

**THE UNITED REPUBLIC OF TANZANIA
PRIME MINISTER'S OFFICE**



**Government Roadmap on the
Improvement of the Investment
Climate in Tanzania**

Dar es Salaam, September 2010.

SUMMARY OF THE GOVERNMENT ROADMAP FOR THE IMPROVEMENT OF THE INVESTMENT CLIMATE IN TANZANIA

1. INTRODUCTION

On 18th September, 2009, the President of the United Republic of Tanzania convened a meeting with the Chief Secretary, selected Permanent Secretaries and the Governor of the Bank of Tanzania (BOT). The meeting was called to discuss the business environment / investment climate in Tanzania in view of Tanzania's deteriorating ranking on the Ease of Doing Business index as published annually under the annual Doing Business report by the World Bank. Tanzania's ranking on the aggregate "Ease of Doing Business" index was number 124 in Doing Business report for 2008 (DB2008), number 127 (DB 2009), and number 131 (DB 2010). The President charged the Prime Minister's Office with the task of coordinating a process of reviewing the status of the regulatory framework and procedures involved in all indicators where Tanzania achieved the three-digit performance ranking and identification of measures that will enable the nation to improve this ranking to double-digit level (number 99 or better) in the DB2011 report. The Prime Minister's Office appointed a Regulatory Reform Task Force constituted by selected Permanent Secretaries and Governor of BOT supported by eight thematic Task Teams for the ten indicators that comprise the Ease of Doing Business aggregate indicator.

The first meeting of the Task Force was convened on 24th September, 2009 by the Permanent Secretary, Prime Minister's Office. This meeting formally resolved and charged each of the selected Permanent Secretaries to undertake a detailed technical analysis of all procedures involved in each of the Doing Business indicators falling under their mandate and come up with recommendations for changes that could be implemented in the immediate and medium terms as well as areas that required deeper analysis. Towards this end the Task Teams were expected to analyse each of the procedures identified in the DB report, establish the underlying policy, legal or administrative mandate and come up with recommendations for eliminating as many procedures as

possible or streamlining procedures that cannot be eliminated with a view to reducing the time and costs of compliance to the minimum level possible. The terms of reference for the Task Teams are presented in **Appendix A** to this report while the list of teams and the corresponding lead Ministry is reproduced hereunder:

- i. **Starting and Closing Business indicators:** Ministry of Industry, Trade and Marketing (responsible for two indicators);
- ii. **Dealing with Construction Permits:** Prime Minister's Office, Regional Administration and Local Government;
- iii. **Registering Property:** Ministry of Lands, Housing and Human Settlements Development;
- iv. **Employing Workers:** Ministry of Labour, Employment and Youth Development;
- v. **Trading Across Borders:** Ministry of Home Affairs;
- vi. **Paying Taxes and Protecting Investors:** Ministry of Finance and Economic Affairs;
- vii. **Getting Credit:** Bank of Tanzania; and
- viii. **Enforcing Contract indicators:** Ministry of Constitutional Affairs and Justice (responsible for two indicators).

2. OBJECTIVE OF THE ASSIGNMENT

The assignment involved undertaking a rapid analysis of the Tanzanian business environment based on a review of procedures prevailing in Government service delivery to the business community in all sectors covered by the ten Doing Business indicators with a view to identifying compliance requirements that increase the duration and cost of doing business and create other impediments against business. The objective was to identify procedures and compliance requirements whose underlying mandate is either policy-based, statutory or of an administrative nature. The results includes a set of findings and recommendations in three categories: (i) Procedures that can be eliminated, streamlined or changed on immediate basis; (ii) Procedures that require further analysis but whose implementation can be undertaken within six months so as to come up with a decision on appropriate changes and ensure that the outcome impacts on DB2011; and (iii) Procedures whose reform require major changes of a policy and statutory nature that can only be accomplished in the medium term. The initial focus was on implementing as quick-wins all procedures that are recommended for immediate action as well as those requiring further analysis but are implementable within a period of six months so as to improve Tanzania's ranking in DB2011 to double-digit level (number 99 or better among 183 countries).

METHODOLOGY OF ANALYSIS AND STRUCTURE OF THE INVESTMENT CLIMATE ROADMAP REPORT

3.1 Regulatory Best Practice Instruments

After a briefing on the assignment, six of the task teams were introduced to the regulatory reform instruments and tools applicable in identifying transaction costs including the international Standard Cost Model, the Regulatory Guillotine and Regulatory Impact Assessment. Emphasis was placed on the tools and methodology used to identify and eliminate “administrative burdens” or costs of compliance to requirements for information or participatory decision making that serves no apparent useful regulating purpose. Experience of team members on practices in their sectors coupled with knowledge gained from the presentation were utilized in accomplishing the assignment. Specifically, team members engaged in participatory review of the available instruments and held discussions on the procedures applicable under their respective institutions in the processes of establishing, operating and winding up businesses. The analysis involved a review of activities involved in each procedure, objective underlying each procedure, the resulting activities and bottlenecks inherent in those activities, making it possible to decide which activities could be dropped in reforming procedures that have to be retained for justifiable reasons. Otherwise the methodology also provided for dropping completely any procedures that were considered irrelevant and of no useful purpose.

3.2 Administrative and Information Burdens

The outcome of this analysis is a set of recommendations prioritising the tackling of administrative burdens that will lead to tremendous improvement through reduced duration and costs of each procedure. The comprehensive findings and recommendations by the eight Technical Task Teams, is presented in the Main Report section in both narrative and matrix form. These findings were adopted jointly by the Permanent Secretaries as a Task Force during their 3rd meeting held on 12th November, 2009. The same recommendations were presented to a Local Government Authorities working

session, attended by District Executive Directors and Regional Administrative Secretaries, held in Dodoma on 2nd December, 2009, chaired by the Deputy Minister, Prime Minister's Office, Regional Administration and Local Government. The working session adopted the recommendations with consensus and agreed to commence implementation of actions on procedures that are embedded in administrative mandate immediately. For instance, TRA circulated an internal memo dated 15th January, 2010 directing that assessment of capital gains taxation for transfer of landed property be based on valuation by the Government Valuer. Past procedures required TRA officials to undertake an independent second valuation for tax assessment purposes, at substantial time and cost to the client.

3.3 Streamlining of Statutory Procedures

The recommendations of the Task Force were subjected to joint discussions between the Permanent Secretaries Task Force and a Team of two experts from the World Bank's Investment Climate Division, held on 16th February, 2010 at the Prime Minister's Office. The World Bank experts undertook to provide further advice on how to bring international best practice to bear on the recommendations, in particular, those requiring legislative amendments and on implementation instruments

Ultimately, only a few Task Teams were able to finalise and submit to the Attorney General's Chamber's request for specific legal amendments for legislation under the Miscellaneous Amendments procedures. These included TRA through the Ministry of Finance and Economic Affairs (MOFEA) on various minor tax payment procedures and the Ministry of Labour, Employment and Youth Development (MOLEYD). Some of MOLEYD's amendments did make it through Parliament. At the end of the 2009/2010 financial year, a large number of statutory amendments remained pending and are being processed, together with additional amendments being identified in a continuous process, for submission to the April 2011 Parliament for consideration

3.4 Government Decision on Implementation of the Roadmap

Meanwhile, recommendations on reforms agreed to by the Task Team vide its report dated 21st March, 2010, were submitted to the Government decision making machinery for formal adoption and approval for implementation. A formal decision for implementation was given on 1st July 2010 mandating the Technical Task Force to proceed with implementation of most of the findings and recommendations as highlighted in the March, 2010 report. The approved document is the **“Roadmap for Improvement of Tanzania’s Investment Climate”**, also referred to in short as the **“Investment Climate Roadmap”**.

The recommendations fall into three distinct categories. First, there are recommendations on procedures whose elimination is a continuing process even as the Government approval for legislative reforms was being sought. Under this group a large number of initiations on improving the processes of business start-up have been undertaken. This includes the adoption of a simple three page model format Memorandum and Articles of Association (MEMARTS) for company registration that became available with effect from May, 2010, after uploading on BRELA’s website. This makes it possible for anyone seeking to incorporate a company to do so without being compelled to seek expensive public notary and legal advisory services for a routine task. At the same time, BRELA has also placed its name search and taxonomy guidelines on acceptable business names online. The Ministry of Lands, Housing and Human Settlements Development (MLHSD) is proceeding with measures to consolidate scattered records on registration of titles from three separate systems kept by different sections into amalgamated folders that make it possible for information on one title to be located in one file instead of three separate binders. This has been accomplished for records maintained countrywide at the Headquarters land registry and five Zonal Offices and will improve substantially the process of transfer of existing titles. Meanwhile, measures to bring a large number of informal property into the geographical information system (GIS) based electronic land register are ongoing.

The second category is concerned with medium term legislative amendments. Some of these measures were initially envisaged for accomplishment through miscellaneous amendments during the July 2010 Budget Session. As mentioned earlier only a few Task Teams were able to accomplish agreed objectives in this area. Meanwhile, the Government's approval of the Roadmap for Improving Tanzania's Investment Climate report has broadened the list of legislative changes. For instance, reform agenda now includes review of the Regulatory Licensing Regime using the instruments of sectoral reviews and the Guillotine process, which should be accomplished within the 2010/11 financial year. Indeed, the decision on hand is to submit to the first working post-election Parliamentary working session, due for April 2011, specific recommendations on Regulatory Licensing. Changes to Regulatory Licensing that can be accomplished within the span of one year are primarily those related to the Guillotine process, whose implementation takes the same format as the quickwin administrative and legislative amendment reforms that have been accomplished during the 2009/10 financial year.

Legal reforms and amendments that require policy changes are expected to take a longer timeframe as further analysis into policy reforms have to be undertaken and these are bound to take longer. This set constitutes the third category of measures that require policy analysis and reforms, including subjection to regulatory best practice instruments, such as Regulatory Impact Analysis. These are measures that require policy, legal and institutional reviews. In the context of the approved Roadmap, they include sectoral review of regulatory licensing and investment in electronic civil registries to replace existing paper-based systems in sectors that provide critical services for private sector development. Priority civil registries include: (i) the establishment of the GIS-based electronic land information registry; (ii) electronic business register as provided for under the that includes the Business Activity Registration Act, 2007 and the Companies Act 2002, and other business registers; (iii) the registry for births and deaths under the Registration, Insolvency and Trusteeship Agency; (iv) the establishment of an electronic Case Management System in the Judiciary; and (v) the development of an electronic

work-permit register for the Labour sector. These measures are already under implementation under various legal and regulatory reform programs other than BEST including the Legal Sector Reform Program (LSRP); the Public Sector Reform Program (PSRP); the Financial Sector Deepening Program (FSDT); the Public Finance Management Reform Program (PFMRP); and the Local Government Reform Program (LGRP).

4.0 GOVERNMENT ROADMAP ON THE IMPROVEMENT OF THE INVESTMENT CLIMATE

4.1 STARTING BUSINESS: MINISTRY OF INDUSTRY, TRADE AND MARKETING

S/ N	PR OCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
<i>QUICK WINS REFORMS FOR IMMEDIATE IMPLEMENTATION</i>					
1	Company Name clearance applications		Name clearance is done manually for names which are not in the electronic database and electronically for the names already in the database.	<p>Short-term Computerize and deliver business name clearance online. Accept the Task Team's recommendation and target to reduce search time to less than one hour through on the spot service from March 2010.</p> <p>Implementors: MITM / BRELA</p>	<p>Companies and business names data capture process has been completed and search for companies / business names now available on BRELA's website.</p> <p>Taxonomy of acceptable names also on website</p> <p>Also the law provides for reservation of business name for 60 days. This service available to clients since 2006.</p>
2	Inspection of Business	Transport to inspection sites	Inspection by Land and Town Planning Officers	Town planning inspection is important for environmental	Notice to amend Business Licensing

S/ N	PR OCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
	Premises by Land and Town Planning Officers	should be provided by the government.	contributes to delays. Lack of transport facilities for inspection officers leads to delays in the process and weakens officers independence in decision making	<p>protection reasons and should be carried out by respective authorities accordingly. However, Town Planning permits should not be prerequisite to obtaining Business Licences except for specific regulated business for environmental protection purposes.</p> <p>For regulated businesses, town planning inspection undertaken in advance of registration and /or regulatory licensing is important and should be carried out by respective authorities accordingly. LGAs to identify sustainable mechanism to ensure monitoring of business activities with regard to town planning in line with regulatory licensing objectives.</p> <p>Transport to inspection sites shall be provided by the Government</p> <p>Implementors: MITM/BRELA, PMO.</p>	Regulations (application form) regarding the removal/abolishing of health and town planning prerequisite has been prepared.
	Inspection of Premises by Health Officer		Inspections of business premises by Health Officer are undertaken separately from inspections by Town and Land Officers and contribute to delays.	<p>i. Health inspection is important and should be carried out by respective authorities accordingly in such a way that it is delinked from licensing and is not a pre-requisite for obtaining Business Licences.</p>	

S/ N	PR OCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
				<p>Amendment of Business License Application form TFN 211 will be undertaken.</p> <p>ii. For regulated businesses, health inspection is a prerequisite and shall be carried out by mandated statutory authorities accordingly. For non-regulated business it shall be undertaken as part of routine government functions delinked from the business licensing and registration process.</p> <p>iii. LGAs to identify sustainable mechanism to ensure monitoring of business activities with regard to health.</p> <p>Implementors: MITM / PMO-RALG & LGAs</p>	

S/ N	PR OCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
3	Apply and receive Business License from Regional Trade Officer	Business Licensing Act No. 25 of 1972	<p>Inadequate supplies of application licence books.</p> <p>Inadequate and cumbersome application forms.</p>	<p>Improve capacity of the Government Printer or eliminate the existing monopoly in printing of application forms and licence books</p> <p>The Task Force recommends adequate supply and timely delivery of Licence books to LGAs</p> <p>Upload Business Licence Application Forms on the Ministry's website</p> <p>The Task Force recommends adequate supply and timely delivery of simplified application forms.</p> <p>Implementors: PMO-RALG, MITM</p>	<p>Simplification of TFN 211 form is proposed.</p> <p>(amendments have been prepared and submitted to AG Chambers.</p>
		Business Licensing Act No. 25 of 1972	<p>(i) Weak link between MITM, Regional Offices and LGAs and delays in approving business licenses by the LGAs</p> <p>(ii) Resistance to change by District Councillors (a feeling that they are not being</p>	<p>i. Linkage between MITM, Regional Secretariats and LGAs should be strengthened to ensure smooth business start-up.</p> <p>ii. MITM should liaise with all LGAs to make sure that applicants for business licences that <u>who meeting</u> legal requirements should be issued with licences immediately followed with reporting to the Licensing Committee. The Minister should issue a directive to authorise Trade</p>	<p>i. MITM is implementing all industry and trade sector policies at LGA level in collaboration with PMO-RALG.</p> <p>ii. Appointment of Trade Officers to be a Licensing Authority is underway</p>

Comment [u1]: Mention of Act for amendment required.

