MWEBESA
LAW GROUP

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MWEBESA LAW GROUP

Editor's Note
December Edition

Dear Esteemed Clients, Stakeholders and Readers,

Welcome to the December edition of our newsletter.

As we close out 2025, it is clear that the year has been one of recalibration. Regulatory reforms have continued to reshape how businesses operate, how risks are managed, and how opportunities are assessed across sectors. While the pace of change has been steady, its impact has been significant, requiring businesses and advisors alike to remain agile, informed, and forward-looking. We would like to sincerely thank our clients for the confidence you have placed in us throughout the year. Navigating an evolving legal and regulatory environment is never a solo effort, and we value the open dialogue, trust, and collaboration that have defined our engagements in 2025.

In this final edition of the year, we focus on three areas that we believe are particularly timely. We begin with a regulatory checklist, designed as a practical tool to help businesses take stock of their compliance position as they head into the new year. We also examine contract renewals and risk, highlighting key clauses that warrant closer attention before agreements roll over into 2026, especially in light of recent legislative and regulatory changes. Finally, we close with a review of the key legal developments of 2025, reflecting on the reforms that have most significantly shaped the operating environment over the past year.

We hope these pieces prove both relevant and practical at this time of year. Each article is intended to support end-of-year planning and informed decision-making, our aim is to provide insight that is not only timely, but directly applicable to the realities our clients face as they prepare for 2026.
As we enter the festive season, we wish you and your teams a restful Christmas and a well-deserved break. We hope this period offers time to pause, reflect, and recharge. Looking ahead to 2026, we remain optimistic. The regulatory direction is clearer, and with thoughtful planning and execution, the year ahead presents real opportunities for growth, stability, and innovation.

As always, we remain committed to being a timely and relevant resource in a rapidly evolving legal landscape, whether the challenge comes from the courts, the policy sphere, or the bandwidth that connects us.
Thank you for continuing to walk this journey with us. We look forward to working with you in the year ahead.
Happy reading!

The Editorial Team

MWEBESA LAW GROUP

WHAT EVERY BUSINESS IN TANZANIA MUST FINALIZE BEFORE 2025 ENDS

A COMPREHENSIVE LEGAL & REGULATORY ADVISORY

By December, every good business in Tanzania is running on fumes. Sales teams are pushing for that last deal. Managers are tallying up bonuses. The ledgers are being balanced, the parties planned. It is a season of closure, of tying ribbons on the year's work. And in this noble fatigue, compliance becomes an afterthought, a memo left for January. Come January, the ambition is to hit the ground running. Instead, they hit a wall.

The factory gate is chained because the operating licence expired quietly on the 31st. The first shipment of the year is held at port, paperwork outdated. The energy for a fresh start is spent on frantic calls, penalty payments, and bureaucratic apologies.

This is not a lecture about rules but rather a lesson in rhythm. The true art of closing a year is not just in celebrating what you have done, but it is in calmly securing your right to do it all again. Let us talk about the quiet things that must be finished, so your new year begins with action, not apology. This guide provides a structured, explanatory, and legally grounded framework that outlines what every business MUST finalize before year end, the risks of non-compliance, and how proper preparation strengthens corporate stability and competitiveness.

> "The true art of closing a year is not just in celebrating what you have done, **but it is in calmly securing your right to do it all again."**

A PRACTICAL TOOLKIT FOR RENEWAL TIMELINES, INSTITUTIONS, AND CORE REQUIREMENTS

Compliance Item	Regulator / Institution	Renewal Frequency	Timeline / Notes	Requirements	Fees
Business License	Municipal Council or BRELA	Annual	Renew before expiry date	Stamped Lease agreement or title of office premise, TIN number, tax clearance certificate & certificate of incorporation, Director ID.	Fees vary by business activity
Annual Returns	BRELA	Annual	Must be filed on or before the anniversary of the Company's incorporation.	Audited financial statements (where audits are required), duly filled annual return form 128 for BRELA ORS, .	TZS 22,000/=
Beneficial Ownership (BO)	BRELA	Upon changes / Annual update	Any changes to the Ultimate Beneficial Owner must be reported and filed within fourteen (14) days	Filled & Signed company form, either: 14b, 14c, 14d, or 14e dependant on the type of change via the BO Portal, national ID or passport of beneficial owners.	Penalties apply daily for late filing
Tax Clearance Certificate	TRA	Annual	Subject to the settlement of all outstanding tax liabilities.	TIN (Tax Identification Number), proof of tax payments.	N/A
Environmental Audit	NEMC	Annual	Required after issuing EIA Cert. Annual fees payable yearly on 1st of July each financial year.	Environmental audit and performance report. Impact assessment and tracker. Payment of annual fees.	Audit fee + NEMC fee. Month-ly penalties for payments made after 31st December.
Workplace Registration & Inspection	OSHA	Annual	Required before operations	OSHA registration certificate Inspection requirements and checklist (sanitation, safety, fire procedures, first aid, etc)	Inspection fees apply
Fire & Safety Compliance	Fire Dept	Annual	Building inspection required	Inspection of fire safety protocols (escape plan, assembly point and equipment, payment of yearly fees.	Variable fees
Non-citizen Labour Returns	Labour Commissioner	Biannual I.E 30th June and 31st December	Required under ELRA	Duly filled non-citizen return form, details of expatriates, work and residence permit.	N/A

