prospective investors. The Land Tenure Act 1992 provides that all land within the islands of Zanzibar occupied or unoccupied is public land and shall be administered by the Minister responsible for land affairs on behalf of the President. The land within the Free Economic Zones is administered by ZIPA.

The Act further provides the opportunity for the land to be leased to any person, Zanzibari or non-Zanzibari, intending to use that land for investment purposes subject to the approval of an investment project by ZIPA or other relevant authorities. The lease period goes up to 99 years.

The property on this land, after being developed in accordance with ZIPA approved investment plan may be sold, assigned, sub-leased or subdivided, inherited, or mortgaged.

Table: Indicative Land Rates Outside Free Economic Zones

Sector	Location	Foreigner (USD/ha)	Citizen (USD/ha)
Hotel	Urban	7,000	3,500
	Rural	5,000	2,000
Industrial	Urban	3,500	300
	Rural	1,500	200
Agriculture	Urban	500	100
	Rural	300	50
Services	Urban	2,500	2,000
	Rural	1,500	1,000

As the custodian of Free Zones, the Authority readily offers lease plots to prospective investors. Table 1 shows the indicative land rates.

Table: Indicative Land Rates at Free Economic Zones in USD/Sqm

Item	Amaan	Fumba	Micheweni Maruhubi	Maruhubi	Airport
Land Lease					
Areas less than 1 ha	5.0	0.5	1.5	5.0	2.0
1-5 ha	-	1.5	1.5	-	1.5
Above 5 ha	-	1.0	0.75	-	1.0
Container Space	35	-	-	35	-
Premises					
Office Rent	60	-	-	60	-
Shed Rent	-	-	-	-	-
Fabricated	16	-	-	-	16
Non-Fabricated	20	-	-	20	20

Land rates to be followed on any changes

Issuance of Building Permit

A building permit is issued by the Development Control Unit (DCU) through ZIPA for a non-refundable fee of US\$ 1000 or its equivalent in Tanzania shillings, payable to Peoples' Bank of Zanzibar in the names of Development Control Unit, Account No. 0404116000. Approved investor shall apply to ZIPA for a building permit and submit with application the following:

- A duly filled building permit Technical Form issued by DCU
- 10 sets of project drawings which include: architectural drawings, topographic maps, general site layout plan, section and elevation of all structures, architectural details, engineering/structural drawings, and optional drawing.
- BOQ (5 copies);
- Land lease agreement (2 copies);
- EIA (2 copies);
- Evidence of payment of building permit fee.
- Information and full address of registered contractors
- Investment certificate
- Passport size pictures of all shareholders
- Any other document to support the application

Through ZIPA DCU shall consider the application and issue a Building Permit or advise the applicant otherwise, within 7 working days from the date of submission.

Work and Residence Permits

The issuance of Work and Residence Permits is governed by the Employment Act No.11 of 2005 and the Immigration Act No.7 Cap 54. The Zanzibar Investment Promotion and Protection Act No.14 of 2018 provides an opportunity for the approved projects to employ expatriates in key positions that are determined by ZIPA.

The number of foreign employees allowed is based on the type of investment and capital investment injected as categorized in the Table

Work Permits Fees Structure

Work permits are issued by the Labour Commission through ZIPA and are annually renewable. The current fees structure for work permits (in US\$) is shown in the table below:

Category	Strategic investors & investors with more than 20% shares	Other investors (USD)	Expatriates (USD)	Permit Duration
First Application	Free	300	300	One Year
Renewal	Free	150	150	One Year
Temporary (not renewable)	Free	Free	200	Less than Six Months

Source: Labor Commission – Zanzibar, 2020

Residence permits are issued by the Immigration Department through ZIPA. The current fees structure for residence permits (in US\$) is shown in Table 5.7.

Residence Permits Fee Structure

Category	Type	New & Replacement (USD)	For East African Community (USD)	Duration
Investor	Class A	3050	1500	2 Years
Expatriates	Class B	2050	500	2 Years
Researcher	Class C	500	250	2 Years
Dependent		500	250	2 Years
Business Pass		200	200	
Business Visa		250	Free	Three Months (not extendable)

Source: Department of Immigration Services – Zanzibar, 2020

Note: Rates are subject to change without prior consultation with investors for both work and residence permit

