



ZANZIBAR INVESTMENT PROMOTION AUTHORITY

GUIDELINES TO INVESTORS

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**STATEMENT FROM THE EXECUTIVE DIRECTOR
ZANZIBAR INVESTMENT PROMOTION AUTHORITY (ZIPA)**



The Revolutionary Government of Zanzibar has long recognized the role of private sector in economic development of the country. The aggressive response from several private investments within Zanzibar and from abroad is adequate evidence that investors have strong confidence in the political will of the Government. The process of engaging the private sector to participate adequately in building strong and resilient economy takes time as it involves reforms in several areas such as finance, human resources development, legal framework and good governance.

Abiding by the commitment to create a conducive environment for investment and doing business in Zanzibar, reforms have been undertaken parallel with the preparation and implementation of Economic Development Strategic Plans aiming at Poverty Reduction in Zanzibar. The results, among which is putting in place the Zanzibar Investment Policy (ZIP) in 2004 followed by unifying the three codes regulating private capital investments in the Isles. This resulted in establishment of the Zanzibar Investment Promotion Authority (ZIPA). The new code, Zanzibar Investment Promotion and Protection Act (ZIPPA) 2004 demands the Authority to be responsible for the promotion and facilitation of private investments in Zanzibar, both FDI and Domestic Investments, in order to attain policy objectives as stipulated in the ZIP.

As the Government stretches its full arm of support to ensure that there is a win-win result, it is ZIPA's responsibility, therefore, to guide prospective and potential investors in their investments endeavors in Zanzibar, so as to benefit from their investments. These guidelines, we believe, will further clarify issues that need clarification to clear any doubt on possibilities of investing and doing business in Zanzibar.

Our potential investors are mostly welcome to invest in areas supportive to service industry already moving forward towards international standards. Such areas, recommended could be in those utilizing domestic resources such as horticulture and agro-processing or creating employment using labour intensive methods like textile and garment, electric and electronic assembling plants, and education or vocational training.

Investments are well protected. There will be no compulsory acquisition as stipulated in the Article 17 of Zanzibar Constitution. Zanzibar being a constituting part of the United Republic of Tanzania is a member of Multilateral Investment Guarantee Agency (MIGA) of the World Bank. Also, Tanzania is a signatory to the Convention of Recognition and Enforcement Arbitration Award, and a member of International Centre for Settlement of Investment Disputes (ICSID). Contractual rights are guaranteed by the law of contract whereby mechanism for settlement of disputes through arbitration and judicial process are clearly stipulated.

It is our sincere hope that information provided in these guidelines will be useful to entice your intention and you will decide to partner with Zanzibar, as resulting in win-win situation.

**Welcome to Zanzibar
Your Isles of Vast Opportunities**

A handwritten signature in blue ink, appearing to read 'Salim K. Nassor', written over a light blue circular stamp.

(SALIM K. NASSOR)

**EXECUTIVE DIRECTOR
ZANZIBAR INVESTMENT PROMOTION AUTHORITY**

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Zanzibar at a glance



Geographical: Zanzibar is an archipelago of two main Islands (Unguja and Pemba) and about 50 islets.

Political: It is united with Tanganyika in 1964 to form United Republic of Tanzania. Zanzibar has an autonomous government complete with its own President, Cabinet Legislature and Judicial System

Area: It covers the land area of 2332 sqkm of which Unguja is 1464 sqkm.

Location: It is located about 35km off the coast of Mainland Tanzania.

Local Time: 3 hrs ahead GMT.

Climate: Tropical - hot and sunny. Heavy rains start in March and lasts for several weeks.

Accessibility: It is accessible by air and by sea. Airports servicing domestic and international flights

Roads: A network of tarmac trunk road covers most of investment areas. A passable network of tertiary roads reaches all rural areas.