S/ N	PR OCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
			involved in the process of decision-making in issuing business licences and loss of personal income)	<p>Officers to be a Licensing Authority in lieu of a committee (See section 6 (1) Business Licensing Act)</p> <p>iii. Create awareness amongst Councillors and other LGA officials on new licensing systems i.e. implementation of BARA and National Regulatory Licensing Policy and related reforms as part of introductory measures for implementation.</p> <p>Implementors: MITM / BRELA and PMO-RALG</p>	
4	Apply for Taxpayer Identification Number (TIN)		Both TIN and PAYE are applied separately	<p>Consolidate application form to include both TIN and PAYE.</p> <p>Implementors: MOFEA / TRA</p>	i. Taxpayer Identification Number (TIN) is a unique number for taxpayer registration at commencement of business. TIN is not issued for tax type. Application for TIN is done online since July,

S/ N	PR OCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
					2010 through TRA website: www.tra.go.tz/index.php
5	Apply for VAT certificate with TRA		Time spent for VAT processing/application	Reduce the number of days from four to two days for VAT application processing. Implementors: MOFEA / TRA	Currently TRA takes two (2) working days to process VAT application.

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
MEDIUM-TERM MEASURES (REQUIRES FURTHER ANALYSIS THAT CAN BE ACCOMPLISH WITHIN 6 MONTHS)					
6	Filing of an application for incorporation of a Local company		<p>i. Filing process is done manually and offline.</p> <p>ii. Evidence Act does not permit admissibility of electronically generated documents</p> <p>iii. Ignorance of registration procedures to local investors.</p> <p>iv. Cumbersome administration of</p>	<p>Computerization of BRELA operations and provision of online registration services.</p> <p>Amend Evidence Act to allow use of electronically generated documents to be admissible in court of laws.</p> <p>Amend payment schedules of the Companies Act to address administration of multiple fees.</p> <p>Encourage use of professional services and intensify sensitisation and outreach programme on adherence to BRELAS's guidance available on line</p>	<p>Search for suitable premises for BRELA Offices ongoing</p> <p>Standard format for Memorandum and Articles of Association (MEMARTS) for incorporation of a company without recourse to lawyers is now available on BRELA's website.</p>

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
			multiple fees: registration fee, filing fees and stamp duty which are not uniform and non-accommodative to all stakeholders	<p>Further work is required on:</p> <ul style="list-style-type: none"> (i) Current applicability of electronic evidence under the Evidence Act i.e. amend the Act to provide for acceptance of electronic evidence; (ii) Amendment of payment schedules; (iii) Timeframe for computerization of BRELA system and its impact. (iv) Unnecessary use of professional Business Development Service providers for compliance requirements leads to costs and negate the objective of low-cost business start up procedures. Consider alternatives of providing business start-up support service (information) as part of BARA implementation institutional framework. <p>Implementors: MITM / BRELA</p>	BRELA is consulting with TCCIA so that the latter can serve as agents for undertaking non statutory initial stages of the company incorporation and business names registration process, after formal approval by the Government.
			Lack of appropriate office accommodation for BRELA Front Offices to deliver client services Limited resources (personnel and material resources)	<p>BRELA be assisted to secure suitable plot with a building to be rehabilitate for Front office and other needs.</p> <p>Implementors: MITM / BRELA</p>	

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
	Apply and receive Business License from Regional Trade Officer	Business Licensing Act No. 25 of 1972 and 64 Sector Regulatory Licensing Laws and corresponding Regulations	Duplication of licenses (regulatory license and general business licenses) Simplification and harmonization of 65 Sectoral Regulatory Licensing Legislation and corresponding Regulatory Licenses and delinkage from business licensing	1. Implementatoin of BARA and review of 65 Regulatory Licensing statutes should commence immediately subject to the following provisions: i. First, that all bureaucratic impediments and administrative burdens that prevail in the Business Activities Registration Act, 2007, should be eliminated immediately; ii. BRELA to consult with MKURABITA who are also working on a simplified business activities registration system as an instrument for business formalization for the purpose of coordination of implementation. iii. The objective of a “one stop centre” for business registration is transparency in the procedures. To enhance transparency, the construction of business registries should be modelled on open customer care services halls / facilities. iv. Review of the 65 Regulatory Licenses Statutes should commence immediately so that	Preparations to commence implementation of reforms of Regulatory Licensing regime underway. Procurement for computerization of BRELA’s registries has started

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
				<p>recommendations for reforms and requisite changes will be submitted to Parliament during the March/April, 2011 Session.</p> <p>Implementors: MITM / BARA; PMO-RALG & LGAs; and Sector Regulatory Licensing Authorities</p>	
7	Filing of an application for a registration of Foreign company		Registration process is done manually.	<p>Computerization of BRELA' Registry operations and offering services online. Further work required be expedited in following areas:</p> <ul style="list-style-type: none"> (i) Current applicability of electronic evidence under the Evidence Act; (ii) Amendment of payment schedules; and (iii) Timeframe for computerization of BRELA operations. <p>Implementors: MITM / BRELA</p>	Procurement for computerization of BRELA's registries
LONGER-TERM MEASURES: REQUIRES POLICY AND STATUTORY REVIEWS					
8	Register for workers compensation insurance at the NIC or other alternative			<p>Long-term Measure. NSSF getting specified information directly from BRELA / NIDA / RITA Electronic Databases.</p>	<p>Modernization of civil registries under BRELA, RITA and NIDA has started.</p> <p>Draft contract for</p>

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS AND CHALLENGES	GOVERNMENT DECISION	STATUS
	insurance police				digitization of BRELA paper records was approved by Attorney general's Office in September.
9	Obtain registration number at the NSSF			Long term measure: NSSF getting specified information directly from BRELA / NIDA / RITA electronic Databases. Implementors: MOHA (NIDA) / MOCAJ (RITA); and MITM (BRELA)	

4.2 DEALING WITH CONSTRUCTION PERMIT: PRIME MINISTER'S OFFICE, REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

S/ N	PROCEDURE	COMPLIANCE MANDATE	BOTTLENECK /PROBLEMS	GOVERNMENT DECISION	STATUS
QUICK-WIN REFORMS FOR IMMEDIATE IMPLEMENTATION					
1	Obtain Location/site plan from MLHHSD/LGAs	Statutory	<ul style="list-style-type: none"> Centralization of all survey plans in MLHHSD Inadequate accessibility of survey plans and poor record keeping 	<ul style="list-style-type: none"> Prepare enough copies of survey plans and distribute to LGAs Decentralization of survey plans record keeping at Zonal and LGAs Digitization of all survey plans <p>Implementors: MLHHSD; PMO-RALG and LGAs</p>	PMO-RALG has instructed all LGAs to appoint a Senior Officer to face-vet all building plans to ensure that they meet specifications on the date of lodging. All sub-standard maps will be returned to the applicant on the same day with clarification on issues to be addressed before re-submission.
2.	Obtain certified copy of the land rent receipts from the Internal Revenue Authority	N/A N/A	N/A	<p>Land rent is payable annually from the time of issuance of title. This procedure requires further analysis to determine cause for differences between the Ministry's response and the Doing Business report findings.</p> <p>Implementors: MLHHSD; PMO-RALG and LGAs</p>	
3.	Obtain building permit	Statutory	<p>Statutory requirements</p> <ul style="list-style-type: none"> council meetings Poorly 	<p>i. Senior Tech Officer be appointed to face vet documents</p> <ul style="list-style-type: none"> A check list should be prepared to guide receiving officer Development conditions to be attached to 	LGAs have been instructed to ensure that they include in their annual budgets adequate funding to

S/ N	PROCEDURE	COMPLIANCE MANDATE	BOTTLENECK /PROBLEMS	GOVERNMENT DECISION	STATUS
			<p>prepared drawings</p> <ul style="list-style-type: none"> • Inadequate document submitted • Limitations in qualified staff • me lag in file movement 	<p>the letter of offer / Certificate of Title</p> <ul style="list-style-type: none"> • Approval to be granted by technical personnel • Continuous public awareness • Create one-stop centre <p>ii. Preparatory measures for amending laws required under this area should commence immediately so that draft amendments and / or draft bills are submitted to Parliament during the March / April 2011 Session.</p> <p>Implementors: MLHHS; PMO-RALG; and LGAs</p>	<p>finance building permits processing function. This includes provision for a regular public education program/schedule</p>
4.	<p>Request and receive six separate inspections (WB procedures No. 5, 6, 7, 8, 9, & 10):</p> <p>i. Pre-construction inspection from LGA Officers</p> <p>ii. Excavation work inspection</p>			<p>1. Combine step 5, 6, 7, 8, 9 and 10 to be undertaken by consultant/contractor appointed by the client and submit report at all stages to Council Eng.</p> <p>2. Establish Customer Care desk at receiving point and assign Senior Technical Officer to face-vet all application documents in all LGAs and ensure that:</p> <p>a. All submissions for application of Building Permit are accompanied by Town Plan Drawing (TPD). Copies of all TPDs should also be made available to the Officials responsible for approving</p>	<p>LGAs have been instructed to ensure that they include in their annual budgets adequate funding to finance building permits processing function. This includes provision for a regular public education program/schedule and facilitation of statutory meetings</p>

S/ N	PROCEDURE	COMPLIANCE MANDATE	BOTTLENECK /PROBLEMS	GOVERNMENT DECISION	STATUS
	iii. Foundation work inspection iv. Concrete work inspection v. Slab work inspection vi. Roof work inspection			Building Permits; and b. Put in place procedures to ensure that regular meetings of Committees of Councillors are planned and are convened and held without failure to guarantee that building permits are issued and that Councillors vet the work of unscrupulous officials. 3. Development conditions to be attached to the letter of offer and Certificate of Title 4. Preparatory measures for amending laws required under this area should commence immediately so that draft amendments and / or draft bills are submitted to Parliament during the March / April 2011 Session. Implementors: PMO-RALG; LGAs.	by Councillors. Appointment of face-vetting Officer also applies here. LGAs have also been instructed to ensure that development conditions are included in the Letters of Offer to enhance awareness on the part of developers.

S/ N	PROCEDURE	COMPLIANCE MANDATE	BOTTLENECK /PROBLEMS	GOVERNMENT DECISION	STATUS
5.	Combine seven Doing Business procedures into one i.e. “Request and receive listed inspections once construction is completed”: Fire Department (number 11 and 12); Health Department (number 13 and 14); LGAs Occupancy Permit (number 15) and LGAs Final inspection (number 16); and Occupancy Permit (number 17)”.	Statutory (combine World Bank procedures number 11, 12, 13, 14, 15, 16 and 17)	Individual inspection by each technical staff takes more time and inconvenience to builder/owner	<p>i.Administratively combine the inspection team with synchronized report. Customers should be notified for every progress that does not comply to the requirements</p> <p>ii.Combine step 5,6,7,8,9,10 to be undertaken by consultant/contractor appointed by the client and submit report at all stages to LGA Civil Engineer. The consultant be held responsible and accountable for his reports and consequences thereof. Change any statutes involved through miscellaneous amendments or the Finance Bill (if the former is not possible).</p> <p>iii.Place all inspection technical personnel under one roof (one stop centre) to facilitate single submission and verification of documents at the time of submission and a single visit by the team to the site for inspection.</p> <p>Implementors: PMO-RALG & LGAs</p>	<p>i. All LGAs have been instructed to allocate one office for inspection of building plans by all Officers involved in this stage.</p> <p>ii. LGAs have been instructed to ensure that all inspections (before and during construction) are undertaken by a single joint team.</p>
6.	Obtain telephone connection	NA	NA	<p>Access to land lines no longer an impediment in view of availability of other efficient and cost-effective alternatives</p> <p>Implementors: PMO-RALG & LGAs</p>	

S/ N	PROCEDURE	COMPLIANCE MANDATE	BOTTLENECK /PROBLEMS	GOVERNMENT DECISION	STATUS
MEDIUM TERM MEASURES (REQUIRE FURTHER ANALYSIS ON MEDIUM TERM REFORMS)					
7.	Obtain Geological survey	PMO-RALG insists that this procedures is a private sector initiative and the Municipal authorities do not include it under mandatory requirements for issuance of building permits	Not Available	The World Bank research for Doing Business Report takes a practical approach of applying for all the permits for a real warehouse construction case where the Government officials are not aware that the applicant is doing so for research purposes. If the report says it was introduced in 2009, it must be because a Government official somewhere asked for the survey report. This procedure requires further analysis to determine differences between PMO-RALG and DB report 2010 Implementors: PMO-RALG & LGAs	The Geological survey is not a legal requirement. However, it is a measures that assures the investor that the structure being put up will have the requisite structural strength reflecting the demands of type of soil where development is taking place.
8.	Obtain water and sewerage connection from DAWASA		<ul style="list-style-type: none"> • Unavailability of materials due to cumbersome procurement procedure and lack of funds; • Vandalism; and • Inadequate equipment & staffing as well as lack of capital 	Medium & Long term measures: <ul style="list-style-type: none"> • Training and recruitment of more technical staff • increase operation capital • enhanced community policing • Decentralization of procurement process to regional level; increase operation capital; enhanced community policing; and bulk purchase of equipment. Implementors: MoWI (Ministry of Water and Irrigation) / DAWASA	

