

Scoping Study for the Performance of Tanzania Extractive Industries and Preparation of Ninth and Tenth TEITI Reports for Fiscal Years 2016/17 and 2017/18



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LIST OF ABBREVIATIONS AND ACRONYMS

BL	Broker License
BRELA	Business Registrations and Licensing Agency
CAG	Controller and Auditor General
CSR	Corporate Social Responsibility
DL	Dealer License
EACOP	East Africa Crude Oil Pipeline
EITI	Extractive Industries Transparency Initiative
g/t	Grams per ton
GASCO	Gas Company Tanzania Limited
GEPF	Government Employees Pension Fund
GST	Geological Survey Agency
IA	Independent Administrator
ITA	Income Tax Act
JNIA	Julius Nyerere International Airport
Kg	Kilogram
KIA	Kilimanjaro International Airport
Km	Kilometres
LAPF	Local Authority Pension Fund
LGAs	Local Government Authorities
LNG	Liquefied Natural Gas
MA	Mwanza Airport
MDAs	Mineral Development Agreements
Mil.Oz	Million Ounces
ML	Mining License
MMscf	Million Standard Cubic Feet
MNRT	Ministry of Natural Resources and Tourism
MoFP	Ministry of Finance and Planning
MoM	Ministry of Minerals
MPSA	Model Production Sharing Agreement
Mt	Megatonne
NDC	National Development Corporation
NNGI	National Natural Gas Infrastructure
NOC	National Oil Company
NSSF	National Social Security Fund
PAYE	Pay As You Earn
PG	Protective Gas
PL	Prospecting License
PML	Primary Mining License
PPF	Parastatal Pensions Fund
PSAs	Profit Sharing Agreements
PSSSF	Public Service Social Security Fund

PURA	Petroleum Upstream Regulatory Authority
RL	Retention license
SDL	Skills and Development Levy
SL	Smelting License
SML	Special Mining License
SOEs	State-Owned Enterprises
SSRA	Social Security Regulatory Authority
STAMICO	State Mining Corporation
TCIMRL	Tanzania China International Mineral Resources Limited
TEITI	Tanzania Extractive Industries Transparency Initiative
TFS	Tanzania Forest Services
TMAA	Tanzania Minerals Audit Agency
TMTC	Tanzania Mineral Trading Centres
TPDC	Tanzania Petroleum Development Corporation
TRA	Tanzania Revenue Authority
TZS	Tanzanian Shilling
USD	United States Dollar
VAT	Value Added Tax
WCF	Workers Compensation Fund

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Finally, we extend our thanks to representatives of the Ministry of Minerals, the Tanzania Revenue Authority, Tanzania Petroleum Development Corporation, National Social Security Fund, Public Service Social Security Fund, PURA, STAMICO, BRELA and the Mining Commission for their cooperation in providing the data and information required in carrying out the scoping study.

EXECUTIVE SUMMARY

Tanzania began the implementation of the Extractive Industries Transparency Initiative (EITI) in February 2009, geared towards improving governance in its mining, oil and gas sectors. Tanzania attained a compliant status of the EITI in December 2012, after meeting the transparency standards of the Initiative. To date, the country has produced eight (8) reports, and the 9th and 10th reports are in the process of preparation.

Operations in the extractive industry during the reporting period indicate an increase in revenue collection. For instance, from July 1, 2016, to June 30, 2017, and July 1, 2017, to June 30, 2018, the government collected TZS 980,576,876,610.91 and TZS 990,372,318,719.91 respectively from the extractive companies.

Regarding contribution to the economy in 2016 and 2017, the extractive industry represented 4.8% of Tanzania's Gross Domestic Product (GDP). The contribution of the major minerals to the economy in 2016 and 2017 was TZS 3,237 billion and TZS 3,561.9 billion, respectively. The extractive industry contributed approximately 35,900 jobs, which is equivalent to 1.4% of the total labour force in the country.

Some other notable developments in the extractive industry and specifically the mining sector include (i) amendment of the Mining Act, 2010 in 2017 primarily with a view of protecting the interests of Tanzanians and effectively increase Government revenues emanating from the Mining Sector. Some of the key amendments in the Act the ban on the export of mineral concentrates and ores for metallic minerals; increase in rates of royalties, change in shareholding structure requirements and establishment of a Mining Commission; (ii) amendments in various regulations in 2018 that have connection with Mining Act and (iii) establishment of Tanzania Mineral Trading Centres (TMTTC) in all regions in Tanzania Mainland as part of the initiatives to curb illegal mineral trading for the purpose of optimizing mineral trading benefit to the Government and all players in the mineral trading, including small-scale miners, dealers, and brokers. The Centres are also geared towards providing greater transparency in the mining sector as well as the source of records or information related to all mining activities in the country.

Receipts as reported by Government Agencies

Revenues collected by government agencies from extractive companies amounted to TZS 980 billion and TZS 990 billion in 2016/17 and 2017/18, respectively. The table below gives a summary of the government receipts:

Government receipts in 2016/17 and 2017/18

Year	TRA in TZS	TPDC in TZS	MoM in TZS	Total Government Receipts in TZS
2016/17	771,617,516,122.37	26,813,170,559.20	182,146,182,651.34	980,557,876,610.91
2017/18	686,586,733,468.22	32,924,350,235.04	270,861,235,016.65	990,372,318,719.91

Materiality Threshold and Reporting Entities

- (i) The proposed materiality threshold for the year 2016/17 is TZS 900 million (0.09%) of the preliminary government receipts of 980 billion. This makes a total of 72 reporting entities that contribute 95.52% of total government receipts from extractive industries during the year.
- (ii) The proposed materiality threshold for the year 2017/18 is TZS 700 million (0.07%) of the preliminary government receipts of TZS 990 billion. This makes a total of 62 reporting entities that contribute 94.06% of total government receipts from extractive industries during the year.
- (iii) The materiality thresholds proposed above mean that reporting entities that contributed 95.52% (2016/17) and 94.06% (2017/18) of the total government receipts will be included in the reconciliation report for 2016/17 and 2017/18 respectively.

The table below shows the summary of the materiality threshold and the number of reporting entities for the fiscal years 2016/17 and 2017/18.

Materiality Threshold and Number of Reporting Entities

Fiscal Year	Materiality threshold		Number of entities		
	Amount (TZS)	Percent	Mining	Oil and Gas	Total
2016/17	900,000,000	0.09	67	5	72
2017/18	700,000,000	0.07	57	5	62

The list of reporting entities that will be involved in the reconciliation report for 2016/17 and 2017/18 is provided in Tables 21 and 22, respectively.

Recommendations

The IA makes the following recommendations to the TEITI Committee.

(i) Materiality Thresholds

We recommend a materiality threshold of TZS 900 million and TZS 700 million for the years 2016/17 and 2017/18, respectively. We also recommend that the reporting entities justify any discrepancy between individual financial flows that exceed TZS 2 million. Similarly, we recommend that the reconciliation exercise should be concluded

when the discrepancy is less than one percent of the total reported company payments and government revenues.

(ii) Reporting Payments

We recommend that statutory reporting entities for 2016/17 and 2017/18 have to report the payments they received or paid in the proposed reporting templates according to currency used (i.e. either TZS or USD). However, the currency of publishing the payments made by the extractive companies in the final report will be Tanzanian Shillings. We are further recommending that the rate for converting payments made in USD should be an annual average of the exchange rate¹ of TZS 2,210.62 and TZS 2,254.43 for fiscal year 2016/17 and 2017/18, respectively.

(iii) Reporting Templates and Management Sign-off

Concerning reporting templates, we recommend the TEITI Committee to review and approve the revenue streams that will be used in the reconciliation exercise. We also recommend that a senior company or government official of a respective reporting entity sign-off the completed reporting templates. The signing authority should also attest that the data provided is complete and accurate.

(iv) Disaggregated Data

We recommend that all reporting entities should provide disaggregated data as proposed in the reporting templates.

(v) Data Quality and Assurance

External auditors of Extractive companies should certify that the payments reported in the reporting templates are drawn from accounts audited to international standards. On the part of the government agencies, the Office of CAG should certify that the revenues reported in the reporting templates are drawn from accounts audited to international standards and issue a confirmation letter to the IA to this effect. We recommend the approval of these measures to ensure the quality, credibility, and integrity of the submitted data.

(vi) Confidentiality

Data provided in reporting templates by extractive companies and government entities should remain confidential. Also, the draft EITI report should remain confidential until the TEITI Committee authorizes its publication. We recommend the adoption of these measures by the Committee to maintain confidentiality.

¹ <https://www.bot.go.tz/FinancialMarkets/IFEMsummaries/IFEMsummaries.asp>

1 INTRODUCTION

The Extractive Industries Transparency Initiative (EITI) is a global coalition of Government Agencies, Extractive Companies, and Civil Society Organizations working together to improve transparency and accountability in the management of revenues from natural resources. Tanzania began the implementation of the Extractive Industries Transparency Initiative (EITI) in February 2009, intending to improve governance in its mining, oil and gas sectors. Tanzania attained a compliant status of the EITI in December 2012, after meeting the transparency standards of the initiative.

Since then, Tanzania continued to publish EITI Reports, and the last report was published on April 30, 2018. Tanzania was found to have achieved meaningful progress in implementing the EITI Standard following the validation that was conducted in 2017.

The EITI requires implementing countries to produce a report reconciling company payments and government revenues from the extractive sector on an annual basis. The EITI further requires that the reconciliation report includes up-to-date information on the status of the extractive industry. At present, Tanzania Extractive Industries Transparency Initiatives (TEITI) managed to publish eight TEITI reports spanning from 2007 to 2016, covering government fiscal years. This is the ninth TEITI Scoping report covering years 2016/17 and 2017/18, which sets the foundation for the preparation of ninth and tenth TEITI Reports. The report provides contextual information on the mining as well as the oil and gas sectors in Tanzania, including recent developments in the regulatory environment. It also outlines government agencies that collect payments from the extractive industry, describe payment flows, reports on the payments made during the reporting periods, and proposes materiality thresholds for the two reconciliation reports.

The report concludes with practical recommendations allowing the Committee to make decisions on the production of two reconciliation reports in detail, an accurate, reliable, and understandable manner. These recommendations include determining payments and revenues to be covered in the reports, agreeing on reporting templates, and establishing procedures to ensure the credibility of the data submitted by the reporting government agencies and companies. The report will also provide recommendations from the general assessment and performance of the EITI Process in Tanzania.

As provided in the TEITA Act, 2015, the Committee engaged an Independent Administrator, to carry out a scoping of Tanzania extractive industries performance and production of TEITI reports for fiscal years 2016/2017 and 2017/2018.

2 OBJECTIVE OF SCOPING STUDY

The scoping work aims to identify what the TEITI Reports should cover to meet the requirements of the EITI Standard. Scoping sets the basis for producing a timely, comprehensive, reliable, and understandable EITI Report. More specifically, the objectives of the scoping study report are to: -

- i. Provide a list of extractive companies that made material payment to the government, which should be disclosed in the 2016/17 and 2017/18 TEITI reports.
- ii. Indicate a list of government entities that received material payments from extractive companies, which should be disclosed in the 2016/17 and 2017/18 TEITI reports.
- iii. Describe barriers (if any) to full government disclosure of the total revenue from each benefit stream that government entities received from extractive companies in 2016/17 and 2017/18 financial years.
- iv. Provide an overview of all extractive companies operating in Tanzania in respect to their sectoral focus (minerals, oil, and gas), nature and status of the operation (exploration/prospecting or exploitation/production or trading) and scale of operation (Small scale, Medium-scale and Large scale);
- v. Collect information about the size of the extractive industry (oil and gas, minerals sector) in Tanzania;
- vi. Collect data and understand the different types of taxes, fees, charges payable in the mining sector and oil and gas sector;
- vii. Identify the types of payments and income streams existing in the extractive industry in Tanzania;
- viii. Identify the existence of in-kind payments, infrastructure provisions and other barter arrangements, and social payments and donations in Tanzania's extractive industry.
- ix. Provide a map outlining the payment flows within the extractive industry in Tanzania, including payments and transfers to/from local and district governments;
- x. Recommend the materiality threshold that should be used to determine the extractive companies to be covered in the 2016/2017 and 2017/2018 TEITI Reports;
- xi. Provide recommended reporting templates following the results of the scoping study to be used in the 2016/2017 and 2017/2018 TEITI Reports.

3 METHODOLOGICAL APPROACH

The scoping study started with the meeting between the Independent Administrator (IA), Ministry of Minerals (MoM), TEITI Committee, and representatives from the EITI International Secretariat (Ms. Ines Marques and Ms. Lydia Kilpi). The meeting was held on 21st October 2019, and it discussed the urgency of Tanzania to publish the 2016/2017 and 2017/2018 TEITI reports. The discussion started with the presentation from the Secretariat, which highlighted several issues, including validation and EITI reporting deadlines and the consequences of not adhering to the deadlines and the EITI Standard. In that meeting, a sub-committee was created to work closely with the IA. The sub-committee was expected to act as a liaison between the TEITI Committee and the IA throughout the process of preparing the ninth and tenth TEITI Reports.

The scoping study was conducted from November 4th to 15th, 2019. The consultations were conducted with representatives from government agencies involved in the 2016/2017 and 2017/2018 TEITI Reports. The Institutions involved are:

- i. Ministry of Minerals (MoM)
- ii. Tanzania Revenue Authority (TRA)
- iii. Tanzania Petroleum Development Corporation (TPDC)
- iv. National Social Security Fund (NSSF)
- v. Public Service Social Security Fund (PSSSF)
- vi. The Mining Commission

Relevant information was collected relating to taxes, fees, and charges payable to the government from the mining, oil, and gas industries. This financial information was analyzed to determine extractive industries' payments and revenue streams to get a perspective of tax flows. The financial information was further analyzed to assess the materiality threshold for the production of fiscal years 2016/2017 and 2017/2018 TEITI Reports.

4 OVERVIEW OF THE EXTRACTIVE SECTOR

4.1 Mining Sector

Tanzania is endowed with enormous quantities of metallic minerals such as gold, iron, silver, copper, platinum, nickel, and tin. It is also rich in gemstones such as diamond, tanzanite, ruby, garnet, emerald, alexandrite, and sapphire as well as energy minerals such as coal and uranium.²

The country is the 4th largest gold producer in Africa after South Africa, Ghana, and Mali, and it accounts for 1.3 percent of total global gold production. The major gold mines in the country include Geita Gold Mine (GGM), North Mara Gold Mine (NMGM), Bulyanhulu Gold Mine (BGM), New Luika Gold Mine (NLGM), Buzwagi Gold Mine (BZGM), and Stamigold Biharamulo Mine (SBM), formerly known as Tulawaka Gold Mine.

The mining industry has experienced a growth of 8.5% in 2017, which has an estimated value of US\$ 960 million compared to a growth rate of 3.09% in 2016 with an estimated value of US\$ 880 million.³

Available statistics indicate that by 2016 the country's mineral deposit for Tanzanite was 12.6 tons, gold 2,222 tons, diamonds 50.9 million carats, copper 13.65 million tons, Nickel 40 million tons, Uranium 35.9 million pounds, and Coal 1.5 billion tons. Similarly, the country is endowed with large quantities of iron ore and industrial minerals (limestone, soda ash, gypsum, salt, phosphate, gravel, sand, dimension stones, and lately graphite).⁴

4.2 The Oil and Gas Sector

Tanzania has a huge potential for oil and gas resources. As of now, oil has not been discovered, but exploration activities are ongoing in different parts of the country. On the other hand, the production of natural gas is rapidly growing due to the government's desire to industrialize the economy through the oil and gas sector. The sector could bring significant benefits to the country subject to the availability of a conducive operating environment.

The country possesses 57.54 trillion cubic feet of natural gas.⁵ Following the significant discoveries of natural gas, the government embarked on devising legal and regulatory

² <http://teiti.go.tz/storage/app/uploads/public/5d0/249/c44/5d0249c441b52810610306.pdf>
content/uploads/2014/03/0014_11032013_Mineral_Policy_of_Tanzania_20091.pdf

³ <https://www.export.gov/article?id=Tanzania-Mining>

⁴ <https://doi.org/10.1080/21665095.2018.1486219>

⁵ National Environment Statistics Report (NESR, 2017) – Tanzania Mainland.

reforms to improve the governance of the Oil and Gas Sector. This initiative ensures the sector benefits the Government and its citizens.

4.3 Legal and Regulatory Framework

4.3.1 Mining Sector

The mining activities in Tanzania are guided by the Mining policy of 2009, the Mining Act [cap 123, R.E 2018], and its various regulations. In 2017, the Parliament of the United Republic of Tanzania passed the Written Laws (Miscellaneous Amendments) Act, 2017 (Act no.7 of 7th July 2010), which introduced extensive amendments to the Mining Act 2010, Cap.123 of the Laws of Tanzania (Act No. 14 of 2010). Besides, the Government passed new legislation namely, The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act, 2017 (Act No. 6 of 7th July 2017); and The Natural Wealth and Resources (Permanent Sovereignty) Act, 2017 (Act No. 5 of 7th July 2017) which has had some impact on the operations of the extractive sector. A summary of the amendments made to the Mining Act 2010, Cap.123 of the Laws of Tanzania (Act No. 14 of 2010) and critical provisions of the new legislations are as follows:

4.3.1.1 Amendments of the Mining Act, Cap 123

The primary objective of amending the Mining Act 2010, Cap.123 of the Laws of Tanzania (Act No. 14 of 2010), was to protect the interest of Tanzanians and increase the benefits that the Country obtains from the mining sector. The amendments were brought in terms of the Finance Act, 2017, and Written Laws (Miscellaneous Amendments) Act, 2017. The amendments increased the royalty rate from 4% to 6% for minerals such as gold, copper, silver, and platinum and from 5% to 6% for diamond and coloured gemstones. The increase in royalty rates meant to increase the revenue contribution of the mining sector to the economy. Besides, the amendments introduced a clearing fee of 1% (as a new requirement) on the gross value of all minerals exported outside Tanzania from 1st July 2017.