Culture: A cocktail of African, Arabian and Indian sub continent (swahili culture) predominantly Muslim

Religion: At least 97% of Zanzibaris are Muslims. The remaining is divided into Christians, Hindus and others. During the holy month of Ramadhan, visitors are expected to refrain from eating drinking or smoking in public during day-light hours.

Economic indicators (OCGS, 2014)

Inflation rate 5.0%
 GDP growth rate 7.0%
 Per capita income US\$ 870
 Population approx 1,377,589
 Population growth rate 2.8%
 Unemployment rate 4.4%

Financial Services

Various local, regional and international financial institutions offer a wide range of services in Zanzibar.. In addition there are various insurance companies and a number of bureau de change offer service to interested customers. The most outstanding one is the Zanzibar Insurance Corporation with decades of business experience in the field and knowledge of local environment.

Workforce

There is ample hardworking and affordable work force to serve investment projects.

Infrastructure development

Water

Zanzibar has adequate water reserves for industrial and household use. The commercial rate is US\$ 1 per cubic meter.

Electricity

Zanzibar (Unguja) is connected to the National (Tanzania) Power Grid through an underwater submarine cable with a capacity of 50MW. Likewise, her sister island of Pemba is connected through submarine cable from Tanga (Mainland Tanzania) with a capacity of 20MW.

The cost of Electricity in US\$ per Kwh

Tariff Class	Unit Range	Cost/kwh
Small Industries	1- 5,000	0.02
	>5,000	0.13
Service Charge		10.09
Large Industries	1 – 10,000	0.10
	>10,000	0.08
	1kVA	6.40
Service Charge		146.88

Source: ZECO, 2013;

Telecommunication

Telecommunication system is excellent, both for local and international calls. Mobile phone technology is available and most advanced in Zanzibar.

Sea Port

At the heart of the Stone Town lies an easily accessible seaport which caters for ocean going vessels, cargo handling services, as well as for passenger cruise ships and fast speed ferry boats. Seaport in Pemba is in the process of being upgraded to further improve its services and enable it to receive international vessels/cargo

Airport

The Zanzibar Airport is capable of handling diverse sizes of aircraft, which fly in tourist and cargo. Recently the airport has been renovated by extension of its runway while major construction works are in progress for the fascinating modern passenger terminal and other facilities.

Why you should invest in Zanzibar?

Political, social and economically stable

- Zanzibar is stable politically, socially and economically. Private investments are wisely welcome and protected constitutionally as well as through international conventions.

- **Strategically located**

Zanzibar is placed within the trade routes of the East and central African region and offers an effective spring board for entry into the region.

- Offers lucrative Incentive package to strategic investments
For details please visit www.zanzibarinvest.org

- **Enjoys Regional and International market concessions:-**

- Utilize East and Southern African (EAC and SADC) market using Zanzibar as a hub for regional trade
- Enjoy Export Quotas to European market
- Utilize American market through AGOA
- Proximity to land locked countries in Central and Eastern Africa

- **100% foreign ownership allowed**

- **Free repatriation of profit**

- **Availability of skilled and affordable labour**

- **Opportunity to employ expatriates in key positions**

- **Constantly improving business environment**

- **Magnificent Business and Leisure destination**

Investment Opportunities in Zanzibar

Priority sectors

Tourism, Agriculture & fisheries, Social services and development of Industrial & residential sites at Free Economic zones are our priority areas on investment due to their economical and social impact.

Tourism Sector

Zanzibar boasts a wide variety of tourism options, from the historical and cultural sites of Stone Town, to beach and leisure activities.

Agriculture sector

The Zanzibar climate allows different types of vegetables and fruits to be grown and processed. There is great potential for agro - related business.

Spices

For centuries Zanzibar exported quality exotic home-grown spices to world market. The traditional spices include Cloves, Cinnamon, cardamom, nutmeg, black pepper and chillies

Fisheries sector

Zanzibar Island lies on the crossroads of rare marine resources and biodiversity with unlimited potential for development of fishing industry.