S/ N	PROCEDURE	COMPLIANCE MANDATE	BOTTLENECK /PROBLEMS	GOVERNMENT DECISION	STATUS
LONGER-TERM MEASURES (ONE YEAR OR MORE TIME FRAME) FOR POLICY AND LEGAL REFORMS					
9.	Apply for electricity connection (procedure no. 18); Receive electricity inspection from TANESCO (procedure no. 19) Obtain electricity connection from TANESCO (procedure no. 20)	- Statutory (combine 18, 19, 20)	Unavailability of materials due to cumbersome procurement procedure - Vandalism - Inadequate equipment - Inadequate staff - Non-availability of material and equipment	Review all three procedures into one process based on revisiting the underlying TANESCO policy and legal mandate for compelling customers to pay for the purchase of Transformers and Posts and shifting ownership of the same directly to TANESCO. Review TANESCO current and future projected financial status as part of the solution. Implementors: MEM / TANESCO	

4.3 EMPLOYING WORKERS: MINISTRY OF LABOUR, EMPLOYMENT AND YOUTH DEVELOPMENT

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
QUICK WINS REFORMS FOR IMMEDIATE IMPLEMENTATION					
A. DIFFICULTY OF HIRING INDEX					
1.	Selection of a type of employment contract	Protect employers and employees interest Statutory, Section 14(1) (b) restrict fixed term contract to professional and managerial cadre	Hinders Employers to employ unskilled person under specified period of time	i. Amendment of S.14(1) (b) to reflect social economic environment by deleting the word professional and managerial cadre. ii. Section 14(1) be submitted to Parliament for amendment under Miscellaneous amendments procedures so as to extend fixed term contracts to non-professional and non-managerial cadres. Implementors: MOLEYD, AGC	i. The draft amendment for Section 14 (1) (b) has been prepared discussed by the Ministry's Management Team and key Stakeholders. The amendment will be submitted to the Labour Economic and Social Council (LESCO) for approval before its submission to the Attorney Generals Chambers.
2.	Submission and	Protection of citizens in the labour market	<ul style="list-style-type: none"> Process take a long period 	i. Review of the current procedures ii. Harmonization of submission and	i. A number of stakeholders meetings

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
	processing of Work / Residence Permits by relevant Authorities	Statutory/ Administrative	<ul style="list-style-type: none"> Processes and costs involved in running tripartite committee meetings; Cumbersome procedures for payment of Residence Permits fees at Tanzania Investment Centre (TIC) before transferring the same to the Immigration Department. 	<p>determination of work and residence permit process</p> <p>iii. Work Permit issuance be an independent activity under the mandate of MOLEYD separated from the mandate for residence permits and other requirements to expedite approval by single mandated authority for approval (at present Work Permit is part of Residence Permit)</p> <p>iv. Computerization of work/residence permits processing</p> <p>v. Payments of residence permits fee direct to Immigration</p> <p>vi. Expedite enactment of the proposed National Employment Act</p> <p>ii. MOLEYD, TIC, IMMIGRATION and EPZA should meet regularly to agree on issues of concerns in the area of Work and Residence permits. The computerization of work/residence permits be expedited. The CEOs of the IMMIGRATION Department and TIC should meet to agree on suitable modalities for payment for Residence Permits that will enable the Department issue residence</p>	<p>to discuss pertinent issues with regard Work/Residency Permits Procedures including one at the Permanent Secretaries' level were convened in May and June 2010.</p> <p>ii. The improved draft of Terms of Reference (ToR) for the consultant to undertake the assignment on Harmonization and Streamlining of Work Permits which will consider Business re engineering process that will combine Harmonization, Streamlining and Computerization is on the final stage and will be resubmitted to the Word Bank for No Objection.</p>

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				<p>permits promptly without delay. In principle, the Immigration Department should receive payment directly from applicants.</p> <p>Implementors: MOLEYD, ATE, TUCTA, MOHA (Immigration Dept), TIC, EPZA, AGC, TPSF & TNBC</p>	<p>iii. The draft National Employment Bill that considering separation of Work Permit from Residence Permits; and gives the Ministry responsible for Labour matters mandates to be a single authorized institution for Work Permits issuance; has been finalized and submitted to the AG's Chambers Office for fine tuning before its submission to the respective authorities.</p> <p>iv. One among the regular meetings at the Permanent Secretaries' level convened in June, 2010 to discuss pertinent issues on Permits Procedures.</p>

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
B. RIGIDITY OF HOURS INDEX					
3.	Fixing hours of work	i. Create flexibility in working time arrangement ii. Maintaining workers health in accordance with ILO Conventions Statutory, S. 17 to 25 of ELRA			The issue of Hours of work has been addressed adequately under ELRA. Hence the existing system to continue.
C. DIFFICULTY OF REDUNDANCY INDEX					
4	Prior consultation before termination of employment on operational requirements	Protection of employers and employees interest Statutory, S.38 ELRA read together with R.43 of Employment and Labour Relations (Code of Good Practice) Rules GN No.42 2007).	Unnecessary disputes as a result of pressure with limited time to negotiate	Short-term measures Employers to start negotiation early as provided under Regulation 23(6)(7) GN 42 Rules 2007. Implementors: MOLEYD, MOCAJ, TNBC and TPSF.	The issue has been addressed adequately under S.38 of ELRA read together with R.43 of Employment and Labour Relations (Code of Good Practice) Rules GN No.42 2007). The Ministry planned to continue conducting a number of Education and public awareness campaigns to the relevant stakeholders so as to reduce unnecessary disputes

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
LONGER TERMS MEASURES REQUIRES ONE YEAR OR MORE					
DIFFICULTY OF HIRING INDEX					
5.	Setting of Sectoral Minimum wage by prospective employer.	The team found that wage setting is by observing criteria stipulated under S. 37 of LIA, 2004.		Undertake long term review with the objective of giving employers more flexibility based on international good practices and approaches adopted by Tanzania's regional competitors. Implementors: MOLEYD	A number of studies are expected to be conducted; the Ministry is working on the results of one of study which was conducted 2009
REDUNDANCY COST INDEX					
6.	Requirement of payment of costs related to redundancy / Retrenchment	To compensate the redundant / retrenched employee Statutory, No retrenchment before lapse of 60 days prescribed period for arbitration S.38 (3) as amended by Act No.2 of 2007. Compensation S. 40 (1) (c) Notice of termination S. 41 Repatriation S.43. Leave and other	The requirement that employers are not allowed to effect retrenchment when the matter has been referred to arbitration within 60 days has a negative effect to employers.	Long-term Measures Review relevant provisions related to redundancy to address the employers concerns Undertake further analysis with a view to facilitating higher flexibility to employers and combine with education to employees (e.g. not to demand golden handshake in a bankruptcy case) Implementors: MOLEYD, ATE, TUCTA, AGC, MOCAJ, TNBC and TPSF	The Principal Act Cap 366 (Part IV), Section 38 has been amended by deleting subsection (3) and substituting in its place the following provision "... Where the mediation has failed, the dispute shall be referred for arbitration which shall be concluded within 60 days during which period no retrenchment shall take effect and

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
		benefits S.44			where the employees are dissatisfied with the award and are desirous to precede with revision to the Labour Court under Section 91(2), the employer may proceed with their retrenchment.

4.4 REGISTERING PROPERTY INDICATOR: MINISTRY OF LAND, HOUSING AND HUMAN SETTLEMENTS DEVELOPMENT

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
QUICK WIN REFORMS FOR IMMEDIATE IMPLEMENTATION					
1	Obtaining official search at the Title Registry.	<p>The purpose is to verifying property ownership.</p> <ul style="list-style-type: none"> • Statutory requirement. - Section 97(2) of The Land Registration Act (Cap 334) 	<ul style="list-style-type: none"> • Old system of records keeping in the Title Registry. • Limited space in the Title Registry compared to existing records and incoming transactions. • Lack of modern record storage facilities. • Unconsolidated records in the Title Registry. 	<p>Short Term</p> <ul style="list-style-type: none"> • Consolidation of Title Registry records and placement of records for each title in one single file. • Training of Registry Officers to improve service delivery. • MLHHSD headquarters, at Zonal Offices and at District level be modernized with the objective of improving record processing / analysis, storage and retrieval of data for efficient service delivery. <p>Implementors: MLHHSD.</p>	<p>i. The exercise is completed at the Head Quarter, Mbeya and Mtwara. In Mwanza, Dodoma and Moshi the work is completed by 80% the remaining work will be accomplished by end of October 2010.</p> <p>ii. The Office of Registra of Title is preparing a program and budget to train</p>

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
					the Registry Officers on improvement of service delivery. <i>iii.</i> TOR for procurement of consultant to advice and supervise the implementation of the recommendations from the Need assessment Study is being finalized.
2	Obtain clearance from the Ministry of Lands / Local Government Authorities on receipts of payment for Land Tax for ten years.	Revenue generation • Statutory requirement. - Section 41 (2) (a) of the Land Act (Cap. 113). One of the conditions for granting approval is to	<ul style="list-style-type: none"> • Property holders' culture of not paying taxes. • Procedure is to require current land rent receipt and there is deliberate effort to educate people on their obligation to pay taxes. 	Short -term measure <ul style="list-style-type: none"> • The pre-condition for transfer of title based on payment of land tax arrears is limited to payment of two years arrears only. To the extent possible, due taxes can be recovered from sales proceeds where transfer is due to a sales transaction. • Advocates should remind their clients to clear land rent while preparing transfer documentation. 	

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
		<p>ensure compliance with conditions of right of occupancy, in particular payment of land rent.</p> <ul style="list-style-type: none"> • Regulation 5(2) (a) of the Land (Disposition of Right of Occupancy) Regulations, 2001. 		<ul style="list-style-type: none"> • Educate applicants for registration of titles on the procedures that are applicable. <p>Implementors: MLHHSD, PMO-RALG and LGAs</p>	<ul style="list-style-type: none"> • Leaflets to show applicable procedures for registration have been prepared for distribution to the customers visiting the registration offices.
3	Obtain a property tax clearance from the Municipality for the last ten years.	<p>Build culture of paying taxes</p> <ul style="list-style-type: none"> • Administrative requirement. 	<ul style="list-style-type: none"> • Property holders' culture of not paying taxes. • Lack of diligence in the part of Local Authority in collecting property tax. 	<p>Short-term measure</p> <p>The pre-condition for transfer of title based on payment of land tax arrears be limited to payment of two years arrears only. To the extent possible, due taxes can be recovered from sales proceeds where transfer is due to a sales transaction.</p> <p>Implementors: PMO-RALG and LGAs</p>	
4(a)	Chief Government valuer inspects the property to determine its	<ul style="list-style-type: none"> • Administrative requirement. <p>(Ministerial Circular No. 1 of</p>	<ul style="list-style-type: none"> • Few Government Valuers responsible for valuing properties for purposes of 	<p>Short-term measures</p> <p>i. Appoint Zonal Government Valuers (corresponding to Zonal Asst Commissioners for Land and Asst Registrars of Titles).</p>	<p>i. The Land Valuation Bill is being finalized for submission to</p>

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
	value and prepare a Valuation Report. Simultaneously	1969, Control over the purchase, sale and acquisition).	<p>transfers.</p> <ul style="list-style-type: none"> • Only Chief Government Valuer approves valuation reports. • Approval of Town Planning Drawings by Committees of Councillors takes long time. 	<p>ii. Chief Government Valuer to delegate the responsibility for verifying property valuations to Zonal Officers</p> <p>iii. Put in place procedures to ensure that regular meetings of Committees of Councillors are planned and are convened and held without failure to guarantee that building permits are issued and that Councillors vet the work of unscrupulous officials.</p> <p>Implementor: MLHHSD</p>	<p>Cabinet secretariate; The bill has taken care of decentralization of Chief Government valuer's functions. The Placement of Zonal Assistant commissioners and Ass. Registrars have been effected. A training programme has been developed to upgrade the ministry valuers. Procedures are being undertaken to upgrade the Valuation unit into a fully fledged Department.</p> <p>ii. The Ministry</p>

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
					has planned to appoint Zonal Government Surveyors in financial year 2010/11.
4(b)	Approval of Town Planning Drawings (TPDs) for new plots or process of formalization of existing properties.	<ul style="list-style-type: none"> Administrative requirement. Corresponds with the monopoly granted to Government Valuer on verification of valuations. 	<ul style="list-style-type: none"> All Town Planning Drawings have to be endorsed by a Committee of Councillors at the LGA level before submission to Chief Government Surveyor. Endorsement does not take place if meetings are not held for any reason. Only the Chief Government Surveyor in Dar es Salaam is mandated to approve TPDs in person (no delegation) 	<p>Short-term measures</p> <ul style="list-style-type: none"> Chief Government Surveyor to delegate the function of approval to other Registered Surveyors. Appoint Zonal Government Surveyors (corresponding to Zonal Asst Commissioners for Land and Asst Registrars of Titles). Chief Government Surveyor to delegate the responsibility for approving TPDs to Zonal Surveyors. <p>Implementors: MLHSD</p>	

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
			making the process take an unduly long time.		
5	Notarization and execution of the sale agreement and preparation of the transfer deed	<ul style="list-style-type: none"> • Statutory requirement. - Contract law. - Section 39 of the Land Act (Cap 113) read together with Regulation 5(2) (c) of the Land (Disposition of Right of Occupancy) Regulation, 2001. 		No problems inherent in this procedures	
6	Obtain approval for the transfer	<ul style="list-style-type: none"> • Statutory requirement. - Sections 36 through 41 of the Land Act (Cap 113) read together with The Land (Disposition of Right of Occupancy) Regulation 2001. 	<ul style="list-style-type: none"> i. Partial modernization of record keeping in the Commissioner for Lands/Local Government Registries which makes retrieval of information difficult. ii. Lack of coordination in land information 	Short-term measures <ul style="list-style-type: none"> i. Issuance of circular to Land Officers in relation to the required procedures in transfers. ii. Provide in-house training to the Land Officers with a view of changing their mind-set (with special emphasis to Kinondoni Municipality). iii. Public awareness to the public on the process and requirements for the registration of property. iv. Establish electronic GIS-based cadastre registry linking HQ with zonal and district registries 	<ul style="list-style-type: none"> i. The Implementation of the

