

12/11 - VIBINDO/TPSF/BARA

Private sector seeking urgent audience with ministry of trade over bad law

By **FINNIGAN WA
SIMBEYE**

A NEW business licensing law that will allegedly become effective on January 1, 2012 is threatening existence of thousands of small and medium enterprises (SMEs) prompting Tanzania Private Sector Foundation to seek audience with Ministry of Trade and Industry senior officials.

TPSF Chairperson, Esther Mkwizu told 'Daily News' yesterday that she has heard of the Business Activities Registration Act which will give local authorities powers to license businesses operating in their areas of jurisdiction.

"We have heard of this law and are seeking urgent audience with government officials to discuss the issue," Ms Mkwizu said as Chairman of SMEs and petty traders association, (Jumuiya ya Vikundi vya Wenye Viwanda na Biashara Ndogondogo-(VIBINDO), Gaston Kikuwi cried foul over BARA law this week.

Mkwizu said TPSF, "Is liaising with stakeholders and ultimately liaise with the government to request for a meeting to negotiate the issue."

The BARA legislation which was enacted in 2007 but implementation has been delayed by resistance by the private sector over concerns that it will backpedal on major achievements made in improving the business environment.

"This is a bad law which will frustrate business registration and licensing leading to increased costs of doing business and inefficiency," Mr Kikuwi said.

Among other things, the BARA law which was passed

by parliament in January 2007 and assented by President Jakaya Kikwete in March of the same year, requires that all businesses be registered by Business Registration and Licensing Authority and local authorities in their area of operations.

BARA law imposes a licensing fee of 50,000/- , 30,000/- and 10,000/- for businesses operating in municipal, district and village councils respectively. "It's not workable, you can't charge flat rate without considering size and capital of the business, turnover and other factors," Kikuwi argued warning that implementation of the law will drive out of business many VIBINDO members.

In a paper delivered at a breakfast meeting in June 2008, VIBINDO which is a beneficiary of Business Environment Strengthening in Tanzania Advocacy Campaign, (BEST-ACT), focused on 32 sections of the BARA legislation.

"For our purposes, attention is drawn to the sections which are bound to cause confusion and or problems to informal sector and generally to the private sector in the interpretation and or implementation of the Act," the paper said.

But Deputy Minister for Trade and Industry, Lazaro Nyalandu dismissed the fears as not true because the government is considering taking a bill to parliament in the next session to address private sector concerns on the BARA law.

"We hope that such changes will address their concerns," Mr Nyalandu said in a brief statement while responding to 'Daily News' questions relating to complaints from the VIBINDO recently.

^{VIBINDO} ^{BARA} Petty traders ^{Daily News 12/12/2011} unhappy with business act

By DAILY NEWS Reporter

ASSOCIATION of petty traders in Tanzania commonly known as VIBINDO Society has called on the government to temporarily halt enforcement of Business Activities Registration Act (BARA) of 2007 to address pertinent issues which, if not addressed, will negatively affect development of small businesses.

The Act, which aims at streamlining small-businesses in the country, is expected to become operational early next year.

Speaking in Dar es Salaam yesterday, VIBINDO Society Chairman, Mr Gaston Kikuwi said the legislation contains sections which, if implemented without being amended, would create inconveniences to petty traders.

Mr Kikuwi was speaking shortly after a stakeholders' meeting where VIBINDO members unanimously resolved that their

organization should spearhead advocacy to ask the government to delay its implementation and address business community's plights before the law comes into force.

He explained that after the Business Activities Registration Bill was passed by the National Assembly in January 2007 and assented by President Jakaya Kikwete into Law on March 30, 2007, VIBINDO and other stakeholders reached a consensus with the government to pilot the Act in 24 local government authorities before spreading it countrywide.

"A follow-up survey by the society's consultant in five of the 24 piloted local government authorities revealed that a lot of issues need to be resolved before the Act could be implemented throughout the country.

"Registrars and inspectors stipulated in the BARA-Act have not yet been appointed by the minister since trade officers, accord-

ing to the Act, lacked mandate to neither act as registrars nor inspectors," Mr Kikuwi said, quoting the findings of the report.