Furthermore, the amendments changed the shareholding structure requirements. The new shareholding requirements demand all Mining Licences (ML) or Special Mining Licence (SML) holders give the Government at least a 16% free carried interest (Non-diluted) in the capital of their companies. The Government is also entitled to acquire (in total) up to 50% of the shares in a mining company, proportional to the quantified value of tax expenditures incurred by the Government in favour of the mining company.

These amendments also established the Mining Commission, which replaces the Mining Advisory Board. The Commission has been empowered to perform additional

functions to the Board. Apart from undertaking advisory roles, the Commission has been empowered to (i) issue licences, (ii) regulate and monitor the mining industry and operations, and (iii) ensure orderly exploitation and exploration of minerals (as well as the utilization of minerals). Also, the Commission is vested with the power to resolve disputes arising from mining activities and carry out inspections and investigations on safety issues in the mining sector.

In terms of these amendments, the government has also restricted the export of mineral concentrates and ores for metallic minerals such as gold, copper, nickel, and silver, with effect from 2nd March 2017. The Mining Commission is empowered to analyse and value the concentrates, and after that, the concentrates should be processed within Tanzania. This measure is intended to promote mineral value addition activities and subsequently creates employment, generate revenue, and stimulate technology transfer in the country.

Moreover, the amendments include provisions relating to local content. The local content provisions, amongst others, require the mineral right holder to buy goods that are produced in Tanzania or the services (insurance, legal, and financial services) that are rendered by local companies or citizens. The implementation of local content concerning the acquisition of insurance, legal, and financial services is provided in sections 30, 32, and 34 of the Mining (Local Content) Regulations of 2018. All companies providing services to the mining companies must have at least 20% of their shares owned by an indigenous company.

Concerning financial services, the Regulations require mining companies to use the services of a Tanzanian financial institution or organization in the course of undertaking mining activities. However, with the approval of the Mining Commission, a mining company may engage the services of a foreign financial institution. It also requires mining companies to maintain a bank account with an indigenous Tanzanian bank and transact business through banks in the country.

Regarding insurance services, section 30 (1) and (2) of the Mining Regulations require mining companies to comply with the provisions of the Insurance Act and ensure all insurable risks relating to mining activities are insured through an indigenous brokerage firm or, where applicable, an indigenous reinsurance broker. An exception to this requirement is provided by section 31 (1) whereby an individual may obtain offshore insurance services for mining activity in the country with the approval of the Commissioner of Insurance. However, authorization for procuring insurance services offshore shall only be granted after the National Insurance Commission has established that the local capacity has been thoroughly exhausted, as provided in section 31 (2) of the regulations.

For legal services, section 32 of the regulations requires a contractor, subcontractor, licensee, or an allied entity engaged in a mining activity to retain the services of a Tanzanian legal practitioner or a firm of Tanzanian legal practitioners whose principal office is located in Tanzania. Again, the Mining Regulations impose penalties and fines of up to five billion Tanzania shillings or imprisonment of up to five years for non-compliance with local content provisions.

4.3.1.2 The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act of 2017

The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act, 2017, allows the Government to review and re-negotiate agreements entered between the Government and extractive companies before the enactment of the Natural Wealth and Resources Act. Section 4 and 6 of the Act provides for powers of the National Assembly to review arrangements and agreements made by the Government, and where necessary, direct the Government to re-negotiate any unconscionable terms identified, particularly those that restrict the Government's sovereignty over its natural resources.

4.3.1.3 The Natural Wealth and Resources (Permanent Sovereignty) Act 2017

The Natural Wealth and Resources (Permanent Sovereignty) Act, 2017, introduced the requirement of settling disputes, especially those that relate to the extraction, exploitation, acquisition, or use of natural wealth and resources that are to be settled within Tanzania. Before the enactment of the Natural Resources Act, parties were free to choose the governing law and jurisdiction when dealing with dispute resolution.

Other laws governing the sector include the Income Tax Act, 2004, and its amendments of 2018; the Environmental Management Act, 2004; and the Constitution of the United Republic of Tanzania, 1977.

Following the changes to the Mining Act 2010, Cap.123 of the Laws of Tanzania (Act No. 14 of 2010), the Government has issued several regulations to support the implementation of the new requirements under the law. These regulations include The Mining Act (Mineral Rights) Regulations, 2018; The Mining (Minerals and Mineral Concentrates Trading) Regulations, 2018; The Mining (Local Contents) Regulations, 2018; and The Mining (Radioactive Minerals) Regulations, 2018. Others include The Mining (Mineral Beneficiation) Regulations, 2018; The Mining (Geological Survey) Regulations, 2018; and The Mining (Audit and Inspection of Records) Regulations, 2018.

Institutionally, the MoM is the apex body that regulates the activities of the mining sector and enforces the implementation of the Mining Act [cap 123, R.E 2018]. In 2018, the government introduced changes to some institutions that regulate the mining sector. The changes disestablished the Tanzania Mineral Audit Agency (TMAA) and Geological Survey Agency. The two institutions were disestablished by the Executive Agency (Tanzania Mineral Audit Agency) (Disestablishment): Order, 2018, and the Executive Agency (Geological Survey Agency) (Disestablishment): Order, 2018, respectively. Following such changes, the role of TMAA is currently undertaken by the Mining Commission, which was established under the Mining Act [cap 123, R.E 2018]. Similarly, the Geological Survey Agency is formed as the Geological Survey of Tanzania (GST).

4.3.2 Oil and Gas sector

The policies, laws, and regulations that govern the oil and gas sector in Tanzania include the National Natural Gas Policy (NNGP) of 2013, the Local Content Policy of Tanzania for Oil and Gas Industry (LCPTOGI) of 2014, the Oil and Gas Revenue Management Act, 2015, the Petroleum Act, 2015, and the Petroleum (Local Content) regulations of 2017. Exploration and production activities in the Oil and gas sector are guided by the Model Production Sharing Agreement (MPSA) for Petroleum of 2008 and 2013. These policies, laws, and regulations are presented as follows:

4.3.2.1 The National Natural Gas Policy (NNGP) of 2013

The NNGP provides a detailed and comprehensive framework for addressing the challenges, which face the natural gas sector with mid-and downstream segments focus. The policy proposes several concerns, which should be addressed within the legal and regulatory framework. The most notable matters include the security of supply of gas to the domestic market, the establishment of appropriate regulatory authority for the natural gas industry, and the development of suitable standards for the natural gas sector based on satisfactory worldwide standards.

4.3.2.2 The Local Content Policy of Tanzania for Oil and Gas Industry of 2014

The Local Content Policy is intended to provide guiding principles for the participation and transformation of Tanzanians in the development of the oil and gas industry to ensure optimal benefits to Tanzanians and attain sustainable national economic development in the short, medium, and long terms perspectives. The policy clearly states that oil and gas firms should deliver benefits to the local communities where they operate.

4.3.2.3 Petroleum Act, 2015

The Petroleum Act, 2015, provides for the regulation of upstream, midstream, and downstream activities of the petroleum sub-sector. Section 11 of the Petroleum Act, 2015, also establishes the Petroleum Upstream Regulatory Authority (PURA), which has a role of monitoring and regulating the upstream segment in Tanzania Mainland. Likewise, section 8 of the same Act recognizes the Tanzania Petroleum Development Corporation (TPDC) as the National Oil Company (NOC). TPDC act as an aggregator with exclusive rights to purchase, collect and sell natural gas from producers. TPDC is required to maintain a participating interest of not less than 25% on Oil and Gas projects. It may establish some subsidiaries to carry out specific petroleum operations or related activities. Also, the Act establishes an Oil and Gas Bureau within the office of the President to advise the Cabinet on strategic matters relating to the Oil and Gas economy.

4.3.2.4 The Oil and Gas Revenues Management Act, 2015

The Oil and Gas Revenue Management Act, 2015, is principal legislation focusing on revenues arising from the Oil and Gas Sector. The Act establishes Oil and Gas Fund to ensure fiscal and macroeconomic stability, financing of investment in Oil and Gas, social and economic development is enhanced, and resource for future generations is safeguarded. The fund receives contributions from royalties, government profit share, dividends, corporate income tax on exploration, production and development of oil and gas resources, and return on investment of the Fund. The Fund account is operational.

4.3.2.5 The Petroleum (Local Content) Regulations of 2017

The Petroleum (Local Content) Regulations of 2017 provide how the Government can meet the aim of maximizing the country's benefits from potential and current gas projects. They promote the maximization of job creation through the application of the local expertise, goods, and services in the oil and gas sector. Also, they offer guidelines on how the local community should contribute to the oil and gas sector.

4.3.2.6 Model Production Sharing Agreement for Petroleum (MPSA) of 2008 and 2013

Model PSA serves as the basic framework for negotiations between foreign oil companies, the Government, and TPDC. It sets out the terms under which exploration and production activities can take place. Under the MPSA, exploration and production companies incur operational expenses and then portion the profit from oil and gas income with TPDC. Key provisions of the MPSA that are beneficial to the country include minimum state participation of 25%, the Government royalty, and additional

profits tax. The MPSA of 2013 reinforces the obligations concerning training and improvement of local staff, including increasing the annual training expenditure necessity from \$150,000 under the MPSA of 2008 to a minimum of \$500,000. In general, the MPSA of 2013 reinforces the inspiration of TPDC in oil and gas accomplishments.

4.3.2.7 The Tanzania Extractive Industries (Transparency and Accountability) Act, 2015

Tanzania Extractive Industries (Transparency and Accountability) Act, 2015,⁶ was enacted in July 2015 to ensure transparency and accountability in the extractive industries in Tanzania. Among other matters, the Act establishes a Multi-Stakeholder Committee, which is an oversight body for promoting and enhancing transparency and accountability in the extractive industry. Moreover, the Act provides provisions for disclosure of contracts and beneficial ownership. It also sets out penalties for individuals and corporations, which fail to produce a document or information required under the law. To implement this law, MoM prepared Tanzania Extractive Industries (Transparency and Accountability) Regulations, 2019.⁷

4.3.3 Forestry Sector

The Forest Act (No. 14 of 2002) guides the management and conservation of the forest sector for the benefit of present and future generations. The Act under section 26 (f) categorically prohibits any person to undertake any mining activities in forest reserves unless and until such a person has been granted a concession or a licence or permit. The management of national forest reserves is under the Tanzania Forest Service Agency (TFS).

4.4 Fiscal Regime of the Mining, oil and gas sector

This part outlines a set of instruments or tools (taxes, royalties, dividends, etc.) that determine the flow of revenues from oil and mining projects or companies to the government.

4.4.1 Mining Sector

The Tanzanian Government generates revenue from companies operating in the mining sector through taxation, fees, and other duties, as shown in Table 1 below.

Table 1: Fiscal Terms for the Mining Sector

No.	Fiscal category	Description
1	Royalty	Mining companies pay royalties to the MoM. From July 2017, the amendments made to the Mining Act 2010, Cap 123 set the royalty rate

⁶ <http://parliament.go.tz/polis/uploads/bills/acts/1452053429-ActNo-23-2015-Book-21-25.pdf>

⁷ <https://www.madini.go.tz/wp-content/uploads/2019/02/TEITA-REGULATIONS-GN-NO.141-OF-2019.pdf>

No.	Fiscal category	Description
		of 6% for diamond and gemstones and 6% for metallic minerals such as copper, gold, silver, and platinum group minerals, 5% uranium, 1% for gem (cut and polished or engraved gemstone), 3% for buildings materials, salt, and all the minerals within the industrial minerals group.
2	Inspection fees	Mining companies pay 1% of the gross value of all mineral exports to the MoM as inspection fees.
3	Free carried interest	The mining amendments introduced a requirement for Mining Licence and Special Mining Licence holders to give the Government not less than 16% free carried interest shares in the capital of their companies.
2	Corporate Tax	Mining and oil and gas companies are taxed at the same fixed corporate tax of 30% of taxable income but as per the Income Tax Act, Cap 233 [R.E. 2008]
3	Value Added Tax	VAT is a pass-through tax that applies at every transaction point. The rate is 18% of all taxable goods and services. All suppliers of goods and services with turnover at least TZS 100 million must be registered for VAT purposes.
5	Depreciation allowance for capital expenditure	Mining companies are granted a depreciation allowance of 20% per annum for 5 consecutive years on equipment used for prospecting and exploration of minerals.
6	Loss carry-forwards	If a corporation made a loss from the corporation's business, it is allowed to be deducted for three consecutive years and in the third year will be taxed at the rate of 0.3% on turnover.
7	Withholding tax on dividends	Mining companies pay withholding tax of 5% on dividends for Dar es Salaam stock exchange-listed corporations. Companies not listed in the Dar es Salaam stock exchange pay 10%.
8	Withholding tax on interest	Withholding tax on the interest on foreign loans is at the rate of 10% and accrued interest is deemed a payment; therefore, withholding tax thereon is payable
9	Withholding tax on payment for technical services and on management fees	This withholding tax is capped at the rate of 5% (entities with Mineral Development Agreements (MDAs) signed before 2014 pay 3%), where the technical service fee or the management fee is paid to a resident person or 15% on a non-resident person.
10	Customs duty on imports of mining equipment and supplies	Import duties under the terms of the Customs Tariff Act by a mining company or its subcontractors are at a 0% rate during exploration and in the first year of operation; thereafter, it will not exceed 5% t.
12	Capital Gains Tax	The rate is 30% for corporate entities in Tanzania.
13	Licence fee	Fees paid when applying to conduct mining activities in a licenced area.
14	Application fee	This is none-refundable fees paid by mining companies on the application of Licence. The fees include applications for prospecting Licence, retention Licence, special mining Licence, mining Licence, and primary Licence.
15	Annual rental fee	Annual fees payable for all mineral rights other than mineral rights under division D, and for minerals under division D based on Licence area.
16	Railway Development Levy	Railway Development Levy is charged based on Customs Value on goods entered for home consumption in Mainland Tanzania. The rate charged in 1.5% of CIF Value.
17	Stamp Duty	A duty charged by TRA on legal and commercial instruments. The levy is charged at a specific rate as specified in the Law.

No.	Fiscal category	Description
18	Service Levy	The Local Government Authorities (LGAs) are entitled to charge a 0.3% service levy based on turnover generated by corporate bodies in the relevant district.
19	Petroleum levy	Petroleum levy is charged per litre of petroleum, diesel, and kerosene at a rate of Tshs 50/=

4.4.2 Oil and Gas Sector

The Tanzanian Government generates revenue from companies operating in the oil and gas sector through taxation, fees, and other duties, as detailed in Table 2 below.

Table 2: Fiscal Terms for the Oil and Gas Sector

No.	Fiscal Category	Description
1	Royalty	<ol style="list-style-type: none"> 1. Royalty for oil and gas is paid to TPDC as provided as per section 113 of the Petroleum Act, 2015. Royalty is on a sliding scale depending on the area where the hydrocarbon is being exploited. The rate charged is 12.5% for onshore and shelf areas and 7.5% in the offshore areas. 2. Under the current MPSA, a royalty is payable out of TPDC's share of profit hydrocarbons. The 2008 and 2013 MPSAs provide for settlement out of gross production before the operation of the sharing formula. The rate specified is 7.5% (as opposed to the 5% provided for under the PSA model gas terms).
2	Cost Recovery	<p>The PSA allows the contractor to recover the cost incurred in Oil and Gas operations. The cost recovery limit is 50% of the annual production net of royalty, both onshore and offshore. On the other hand, the model gas terms provide a more generous 70% cost recovery limit.</p> <p>The recoverable and non-recoverable costs are itemized under Annex D of each production sharing agreement (PSA) and the Model Production Sharing Agreement (MPSA), 2013.</p>
5	Petroleum Profit	This is the amount of oil or gas revenue remaining after royalty and cost recovery has been deducted. Petroleum profit is shared between the National Oil Company (NOC), the Tanzania Petroleum Development Corporation (on behalf of the government), and the Contractor on pre-agreed proportions. The MPSA 2013 contains benchmarks for profit-sharing, which are not binding.
6	Additional Profit Tax	Additional Profit Tax (APT) is payable by a contractor subject to Article 17 of the MPSA 2013 and is calculated based on the Development Area of the contractor. Payment of APT is a contractual obligation rather than a tax that is enshrined in the tax laws. APT will vary with the real rate of return earned by the Contractor on the net cash flow from the Development Area. Contractors pay an APT of 25% of the first accumulated net cash position and 35% of the second accumulated net cash position.
7	Income Tax	<ol style="list-style-type: none"> 1. A contractor pays income tax as corporate tax as per the Income Tax Act, Cap 332 [R.E. 2008] 2. If the contractor consists of more than one legal entity, each entity is required to calculate and pay its income tax separately and submit a separate return. 3. Resident Company is taxed at 30% on its worldwide income. A non-resident is taxed 30% on its Tanzanian sourced income. A new

No.	Fiscal Category	Description
		company is taxed at 25% if it is listed on the Dar es Salaam Stock Exchange (DSE), and the general public holds at least 30% of its shares.
8	Branch Profit Tax	Branch profit tax applies to repatriated income. Repatriated income is calculated according to a specific formula based on movements in the branch balance sheet and the maintenance of a form of tax retained earnings account.
9	Withholding tax	This is the amount of a service or goods provider's pay withheld by the taxable entity and sent directly to the government as partial payment of income tax. The rate is 5% from the payment of resident providers of technical or management services. Dividends are taxed 10%, but 5% for companies listed at DSE or in case 25% of shares owned by residents.
10	Annual Rental Fee	The contractor pays the following rental fees indexed to US\$ inflation rates (as per MPSA 2013): <ul style="list-style-type: none"> i. 50 US\$/sq. km for the initial exploration period; ii. 100 US\$/sq. km for the first extension period; and iii. 200 US\$/sq. km for the second extension period
11	Import Duty Exemption	All equipment and material imported for use in petroleum operations can be imported free of all duties and import taxes and can be re-exported free of any export duty or tax. Expatriates enjoy similar privileges in respect of their personal effects.
12	Capital Gains Tax	Capital Gain Tax applies in case of corporate reorganization and acquisition of assets. Transfer of shares subject to Capital Gain Tax at the rate of 30% of turnover. Since July 2012, indirect share transfer may be taxed. The change of ownership by 50% is treated under the Income Tax as a realization of asset/liabilities.
13	Value Added Tax (VAT)	VAT is a pass-through tax that applies at every transaction point. The rate is 18% of all taxable goods and services. All suppliers of goods and services with turnover at least TZS 100 million must be registered for VAT purposes. The oil and gas exploration companies are exempted from the VAT to extent provided in their respective PSAs.
14	Bonuses	International Oil Companies pay two types of bonuses: signature and production bonuses. These are front-end loaded taxes payable upfront to the State. Bonuses were initially introduced by Article 11 (c) of the MPSA 2013. The same is provided in PA under Section 115 and Section 116. The signature bonus rate is not less than \$2.5million, and the production bonus is not less than \$5million. Bonuses are not recoverable under the PSA but they are deductible for tax purposes
15	Ring Fencing	Ring-fencing has been introduced for purposes of separating income and losses arising from different operations. Contract expenses are ring-fenced within the Contract Area. The recoverable Contract expenses must have been incurred prior to the commencement of production. Activities in different contract areas are treated as separate operations and are taxed separately as per Section 20 of the Finance Act 2013, Section 118 PA 2015, Section 19 of Income Tax Act, 2004, Article 12(c) MPSA 2013
16	Transfer Pricing	All arrangements between separate mining and petroleum operations and other activities should reflect the arm's length

No.	Fiscal Category	Description
		principle. This principle requires associated persons to transact with each other independently and on an equal basis. The Ministry of Finance has issued detailed transfer pricing regulations to support the transfer pricing provision in the Income Tax Act. PSAs also generally include their own detailed transfer pricing rules which apply for the purposes of sharing profit oil or gas and calculating cost recovery.
17	Training and research fees	Contractors in the oil and gas sector pay training and research fees of US\$ 500,000 per annum to TPDC for purposes of enhancing the development of oil and gas subsectors as per Section 114 of the Petroleum Act, 2015.