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
			system between Central Government and Local Government Authorities.	Implementors: MLHSD; PMO-RALG & LGAs	recommendations from the need assessment study will take care of establishment of electronic GIS- based cadastre registry linking HQ with Zonal and District registries. The TOR for the consultant to undertake the assignment is being finalized.
7	Obtain a capital gains tax clearance certificate from the Tanzania Revenue Authority	<ul style="list-style-type: none"> Statutory requirement. - Section 36 of Income Tax Act (Cap 332). 	<ul style="list-style-type: none"> i. Low credibility of some valuation reports (undervaluation) submitted for transfer in assessing Capital Gains Tax. ii. Ignorance of the laws governing 	Short-term measures <ul style="list-style-type: none"> i. To establish coordination between TRA and Chief Government Valuer in relation to undervalued properties and use the latter's valuation for taxation purposes. See recommendation by Paying Taxes Task. ii. To establish valuation database. 	<ul style="list-style-type: none"> i. TRA is using Chief Government Valuer's reports to assess capital gains tax (to accept Government valuation of

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
			<p>payments of tax on gain on realization of assets and provision of inadequate information on assets being disposed.</p>	<p>iii. Base process of establishing property values for purposes of Capital Gains Tax on the valuation prepared by Chief Government Valuer. Hence eliminate forwith the procedure of TRA undertaking own valuation for Capital gains tax purposes.</p> <p>Implementors: MOFEA/TRA, MLHHSD</p>	<p>property) as the basis for market value and has dropped own valuation with effect from 1st January, 2010</p> <p>ii. The Department for Land Valuation has established a research unit to investigate the market prices for crops, land value and construction rates in order to establish standards for market rates for compensation and other purposes.</p>

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
8	The transfer deed is delivered to the Title Registry for Registration.	<ul style="list-style-type: none"> • Statutory requirement. - Section 41 of the Land Registration Act (Cap 334). 	<ul style="list-style-type: none"> • Poor record keeping & records retrieval problems in Title Registry (dependence on manual systems); • Low staff capacity • Limited working space and Registry space compared with increasing number of files. 	<p>1. Short-term measure</p> <ul style="list-style-type: none"> • Consolidation of Title Registry records. • Provide in-house training to the Title Registry staff. <p>2. Medium Term Measures: MLHHSD headquarters, at Zonal Offices and at District level be modernized with the objective of improving record processing / analysis, storage and retrieval of data for efficient service delivery (i.e. establishment of GIS-based cadastre land registry linking HQ with zonal offices and districts)</p> <p>Implementors: MLHHSD</p>	
9	Full processes of registering property	Compliance with existing laws.		<p>Short-term Reduced to 45 days (from current 73 days in DB report)</p> <p>Implementors: MLHHSD</p>	

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
LONGER TERM MEASURES (REQUIRING A MINIMUM OF ONE YEAR) SUPPLEMENTING THE QUICKWIN INITIATIVES					
1	Obtaining official search at the Title Registry.	Same as for short-term measures	Same as for short-term measures	<p>Long Terms Measure</p> <p>(i) <i>All Land registries at HQ, at the six Zonal Offices and in all Districts be modernized so as to build ICT capacity for electronic processing, storage and retrieval of land records and information efficiently. (Computerization of Title Registry to facilitate easy and less time consuming information retrieval)</i></p> <p>(ii) Decentralization and decongestion of Registry of Titles office, in Dar es Salaam.</p> <p>Implementors: MLHSD</p>	<p>i. The Proposed amendment to the Land Registration Ordinance is under discussion at the Ministerial level</p> <p>ii. Negotiation is going on Between the Ministry of Finance and MLHSD on a new Building that will be Constructed to Accommodate the Land Registry.</p>

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
2	Obtain clearance from the Ministry of Lands/Local government on payment of Land Tax for ten years	Same as for short-term measures	Same as for short-term measures	Long-term Measures <ul style="list-style-type: none"> • Improve Land rent collection by public awareness campaign and improve land rent database. • Expand outreach and expedite the process of formalization of informal urban property and registration of village land to improve land information database and widen tax base. Develop strategy to accomplish the countrywide by year 2025 in line with Vision 2025. Implementor: MLHHSD	<p>-</p> <p>i. The formalization of informal urban property work has started as pilot program in Mwanza and Dar es salaam cities. Systematic adjudication and registration of village land has also started as pilot programme in 4 districts.</p>
3	Obtain a property tax clearance from the Municipality for past ten years.	Same as for short-term measures	Same as for short-term measures	Long-term Measures <ul style="list-style-type: none"> • Improve property tax collection. • Improve public awareness on their obligation to pay taxes. Implementors: MLHHSD	-

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
4	A government valuer inspects the property to determine its value and prepare a Valuation Report	Same as for short-term measures	Same as for short-term measures	Long-term Measures <ul style="list-style-type: none"> Enactment of the Valuation Act which will remove the role of Chief Government Valuer to approve valuations for transfer. The Act is in preparation of cabinet paper. Employ more Government Valuers especially in Local Government Authorities. Implementors: MLHSD	i. The Cabinet Paper for the Valuation Bill is being finalized for submission to the Cabinet secretariate. ii. The Ministry is restructuring the valuation unit to be a full fledged department which will enable the Ministry to employ more Valuers hence decentralizing the services beginning with zonal offices to district council level.

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
5	Obtain approval for the transfer	Same as for short-term measures	Same as for short-term measures	<p>Long –term measures</p> <ul style="list-style-type: none"> • Computerization of Land Information System to facilitate easy and less time consuming information retrieval. • Computer interface between Business Registration and Licensing Authority, Registration of Birth and Death, Registrar of Societies, Immigration, Registry of Titles e.t.c in order to obtain information which the client is required to provide. <p>Implementor: MLHSD</p>	<p>-</p> <p>i. The process to strengthen the in house registry has started. The implementation of need assessment study will provide input required for interface between other registries.</p>
6	Obtain a capital gains tax clearance certificate from the Tanzania Revenue Authority	Same as for short-term measures	Same as for short-term measures	<p>Long-term measures</p> <ul style="list-style-type: none"> • Enhancing taxpayers' education on Capital Gain taxation in order to minimize delays. Capital Gain Tax should be abolished and replaced by another mechanism of tax collection. 	

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
7	The transfer deed is delivered to the Title Registry for Registration.	Same as for short-term measures	Same as for short-term measures	<p>Long-term measure</p> <ul style="list-style-type: none"> i. Computerization of Registry of Titles. ii. Decentralization of Registry of Titles office in Dar es Salaam into three zone offices i.e. Kinondoni, Ilala and Temeke including Coast and Morogoro Regions. iii. Construction of new building to accommodate Registry of Titles offices iv. Consultancy for Need Assessment for Registry of Titles completed in January, 2010 and best practices in Front Office service delivery being introduced. <p>Implementors: MLHHSD</p>	<p>-</p> <ul style="list-style-type: none"> i. Inhouse discussion is going on within the Ministry on possibilities of acquiring buildings that can be used for registries in those selected municipalities and Regions ii. Negotiation is going on Between Ministry of Finance and MLHHSD on a Building that to be Constructed to accommodate the Land Registry. iii. The TOR for procurement of consultant to

S/N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
					advice and supervise implementation of the recommendatio n as per the Need Assessment Study is being finalized for approval.
8	Full processes of registering property	Same as for short- term measures	Same as for short-term measures	Long-term Reduced to 14 days Implement reforms recommended by Messrs Swedesurvey. Implementor: MLHHSD	

4.5 PAYING TAXES: MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

S/ N	PROCEDURES	COMPLIANCE MANDATE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
QUICK WIN REFORMS FOR IMMEDIATE IMPLEMENTATION					
DISPOSAL OF INVESTMENT ASSET (CAPITAL GAIN TAX) 10% OF THE CAPITAL GAIN					
1	Disposal of Investment Asset & Payment of Capital Gains Taxes (10% of gain). Taxpayer submits to TRA Sales agreement and valuation report to TRA for assessment of Capital Gains Taxation	Administrative processes	<p>i) TRA verifies the Sales and valuation reports and establishes the capital gains (i.e. market value at the time of sale minus the total cost incurred in acquisition of the asset) and computes tax and issues tax assessment.</p> <p>ii) Issuance of clearance certificate made upon receipt of payment directly through Bank.</p> <p>The challenge lies in the duration of valuation, payment and issuance of tax clearance certificate.</p>	<p>(i) TRA to accept value as per Chief Government valuer report;</p> <p>(ii) TRA to issue an operational circular to accept value as per the Chief Government Value report;</p> <p>(iii) The total tax burden and taxation rates should be analysed with the objective of reducing the applicable rates simultaneous with implementation of measures to stimulate formalization of economic activities as instruments for widening the tax base; and</p> <p>(iv) The implementation of the National Identification project (ID) be expedited as a</p>	<p>i. TRA is using Chief Govt. Valuer's reports to assess capital gains tax (to accept Government valuation of property) as the basis for market value and has dropped own valuation with effect from 1st January, 2010 .</p> <p>*** However we propose that S. 35 of Income Tax 2004 to be reviewed to take into account the Government valuation</p>

S/ N	PROCEDURES	COMPLIANCE MANDATE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				<p>tool for widening the tax base.</p> <p>Implementors: MOFEA / TRA</p>	<p>reports.</p> <p>ii. Analysis of tax burden and taxation rates so as to reduce rates and widen tax base will involve capacity building on Regulatory Impact Assessment (RIA) and Cost Benefit Analysis. Measures for capacity building on RIA have been initiated.</p>
2.	Corporate Tax (30% of Taxable Income): Taxpayer files provisional return of income within 3 months of the start of accounting year.	Income Tax Act 2004 requirement. Administrative processes	Self Assessment tax. i) The provisional return is filled and submitted once for each accounting year of income. ii) Taxpayer fills in payment forms, pays directly and submit copy of payment to TRA. iii)- Six months after accounting period, taxpayer files a final tax return and make final payment to TRA.	<p>i. Enhance electronic return filling of provisional returns</p> <p>ii. Enhance electronic payment to reduce current payment time of 6 hours per payment to 4 hours</p> <p>iii. Implement e-filling and e-payment interface with other Banks to reduce duration of payments.</p>	<p>Current status:</p> <p>Income Tax Cap.332. (General Electronic Filing and Payment) Regulations, 2009: TRA finalized the draft of the Regulations, which will compel selected traders to submit returns/documents electronically.</p>

S/ N	PROCEDURES	COMPLIANCE MANDATE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
			(Income Tax Act 2004 requirement). The challenge is to reduce the number of payments from 4 if possible.	Implementor: MOFEA/TRA	The Draft had already been submitted to the Minister for Finance and Economic Affairs for onward transmission to the Attorney General so that the Regulations may be published as Government Notice.
		Verification of self assessment Statutory (Legal) Process.	TRA within three years after submission of final return, TRA examining the returns and issue assessment (Income Tax Act 2004 requirement)	TRA to finalize assessments within three years unless there is fraud. Implementor: MOFEA/TRA	Implementation is in place.
3.	Labor and Skills Development Levy (6% of total emoluments (salaries) charged on salary on monthly basis.	Administrative mandate	Payment directly made to Bank on monthly basis and proof of payments submitted to TRA later. Challenge is the number of payments involved.	Enhance electronic payment transfer and return filling to reduce current payment time of 4 hours per payment to 2 hours The contribution of this levy to total tax burden and its effectiveness in the development of appropriate skills for economic transformation may be an issue for further review and analysis.	TRA proposing for an amendment to S.14 (1)/21(1) of the Vocational Education and Training (VETA) Act, Cap. 82 to incorporate electronic return filing and payment. Respective Regulations shall be made to ease operationalization of

S/ N	PROCEDURES	COMPLIANCE MANDATE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				Implementor: MOFEA/TRA	the law.
4.	Social Security Contribution (NSSF) at 10% of Gross Salary.	Administrative processes	Taxpayer prepares the contribution and pays direct to bank then, submit the return to NSSF with 12 annual payments. Why include payment of gratuities and pension into taxation while this is income accruing fully to the employee.	Enhance electronic payment transfer Implementor: MOFEA/TRA	Gratuities are taxable under Section 7 (2) (a), whereas retirement contributions and retirement payments are taxable under Section 7 (2) (d) of the Income tax Act, Cap. 332.
5.	Payment of Sales Tax (VAT) at 18%.	VAT 2001 Act and related Administrative processes. Statutory process requires tax policy decision by Govt	i. Taxpayer prepares VAT Return forms (VAT 201 and 201A) ii. If there are payments to be made, make directly payments through Banks. iii. Taxpayer then submits the bank slip and copy of VAT returns to TRA physically or electronically. iv. If no payments, Taxpayer required to submit VAT return indicating nil payment	i. Capturing of information electronically and enhance electronic return filing to reduce current payment time of 4 hours per payment to 2 hours. ii. Enhance electronic payments/transfer /interface between TRA systems and Banks iii. Need to consider reduction of VAT return filing and payment from 12 to 6 times Implementor: TRA	Current status: Value Added Tax, (General Electronic Filing and Payment) Regulations, 2009. TRA finalized the draft which will compel selected traders to submit returns/documents through electronic system. The proposal had already been submitted to the Minister for Finance and Economic Affairs for onward

S/ N	PROCEDURES	COMPLIANCE MANDATE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
					transmission to the Attorney General so that the Regulations may be published as Government Notice.
6.	Annual Road License (Note exceeding Shs 150,000/= per annum	Administrative processes	<p>The challenge is the time involved in underlying activities</p> <ul style="list-style-type: none"> • Inspection of forms and approval. • Face vetting and stamps • Confirmation of payment and capture data into system • Issue motor vehicle licence 	<p>i. Vehicle inspection report and insurance requirements shouldn't be prerequisite.</p> <p>ii. Basis for renewal should be registration number only.</p> <p>iii. Underlying activities 1 to 4 process be done by the same officer. TRA to issue an operational circular to all staff to implement the new process</p> <p>Implementor: MOFEA/TRA</p>	<p>TRA with effect from 19th September 2008 issued a circular to its regional offices not to demand a copy of the valid insurance cover note/ certificate of road worthiness during re licensing of the motor vehicle.</p> <p>Amendment of item b and c under S. 21 of Motor vehicle Registration Regulation of 2001 (Road Traffic Act No 30 of 1973 be reviewed as currently according to this law motor vehicle inspection report and insurance cover requirements are mandatory.</p>