A PRACTICAL TOOLKIT FOR RENEWAL TIMELINES, INSTITUTIONS, AND CORE REQUIREMENTS

Compliance Item	Regulator / Institution	Renewal Frequency	Timeline / Notes	Requirements	Fees
TBS Certification	TBS	Annual	For manufacturers & importers	Product test reports, quality management documents, business license, duly completed application form.	Testing + certification fees
TFDA Certification	TMDA	Annual	For food/drugs/cosmetics	Registration certificate, product registration certificate, inspection reports.	Inspection fees
Mining Licenses (PL, PML, ML, SML, BL, DL, PCL, SL)	Mining Commission (MNRT)	Dependent on license type	Must be valid for operations	Duly filled MRF form as per license type, (Dependant on license type): employment & training programme, operations programme, Mineral deposit data, report of annual rents, works report, EIC certificate, approved local content plans.	License fees and annual rent fees vary
Local Content Report	Mining Commission	Quarterly + Annual	Mandatory for mining sector. Must be filed within 60 days of beginning of each year.	Local content performance report.	Penalties for non-filing
Royalty / Production Returns	Mining Commission	Monthly	Must align with TRA filings	Monthly production reports, royalty calculations and provisional assessments, accurate production records	
EWURA Licensing	EWURA	Dependent on license type	For petroleum, gas & energy, water, etc	Technical & financial capacity documents, EIA certificate, audited accounts.	Regulated fees
EWURA Local Content Performance Report	EWURA	Annual	For energy & petroleum.	Annual local content performance report as per petroleum regulations	
TCRA License Renewal	TCRA	Annual	For ICT, telecom, ISP services	Compliance reports, proof of fee payments.	Annual regulatory fees

A PRACTICAL TOOLKIT FOR RENEWAL TIMELINES, INSTITUTIONS, AND CORE REQUIREMENTS

Compliance Item	Regulator / Institution	Renewal Frequency	Timeline / Notes	Requirements	Fees
BOT Microfinance Returns	Bank of Tanzania	Quarterly reports	Quarterly reports, prepared in accordance with the BOT template, must be submitted on or before the fifteenth (15th) day of the following quarter	Returns prepared in BOT pre-scribed templates, capital ade-quacy reports, liquidity and credit risk reports.	N/A
TALA – Tourism License	Tourism Board	Annual	Mandatory for all tourism operators	Business license, Premises reg-istration certificate, fire certificate.	Sector-based fees
Hotel & Hospitality Permits	Municipality + Fire Dept	Annual	Safety, fire & municipal approvals	Fire safety certificate, Municipal business license.	Variable. Failure to renew license is an offence.
NGO Returns	Registrar of NGO’s	Quarterly & Annual	Mandatory under NGO Act	Quarterly activity reports, annual financial statements, board reso-lutions, audited accounts for large NGOs.	Filing fee
Education Sector Licensing	TIQA + Municipality	Annual	School license, teacher accreditation	Valid school licence, teacher accreditation certificates, premis-es inspection approvals.	Renewal fees
Agricultural Licensest	Ministry of Agriculture / Cooperatives	Annual	For exporters (coffee, cashew, sisal)	Export permit application, ware-house registration, tax clearance, quality inspection certificates, nursery license, felling license, pesticides registration (As appli-cable)	Commodity-based fees

THE CONTRACT CLAUSE THAT WILL HURT YOU IN 2026 (IF YOU IGNORE IT NOW)

KEY CLAUSES TO REVISIT BEFORE THE NEW YEAR

1. INTRODUCTION

A contract that made sense in January 2025 may no longer reflect today's realities. Markets shift, regulatory requirements evolve, currencies fluctuate, and operational priorities change. Allowing agreements to renew automatically without review can quietly lock a business into outdated risk allocations, pricing structures, or compliance exposures.