Evaluation of five criteria earlier set by stakeholders to be put in place before implementing the Act were procurement of equipment and services and locating office space, staff recruitment, and development of business registration system and install wide area network. Others were to develop strategic communication system and sensitize the public; and the BARA implementation itself. He said the survey has revealed that more than 95 per cent of the agreed activities had not been implemented.

The survey, which was carried in Dodoma, Morogoro, Mtwara, Moshi, and Mbeya, further indicates that only procurement of equipment and services and locating office space had been done reasonably in the five surveyed local government authorities.

MAJIRA 12-12-2011

VIBINDO waomba sheria ya usajili isitishwe

JUMUIYA ya Vikundi vya watu wenye Viwanda na Biashara Ndogondogo nchini (VIBINDO) imeomba serikali kusitisha matumizi ya Sheria ya Usajili wa Biashara ya Mwaka 2007 ili kutoa mwanya wa kuifanyia marekebisho ambayo yakiachwa, yataathiri ukuaji wa biashara hizo, anaripoti Rabia Bakari.

Akitoa taarifa kwa vyombo vya habari Dar es Salaam jana, Mwenyekiti wa VIBINDO, Bw. Gastoni Kikuwi alisema, sheria hiyo ina vipengele ambavyo vikiachiwa, vitaathiri kwa kiasi kikubwa maendeleo na ukuaji mzima wa biashara ndogondogo hapa nchini.

Bw. Kikuwi alisema, tamko hilo limetokana na mkutano wa wadau uliofanyika hivi karibuni jijini Dar es Salaam ambapo wajumbe wote kwa kauli moja wakubaliana kuwa jumuiya hiyo lanze mchakato wa kuiomba serikali kusitisha kuanza kutumika kwa sheria hiyo, ambayo ilipangwa kuanza mapema mwaka ujao wa 2012.

"VIBINDO na wadau wengine walifanya

mazungumzo ya muda mrefu na serikali hadi kufikia makubaliano kuwa sheria hiyo isitumike kwanza na badala yake ifanyiwe majaribio katika Mamlaka ya Serikali za Mitaa zipatazo 24 kabla ya kuanza kutumika nchi nzima," alisema.

Aliongeza kuwa utafiti waliofanya kupita kwa Mshauri Mwelekezi kuhusu utekelezaji na mafanikio ya kufanyiwa majaribio ya sheria hiyo katika mamlaka hizo za serikali za mitaa ulionesha kuwa mambo mengi muhimu yanahitaji kufanyika kabla ya sheria hiyo kutekeleza nchini kote.

"Wasajili na wakaguzi walioelezwa katika sheria hii na hawajateuliwa na waziri kwa kuwa wafanyabiashara waliopo, kulingana na sheria hii ya hawana mamlaka ya aidha kufanya kazi kama wasajili wa biashara wala wakaguzi," alifafanua.

Aliongeza kuwa sheria hiyo inaeleza katika kifungu cha 22(3) kuwa mfanyabiashara ndogondogo akipatikana na kosa na kuhukumiwa na Mkuu wa Wilaya hatakuwa na haki wala fursa ya kukataa rufaa kwa waziri mwenye dhamana.

Vibindo yataka matumizi Sheria ya Usajili wa Biashara icheleweshwe

NIPASHWE 12-12-2011

Na Renatha Msungu

JUMUIYA ya Vikundi vya Wenye Viwanda na Biashara Ndogo ndogo Tanzania (Vibindo), imeiomba serikali kuahirisha matumizi ya Sheria ya Usajili wa Biashara ya Mwaka 2007 ili kutoa mwanya kuifanyia marekebisho.

Vibindo imesema kama marekebisho hayo yataachwa, yataathiri ukuaji wa biashara ndogo ndogo nchini.

Mwenyekiti wa Vibindo, Gaston Kikuwi, alisema mwishoni mwa wiki kuwa Sheria hiyo ina vipengele ambavyo vikiachiwa, vitaathiri kwa kiasi kikubwa maendeleo na ukuaji mzima wa biashara ndogo ndogo nchini.

Aliyasema hayo baada ya mkutano wa wadau uliofanyika jijini Dar es Salaam ambapo wajumbe wote walikubaliana kuwa jumuiya yao ianze mchakato wa kuiomba serikali iahirishe kuanza kutumika kwa sheria hiyo kulikopangwa kuanza mapema mwakani.

