

THE UNITED REPUBLIC OF TANZANIA

THE SPECIAL ECONOMIC ZONES ACT

CHAPTER 420 OF THE LAWS
[PRINCIPAL LEGISLATION]

REVISED EDITION OF 2012

This Edition of the Special Economic Zones Act, Cap. 420, incorporates all amendments made up to and including 31st December, 2012 and is printed under the authority of section 4 of the Laws Revision Act, Cap. 4 and published under Government Notice No.206 of 2013

Dar es Salaam,
21 June, 2013

Frederick M. Werema
ATTORNEY GENERAL

Chapter 420

THE SPECIAL ECONOMIC ZONES ACT

[PRINCIPAL LEGISLATION]

ARRANGEMENT OF SECTIONS

Section *Title*

PART I
PRELIMINARY PROVISIONS

1. Short title.
2. Application.
3. Interpretation.

PART II
ESTABLISHMENT OF SPECIAL ECONOMIC ZONES

4. Establishment of special economic zones.
5. Purpose and objectives of special economic zones.
6. Relationship of special economic zones with customs territory.
7. Arrears of special economic zones.
8. Procedure for establishment of special economic zones.
9. Land under occupancy of persons other than the Authority.
10. Time limit for the Authority to make decision.
11. Preparation, submission and approval of detailed development plan.
12. Agreement for supplying utilities and developing infrastructure in special economic zones.

PART III
DEVELOPMENT OF SPECIAL ECONOMIC ZONES INFRASTRUCTURE

13. Government title over land for special economic zones.
14. Functions of the Authority in development and management of special economic zones.
15. Participation of the private sector in development of special economic zones infrastructure.
16. Powers of the Authority to issue directives.
17. Sources of the funds.

-
18. Use of the Authority funds.
 19. Management and auditing of the funds of the Authority.

PART IV
LICENSING

20. Issuance of licence.
21. Licensing for other businesses within special economic zones.

PART V
MANAGEMENT OF SPECIAL ECONOMIC ZONES

22. Management of special economic zones.
23. Notification by Licencing Authority to the Authority.
24. Powers of the Commissioner General.
25. Restriction on exportation of goods into customs territory by export processing zones' investments.
26. Obligations of the special economic zones investors.
27. The Authority to charge for services rendered.

PART VI
INVESTMENT INCENTIVES

28. Incentives for developers of infrastructure.
29. Incentives for investors selling in customs territory.
30. Incentives for investors selling in export markets.
31. Provisions of the tax laws in granting exemptions of duties and taxes.

PART VII
APPLICATION OF OTHER LAWS

32. Application of Labour, Occupational health and Immigration laws.
33. Application of Environmental laws.

PART VIII
DISPUTE SETTLEMENT

34. Settlement of disputes.

PART IX
POWER TO MAKE REGULATIONS

35. Power to make regulations.
36. Consulting the Minister in making regulations.

PART X
OFFENCES

- 37. Offences for carrying on business without a licence.
- 38. Offences for uttering false statements.
- 39. Offence for transshipment.

CHAPTER 420

THE SPECIAL ECONOMIC ZONES ACT

An Act to make provisions for establishment, development and management of the special economic zones; for creating environment for attraction of local and foreign Investment; to facilitate expansion of employment opportunities, attainment of economic growth targets and to provide for matters related herewith and incidental thereto.

[8th October, 2012]
G.N no 314 of 2012

Acts Nos:
2 Of 2006
2 of 2011

PART I
PRELIMINARY PROVISIONS

| | |
|--|--|
| Short title | 1. -(1) This Act may be cited as the Special Economic Zones Act. (2) [Omitted]. |
| Application. | 2 This Act shall apply to Mainland Tanzania |
| Interpretation Act No . 2 of 2011 S.9 Cap. 4 S.7 (a) Cap.373 Cap.399 | 3. In this Act, unless the context requires otherwise - "Act" means the Special Economic Zones Act; "Authority" means the Export Processing Zones Authority established in the Export Processing Zones Act; "Commissioner General" means the Commissioner General of the Tanzania Revenue Authority as defined under the Tanzania Revenue Authority Act; "customs authority" means an authority responsible for administration of customs matters in the United Republic of Tanzania; "customs territory" means an area not within an area declared to be a special economic zone; "developer" means an investor with right over land in a special economic zone held for purposes of development of special economic zones infrastructure; "development Plan" means the layout plan and designs, master plan, infrastructure plan including roads, buildings, sewerage system, water supply, power supply and other related infrastructure plans; "Director General" means the Director General of the Export Processing Zones Authority; "foreign national" in the case of a natural person, means a person who is not a |

citizen of United Republic of Tanzania, and in the case of a company, a company incorporated under the laws of any other country other than Tanzania in which fifty one percent of the shares are held by a person who is not a citizen of Tanzania, and in the case of a partnership, means a partnership in which the partnership controlling interest is owned by a person who is not a citizen of United Republic of Tanzania;