4.5 Beneficial Ownership in Extractive Industries

According to EITI Standard, the disclosure of beneficial ownership ensures that the natural person, who owns interests in the extractive companies, is known both by the government and public. The disclosure aims at reducing risks such as tax evasion and conflict of interests, increasing trust and accountability, enhancing revenue collection by controlling owners who evade/dodge tax by concealing behind shadow companies, improving the rule of law, and preventing corruption and illicit financial flows.

In Tanzania, the registration of companies is guided by the Companies Act, Cap 212, and Business Registration and Licensing Authority (BRELA) Act, 2007. BRELA maintains a publicly available register that records information of companies operating in Tanzania. The register keeps information on the corporate entity's full name, legal status, year of incorporation, and list of directors. On the other hand, major oil, gas, and mining companies are public companies listed in international stock markets, which maintain strict disclosure requirements of ownership. However, the current legislation in Tanzania relating to EITI requirements on disclosure of beneficial ownership is inadequate.

The government through TEITI undertook a study on beneficial ownership in the extractive industries in 2017. The study involved 54 companies (33 mining and 22 oil and gas), which provided details of entities/persons whom they are cooperating. The study findings show that eight companies disclosed natural person as beneficial owners, 31 companies declared their beneficial owners as a combination of company and individuals, 11 companies disclosed company as beneficial owner, and 25 companies disclosed persons with influence over the actions or management of their companies. Similarly, two companies disclosed the existence of Politically Exposed Persons (PEPs) in their companies.⁸ A central register for Beneficial Ownership

⁸ <http://www.teiti.or.tz/wp-content/uploads/2017/10/Report-on-Disclosure-of-Beneficial-Ownership-of-the-Extractive-Companies-in-Tanzania.pdf>

disclosure is planned to be in place by 2020 as committed by the Prime Minister of Tanzania, Hon. Kassim Majaliwa, during the Anti-corruption Summit held in London in May 2016.

4.6 Licences

4.6.1 Allocation of Mining Licences

In the United Republic of Tanzania, the Mining Act, Cap 123, R.E.2018, provides several types of mining Licences and procedures for awarding and transferring the same. Table 3 shows the types and descriptions of the mining licences issued in the United Republic of Tanzania.

Table 3: Types of Mining Licences

Type of Licence	Description
Prospecting Licence	Prospecting Licences (PL) are issued to individuals/entities which wish to conduct prospecting operations. PL is initially issued for a period not exceeding 4 years. The first renewal shall have a duration of three (3) years. PL will not be renewed after the second period of renewal.
Retention Licence	All retention licences issued before coming into force on the Mining Act Cap 123.R.E.2018 are canceled and have ceased to have legal effects.
Special Mining Licence	Special Mining Licence (SML) is issued to only large mining operations with over US\$100 million in investments to produce minerals. The SML allows the extraction of minerals in the maximum area size of 35 sq. km, for superficial deposits, the maximum area shall be 70 sq. km (7.000 hectares. Granted for a maximum of ten (10) years and estimated life of ore body or such period as the applicant may request whichever period is shorter (Mineral Rights): Regulations, 2018[G.N. NO. 1 of 2018]. The SML is renewable if the application to renew is received not later than one (1) year before expiration.
Mining Licence	Mining Licence (ML) is issued to medium scale mining operation, whose capital investment is between US\$100,000 and US\$ 100,000,000 or its equivalent in Tanzanian shillings. The licence duration is not exceeding 10 years. ML is renewable if the application to renew is received not later than six (6) months before the expiration of the licence. The maximum area allowed is 10 sq. km.
Primary Mining Licence	Primary Mining Licence (PML) is only granted to Tanzanian nationals/entities. It is given for seven (7) years and may be renewed for the same duration. The PML holders are allowed to undertake prospecting and mining activities for an area of the maximum size of 10 hectares for all minerals excluding gemstones and 5 hectares for building materials. Not later than three (3) months, the holders of PML may apply to renew their licences.
Processing Licence	In consultation with the Minister and the Mining Commission, the mineral right holders are required to set aside a certain percentage of minerals for processing, smelting, or refining within the United Republic of Tanzania. The processing licence is given for the period not exceeding ten (10) years and shall be subject to renewal.
Smelting and Refining Licence	The Smelting and Refining Licence may be issued to individuals or entities for the period not exceeding 25 years. These licences shall be subject to renewal.

Source: Mining Act, 2015

Apart from mining rights, Part V of the Act provides other issuable licences to individuals and entities that would wish to deal with minerals other than participating directly in mining operations. Table 4 presents various licences for dealing with minerals.

Table 4: Licence for Dealing in Minerals

Type of Licence	Description
Dealer Licence	A Dealer Licence (DL) allows the buying and trading of minerals within or outside the country from the authorized mineral brokers. Dealer Licence in respect of gemstones requires the applicant to commit to acquire and utilize, in case of a Tanzanian five (5) lapidary machines and thirty (30) for foreigners within 3 (three) months from the date the Licence was granted. The dealer Licence can be in respect of the following minerals; gold, metallic minerals, coloured gemstones, diamond, coal, industrial minerals, and building materials. DL is valid for the maximum period of twelve (12) months and shall expire on 30 th June of each year. DL is subject to renewal and the applicant shall apply for the renewal one month before expiration.
Broker Licence	A Broker Licence (BL) is issued to an individual/firm which wants to buy, acquire minerals from the authorized miner and sell to a Licenced dealer. The maximum period for BL is twelve (12) months. As such, the licence will expire on 30 th June of each year. The holder of BL may apply for renewal one month before expiration.

Source: Mining Act, 2015

4.6.1.1 Mineral Rights

Part II of the Mining Act, [Cap 123, R.E.2018], provides general principles for awarding and transferring mineral rights in the United Republic of Tanzania.

i. Awarding of Mineral Rights

In Tanzania, as per the Mining Act, [Cap 123, R.E.2018], granting of mineral rights is guided by two general approaches. The first approach is “first-come-first-served,” where an applicant identifies a mining area and applies to the Licensing Authority through the public register. In case the applicant has fulfilled the requirements stipulated in part IV and V of the Act will be given the mineral rights. The “first-come-first-served” procedure may become ineffective in case two or more different applications were submitted at the same time. In this situation, applicants will be informed, and the Licensing Authority will announce a tender where these applicants have to compete by submitting bids. The Licensing Authority will select the bidder who has the comparatively better technical expertise and financial capability. Table 5 shows the technical and financial criteria used by the Licensing Authority to award mineral rights:

Table 5: Technical and Financial Requirements for Awarding Mineral Rights

No.	Technical Criteria	Financial Criteria
1	Submission of mineral deposit data	Investment capability between \$100,000 to \$100,000,000 depending on the type of Licence and size of mining operations for Mining Licence (ML) and Special Mining Licence (SML)
2	Programme for mining operations	
3	Expected infrastructure requirements	
4	EIA report and certificate.	

Source: Ministry of Minerals

The second approach for awarding mineral rights is through an open tendering process. By considering public interests, the Minister may invite applications for the Licence (prospecting, mining, or special mining licences) through the *Gazette* or local newspaper. Applicants will submit bids, and the Licensing Authority will proceed to evaluate the competing bids and select the bid which is likely to promote expeditious and beneficial development of the mineral resources of the area. The main criteria for choosing the successful bidder are technical expertise and financial resources, proposed program and expenditure which the applicant plans to spend, and previous experience of the applicant in conducting mining operations.

In year 2016/17 and 2017/18, the Licensing Authority issued a total of 7,093 and 3,680, respectively.⁹ Table 6 indicates the different types of Licences awarded in the same year.

Table 6: Awarded Mining Licences

No.	Licence Type	2016/17	2017/18
1	Prospecting Licence	359	227
2	Retention Licence	0	0
3	Special Mining Licence	0	0
4	Mining Licence	18	25
5	Primary Mining Licence	6,716	3,428
6	Broker Licence	0	0
7	Dealer Licence	0	0
8	Smelting Licence	0	0
	TOTAL	7,093	3,680

Source: The Mining Commission

ii. Transfer of Mineral Rights

The Act allows for the transfer of mineral rights from one mineral right holder to another. Notwithstanding, the Act stipulates that all mineral rights for Special Mining Licence (SML) and Mining Licence (ML) are not transferrable without the consent of the Licensing Authority. Regarding the transfer of rights, the Licensing Authority will evaluate the applicant based on technical and financial capabilities. On the technical

⁹ <http://www.teiti.go.tz/storage/app/uploads/public/5e0/b34/fa8/5e0b34fa835fa138381948.pdf>
<http://www.teiti.go.tz/storage/app/uploads/public/5e0/b34/551/5e0b34551b839840599810.pdf>
<http://www.teiti.go.tz/storage/app/uploads/public/5e0/b4e/afc/5e0b4eafc63ca50732221.pdf>

aspect, the applicant must present a substantial development report of the granted mineral right area and prove of transferee mining capability. The financial criteria used to transfer mining Licences are similar to those used to award Licences. Table 7 indicates the technical and financial capabilities required during the transfer of mineral rights.

Table 7: Technical and Financial Requirements for Transfer of Mining Rights

No.	Technical Criteria	Financial Criteria
1	Proposed mining activities	Investment capability between \$100,000 to \$100,000,000 depending on the size of operations and type of mining Licence for Mining Licence (ML) and Special Mining Licence (SML)
2	Programme for mining operations	
3	Expected infrastructure requirements	
4	EIA report and certificate.	

Source: Ministry of Minerals

In 2016/17 and 2017/18, the Licensing Authority transferred a total of 480 and 161 licences, respectively. Table 8 indicates the same.

Table 8: Transferred Mining Licences

No.	Licence Type	2016/17	2017/18
1	Prospecting Licence	63	15
2	Retention Licence	0	0
3	Special mining Licence	0	0
4	Mining Licence	18	16
5	Primary mining Licence	399	130
6	Broker Licence	0	0
7	Dealer Licence	0	0
8	Smelting Licence	0	0
	TOTAL	480	161

Source: The Mining Commission

These approaches of awarding/transferring mineral rights are regarded as effective and efficient as they are conducted in a very transparent manner. They reduce the chances of malpractices in awarding or transferring Licences because all applications are logged and processed in an open system (Mining Cadastre). Moreover, the system allows an entity to appeal in a situation that one is not satisfied with the process or decision of awarding/transferring a mining Licence to another entity. MoM has provided the procedures and requirements for applying and issuing mineral rights in Tanzania. Each Licence type involves different procedures and requirements.¹⁰ The mining register contains all information about all transferred, awarded, and cancelled mineral rights.¹¹

¹⁰ <https://www.madini.go.tz/wp-content/uploads/2017/12/procedures-for-applying-for-mineral-rights-in-tanzania.pdf>.

¹¹ <https://portal.madini.go.tz/site/CustomHtml.aspx?PageID=d7f3f61d-4689-4280-a59a-b865f002dd60>.

iii. Suspension and Cancellation of Mineral Rights

Section 63 (1) of the Mining Act, [Cap 123, R.E. 2018] provides the procedures and conditions which may lead to suspension or cancellation mineral rights. The Licensing Authority may suspend or cancel mineral rights when the Licence holder fails to comply with the law, regulations, or other agreed conditions during the issuance of the Licence. However, in ensuring justice is served, the Authority should not suspend or cancel the mineral rights unless they have served on the holder of the Licence the notice by writing explaining the reasons for suspension or cancellation of mineral rights. Nevertheless, Section 65 of the Act provides a room for mineral right holders to appeal against the decision to suspend or cancel their mining Licence. The holder of Licence may, within sixty (60) days from the date of the decision, file the application for judicial review to the High Court.

4.6.1.2 Mining Licence Registry

The Parts III of the Mining Act, Cap 123, requires the Licensing Authority to maintain a mining cadastre. The Mining Cadastre receives and processes applications for mineral rights and mining Licences, administers mineral rights and mineral processing Licences, and maintains public cadastral maps and cadastre registers. The register allows applicants and holders of valid Licences (Division A, B, C, and D) to renew, relinquish, cancel, and make online payments. The cadastre register is supposed to be publicly available and accessed online.¹² However, as of now, for one to access the cadastre has to go through lengthy registration procedures by filling application forms manually and physically hand them to the Commission's offices.

4.6.2 Allocation of Petroleum Licences

The Petroleum Act, 2015, governs the awarding and transferring of oil and gas Licences in Tanzania. The Act regulates all upstream, midstream, and downstream petroleum activities in the United Republic of Tanzania. There are several types of issuable oil and gas licences in the country, as depicted in

Table 9.

Table 9: Types of Oil and Gas Licences

No.	Licence Type	Description
1	Exploration Licence	Exploration Licences are awarded to the National Oil Company to conduct exploration operations. The National Oil Company must apply for the Licence to the Minister in respect of any block. The application shall not state more than forty (40) blocks. The duration of the exploration Licence is four (4) years from the date in which

¹² <https://portal.madini.go.tz/site/CustomHtml.aspx?PageID=d7f3f61d-4689-4280-a59a-b865f002dd60>.

		the Licence was granted. The holder of exploration Licence may apply for extension in respect of any block in the exploration area. Exploration Licence may be extended to a period of not more than three (3) years in the first extension and not more than two (2) years in the second extension. The Minister may, upon receiving advice from PURA, grant or reject Licence extension due to various conditions stipulated in Section 59 of the Petroleum Act.
2	Development Licence	Development Licence is issued to the holders of valid exploration Licences of certain blocks where petroleum has been discovered. "A holder of an Exploration Licence whose Licence is in force in respect of blocks that constitute a location may, within two years in case of crude oil and three years in case of natural gas from the date on which the blocks were declared to be location or such further period as the Minister allows, make application for development Licence in respect of such blocks which contain petroleum reservoir or a part of a petroleum reservoir." The development Licence can be extended once. The application should be submitted no later than twelve (12) months before the expiration of the Licence. The Minister, upon receiving advice from PURA, may grant or refuse to grant the development Licence under certain conditions as provided in Section 75 of the Petroleum Act, 2015.

Source: Petroleum Act, 2015

4.6.2.1 Petroleum Rights

Sub-part II of the Petroleum Act, 2015 provides general principles for awarding and transferring petroleum rights in the United Republic of Tanzania.

i. Awarding of Petroleum Rights

Under Sub-part II of the Petroleum Act, 2015, the Minister has powers to grant or reject the issuance of petroleum rights upon receiving advice from PURA. All exclusive rights to petroleum operations are given to the National Oil Company (referred to as TPDC) and are not transferrable to any other person(s). However, to obtain these rights, the National Oil Company (referred to as TPDC) must apply to the Minister of Energy, where PURA will evaluate the application according to Sub-part II of the Act. The Act also permits TPDC, with the consent of the Minister, to partner with a Tanzanian or foreign entity through a public and competitive tendering process or direct award of a block. TPDC shall maintain the participating interest of not less than 25% unless decided otherwise. The Act requires that any company which wishes to conduct petroleum operations in Tanzania outside the scope of a reconnaissance permit shall do so together with TPDC. The company will qualify for a partnership with TPDC if it is registered body corporate under the Companies Act or any written law, and such entity is of recognized capacity, technical knowledge, and financial capability.

The Act permits two or more applicants to enter into a partnership agreement in petroleum activities. Such an agreement shall be submitted to the Minister of Energy as a condition to enter into the agreement. Then, the Minister may, after receiving advice from PURA and on behalf of the Government, may enter into an agreement with TPDC and its partners. However, the Minister shall do so after receiving approval from the Cabinet. PURA shall prepare the Model of Production Sharing Agreement (MPSA) between TPDC and its partners and submit to the Minister, who will then send it to the Cabinet for approval. The Cabinet will approve the MPSA. The approved MPSA will be the guide for all subsequent negotiations.

According to this Act, all petroleum agreements will not come into effect unless they have gone through a transparent and competitive public tendering process. The Minister has to make the broader circulation of the invitation of tender or intention to initiate direct negotiations. In case whole or part of the area tendered through a competitive public tendering process has not become effective, and it is for public interests, then, the Minister upon the advice received from PURA, and approval of the Cabinet, may initiate direct negotiations with the qualified or eligible entity. The Minister may, by regulations, prescribe the manner of conducting the tendering process. Moreover, the Minister may, by notice published in a *Gazette*, declare certain blocks to be reserved for public interest or directly awarded to the National Oil Company. No granting of a Licence for all reserved blocks shall be caused unless such a reservation is amended or revoked by the Minister through a *Gazette*.¹³

The open tendering process is the main approach of awarding petroleum rights in an open acreage. Table 10 shows the conditions which must be sufficed for an entity to be considered for petroleum rights.