As businesses close out the year and turn their attention to financial reporting, tax compliance, and planning for 2026, commercial contracts are often left to roll over in the background. Yet these agreements, covering supply, leasing, distribution, services, technology, logistics, and staffing, govern the day-to-day mechanics of how a business actually operates. A structured year-end contract review provides an opportunity to realign commercial terms with current operations, manage emerging risks, and ensure that contractual obligations continue to support business objectives. This article sets out a practical framework for Tanzanian companies to revisit key clauses ahead of renewal, with a focus on commercial protection, regulatory alignment, and strategic flexibility going into 2026.

2. WHY A YEAR-END CONTRACT REVIEW MATTERS

A year-end contract review is not an exercise in fault-finding or legal housekeeping. It is a strategic alignment process. As the business environment evolves, contracts must keep pace to avoid creating operational friction, regulatory exposure, or unintended financial risk.

A structured review allows businesses to confirm that contractual terms reflect current legislation, regulatory expectations, and prevailing industry standards. It also creates an opportunity to revisit pricing mechanisms, service levels, and renewal provisions that may no longer be commercially appropriate, strengthening the company's negotiating position before agreements automatically roll forward.

Equally important, a contract review ensures that commercial terms remain aligned with the organisation's present operational realities, risk appetite, and financial planning assumptions. For businesses anticipating investment, financing, audits, or regulatory scrutiny, updated and coherent contracts also play a critical role in demonstrating governance discipline and operational readiness.

3. ESSENTIAL CLAUSES TO RE-EVALUATE BEFORE RENEWAL

Not all contractual clauses carry equal weight at renewal. Some provisions, if left untouched, can expose a business to disproportionate risk or lock it into commercial terms that no longer reflect operational realities. A targeted review should therefore focus on clauses that most directly affect cost, control, flexibility, and liability. Key clauses to revisit include:

3.1. Term, Renewal Mechanisms & Exit Rights:

Understanding when the contract expires, whether it renews automatically, and how either party may exit is the starting point of any review. A well-designed exit structure maintains agility and ensures the company is not locked into unfavorable terms for years. Businesses should examine the following:

3.1.1. Whether renewal is automatic or requires written consent
3.1.2. Notice periods to prevent unintended renewals
3.1.3. Whether exit clauses allow termination for commercial, regulatory, or financial reasons
3.1.4. Whether the contract allows renegotiation upon material change in circumstances.

3.2. Pricing Structures & Payment Frameworks:

Tanzania's fiscal environment continues to experience inflation, regulatory restrictions, and shifting operational costs. Pricing clauses must therefore be current, transparent, and commercially realistic. Businesses should consider:

3.2.1. Whether payment obligations are denominated in Tanzanian Shillings in compliance with Bank of Tanzania foreign currency regulations, and whether any existing foreign currency provisions require amendment.

3.2.2. Whether payment timelines and lump-sum obligations remain aligned with current cash-flow capabilities. Where necessary, staggered or fragmented payment structures can be negotiated before renewal to reduce financial strain.

3.2.3. Whether interest on delayed payments (if any) is enforceable and commercially reasonable.

3.2.4. Whether responsibility for taxes, levies, and regulatory fees is clearly allocated to the appropriate party.

3.3 Performance Standards & Service Levels (SLAs):

Ambiguity in performance obligations is one of the most common sources of disputes. Service descriptions, KPIs, and service level credits should be aligned with current operational expectations and resourcing models, rather than legacy assumptions. Review should assess:

3.3.1. Whether deliverables are clearly defined
3.3.2. Whether timelines and KPIs reflect realities
3.3.3. Whether measurable service metrics exist
3.3.4. Whether remedies for underperformance are clear and enforceable

3.4 Liability Limits, Indemnification & Insurance:

Limitation of liability clauses, indemnity provisions, and insurance requirements should be revisited to confirm they remain proportionate to the scale of the relationship and compliant with current regulatory expectations. Imbalanced or outdated risk allocation can expose the business to unintended liabilities. Risk-allocation clauses should clarify:

3.4.1. What losses can be claimed (direct, indirect, consequential).

3.4.2. Whether the contractual liability caps are proportionate to, and reflective of, the actual financial exposure arising under the Agreement.

3.4.3. Whether required insurance cover is current and adequate.

3.4.4. Which party bears liability for losses, having regard to the contractual allocation of risk and any applicable statutory provisions

3.5 Compliance With Current Legal & Regulatory Frameworks:

Contracts should clearly address how regulatory changes are managed, including cost allocation, operational adjustments, and termination rights triggered by changes in law. Review shall focus on:

3.5.1. Whether confidentiality and data-processing provisions are aligned with the requirements of the Personal Data Protection Act (PDPA), including obligations relating to data handling, security measures, cross-border data transfers, and third-party processors.