S/ N	PROCEDURES	COMPLIANCE MANDATE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
7.	Payment of Import Duty /Fuel Levy (TShs 392/= per litre)	Administrative processes	<ul style="list-style-type: none"> i. Declarant Creates and submit electronically TANSAD* to CSC* based on the CVR* issued by TISCAN and makes self assessment.. ii. Declarant pay Duties/Taxes to Bank iii. Declarant submit payment receipt to the cashier for payment striking into ASYCUDA++ system iv. Declarant email scanned document attached to the TANSAD to CSC through ASY-SCAN. v. Section Supervisor via ASYSCAN receives a list of TANSADs paid. vi. If yellow, TANSAD re routed for Documentary checks, If confirm, TANSAD rerouted for GREEN for Direct Release/ Scanning/physical. If does not CONFORM, Query notification raised. If declarant is satisfied 	<p>Address challenge by implementing the custom modernisation and facility strategy through:</p> <ul style="list-style-type: none"> i. Roll out of ASYCAN to all border posts ii. Establish one stop centers for all agencies involved in goods clearance iii. Harmonize the working days / hours of agency involved in goods clearance iv. Review and improve valuation skills of TISCAN /TRA staffs 	<p>Importers of petroleum products have been exempted from following TISCAN procedures on importation of their cosgnments to facilitate quick clearance of their products. The importers of petroleum products have been given a facility of paying taxes by instalments to facilitate trade and reducing cost of doing business.</p> <p>Import duty is not chargeable on petroleum products.</p>

S/ N	PROCEDURES	COMPLIANCE MANDATE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
			with the proposed amendments accepts Query Notification form.		
8.	Payment of Property Taxes (at rate of 0.15% of Property Value)	Statutory requirements and administrative procedures	i. LGAs estimates the value of the property ii. Municipal Councils/TRA issue demand notices (to the property owner) indicating the chargeable tax. iii. Payment is made direct to Bank. Those who do not have TIN number have to apply for registration for TIN.	i. Base property taxation on valuation exercises undertaken by government valuers and LGA/TRA to interface with Land Registry ii. Implement e-payments iii. Enhance Tax education Implementors: MOFEA / TRA; and MLHSD	i. Currently DSM LGAs are undertaking property valuation exercise. ii. TRA is in the process of implementing use of mobile phones for payments (e.g. M-Pesa) by property rate payers. iii. Tax education for property rate payers and Ward Secretaries is conducted from time to time to enhance compliance with the Laws and Regulations.

S/ N	PROCEDURES	COMPLIANCE MANDATE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
9.	Payment of City Services Tax (at rate of 0.30% of turnover)	Statutory (Legal) Process and related administrative procedures	Provisional Demand Notice is prepared on quarterly basis and sent to taxpayer. Taxpayers make payment by check / cash; and receipts are issued to paper.	Harmonise collection with Provisional Corporate tax payment and implement e-payments and tax payers education Implementor: MOFEA/TRA	This requires amendment of LGAs By-Laws.

4.6 TRADING ACROSS BORDERS: MINISTRY OF HOME AFFAIRS

S/N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
EXPORT PROCEDURES					
1.	<p>Exporter apart from securing all the necessary permits, submits the following docs</p> <p>i. Packing list of the consignment, with specification on</p> <p>ii. Export invoice issued by exporter to the buyer</p> <p>iii. A contract between CF&A to</p>	<p>i. Handing over docs to CF&A</p> <p>ii. Collect shipping order from shipping agent</p> <p>iii. Lodge docs to customs online</p> <p>iv. Customs physical verification of docs and consignment</p> <p>v. Customs issue release order</p> <p>vi. Process port charges and pay</p> <p>vii. Loading of consignment and collect B/L</p> <p>It takes 5 working days to complete the process</p>	<p>i) Customs System failure</p> <p>ii) Unreliable power supply</p> <p>iii) Delays caused by port congestion</p> <ul style="list-style-type: none"> • Mismatch between completion of documentation and loading consignment into respective booked ship • Inadequate loading and offloading working 	<p>QUICKWIN MEASURES</p> <p>i. Improve ASSYSCAN system</p> <p>ii. Improve power supply</p> <p>iii. Improve port clearance efficiency</p> <p>iv. Speed up expansion of Kurasini Terminal</p> <p>v. Allow general cargo areas to handle containers</p> <p>vi. Maximize utilization of licensed ICDs and CFS</p> <p>vii. Continue awareness program for the developed system among the stakeholders</p> <p>viii. To establish new Tanga Port (Mwambani) and New Mbegani Port (Bagamoyo) and Expansion of Mtwara Port</p> <p>ix. Speed up development of compatible ICT systems</p> <p>MEDIUM TERM MEASURES</p>	<p>i. TRA is in a process of acquiring and introduce a new Customs clearance system which will be linked to the single window system expected to be established under Port Community system.</p> <p>Currently TRA has introduced a new system PAD (Pre Arrival Declaration) in place of ASYSCAN. The new system allows importers to lodge their importation documents remotely provided the internet facility is available. The system has eliminated the double lodgement of documents between TISCAN and Customs. In addressing the system downtime TRA has acquired</p>

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
	process exportation v. Shipping Order issued by shipping agent v. single bill of entry		<p>tools</p> <p>iv) Presence of ICT systems that are not compatible in institutions responsible for export</p>	<p>i. ICT systems used by secondary service providers like clearing and forwarding agents should be compatible with those by TRA.</p> <p>ii. Computerization of TPA operations that are manual at present should be compatible and interface with TRA.</p> <p>iii. To maximize utilization of ICDs and CFS the ICDs should be allowed to store and hold exports and imports while cargo clearance processes are ongoing so as to reduce problem of over-congestion of the Port.</p> <p>iv. Tanzania Ports Authorities, Tanzania Revenue Authority and Internal Container Depots should work together on the issue of compatibility of their electronic systems</p> <ul style="list-style-type: none"> • to bring about smooth data exchange that is necessary to improve and expedite operations. • Review further the medium term recommendations of the Task Team with a view to 	a backup link to support the system and increased the bandwidth to accommodate needs of the system users.
			v) Poor Accessibility infrastructure to and from Port		

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				<p>undertaking more detailed analysis and coming up with concrete recommendations for implementation.</p> <ul style="list-style-type: none"> • Improve railway and road transport to and from ports to various ICDs. <p>Implementors: TRA; MoID/TPA; ICDs and All OGDs (Other Government Departments involved in the Port).</p>	
2.	<p>Documents</p> <p>1. Single bill of entry attached with above 5 docs (Invoice, B/L etc)</p>	<p>1. Inspection of genuineness of the documents</p> <ul style="list-style-type: none"> • Examine and verify tariff classification • Examine Permits of goods • Examine Packing list, • Examine and verify value of goods <p>2. Physical inspection of consignment by Customer officer, Agriculture Officer, TFDA,</p>	<p>i) Export license mentioned in DB 2010 report as requirement in export process is not applicable</p> <p>ii) Other Government Departments (OGDs) involved in export process operating from different and scattered</p>	<p>Short term Measures</p> <p>i) World Bank to be advised to amend 2011 report and omit this document (as part of consultation of doing business 2011 research team)</p> <p>ii) To establish single window for all OGDs dealing with export process</p> <p>iii) Improve ASSYSCAN system</p> <p>Quickwin Measures</p> <p>Establish single window location for all “Other Government Departments - OGDs” involved in verification of documents and inspection of consignment to expedite the process.</p>	<p>iii) TRA is in a process of acquiring and introduce a new Customs clearance system which will be linked to the single window system expected to be established under Port Community system. Currently TRA has</p>

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
		TBS, Government Chemists Agency , National Security (TISS), Export agent, etc and issue release order 2 working days	premises iii) Customs System failure/unreliable power supply	Ministry of Infrastructure consider provision of suitable premises for this purpose. Implementors: TRA; MoID/TPA; All OGDs (Other Government Departments involved in the Port.	introduced a new system PAD (Pre Arrival Declaration) in place of ASYSCAN. The new system allows importers to lodge their importation documents remotely provided the internet facility is available.
3.	Documents (i) Shipping order (ii) Declaration and Disposal Order (D&DO) (iii) Single bill of entry (iv) Release order	1. Documents Check and verification • Check customs documents and other permits • Check shipping documents • Check packaging according to International Maritime Organization (IMO) Regulations 2. Check port dues paid 3. Loading consignment into ship Total 1 working day	i. All documentation processes are manually processed by TPA leading to delays ii. Frequent port congestion	SHORT TERM MEASURES i. TPA to embark on automation and link to Other Government Departments (OGDs) ii. Improve /acquire enough working equipment (Loading/offloading cranes etc) Quickwin Measures Computerisation of TPA operations and linkage of their systems with OGDs (Other Govt Departments) to facilitate Electronic Data Interchange Implementors: TRA; MoID/TPA; All OGDs (Other Government Departments involved in the Port.	

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
IMPORT PROCEDURES					
3.	<u>Documents</u> <ul style="list-style-type: none"> • Invoice • Gate pass • WES (Identify consignments stored at the port for long time for being auctioned by customs) 	<ul style="list-style-type: none"> • Planning meeting (announcement of arriving ships) • Outer anchorage • Tallying process against the manifest • Transfer consignment to storage area • Sign VIR by shipping agent 	<p>i) Many consignments are not released within 7 days free storage period</p> <p>ii) Time to lodged manifest as stipulated in the law (within 24 hours) after docking is too short</p> <p>iii) WES, consuming space at the port.</p>	<p>Short-term measures</p> <p>i. Sensitize customers on importance of clearing goods in time (seven days)</p> <p>ii. Increase of penalties who delays to clear their consignment within 7 days of free storage</p> <p>Medium-term measures</p> <p>i. Establishment of an Electronic link (ASY-SCAN) between key players (TRA, TPA, TBS, TFDA etc)</p> <p>ii. Fast track the establishment of port community system to be used by major port players)</p> <p>Long-term measures</p> <p>Review of Customs Management Act (2004) part 3 clause 24(1) on time for submitting manifest by shipping agents (24 hrs after ship arrival). Shipping line to be required to release manifest at least 72 hours prior docking.</p>	The Act has been amended to require submission of manifest to be 24 hours before arrival of the ship

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				<p>Short term measures</p> <ul style="list-style-type: none"> i. TRA to remove un-cleared consignments in time to create space. ii. TPA to submit WES to TRA in time; <p>Quickwin Measures</p> <ul style="list-style-type: none"> i. Establish single window location for all “Other Government Departments - OGDs” involved in verification of documents and inspection of consignment to expedite the process. Ministry of Infrastructure consider provision of suitable premises for this purpose. ii. Sensitization of Customers on Import and Export Procedures <p>Medium Term Measure</p> <p>Work on interface and compatibility of electronic systems at TRA, TPA, TBS, TFDA and Other Government Departments (OGDs)</p>	<p>Numbers of auctions of uncleared goods at the entry points particularly in Dar es Salaam Port have been increased to twice a week compared to once a week done previously to address the congestion of the port.</p> <p>Radio, TV programs, seminars and brochures are used to Sensitization stakeholders on Import and Export Procedures.</p>

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				Implementors: TRA (Tanzania Revenue Authority) and TPA (Tanzania Ports Authority).	
4	<u>Documents</u> <ul style="list-style-type: none"> Single Bill of Entry and attachments (if the value is above USD 2,500-CVR, Bill of Lading, invoices, packing list); Below USD 2,500 and exempted goods does not need CVR; Permits for restricted goods (TFDA, TBS, Chief 	<ul style="list-style-type: none"> i. Check Tariff classification ii. Ascertain value & issue assessment note (1 day) iii. Payment of taxes through Banks Subject payment docs to risk profiling system (Instantly) iv. Physical verification or scanning for risky goods or direct release for non risk goods (1 day). v. Issue release order term solution 	<ul style="list-style-type: none"> i. Physical verification and risk assessment is time consuming ii. Lodging same documents to different institutions/authorities is time consuming and costly iii. Import Licenses used in assessment as requirement are not applicable in importation instead the Business License which is issued once for life. 	Short term measures <ul style="list-style-type: none"> i. Enhance Compliant Traders Scheme to motivate other traders; ii. Establish single window for all institutions responsible for verification and permits at the port and at borders; iii. Create awareness on port clearance processes among institutions responsible for service delivery; iv. World Bank to be advised to eliminate import license requirement; and v. Certificate of Origin is not necessary. Can be removed from the requirement. vi. Computerisation of TPA operations and linkage of their systems with OGDs (Other Govt Departments) to facilitate Electronic Data Interchange. 	<ul style="list-style-type: none"> i. The scheme has been expanded to include transporters in the scheme. Processes are underway to migrate to Authorised Economic Operators (AEO) under EAC-WCO Modernization programme.

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
	Chemists)			Implementors: TRA; TPA; All OGDs; and Shipping Company/Agencies; Clearing and Forwarding Companies.	
5.	<u>Documents</u> <ul style="list-style-type: none"> • Letter of contract between Agent and Importer • Bill of Lading • Invoice • Packing List 	iv. Submission of shipping document to clearing Agent For consignment valued above USD 2,500), v. Lodging of document to TISCAN electronically for establishing IDF (Get IDF Number) (1 day) • Getting TZDAR Registration Number (1 day) • Getting PCVR from TISCAN and return the document to Agent electronically (1 day)	<ul style="list-style-type: none"> • Delay of transferring money to TRA by the Financial Institutions. Cheque takes up to 3 days. • Manual operations at TPA. • Multiple verification of Manifest and Gate passes • Inaccurate information and data submitted to World Bank Researchers by people/institutio 	1. Short –term measures <ul style="list-style-type: none"> • Expedite money transfer or clearance through BOT electronically. • Expedite development of single window where all other Government Departments can operate in one roof 2. Immediate <ul style="list-style-type: none"> • Improve process for manifest and gate pass verification by reducing number of verification offices. 3. Long-term measures <ul style="list-style-type: none"> • Review of Customs Management Act (2004) part 3 clause 24(1) on time for submitting manifest by shipping agents (24 hrs after ship arrival) and it is proposed that Shipping line to be required to 	<ul style="list-style-type: none"> • Commercial Banks have improved their services of transferring money to the Central Bank. The problem has been eliminated. • The Customs management Act (2004) has been amended to require submission of manifest to be 24 hours before arrival of the ship.