Table 10: The Criteria for Awarding Petroleum Rights

No.	Type of Licence	Criteria
1	Exploration Licence	The applicant's proposals for work and minimum expenditure in respect of the block specified in the application.
		Provide particulars of technical and petroleum industry qualifications of the applicant and his employees.
		Provide particulars of technical and petroleum industry resources available to the applicant.
		Submit particulars of kinds of financial resources available to the applicant, including the capital, credit facilities, and guarantees.
		Submit a proposal on the local content plan related to the training and employment of citizens of Tanzania.

¹³ http://pura.go.tz/sites/default/files/file_manager/PETROLEUM%20ACT%202015.pdf.

No.	Type of Licence	Criteria
2	Development Licence	<p>Provided directly to a holder of Exploration Licence if he meets the conditions stipulated in the Act and Regulations. In case the applicant does not hold an exploration Licence in respect of a block, may be given a Development Licence if he satisfies the Minister that the block contains a petroleum reservoir, and there are no Exploration or Development Licences of the block which is in force during the time of application.</p> <p>The holder of the Exploration Licence applying for a Development Licence must provide evidence that the block contains a petroleum reservoir or part of a petroleum reservoir.</p> <p>Development plan proposal which its details are provided in Section 67 of the Petroleum Act, 2015</p>

Source: Petroleum Act, 2015

In 2016/17, PURA did not issue any new Exploration and Development Licences. The Licences for all ongoing petroleum projects in the country were issued in the previous years. This report provides the details and development of ongoing petroleum projects in the country.

ii. Transfer of Petroleum Rights

The Petroleum Act, 2015, does not allow the transfer of exclusive petroleum operation rights granted to the National Oil Company and cannot be transferred to any other person(s). However, Sections 85 and 86 of the Petroleum Act, 2015, provides room for the transfer of petroleum rights. It allows interest in a Licence to be created by an instrument in writing. The Minister must approve the transfer of an interest in a Licence. The application for approval of a transfer of Licence by the Minister must satisfy several conditions. The application for transfer must indicate the ability of transferee capability in discharging transferor obligations, certificate of incorporation or compliance by the transferee, and transfer agreements between transferee and transferor. Also, it requires the tax clearance certificate from TRA, an integrity pledge by the transferee, and particulars of technical and industrial qualifications of the transferee and their employees. Moreover, details of the kinds of financial resources available to the transferee, including the capital, credit facilities, and guarantees so available. Furthermore, the process requires the applicant to provide the particulars of available technical and industrial resources, a proposal regarding how the project plans to train Mainland Tanzanian, and other matters that the Minister may consider necessary.

Although the Act allows the transfer of petroleum licences, in 2016/17 and 2017/18 there were no petroleum rights transferred. The petroleum licences for ongoing

projects were allocated/transferred in the previous year. These projects are reported as ongoing projects in this report.

iii. Surrender, Cancellation, and Suspension of Petroleum Rights

The Petroleum Act, 2015, permits any Licence holder who wishes to surrender all or any of the blocks to do so by applying to the Minister. The Minister shall issue the certificate of surrender if all conditions to qualify for the same have been met. The Minister shall do so by receiving advice from PURA. A certificate of surrender shall not be issued to a Licence holder who is in default. The surrender of any block shall not affect any liability incurred before the surrender came into force. On the side of cancellation and suspension of petroleum rights, the Minister upon may suspend or cancel the rights if the Licence holder is in default. The Minister will proceed to suspend or cancel the Licence after serving the holder of a Licence with the notice in writing indicating such intention. Section 83 of the Act provides more details on the grounds which may compel the Minister to cancel the petroleum rights.

4.6.2.2 Petroleum Registry

Regarding the transfers and registration records for petroleum Licences, Section 84 (1) – (6) of the Petroleum Act, 2015 has mandated PURA to establish and maintain a Registry of petroleum agreements, Licences, permit authorizations, and any change in the interests of an existing petroleum agreement, permit, or Licence. The registry shall contain the information on the Licence, permit, or petroleum agreements, including applications for grants, assignments, renewal, surrender, termination, and revocation. The same registry is supposed to contain information about court decisions, including arbitration, award, deeds or instruments related to the Licence. The law requires that information recorded in the petroleum registry to be public except otherwise as provided by the law. Any person may request access to information in the Petroleum Registry. Nonetheless, as of now, PURA has not established a publicly accessible Petroleum Registry.

4.6.3 Contract Disclosure

Contract disclosure for extractive industries is paramount. The government of Tanzania is about to initiate an instrument country for complying with the contract disclosure requirements (as per EITI standards of 2019). It requires the disclosure of any new contract entered, granted or amended from January 2021. Besides, the TEITA Act, 2015, requires disclosure of concessions, contracts, and Licences relating to Mining, Oil, and Gas Sectors. As of now, MoM has committed to start publishing all mining contracts signed between mining companies and the government. The process of creating a portal that will publish these contracts is underway.

Regarding oil and gas contracts, the government has already taken initiatives to disclose two PSAs.¹⁴ However, it has been informed that MDAs and PSAs are undergoing review and renegotiations as it was established in section 4 and 6 of The Natural Wealth and Contracts (Review and Re-negotiation of Unconscionable Terms) Act of 2017. Following this review, it has been agreed to wait for the approval of these contracts before its publication.

4.7 Production and Exports

This section provides information regarding the production and export of minerals, gas, and oil. The country has not started producing oil; as a result, there are no data regarding the production and export of oil. However, the country has recorded vast production and export of minerals. Also, as of today, the country has registered large quantities of natural gas production. The sections below provide the production and export data of major minerals and natural gas.

4.7.1 Production and Export of Minerals

Table 11 below presents the production of minerals in the fiscal years 2016/17 and 2017/18. The country realized the growth in the production of the diamond, rough tanzanite, and coal. Also, the production of other minerals as shown in the table recorded a slight decline. These minerals include gold, coal, and gemstones.

Table 11: Production of Minerals

Mineral	Unit of Measure	Quantity 2016/17	Quantity 2017/18
Diamond	Carat	249,911.05	335,394.11
Gold	Kg	42,761.78	39,939.33
Tanzanite (Rough)	Kg	156.15	464.45
Coal	Ton	419,541.50	595,352.00
Gemstones	Kg	1,589,732.53	476,884.08

Source: The Mining Commission (2019)

Regarding the export of major minerals, the country has recorded export growth in gold and diamond as indicated in Table 12, The export of gold has been growing steadily in the entire reporting period, i.e. 2016, 2017, and 2018. On the contrary, the export of gold slightly declined in 2017 and continued to rise in 2018. In absolute terms, the export of minerals has been growing steadily in the entire reporting period. The country has recorded a total of TZS 3,237 billion (2016), TZS 3,561.9 billion (2017), and TZS 3,619.8 billion (2018).

¹⁴ <http://resourcecontracts.org/countries/tz>

Table 12: Major Mineral Exports

Minerals	2016 (TZS billion)	2017 (TZS billion)	2018 (TZS billion)
Gold	3,072.7	3,418.9	3,435.6
Diamond	164.3	143.0	184.2
Total	3,237	3,561.9	3,619.8

Source: National Bureau of Statistics (2019)¹⁵

4.7.2 Production and Export of Oil and Gas

Currently, in upstream operations, Tanzania has not recorded any production of oil. The country still depends hugely on the importation of oil from other countries. As of today, the country has produced substantial quantities of natural gas in 2016/17 and 2017/18. As of now, the quantity of natural gas produced is largely contributed by two major companies, namely, M & P Exploration Production (T) Limited (Mnazi Bay Gas Field) and Pan African Energy Tanzania Limited (Songosongo Gas Field). They produced a total of 34,718.9 Mmscf and 70,201.5 Mmscf in 2016/17 and 2017/18, respectively as shown in Table 13. Production of natural gas has been stimulated by the growing demands of the same for industrial and domestic use.¹⁶

Table 13: Production of Natural Gas

Company	Production (Mmscf) 2016/17	Production (Mmscf) 2017/18
M & P Exploration (T) Limited	14,571.6	19,907.3
Pan African Energy Tanzania Limited	20,147.3	50,294.2
TOTAL	34,718.9	70,201.5

Source: TPDC, 2019

There is no natural gas export data available because, as of today, the country has not begun to export natural gas. According to TPDC, all produced natural gas is consumed domestically.

4.8 State Participation in the Extractive Industries

The Government of Tanzania participates in the oil, gas, and mining projects through its State-Owned Enterprises (SOEs).

¹⁵ https://www.nbs.go.tz/nbs/takwimu/references/Tanzania_in_Figures_2018.pdf

¹⁶ https://www.nbs.go.tz/nbs/takwimu/na/National_Accounts_Statistics_Popular_Version_2018.pdf

4.8.1 State Participation in the Mining Sector

The state participates in the mining activities through the State Mining Corporation (STAMICO) and National Development Corporation (NDC). The establishment and legal mandates of these SOEs are provided in the Public Corporations Act, 1969.¹⁷

4.8.2 State Mining Corporation

STAMICO was re-established through the Public Corporations (Establishment) (Amendment) Order, 2015, to increase the contribution of the mineral sector to the national economy and create employment opportunities for Tanzanians. The Corporation operates under MoM, and it is governed by the Board of Directors.

STAMICO operates the Biharamulo Gold Mine (a medium-scale gold mine) through its subsidiary, STAMIGOLD Company Limited. Apart from operating Biharamulo gold mine, STAMIGOLD has been mandated to engage in prospecting, exploration, development, production, processing, and marketing of gold locally and internationally. The Corporation also owns the Kyerwa Tin Company Limited, which buys cassiterite from small scale miners in north-western Tanzania. Besides, it operates the coal mining project at Kabulo ridge within the Kiwira Coal field in Songwe Region. Also, STAMICO owns other mining projects under joint venture arrangements. These include:

- Tanzanite Mine which is located in Block C at Mirerani Area in Simanjiro District, Manyara Region. STAMICO owns 50% of the shares while 50 joint venture with TanzaniteOne Mining Ltd (TML) owns the remaining 50% of the shares. Joint Venture Agreement for this mine started in 2013.¹⁸
- Buckreef Gold Mine situated in north-central Tanzania to the south of Lake Victoria and 110km Southwest of Mwanza. Under this joint venture, STAMICO owns 45% of the shares, and TANZAM 2000, who is the project operator, owns the 55% share.¹⁹
- Other advanced STAMICO projects potential for joint ventures are Kiwira Coal to Power, Buhemba, STAMIGOLD (Gold Tailings), and Ubena Zomozi stone Quarry Projects.

Besides, STAMICO owns exploration Prospecting Licences (PL) for different mineral commodities, including gold, phosphate, and Rare Earth Elements (REE) throughout the Country. Currently, the Corporation holds, by 100%, twenty-six (26) PLs of gold

¹⁷https://www.tanzania.go.tz/egov/uploads/documents/The_Public_Corporations_Act,_17-1969_sw.pdf

¹⁸ More information regarding operations of this Tanzanite mine can be accessed at <http://www.tanzaniteone.com>

¹⁹ Additional information about the Buckreef Gold project can be accessed at http://www.stamico.co.tz/wp-content/uploads/2017/10/Buckreef_Profile.pdf.

around Lake Victoria gold fields, REE in Southwest Tanzania, and Phosphate in Central Tanzania.

4.8.3 National Development Corporation

The Government of Tanzania wholly owns the National Development Corporation (NDC), and it has an interest in undertaking mining projects. NDC has a stake in four mining projects through joint ventures with third parties. These projects include Liganga iron ore, Sponge iron ore, Mchuchuma-Katewaka coal, and Ngaka coal.

- (i) **Liganga iron ore project:** This project is being developed by Tanzania China International Mineral Resources Ltd (TCIMRL) as an integrated project with Mchuchuma. TCIMRL, which is a joint venture company between NDC and Sichuan Hongda Group of China. Following the successfully bankable feasibility study, the project is expected to cost around USD 1.8 billion for establishing 2.9 mt/y iron ore mine and Iron and steel Complex to produce 1.0 mt/y of iron and steel products, vanadium pentoxide, and titanium dioxide.²⁰ The project is located in Ludewa District, about 850 km southwest of Dar es Salaam.
- (ii) **The Sponge iron ore project:** This project intends to establish a 400,000 tpa of Sponge Iron Plant that will produce 300,000 tons of iron and steel products per year. The plant will be established in the Ludewa district utilizing iron ore from Maganga Matitu (part of Liganga) and coal from Katewaka. The project is implemented by Maganga Matitu Resource Development Limited (MMRDL), whose shareholders are NDC and MM Steel Resources Public Limited Company (MMSR PLC).²¹
- (iii) **Mchuchuma-Katewaka coal project:** This project intends to establish a 3.0 mt/y coal mine, 600MW Thermal Power station, and construct 220 kV Transmission line Mchuchuma – Liganga. Out of the 600MW to be produced at the power station, 250MW will be used at Liganga metallurgical complex and 350MW will be transmitted into the National Grid through 400Kv transmission line Mchuchuma – Mufindi. The project will be implemented by Tanzania China International Mineral Resources Limited (TCIMRL), which is a joint venture Company between NDC and Sichuan Hongda Group Limited. The Joint Venture Agreement for this project was signed since 2011. The project is located in Ludewa district.

²⁰ Further details about the above two projects can be accessed at: <http://ndc.go.tz/iron-and-steel-metallurgical-complex/>.

²¹ Ibid

- (iv) **Ngaka coal project:** The project is being implemented by Tancoal Energy Ltd, a Joint Venture Company between NDC and Intra Energy Corporation Ltd of Australia. The project is located in Ruhuhu Basin, Mbinga district, about 1,100 km from Dar es Salaam. The Ngaka coal field has a measured coal reserve of 423 million tons with a calorific value ranging from 4,780 to 8,000Kcal/kg. Mining operations started in August 2011, and coal is being sold to local markets in the cement and gypsum industries and export markets in a Malawi, Kenya, Zambia, and Uganda.²²

4.8.4 State Participation in Oil and Gas

The Government participates in the oil and gas activities through TPDC. In 2016/17, the TPDC signed 13 PSAs with companies for the exploration of oil and gas. In 2017/18, the number of PSAs between TPDC and companies decreased from 13 to 11. Details of these PSAs are shown in Annex 3.

4.8.5 Tanzania Petroleum Development Corporation

Currently, TPDC carries out specialized operations in the petroleum value chain through its subsidiary companies, namely, the Gas Company Tanzania Limited (GASCO) and TANOIL Investments Limited. These entities were established as limited companies wholly owned by TPDC.

The Corporation undertakes downstream and midstream projects. According to the report of the Controller and Auditor General (CAG) of 2016/17, two major downstream projects were implemented in 2016/17. These were the National Natural Gas Infrastructure (NNGI) and National Gas Distribution Networks projects. The latter consists of nine sub-projects dealing with gas distribution from NNGI to various locations. Similarly, the Corporation undertook five upstream projects in West Songosongo (WSS) Block. These include West Songosongo project, Block 4/1B, and 4/1C project, Stratigraphic Nomenclature project, Eyasi Wembere project, and Liquefied Natural Gas (LNG) Project. Table 14 provides details of TPDC upstream projects during 2016/17.

²²<http://ndc.go.tz/power-production/>

Table 14: Description of the TPDC Upstream Projects

No.	Upstream Project	Project Activities	Project Status
1.	Songosongo Project	The project carried out exploration activities in West Songosongo Block, including integration and interpretation of AGG and seismic data to ascertain hydrocarbon prospectively. TPDC owns 29% of the shares in this project.	Operational
2.	Mnazi Bay gas Project	Mnazi Bay project is a 756 square km gas field that lies between the Ruvuma and the Offshore Block 1 concessions. This project is operated by Maurel & Prom, but TPDC owns 20% of the shares in a joint venture arrangement.	Operational
3.	Block 4/1B and 4/1C project	Project activities completed include geochemical and biostratigraphic analysis and interpretation of selected samples from Block 1 offset wells.	Preparation Phase
4.	Stratigraphic Nomenclature project	Activities that have been conducted include compilation and interpretation of the existing data, wells correlation, and geological fieldwork in Tanga and Ruvu basins.	Preparation Phase
5.	Eyasi Wembere project	Activities that have been carried out are geological and geophysical, as well as ground-truthing of the selected project area.	Preparation Phase
	Liquefied Natural Gas (LNG) project	TPDC has partnered with five International Oil Companies (Shell Exploration and Production Tanzania Ltd-SEPTL, Ophir, Pavilion, Statoil, and ExxonMobil) to assess the feasibility of constructing and operating LNG project. The project is still at negotiation of the Host Government Agreement that has stalled pending review of PSA by the Parliament.	Preparation Phase

Source: CAG Report, 2016/17

4.9 Projects in the Mining, Oil and Gas Industries

4.9.1 Mining Projects

In the mining sector, there are nine large-scale mining projects in which six are for gold, two for gemstones, and one for coal. The gold mine projects include Bulyanhulu, Geita, North Mara, Buzwagi, Biharamulo (formerly known as Tulawaka), and New Luika. The Coloured gemstone mine projects include Williamson Diamond (producing Diamonds) and Merelani Tanzanite (producing Tanzanite) mines. Besides, coal is produced on a large scale by Ngaka coal mine. Details of these mines are provided in Appendix 1.

Similarly, there are four prospective mining projects, which include the Kabanga Nickel Project (Nickel), Mchuchuma-Liganga Twin Project (Coal), Nyanzaga Project (Gold), and Buckreef Gold Project (Gold). Appendix 2 provides details of these projects.

The opening of Tanzania Mineral Trading Centres (TMTTC) is a recent development in the mining sector.²³ The Parliament of the United Republic approved the bill to relieve small scale miners on the burden of paying a withholding tax of 5 percent and 18 percent Value-Added Tax. To date, the Government has established 28 TMTTCs as part of the initiatives to curb illegal mineral trading to optimize mineral trading benefits to the Government and all players in the mineral trading, including small-scale miners, dealers, and brokers.²⁴

The centres are part of the efforts to improve and provide greater transparency in the country mining industry and put a stop to mineral smuggling and tax evasion. They are also a good source of records of information of all miners, brokers, and dealers in a region. The information from these centres allows the government and other stakeholders to monitor tax and revenues collections and modify to adopt actions needed for effective business.