"investor" means a company incorporated in the United Republic of Tanzania which is licenced by the relevant Licencing Authority to carry on business in special economic zones;

"licence" means a permit granted by the Authority pursuant to the provisions of section 20 to conduct business transactions in a particular special economic zone;

"Minister" means the Minister responsible for industry;

"non-core business" means economic activities which provide services to investors in the special economic zones and is not eligible to any investment incentives provided under this Act;

"proper officer" means an officer authorized by the Customs Authority to administer customs matters in the special economic zones;

"Special economic zone" means an area of land established as such under section 4(1);

"tax relief period" means a period prescribed under Part VI of this Act, during which an investor may not be required to pay taxes and duties in relation to licenced business; and

"zone management company" means a registered company sub-contracted by the Developer to manage a special economic zone.

PART II
ESTABLISHMENT OF SPECIAL ECONOMIC ZONES

Establishment of special economic zones
Act No. 2 of 2011
S.10

4.-(1) There shall be established special economic zones in selected geographical are, as which shall be provided with special business environment to promote priority economic activities for faster economic growth as may be determined, from time to time, by the Authority.

(2) For the purpose of establishment of special economic zone, priority shall be given to economic activities that have maximum propensity to accelerate domestic production, exports promotion or employment generation.

(3) The location of special economic zones shall target areas that provide comparative advantages for attracting investments.

Purpose and objectives of special economic zone
Act No. 2 of 2011
S. 10

5.-(1) The purpose and objectives for which special economic zones may be established are to enhance:

- (a) productivity;
- (b) competitiveness;
- (c) economic growth;
- (d) export promotion; and

(e) employment generation for poverty eradication.

(2) Subject to subsection (1), special economic zones may be established in selected areas which may be developed into agricultural, agro-industrial, industrial, tourism, commercial, forestry, information and communication technology, banking and financial centres and other sectors as may be determined, from time to time, by the Authority.

Relationship of special economic zones with customs territory
Act No. 2 of 2011
S.10

6-(1) An area declared as special economic zone shall be under the control and supervision of the Customs Authority in accordance with regulations as the minister responsible for finance shall prescribe for control of persons, goods and services entering into and exiting there from.

(2) For purposes of subsection (1), goods and services destined for special economic zones shall be subject to customs inspection in a special economic zone in which the goods and services are destined.

Areas of special economic zones
Act No. 2 of 2011
S.10

7. Special economic zones may include one or more of the following areas-

- (a) industrial parks;
- (b) export processing zones;
- (c) free trade zones;
- (d) free ports;
- (e) tourist parks;
- (f) science and technology parks; or
- (g) any other areas as the Authority may, from time to time, prescribe.

Procedure for establishment of special economic zones
Act No. 2 of 2011
S.10 & 11

8-(1) For purposes of establishing special economic zone, the Director General shall, in consultation with the minister responsible for lands and the local government authority within which that special economic zone is proposed to be established, and other relevant authorities, identify suitable land and submit a proposal to that effect to the Authority for approval.

(2) Where the Authority has approved the area under subsection (1), the Minister shall, by notice published in the *Gazette*, declare the same to be a special economic zone.

(3) Where the Authority refuses to approve the proposed area under subsection (1) as special economic zone, it shall give reasons for such refusal.

(4) The notice under subsection (2) shall include the following particulars.

- (a) location and boundaries of the special economic zone;
- (b) the components of special economic zone so established in accordance with section 7;
- (c) the nature of activities to be promoted in the special economic zone; and
- (d) any other information as the Authority may direct or deem necessary.