3.5.2. Whether contractual provisions adequately address withholding tax, VAT treatment, cross-border payments, and compliance with e-invoicing and digital tax administration requirements, including responsibility for penalties arising from non-compliance.

3.5.3. Whether the contract reflects applicable regulatory requirements and reporting obligations imposed by sector regulators, including EWURA, OSHA, TBS, TIRA, BRELA, the Bank of Tanzania, and TIC/TISEZA, and clearly allocates responsibility for ongoing regulatory compliance.

3.6 Dispute Resolution Framework:

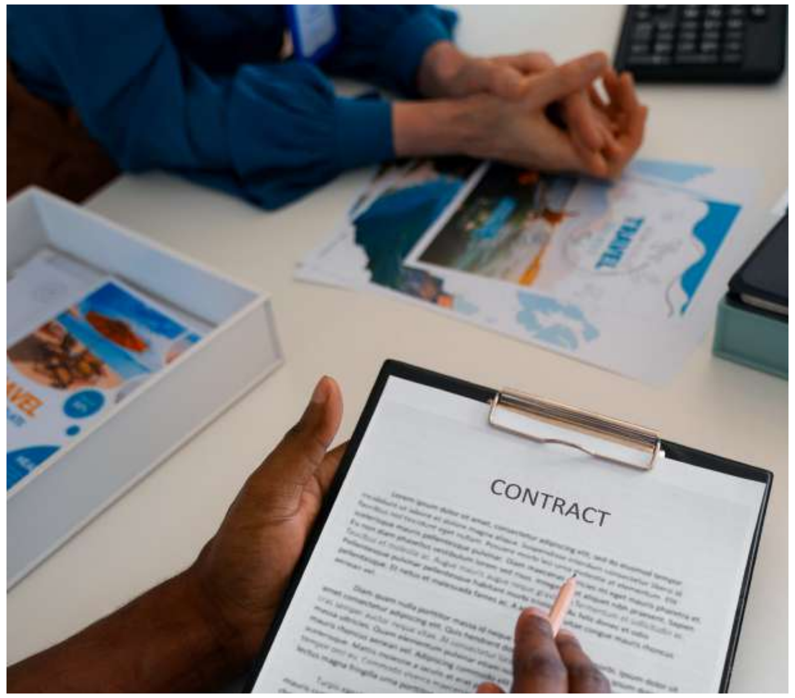
Dispute resolution mechanisms should be reviewed for enforceability, efficiency, and cost. Governing law and jurisdiction clauses should align with the company's broader dispute management strategy and risk tolerance. Review should focus on:

3.6.1. Whether pre-dispute escalation mechanisms, including negotiation and mediation stages, are clearly defined and commercially workable.

3.6.2. Whether the chosen seat, forum, or jurisdiction is practical, cost-effective, and capable of enforcing outcomes in practice.

3.6.3. Whether the contract provides for emergency or interim relief, including injunctive measures, where urgent protection of rights is required.

3.6.4. Whether the governing law remains suitable in light of regulatory developments and the nature of the contractual relationship.



3.7 Intellectual Property:

In an increasingly digital and data-driven business environment, intellectual property and confidentiality provisions carry heightened importance. These clauses should be reviewed to ensure they adequately protect business assets, information, and continuity. Businesses should assess:

3.7.1. Ownership and usage rights over proprietary works, content, software, designs, and other intellectual property developed or used under the contract.

3.7.2. Rights to continue using systems, data, or materials following termination or expiry of the agreement.

4. PRACTICAL STEPS FOR YEAR-END CONTRACT REVIEWS

A disciplined year-end contract review is most effective when approached in a structured and methodical manner. The process should begin with preparation, including compiling a complete and up-to-date contract register, categorising agreements by risk and commercial importance, identifying key renewal and termination windows, and prioritising contracts with significant financial or operational impact.

This should be followed by a clause-by-clause review of each priority contract, examining commercial terms such as pricing, deliverables, and obligations; legal provisions including liability, indemnities, and regulatory compliance; and operational clauses covering service levels, reporting, and maintenance requirements. Where misalignment or risk is identified, businesses should engage counterparties early to renegotiate terms that better reflect current business needs, ensure that renewal or non-renewal notices are issued within the required timelines, and formally document all agreed changes through addenda or revised agreements.