IMPORTANT INFORMATION ON PERMIT APPLICATION

i. All permit applications should be submitted to ZIPA office at Maruhubi on working days from 0800hrs to 1400hrs

ii. All documents should be submitted in English or the Swahili language. The State University of Zanzibar (SUZA) and investors' respective embassies may be used for documents translating (if necessary)

iii. All applications should be accompanied by all required documents. Incomplete applications shall not be received

iv. Full submission of documents does not guarantee the issuance of permits. The competent authorities reserve the right to approve disapprove any application

v. All academic and professional certificates must be certified by competent authorities such as the university, and the High Court.

vi. Evidence of original Police Clearance shall be required during the submission of the application for which investors should bring with them during the submission of the application.

vii. Permit renewal must be done timely to avoid penalty. Any delay in submitted application to ZIPA for renewal of permits shall attract a penalty of United States Dollars ten (US\$10) payable to ZIPA for each delayed day for both investors as well as expatriates.

viii. Investors shall bring with them a passport of the applicant for any permit cancellation application. Failure to submit the passport, the investor shall be liable to a penalty of US\$ 300, payable to ZIPA

ix. The issuance of Work and Residence permits shall not exceed one working day from the date of submission. Investors are advised to make their payments on time to avoid unnecessary delays.

x. All payments should be deposited to PBZ Bank at account number 0400485001 (USD), 0400485000 (TZS) for a Work permit, and account number 0400257000 (USD) for a Residence permit.

xi. All approved permits/passports shall be collected from ZIPA on working days from 1300hrs to 1500hrs.

xii. The wage of every employee shall be payable in legal tender directly deposited to each employee's local bank account and any agreement to the contrary shall be null and void.

xiii. It is an offense for any foreigner to work without a valid work permit. It is also an offense for any employer to employ or permit any foreigner without a valid work permit to work in his or her establishment.

NEW APPLICATION OF WORK AND RESIDENCE PERMIT

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

For Shareholders;

- i. Three (3) copies of the passport
- ii. Three (3) sets of curriculum vitae (CV)
- iii. Nine (9) passport size photographs
- iv. Three (3) certified copies of the Police Clearance Certificate from the country of origin and residence.

v. Three (3) copies of the Company Memorandum and Articles of Association

vi. Three (3) copies of the certificate of incorporation/compliance

vii. Three (3) copies of board resolution certified by Registrar of Companies (if applicable)

viii. Two (2) copies of the business license /investment certificate

ix. Evidence of business premises (if applicable)

x. Three (3) copies of the TIN certificate

xi. Immigration forms (TIF1, TIF 12, and datasheet original and its copies)

For Expatriates

i. Three (3) certified copies of academic and professional certificates

ii. Three (3) sets of Curriculum Vita Three (3) passport copies

iii. Nine (9) passport size photographs

iv. Three (3) certified copies of the Police Clearance Certificate from the country of origin and residence.

v. Three (3) original sets (and 2 copies) of the Employment Contract which is in line with section 57 of Zanzibar Employment Act no. 11 of 2005

vi. Three (3) sets of the Job description

vii. Permit from appropriate Body/ Ministry (e.g. Medical Doctors Board for doctors etc.)

viii. Medical report certifying the fitness of the applicant for the post being applied for.

ix. Evidence of unavailability of local personnel for the post

x. Special Pass / Business Visa /Temporary Work Permit (if applicable)

xi. Immigration forms (TIF 1, TIF 12and Data sheet – original and its copies)

For Dependent

i. Two (2) copies of the Passport of dependent

ii. Four (4) passport size photographs of the dependent

iii. Two (2) copies of work and residence permits of a sponsor

iv. Two (2) copies of evidence of relationship to sponsor (eg. marriage certificate for spouse)

iv. Immigration forms (TIF2 and TIF 12-original and its copy

Renewal of Work Permits

A 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, the investor shall apply to ZIPA for the renewal, before the expiry date of the permit.

The application shall be made in writing and accompanied by the following documents:

For Shareholder

i. Original expiring work permit and its copy

ii. Three (3) passport size photographs

iii. Receipt of payment of outstanding dues from ZIPA (if applicable)

iv. Income Tax Clearance Certificate issued by Tanzania Revenue Authority.

For Expatriates

i. Original expiring work permit and its copy

ii. Two copies of passports

iii. Three (3) passport size photographs

iv. Two (2) sets of updated curriculum vitae (CV)

v. Two (2) copies of the existing contract of employment or three (3) sets of the original contract of employment plus its copy (for a new contract)

vi. Income Tax Clearance Certificate issued by Tanzania Revenue Authority.

vii. Permit from the appropriate body (e.g. Medical Doctors Board for doctors etc.) if applicable

viii. Receipt of payment of outstanding dues from ZIPA (if applicable)

ix. Medical Report certifying fitness of the applicant for the post being applied.

