



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

THE PRACTICE DIRECTIVE NO. 2 OF 2025

ON THE MINIMUM SHARE CAPITAL REQUIREMENT FOR COMPANIES
ENGAGED IN CERTAIN BUSINESS ACTIVITIES AND COMPANIES
INVOLVING FOREIGN SHAREHOLDERS

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

PREAMBLE

WHEREAS, section 4(4) (a) and section 9(1) of the Companies Act, 2013 require a company to state the amount of share capital with which the company proposes to be registered and *regulation 13(1) of the Companies Regulations, 2017* requires the amount of share capital to be stated in the Tanzanian Shillings;



WHEREAS, it has been observed that certain categories of companies carry out business activities which inherently and as a matter of fact involve substantial financial transactions and capital investment, and some companies involve foreigners who do investment in Zanzibar thereby necessitating adequate capitalisation to ensure business credibility, protection of stakeholders, and compliance with regulatory standards;

AND WHEREAS, a need to clarify on the common inquiries and provide for a guidance on the requirements for minimum share capital being ever-present;

NOW THEREFORE, pursuant to the powers conferred upon the Registrar of Companies for Zanzibar who is the Executive Director of Zanzibar Business and Property Registration Agency (BPRA) under section 8(1)(f) of the Zanzibar Business and Property Registration Agency Act No. 13 of 2012 of the Laws of Zanzibar, the following Practice Directive is hereby given out:

1. MINIMUM SHARE CAPITAL REQUIREMENT

Effective from the date of this Practice Directive, **any company whose objects include one or more of the herein below business activities; and any company that involves a foreign shareholder of whatever number and irrespective of object of which the company is established for, shall be required to have a minimum share capital of not less than Tanzanian Shillings One Hundred Million (TZS**



100,000,000) at the time of incorporation or registration of any change of share capital:

- a. Real estate and property development;
- b. Construction and infrastructure;
- c. Import and export;
- d. Transportation and logistics;
- e. Manufacturing and industrial operations;
- f. Tourism, hospitality, and leisure;
- g. Financial and investment services;
- h. Energy, mining, and natural resources;
- i. Telecommunications and technology infrastructure;
- j. Large-scale trade and wholesale businesses;
- k. Corporate services and investment projects; and
- l. Any other business or trade which, in the opinion of the Registrar, involves or is likely to involve transactions of large financial magnitude.

2. PROOF OF PAYMENT OF SHARE CAPITAL

The Registrar may, when it appears necessary, require a company to submit documentary proof of the paid-up share capital, including:

- a. Bank confirmation letter or statement; or
- b. Auditor's or accountant's certification confirming payment of capital.



3. EXISTING COMPANIES

The companies already incorporated prior to the date of this Practice Directive whose business objects and shareholding structure fall within the scope of paragraph 1 shall, from the date hereof, ensure compliance by increasing their share capital accordingly.

4. ENFORCEMENT

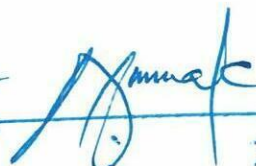
Failure to comply with the provisions of this Practice Directive shall render the company liable to regulatory action, including refusal of registration, suspension of business operations, or any other measures deemed appropriate under the *Companies Act No. 15 of 2013*.

5. 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 30 day of July, 2025.


30/07/2025



THE REGISTRAR OF COMPANIES FOR ZANZIBAR/THE EXECUTIVE DIRECTOR,
ZANZIBAR BUSINESS AND PROPERTY REGISTRATION AGENCY.