Services

With more emphasis on eco-tourism, opportunities exist in:

- Up market hotels/resorts especially chain hotels.
- Convention and Exhibition centres.
- Recreational and amusement centres.
- Diving and sea sports.
- Special cuisine restaurants

Investment opportunities exist in

- Flower production (in green houses)
- Vegetable production through hydroponics system techniques
- Fruit farming, processing and canning
- Agro processing and value addition including Animal feed processing and Integrated Use of coconut by-products

Untapped opportunities are

The value addition and processing of by-product such as perfumes, perfumed soap, medication, and food processing items

Investors are free to choose suitable areas for commercial fishing investment in:

- Deep Sea Fishing
- Fish/marine product Processing & Canning
- Sea - weed farming and processing
- Aqua/Mari culture (fish, shrimps, lobsters and other marine resources)

Opportunities exist in

- Air and Sea transportation
- Information and Communication Technology
- Establishment and management of Specialized hospitals and diagnostic centres
- Establishment of modern colleges for hotels and tourism management
- Establishment of financial services including Islamic banking

Free Zones Opportunities...

About Economic Zones...

Zanzibar has been a trading hub for millennia. To give this tradition a boost, free economic zones have been purposely created to cater for manufacturing and processing, transit trade aiming at exploring export, markets. In addition residential sites offer a wide range of services including real estate development, establishment of satellite cities and ICT parks. Five declared zones are as follows:

Amaan Industrial Park

It is located at Amani, just 10 minutes drive from airport and seaport It is fairly developed covers land area of 12.5 hectares

Fumba Free Zone

It is located at Fumba, South West of Unguja Island (Zanzibar). It is 24 kilometers (km) from sea port and 10km from the Zanzibar International Airport. It covers area of 3000 hectares of land; divided into residential and industrial areas.

Micheweni Free Zone

It is located at Micheweni district, north eastern corner of the sister island of Pemba, 75 km from sea port and 45 km from Pemba airport. The zone covers an area of 808.8 hectares divided into Industrial (547.4 Ha) and Residential (261.4 Ha).

Maruhubi Free Port Zone

It is located about 5 km from the sea port. Is is fairly developed covering land area of 5 hectares. It was purposely created to cater for transit trade.

Air Port Zone

It is located at Zanzibar International airport, covering land area of 4.5 hectares. It was intended to cater for air cargo. It is part of Cargo Village in Abeid Amani International Airport Master Plan.

Zone Development

Investors are invited to develop Fumba, Micheweni and Airport zones through concessions arrangements. Preference may be given to developers of infrastructure including warehouses, industrial sheds, roads and other infrastructure development.

Investing within free economic zones

Industrial sites

The scope of investment opportunities is wide but focus is generally given on manufacturing, assembly, recycling and processing of production of different commodities. Due to their immediate socio-economic linkages and development impact the following businesses are preferable.

- Textiles and garments
- Paper and pharmaceutical - based clove products,
- Electronics and Motorcycle assembly
- Warehousing and storage
- Reshipment
- Soaps
- Blocks and tiles
- Salt production.

Residential sites

Free zone residential sites offer opportunities in services projects. These include:

- Real estate development
- Establishment of satellite cities,
- ICT parks and education villages,
- Establishment of exhibition and convention centres
- Golf course

Other Investment Opportunities...

Tourism related services

- Diving and sea sports
- Tour operation (with exception of ground handling)
- First class restaurants (Joint venture with locals)

Livestock and Animal husbandry

- Dairy farming
- Animal feed processing
- Poultry farming and processing
- Construction and management of modern slaughter house
- Production of ornamental fish

Services

- Establishment and operation of health care centres
- Specialized hospitals and diagnostic centres
- Education and related services
- Financial services
- Information and Communication Technology

Sea Port Development

- Development and construction of new modern Commercial Port at Mpigaduri area under concession arrangements are encouraged by the Government.

