

COMPANIES ACT AMENDED

Change Starts Here

TANZANIA

COMPANIES ACT AMENDED THROUGH
WRITTEN LAWS (MISCELLANEOUS
AMENDMENTS) (NO. 3) ACT, 2021

*Minister's
power to waive
Late Filing
Penalties.*

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*Restriction on
retirement age
for directors
removed.*

*Verification of
facts by Registrar
to ascertain the
authenticity of
facts lodged by
a company.*

The Act amendments under the Companies Act, 2002 (the Act) are analyzed as follows;



ONLINE REGISTRATION SYSTEM LEGALIZED.

The Act amends Section 3 and Section 14 of the Act to include all the information required during incorporation and update in Online Registration System (ORS) respectively. The requirements have been legalized. The information required include date of birth or date of incorporation or registration, nationality or nationalities, country of residence or country of incorporation or registration, residential address or an address of registered office, passport, National Identity Number, Tax Payer Identification Number etc.

QUALIFICATIONS FOR A COMPANY SECRETARY

Section 187 of the Act is amended to add a qualification for a company secretary in Public Companies to be an advocate, CPAT or an Auditor or any other qualifications as may be prescribed by the Minister in regulations. In private companies, the qualification remains to be “who appears to the directors to have requisite knowledge and experience”.

TIME LIMIT TO NOTIFY THE REGISTRAR ON SHARE TRANSFERS / TRANSMISSION.

Section 83 of the Act is amended by introducing section 83A which provide for a period to notify the Registrar in case of share transfer or transmission.

It is now a mandatory requirement to notify the Registrar within 28 days from the date when transfer or transmission took place. The same must be supported with a Tax Clearance Certificate issued by Tanzania Revenue Authority.

AGE RESTRICTION FOR DIRECTORS

Section 194 of the Act is amended to remove retirement age for directors. This means there is no restriction on directors retirement age. Initially a person of 70 years was disqualified to be a director.

Connected to that, the same section of the Act is amended to provide the minimum age qualification of a director to be 18 years.

WAIVER OF LATE FILING PENALTIES

Moreover, section 452 is amended by introducing section 452A whereas the Minister in consultation with the Minister of Finance may for the purpose of smooth operation of ORS, by Notice in the Government Gazette waive penalties on late filing of documents payable under the Companies Act.

This is a great move. Now, companies which could not update their details in Online Registration System due to heavy penalties for non-filing of Annual Returns or Financial Statements for Branch companies will benefit.

RETENTION PERIOD OF ORIGINAL DOCUMENTS.

Section 455 of the Act is amended by adding section 455A which requires companies to keep original documents filed with the registrar for a period as may be prescribed by the Minister in the regulation.

The Act currently requires to retain books of accounts for a period of six (6) years under section 151(4).

VERIFICATION OF FACTS BY REGISTRAR TO ASCERTAIN THE AUTHENTICITY OF FACTS LODGED BY A COMPANY.

Ultimately, the Act is amended under Section 458 by introducing Section 458A which provides for a requirement for verification of facts for the documents lodged at the registry.

The Registrar now have powers to request such information in a manner as he may deem appropriate.

OUR CONTACT:

Florian Mutagwaba
Manager - Legal and Secretarial Services
Email: fmutagwaba@pkfea.co.tz
Mobile: +255715919779

Mustansir Gulamhussein
Engagement Director
Email: mgulamhussein@pkfea.co.tz
Mobile: +255784520097

Address:

Upanga, Kibasila Street, Girl Guides Building, 1st floor, Tower B,
P.O. Box 7323, Dar Es Salaam, Tanzania,
Tel: +255 22 215 2501/03/04, Email: pkftz@pkfea.co.tz