Besides the TMTTCs, the MoM has established seven (7) mining centres of excellence and 3 mining demonstration centres as part of strategies to develop the capacity of artisanal and small-scale miners. The former has been established in Mpanda, Bariadi, Handeni, Musoma, Chunya, Songea, and Bukoba while the latter can be found in Rwamgasasa (Geita), Itumbi (Mbeya), and Katente (Geita).

4.9.2 Oil and Gas Projects

In the Oil and Gas Sector, three major projects exist. These are Songosongo gas, Mnazi Bay gas, and the East Africa Crude Oil Pipeline (EACOP) projects. The Songosongo gas project's returns come from selling Protected Gas (PG) and additional Gas (AG). Mnazi Bay Gas project involves a processing plant and Gas Pipeline from Mtwara to Dar es Salaam.

The East Africa Crude Oil Pipeline (EACOP) project is intended to transport crude oil from Uganda's oil field to the port of Tanga, Tanzania. As of March 2019, the ownership of the pipeline was Total SA (35%), China National Offshore Oil Corporation (35%), Uganda National Oil Pipeline Company (15%), Tullow Oil (10%), and TPDC (5%). The project will cover 1,443 km and a transport capacity of 230,000 barrels per day. The project is expected to be completed in 2020.

4.10 Contribution of Mining, Oil and Gas Industry to the Economy

According to the National Bureau of Statistics (NBS), mining and quarrying sector involves the mining of coal and lignite and extraction of peat, crude petroleum, and

²³ The move got momentum following the strong emphasis by H.E Dr. John Magufuli, the President of the United Republic of Tanzania, during the Annual Mineral Sector Conference that was held on 22nd January 2019.

²⁴ <https://www.thecitizen.co.tz/news/Mineral-trading-centres-start-to-bear-fruit/1840340-5107280-i5oj41/index.html>

natural gas, mining of metal ores and other mining and quarry.²⁵ As such, statistics presented in the following sections encompass the contribution of the entire extractive sector to the economy.

4.10.1 Contribution to Gross Domestic Product

The extractive industry contributes to the economy in various forms. The sectorial contributions come from a share of the sector in Gross Domestic Product (GDP), and most notably, employment opportunities it creates in the economy. In both 2016 and 2017, the contribution of the mining and quarrying sector to GDP was 4.8%, while the contribution of the sector in 2018 was 5.1, as indicated in Table 15. In absolute terms, the sector contribution has been increasing, as indicated in the same table. In 2016, 2017, and 2018 calendar years, the sector contributed TZS 4,975,991 million, TZS 5,560,120 million, and TZS 6,573,059 million, respectively.

Table 15: Mining and Quarrying Industry Share to GDP (at Current Prices)

Year	Amount (TZS million)	Percentage
2016	4,975,991	4.8%
2017	5,560,120	4.8%
2018	6,573,059	5.1%

Source: National Bureau of Statistics²⁶

4.10.2 Contribution to Employment

As per the last Formal Sector Employment and Earning Survey (EES) conducted in 2016 by NBS, the mining and quarrying sector employed about 35,900 people (regular and casual employments) which is equivalent to 1.4% of the total labour force in the country.²⁷ Employment levels in the mining and quarrying sector have indicated a slight growth compared to the year 2015, where total employment from this sector was 30,259 which is equivalent to 1.3% of total employment by sector.²⁸

4.11 Prospects and Challenges of Mining, Oil, and Gas Industry

During 2016/17 and 2017/18, the following prospects and challenges of the mining, oil, and gas industry in Tanzania were reported through annual reports of the former TMAA (now Mining Commission since April 2018) and CAG Reports.²⁹

²⁵ [https://www.nbs.go.tz/nbs/takwimu/na/Highlights for the Second Quarter GDP 2019.pdf](https://www.nbs.go.tz/nbs/takwimu/na/Highlights%20for%20the%20Second%20Quarter%20GDP%202019.pdf)

²⁶ *ibid*

²⁷ [https://www.nbs.go.tz/nbs/takwimu/labour/EES 2016 REPORT.pdf](https://www.nbs.go.tz/nbs/takwimu/labour/EES%202016%20REPORT.pdf)

²⁸ [https://www.nbs.go.tz/nbs/takwimu/labour/EES 2015 REPORT.pdf](https://www.nbs.go.tz/nbs/takwimu/labour/EES%202015%20REPORT.pdf)

²⁹ CAG Reports for FYs 2016/17 and 2017/18

4.11.1 Prospects in the Mining, Oil, and Gas Industry

The abundant actual and potential availability of minerals, oil, and gas resources offers a significant contribution to the economy of the country.³⁰ The existence of a sedimentary basin, which occupies a total area of 534,000 km² (approximately 56% of the total area of Tanzania), offers a vast prospect for establishing oil and gas projects. Currently, active exploration blocks that have been licensed for exploration and development occupy a total area of 54.764 km² (i.e., approximately 5.74% of the total area of Tanzania). The exploration activities in onshore and offshore blocks have resulted in the discovery of 57.25 trillion cubic feet of natural gas reserves. The reserves are expected to increase as a result of the ongoing exploration projects/activities in the country. Also, the Government has put deliberate efforts to develop human resources in the mining, oil, and gas.

4.11.2 Challenges in the Mining, Oil, and Gas Industry

Several challenges are facing the Mining, Oil, and Gas industry in Tanzania. As per the TMAA Annual Report (2016), the main challenges facing the mining sector include:

- Fluctuations and/or fall in world market prices of some minerals, e.g. copper. This poses potential negative effects on major foreign investments in this sector.
- Persistence of minerals smuggling and illegal trading (i.e. minerals royalty evasion). For instance, in 2016/17 minerals worth USD 93, 316.38 and TZS 151.34 million were seized in 11 minerals smuggling attempts at Julius Nyerere International Airport (JNIA), Kilimanjaro International Airport (KIA) and Mwanza Airport (MA). However, the Government, among other efforts, has introduced Mineral Trading Centres as initiatives to address this challenge.
- The major shortfall on environmental management at large scale mine sites, e.g. poor management of solid waste and industrial chemicals.

On the other hand, the key challenges in the oil and gas sector include:

- Adverse fluctuations in world market prices for oil and gas discourage the flow of investments in this sector. For instance, the prices of crude oil from January 2015 to 2019 were USD53.11, 36.51, 55.98, 67.19 and 54.97 per barrel, respectively.³¹ This has been one of the major hurdles in the implementation of oil and gas projects in the country.
- The potential threats of alternative sources of energy which may be relatively cheaper in terms of production costs (e.g., hydropower, solar energy, etc.) in

³⁰ Details are found in the TMAA Annual Report (2016).

³¹ <https://www.macrotrends.net/1369/crude-oil-price-history-chart>

relation to the oil and gas sources. Hence, customers will prefer affordable sources of energy than oil and gas.

- Inadequate financial resources to fund additional operating and investing activities in the discovery areas where TPDC has contractual right to participate.

5 COLLECTIONS AND PAYMENTS IN THE EXTRACTIVE INDUSTRY

Extractive companies pay taxes and other non-tax payments to the government of Tanzania.

5.1 Receiving Entities

The following entities represent agencies that collect payments from mining, oil and gas companies.

5.1.1 Ministry of Minerals

The Ministry of Minerals (MoM) sets policies and strategies for exploiting mineral resources. Also, MoM is responsible for issuing licenses and collecting mining revenues such as royalties, permit fees, annual rental fees, and other charges from mining companies.³² Table 16 shows the types of payments received by MoM.

Table 16: Types of Payments Received by MoM

Type of Fee	Base	Rate/ Amount	Payment System
ROYALTIES			
i. Uranium	Gross value ³³	5%	Paid on export or local consumption upon delivery
ii. Gemstone and diamond	Gross value	6%	Paid on export or local consumption upon delivery
iii. Metallic minerals such as copper, gold, silver, and platinum group minerals	Gross value	6%	Paid on export or local consumption upon delivery
iv. Gem	Gross value	1%	Paid on export or local consumption upon delivery
v. Other minerals, including building materials, salt, all minerals within the industrial minerals group	Gross value	3%	Paid on export or local consumption upon delivery
LICENSE APPLICATION FEES (NON-REFUNDABLE)			
i. Prospecting license (PL) for metallic minerals, energy minerals and kimberlitic diamond	PL	USD 300	Paid on application
ii. Prospecting license for building materials and gemstones excluding kimberlitic diamond	PL	USD 300	Paid on application
iii. Prospecting license for industrial minerals	PL	USD 200	Paid on application
iv. Retention license	RL	USD 4,000	Paid on application

³²For more information visit on: <https://www.madini.go.tz/act-policy-and-useful-doc/>

³³ "Gross value" according to subsection 87(6) means the market value of minerals as determined through valuation pursuant to section 100B of the Mining Act, 2010 (R.E. 2018).

Type of Fee	Base	Rate/ Amount	Payment System
v. Special Mining license	SML	USD 5,000	Paid on application
vi. Mining License	ML	USD 2,000	Paid on application
vii. Mining license for building materials	ML	USD 2,000	Paid on application
viii. Primary mining license	PML	TZS 50,000	Paid on application
ix. Transfer of primary license	PML	USD 200	Paid on application
x. Transfer of shares in a primary mining license	PML	USD 500	Paid on application
xi. Transfer of mineral rights other than primary mining license	PML	USD 3,000	Paid on application
xii. Search in register, for everyone hour or part thereof	Number of searches	USD 50	Paid on application
xiii. Registration of any document in the office of the Commissioner for Minerals	Number of documents to be registered	USD 500	Paid on application
xiv. Approval of any document by the Minister as provided in the Mining Act	Number of documents to be approved	USD 500	Paid on application
LICENSE RENEWAL FEES (APPLICATION FEES FOR RENEWAL OF:)			
i. Prospecting license for metallic minerals, energy minerals and kimberlitic diamond	PL	USD 300	Paid on renewal
ii. Retention license	SL	USD 4,000	Paid on renewal
iii. Special mining license	SML	USD 5,000	Paid on renewal
iv. Mining license	ML	USD 2,000	Paid on renewal
v. Mining license for building materials and industrial minerals	ML	USD 2,000	Paid on renewal
vi. Primary mining license	PML	TZS 100,000	Paid on renewal
APPLICATION FOR A CERTIFICATE OF SUSPENSION OF:			
i. Work in the mineral rights under division C	Number of mineral rights	TZS 50,000	Paid on application
ii. Work in mineral right other than mineral rights under division C	Number of mineral rights	USD 200	Paid on application
APPLICATION FOR A CERTIFICATE OF AMALGAMATION OF:			
i. Primary mining licenses	Number of amalgamation transaction	TZS 200,000	Paid on application
APPLICATION FOR A CERTIFICATE OF SURRENDER OF:			
i. Part or whole of the primary mining license area	Number of certificates	TZS 50,000	Paid on application
ii. Part or whole of the area of a mineral right other than a primary mining license	Number of certificates	USD 500	Paid on application
PREPARATION FEES FOR:			
i. Prospecting license for all minerals	PL	USD 500	Paid upon receipt of offer
ii. Mining license for all minerals	ML	USD 1,000	Paid upon receipt of offer
iii. Special mining license	SML	USD 2,000	Paid upon receipt of offer

Type of Fee	Base	Rate/ Amount	Payment System
iv. Retention license	RL	USD 2,000	Paid upon receipt of offer
v. Primary mining License	PML	TZS 50,000	Once application is approved
ANNUAL RENTS PAYABLE FOR ALL MINERAL RIGHTS OTHER THAN MINERAL RIGHTS UNDER DIVISION D			
i. Prospecting license for metallic minerals, energy minerals, kimberlitic diamonds, building materials and gemstones, for initial period PL	Licence area	USD 100/sq.km	Paid annually
ii. Annual rent for first renewal of a prospecting license	Licence area	USD 150/sq.km	Paid annually
iii. Annual rent for second renewal of a prospecting license	Licence area	USD 200/sq.km	Paid annually
iv. Retention license	Licence area	USD 2,000/sq.km	Paid annually
v. Special mining license	Licence area	USD 5,000/sq.km	Paid annually
vi. Mining License for metallic minerals, energy minerals, gemstones and kimberlitic diamonds	Licence area	USD 3,000/sq.km	Paid annually
vii. Mining license for building materials and industrial minerals	Licence area	USD 2,000/sq.km	Paid annually
ANNUAL RENTS FOR MINERALS UNDER DIVISION D			
i. Primary mining license for all minerals other than gold, kimberlitic diamonds and gemstones, subject to a minimum of TZS 20,000/= for each licensed area having less than 2 hectares (TZS 80,000/=)	License area	TZS 40,000/Hect	Paid annually
ii. Primary mining license for gold, kimberlitic diamonds or gemstones, subject to a minimum of TZS 80,000/= for each licensed area having less than 2 hectares TZS 160,000/=)	License area	TZS 80,000/Hect	Paid annually
FEES FOR DEALING IN MINERALS³⁴			
i. Application fees for dealer license (non-refundable)	DL	USD 200	Paid on application
ii. Application fees for broker license (non-refundable)	BL	TZS 50,000	Paid on application
iii. License fees for dealer license - Gold, Metallic Minerals and Coloured Gemstones	DL	USD 1,000	Paid on application
iv. License fees for dealer license - Diamonds	DL	USD 2,000	Paid on application

³⁴ The-Mining-Mineral-Trading-Regulations-2010 (R.E 2017), First Schedule, Fees for Dealing in Minerals

Type of Fee		Base	Rate/ Amount	Payment System
v.	License fees for dealer license - Coal and Industrial Minerals	DL	USD 500	Paid on application
vi.	License fees for a Broker license	BL	TZS 200,000	Paid on application
vii.	Application fee for renewal for a Dealer license	DL	USD 100	Paid on application
viii.	Application fee for renewal for a Broker license	BL	TZS 50,000	Paid on application
ix.	Renewal of Dealer license - Gold, Metallic Minerals and Coloured Gemstones	DL	USD 800	Paid on application
x.	Renewal of Dealer license - Diamonds	DL	USD 1,500	Paid on application
xi.	Renewal of Dealer license - Coal and Industrial Minerals	DL	USD 300	Paid on application
xii.	Renewal of Broker license	BL	TZS 160,000	Paid on application
FEES FOR EXPORT AND IMPORT OF MINERALS				
i.	Application fees for the export permit of minerals	Permit	USD 100	Paid on application
ii.	Application fees for import permit of minerals	Permit	USD 300	Paid on application
iii.	Application fees for Special export permit of minerals for non- resident	Permit	USD 2,000	Paid on application
iv.	Application fees for Special export permit of minerals for tourist	Permit	USD 200	Paid on application
v.	Application fees for Special export permit of minerals purchased at a Gem Trade Fair	Permit	USD 200	Paid on application
vi.	Application fees for import permit of minerals imported for a Gem Trade Fair	Permit	USD 200	Paid on application
FEES FOR PROCESSING, SMELTING AND REFINING LICENCES				
i.	Application for processing license, smelting license or refinery license	License	USD 200	Paid on application
ii.	Preparation fee for processing license, smelting license or refinery license	License	USD 200	Paid on application
iii.	The annual license fee for processing license, smelting license or refinery license	License	USD 1,000	Paid on application
iv.	Application fee for renewal of processing license, smelting license or refinery license	License	USD 200	Paid on application

Source: Tanzania Mining Industry's Investor Guide, 2015 and The Mining Act, 2010 [R.E. 2018]

5.1.2 Tanzania Revenue Authority

The Tanzania Revenue Authority (TRA) is regulated by law and is responsible for administering impartially various non-sector taxes of the Central Government. The

taxes include corporate income tax, skills development levy, value-added tax, import duty and excise duty as shown in Table 17.