For details, please contact:

Director General, Zanzibar Port Corporation,

P. O. Box 263, Zanzibar -Tanzania

Tel no: +255 24 2232017, Fax no. +255 24 2232859.

Email:Zanzibar-port@zanzinet.com

Renewable/Alternative Source of Energy

Potential investors are encouraged to generate power (electricity) using alternative eco friendly sources.

For details, please contact:

Principal Secretary,

Ministry of Land, Housing, Water and Energy

P. O. Box 238 Zanzibar, Tanzania

Tel: +255 2236291 Fax +255 24 2235812

Email:muna@zanlink.com

Issuance of Investment Certificate

Minimum Investment Capital Requirement for FDI

The minimum requirement for hotel establishment is US\$ 2.5 million. All other remaining sectors are US\$ 500,000.

How to apply Investment certificate

Prospective Investors are required to fill in and return application form which is available at ZIPA office (as well as at www.zanzibarinvest.org) for a non refundable fee of US \$ 200. The dully filled form should be accompanied with:

- i. 10 copies of Business Profile/feasibility study
- ii. Proof of availability of funds and a bank statement for the last six months
- iii. Passport copies, passport size photos, Curriculum Vitae of shareholders.
- iv. Police clearance certificates from country of residence of shareholders
- v. Certificate of incorporation
- vi. Memorandum and Article of Association

The Feasibility Study/Business Plan shall include:

- i. Executive Summary.
- ii. Background of the business
- iii. Products and services.
- iv. Markets, Clients and competitors.
- v. Business operation, organization and Human resources
- vi. Environmental and social factors.
- vii. Financial Planning and Risk, and sensitivity analysis

Note: Prospective Investor may appoint local agent to facilitate the processing of the application.

Investment Certificate Fee

Once business proposal is approved by ZIPA, Investor is issued with Interim Investment Certificate and letter of condition for his guidance. The conditions may changes during the implementation of the investment plan. The certificate is renewed annually until approved capital is invested; then only service fee shall apply. The Certificate fee structure is provided in the table below:

Table 1: INVESTMENT CERTIFICATE FEE

Capital Investment (US \$)	Investment Certificate Fees (US \$)
500,000 and below	600
500,001 - 2,000, 000	1000
2,000,001 - 4,000,000	1,200
4,000,001 and above	1,500
Freeport and EPZ investment	1,000

Source: ZIPA, 2014

Important Note:

1. The Investment fee are subject to change without prior consultation with Investors
2. Once investor approved under “service” status shall have no right of capital good exemption and any development shall be treated as new concept and subjected to all approval process.

Acquisition of Land

Land is owned by The Government. It can be acquired by lease of up to 99 years depending on capital invested and nature of the business.

Acquisition of land outside Free Economic Zones

Once Investor is issued with Investment Certificate for the implementation of project outside Free Economic zones, ZIPA may recommend to the Ministry responsible for Land the issuance of Land Lease for the approved enterprise or approved domestic enterprise. The indicative land rents are provided below:

Table 2: INDICATIVE LAND RATES

SECTOR	FOREIGNER (US\$/Ha)	CITIZEN (TSH/Ha)
Hotel	4000 - 4500	US \$ 1,500
Industrial	1285 - 3200	500,000
Agriculture	385 - 642	83,335
Services	1285 - 1785	500,000

Source: DLS, 2010; Rates are subject to change without prior consultation with Investors

Note:

Investors are strongly advised not to enter into land agreement with any third party. The government does not recognize such transactions. For assistance, investor may contact Department of Land and Registration at the following address:

Director, Department of Lands and Registration, P. O. Box 811, Zanzibar – Tanzania

Acquisition of land at Free Economic Zone

ZIPA as the custodian of free zones readily offers on lease plots in the zones to potential investors. The indicative land rates at free zones are as follows:

Table 3: INDICATIVE LAND LEASE AND PREMISES RENT FEES IN UNITED STATES DOLLARS (US \$)