Alisema baada ya Muswada wa Sheria hiyo kupitishwa na Bunge kuwa Sheria mwaka 2007 na kusainiwa na Rais Januari mwaka huo huo,

Vibindo na wadau wengine walifanya mazungumzo ya muda mrefu na serikali na kufikia makubaliano kuwa sheria hiyo isitumike kwanza na badala yake ifanyiwe majaribio katika Mamlaka ya Serikali za Mitaa zিপাতো 24 kabla ya kuanza kutumika nchi nzima.

Kikuwi alisema utafiti waliofanyia kupitia kwa Mshauri Mwelekezi kuhusu utekelezaji na mafanikio ya kufanyiwa majaribio ya sheria hiyo katika Mamlaka za Serikali za Mitaa 24 unaonyesha kuwa mambo mengi muhimu yanahitaji kufanyika kabla ya sheria hiyo kutekelezwa nchini kote.

Ukaguzi wa viashiria vitano ambavyo wadau waliweka hapo awali kuwa vimewekwa katika ofisi mbalimbali za wilaya kama moja ya mpango huo wa majaribio ya kuanza kutumika kwa sheria hiyo vimeonekana kutokuwapo kama ilivyokuwa imekubaliwa.

Viashiria hivyo ni kutafuta vifaa vya ofisi na kupata ofisi, kuajiri wafanyakazi, kuweka mfumo wa usajili wa biashara na uwekaji wa mfumo mpana wa maingiliano ya mfumo huo kwa ofisi zote.

Viashiria vingine vilikuwa kuanzisha mkakati wa mfumo wa kuhamasisha jamii, na kuanza kutekelezwa kwa utumiaji wa sheria

hiyo ya Bara katika halmashauri hizo.

Alisema utafiti wao umegundua kuwa zaidi ya asilimia 95 ya shughuli zote zilizokuwa zimepangwa kuwa zimekamili kabla ya sheria hiyo kuanza kutumika rasmi hapo mwakani havijafanyiwa kazi, jambo linaloonyesha uhalali wa kilio chao kwamba sheria hiyo icheleweshwe kuanza kutumika hadi ifanyiwe marekebisho muhimu.

Utafiti huo uliofanyika katika Mamlaka za Serikali za Mitaa katika mikoa ya Dodoma, Morogoro, Mtwara, Moshi na Mbeya unaonyesha kuwa ni ununuzi wa vifaa na uwekaji wa ofisi takika halmashauri tano zilizofanyiwa utafiti huo zimefanyika kwa kiwango cha kuridhisha kidogo.

Alisema sheria hiyo iliyotungwa kusaidia na kurahisisha mfumo mzima wa usajili na kuanzisha biashara, kuweka mfumo rahisi unaoeleweka wa wazi, unaopunguza gharama kwa mteja, na ulio endelevu, ungeweza badala yake, kuwa kikwazo cha kuanzisha biashara na wafanyabiashara endapo serikalai haitasikia kilio cha wafanya biashara ndogo ndogo.

Baadhi ya ushauri wa Vibindo ni pamoja na serikali kuvifanyia marekebisho baadhi ya vifungu kadhaa vya sheria hiyo kama vile kifungu cha 3 kinachohusu tafsiri ya neno biashara ambalo wanaomba litofautishwe na shughuli za biashara.

Sehemu nyingine inayolalamikiwa ni kifungu cha 11 (5) kinachowazuia wafanyabiashara kufanya biashara katika maeneo zaidi ya moja bila kwanza kusajili kila shughuli inayofanyika katika kila eneo.

Vile vile, sheria hiyo inasema katika kifungu cha 22(3) kuwa mfanyabiashara ndogo ndogo akipatikana na kosa na kuhukumiwa na Mkuu wa Wilaya atakuwa na haki na fursa ya kukata rufaa kwa Waziri.

"Vibindo wanataka Sheria icieleze wazi waziri huyu ni yupi, wa Viwanda na Biashara au wa Serikali za Mitaa?"

