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UNITED REPUBLIC OF TANZANIA

Tanzania Investment Legal Highlight

6.0% GDP Growth (2025) <i>AfDB Outlook 2026</i>	28.3% FDI Growth Rate <i>2× EAC average</i>	3.3% Inflation Rate <i>Within 3–5% target</i>
USD 4.97B Gold Exports <i>+35.8%, Feb 2026</i>	USD 4B+ Tourism Receipts <i>2M+ arrivals forecast</i>	12.45% 10-Year Bond Yield <i>Real positive returns</i>

1. MACROECONOMIC SNAPSHOT

Tanzania is one of Sub-Saharan Africa's most resilient and fastest-growing economies. Real GDP expanded by 6.0% in 2025 — driven by agriculture, mining, construction, and ICT — with Zanzibar outperforming the mainland at 6.8%. The African Development Bank projects growth of 5.4% in 2026 and 6.1% in 2027. Inflation is anchored at 3.3%, within the Bank of Tanzania's 3–5% target, while private sector credit expands at over 20% annually. Public debt stands at a conservative 41% of GDP — far below the 55% distress threshold — affirming strong fiscal sustainability.

Tanzania leads the East African Community in FDI growth, recording a 28.3% surge — more than double the regional 12% average — and ranks third in Africa for private infrastructure investment closures. A USD 5 billion PPP infrastructure commitment from SinoAm Global Fund targeting expressways, SGR, and energy underscores the depth of international investor confidence.

2. LEGAL & REGULATORY FRAMEWORK

2.1 Investment & Special Economic Zones Act, 2025 (ISEZ Act No. 6 of 2025)

Tanzania's most significant investment law reform in over two decades came into force on 1 July 2025. The ISEZ Act 2025 consolidates the former TIC and EPZA into a single apex body — the Tanzania Investment and Special Economic Zones Authority (TISEZA). Key reforms:

- Single-window facilitation — all investment services unified under TISEZA, eliminating duplicative approvals.



- Mandatory TISEZA registration for all investors (domestic and foreign) prior to commencement.
- Minimum capital thresholds: USD 500,000 (foreign); USD 50,000 (Tanzanian-owned enterprises).
- Existing incentive certificates remain valid under Section 51 — all prior arrangements fully protected.
- Access to international arbitration for foreign investors, codified as a statutory right.
- Integrated electronic system for transparent, trackable application processing.

2.2 Investor Protections

- Statutory protection against nationalization or expropriation without fair, prompt compensation.
- Right of access to the High Court of Tanzania or international arbitration.
- Shareholders cannot be compelled by law to cede their interest.
- Bilateral Investment Treaty (BIT) network provides additional treaty-level protection.
- Unrestricted repatriation of profits, dividends, and capital in convertible currency.

2.3 Special Economic Zones — Flagship Incentives

- 10-year corporate income tax holiday in designated zones (Bagamoyo Eco Maritime City, Kwana Industrial Park).
- 100% exemption on VAT and import duties on capital goods.
- Withholding tax exemption on dividends during the incentive period.
- EPZ/SEZ licenses serve as business licenses — no separate registration required.

3. HIGH-POTENTIAL INVESTMENT SECTORS

SECTOR	MARKET OPPORTUNITY	LEGAL / FISCAL SUPPORT
Mining & Resources	Gold exports USD 4.97B (+35.8%). Top-3 African gold producer. FDI in natural resources at 58.9%.	Mining Act 2010; TISEZA COI; SEZ duty exemptions on capital goods.
Tourism	Receipts >USD 4B annually. 2M+ arrivals projected. USD 44M Southern Circuit upgrade underway.	Tourism PPP framework; Zanzibar land leases; VAT exemptions for qualifying lodges.
ICT & Digital	ICT sector growing 13.5% (2026). Internet >50%. Mobile subscriptions 60M+. Gov't digitization pipeline.	EPZ tech licenses; zero-rated VAT on software; PPP procurement framework.
Energy & Infrastructure	USD 5B PPP pipeline. Energy sector growing 12%. AFCON 2027 driving Zanzibar construction at 7.2%.	EWURA licensing; SEZ developer incentives; long-term concession framework.



Fintech	Mobile money >USD 60B p.a. Banking penetration <20% — vast unbanked market. Credit growing >20% p.a.	BoT regulatory sandbox; TISEZA COI for financial services.
Agriculture	Government-backed credit facilities. Critical supply chain gaps in agro-processing and cold storage.	Agricultural Land Act; concessional finance; duty exemptions on agri-machinery.
Real Estate	Urbanization >5% p.a. REITs underdeveloped — structural demand-supply gap across all segments.	Land Act 1999; ZIPA Zanzibar incentives; TISEZA COI for large-scale development.

4. ESTABLISHING YOUR INVESTMENT — QUICK GUIDE

Under the ISEZ Act 2025, the investment pathway is centralized through TISEZA in six steps:

01	Determine investment vehicle, sector, and zone. Engage Tanzanian legal counsel aligned with ISEZ Act 2025.
02	Register with TISEZA via the integrated electronic system — mandatory for all investors.
03	Apply for Certificate of Incentives (COI): min. USD 500K (foreign) / USD 50K (local).
04	Obtain written TRA confirmation that COI incentives will be honored under current tax law.
05	Incorporate under the Companies Act 2002 with BRELA, or register a Recognized Branch for foreign entities.
06	Secure sector-specific licenses (EWURA / TCRA / BOT) and commence operations under full legal protection.

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