ITEM	FREE ZONES				
	Amaan	Fumba	Micheweni	Maruhubi	Airport
LAND LEASE RENT IN US \$/Sqm/ Year					
Area less than 1 ha	1.0 - 5.0	0.5 - 2.0	0.2 - 1.5	1.0 - 5.0	0.5 - 2.0
1 ha - 5 ha	-	0.2 - 1.5	0.075 - 1.5	-	0.2 - 1.5
Above 5 hectares	-	0.1 - 1.0	0.01 - 0.75	-	0.1 - 1.0
Container space	35	-	-	35	-
PREMISES RENT IN US \$ /Sqm/Year					
Office Rent	60	-	-	60	-
Shed Rent in US \$/Sqm/ Year					
Fabrication Project	16	-	-	-	16
Non Fabrication	20	-	-	20	20

Source: ZIPA 2014; Note: Rates are subject to change without prior consultation with Investors

Issuance of Building Permit

Investor who acquired land lease from Ministry responsible for land shall apply for building permit to ZIPA. The application must accompanied with

- i. Ten (10) sets of proposed Drawings.
- ii. Four (4) hard copies of Bill of Quantity (BOQ) and a soft copy.
- iii. Each set of proposed drawing must include:
 - a. Architectural Drawings
 - b. Topographic Maps
 - c. General Site Lay out Plan
 - d. Plans, Section and Elevations of all Structures
 - e. Architectural Details
 - f. Engineering/structural Drawings
 - g. Optional Drawing
 - h. Name and details of registered contractor

Important Note:

- 1. All drawings must follow drawing guidelines provided by ZIPA.***
- 2. All drawings must be drawn or approved by registered professional of Architects, Engineers, and Quantity Surveyors Registration Board - Zanzibar.***

Tax Incentives

Zanzibar Investment promotion and Protection Act offers lucrative package of incentives. Some of them are provided below:

Incentives under Export Processing Zones

- a. 10 - year Corporate Tax Holiday and 25% Tax for the subsequent ten years.
- b. 10 – year withholding tax holiday on dividend to non-residents.
- c. Duty and VAT Exemption on raw materials, machinery, equipment and other inputs.
- d. Stamp duty Exemption.
- e. 100% investment deduction on capital expenditure within 20 years.
- f. Exemption from tax on dividend for ten years.
- g. Duty and Tax Free Import of goods from domestic tariff area permissible.
- h. Duty Free import of material for construction of factory buildings.
- i. Duty Free export of goods produced.
- j. Exemption of Income Tax on interest of borrowed capital.
- k. Exemption from payment of all taxes and levies imposed by local government authorities for goods and services produced in a Free Economic Zones.
- l. On site customs inspection of goods in lieu

Source: ZIPA, 2014

Incentives under Freeport zone

- a. 75% Exemption from payment of import duty, exercise duty, sales tax, (VAT) and any other import levy on all goods imported into the Freeport Zones.
- b. Exemption from any tax on all goods destined for re-exports.
- c. Exemptions from local taxes against all goods produced in the Freeport that are exported
- d. Exemption from payment of corporate tax for the first twenty (2) years.
- e. No limit to the durations that goods may be stored in the Freeport Zones.
- f. Hundred percent (100%) retention of all profits.
- g. Hundred percent (100%) foreign ownership allowed.
- h. Free repatriation of profit.
- i. Twenty percent (20%) of total turnover allowed for sale to the local market and

Incentives outside Free Economic zones

- a. During the construction phase for an approved enterprise, or approved domestic enterprise, the enterprise shall be exempted from customs and import duties and other similar taxes on machinery, equipment, spare parts, raw materials, vehicles and other goods necessary and exclusively required by the enterprise for the construction phase.
- b. Raw materials for the trial operations of an approved enterprise or approved domestic enterprise may be exempted from import duties.
- c. Provided the quantity of such raw materials does not exceed eighteen months' supply for one shift production operation.
- d. Five year tax holiday

Exemption of Import duties and similar taxes on Capital Goods

Investors shall submit to ZIPA 4 sets of a list of all capital goods to be imported as well as to be purchased locally. The list must be submitted in both hard and a soft copy.