Replacement of Residence Permit

Where a residence permit is about to expire, and the same is eligible for replacement. The investor shall apply to ZIPA for its replacement. The application shall be made in writing and accompanied by the following documents: -

For Shareholders

- i. Original passport and two (2) copies
- ii. Original expiring permit and a copy
- iii. Seven (7) passport size photographs
- iv. Two (2) copies of the Tax Clearance Certificate
- v. Two (2) copies of the work permit
- vi. Special pass (if applicable)
- vii. Financial statement
- viii. Immigration forms (TIF 1, TIF 12, and datasheet)

For Expatriates

- i. Passport and it's two (2) copies
 - ii. Original expiring residence permit and its copy
 - iii. Two (2) copies of the work permit
 - iv. Seven (7) passport size photographs
 - v. Two signed copies of the attested employment contract
 - vi. Income Tax Clearance Form issued by Tanzania Revenue Authority
 - vii. Permit from the appropriate body (e.g. Medical Doctors Board for doctors etc.) if applicable
 - viii. Special pass (if applicable)
- Immigration forms (TIF 1, TIF 12, and datasheet)

For Dependents

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

- i. Original passport and it's two (2) copies
- ii. Expiring dependent pass and its copy
- iii. Two (2) copies of the work permit of a sponsor
- iv. Two (2) copies of the residence permit of a sponsor
- v. Four (4) passport size photographs
- vi. Two (2) copies of evidence of the relationship (e.g.marriage certificate for spouse)
- vii. Immigration forms (TIF 2 and TIF 12)

CANCELLATION OF WORK AND RESIDENCE PERMITS

For Investors

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

- i. Passport and its copy
- ii. Work and residence permits and their copies
- iii. Dependent's pass (if any)
- iv. Tax Clearance Certificates
- v. Recent audited final accounts
- vi. Winding up a certificate from the Registrar of Companies (if applicable)
- vii. Business closure certificate from the Registrar of Companies (if applicable)

For Expatriates

Where a contract between an expatriate and employer is about to end/ be terminated, and it is not eligible for renewal, the investor 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 by the following: -

- i. Expatriate's passport
- ii. Work permit and its copy
- iii. Income Tax Clearance Certificate
- iv. Residence permit and its copy
- v. Dependent pass (if any)
- vi. Receipt of payment of outstanding dues from ZIPA (if applicable)
- vii. Return ticket of the applicant

Temporary Work Permit

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

- i. Two (2) copies of passport
- ii. Three (3) passport size photographs
- iii. Two (2) sets of curriculum vitae
- iv. Two original contracts of the assignment and its copy
- v. Business visa or business pass

Sell Shares or Property

Investors shall inform ZIPA whenever there is a change of ownership or intend to sell his business property to any individual or company. The investor shall submit to ZIPA the following documents:

- i. Company Board resolution approved by Registrar of Companies which indicate the changes made.
- ii. CV, Police Clearance, passport copies, and photos of the new directors/shareholders or new property owner(s)
- iii. Memorandum and Articles of Association of a company and details of the new shareholders or business property buyer (if a company being a new shareholder or Property buyer).
- iv. Pay service charges to ZIPA

Note

1. Investors shall pay to ZIPA 1.5% of the share transfer on approved capital investment as indicated in the feasibility study, as service charges.
2. Not with standing number 1 (above), an investor shall pay to ZIPA 1.5% of share transferred on actual investment capital if the capital investment exceeds the approved capital indicated in the feasibility study, as service charges.

MANAGEMENT COMPANY/RENTING THE BUSINESS

The investor shall inform ZIPA whenever he decides to rent/ lease or engage the Management Company to run the business. The investor shall submit to ZIPA the following documents:

- i. The contract between the investor and lessee/ management company
- ii. A letter of guarantee that approves the company's asset shall be used as security for any transaction to be made between the company and a third party such as supplier, employees, and the like.
- iii. Details of lessee which include a CV, police clearance, passport copies, and passport photograph
- iv. For a company as lessee-Memorandum and Articles of Association
- v. The management company shall pay a required fee annually until the end of the contract.
- vi. Receipt of the payment done



7 | INVESTMENT INCENTIVES

The Zanzibar Investment Promotion and Protection Act No.14 of 2018 offer lucrative packages of incentives. These include fiscal and non-fiscal incentives for investments under Free Economic Zones, strategic investments, and investments outside the Free Economic Zones. For details please visit www.zipa.go.tz

General Investment Incentives:-

- 100% foreign ownership.
- Exemption from payment of import duty, excise duty Value Added Tax and other similar taxes on capital goods.
- 33 years of land lease agreement (up to 99 years).
- Employment of expatriates in Key positions.
- 100% allowance Research and Development.