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
		<ul style="list-style-type: none"> Stamp return to TISCAN Issue CVR by TISCAN (1 day) <p>(At least 4 working days)</p> <p>vi. Lodge CVR and other documents to customs (Letter of contract with Agent, Bill of Lading, Invoice, Packing List)</p> <p>vii. Assess the consignment (2 days)</p> <p>viii. Make payment through Bank Transfer for amount above Tshs. 5 million. (2 to 3 days)</p> <p>ix. TRA issue electronic notice for physical verification of the</p>	ns without updated information on Trading Across Borders	<p>release manifest at least 72 hours prior docking.</p> <p>4. Short –term measures</p> <ul style="list-style-type: none"> We recommend that Tanzania Freight Forwarders Association (TAFFA) get registered with WB – Doing Business as partners for more accurate information in this area <p>5. Quick Win Measures</p> <ul style="list-style-type: none"> Consultations between TAFFA and World Bank research team regarding procedures involved in documentation and the duration involved to be undertaken as part of data collection and analysis for Doing Business 2011 report. For instance, Import Licenses are no longer an issue while they feature in the Doing Business report. TPA and its stakeholders should work together to harmonize and reduce the multiplicity of Gate passes and move towards a single gate pass to improve operations and reduce time involved in processing gate 	

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
		<p>consignment (1 day)</p> <p>x. Handover bill of lading to shipping agent and get delivery order after payment of charges</p> <p>xi. Issuance of release order by customs</p> <p>xii. Lodge Release Order, Delivery order, Customs assessment from customs and shipping agent to TPA and fill in D&DO to get TPA charge invoice (1 day)</p> <p>Some of the procedures are simultaneous and the whole process can be accomplished in 5 days if importer complies fully.</p>		<p>passes.</p> <ul style="list-style-type: none"> Establish single window for the operations of all OGDs <p>Implementors: BOT; TRA; TPA; Immigration Department; OGDs; TAFFA; and Commercial Banks.</p>	

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
6.	Transport inland (Multimodal Transport Capacity)		<ul style="list-style-type: none"> • Few truckers for transportation of consignments • Presence of many road blocks • Many weigh bridges 	<p>i. That all (permanent) roadblocks be eliminated across the country with immediate effect with the exception of roadblocks located at weighbridge stations and border posts; and</p> <p>ii. That the Chairman of the Permanent Secretaries Task Force, the Permanent Secretary for the Ministry of Home Affairs and the Commissioner of Police, Traffic Department, Should embark on a joint tour of: the Dar es Salaam to Rusumo highway; the Dar es Salaam to Tunduma high; etc etc with a view to satisfying themselves on the prevailing status of mobile roadblocks and for informed implementation of this directive</p>	<p>Exercise of eliminating permanent blocks has started. Along Dar es Salaam – Rusumo Road the roadblocks has been reduced from 50 blocks to 15 blocks. The remaining blocks are:</p> <ul style="list-style-type: none"> • Dar es Salaam – Uhasibu • Coast – Kibaha (weighbridge) and Misugusugu • Morogoro: Mikese and Mkundi (weighbridge) • Dodoma: Nala (weighbridge) and Kibaigwa (Police Checkpoint) • Singida: Njuki (weighbridge) and Misigiri(Police Checkpoint) • Tabora: Igunga and Nzega (Police Checkpoints) • Shinyanga: Mwendakulima (weighbridge) and

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				<p><i>ii.</i> Improve central railway line and road transport to various ICD outside Dar es Salaam.</p> <p><i>iii.</i> Replace mechanical weighbridges with electronic weighbridges</p> <p><i>iv.</i> Road Humps: standardize construction design and number to minimize car damage.</p> <p><i>v.</i> At border entry/exit points where TRA, Immigration and Police are stationed, it is important to appoint an official to be in-charge of the station to ensure efficient operations</p> <p><i>vi.</i> Review of SUMATRA Act on controlling and handling of Shipping Line and Shipping Agents</p> <p><u>MEDIUM TERM</u></p> <p><i>i.</i> Noted the multiplicity of road</p>	<p>Isaka (Police Checkpoint)</p> <ul style="list-style-type: none"> • Kagera: Nyakahula (weighbridge) and Lumasi (Police Checkpoint)

S/ N	PROCEDU RE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				<p>blocks (more 14 between Dar and Dodoma and as many as 39 stops between Dar and Tunduma).</p> <p>ii. All cargo and vehicle inspections to be located at Weigh Bridge Stations and Border Posts only and all Departments place their personnel for various mandatory inspections in those stations.</p> <p>iii. Vehicle parking yards at Weigh Bridge stations to be expanded to reduce congestion resulting from trucks from queues at Weigh Bridges</p> <p>iv. Weigh Bridges to ensure that screens that show the weight to truck drivers and other stakeholders are revived to improve transparency in operations.</p> <p>Measures to reduce the number of road bumps be undertaken to facilitate smooth traffic flow on highways.</p>	

S/ N	PROCEDU RE	MANDATE FOR COMPLIANCE & ACTIVITIES	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
				Implementors: MoID / TANROADS; MOHA / Immigration Dept / POLICE; SUMATRA, TPA; and TRA.	

4.7 GETTING CREDIT INDICATOR: BANK OF TANZANIA

S/ N	PROCEDURE	COMPLIANCE MANDATE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
QUICKWIN REFORMS FOR IMMEDIATE IMPLEMENTATION					
1.	Provision of Collateral for commercial lending	Secure the interests of lenders in the event of borrowers business failure	<ul style="list-style-type: none"> • Inadequate/ Collateral Borrowers do not have requisite assets to pledge as collaterals. This makes it difficult to access loan facilities since banks need to be assured of recovery in the event of default. • Creditworthiness. Lack of titles and problems associated with legal certainty of ownership of land effectively prevent borrowers 	<ul style="list-style-type: none"> i. Establishment of electronic land registries at districts and village levels and formalization of the land holding (BEST & MKURABITA) will enable beneficiaries to use land as collateral in accessing credit. ii. Establishment of Securities Electronic Registry including requisite legal framework be expedited.. A decision on the Tanzania host institution for this registry is required early so that BOT can work jointly with this institution. iii. Expedite process of formalization of informal urban property and use of Certificates of Rights of Occupancy and Residential Letters as collateral. LGAs in Dar es Salaam should continue with the exercise of issuing Residential Letters to informal property owners in areas where the necessary preparatory work has been completed. 	<ul style="list-style-type: none"> i. BOT, schedule to organize stakeholders workshop on 8th December 2010 subject to AG Chamber responses on the Draft Bill. ii. Draft Bill sent to Attorney General Chamber to be put into Government draft formatting since June 2009. However, no response yet from the AG Chamber. iii. BOT has strengthened the special funds for Export Credit Guarantee Scheme and Small and Medium Enterprise

S/ N	PROCEDURE	COMPLIANCE MANDATE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
			from using land and landed property holdings as valid collateral	iv. Develop a strategy for rolling out the issuance of Certificates of Customary Rights of Occupancy based on emerging experience from pilots in Babati, Bariadi, Namtumbo and Manyoni to the rest of the country by year 2025 in line with Vision 2025. v. The implementation of the project on 'postal code and residential addresses' be expedited as a tool for contributing to the widening of the tax base. Implementors: MOFEA; BOT	Credit Guarantee Scheme. iv. BOT is facilitating the study and drafting of requisite legislation for a Securities Register
2	Requirement of Business Plans and Bankable project documents to support loan applications	Lack of Bankable Project Proposal	<ul style="list-style-type: none"> • Most borrowers do not submit bankable project proposal to banks and hence fail to get access to credit. • Most borrowers especially from rural areas lack financial knowledge hence 	i. Approve and implement the Financial Literacy Strategy once it is completed. Implementors: MOFEA & BOT	BOT has engaged a consultant (with FSĐT support) to develop a Financial Literacy Strategy to enhance use of service providers in producing bankable project documents. Consultant submitted a draft framework for comment on 13 th April 2010. BOT awaiting final

S/ N	PROCEDURE	COMPLIANCE MANDATE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
			do not utilize banking facilities		report from the Consultant in order to draw action plan to facilitate its implementation
3.	Bureaucratic and inefficient financial systems and operations in banking sector	Need to improve competition in Banking sector	<ul style="list-style-type: none"> • Low competition between banks limits pressure for low cost operations and sources of funds. Also limits opportunities for accessing low cost financial resources. 	<ul style="list-style-type: none"> i. BOT implementing measures to reduce lending rates. As at September 2009, Weighted Average Yield (WAY) for Treasury Bills (TBs) was 4.8 percent. ii. BOT continues to license new banks and non-bank financial institutions (39 in place to date). iii. Efforts to enhance availability of loans to commercial banks through reducing Bank and Lombard Rates continue. The government has reduced borrowing from the banking sector to give room to private sector access to credit. <p><u>LONG-TERM</u></p> <ul style="list-style-type: none"> i. Establishment of an agricultural loan window at Tanzania Investment Bank ii. Strengthen existing Credit Guarantee schemes iii. Increase competition between commercial banks with a view to reducing the wide spread between savings/deposit rates and 	<ul style="list-style-type: none"> i. BOT is implementing the 2nd Generation Financial Sector Reforms. Tanzania has a total of 39 banks which are increasingly more competitive and are deepening the financial markets. ii. The Government plans to transform the agricultural window in the Tanzania Investment Bank into a full-fledged agricultural development bank. BOT commissioned a study to establish its feasibility and appropriate design. Consultant Draft report was submitted

S/ N	PROCEDURE	COMPLIANCE MANDATE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
				commercial lending rates. Implementors: MOFEA; BOT and TIB	and discussed on 13 th September 2010. BOT waits Consultant's final report for consideration and action. iii. BOT has produced a Rural Financial Sector Strategy. The Government decision was to re-write the Consultant draft strategy for full ownership. The Government draft strategy is now ready and is being reviewed. iv. BOT has improved payment systems by introducing TISS.
MEDIUM TERM MEASURES REQUIRING FURTHER ANALYSIS PRIOR TO IMPLEMENTATION WITHIN SIX MONTHS					
4.	Lack of reliable credit information		Lack of reliable credit information system and weak creditor rights	BOT to establish a Credit Reference Databank (CRD) while Credit Reference Bureaux are being established by private operators. Expedite gazetting of regulations for Credit Reference Bureaux.	Both Regulations appeared in the Government Gazette of 14 th May 2010 with the following Reference Numbers

S/ N	PROCEDURE	COMPLIANCE MANDATE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
	n system & weak creditor rights			Implementors: MOFEA; BOT	<ul style="list-style-type: none"> - Credit Reference Databank GN 177 - Credit Reference Bureaux GN 178 <p>Currently BOT is in the process of putting in place a mechanism for implementing the regulation</p>
5.	Provision of information on business integrity and reliability of borrowers		Lack of Business track records	<p>BOT commissioning consultancy for establishment of Credit Reference Databank. Bidders short-listed and are submitting Technical / financial proposals</p> <p>Same recommendations as for establishment of Credit Reference Databank and Credit Reference Bureaux.</p> <p>Implementors: MOFEA; BOT</p>	

S/ N	PROCEDURE	COMPLIANCE MANDATE	PROBLEMS / CHALLENGES	GOVERNMENT DECISION	STATUS
6.	Variety of financial instruments available to investors		Weak and narrow Capital Market	<ul style="list-style-type: none"> i. Introducing new financial instruments every now and then ii. BOT in collaboration with CMSA devising ways of encouraging local companies listing on the Dar es Salaam Stock Exchange iii. Undertake a review of the indicator on “Protecting Investor” and address weaknesses that may hamper interest in trading in shares of wholly privately owned companies when listed at DSE. <p>Implementors: MOFEA; BOT and CMSA (Capital Markets and Securities Authority)</p>	BOT has engaged a Consultant to evaluate the legal procedures for the establishment of a Municipal Bond Market. Consultant submitted a draft report for review. Stakeholder workshop was organized on 5 th August 2010. BOT awaits the Consultant final report for consideration and action.
7.	Adequacy of Interest rate margins	Encourage savings and investments	Wide Spread between deposit and lending rates	<ul style="list-style-type: none"> i. Proceed with measures to reduce the wide spread between deposit and lending rates. <p>Implementors: MOFEA; BOT</p>	<ul style="list-style-type: none"> i. The BOT has relaxed the Bank Lending and Lombard Rates to give commercial banks more room for extending credit to the private sector at affordable rates. ii. The Bank has also relaxed the Monetary Policy for a similar purpose.