(a) Application procedures for exemption of imported goods

Investor may apply for exemption in writing to ZIPA at least 2 weeks before the goods arrive in Zanzibar and submit together with the application the following:

- i. Bill of Lading/Air way Bill/Consignment notes/Local sale advise,
- ii. Customs Single Bill of Entry
- iii. Invoices
- iv. Packing list

(b) Application procedures for Exemption of VAT on Local Purchase

Investor may apply for exemption on VAT and submit to ZIPA the following:

- i. A dully filled Value Added Tax form issued by Zanzibar Revenue Board
- ii. A proforma invoice.

Important Note:

Investor shall pay five percent (5%) of the total exempted duties to the Authority, as service charge.

Corporate Tax exemption

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

1. Invest not less than the capital specified in the feasibility study;
2. Start Business Operation for at least one year.

Investor may apply to ZIPA for a corporate tax exemption. The application must be accompanied with the following documents:

- i. Audited Final Accounts for the past 2 years
- ii. A copy of last Quarterly progress report submitted.
- iii. A copy of valid operational license

Note: Application must be made within the first five years of business operation

Other Incentives

Investor may apply for other incentives to Executive Director ZIPA.

Issuance of Work Permit

ZIPPA gives an opportunity for the approved enterprise and approved domestic enterprise to employ expatriates in key positions. The number of foreign employees allowed is based on capital invested as indicated below:

Table 4: PERIOD AND NUMBER OF EXPATRIATES ALLOWED PER INVESTMENT

CAPITAL INVESTMENT (US\$)	TOTAL EXPATRIATES	KEY POSITION	EXECUTIVE POSITION	NON EXECUTIVE POSITION
ABOVE 6,000,000	30	10	10	10
3000000 -6000000	20	8	8	4
1000000-3000000	15	5	5	5
BELOW 10000000	10	3	5	2
PERIOD ALLOWED FOR RENEWAL		Project Life	4 YEARS	4 YEARS

Source: ZIPA, 2013

Note:

- i. *The recruitment of non citizens in any investment project shall not exceed fifteen percent (15%) of total labor force.*
- ii. **“Key Position”** means a position which can be filled permanently by an expatriate as long as the project is in operation.
- iii. **“Executive Position”** means a time position which requires professional qualifications and practical experience.
- iv. **“Non-executive Position”** means a time position which requires technical skills and experience.
- v. *ZIPA reserves the right to further limit number of expatriates depending on the nature of the business.*

Work Permit Fee

For every position to be filled by non citizen, investors shall pay a work permit fee to the Labour Commission through Labour officer stationed at ZIPA office. However, Investors are exempted from paying their work permit. The current fee structure for work permit (in US\$) is provided below:

Table 5: WORK PERMIT FEE STRUCTURE

Category	Investors	Expatriates	Permit Duration
First Application	Free	\$300.00	One year
Renewal	Free	\$ 150.00	One year
Temporary		\$200.00	Up to 6 months (Not Renewable)

Source: Labour Commission, 2013; Rates are subject to change without prior consultation with Investors.

Important Note:

1. *Any delay in submission of application of renewal of work permit to ZIPA will result in penalty of United States Dollars ten (US\$ 10) payable to the Authority, for each delayed day for both investors as well as expatriates.*
2. *It is an offence for any foreigner to work without a valid work permit.*
3. *It is an offence for any employer to allow a non citizen to work in his establishment without a valid work permit.*

Application Procedures for the issuance of Work Permit

New application

For each position to be filled by non citizen, Investors shall apply to ZIPA for a work permit, prior to the arrival of the applicant in Zanzibar and submit together with the application **three (3) sets** of the following documents:

- (i) **For Expatriates:**
 - a) Certified copies of academic certificates
 - b) Curriculum Vitae
 - c) Copy of Passport
 - d) Four passport size photographs
 - e) Two signed copies of contract of employment and related job descriptions.
 - f) Copy of Police Clearance Certificate from country of residence.
 - g) A copy of Medical report certifying fitness of the applicant for the post being applied for.