Land under
occupancy by a
person other than
the Authority
Act No.
2 of 2011
S.10 &11

9.-(1) Where land proposed to be declared as special economic zone is under the occupancy of a person other than the Authority, the person with the right over such land shall submit the proposal for declaration of such land as special economic zone to the Director General.

(2) The Director General shall, within fourteen days of receipt of such proposal, submit the same to the Authority together with his opinion.

(3) The Authority shall deal with the proposal in the same manner as prescribed in section 8.

Time limit for the
Authority to make
decision
Act No.
2 of 2011
S.10 &11

10.-(1) The Authority shall, within sixty days from the date of submission of the proposal by the Director General pursuant to subsection (1) of section 8, make a decision on the proposal to declare the proposed area of land to be a special economic zone.

(2) The Director General shall, within fourteen days, notify the Developer and other relevant parties of the decision of the Authority pursuant to subsection (1).

Preparation, sub-
mission and
approval of
detailed
Act No.
2 of 2011
S.10 &11

11.-(1) The developer shall, upon being informed of the decision of the Authority pursuant to the provisions of subsection (2) of section 10 and within ninety days from the date of receipt of notification, prepare a detailed development plan for the special economic zone and submit the same to the Director General.

(2) In preparing the detailed development plan, the Director General or developer shall take into account the needs of the local community surrounding the special economic zone relating to the provision of utilities and infrastructure.

(3) For purposes of having orderly and coordinated development and operations of the special economic zone, the Director General shall submit copies of the approved development plan to relevant local government authority and institutions or authorities charged with duties to supply utilities and development of infrastructure.

(4) In approving the detailed development plans, the Authority shall, among other things, consider whether the plans sufficiently address the requirements of the local community surrounding the special economic zone.

Agreement for
supplying utilities
and developing
infrastructure in
special economic
zones
Act No.
2 of 2011
S.10 &11

12.-(1) The Director General or, as the case may be, developer of special economic zone infrastructure, shall work out an agreement with relevant entities responsible for supplying utilities and development of infrastructure to the special economic zone.

(2) The Agreement stated in subsection (1) may specify-

(a) the nature of rights and obligations to be performed by parties; or

(b) the time within which the relevant entities may supply utilities to or develop infrastructure within the special economic zone.

PART III
DEVELOPMENT OF SPECIAL ECONOMIC ZONES INFRASTRUCTURE

Government title
over land for
special economic
zones
Act No.
2 of 2011
S.10 &12

13.- (1) The Government's title over land to be developed into special economic zone shall vest in the Authority.
(2) The relationship between the holder of a right over land of the special economic zone and the investor in the special economic zone shall be governed by an agreement which shall define terms and conditions of such relationship.

Functions of the
Authority in
development and
management of
special economic
zones
Act No.
2 of 2011
S.10 &13

14.-(1) The Authority shall initiate, develop and manage the operations of the special economic zones on behalf of the Government, and for that purpose shall carry out duties and perform the functions as stipulated under this section.
(2) For purposes of initiating, developing and managing operations of the special economic zones, the Authority shall -
(a) in consultation with the Minister responsible for lands and Minister responsible for local government authorities, acquire land in its name and lease or issue derivative rights to investors or erect thereon industrial and commercial buildings and lease such buildings to investors for undertaking thereon the Special Economic Zones licenced businesses;
(b) provide basic infrastructure for purposes of operations in the special economic zones;
(c) provide within the special economic zones, utilities a system of sewerage, drainage and removal of refuse and waste for the benefit of special economic zones investors and other users;
(d) prepare national and international programmes for appropriate promotion of the special economic zones;
(e) ensure the provision of security and surveillance, property and equipment maintenance, and availability of restaurants and food services; and
(f) provide commercial information for the benefit of investors in the special economic zones.
(3) In discharging the duties and performing the functions referred to in subsection (2), the Authority shall have powers to subcontract any person to execute any duty or perform any function provided for under subsection (2), and in particular, may license or enter into joint venture with private investors to develop Special Economic Zones' infrastructure.
(4) The Authority may, in discharging the duties and performing the functions stated in this Act, provide such other services, perform such other duties and functions, and exercise such other powers as may be necessary in the attainment of the spirit of this Act.

Participation of private sector in development of special economic zones infrastructure
 Cap.355
 Cap.4
 S.8(1)(i)
 Act No. 2 of 2011
 S.10 &14

15.-(1) In discharging its functions, under subsection (1) of section 14, the Authority may sub-contract, the development of the special economic zones infrastructure to a private company.