When applied consistently, this structured approach enhances commercial resilience and materially reduces legal and operational risk going into the new year.

Companies entering 2026 with refreshed and forward-looking contracts will enjoy greater efficiency, predictability, and competitive advantage. A proactive year-end review is a strategic investment in stability, growth, and sound governance.

2025 LEGAL YEAR IN REVIEW:

KEY LEGAL DEVELOPMENTS AND SECTORAL SHIFTS IN 2025

As 2025 draws to a close, it is clear that the year was a landmark period for legal and regulatory reform in Tanzania, fundamentally reshaping the landscape for businesses, investors, and workers. This year marked notable transformation across commercial regulation, taxation, labour law, fair competition, investment, and environmental governance. From commercial and tax restructuring to labour-law changes, competition reforms, and IP enforcement, 2025 brought shifts that fundamentally influenced how businesses operate and how rights are protected.

Below is a recap of the standout legal changes that defined the year:

1. **Tanzania Investment and Special Economic Zones Authority (TISEZA) established:**
Under the new Tanzania Investment and Special Economic Zones Act, 2025 (Act No. 6 of 2025). TISEZA merges the old investment and export-processing agencies into a single authority, streamlining investment facilitation and SEZ administration. One-Stop Centre for Investors launched: under TISEZA, creating a digitalised centre for investors to access all investment-related services (licensing, approvals, aftercare). Intended to make investment procedures more efficient, reduce red-tape and delays.

2. **Business Licensing Order:**
GN 487A/2025 (issued on July 28) bars non citizens from operating in specified sectors (e.g. retail trade, mobile money services, tour guiding, telecom repair, etc.), reserving these activities for Tanzanian nationals. Existing foreign licensees may continue until expiry.

3. **The amendment to the mining local content regulations:**
Now any non-indigenous entity seeking to supply goods or services to mining licensees, contractors, or subcontractors must now form a Joint Venture (JV) with an Indigenous Tanzanian Company that is 100% Tanzanian owned and that operates in the same line of business. As opposed to the previous regulation which allowed for the JV between a foreign entity and an ITC in terms of the definition, this meant the local ITC could previously have up to 80% foreign owned equity and still enter into a JV with a foreign entity. also, some services and goods are to be provided exclusively by 100% owned ITCs, falling outside the scope of goods and services that even the JVs and normal ITCs can supply.

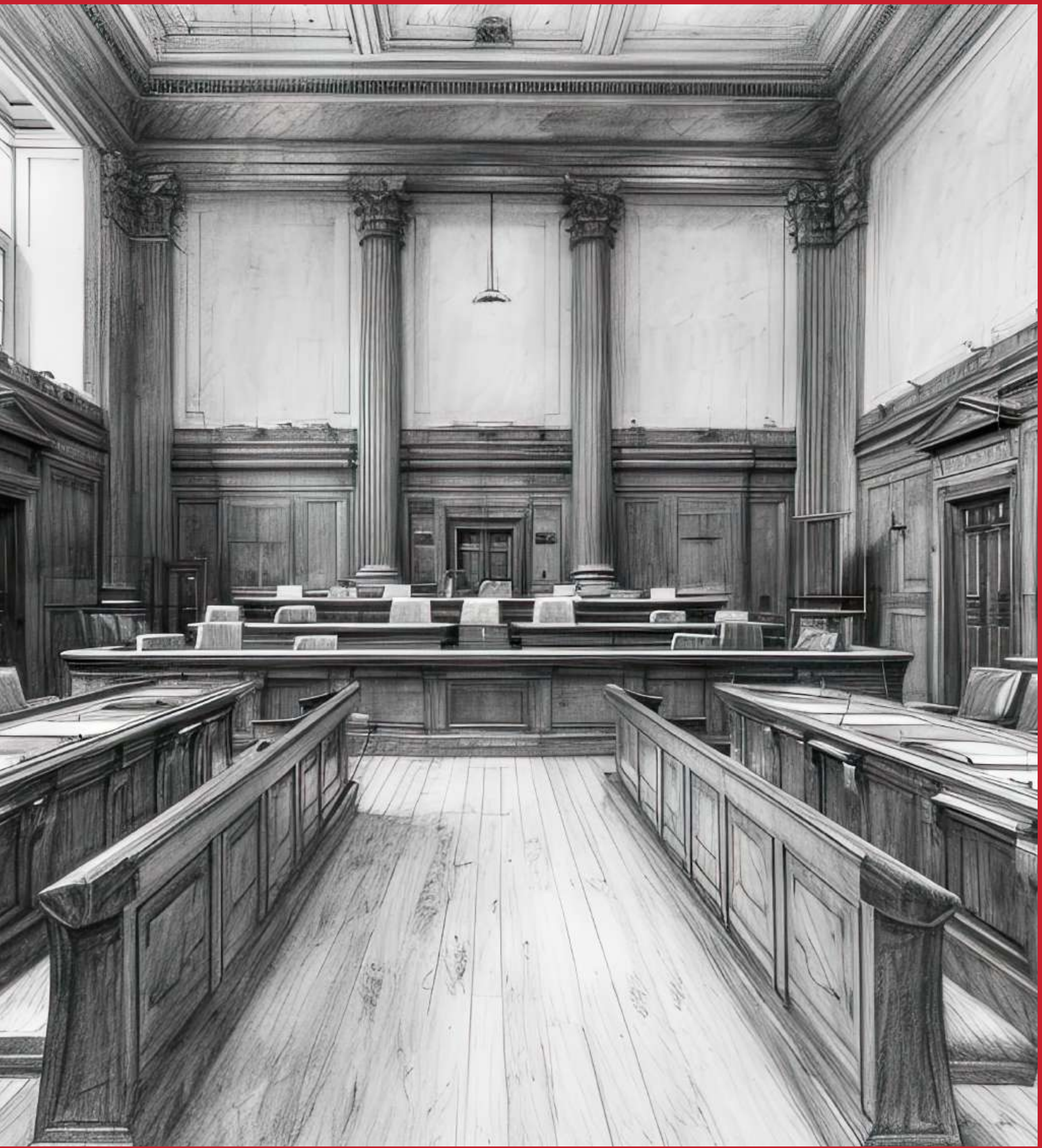
4. **Mandatory Travel Insurance:**
Proposed amendment to the Insurance Act (Cap 394) requires inbound foreign visitors to purchase an insurance (covering medical emergencies, luggage loss, evacuation). Exempts EAC/SADC citizens; to be implemented via regulations and PPP with National Insurance Corp.