Kwa upande mwingine, kifungu cha 28 (e)(i) na (ii) vinavyohusu makosa baada ya mfanyabiashara kupatikana na kosa na kuhukumiwa, adhabu itategemea na ukubwa wa biashara hususani jumla ya mauzo ya biashara husika kwa mwaka.

Vibindo wanapendekeza kifungu biki kifanyiwe marekebisho ili kitaje kiasi kamili cha faini na kuondoa maneno 'jumla ya mauzo ya mwaka' kwa maelezo kwamba ukubwa wa adhabu isitegemee ukubwa wa biashara na mapato.

By FINNIGAN WA
SIMBEYE

CONFIRMATION of reports that effective next month businesses will pay between 10,000/- and 30,000/- as licensing fees to local authorities has sent shivers of fear and panic among the country's petty traders who will be hit hardest.

Interviewed petty traders selling fruits, vegetables, cheap imported Chinese toys and electronics have warned that the new fees will only drive many of them out of business.

"The government should stop targeting us and instead tax the multinationals who are taking away our minerals leaving us craters in mining areas,"

said Chibwana Mohammed, an assorted vegetables and fruits vendor at Buguruni market.

Mr Mohammed said he has heard of the new Business Activities Registration Act of 2007 which became effective on January 1, 2012 but doubted its practicability. Many businesses will suffer as such fees will be charged from village to district level.

"We are seeing the reinstatement of nuisance taxes which former President Mkapa abolished, why?" wondered Esther Evans who is a fish-cum-snack vendor at Mwenge bus stand. Ms Evans said the new fees will only encourage harassment and corruption among local authority revenue collectors.

Finance Minister, Mustafa Mkulo was quoted last week

by the media as saying that the new fees will help strengthen revenue at local authorities to finance key development projects as decentralization by devolution takes shape.

"This measure is aimed at regulating business and it is also in line with the government policy of decentralisation by devolution," Mr Mkulo argued.

The fee is in line with the BARA which is a result of Business Licensing Act amendment. District councils will collect business licence fees of 30,000/- while village councils will impose 10,000/- fee per annum.

Mkulo argued that the move is expected to widen the country's tax base by incorporating a wider population base which will help the

country reduce its dependency on foreign aid.

Chairman of Jumuiya ya Vikundi vya Wenye Viwanda na Biashara Ndogondogo (VIBINDO), Gaston Kikuwi said he has already warned that the fees will drive many petty traders out of business, worsen unemployment and provide conducive environment for crime to prevail.

Mr Kikuwi said the 2007 law which is due for implementation next January should go back to parliament for amendments as it will likely drive out of business more SMEs than earlier thought as it introduces tough licensing conditions.

"This is a bad law which will frustrate business registration and licensing leading to inefficiency," Kikuwi argued.

Among other things, the BARA law which was passed by parliament in January 2007 and assented by President Jakaya Kikwete in March of the same year, requires that all businesses be registered by Business Registration and Licensing Authority and local authorities in their area of operations.

BARA law imposes a licensing fee of 50,000/- , 30,000/- and 10,000/- for businesses operating in municipal, district and village councils respectively. "It's not workable, you can't charge flat rate without considering size and capital of the business, turnover and other factors," Kikuwi argued warning that implementation of the law will hurt many VIBINDO members.

In a paper delivered at a breakfast meeting in June 2008, VIBINDO which is a beneficiary of Business Environment Strengthening in Tanzania Advocacy Campaign, (BEST-ACT), focused on 32 sections of the BARA legislation.

"For our purposes, attention is drawn to the sections which are bound to cause confusion and or problems to informal sector and generally to the private sector in the interpretation and or implementation of the Act," the paper said.

Experts warn that the new fees slapped on businesses will only worsen the country's business regulation environment which has not improved for the past two years. According to World Bank Doing Busi-

ness report for this year, the country ranked number 128 out of 183 countries surveyed on the friendliness of doing business environment. The country has retained the poor position for two consecutive years. The World Bank report suggested that Tanzania's company registration process is prohibitive.

It noted that there are at least 12 procedures one has to go through to register a company. Sometimes it can take up to 29 days for someone to register a company. This frustrates a significant number of people, especially young graduates, who end up giving up because they cannot afford bribing officials to fast track the process. The latest fee introduction will only make things worse, experts warn.