(2) For purposes of the Urban Planning Act, and the regulations relating to buildings in the Special Economic Zones, a reference to a local government authority in any provisions of those laws with regards to planning consent and building permit shall be construed as a reference to the Authority.

Powers of the Authority to issue directive
 Act No. 2 of 2011
 S.10

16.(1) The Authority may, for national economic priorities and interest, issue directives of general and specific nature relating to the development of the special economic zones.

(2) Subject to the provisions of subsection (1), any person to whom the directive has been issued shall ensure compliance thereof and shall further ensure that the directive is integrated within its plan of implementation.

Sources of the funds
 Act No. 2 of 2011
 S.10

17. The sources of the funds of the Authority shall include-

- (a) sums of money as may be appropriated by the Parliament for that purpose;
- (b) returns on investments in the special economic zones infrastructure and industrial sheds;
- (c) borrowing;
- (d) such donations, grants or bequeaths as the Authority may receive from any person or organization associated with its duties in the special economic zones as provided for in this Act;
- (e) proceeds from rent and other service charges derived from the activities in the special economic zones; and
- (f) any other moneys received by or made available to the Authority for the purposes of performing its functions under this Act.

Use of the Authority funds
 Act No. 2 of 2011
 S.10 &11

18.-(1) Funds of the Authority shall be used for-

- (a) initiating, developing and managing special economic zones infrastructure in accordance with the provisions of this Act;
 - (b) providing utilities in the special economic zones;
 - (c) rehabilitating and maintaining special economic zone infrastructure; and
 - (d) discharging liabilities arising out of implementation of this Act.
- (2) The Director General shall manage the funds of the Authority.

Management and auditing of funds of the Authority
Cap. 348
Act No. 2 of 2011
S.10 &11

19.-(1) The funds of the Authority shall be managed in accordance with the provisions of the Public Finance Act.

(2) Notwithstanding the provisions of subsection (1), the Authority shall retain all the money accrued to it for its continuous use in carrying out its functions.

(3) Funds of the Authority shall be audited by the Controller and Auditor General.

(4) The Director General shall prepare annual report on the implementation of the special economic zones operations and submit the same to the Minister who shall lay the report before the National Assembly.

PART IV LICENSING

Issuance of license
Act No. 2 of 2011
S. 10 &15

20.-(1) The Authority shall be responsible for the issuance of a licence to any person who wishes to carry on business or activity in the special economic zone.

(2) The licence issued pursuant to subsection (1) shall operate as if it was a licence issued by competent authorities empowered under any written law to issue such licences.

(3) Any matter arising as a result of cancellation, suspension, variation of a licence, or prohibition of other activities shall be dealt with in accordance with sections 7, 8, 9, and 10 of the Export Processing Zones Act.

(4) A person aggrieved by the decision of the Authority made pursuant to subsection (3) may appeal to the Minister.

Cap 373

Licensing for other businesses within special economic zones
Act No 2 of 2011
S. 10 & 16

21. Companies intending to provide services within the special economic zones being services which are non-core businesses within special economic zones, shall apply for licences to provide such services to relevant authorities for the time being authorized by law to issue such licences.

PART V MANAGEMENT OF SPECIAL ECONOMIC ZONES

Management of special economic zones
Act No 2 of 2011
S. 10 ,11 &16

22.-(1) The administration, management and coordination of the special economic zone whose title is held by the Authority shall be discharged by the Director General on behalf of the Authority.

(2) The Director General may, for management of the special economic zone referred to in subsection (1), sub-contract such activity to a zone management company.

(3) Where the special economic zone is under occupancy of a person other than the Authority, management of the special economic zone shall be under such person.

Notification by
Licencing
Authority to the
Authority
Act No
2 of 2011
S.10 & 16
Cap.4
S.7(a)

23. [Omitted]

Powers of the
Commissioner
General
Act No
2 of 2011
S.10 & 16

24.-(1) Pursuant to the provisions of subsection (1) of section 10, the Commissioner General may, by notice in writing addressed to any person carrying on any business or activity in the special economic zone -

- (a) impose conditions relating to the regulation, restriction or prohibition of entry of goods or categories of goods in a special economic zone;
- (b) order such person in a special economic zone, within a period prescribed in the notice, which shall not be less than twenty one days, to remove from the special economic zone, any article, item or thing, as the Commissioner General may specify in such notice.