MINISTRY OF CONSTITUTIONAL AFFAIRS AND JUSTICE

4.8 ENFORCING CONTRACTS INDICATOR

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
QUICKWIN MEASURES FOR IMMEDIATE IMPLEMENTATION					
4.8.1 Attorney General’s Chambers: Procedures related to Advisory Services for Government contracts					
1	Mandatory AG’s Advisory services on Government Contracts and litigations involving the Government	<p>Providing legal advice in accordance with the Constitution of the United Republic of Tanzania.</p> <p>Provide legal opinion on tender contracts from all Government institutions as stipulated in the Public Procurement Act of 2004</p> <p>Article 59 (3) of the Constitution mandates the AG as a principal legal advisor for the Government, as a Cabinet Minister and an ex-officio Member of Parliament.</p> <p>Dept of Civil &</p>	<p>i. Delays on providing legal opinion due to inadequate staff. Staffs are occupied with other demanding duties.</p> <p>ii. Some Government Institutions do submit contracts which do not abide to standard format of the Public Procurement Act 2004</p> <p>iii. Large contracts requires a long time to work on them, they are normally discussed by a Government Negotiating Team</p> <p>iv. Inclusion of tax exemptions in the</p>	<p>i. Immediate:</p> <ul style="list-style-type: none">Strengthen capacity by increasing number of State Attorneys providing legal opinion on contracts.Legal officers in Govt offices be appointed as state attorneys to take charge of providing legal opinion on contractsTrain staff on negotiating skills and provide modern working tools. UNDP is supporting AGC in capacity building.Enhance advisory services delivery through Capacity building for AG Chambers through recruitment and training and provision of equipment. <p>ii. Short-term measures</p>	

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
		International Law is responsible for providing legal opinion on agreements, contracts, treaties, international conventions etc. Also provides expertise and services in the preparation of contracts and business memorandum	contracts without the permission of the Treasury	<ul style="list-style-type: none"> The office of the AG's Chamber will issue a reminder to the implementers to insist on the use of standard formats and timely submission of the contracts Government institutions to stick to the Chief Secretary's directive to avoid including tax exemption in the contracts without consulting the Treasury <p>Implementors: AGC</p>	
4.8.2 Procedures related to Land Disputes and Contracts					
1	Legal procedures <ul style="list-style-type: none"> Determination of land cases based on general Civil Procedure Code Cap 33 and Land Dispute (Courts) Act No. 2/2002 Land cases have to be determined within 14 months. However not all filed cases are determined within 	<ul style="list-style-type: none"> High court Registry Rules 1984 (GN 63 of 2001) Civil procedure code Cap 33 Land Dispute (Court) Act No. 2 /2002 	<ul style="list-style-type: none"> Lack of simplified procedures for Land Court Use of general Civil Procedure Code with prolonged preliminary procedure in filing pleadings hinders speed disposal in Land Court making it difficult to meet the targeted speed of disposal 	<ul style="list-style-type: none"> Amendment of land No.4 of 1999 section 167 and village Act No 5 of 1999 with focus of shifting mandate from the High Court Land Division to the High Court. Amend Law to oust Land Court Jurisdiction and give power to Commercial Court to determine mortgages Matter <ul style="list-style-type: none"> Court Brokers non compliance with the Law in execution Procedures of appointment of Court Brokers be improved 	<ul style="list-style-type: none"> The Land Act No.4 of 1999 has been amended. The Written Laws (Miscellaneous Amendment) Act, No. 2 of 2010, part XIII.All Land

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
	<p>prescribed time due to excessive work load compared to number of judges</p> <p>iii. Some Commercial cases (mortgages) are filed in the Land Division of the High Court</p> <p>i. Execution of decree is done by Court Brokers</p>		<p>iii. Enactment of the Mortgage Financial (special provision) Act 2008. Act No. 17/2008 and give Jurisdiction to Land Court instead of Commercial Court</p>	<ul style="list-style-type: none"> • Disciplining non complying Court Brokers • Increase supervision to Court Brokers <p>iii. Expedite review of the Civil Justice System through expediting the amendment of the 9 laws and 4 regulations (including the Civil Procedure Code) that provide guidelines for civil litigation cases and judgement enforcement, including Court Brokers Act.</p> <p>Implementors: JUDICIARY; AGC; MOCAJ; LRCT; MLHSD; PMO-RALG / LGAs.</p>	<p>disputes can now be filed at the High Court.</p> <p>Judges of the High Court have jurisdiction to determine land Disputes.</p> <p>ii) Commercial Court has powers to determine mortgage matters</p>
2.	<p>ii. Cumbersome Legal technicalities hinders fast disposal of cases</p> <p>iii. The use of English Language as media of communication hinders fast</p>			<p>Simplification of procedures be undertaken as part of process of reforming the Civil Justice System.</p> <p>Use Swahili as media of communication in land cases to simplify process for stakeholders.</p> <p>Implementors: Judiciary; MOCAJ; LRCT</p>	

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
	disposal of cases				
3.	Administrative procedures i. No specific binding guidelines on time for admission of plaintiff, assignment of cases to trial judge, issuing of summons to the defendant, service summons to the defendant, order of application for execution ii. Appeal takes long time in the Court of Appeal affecting speed of disposal in Land cases iii. Transcription of case proceedings takes long time	Various directives from Court administrations - Chief Justice - Judge In charges - Registrar	i. Transfer of trained staff ii. Lack of resources for improving capacity of staff iii. Time of dispose of appeals from Land Court iv. Lengthy trial due to lack of modern technology	i. Avoid unnecessary transfer of experience staff from Land Court ii. Increase budget ceiling iii. Fast tracking of appeals from Land Court iv. Put in place modern Case Management System to increase the capacity of transcribers v. Put in place modern recording instruments <u>LONGTERM MEASURES</u> Accept Task Force recommendations as part of long term measures. Implementors: Judiciary; MOCAJ; LRCT	
4.	No chain of command among High Court – Land	Various directive from different institutions, namely: - Judiciary	• Lack of unified disciplinary machinery between District Land and Housing Tribunals	Disciplinary authority to be vested with Judiciary Service Commission Review the structure and role of	

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
	Division, District Land and Housing Tribunals and Ward Tribunals	<ul style="list-style-type: none"> - MLHSD - MRALG 	and Ward Tribunals Chairpersons <ul style="list-style-type: none"> • Judges, Registrars, Advocates, Chairpersons of District land and Housing Tribunals and Ward Tribunal need to receive specialized training in Case Management and Alternative Dispute Resolution skill and Land Law specialization to increase their capacity on Land Matter 	Land and Housing Tribunals vis a vis the High Court. Implementors: JUDICIARY; PMO-RALG / LGAs; MLHSD; TLS; Judicial Service Commission.	
4.8.3 COMMERCIAL COURT					Modernization of the operations of Court Registries through development of an Electronic Case Management System and streamlining of the manual case
	Legal Procedures i. Determination of cases of Commercial nature still uses general Civil Procedures Code Cap 33 ii. Commercial Court determines commercial cases within 14 months.	Having in place the rules and procedures for efficient guidance of Court processes High court Registry Rules 1984 (GN 23 1985) as revoked by GN 96/2005 Civil procedure Code – Cap 33	i. Lack of special and simplified procedures for Commercial Court ii. Use of general Civil Procedure Code with prolonged preliminary procedure in filing pleadings hinders speed disposal in Commercial Court making it difficult to meet the targeted	i. Amendment of law to give the Commercial Court jurisdiction to determine mortgage matters <ul style="list-style-type: none"> • To gazette the new Company (Insolvency) Rules 2003. • Build capacity of Court brokers. ii. Disciplining non complying court brokers iii. Increase supervision to court	

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
	<p>Not all commercial cases are filed in this Court</p> <p>iii. Lack of access to Commercial Court by creditors for matters involving mortgages</p> <p>iv. Legal technicalities hinders fast disposal of cases.</p>		<p>speed of disposal</p> <p>iii. Ousting of Commercial Court Jurisdiction in mortgages by the Enactment of the Mortgage Financing (special provision) Act, 2008. Act No. 17/2008</p> <p>iv. Use of outdated insolvency rules which contributes to delay in closing business</p> <p>v. Court Broker's non Compliance with the Law in execution.</p>	<p>brokers</p> <p>iv.enhancing budgetary allocation for the Judiciary to facilitate more expeditious case processing in all divisions of the High Court. Consolidate commercial cases in the Commercial Court.</p> <p>v. Appointment of more judges and enhance their capacity through training</p> <p>vi.Introduce a small claims commercial cases stream in the Magistrates Courts starting with a Pilot scheme in Dar.</p>	<p>flow system currently in place.</p>
2	<p>Administrative Procedures</p> <p>i. No specific binding guidelines for time in Admission of plaint, Assignment of cases to trial judge, issuing of summons to the defendant, Service of Summons to the</p>	Various directives from court administration	<p>i. Lack of resources for improving capacity of staff</p> <p>ii. Transfer of trained staff</p> <p>iii. Lengthy trials due to lack of modern technology</p> <p>iv. Time to dispose</p>	<p>i. Increase budget ceiling</p> <p>ii. Allow retention of some of collected revenue over the budget.</p> <p>iii. Avoid unnecessary transfer of experienced staff from com court</p> <p>iv. Modernization through:</p> <ul style="list-style-type: none"> • Introducing electronic case 	<p>i. Review and revision of the case flow management system has already been initiated under the auspices of the Senior Legal</p>

S/ N	PROCEDURE	MANDATE FOR COMPLIANCE	PROBLEMS & CHALLENGES	GOVERNMENT DECISION	STATUS
	<p>defendant, Assignment of cases after mediation failed, Order of Application for execution; Number of appearances to court etc.</p> <p>ii. Appeal take long in the Court of Appeal hence affecting speed in commercial justice.</p> <p>iii. Transcription of case proceedings takes long time</p>		<p>off appeals from commercial court</p> <p>v. Lack of Commercial Court Client's Charter in place to set time limit for administrative steps</p> <p>vi. Lack of specialization to Judicial officers and members of the Bar:</p>	<p>management system</p> <ul style="list-style-type: none"> • Increase capacity of transcribers • Instalrecording equipments <p>v. Fast track appeals from Commercial Court</p> <p>vi. Prepare the charter</p> <p>vii. Judges, Registrars and Advocates to receive specialized training in case management and ADR skills and commercial law specialization to enable them handle commercial disputes.</p> <p>Implementors: JUDICIARY / Commercial Court</p>	<p>Advisor for LSRP and CDR and is financed by the LSRP Program/BE ST</p> <p>i. Procurement for the development of an Electronic Case Management system has taken off with the drafting of TORs in June, 2010 to be submitted to the World Bank for No Objection before the end of September 2010.</p>

4.8.4 LABOUR DIVISION OF THE HIGH COURT					
1	Hearing of appeals on Labour Disputes referred from the CMA	<p>Currently it takes an average of 6 months to finish a labour disputes brought before the Labour Division of the High Court. Plans are to reduce this to 3 months.</p> <ul style="list-style-type: none"> • Original adjudication of Labour and Employment disputes and applications between Employee(s) and Employer(s) within the pecuniary jurisdiction of High Court. • Adjudication over applications, appeals, revisions, referrals/references from all Labour Institutions /organs established under Labour Laws. • Review & interpret its own judgments / decrees. 	<p>i) Few number of Judges, there are two judges at present;</p> <p>ii) Few zonal offices; the Labour Division have three zonal offices at Arusha, Mbeya and Dodoma.</p> <p>iii) Inadequate funds due to low budget ceiling constrains the Labour Court from clearing an increasing backlog of cases . The Court cannot effectively conduct sessions in Zonal offices in Arusha, Mbeya and Dodoma and visit other regions.</p> <p>iv) Lack of Electronic case management necessary to simplify the recording & typing of proceedings and judgments which leads to delay on issuing of</p>	<p>i) At least two more judges and one Deputy Registrar be appointed.</p> <p>ii) Establishment of three more zonal offices in Tabora, Iringa and Mwanza. Proposal possible in eleven regions where CMA operates – services sent closer to clients.</p> <p>iii) Train CMA members to enhance their capacity on discharging their duties and thus avoid unreasonable revisions brought before the Labour Division of the High Court.</p> <p>iv) Budget ceiling for the Labour Court be increased to enable it fulfill its responsibilities efficiently. Judges and Registrar be enabled to conduct sessions in regions with case backlogs from CMA.</p> <p>v) The Court Of Appeal to hasten implementation of centralized Case Management System.</p> <p><u>QUICKWIN</u></p> <p>Appoint one more judge for the Labour Court to replace one who</p>	<p>i) One Judge and one Deputy Registrar has been appointed</p> <p>ii) Labour Divisions have been created in all 21 zones (All regions in Tanzania Mainland) Labour Court Rules, 2007 has been amended to allow labour disputes to be filed at any High Court Centres in Tanzania through GN 209, Published on</p>

		<ul style="list-style-type: none"> To execute awards and specified decisions and lawful orders of Labour Institutions and its own judgments/decrees 	<p>ruling judgements.</p> <p>v) Investors and employees are ignorant of labour laws.</p>	<p>has just retired.</p> <p>Implementors: JUDICIARY / Labor Court; TLS</p>	<p>11/06/2010.L about Court(Labour Divisions)Zonal Centers establishment Rules,2010 made by the Chief Justice.</p> <p>iii) CMA members trained in Morogoro early September,2010</p>
--	--	--	--	---	---

4.9 PROTECTING INVESTORS: BANK OF TANZANIA

S/ N	PROCE- DURE	COMPLIA NCE MANDATE	PROBLEMS / CHALLENGE	GOVERNMENT DECISION	STATUS
MEDIUM-TERM MEASURES					
1,	Need to protect small vulnerable investors in public and private companies (listed at DSE as well as those which are not listed) from potential losses due to “self-dealing” by members of the Board of	The Capital Markets and Securities Act, 1994 and its Various Regulations and the Companies Act, 2002 and its regulations.	There are no adequate safeguards for small investors who invest at the stock exchange to protect themselves from the dangers of conflict of interest due to the phenomenon of “self-dealing”. The law calls for the Directors of a listed company to make best efforts in observing the interest of shareholders they represent. However, there is no specific provision for shareholders to take legal action against Directors who abuse their influence on the Board to promote transactions between	<p>Undertake review of IFC advisory on Protecting Investors and provide requisite advice on way forward. The issues involved are:</p> <ul style="list-style-type: none"> i. Require shareholder’s approval of related-party transactions. Currently, the Companies Act requires the Board of Directors, approval of related-party transactions. However, in order to better protect minority investors, large related-party transactions (.e.g. above 5% of the assets of the company) could be approved by the shareholders meeting. ii. Increase disclosure obligations in the annual report in case of related-party transactions. Annual reports should include detailed information on related-party transactions, in order to provide additional means of information for shareholders. iii. Request an independent assessment of the transaction to be made by an independent auditor before approval; iv. Include requirement for directors to pay damages in the case of prejudicial related party transactions; v. Allow shareholders access to any documents of the company, as the current law does not allow access to internal corporate documents if they suspect misdoings by Directors (with exptions for Corporate secrets). <p>Analyse the legal framework of the Capital Markets and Securities Authority as provided for under the Capital Markets</p>	

S/ N	PROCE- DURE	COMPLIA NCE MANDATE	PROBLEMS / CHALLENGE	GOVERNMENT DECISION	STATUS
	Directors.		the listed company and the Director's personal companies that are prejudicial to the interests of shareholders of the list company (i.e. self-dealing).	and Securities Act, 1994 and its various Regulations and the Companies Act, 2002, regarding coverage of the six aspects of improvement with a view to safeguarding the interests of small investors in companies that are listed / to be listed in future at DSE from the conflict of interest arising from "self-dealing" from the six perspectives listed above. Implementors: MOFEA; BOT; CMSA; and BRELA.	

