

LUCRATIVE INVESTMENT INCENTIVES TO SEZ INVESTORS

HOLDERS OF SEZ DEVELOPER/OPERATOR LICENSE

- (a) exemption from payment of taxes and duties for machinery, equipment, heavy duty vehicles, building and construction materials and any other goods of capital nature to be used for purposes of development of SEZ infrastructure;
- (b) exemption from payment of corporate tax for an initial period of ten years and thereafter a corporate tax shall be charged at the rate specified in the Income Tax Act;
- (c) exemption from payment of withholding tax on rent, dividends and interest for the first ten years;
- (d) exemption from payment of property tax for the first ten years;
- (e) remission of customs duty, value added tax and any other tax payable in respect of importation of one administrative vehicle, ambulances, firefighting equipment, fire fighting vehicles and up to two buses for employees' transportation to and from SEZs;
- (f) exemption from payment of stamp duty on any instrument executed in or outside the SEZ relating to transfer, lease or hypothecation of any movable or immovable property in or situated within the SEZ or any document, certificate, instrument, report or record relating to any activity, action, operation, project, undertaking or venture in the SEZs;
- (g) entitlement to an initial automatic immigrant quota of up to five persons during the start up period and thereafter, any application for extra persons shall be submitted to the Authority which shall, in consultation with the Immigration Department, authorize any additional persons deemed necessary taking into consideration the availability of qualified Tanzanians, complexity of the technology employed by the investor and agreements reached with the investor;
- (h) exemption from payment of Value Added Tax on utility charges;
- (i) exemption from pre-shipment or destination inspection requirements;
- (j) on site customs inspection of goods within Special Economic Zones; and
- (k) Treatment of goods destined into Special Economic Zones as transit cargo.

HOLDERS OF SEZ USER LICENSE

- (a) remission of customs duty, Value Added Tax and any other tax charged on raw materials and goods of capital nature related to the production in the Special Economic Zones;
- (b) exemption from payment of withholding tax on interest on foreign sourced loan;
- (c) remission of customs duty, Value Added Tax and any other tax payable in respect of importation of one administrative vehicle, one ambulances, firefighting equipment, fire fighting vehicles and up to two buses for employees' transportation to and from the Special Economic Zones;
- (d) exemption from pre-shipment or destination inspection requirements;
- (e) on site customs inspection of goods within Special Economic Zones;
- (f) provision of business visa at the point of entry to key technical, management and training staff for a maximum of two months; thereafter the requirements to obtain a residence permit according to the Immigration Act, shall apply;
- (g) entitlement to an initial automatic immigrant quota of up to five persons during the start up period and thereafter, any application for an extra person shall be submitted to the Authority which shall, in consultation with the Immigration Department, authorize any additional persons deemed necessary taking into consideration the availability of qualified Tanzanians, complexity of the technology employed by the investor and agreements reached with the investor;
- (h) access to competitive, modern and reliable services available within the Special Economic Zones; and
- (i) unconditional transferability through any authorized dealer bank in freely convertible currency of –
 - (i) net profits or dividends attributable to the investment;

- (ii) payments in respect of loan servicing where a foreign loan has been obtained;
- (iii) royalties, fees and charges in respect of any technology transfer agreement;
- (iv) the remittance of proceeds (net of all taxes and other obligations) in the event of sale or liquidation of the business enterprises or any interest attributable to the investment; and
- (v) payments of emoluments and other benefits to foreign personnel employed in Tanzania in connection with the business enterprise.

HOLDERS OF SEZ EXPORT USER LICENSE

- (a) subject to compliance with applicable conditions and procedures, accessing the export credit guarantee scheme;
- (b) remission of customs duty, Value Added Tax and any other tax charged on raw materials and goods of capital nature related to the production in the Special Economic Zones;
- (c) exemption from payment of corporate tax for an initial period of ten years and thereafter a corporate tax shall be charged at the rate specified in the Income Tax Act;
- (d) exemption from payment of withholding tax on rent, dividends and interests for the first ten years;
- (e) exemption from payment of all taxes and levies imposed by the local government authorities for products produced in the Special Economic Zones for a period of ten years;
- (f) exemption from pre-shipment or destination inspection requirements;
- (g) on site customs inspection of goods in the Special Economic Zones;
- (h) provision of business visa at the point of entry to key technical, management and training staff for a maximum of two months; thereafter the requirements to obtain a residence permit according to the Immigration Act, shall apply;
- (i) remission of customs duty, Value Added Tax and any other tax payable in respect of importation of one administrative vehicle, ambulances, fire fighting equipment and vehicles and up to two buses for employees' transportation to and from the Special Economic Zones;
- (j) treatment of goods destined into Special Economic Zones as transit cargo;
- (k) exemption from Value Added Tax on utility and wharfage charges;
- (l) entitlement to an initial automatic immigrant quota of up to five persons during the start up period and thereafter, any application for an extra person shall be submitted to the Authority which shall, in consultation with the Immigration Department, and Commissioner for Labour authorize any additional persons deemed necessary taking into consideration the availability of qualified Tanzanians, complexity of the technology employed by the investor and agreements reached with the investor;

- (m) access to competitive, modern and reliable services available within the Special Economic Zones;
and
- (n) unconditional transferability through any authorized dealer bank in freely convertible currency of –
 - (i) net profits or dividends attributable to the investment;
 - (ii) payments in respect of loan servicing where a foreign loan has been obtained;
 - (iii) royalties, fees and charges in respect of any technology transfer agreement;
 - (iv) the remittance of proceeds (net of all taxes and other obligations) in the event of sale or liquidation of the business enterprises or any interest attributable to the investment; and payments of emoluments and other benefits to foreign personnel employed in Tanzania in connection with the business enterprise.