(2) Any person who receives a notice in accordance with the provisions of subsection (1) shall, within thirty days after receipt of such notice, comply with the notice or raise an objection to the Commissioner General relating to any condition imposed by, or order contained in, such notice.

(3) The Commissioner General shall determine the objection raised under subsection (2) in accordance with Regulations, as shall be prescribed by the Minister responsible for finance.

Restriction on
exportation of
goods into
customs territory
by export
processing zones'
investments
Act No
2 of 2011
S.10 & 16

25. Goods which are subject to exemption from duties and taxes within the special economic zone delineated as export processing zone shall not be taken out of the zone except -

- (a) as exports outside the customs territory;
- (b) as exports into the customs territory subject to:
 - (i) necessary permits being obtained from the customs authority;
 - (ii) payment of all applicable import duties, levies and other charges;
 - (iii) compliance with all customs procedures; and
 - (iv) the per centum of such exports not exceeding twenty per centum of the total annual production of the investor within the establishment.

Obligations of
special economic
zones investors
Act No
2 of 2011
S.10 & 16

26. An investor shall-

- (a) provide suitable markings defining the area of the zone which is under his control, and any other place approved by the customs authority for persons or goods entering or leaving the special economic zones;
- (b) provide free of charge office accommodation and suitable weighing

scales, measures, signs, security and other facilities for examining and taking account of goods, and for securing them as the proper officer may reasonably require;

- (c) keep records of all types of plant, machinery and equipment, raw materials and goods manufactured or processed in the special economic zone and keep that record at all times available for examination by the proper officer in accordance with customs laws and regulations; and
- (d) provide all necessary labour and materials for the storing, examining, packing, marking, cooperating, weighing and taking stock of the goods in the special economic zone whenever the proper officer may reasonably require.

The Authority to charge for services rendered
Act No 2 of 2011
S.10 & 16

27. The Authority may charge rent, dues and impose fees and charges for services rendered or facilities provided in the special economic zones.

PART VI
INVESTMENT INCENTIVES
CATEGORY "A" INVESTORS: DEVELOPMENT OF INFRASTRUCTURE

Incentives for developers of infrastructure
Act No 2 of 2011
S.10 & 16

28. The Authority or, as the case may be, a developer of a special economic zone shall be entitled to the following incentives-

- (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 the special economic zone 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, fire fighting equipment and fire fighting vehicles and up to two buses for employees' transportation to and from the special economic zone;
- (f) exemption from payment of stamp duty on any instrument executed in or outside the special economic zone relating to transfer, lease or hypothecation of any movable or immovable property in or situated within the special economic zone or any document, certificate, instrument, report or record relating to any activity, action, operation, project, undertaking or venture in the special economic

Cap. 332

- zone;
- (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.

CATEGORY "B" INVESTORS: INVESTORS PRODUCING FOR SALE INTO THE CUSTOMS TERRITORY

Incentives for investors selling in customs territory
Act No 2 of 2011
S.10 & 16
Cap.4
S.8(1)(i)

29. Investors licenced in accordance with subsection (I) of section 20 whose primary markets are within the customs territory shall be entitled to the following incentives -

- (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 zone;
- (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, fire fighting equipment and fire fighting vehicles and up to two buses for employees' transportation to and from the special economic zone;
- (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

Cap. 54

- 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 licenced business or any interest attributable to the licenced business;
 - (v) payments of emoluments and other benefits to foreign personnel employed in Tanzania in connection with the licenced business.

CATEGORY "C" INVESTORS: INVESTORS PRODUCING FOR EXPORT MARKETS

Incentives for
investors selling
in export markets
Act No
2 of 2011
S.10 & 16
Cap.4
S.8(1)(i)

30.-(1) Investors licensed in accordance with subsection (1) of section 20 primarily for export markets in non manufacturing or processing sectors shall be entitled to the following incentives -

- (a) subject to compliance with applicable conditions and procedures, accessing the export credit guarantee scheme;
- (b) remission of customs duty, value added and any other tax charged on raw materials and goods of capital nature related to the production in the special economic zone;
- (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 zone;
- (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

Cap. 332

Cap. 54

- buses for employees' transportation to and from the special economic zones;
- (j) treatment of goods destined into special economic zone as transit cargo;
 - (k) exemption from value added tax on utility and warfare 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
 - (v) payments of emoluments and other benefits to foreign personnel employed in Tanzania in connection with the business enterprise.