5. **Finance Act 2025 – Income Tax:**
Introduced a 10% withholding tax on undistributed corporate profits (retained earnings) and on vehicle hire and gaming commissions. Alternative Minimum Tax (AMT) raised to 1% of turnover; loss carry-forward relief for mining/petroleum cut to 60%. Withholding taxes on insurance/reinsurance and extractive services also set to 10%.

6. **Finance Act 2025 – VAT & Excise:**
New VAT exemptions for reinsurance and clean energy equipment; reduced VAT rate for B2C transactions. Excise duties hiked on telecom services and alcoholic beverages; new carbon levy and excise on certain imports; lower rates on energy drinks and ethyl alcohol. Digital tax administration tightened (mandatory e registration and new compliance rules), and a specific HIV levy collection mandated for health funding.

7. **Merger Control Reform:**
Amendments to the Fair Competition Act now permit approving transactions that create or strengthen market dominance if demonstrable public interest benefits exist. FCC requires a 14-day public notice for all merger filings to solicit comments. New proposed rules (2025) include a leniency programme and formal dominance assessment criteria; the dominance threshold was raised from 35% to 40%.

8. **ELRA Amendments Act (2025):**
Introduced up to 30 days' unpaid leave by employee request, and requires employers to pause any disciplinary process once a worker lodges a grievance at CMA or court Unfair dismissal compensation caps were raised: 6–12 months' salary for procedural breaches, up to 18 months for unfair reasons, and up to 24 months if both apply (same cap for discrimination/harassment cases). Reinstatement remains an available remedy. The amendments further broaden the use of specific-period contracts: for temporary work spikes, training graduates, project-based jobs, or work permit-holders giving employers and employees more flexibility. Maternity/paternity leave expanded for premature births; unpaid leave introduced labour law amendments now allow extended leave when a child is born prematurely and allow employees to take unpaid leave under certain conditions.



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Collective Bargaining & Dispute Rules:
New law binds public institutions (e.g. state hospitals, universities) to approved union agreements. Multiple trade unions may negotiate a single agreement. Mediation rules now require parties' attendance (or proxy) and set a 30-day deadline to file arbitration if mediation fails.

10

Immigration & Work Permits:
Updates to the Non-Citizens Employment Regulations allow Class A work permit holders (investors) to operate multiple Tanzanian businesses under one permit (with a tax clearance); refugees can hold valid work permits. Applications for permit renewal must now be filed 60 days before expiry to ensure timely processing.

11

Consolidation and revision of statutes:
446 principal laws revised and consolidated, under the Law Revision Act, Cap. 4, a comprehensive updated edition containing 446 principal laws was launched, effective 1 July 2025. This aims to simplify legal research, ensure consistency, and improve access to justice.