Table 17: Taxes and Payments Received by TRA

Tax Category	Tax Type	MDA ³⁵ Holders		Non-MDA Holders	
		Tax Base	Rate	Tax Base	Rate
Corporate Tax	Provisional Corporate Tax	Estimated Profit	30%	Estimated Profit	30%
	Final Corporate Tax	Taxable Profit	30%	Taxable Profit	30%
Turnover Tax/ Levy	Alternative Minimum Tax (AMT)	No	No	Turnover	0.3%
Withholding Taxes ³⁶	• Dividend payments	Payments	10%	Payments	10%
	• Interests	No	No	Payments	10%
	• Technical Services ³⁷ (Resident)	Payments	3%	Payments	5%
	• Technical Services (Non-Resident)	Payments	3%	Payments	15%
	• Management Fees (Resident)	Payments	3%	Payments	5%
	• Management Fees (Non-Resident)	Payments	3%	Payments	15%
	• Rental (Resident)	Payments	10%	Payments	10%
	• Rental (Non-Resident)	Payments	15%	Payments	15%
	• Insurance Premium (Applicable to Non-Resident only)	Payments	5%	Payments	5%
	• Natural Resources Payments	Payments	15%	Payments	15%
	• Service Fees (Applicable to Non-Resident only)	Payments	15%	Payments	15%

³⁵ Mining Development Agreement (MDA)

³⁶ <https://www.pkf.com/media/10028501/tanzania-tax-guide-2016-17.pdf> (PKF_tanzania-tax-guide-2016-17.pdf)

³⁷ ITA (2004) section 83 and paragraph 4(c) of the First Schedule

Tax Category	Tax Type	MDA ³⁵ Holders		Non-MDA Holders	
		Tax Base	Rate	Tax Base	Rate
Capital Gain Tax (Company Assets)		Gain	30%	Gain	30%
Employment Taxes/Charges & Statutory Contributions	• Pay As You Earn (PAYE)	Personal Income	Ranges from 11% to 30% plus fixed amounts	Personal Income	Ranges from 11% to 30% plus fixed amounts
	• Skills and Development Levy-SDL	Employer's Payroll Cost	4.5%	Employer's Payroll Cost	4.5%
	• NSSF Contribution	Gross Cash Emoluments made to the employee (inclusive of cash allowances and benefits)	<ul style="list-style-type: none"> • 10% payable by employer • 10% payable by the employee 	Gross Cash Emoluments made to the employee (inclusive of cash allowances and benefits)	<ul style="list-style-type: none"> • 10% payable by employer • 10% payable by the employee
	• PSSSF Contribution	Gross Cash Emoluments made to the employee (inclusive of cash allowances and benefits)	<ul style="list-style-type: none"> • 5% payable by the employer • 15% payable by the employee 	Gross Cash Emoluments made to the employee (inclusive of cash allowances and benefits)	<ul style="list-style-type: none"> • 5% payable by the employer • 15% payable by the employee
VAT	(VAT special relief on purchases, 0% rated on exports)	Taxable Value	18%	Taxable Value	18%
Stamp Duty		Sales Value	1%	Sales Value	1%
Import Duty	• For Capital Goods	Customs Value	0%	Customs Value	0%
Excise Duty	• Motor Vehicle 1000 cc to 2000 cc	Customs Value	5%	Customs Value	5%
	• Motor Vehicle above 2000 cc	Customs Value	10%	Customs Value	10%
Fuel Levy		Volume	TZS 313 per litre	Volume	TZS 313 per litre
Motor Vehicle Taxes	Motor Vehicle Registration Fees (cc)				
	• 501 – 1500	Motor Vehicle Registered	TZS 200,000	Motor Vehicle Registered	TZS 200,000

Tax Category	Tax Type	MDA ³⁵ Holders		Non-MDA Holders	
		Tax Base	Rate	Tax Base	Rate
	• 1501 – 2500	Motor Vehicle Registered	TZS 250,000	Motor Vehicle Registered	TZS 250,000
	• 2501 and above	Motor Vehicle Registered	TZS 300,000	Motor Vehicle Registered	TZS 300,000
	• Motorcycle Registration Fees	Motorcycle Registered	TZS 95,000	Motorcycle Registered	TZS 95,000
	• Personalized registration number renewable after every three years	Motor Vehicle Registered	TZS 10,000,000	Motor Vehicle Registered	TZS 10,000,000
Motor Vehicle Transfer Taxes	• Motor Vehicle Transfer Fees	Transfer	TZS 50,000	Transfer	TZS 50,000
	• Tricycle (Bajaj)	Transfer	TZS 30,000	Transfer	TZS 30,000
	• Motorcycle Transfer Fees	Transfer	TZS 27,000	Transfer	TZS 27,000

Source: Income Tax Act, 2004 and Tanzania Revenue Authority

5.1.3 Social Security Funds

In 2018, the Government of the United Republic of Tanzania enacted a new law called the Public Service Social Security Fund (PSSSF) Act, No. 2, repealing the Public Service Retirement Benefits Act, Cap. 371, the LAPF Pensions Fund Act, Cap. 407, the PPF Pensions Fund Act, Cap. 372 and the GEPF Retirement Benefits Fund Act, Cap. 51. All employees in the public sector who were initially members of repealed pension schemes by this Act were transferred to the Public Service Social Security Fund (PSSSF)³⁸. The Act also amended the National Social Security Fund (NSSF) Act, Cap. 50. The amendments require NSSF to specifically cater to employees in the private sector, self-employed, international organization, and foreigners employed in Tanzania and any other category of persons that the Minister responsible for social security matters may specify upon recommendation by the Social Security Regulatory Authority (SSRA).

³⁸ Before the merger of the existing social security schemes, the Parastatal Pensions Fund (PPF) which was established under section 6 of the Parastatal Organisations Pension Scheme Act (Cap 372 R.E. 2002), provided pensions and other allied terminal benefits to all eligible employees of the parastatals and private companies in Tanzania. It was mandatory for extractive companies operating in Tanzania to contribute to either NSSF or PPF, depending on the plan in which their employees participated.

Another social security scheme, Workers Compensation Fund (WCF) was established in 2015 under the worker's compensation Act Cap 263 R.E. 2015 and became operational in July 2015. All employers, including extractive companies, are required by the Act to contribute to the Fund to protect their workers from occupational hazards.

For NSSF, every registered employer is required to remit to the Fund 20% of the employee's gross monthly salary split equally between employer and employee (i.e. 10% each). Under PSSSF, the contributions payable by the employer is twenty per centum (20%) of the employee's gross monthly salary. The contribution is made up of five per centum (5%) deducted from the employee's salary and fifteen per centum (15%) contributed by the employer. The contribution rates for WCF are one per centum (1%) and 0.5 per centum of the employee's gross monthly salary for private and public sector employers, respectively.

The social security contributions will be included in the 2016/17 and 2017/18 TEITI Reports as contextual information but will not be reconciled due to the reasons that these payments are indirect taxes, and therefore, they are paid by extractive companies on behalf of their employee.

5.1.4 Local Government Authority

The Local Government Act of 1982 gives mandates to Local Government Authorities (LGAs) to pass by-laws for charging and collecting local taxes, levies, and fees within their jurisdictions. According to the Act, mining, oil, and gas companies are obliged to pay service levy up to 0.3% of annual turnover to the LGA where the mine is located.

Moreover, extractive companies provide social and economic support to host communities in the respective LGAs in the form of Corporate Social Responsibility (CSR). They participate in such areas as education, health, environment, potable water supply, humanitarian aids, small business development services, and infrastructures. Recently, the government has enacted laws that govern the implementation of these social commitments. For example, through the Written Laws (Miscellaneous Amendments) Act. No 7 of 2017, the government amended section 105 of the Mining Law to include provisions relating to a mineral right holder's Corporate Social Responsibility Plan.

Specifically, sub-section (1) of the Act compels mineral rights holders to prepare on an annual basis a credible corporate social responsibility plan, which is jointly agreed by the relevant local government³⁹ authority or local government authorities in

³⁹ See GGML for example, <http://www.geitamine.com/assets/downloads/qgm-signed-mou-08mar2018.pdf>

consultation with the Minister responsible for local government authorities and the Minister of Finance. Sub-section (2) demands the plan to take into account environmental, social, economic and cultural activities based on local government authority priorities of the host community.

Extractive companies are also obliged to comply with the Tanzania Extractive Industries (Transparency and Accountability) Act, 2015. Section 15 of the Act categorically requires extractive companies operating in the country to submit an annual report on CSR projects to the TEITI Committee.

5.1.5 Tanzania Petroleum Development Corporation

Tanzania Petroleum Development Corporation (TPDC) collects several revenue streams from oil and gas companies. TPDC is authorized under Section 6 of the Oil and Gas Revenue Management Act 2015 to collect non-tax revenues such as royalty, protected gas revenue, additional gas revenue, and government profit share as per PSA, surface rentals or annual block fees, signature bonuses and training fees.

TPDC also pays to TRA corporate tax from its profit share in respect of Songosongo PSA Development license. Furthermore, Section 9 of the Oil and Gas Revenue Management Act 2015, demands the royalties, profit shares, dividends on government participation in oil and gas operations collected by TPDC be paid to the government through the Oil and Gas Consolidated Fund.

5.1.6 Tanzania Forest Services Agency

Tanzania Forest Services Agency (TFS) is an Executive Agency established under the Executive Agencies Act, 1997 (Cap. 245 Revised Edition 2009). TFS operates under the Ministry of Natural Resources and Tourism (MNRT) and is mandated, among other roles, with enforcing Forest and Beekeeping legislation in areas of its jurisdiction. As part of the forest and natural resources management, extractive companies that operate in protected national forest reserves are required to pay to mining fees (forest management fees) in a forest reserve (per year per ha or part of).⁴⁰

5.1.7 Business Registrations and Licensing Agency

The Business Registrations and Licensing Agency (BRELA) is an Executive Agency under the Ministry of Industry and Trade.⁴¹ BRELA is responsible for business administration and regulation of the laws, namely Companies Registration, Business Names Registration, Trade, and Service Marks Registration, granting of Patents and

⁴⁰<https://trade.business.go.tz/media/GN->

[THE%20FOREST%20\(AMENDMENTS\)%20REGULATIONS,%202017%20%20%20GN%20final%20%20255%20%20chapa.pdf](https://trade.business.go.tz/media/GN-THE%20FOREST%20(AMENDMENTS)%20REGULATIONS,%202017%20%20%20GN%20final%20%20255%20%20chapa.pdf)

⁴¹ For further information visit www.brela.go.tz

issuing of Industrial License. BRELA is mandated to register companies, business names, and intellectual property rights such as patents of inventions, industrial designs, trade, and service marks and issue industrial licenses. Extractive companies pay registration fees to BRELA.

5.1.8 Ministry of Finance and Planning

The Treasury Registrar of the Ministry of Finance and Planning (MoFP) has the responsibility of collecting dividend payments, particularly from the companies where the State holds shares. The Treasury is also responsible for collecting revenue proceeds from the sale of shares of companies that the government has an interest.

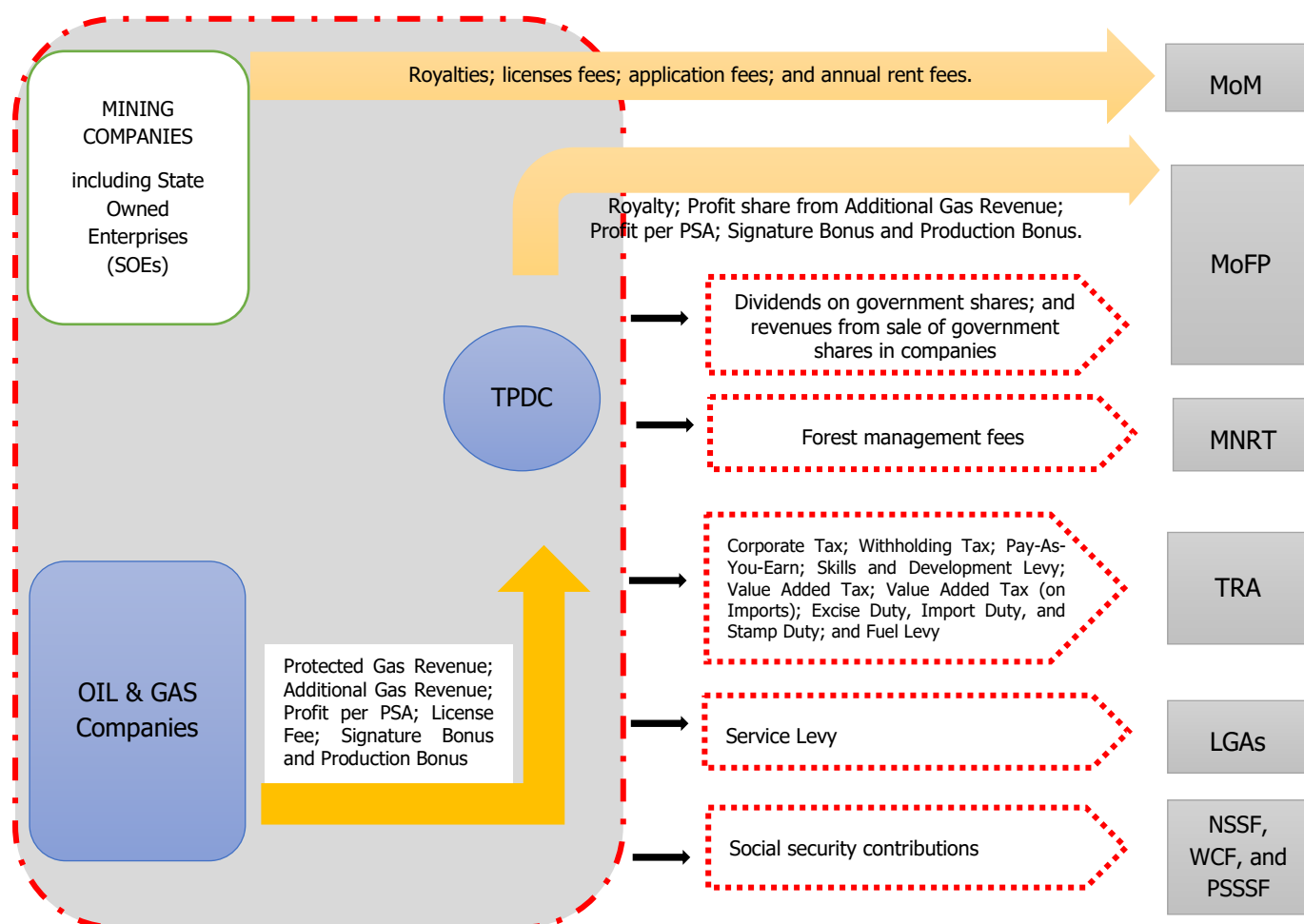
5.2 Payment Flows

As pointed out in section 5.1, extractive companies make payments to various Government Agencies. These agencies are divided into two categories, namely, recipients of taxes, fees, and charges, i.e. TRA, LGAs, MoFP, TPDC, MoM, and TFS. The second category is recipients of social security contributions, i.e. NSSF, PSSSF and Workers Compensation Fund (WCF).

TRA is the recipient of most of the revenues that Tanzania collects from the mining, oil and gas sectors. The revenues include corporate income tax, skills development levy, value-added tax, import duty and excise duty. MoFP receives dividends on government shares and revenues from the sale of shares that the government holds in extractive companies. In addition, it receives royalty, profit share from additional gas revenue, profit per PSA, signature bonus and production bonus from TPDC.

TPDC collects non-tax revenues such as royalty, protected gas revenue, additional gas revenue, and government profit share as per PSA, surface rentals or annual block fees, signature bonuses and training fees from oil and gas companies. MoM on the other hand, receives royalties, licenses fees, application fees, and annual rental fees from mining companies including SOEs. MNRT collects forest management fees through TFS. LGAs and social security funds collect service levy and social security contributions, respectively. The extractive revenue collections framework is diagrammatically summarized in Figure 1.

Figure 1: Payment Flows of Extractive Revenue Collection



6 DETERMINATION OF MATERIALITY THRESHOLD AND REPORTING ENTITIES

6.1 Materiality

The EITI Standards define materiality as payments and revenues considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report. This section proposes materiality thresholds so that the reconciliation report covers all material payments and revenues from mining, oil, and gas in Tanzania. The materiality analysis in this report is based on company data provided by government agencies (TRA, TPDC, and MoM) based on the aggregate of their projects rather than on the projects themselves. Table 18 and

Table 19 show payment streams used for establishing the materiality threshold and their respective percentage contribution to the preliminary government receipts for the fiscal years 2016/17 and 2017/18 respectively.

Table 18: Payments Used for Establishing the Materiality Threshold for Year 2016/17

REVENUE STREAM	AMOUNT (TZS)	%
PAYMENT MADE TO TRA FROM EXTRACTIVE COMPANIES		
Value Added Tax	237,677,839,045.00	24.24
Corporate tax	167,931,591,352.30	17.13
PAYE	133,716,212,174.64	13.64
Withholding Tax	102,058,859,992.66	10.41
Import Duty	30,876,156,455.00	3.15
Excise Duty	26,804,491,027.41	2.73
SDL	25,677,278,692.34	2.62
Petroleum Levy	18,719,370,844.00	1.91
Railroad Dev Levy	14,008,025,755.00	1.43
Fuel Levy	7,926,049,443.00	0.81
Customs Processing Fee	4,749,902,137.00	0.48
Personal Income Tax	1,061,424,045.62	0.11
Vehicle Reg Tax	141,370,000.00	0.01
Trade Levy Zanzibar	9,644,446.00	0.00
Income Tax Interest and Penalty	1,650,000.00	0.00
Sole Proprietor (Presumptive Tax)	383,400.00	0.00
Sub-total for TRA	771,617,516,122.37	78.69
PAYMENTS MADE TO TPDC FROM EXTRACTIVE COMPANIES		
Royalty on Oil and Gas	22,120,306,239.66	2.26
Training Fees	3,230,003,922.30	0.33
License fees	1,462,860,397.24	0.15
Sub-total for TPDC	26,813,170,559.20	2.73
PAYMENTS MADE TO MoM FROM EXTRACTIVE COMPANIES		

REVENUE STREAM	AMOUNT (TZS)	%
Royalty on Minerals	162,161,752,993.07	16.54
Annual Rent	15,372,499,581.79	1.57
Geological Fee	3,091,375,181.84	0.32
Miscellaneous	629,238,244.61	0.06
Tender Document	122,527,729.80	0.01
Application Fee	74,701,271.04	0.01
Transfer Fee	72,950,460.00	0.01
Preparation Fee	13,263,720.00	0.00
Penalty	11,392,722.17	0.00
Surrender Fee	8,842,480.00	0.00
Export permit	5,745,550.00	0.00
Import Permit	3,758,054.00	0.00
Search Fee	1,326,372.00	0.00
Sub-total for MoM	182,146,182,651.34	18.58
Grand-total for 2016/17	980,576,876,610.91	100.00

Table 19: Payments Used for Establishing the Materiality Threshold for Year 2017/18

REVENUE STREAM	AMOUNT (TZS)	%
PAYMENT MADE TO TRA FROM EXTRACTIVE COMPANIES		
Value Added Tax	222,391,862,123.02	22.46
Corporate Tax	149,892,800,639.04	15.13
PAYE	141,783,098,832.18	14.32
Withholding Tax	72,685,546,589.36	7.34
Excise Duty	26,380,183,957.26	2.66
SDL	24,060,272,239.92	2.43
Import Duty	22,315,976,729.00	2.25
Petroleum Levy	11,257,596,708.00	1.14
Railroad Dev Levy	9,945,338,895.00	1.00
Customs Processing Fee	3,173,796,580.00	0.32
Fuel Levy	1,628,512,667.00	0.16
Personal Income Tax	654,022,865.21	0.07
Stamp Duty	201,596,190.50	0.02
Small Scale Miners	76,103,358.73	0.01
Vehicle Registration Tax	53,770,000.00	0.01
Advertising Fees	52,600,933.00	0.01
Income Tax Interest and Penal	17,400,000.00	0.00
Trade Levy Zanzibar	10,744,621.00	0.00
Bed Night levy	5,506,540.00	0.00
Motor Vehicle Information Search Fees	3,000.00	0.00
Sub-total TRA	686,586,733,468.22	69.33
PAYMENTS MADE TO TPDC FROM EXTRACTIVE COMPANIES		

REVENUE STREAM	AMOUNT (TZS)	%
Royalty on Oil and Gas	28,336,915,993.94	2.86
Training Fees	3,201,812,056.66	0.32
License fees	1,385,622,184.44	0.14
Sub-total TPDC	32,924,350,235.04	3.32
PAYMENTS MADE TO MoM FROM EXTRACTIVE COMPANIES		
Royalty on Minerals	256,193,497,592.07	25.87
Annual Rent	10,191,646,773.00	1.03
Geological Fee	4,476,090,651.58	0.45
Sub-total for MoM	270,861,235,016.65	27.35
Grand-total for 2017/18	990,372,318,719.91	100.00

Furthermore, as indicated in Table 20, the proposed materiality threshold for the year 2016/17 is TZS 900 million (0.09%), and for the year 2017/18 is TZS 700 million (0.07%) of the preliminary government receipts of 981 billion and TZS 990 billion respectively from the extractive companies.

