



EPZA

NON-COMPLIANCE

- The Board of Directors of Export Processing Zone Authority (EPZA) has noticed that most investors apply for renewal of licenses after the expiry contrary to requirements of regulation 16(4) of the Export Processing Zones (General) Regulations, 2003 (the EPZA regulations) which requires them to apply for renewal Three (3) months before expiry.

- The Board has also noticed that some investors submit Quarterly and Annual Returns late while others do not submit at all contrary to regulation 17(3) of the EPZA Regulations, which requires the same to be submitted within fifteen (15) days from the last day of the quarter or year.

PENALTIES

Cognizant of these gross non-compliances the Board through Circular No. BD.279/959/01/156 has introduced penalties for such misconduct, which shall apply for quarterly returns after the quarter ending on 30th September 2023.

Scheduled of Penalties for Non-Compliances

S/N	Nature of non-compliance	Penalty charge
1.	Delay paying Lease Rental Fees	5% of the fee due compounded monthly
2.	Delay to submit Application for Renewal of License	USD 5 per day from the date of expiry of the license until the date when the formal application is lodged
3.	Subletting and transferring without EPZA consent	25% of the annual rental fee payable to EPZA
4.	Borrowing without consent	1% of the amount borrowed
5.	Hiring of the unregistered contractor, consultant, sub-contractor, or any other service provider	\$1000
6.	Violation of approved business plan activity without permission	\$1000
7.	Delay to submit Quarterly Returns	A penalty fee of USD 1000 for failure to submit by the 15 th day after the quarter ended and thereafter 10% of the penalty fee for each month delayed. Termination services after the lapse of the quarter (3 months). Charges for restoration of services are 100% of total unpaid returns in addition to the penalty for lack of submission as stated above.
8.	Penalty for submission of false returns	50% of the amount of penalty fee for non-submission
9.	Construction without a valid EPZA Building permit fee	A minimum penalty of USD 2,000 or Tshs. 50,000,000 where conviction is involved as per SEZ Regulation 50
10.	Penalty to occupy the development area without a valid permit	USD 1000 or Tshs. 50,000,000 where conviction is involved as per SEZ Regulation 50
11.	Non-compliance with approved building plans	\$ 1,000 per case
12.	Violating building standards and conditions (other than those listed above)	\$ 500 per case
13.	Permit for extension of the construction permit (18 months period)	\$200 per request
14.	Permit for alteration of an existing structure	\$0.10 per square meter of the affected area
15.	Erection of office sign and or warehouse signpost	\$50 per case
16.	Penalty for extension of construction beyond approved period without permission	\$500 per case
17.	Penalty for the erection of a sign without a permit	\$200
18.	Penalty for transfer or sublease without a permit	25% of the annual rental fee payable to EPZA
19.	Penalties for maintaining a labour camp or worker accommodation without authorization	\$200 per person
20.	Penalty for hiring staff without work permits and residence permits	\$2000 per person
21.	Minor HSE violations	\$500 per incident
22.	Acts causing or having the potential to damage onsite infrastructure	\$1000 per case
23.	Hiring or use of the unregistered contractor, sub-contractor, or any other service provider	\$1000



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