12

Amendments in financial sector supervision:
Under the new Banking and Financial Institutions Act (as amended 2025) regulators now have a "loss-minimiser mandate" to better supervise banks and financial institutions, aiming for financial stability and consumer protection.

13

Expansion of import-control and import-related regulation under the 2025 tax/finance legislation, including amendments to the Imports Control Act (Cap. 276), with new rules and exceptions (e.g. for SEZ/EPZ investors producing for local market).

14

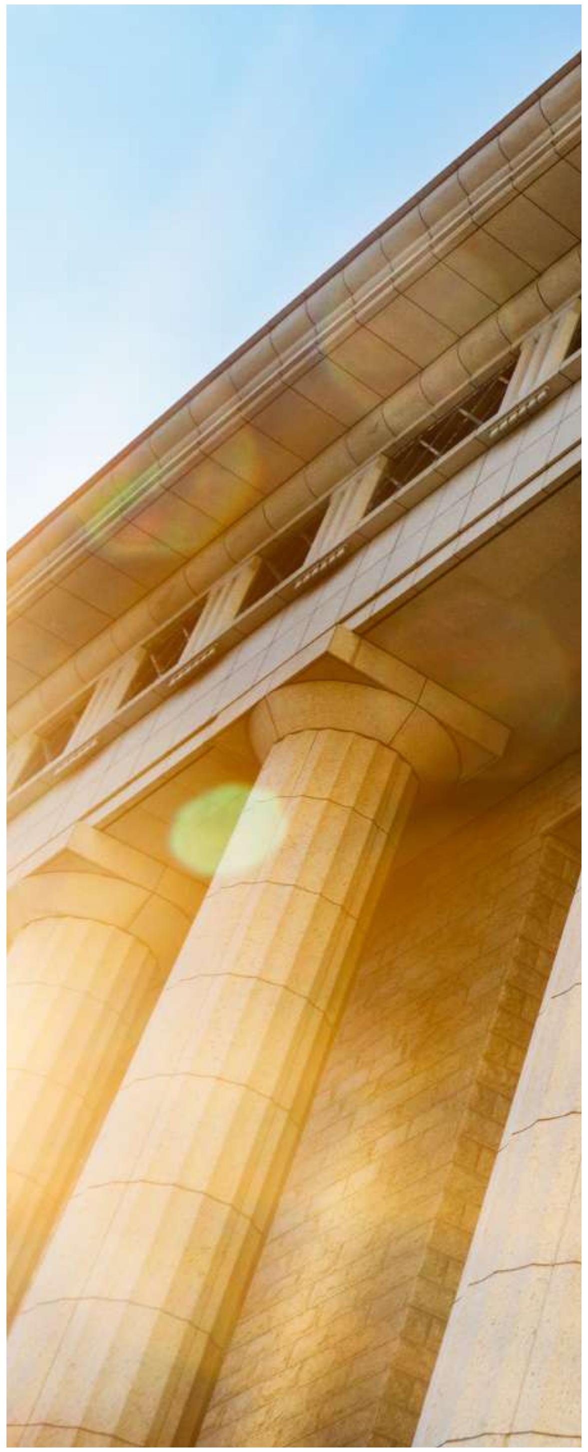
Taxation changes affecting export and domestic industries: under the Finance Act, 2025, including adjustments to export levies (e.g. in the cashewnut industry), excise duties, and restructured fiscal obligations for manufacturers and exporters