Table 20: Materiality Threshold

Fiscal Year	Materiality Threshold		Number of Companies		
	Amount (TZS)	Percent	Mining	Oil and Gas	Total
2016/17	900,000,000	0.09	67	5	72
2017/18	700,000,000	0.07	57	5	62

6.1.1 Reporting Entities

The materiality thresholds proposed in Table 20 denote that for the year 2016/17, a company that has paid at least TZS 900 million will be included in the reconciliation report. Similarly, for the year 2017/18, a company that has paid at least 700 million will be included in the reconciliation report. STAMICO is among three government reporting entities, has been included in the reconciliation scope although it has not met the materiality threshold for both years. Thus, 72 reporting entities that contribute 95.52% in 2016/17 and 62 reporting entities that contribute 94.06% of the preliminary government receipts in 2017/18 are recommended to be included in the reconciliation reports. Table 21 and Table 22 lists the names of reporting entities meeting the proposed materiality threshold for the year 2016/17 and 2017/18, respectively. List of extractive companies and individuals, who have not met materiality threshold is available in the following links:

- i. <http://www.teiti.go.tz/storage/app/uploads/public/5e1/5d2/006/5e15d20064c6a410088124.pdf> ,
- ii. <http://www.teiti.go.tz/storage/app/uploads/public/5e1/5d2/87a/5e15d287aedd4356237851.pdf> ,
- iii. <http://www.teiti.go.tz/storage/app/uploads/public/5e1/5d2/f63/5e15d2f639db0617385241.pdf> ,
- iv. <http://www.teiti.go.tz/storage/app/uploads/public/5e1/5bd/837/5e15bd8379824717059421.pdf> ,
- v. <http://www.teiti.go.tz/storage/app/uploads/public/5e1/5be/ac0/5e15beac0b302761591878.pdf> , and
- vi. <http://www.teiti.go.tz/storage/app/uploads/public/5e1/5bf/59a/5e15bf59a2bc2946175514.pdf>

Table 21: Reporting Entities Meeting the Proposed Materiality Threshold for 2016/17

No.	COMPANY NAME	Revenue Collected by TRA	Revenue Collected by TPDC	Revenue Collected by MOM	Total Revenue collected by the Government	%
COMPANY/INDIVIDUAL						
1	GEITA GOLD MINING LIMITED	227,831,124,365.86		46,299,151,900.53	274,130,276,266.39	27.96
2	NORTH MARA GOLD MINE LIMITED	85,182,691,464.40		33,572,737,956.21	118,755,429,420.61	12.11
3	BULYANHULU GOLD MINE LIMITED	74,778,740,691.13		261,351,071.60	75,040,091,762.73	7.65
4	PAN AFRICAN ENERGY TANZANIA LIMITED	72,802,731,912.66	291,787,951.71		73,094,519,864.37	7.45
5	PANGEA MINERALS LTD	48,433,604,318.29		4,458,820.54	48,438,063,138.83	4.94
6	M&P EXPLORATION PRODUCTION TANZANIA LIMITED	25,829,769,847.44	21,522,208,306.33		47,351,978,153.77	4.83
7	SHANTA MINING COMPANY LIMITED	24,672,213,720.90		9,647,886,670.34	34,320,100,391.24	3.50
8	AUMS (T) LIMITED	25,048,989,872.88			25,048,989,872.88	2.55
9	SHELL EXPLORATION AND PRODUCTION TANZANIA LIMITED	17,567,247,496.66	1,077,887,604.45		18,645,135,101.11	1.90
10	WILLIAMSON DIAMONDS LTD.	13,516,091,062.12		100,000.00	13,516,191,062.12	1.38
11	HANCIENDA GROUP LTD	-		11,680,973,860.00	11,680,973,860.00	1.19
12	NDOVU RESOURCES LIMITED.	7,628,808,535.42	1,674,653,557.73		9,303,462,093.15	0.95
13	POA POA COMPANY LTD	-		7,888,221,950.00	7,888,221,950.00	0.80
14	AFRICAN EXPLOSIVES (T) LTD.	7,200,101,874.47			7,200,101,874.47	0.73
15	EQUINOR TANZANIA AS	7,060,045,736.48			7,060,045,736.48	0.72
16	PANAFRICAN MINING SERVICES (TANZANIA) LIMITED.	7,008,004,568.99			7,008,004,568.99	0.71
17	JOSIA MASANJA & PTNS	-		6,139,672,240.00	6,139,672,240.00	0.63
19	MANTRA TANZANIA LIMITED.	3,885,388,463.55		2,199,474,053.96	6,084,862,517.51	0.62
20	SAHARA TANZANIA LIMITED	6,070,986,760.08			6,070,986,760.08	0.62
21	NYAMIGOGO	-		5,768,731,180.00	5,768,731,180.00	0.59
22	TANCOAL ENERGY LIMITED	4,305,834,190.46		1,074,125,211.39	5,379,959,401.85	0.55
23	OPHIR TANZANIA (BLOCK 1) LIMITED	5,248,810,766.41			5,248,810,766.41	0.54
24	TANZANITE ONE MINING LTD	4,016,109,628.00		882,663,707.50	4,898,773,335.50	0.50
25	AROBOGAST SILILO LULILA LIMITED	90,392,866.89		4,696,379,154.00	4,786,772,020.89	0.49
26	GLOBEIQ TANZANIA SERVICES LIMITED	4,736,743,921.61			4,736,743,921.61	0.48

No.	COMPANY NAME	Revenue Collected by TRA	Revenue Collected by TPDC	Revenue Collected by MOM	Total Revenue collected by the Government	%
27	ALLEN DIESELS LTD (UK)	4,208,183,903.86			4,208,183,903.86	0.43
28	GODFREY MITTI & PTNS	-		4,186,825,522.00	4,186,825,522.00	0.43
29	ALMAN GOLD CO. LIMITED	1,700,000.00		4,126,969,444.00	4,128,669,444.00	0.42
30	ENOCK LYAMBA & PTNS	-		3,524,315,404.00	3,524,315,404.00	0.36
31	NITRO EXPLOSIVES (T) LTD.	3,389,275,881.76			3,389,275,881.76	0.35
32	SAMAX RESOURCES LTD.	3,373,569,191.46			3,373,569,191.46	0.34
33	AL MUTHAAB TRADING & CO. LTD	-		2,825,784,222.00	2,825,784,222.00	0.29
34	MINDINGO MBARAKA MINDINGO	-		2,713,017,430.00	2,713,017,430.00	0.28
35	GSM PETROLEUM LIMITED	2,448,528,054.00			2,448,528,054.00	0.25
36	KAKOLA MINING COMPANY LIMITED	2,370,295,154.94			2,370,295,154.94	0.24
37	ABEL KAPENE	-		2,210,620,000.00	2,210,620,000.00	0.23
38	MINERAL OIL CORPORATION LIMITED	2,187,257,707.84			2,187,257,707.84	0.22
39	CATA MINING COMPANY LIMITED	1,505,795,266.73		547,530,553.33	2,053,325,820.06	0.21
40	PETER BUJASHI			2,048,139,044.00	2,048,139,044.00	0.21
41	KASUBUYA PLANT	-		1,986,798,570.00	1,986,798,570.00	0.20
42	RAS AL KHAIMAH GAS TANZANIA LTD.	1,981,907,864.98			1,981,907,864.98	0.20
43	JAC RIJK AFRICA LIMITED	1,720,610,289.90			1,720,610,289.90	0.18
44	ISACK MAYUNGA	-		1,628,342,692.00	1,628,342,692.00	0.17
45	ORECORP TANZANIA LIMITED	1,600,894,221.90		2,433,073.00	1,603,327,294.90	0.16
46	CHINA PETROLEUM TECHNOLOGY AND DEVELOPMENT CORPORATION	1,520,775,272.64			1,520,775,272.64	0.16
47	SEA SALT LIMITED	1,332,266,886.30		60,302,789.80	1,392,569,676.10	0.14
48	WAKEREKETWA MINING SACCOS	-		1,384,348,920.00	1,384,348,920.00	0.14
49	DODSAL HYDROCARBONS & POWER (TANZANIA) PVT LTD.	900,156,884.74	426,970,105.36	42,952,536.07	1,370,079,526.17	0.14
50	EVEN ENTERPRISES COMPANY LIMITED	1,366,958,819.50		160,000.00	1,367,118,819.50	0.14
51	CHINA PETROLEUM PIPELINE BUREAU (CPP)	1,326,577,404.77			1,326,577,404.77	0.14
52	KABANGA NICKEL COMPANY LIMITED	345,193,495.50		894,418,389.00	1,239,611,884.50	0.13
53	LOOTAH BC GAS LLC	1,218,231,526.36			1,218,231,526.36	0.12

No.	COMPANY NAME	Revenue Collected by TRA	Revenue Collected by TPDC	Revenue Collected by MOM	Total Revenue collected by the Government	%
54	MBOGO MINING AND GENERAL SUPPLY LIMITED	1,199,248,893.85		6,183,764.00	1,205,432,657.85	0.12
55	SUNSHINE MINING LIMITED	1,194,101,613.14		573,976.00	1,194,675,589.14	0.12
56	PETROBRAS TANZANIA LIMITED	1,135,565,254.30			1,135,565,254.30	0.12
57	BUSOLWA MINING LIMITED	518,882,218.63		598,533,750.82	1,117,415,969.45	0.11
58	KUSINI GATEWAY INDUSTRIAL PARK LIMITED	82,422,207.92		1,001,468,936.00	1,083,891,143.92	0.11
87	TRYPHONE AYOUB	-		1,077,617,630.00	1,077,617,630.00	0.11
59	BEARING MAN GROUP TANZANIA LIMITED	1,073,089,880.42			1,073,089,880.42	0.11
60	KATAVI MINING COMPANY LIMITED	1,023,753,846.35		20,184,014.53	1,043,937,860.88	0.11
61	EXXONMOBIL EXPLORATION AND PRODUCTION TANZANIA LIMITED	1,027,584,217.22			1,027,584,217.22	0.10
62	HERITAGE RUKWA (TZ) LIMITED	106,908,177.63	915,334,113.47		1,022,242,291.10	0.10
63	DIOMOND RAHIM KARMALI (MR)	999,701,228.00			999,701,228.00	0.10
64	ERONT PROCESSING	-		995,450,162.00	995,450,162.00	0.10
65	TNR LIMITED	986,637,291.07			986,637,291.07	0.10
66	ZEM (T) CO. LIMITED	931,349,648.51		29,444,614.14	960,794,262.65	0.10
67	ALLY SHARIF & PTNS	-		959,582,680.00	959,582,680.00	0.10
68	HENAN AFRO-ASIA GEO-ENGINEERING (TANZANIA) CO. LTD.	929,944,902.00			929,944,902.00	0.09
69	ABG EXPLORATION LIMITED	769,992,990.89		136,704,953.80	906,697,944.69	0.09
Sub-total		717,691,792,261.81	25,908,841,639.05	163,124,630,846.56	906,725,264,747.42	92.46
STATE-OWNED ENTERPRISES						
70	TANZANIA PETROLEUM DEVELOPMENT CORPORATION	28,547,457,111.98	-	400,000.00	28,547,857,111.98	2.91
71	STAMIGOLD COMPANY LIMITED	186,665,019.00	-	1,038,281,783.66	1,224,946,802.66	0.12
72	STATE MINING COOPERATION (STAMICO)	257,317,312.40	-			0.03
Sub-total		28,991,439,443.38	-	1,038,681,783.66	29,772,803,914.64	3.06
RECONCILIATION SCOPE		746,683,231,705.19	25,908,841,639.05	164,163,312,630.22	936,498,068,662.06	95.52
73	OTHER COMPANIES/INDIVIDUALS (not meeting materiality threshold)	24,934,284,417.18	904,328,920.15	17,982,870,021.12	44,078,807,948.85	4.48

No.	COMPANY NAME	Revenue Collected by TRA	Revenue Collected by TPDC	Revenue Collected by MOM	Total Revenue collected by the Government	%
TOTAL REVENUE COLLECTED		771,617,516,122.37	26,813,170,559.20	182,146,182,651.34	980,576,876,610.91	100.00

Table 22: Reporting Entities Meeting the Proposed Materiality Threshold for 2017/18

No.	COMPANY NAME	Revenue Collected by TRA	Revenue Collected by TPDC	Revenue Collected by MOM	Total Revenue Collected by Government	%
COMPANY/INDIVIDUAL						
1	GEITA GOLD MINING LIMITED	197,185,935,420.23		84,497,756,299.00	281,683,691,719.23	28.44
2	NORTH MARA GOLD MINE LIMITED	48,952,189,358.11		51,831,576,948.00	100,783,766,306.11	10.18
3	M&P EXPLORATION PRODUCTION TANZANIA LIMITED	55,405,147,858.60	26,472,843,450.66		81,877,991,309.26	8.27
4	PANGA MINERALS LTD	32,672,990,026.81		34,156,949,524.00	66,829,939,550.81	6.75
5	PANAFRICAN ENERGY TANZANIA LIMITED	51,779,757,143.97	77,300,476.87		51,857,057,620.84	5.24
6	BULYANHULU GOLD MINE LIMITED	42,136,836,639.90		6,614,349,509.00	48,751,186,148.90	4.92
7	AUMS (T) LIMITED	48,130,264,147.03			48,130,264,147.03	4.86
8	SHANTA MINING COMPANY LIMITED	23,557,427,390.02		12,442,771,649.00	36,000,199,039.02	3.64
9	WILLIAMSON DIAMONDS LTD.	10,629,095,091.86		10,221,670,246.00	20,850,765,337.86	2.11
10	LYABONDE GROUP			12,964,260,367.00	12,964,260,367.00	1.31
11	SAMAX RESOURCES LTD.	12,177,875,721.36			12,177,875,721.36	1.23
12	SHELL EXPLORATION AND PRODUCTION TANZANIA LIMITED	8,114,887,912.95	870,462,183.35		8,985,350,096.30	0.91
13	EQUINOR TANZANIA AS	8,641,021,120.01			8,641,021,120.01	0.87
14	PANAFRICAN MINING SERVICES (TANZANIA) LIMITED.	6,838,834,521.36			6,838,834,521.36	0.69
15	AFRICAN EXPLOSIVES (T) LTD.	6,504,570,219.28		6,229,000.00	6,510,799,219.28	0.66
16	MANTRA TANZANIA LIMITED.	3,586,289,047.92		2,339,307,920.00	5,925,596,967.92	0.60

No.	COMPANY NAME	Revenue Collected by TRA	Revenue Collected by TPDC	Revenue Collected by MOM	Total Revenue Collected by Government	%
17	TANCOAL ENERGY LIMITED	4,272,715,820.52		1,612,965,870.00	5,885,681,690.52	0.59
18	CHINA PETROLEUM TECHNOLOGY AND DEVELOPMENT CORPORATION	5,073,585,655.40			5,073,585,655.40	0.51
19	NDOVU RESOURCES LIMITED.	1,611,105,017.38	3,165,844,508.47	600,000.00	4,777,549,525.85	0.48
20	GLOBEIQ TANZANIA SERVICES LIMITED	4,561,816,172.97			4,561,816,172.97	0.46
21	SAHARA TANZANIA LIMITED	3,921,555,549.00			3,921,555,549.00	0.40
22	MUBARAK GEMSTONES LIMITED			3,432,268,827.00	3,432,268,827.00	0.35
23	GRAYSON BANDA			3,126,118,498.00	3,126,118,498.00	0.32
24	CHINA PETROLEUM PIPELINE BUREAU (CPP)	2,980,707,224.17			2,980,707,224.17	0.30
25	HERITAGE RUKWA (TZ) LIMITED	778,623,182.06	2,039,346,155.72		2,817,969,337.78	0.28
26	MINERAL OIL CORPORATION LIMITED	2,777,856,186.30			2,777,856,186.30	0.28
27	ZEM (T) CO.LIMITED	2,292,889,320.16		356,750,046.00	2,649,639,366.16	0.27
28	JAC RIJK AFRICA LIMITED	2,168,160,027.75		70,000.00	2,168,230,027.75	0.22
29	NEELKANTH SALT LIMITED.	1,951,903,385.28		121,139,235.00	2,073,042,620.28	0.21
30	MATABE GOLD PROCESSING			1,991,335,450.00	1,991,335,450.00	0.20
31	OXLEY LIMITED	1,909,720,380.59			1,909,720,380.59	0.19
32	EVEN ENTERPRISES COMPANY LIMITED	1,666,580,232.00			1,666,580,232.00	0.17
33	NITRO EXPLOSIVES (T) LTD.	1,640,233,296.00			1,640,233,296.00	0.17
34	MBOGO MINING AND GENERAL SUPPLY LIMITED	1,625,326,213.14		12,084,800.00	1,637,411,013.14	0.17
35	NITRO LOGISTICS LIMITED	1,320,131,641.61			1,320,131,641.61	0.13
36	TANZANITE ONE MINING LTD	1,266,677,820.00			1,266,677,820.00	0.13
37	SEA SALT LIMITED	1,157,074,831.20		65,000,000.00	1,222,074,831.20	0.12
38	BUSOLWA MINING LIMITED	1,199,066,159.89			1,199,066,159.89	0.12
39	HAMIS RAJABU			1,107,310,628.00	1,107,310,628.00	0.11