- (ii) **For Director/shareholder**
 - a) Copy of Passport
 - b) Curriculum Vitae
 - c) Four passport size photographs
 - d) A copy of Police Clearance Certificate from country of residence.
 - e) A copy of medical report
 - f) Company Memorandum and Article of Association
 - g) Certificate of Incorporation/compliance

Renewal

Where a work permit of a non citizen is about to expire, and he is eligible for renewal, investors shall apply to ZIPA for a renewal at least 14 days before expiry date of the permit. The application shall be made in writing and accompanied with **three sets** of the following documents:

- a) Copy of expiring work permit
- b) Three passport size photographs
- c) Copy of new/existing contract of employment and its job description

Temporary Work Permit

The permit is issued for temporary assignment. The application shall be made in writing and accompanied with **three sets** of the following documents

- d) Certified Copies of academic certificates
- e) Curriculum Vitae
- f) Copy of Passport
- g) Four passport size photographs
- h) Two copies of contract of employment and its job descriptions (if the period exceed 2 months)

Issuance of Residence Permit

ZIPPA gives an opportunity to investors, expatriates and their dependent to reside in Zanzibar during implementation of the project through residence permit issued by Immigration Department.

Residence permit fee

The Residence's Permit fee structure is provided below:

Table 6: Residence permits fee structure

Category	Type	Application/Replacement	Duration
Investor	class A	\$ 3000	3 years
Expatriate	Class B	\$ 2000	2 years
Researcher	Class C	\$ 500	2 years
Dependant / Renewal		\$ 500	2 years
Visitor's Pass		\$ 200	3 Months extendable

Source: Department of Immigration Service - Zanzibar, 2014

Application Procedure for the issuance of Residence Permit

New application

Investors shall apply to ZIPA for a residence permit of non citizen and submit together with the application **three (3)** sets of the following documents:

- (i) **For Directors/shareholders**
 - a) Curriculum Vitae
 - b) Copy of Passport
 - c) Four passport size photographs
 - d) A copy of police clearance certificate from country of residence
 - e) A copy of medical report
 - f) Company Memorandum and Articles of Association
 - g) Certificate of Incorporation/compliance
 - h) Evidence of business premises (if applicable)
 - i) Permit from appropriate Body (e.g Ministry of Health for doctors etc) if applicable

- (ii) **For Expatriates**
 - a) Certified Copies of academic certificates
 - b) Curriculum Vitae
 - c) Copy of Passport
 - d) Four passport size photographs
 - e) Valid Work Permit
 - f) A signed copy of Contract of Employment and its job description
 - g) A copy of police clearance certificate from country of residence
 - h) A copy of medical report
 - i) Permit from appropriate Body (e.g Ministry of Health for doctors etc) if applicable

Replacement (Director/Expatriate)

Where a residence permit of the non citizen is about to expire, and the same is eligible for renewal, Investors shall apply for the renewal at least 14 days before expiry date of the permit. The application shall be made in writing to ZIPA and accompanied with the following documents:

- a) Original expiring Residence permit
- b) 4 Passport size photographs
- c) Two copies of a valid work permit
- d) Two signed copies of Contract of Employment and its job description (if applicable)
- e) Income Tax Clearance Certificate
- f) Permit from appropriate Body (e.g Ministry of Health for doctors etc) if applicable

Replacement (Dependant)

Where a residence permit of a Dependant non citizen is about to expire, Investors shall apply for the renewal at least 14 days before expiry date of the permit. The application shall be made in writing to ZIPA and accompanied with **two sets** of the following documents.