Strategic Investments

According to the Zanzibar Investment Promotion and Protection Authority Act no. 14, 2018, An Approved Investor may be granted a Strategic Investment Status after he has:-

- Investing assets equivalent to at least USD 100 Million in Unguja and USD 10 million for Pemba; or
- Employing at least 1000 people; or
- Investing assets equivalent to USD 50 Million in the innovative investment or in the disadvantageous regions.

For Buyer who has purchased property of the value not less than USD 100 thousands in Real estate development may be granted the following benefits, incentives and allowances:-

- Residents permits for his husband/wife/ and four children who are under twenty years.
- 50% exemption on stamp duty in real estate buyer's contract.
- 50% exemption on capital gain on purchased properties.
- 100% foreign ownership is allowed.
- 100% exemption from worldwide incomes for foreigner.

Investment Incentives for Free Economic Zones (FEZ)

The developer of a FEZ shall benefit to the following incentives:-

- Exemption from payment of corporate tax for an initial period of ten years.
- Exemption from payment of withholding tax on rent, dividends and interest for the first ten years.
- Exemption from payment of property tax for the first ten years.

Procedures for import duties and similar taxes exemption

Investor shall submit to ZIPA approved drawings, 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 granted exemption. The list should be submitted in both hard and soft copy.

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

- Bill of lading/airway bill/ consignment notes/ local sale advice
- Customs single bill of entry
- Invoices
- Packaging list.

Procedures for exemption from VAT on local purchase

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

- A duly filled Value Added Tax form issued by Zanzibar Revenue Board
- Two copies of the proforma invoice

Note: For all goods exempted, investors shall pay 5% of the total amount of exempted duties to ZIPA as a service charge except for investors who have strategic investment status.

Procedures for Corporate Tax exemption

Approved Investors may apply for Corporate Tax exemption after fulfilling the following conditions:

- Invest not less than 75% of the capital specified in the Business plan/feasibility study;
- Start business operation

The application for corporate Tax exemption must be accompanied with:

- Audited final accounts
- Progress report of the project
- Tax clearance certificate
- Valid business license

Note

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

8 | ABOUT ZIPA

Zanzibar Investment Promotion Authority (ZIPA)

ZIPA is government organ responsible for promotion and facilitation of investment in Zanzibar. It also manages and administers Free Economic Zones.



Vision

To make Zanzibar an attractive and competitive investment destination, regionally and globally



Mission

To be an efficient focal point for dynamic trade and investment promotion/facilitation by providing quality services through motivated professionals aimed at greater contribution to Zanzibar's economic growth and social well-being



Core Values

- We Are a Team
- We Are United
- We Are One
- Investors Are Our Partners
- We Work For the Common Good

ZIPA has long term cooperation with international institutions that are working together in supporting investments. Organizations like UNIDO, UNDP, MIGA, WAIPA, UNCTAD and EABC have for years worked with ZIPA to improve the investment climate.

Core Functions

- Undertaking Promotional Activities
- Establishing, administering and simplified procedures of approving investment projects
- Facilitating foreign and local investments
- Promoting working relationship with international organisations
- Stimulating and supporting the growth of Entrepreneurship and SMEs
- Promoting working relationship with international organisations
- Assisting investors in solving regulatory problems
- Identifying new markets or opportunities for the expansion of businesses One Stop Centre services
- Assisting in acquiring land for investments
The following services shall be provided at ZIPA offices
- Facilitating the speedy acquisition of all due under One Stop Center from July 2018: incentives, necessary authorization and decisions required by investors including work and resident permits, land leases and other infrastructure services.
- Playing advisory role to the Government in all investment matters
- Overseeing the formation and effective functioning of Zanzibar National Business Council
- Stimulating and supporting the growth of Entrepreneurship and SMEs

One Stop Centre Services

One Stop Centre services The following services shall be provided at ZIPA offices under One Stop Center from July 2018:

- Registration of companies
- Tax Payer Identification Number
- Project Approval
- Acquisition of Land
- Environmental Issues
- Building Permits
- Investment Incentives
- Work and Residence Permits
- Opening of Foreign and Local Accounts
- Quality and Standards
- Business Permits and Licenses







All correspondences should be addressed to:

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P.O.BOX 2286- ZANZIBAR**



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