

THE LEGAL PROCEDURE ON INVESTING IN ZANZIBAR

STAGE 1

A. Registration of the company: It involves

- Draft of Shareholders agreement (If needed)
- Preparing the Memorandum and Articles of Association
- Filling of the MoA for Company registration
- Issued by certificate of Incorporation by the registrar of the Company
- Application for Taxpayer Identification Number (TIN)
- Opening of the Company Bank Account

Depending on the availability of information i.e Shareholders and Directors info, the process above might take 2 to 3 working days.

B. Application for Investment License

- Submission of Letter of Intent. This has to include the following information: (a) Full name and Address of the Investor, (b) Nationality of the Investors/Shareholders (c) Brief project concept (d) Sector of Interest (e) Proposed capital investment (f) Proposed Location of the Project (if identified) and (g) target market
- If ZIPA find the intended project project economically viable, they will ask you to collect Application form available at ZIPA office for No-refundable fee of US \$ 200.
- The Application form is attached with (a) 10 copies of Business profile/feasibility study (b) Proof of availability of funds and a bank statement for the last six months (c) Passport copies, passport size photos, CV and Police Clearance certificate of all Investors/shareholders (d) Certificate of Incorporation (e) Memorandum and Article of Association

The process above might take 3 to 4 weeks. The reason behind is that ZIPA has to forward the submitted documents to relevant authorities for comments and call for Technical Committee meeting for Approval of the Investment.

STAGE 2

C. Identification of land and Lease: There are two ways to acquire land for Investment in Zanzibar.

1. PRIVATE LEASE or LEASE OF RIGHT OF OCCUPANCY

- Under this arrangement, you may enter into a lease agreement with the local owner (holder of Right of occupancy to the Land) for the term of not more 49 years. The transfer of land by the way of lease is subject to the approval of the land transfer Board. The process might take up to 4 weeks because the Board meets once in a month.

2. LEASE OF THE PUBLIC LAND: There are two ways of acquiring public land for lease

- By applying for empty public land to the Minister: After your project has been approved by ZIPA, and you are lucky to find an unoccupied Public land you can apply to the Ministry of land for the Grant of Long term lease not exceeding 99 years to realize your investment intention.
- By compensating the Local owner (Holder of right of occupancy) his interests/improvements on the land so that the land become empty and then apply to the Minister for the grant of Public Lease. Our advice is that The compensation shall be made after (1) the Investment License from ZIPA is obtained (2) Proof that there is no any encumbrances (other rights) attached to the compensated improvements/interests (3) Proof by the land Authorities that the land is not registered with interest of any other person than the owner (4) No pending case to the court in relation to the said land and the judgment if any is in favour of the owner.

The process above might take 3-4 weeks depending on the fulfill of other ZIPA requirements and the availability of the Minister to Grant the Lease.

STAGE 3

D. Application for Building permit

- You will be required to apply for the Building permit to ZIPA together with the submission of the drawings for approval before start any constructions.

- The set of drawings includes (a) Architectural drawing (b) Topographical maps, (c) General site layout plan, (d) Plans, section and elevation of all structures, (e) Architectural details, (f) Engineering/Structural drawings (g) Optional Drawings and (h) Bill of quantities
- It is the Drawing approval committee convened by ZIPA which approves the drawings before the permit is issued.

The process might take two to three weeks depending on the timely availability of the Material information and documents needed for approval.

The information set out above is given only to you for your information on the investment procedure in connection with your interest to invest in Zanzibar and is not for any other purpose. Our firm disclaims the use of this information for any other purposes without our authorisation.

**Your Truly,
Mohamed Abdalla**