4.10 CLOSING BUSINESS: MINISTRY OF INDUSTRY, TRADE AND MARKETING

S/ N	Procedure	Mandate for compliance	Problems/Challenge	Task Team Recommendations PERMSEC'S RECOMMEND-ATIONS	GOVERNME NT DECISIONS
Medium-term measures (procedures for which reforms requires further analysis that can be accomplish within 6 months)					
1	Striking a Company off the register (local company)	Company Act No. 12 of 2002	Total time taken to strike a company off the register is six and half months. Normally it takes longer than due to: <ul style="list-style-type: none"> Difficulties in securing space on the Government Gazette; and Delays in printing the Government gazette. 	(i) Government Printers should be strengthened to publish the gazette and circulate on time (ii) Prioritise printing of Government gazette to enable circulation on time (iii) Government to look for an alternative circulation media and amend the law accordingly Undertake review to identify and implement measures for strengthening the operations of government printers and legal possibility of using the electronic media for Gazetting Implementors: AGC; PMO	

S/ N	Procedure	Mandate for compliance	Problems/Challenge	Task Team Recommendations PERMSEC'S RECOMMEND-ATIONS	GOVERNMENT DECISIONS
2	Voluntary Winding up	Company Act No. 12 of 2002	The time and costs for voluntary winding up depends on the capability of liquidator and members solving disputes that may arise in the process. Reluctance/ to follow the procedures and ignorance of the same contributes to delays.	<ul style="list-style-type: none"> • Adoption of international best practise objective and procedures in business winding up • Awareness and training on insolvency and winding up matters based on best practice <p>Undertake review to identify and implement appropriate reform activities. This includes adoption of Alternative Dispute Resolution to resolve commercial dispute and reform of the Civil Justice System to improve the standard of services in enforcement of Court Orders including Liquidation measures by Court Brokers.</p> <p>Implementor: MITM/BRELA</p>	
3	Winding up by Court Order	Company Act No. 12 of 2002	<p>Doing business report 2010 indicates that the process takes up to 3 years.</p> <ul style="list-style-type: none"> • Companies Act No. 12 of 2002 has no provision for winding up of a foreign companies • Outdated Winding up rules of 1929 adopted from UK in use. 	<ul style="list-style-type: none"> • Winding up matters should be resolved by High Court Commercial Division and not other divisions of the High Court for the purposes of speeding up the process • There should be capacity building including tailor made courses in academic institutions to practitioners and stakeholders • The process of business entry and exit should be incorporated into the existing trade policy • Need for harmonization and consolidation of legislations dealing with winding up of business • Undertaking a review to identify the need for establishment of Regulator for winding up of businesses. 	Review of the Civil Justice system including all laws and regulations related to business winding up has been commissioned and is ongoing under the coordination of the Law

S/ N	Procedure	Mandate for compliance	Problems/Challenge	Task Team Recommendations PERMSEC'S RECOMMEND-ATIONS	GOVERNMENT DECISIONS
			<ul style="list-style-type: none"> Outdated Civil Procedures rules for enforcement of Court Judgements <p>Winding by Court Order has no specific time (Not less than two years).</p>	<p>Undertake review to identify measures for improving the Civil Justice system laws & regulations to improve winding up by Court procedures so as to reduce time from more than 3 years and improve recovered funds to more than current 20 % compared to Uganda with more than 40% & Botswana with 60% recovery.</p> <p>Implementors: MOCAJ; BRELA; RITA; LRCT</p>	<p>Reform of Tanzania. A draft report should be available for stakeholder's consultations in August, 2010.</p>

Prime Minister's Office,
Dar es Salaam, September 2010.

**PRIME MINISTER'S OFFICE
TERMS OF REFERENCE FOR SECTOR TASK TEAMS TO REVIEW
TANZANIA'S PERFORMANCE IN DOING BUSINESS 2010 REPORT AND
MEASURES FOR IMPROVING PERFORMANCE IN DOING BUSINESS 2011
REPORT**

1.0 BACKGROUND

On 18th September, 2009, H.E. The President of the United Republic of Tanzania, Jakaya Kikwete, held a meeting with the Chief Secretary and selected Permanent Secretaries and Chief Executive Officers as well as the Governor of the Bank of Tanzania to discuss the investment climate in Tanzania. This meeting was prompted by the World Bank published Doing Business Report 2010 which showed that Tanzania's ranking (Ease of Doing Business) has been deteriorating over the past two years [124 (DB2008), 127 (DB2009), 131 (DB2010)]. This has happened in the background of Tanzania being picked as one of the top ten best reformers in the work in Doing Business Report 2008 and ranked 124 out of 178 economies world-wide.

Pursuant to the President's meeting; a follow-up working meeting was held on 24 September, 2009 under the auspices of the Prime Minister's Office; and after thorough deliberations of the DB report 2010 it was unanimously agreed to establish thematic task teams under the leadership of the respective technical ministries/departments to work on the indicators with a view to coming up with concrete time bound action plans to enable Tanzania to achieve an overall double digit ranking in the DB report 2011. It was agreed that this can be achieved through rigorous analysis of the seven indicators which Tanzania has been ranked low, namely: starting a business; closing a business; construction permits; employing workers; registering property; paying taxes; and trading across borders.

2.0 OBJECTIVE OF THE TASK

To re-engineer processes, procedures, legal framework, as well as the mindset in order to enable Tanzania achieve the double digit ranking (i.e. rank No. 99 or better) in DB2011 through:

- i. Identification of areas of the investment climate for immediate action. Agreed that the key sectors with a role in the reform areas influencing the seven indicators on which Tanzania's score was above 100 are the target areas for immediate reform measures.

- ii. Undertake analytical review of procedures involved in compliance requirements for activities involved under each of the seven indicators prone with impediments, involving consideration of whether the underlying mandate is policy-based, statutory or of an administrative nature. Determine changes that can be accomplished within the time frame of six months to influence DB2011, as well as measures that can be accomplished in a longer-time perspective. For this purpose, the meeting agreed on lead Ministries that will coordinate the initiative of establishment of Thematic Task Teams to undertake the analysis, come up with recommendations on specific actions to be taken with a view to improving Tanzania performance to double digit level on all seven indicators in DB2011, and submit the same to a meeting to be convened within one month after 24 September, 2009;
- iii. Developed a time-bound Roadmap for implementation of agreed actions in the seven sectors targeted for major improvement, with a view to achieving the goal of double digit ranking for the seven indicators in DB2011. This involves achievement of target outputs and outcomes by the end of February 2010 so that desired impact on service delivery to the private sector in those areas can be registered by March 2010 and be subject for verification by DB researchers by the end of April 2010 to provide room for editorial work in May 2010 and submission to publishers by 1st June 2010.

3.0 METHODOLOGY AND SCOPE OF THE ASSIGNMENT

To achieve the objective of raising Tanzania's performance on the Ease of Doing Business index from rank 131 in DB2010 to 99 or better in DB2011 it was agreed to establish six Task Teams headed by one of the Ministries responsible for a substantial number of the procedures measured under the indicator in question. The Lead Ministry will decide on key stakeholders to participate in this exercise.

3.1 Responsibility for Appointment and Coordination of Task Teams

- i. *Starting and Closing a Business: Rank number 120 and 113 respectively in 2010 (two indicators placed under one Task Team)*
 - *Team Leader:* Permanent Secretary, Ministry of Industry, Trade and Marketing;
 - *Members:* PMO-RALG; TRA; Ministry of Health (Health Inspection); Private Sector / Civil Society and others.

- ii. ***Dealing with Construction Permits: Rank number 178 in 2010***
 - *Team Leader:* Permanent Secretary, Prime Minister's Office, Regional Administration and Local Government.
 - *Members:* MLHHSD; PMO-RALG/LGAs; TRA; TANESCO; DAWASCO; Private Sector / Civil Society and others.
 - iii. ***Employing Workers: Rank number 131 in 2010***
 - *Team Leader:* Permanent Secretary, Ministry of Labor, Employment and Youth Development.
 - *Members:* ATE, Labor Unions and others.
 - iv. ***Registering Property: Rank number 145 in 2010***
 - *Team Leader:* Permanent Secretary, Ministry of Lands, Housing and Human Resources Development.
 - *Members:* PMO-RALG/LGAs; Tanganyika Law Society (Notary Public) and others.
 - v. ***Paying Taxes: Rank number 119 in 2010***
 - Permanent Secretary, Ministry of Finance and Economic Affairs
 - *Members:* TRA and other representatives of public / private sector & civil society institutions.
 - vi. ***Trading Across Borders: No. 108 in 2010***
 - *Team Leader:* Permanent Secretary, Ministry of Home Affairs
 - *Members:* INFRASTRUCTURE; TRA; TPA; and other public and private sector stakeholders.
- 3.2 Responsibility for Areas of Further Improvement**
- i. ***Protecting Investors: Rank number 93 in 2010 (88 in 2009) and Enforcing Contracts: Rank number 31 in 2010 and 2009***
 - *Team Leader:* Permanent Secretary, Ministry of Constitutional Affairs and Justice
 - *Members:* AGC; JUDICIARY; and other public and private sector representatives
 - ii. ***Getting Credit: Rank number 87 in 2010 compared to 84 in 2009***
 - *Team Leader:* Governor, Bank of Tanzania
 - *Members:* MLHHSD; MITM/BRELA; JUDICIARY and other public and private sector representatives

3.3 Methodology and Scope of Assignment

Each Team will undertake an in-depth review of the factors or sub-indicators that are used to analyze and rank performance on the indicator applicable in their sector or reform area based through a three step process:

- i. First each Task Team Leader is to appoint a representative Task Team including representatives from respective Government institutions, the private sector as well as Civil Societies;
- ii. Second the Task Team to identify the number of procedures involved in respective indicator and objective of underlying government compliance requirements;
- iii. Third determine the mandate underpinning the compliance requirement, differentiating between policy, statutory and administrative mandate. Normally administrative procedures are for purposes of generating or collecting information for various uses while policy and legal mandates aim at safeguarding specific social or national strategic interests. The objective here is to determine whether the procedure is critical for balancing economic (or commercial) interests vis a vis conflicting social (or national strategic) interests. Whereas information collection procedures can be substituted by more efficient alternatives or even eliminated outright in view of existing alternative sources for such information, the approach for most statutory mandated procedures that cannot be eliminated include streamlining, harmonization and consolidation of procedures undertaken independently by different institutions leading to reduction in number of procedures, duration and resultant costs.
- iv. Fourth for all procedures mandated by policy or law determine necessity of continuing with the same procedure or its redundancy, wholly or partially and possibility of streamlining, harmonization or consolidation with other procedures.
- v. Fifth determine whether the duration for service delivery by Government or compliance by private sector can be reduced and therefore costs can be trimmed downwards.
- vi. Sixth draw up list of recommendations for immediate action in context of transforming performance in DB2011 and separate list for longer term initiatives for sector transformation (including initiations under implementation) and submit to second meeting to be convened PS/PMO within 30 days from 24th September, 2009.
- vii. Seventh and finally, undertake rapid implementation of measures to be agreed during second review meeting.

4.0 OUTPUTS, DELIVERABLES AND REPORTING

4.1 Outputs: the outputs of this assignment include milestone reports to stimulate further discussions through meetings of all Permanent Secretaries to be convened by PS/PMO at appropriate times include:

- i. Draft proposals on procedures to be streamlined, consolidated or eliminated based on the findings and recommendations of the Sector Task Teams to be accomplished within a maximum of 30 days from the date of these TORs;
- ii. Decision of Permanent Secretaries session on reports submitted by the Sector Task Teams;
- iii. Report by Sector Co-ordinating Ministries on oversight of implementation of decisions of Permanent Secretaries to be accomplished within a maximum of five months from the date of these TORs;
- iv. Sector Task Team's reports on review of achievements emerging from (iii) above by end December 2009 and February 2010 to be submitted to subsequent meetings of Permanent Secretaries;
- v. Document for consultations with Consultants responsible for researching, analysis and compilation of Tanzania's performance on DB 2011 to consider unfolding and emerging reforms in January 2010 and April 2010 respectively to be prepared by Prime Minister's Office on the basis of Sector Task Team achievement reports;
- vi. Sector Task Team's reports on longer term legal and policy requirements of DB index and how ongoing medium and long-term reforms are positioned to address inherent impediments to investment climate and how these can be used to influence DB2012 and DB2013 reports.

In all instances, Sector Task Teams are requested to bear in mind that the underlying goal is to stimulate economic formalization through creating an environment conducive to formalization of the large informal domestic sector (through new business start-up, growth and graduation of existing MSMEs) as well as attracting additional FDI particularly into agriculture, manufacturing, mineral beneficiation and the infrastructural services sectors.

4.2 Deliverables

The deliverables for each of the procedures under the respective indicator should be presented in simple, clear and effective language in matrix format in three stages as follows:

- i. Task Team analytical inception reports on measures to influence DB2011 towards achievement of double-digit ranking;
- ii. Task Team achievement report on DB2011 consolidated by PMO to facilitate consultations with researchers for DB2011 in March – April 2010; and

- iii. Task Team ongoing medium-term actions report consolidated by PMO targeting influencing performance in DB2012 and DB2013.

5.0 INFORMATION AND RESOURCES SUPPORT

Information to be accessed from Prime Minister's Office, Private Sector and Investment Division and other institutions involved in the implementation of legal and regulatory reforms via programs listed in the preamble. Each Lead Ministry is expected to use its budgetary provisions to cover the costs emerging from this exercise. Where technical support is required this will be supplemented by the resources provided for under the Private Sector Development Project and Business Environment Strengthening Program for Tanzania to the extent that this is eligible under the conditions for project/program implementation jointly agreed to by the Government and respective Development Partners.

Prime Minister's Office, Dar es Salaam, 24th September, 2009.