- a) Valid copy of work and residence permit of the expatriate/investor who has a dependant
- b) Copy of Passport of dependant
- c) Two passport size photographs of dependant

Cancellation of Work and Residence Permit

For Expatriates

Where a work or residence permit of a non citizen is about to expire and he/she is not eligible for renewal, or the contract between employee and employer has come to an end, Investor shall apply to ZIPA for cancellation of a work and residence permit his/her employees at least 7 days before expiry date of the permits. The application shall be made in writing and accompanied with the following:

- a) Original Work permit
- b) Original Residence permit
- c) Valid Passport
- d) A copy of return ticket of the applicant

For Investors

Where non citizen investor decided not to engage him/herself directly in business operation or sold all his/her share(s) or the approved enterprise or approved domestic enterprise is about to closed its business, or decide not to reside in Zanzibar, Investor shall apply for cancellation of work and residence permits at least 5 days before expiry date of the permit. The application shall be made in writing to ZIPA and accompanied with the following documents:

- a) Original work permit
- b) Original Residence permit
- c) Valid Passport
- d) A copy of return ticket

Note: Investor who fails to submit the required documents for Residence permit cancellation shall be liable to a penalty of United States Dollar three hundred (US\$ 300), payable to the Authority, for both investors as well as expatriates.

Transfer of shares /Management Company

ZIPA allows Investor to transfer/sell his shares under the following procedures:

Procedures for transfer of shares

Investors shall inform ZIPA whenever there is change of ownership and submit to ZIPA the following documents:

- i. Board meeting resolution approved by Registrar of Companies which states number of shares transferred or sold.
- ii. CV, police clearance, passport copies and photos of the new Directors/shareholders
- iii. For a Company as new shareholder - Memorandum and Article of Association of the new shareholder and shareholders detail (Both company and person)
- iv. Pay service charges to ZIPA

Important Note:

1. *Investor shall pay to ZIPA 1.5% of share transferred on approved capital investment, indicated in the feasibility study, by ZIPA, as service charges.*
2. *Notwithstanding with number 1 above, Investor shall pay to ZIPA 1.5% of share transferred on actual investment capital if the capital investment exceed the approved capital indicated in the feasibility study as service charges*

Procedures for the approval of Management/Renting the investment

Investors shall inform ZIPA whenever he rent/lease or engage Management Company to run his business and submit to ZIPA the following documents:

- i. Contact agreement between Investor and lessee/Management company
- ii. Details of lessee which include CV, police clearance, passport copies and passport photograph
- iii. For Company as lessee - Memorandum and Article of Association of the lessee
- iv. Management company shall pay service fee of US\$ 500 annually until the end of contract
- v. A letter of commitment from investor showing that the company's assets shall be used as security for any transaction made between management company and third party such as supplier, employees and the like.

Other Business Facilitation

ZIPA may facilitate work and residence permits for expatriates of the domestic company who wish to employ expatriates in key positions. The application must be done in writing and accompanied with the following:

- i. All documents required for issuance of Work and Residence permit for an approved enterprise or approved domestic enterprise
- ii. Company Memorandum and Article of Association
- iii. Business License from regulated MDAs or competent Authority
- iv. Pay to ZIPA facilitation fees annually.
- v. Pay work and residence permit fee at Labour Commission and Immigration Department respectively.

Important Note: Facilitation fees is US\$ 300.00 per year

Restricted and Reserved Business

Restricted Business

CASINO and Gambling businesses are restricted to both local and foreign investors.

Business Reserved for local Investors

The following business is reserved for local investors:

- *Barbershops,*
- *Hair dressing,*
- *Beauty saloons,*
- *Retail shops, standard Restaurants*
- *Tour operation (ground handling)*

Important Note:

The list is not exhaustive, the Authority reserve the right to set aside some business activity for local investors