



THE REVOLUTIONARY GOVERNMENT OF ZANZIBAR
ZANZIBAR BUSINESS AND PROPERTY REGISTRATION AGENCY
(BPRA)

THE PRACTICE DIRECTIVE NO. 1 OF 2025

ON THE OWNERSHIP OF SINGLE MEMBER PRIVATE COMPANIES
(((SMC-PRIVATE) LIMITED))) IN ZANZIBAR

TO: All business people, agents/representatives, legal practitioners, investors, stakeholders and the general public.

PREAMBLE

WHEREAS, *section 30(3) of the Companies Act No. 15 of 2013 and regulation 18(1) of the Companies Regulations of 2017 of the Laws of Zanzibar* provide for the meaning and formation of the Single Member Private Companies (((SMC-Private) Limited))) within Zanzibar;



AND WHEREAS it is necessary to ensure straightforwardness, transparency, accountability, traceability and consistency of ownership of the Single Member Companies within Zanzibar;

NOW THEREFORE, the Registrar of Companies for Zanzibar who is the Executive Director of Zanzibar Business and Property Registration Agency (BPRA) hereby issues the Practice Directive pursuant to the powers vested on him under the *section 8(1) (f) of the Zanzibar Business and Property Registration Agency Act No. 13 of 2012 of the Laws of Zanzibar* and in line with the policy on legislating the ownership of single member private companies, as following:

1. TITLE AND COMMENCEMENT

1.1 This Practice Directive may be cited as the **Directive on the Ownership of Single Member Private Companies ((SMC-Private) Limited)**, 2025.

1.2 It shall come into operation on the date of its execution and publication.



2. INTERPRETATION

In this Practice Directive, unless the context otherwise requires:

“Single Member Company” means a company incorporated with only one shareholder as provided under *the Companies Act, 2013* and the *Companies Regulations, 2017*.

“Member” means an individual or a natural person with legal capacity to contract and hold property in his or her own name.

“Legal Entity” means any body corporate, association, partnership, or other artificial person recognized by law.

3. OWNERSHIP RESTRICTION

3.1 A Single Member Company registered or operating in Zanzibar shall be owned only by an individual.

3.2 No legal entity, including but not limited to a company, partnership, association, trust, or non-governmental organisations (NGOs), shall be eligible to register or hold shares in a Single Member Company.



3.3 Where, prior to the coming into force of this Practice Directive, a Single Member Company is owned by a legal entity, such company shall:

(a) within twelve (12) months of the commencement of this Directive, transfer its shares to a natural person; or

(b) convert to another form of company under *the Companies Act* that permits corporate ownership.

4. COMPLIANCE AND ENFORCEMENT

4.1 The Registrar of Companies shall ensure that all applications for incorporation of Single Member Companies comply with this Practice Directive.

4.2 Any registration in contravention of this Practice Directive shall be deemed null and void.



4.3 Failure to comply with this Practice Directive may result in cancellation of registration or other administrative sanctions as may be determined by the Registrar.

5. TRANSITIONAL PROVISIONS

Existing Single Member Companies that do not comply with this Practice Directive shall be required to regularize their ownership within the period specified under paragraph 3(3) (a) (b) of this Practice Directive.

6. EFFECTIVE DATE

This Practice Directive shall come into effect immediately upon signature and publication by the Registrar of Companies for Zanzibar.



Issued at Zanzibar this 8 day of July, 2025.

[Handwritten signature]
8/7/2025



THE REGISTRAR OF COMPANIES FOR ZANZIBAR/EXECUTIVE DIRECTOR

ZANZIBAR BUSINESS AND PROPERTY REGISTRATION AGENCY.