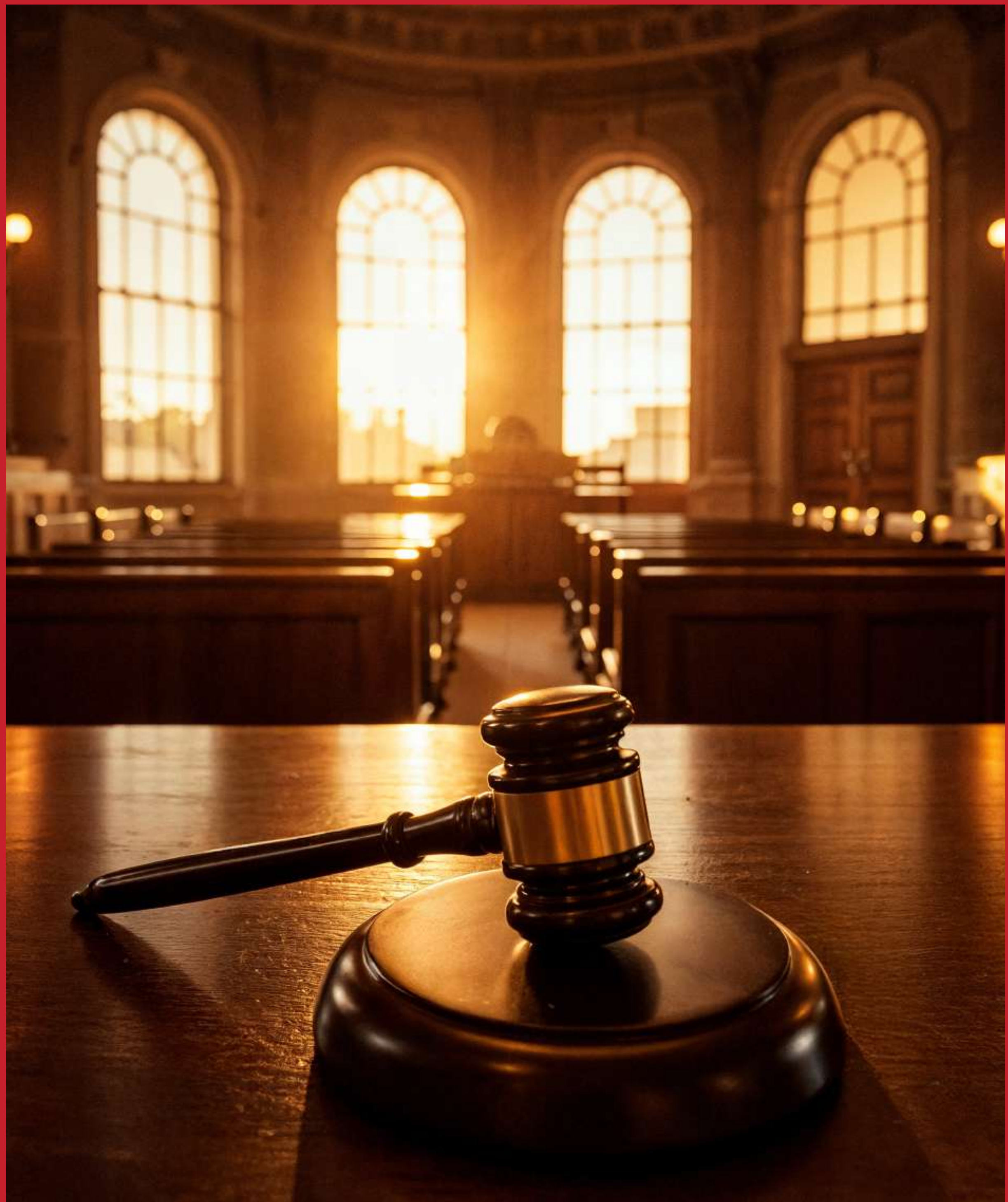
15

Levy additions for social causes, HIV Response Levies:
The Finance Act 2025 added new levies to certain sectors: e.g. on minerals, on vehicle registration, on railway tickets, and other services to channel funds into social health initiatives (HIV Response Fund / Universal Health Insurance

16

Maternity/paternity leave expanded for premature births: unpaid leave introduced labour law amendments now allow extended leave when a child is born prematurely and allow employees to take unpaid leave under certain conditions.





17 **Compounding of labour-law penalties formalised:**
Under the amended Labour Institutions Act, Cap. 300, settlements of labour violations via compounding require a fixed penalty paid into the Government Consolidated Fund, increasing accountability and discouraging informal/undocumented resolutions.

18 **Import Trademarks Recordation:**
The Merchandise Marks (Recordation) Regulations, 2025 (GN 352F/2025, effective 1 July) require all trademarks linked to imported goods to be registered with the Chief Inspector of Merchandise Marks. The FCC's public notice confirms mandatory recordation for imported goods takes effect Dec 1, 2025.

19 **Enhanced environmental-compliance obligations for investors and businesses:**
After the environmental reform, businesses, in particular those in mining, agriculture, energy, infrastructure, must now undertake more rigorous impact assessments and comply with updated pollution prevention, environmental audit and rehabilitation provisions.

To sum-up, 2025 will be remembered as a year that redefined regulatory expectations and reshaped Tanzania's legal and economic landscape. The reforms introduced new rights, stricter compliance responsibilities, and broader opportunities for investment and innovation. As the country heads into 2026, the challenge and opportunity will be ensuring that these legal changes translate into real-world efficiency, fairness, and sustainable growth. Practitioners, businesses, and policymakers must now navigate a more complex but also more transparent and modernised legal environment.

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