(2) For purposes of this section "investors licenced primarily for export markets" are investors whose exports are eighty per centum or more of total annual production.

Provisions of tax laws in granting exemptions of duties and taxes
Act No
2 of 2011
S.10 & 16

31. Exemptions of duties and taxes provided under Part VI shall be granted in accordance with provisions of the relevant tax laws.

PART VII APPLICATION OF OTHER LAWS

Application of labour, occupational health and immigration laws
Act No

32. The existing labour, occupational health and immigration laws applicable in the United Republic of Tanzania shall apply in the special economic zones.

2 of 2011
S.10 & 16

Application of
environmental
laws
Act No
2 of 2011
S.10 & 16

33. The environmental laws for the time being in force in the United Republic of Tanzania shall apply in the special economic zones.

PART VIII DISPUTE SETTLEMENT

Power to make
regulations
Act No
2 of 2011
S.10 & 16
Cap. 4
S.7 (a)

34.-(1) Where a dispute arises between a foreign investor and the Authority or developer in respect of licenced investment in a special economic zone, all efforts shall be made to settle the dispute through negotiations for an amicable settlement.

(2) A dispute stated under subsection (1) which is not settled through negotiations may be resolved -

- (a) in accordance with the laws of United Republic of Tanzania;
- (b) within the framework of any bilateral or multilateral agreement on investment protection agreed to by the Government of the United Republic of Tanzania and the Government of the country from where the investor originates; or
- (c) in accordance with the rules of procedures for arbitration of the International Centre for Settlement of Investment Disputes.

PART IX POWER TO MAKE REGULATIONS

Powers to make
regulations
Act No
2 of 2011
S.10 & 16
Cap.4
S.8(1)(i)

35.-(1) The Minister may make regulations generally for-

- (a) development of special economic zones infrastructure;
- (b) the administration of this Act;
- (c) management of the special economic zones; and
- (d) administration of the special economic zones funds.

(2) The Minister for the time being responsible for finance may make regulations for:

- (a) the entry and exit of persons, goods and services in the special economic zones; and
- (b) the manner in which the Commissioner General may deal with objections raised by investors in special economic zones pursuant to subsection (3) of section 24.

Consulting the
Minister in
making
regulations
Act No
2 of 2011

36. No regulations shall be made under subsection (2) of section 35 with respect to special economic zones without the consultation with the Minister.

S.10 & 16
 Cap.4
 S.8(1)(i)

PART X
 OFFENCES

Offences for carrying on business without a licence
 Act No 2 of 2011
 S.10 & 16
 Cap.4
 S.7(a)

- 37.** Any person who carries on any business in a special economic zone without being licenced by the Authority shall, if convicted, be liable-
- (a) where such a person is a natural person, to a fine not exceeding fifteen million shillings or to imprisonment for a term not exceeding four years or to both, such fine and imprisonment;
 - (b) where such a person is not a natural person, to a fine not exceeding fifty million shillings.

Offences for uttering false statements
 Act No 2 of 2011
 S.10 & 16

- 38.** Any person who -
- (a) in connection with an application for granting of a licence under this Act; or
 - (b) for purposes of obtaining any investment incentives, permit or approval under this Act,
- makes any false statement which he knows to be false or has reasons to believe it is false or knowingly furnishes any false information, commits an offence and shall, on conviction, be liable to a fine not exceeding fifteen million shillings or to imprisonment for a term not exceeding four years or to both such fine and imprisonment.

Offences for transshipment
 Act No 2 of 2011
 S.10 & 16

- 39.**-(1) No person shall trans-ship any products to any other country purporting that such products were produced or manufactured in a special economic zone for purposes of gaining any advantage accorded to United Republic of Tanzania in terms of trade quota under any bilateral, multilateral or regional agreement or protocol.
- (2) A person who contravenes subsection (1), commits an offence and, on conviction, shall be liable to-
- (a) if such a person is a natural person, to a fine not exceeding twenty million shillings or to imprisonment for a term not exceeding five years or to both such fine and imprisonment; or
 - (b) if such a person is not a natural person, to a fine not exceeding one billion shillings.