No.	COMPANY NAME	Revenue Collected by TRA	Revenue Collected by TPDC	Revenue Collected by MOM	Total Revenue Collected by Government	%
40	KATAVI MINING COMPANY LIMITED	1,097,361,529.88		6,794,699.00	1,104,156,228.88	0.11
41	KABULAS LIMITED			1,076,611,200.00	1,076,611,200.00	0.11
42	EXXONMOBIL EXPLORATION AND PRODUCTION TANZANIA LIMITED	1,031,406,573.59			1,031,406,573.59	0.10
43	SUN SHINE MINING LIMITED	901,478,861.00		107,634,031.00	1,009,112,892.00	0.10
44	MMG GOLD LIMITED	592,841,360.00		381,438,982.00	974,280,342.00	0.10
45	BUSOLWA 'B' GOLD RUSH (EVARIST GERVAS)			971,652,990.00	971,652,990.00	0.10
46	GASTON SAMBALA			946,224,800.00	946,224,800.00	0.10
47	KAKOLA MINING COMPANY LIMITED	935,098,042.38			935,098,042.38	0.09
48	MURRAY & ROBERTS CEMENTATION (TANZANIA) LTD.	928,439,535.51			928,439,535.51	0.09
49	JOHN GODFREY RUPIA			897,960,000.00	897,960,000.00	0.09
50	SAID MAKUBEL			884,109,782.00	884,109,782.00	0.09
51	WEIR MINERALS EAST AFRICA LIMITED	874,884,077.54			874,884,077.54	0.09
52	FORTUNATUS J. NUGWANA			873,349,200.00	873,349,200.00	0.09
53	TANSINO QUARRIES LTD.	670,407,701.51		199,746,256.00	870,153,957.51	0.09
54	BUSOLWA GOLD MINE (TANZANIA) LIMITED	9,600,000.00		805,661,037.00	815,261,037.00	0.08
55	TNR LIMITED	804,994,109.23		230,000.00	805,224,109.23	0.08
56	GM & CO (TANZANIA) LTD	790,320,302.67			790,320,302.67	0.08
57	TANZANIA PORTLAND CEMENT CO. LTD			725,229,436.00	725,229,436.00	0.07
58	BEARING MAN GROUP TANZANIA LIMITED	723,861,643.57			723,861,643.57	0.07
59	JV OF CR15G & NEWCENTRY COMPANY LTD			713,057,114.00	713,057,114.00	0.07
Sub-total		609,849,543,471.71	32,625,796,775.07	235,490,214,343.00	877,965,554,589.78	88.66
STATE-OWNED ENTERPRISES						

No.	COMPANY NAME	Revenue Collected by TRA	Revenue Collected by TPDC	Revenue Collected by MOM	Total Revenue Collected by Government	%
60	TANZANIA PETROLEUM DEVELOPMENT CORPORATION	52,536,790,191.35	-	1,803,500.00	52,538,593,691.35	5.30
61	STAMIGOLD COMPANY LIMITED	91,689,524.00	-	943,535,575.00	1,035,225,099.00	0.10
62	STATE MINING COOPERATION (STAMICO)	-	-	1,357,092.00	1,357,092.00	0.00
Sub-total		52,628,479,715.35	-	946,696,167.00	53,575,175,882.35	5.40
RECONCILIATION SCOPE		662,478,023,187.06	32,625,796,775.07	236,436,910,510.00	931,540,730,472.13	94.06
63	OTHER COMPANIES/INDIVIDUALS (not meeting materiality threshold)	24,108,710,281.16	298,553,459.97	34,424,324,506.65	58,831,588,247.78	5.94
TOTAL REVENUE COLLECTED		686,586,733,468.22	32,924,350,235.04	270,861,235,016.65	990,372,318,719.91	100.00

6.2 Reporting Government Entities

The government statutory reporting entities shall be required to disclose revenues collected from the extractive sector during the reporting periods. These include ministries, agencies, and local government authorities, as listed in Table 23.

Table 23: Reporting Government Entities

No.	Name	No.	Name
1	Ministry of Finance and Planning (MoFP)	13	Bagamoyo District Council
2	Ministry of Minerals (MoM)	14	Chalinze District Council
3	Ministry of Natural Resources and Tourism (MNRT)	15	Mbinga District Council
4	Tanzania Revenue Authority (TRA)	16	Kahama Town Council
5	Ilala Municipal Council	17	Nzega District Council
6	Geita Town Council	18	Msalala District Council
7	Biharamulo District Council	19	Mtwara District Council
8	Mwanza City Council	20	Tarime District Council
9	Songwe District Council	21	Kilwa District Council
10	Simanjiro District Council	22	Kishapu District Council
11	Kinondoni District Council	23	Morogoro Municipal Council
12	Magu District Council		

6.3 Reporting Templates

Appendix 4 and 5 provide reporting templates for extractive companies and government entities, respectively. These templates will be used for both fiscal years 2016/17 and 2017/18. Data regarding the operations of the state-owned enterprises (TPDC and STAMICO) will be collected using a reporting template shown in Appendix 6. Similarly, data of contracts and license for companies operating in the Oil and Gas Sector will be collected from PURA using the reporting template shown in Appendix 7. Data regarding production, exports, and royalties from the Mining Sector will be collected from the Mining Commission using a reporting template shown in Appendix 8. Finally, Appendix 9 provides reporting templates for reporting entities to disclose details of the beneficial ownership.

7 CONCLUSION AND RECOMMENDATIONS

The preliminary data collected from the TRA, TPDC, and MoM show that from July 1, 2016, to June 30, 2017, and July 1, 2017, to June 30, 2018, the government collected TZS 980,557,876,610.91 and TZS 990,372,318,719.91 respectively from the extractive companies. In preparing the ninth and tenth TEITI Reports, we propose the following key recommendations to the TEITI Committee:

(i) Materiality Thresholds

We recommend a materiality threshold of TZS 900 million and TZS 700 million for the years 2016/17 and 2017/18, respectively. This means that all extractive companies that made payments above these thresholds shall be required to participate in the reconciliation report. The payments that contributed less than the materiality threshold will be reported, but not reconciled.

For a reconciliation of company payments and government receipts, we recommend that the reporting entities justify any discrepancy between individual financial flows that exceed TZS 2 million. Similarly, we recommend that the reconciliation exercise should be concluded when the discrepancy is less than one percent of the total reported company payments and government revenues.

(ii) Reporting Entities

In the reporting years 2016/17 and 2017/18, extractive companies made payments to the Ministry of Minerals, TRA, TPDC, and the MoFP. We recommend that these government entities, as well as the NSSF and PSSF, disclose /revenues collected from the extractive companies. In addition to the above government entities, LGAs that have received payments from extractive companies should also report.

(iii) Reporting Payments

We recommend that statutory reporting entities for 2016/17 and 2017/18 should report the payments they received or paid in the proposed reporting templates according to currency used (i.e. either TZS or USD). However, the currency of publishing the payments made by the extractive companies in the final report will be Tanzanian Shillings. We are further recommending that the rate for converting payments made in USD should be an annual average of the exchange rate⁴² of TZS 2,210.62 and TZS 2,254.43 for fiscal year 2016/17 and 2017/18, respectively.

⁴² <https://www.bot.go.tz/FinancialMarkets/IFEMsummaries/IFEMsummaries.asp>

(iv) Reporting Templates and Management Sign-off

Concerning reporting templates, we recommend the TEITI Committee to review and approve the revenue streams that will be used in the reconciliation exercise. We also recommend that a senior company or government official of a respective reporting entity sign-off the completed reporting templates. The signing authority should also attest that the data provided is complete and accurate.

(v) Disaggregated Data

The EITI requires the disclosure of disaggregated data of company payments and government revenues. In particular, it requires that the publication of data in the EITI report by an individual company, government entity, and payment/revenue streams. We have received disaggregated data from the MoM, TRA, and TPDC. We, therefore, recommend that all reporting entities should provide disaggregated data as proposed in the reporting templates.

(vi) Data Quality and Assurance

External auditors of Extractive companies should certify that the payments reported in the reporting templates are drawn from accounts audited to international standards. On the part of the government agencies, the Office of CAG should certify that the revenues reported in the reporting templates are drawn from accounts audited to international standards and issue a confirmation letter to the IA to this effect. We recommend the approval of these measures to ensure the quality, credibility, and integrity of the submitted data.

(vii) Confidentiality

Data provided in reporting templates by extractive companies and government entities should remain confidential. Also, the draft EITI report should remain confidential until the Tanzania EITI Committee authorizes its publication. We recommend the adoption of these measures by the Tanzania EITI Committee to maintain confidentiality.

APPENDICES

Appendix 1: Existing major mining projects in Tanzania

No.	Primary Commodity	Category	Description
1	Gold	Project name	Bulyanhulu Gold mine project
		Owner	Barrick Gold Company Plc
		Activity status and other details	The mine started in 2001 and it has estimated life period of 30 years. The mine is located in Kahama district of the Shinyanga region, approximately 55 km south of Lake Victoria and 150 km southwest of the city of Mwanza.
		Primary reserve and resources	The mine has a reserve of 28.2 Mt of ore, grade 14.5g/t. It has a monthly throughput of 1,095,000 ore processing/15,100 kg of gold.
		Project name	Geita Gold Mine project
		Owner	AngloGold Ashanti
		Activity status and other details	The mine started in 2000 and it was initially estimated to operate for 11 years. The mine is located in Geita District of the Geita Region.
		Primary reserve and resources	The mine has a reserve of 169.8 Mt of ore, grade 3.3g/t. It has a monthly throughput of 6,000,000 ore processing/24,000 kg of gold.
		Project name	North Mara Gold Mine
		Owner	Barrick Gold Company Plc
		Activity status and other details	The mine was opened in 2002, located in Tarime District, Mara Region.
		Primary reserve and resources	The mine has a reserve of 48.8 Mt of ore, grade 3.3g/t. It has a monthly throughput of 2,800,000 ore processing/10,000 kg of gold.
		Project name	Buzwagi Gold Mine
		Owner	Acacia Mining
		Activity status and other details	The mine was commissioned in 2009, but started operations in 2011 and it is expected to be shut down in 2022. It is situated six kilometres south-east of the district of Kahama in the Shinyanga region, Tanzania.

No.	Primary Commodity	Category	Description
		Primary reserve and resources	The mine has a reserve of 27.9 Mt of ore, grade 2.3g/t and a monthly throughput of 360,000.
		Project name	New Luika Gold Mine
		Owner	Shanta Gold
		Activity status and other details	The project achieved its first commercial production in 2012. It is located in the Songwe District of South Western Tanzania approximately 700km south-west of Dar es Salaam
		Primary reserve and resources	The ore bodies at New Luika comprise high grade (>6 grammes per tonne of gold), medium grade (3 – 6 grammes per tonne of gold) and low grade (1 – 3 grammes per tonne of gold) ore which average 3.9 grammes per tonne of gold.
2	Diamonds	Project name	Williamson Diamonds Limited
		Owner	Petra Diamonds in joint venture with the Tanzania Government.
		Activity status and other details	The mine started operation in 1940 and it has an estimated life to 2033. It is located in the 146 hectare Mwadui kimberlite pipe in Shinyanga Region.
		Primary reserve and resources	The mine has a reserve of 50.9 Mcrt, grade 5.2 cpht and a monthly throughput of 7,060,000 ore processing.
3	Tanzanite	Project name	Merelani Mining Limited
		Owner	TanzaniteOne Limited in joint venture with STAMICO
		Activity status and other details	The mine started commercial operations in 2001. It is located in the Melerani area, Simanjiro District, Manyara Region.
		Primary reserve and resources	It has an estimated reserve of 105 Mcrt and a monthly throughput of 120,000 ore processing per 1,600kg tanzanite.
4	Coal	Project name	Ngaka Coal mine
		Owner	TanCoal Energy Limited
		Activity status and other details	The mine was opened in 2011 and has an estimate life of more than 100 years. It is located in the vast coalfields of south western Tanzania.

No.	Primary Commodity	Category	Description
		Primary reserve and resources	The mine contains an estimated 200 Mt of grade and A and B coal and a monthly throughput of 40,000 of coal.

Appendix 2: Prospective mining projects in Tanzania

No.	Primary Commodity	Category	Description
1.	Nickel	Project name	Kabanga Nickel Project
		Owner	The project is owned jointly between Xstrata Nickel and Barrick Gold Corporation.
		Activity status and other details	Kabanga Nickel project is an active mine exploration project located 130 kilometres Southwest of Lake Victoria in the Ngara District, Kagera Region.
		Primary reserve and resources	Kabanga has a total estimated Measured and Indicated Resource of 37.2 million tons of grading 2.63% nickel and an Inferred Resource of 21 million tons of grading 2.6% nickel. At full production, it is estimated that the project may produce more than 40,000 tons of concentrate nickel per year.
2.	Coal	Project name	Mchuchuma-Liganga Twin Projects
		Owner	The project is owned by National Development Corporation (NDC) in partnership with Sichuan Hongda (Group) Co. Ltd (SHCL).
		Activity status and other details	The projects are located in Ludewa District, Njombe Region, and 850 kilometers southwest of Dar es Salaam.
		Primary reserve and resources	Mchuchuma has a reserve of 536 million tons of coal, with proven reserve representing 159 million tonnes. The Liganga project life is expected to produce a total of 219 million tons of iron ore, 175,400 tonnes of titanium and 5,000 tonnes of vanadium.
3.	Gold	Project name	Nyanzaga Project
		Owner	Operated by Acacia Mining Plc as acquired from Africa Barrick Gold in May 2010.
		Development stage	The project is currently at an early stage of development.
		Activity status and other details	The project is located in Sengerema District, Mwanza Region, approximately 60 kilometres southwest of Mwanza City.

No.	Primary Commodity	Category	Description
		Primary reserve and resources	Indicated Resource Estimate stands at 3.75 million troy ounces of gold.
5.		Project name	Buck reef Gold Project
		Owner	The project is operated by the Tanzania Royalty Exploration Company under joint venture agreement with STAMICO, each holding 55% and 45% shares, respectively.
		Activity status and other details	This project is located in Geita Region immediately to the south of Lake Victoria and it is 110km southwest of Mwanza
		Primary reserve and resources	Exploration programs at Buck reef indicate a presence of 5.17 Mt of ore, grade 2.05g/t and a total minable gold of 0.34 Mil.Oz. (Measured Reserves); 38.97 Mt of ore, grade 1.12g/t and a total minable gold of 1.40 Mil.Oz. (Indicated Reserves); 5.23.35 Mt of ore, grade 0.98g/t and a total minable gold of 0.98 Mil.Oz (Inferred Reserves). Total Measurable and Indicate Reserves are 44.15 Mt of ore, grade 1.23 and a total minable gold of 1.74 Mil.Oz.

Appendix 3: Details of existing PSA in 2016/17 and 2017/18

PSA CONTRACTORS IN 2016/17

No.	CONTRACTOR	LICENCE AREA
1	PAN AFRICAN ENERGY	SONGOSONGO
2	MAUREL ET PROM	BIGWA, RUFIJI,MAFIA
3	NDOVU RESOURCES	NYUNI
4	NDOVU RESOURCES	RUVUMA
5	MAUREL ET PROM	MNAZI BAY
6	SHELL EXPLORATION AND PRODUCTION TANZANIA LTD	BLOCK 1
7	SHELL EXPLORATION AND PRODUCTION TANZANIA LTD	BLOCK 4
8	EQUINOR	BLOCK 2
9	DODSAL RESOURCES	RUVU BASIN
10	HERITAGE OIL PLC	RUKWA
11	HERITAGE OIL PLC	KYELA
12	BEACH PETROLEUM (T) LTD	LAKE TANGANYIKA SOUTH
13	SWALA ENERGY	KILOSA KILOMBERO

PSA CONTRACTORS IN 2017/18

No.	ACTIVE PSA	LICENCE AREA
1	PAN AFRICAN ENERGY	SONGOSONGO
2	MAUREL ET PROM	BIGWA, RUFIJI,MAFIA
3	NDOVU RESOURCES	NYUNI
4	NDOVU RESOURCES	RUVUMA
5	MAUREL ET PROM	MNAZI BAY
6	SHELL EXPLORATION AND PRODUCTION TANZANIA LTD	BLOCK 1
7	SHELL EXPLORATION AND PRODUCTION TANZANIA LTD	BLOCK 4
8	EQUINOR	BLOCK 2
9	DODSAL RESOURCES	RUVU BASIN
10	HERITAGE OIL PLC	NORTH RUKWA
11	SWALA ENERGY	KILOSA KILOMBERO

Appendix 4: Reporting Templates for Companies

TEITI PAYMENTS REPORTING TEMPLATE FOR COMPANIES (FROM 1 JULY 2016 TO 30 JUNE 2017)



1. Basic Information

Name of the Entity

(Extractive company)

TIN

Licence No.

1

Type of license

2

Type of license

Reporting template filled in by

Position

Email address		Tel.	
---------------	--	------	--

2. Company Information

Company Shareholding	Name	Amount (TZS)	Amount (USD)	% Interest	Number of shares
	Total				

Core business	
Secondary activities	

Please state if the last financial statements have been audited (yes/no)	
Name of the last financial statements Auditor	

3 Direct Payments and Revenues			
Ref for details of supporting breakdown	Type of Tax	Paid	
		TZS	USD
A Payments to the Ministry of Energy and Minerals (MEM)			
A1	Royalties for minerals		
A1-1	Royalties for oil and gas		
A2	Annual rental fee		
A3	License and permit fee		
A4	Profit per Production Sharing Agreements		
A5	Protected Gas/Additional Gas Revenues		
A6	Application and preparation fee		
A7	Other material payments made to MEM		
B Payments made to Tanzania Petroleum Development Corporation (TPDC)			
B1	Protected Gas Revenue		

B2	Additional Gas Revenue		
B3	Profit per Production Sharing Agreement		
B4	License Charges/fees		
B5	Royalties for oil and gas		
B6	Training Fees		
B7	Quasi- Fiscal Expenditures		
B8	Tariff on gas transport through Mtwara-Dar es Salaam Gas Pipeline		

Pan African Energy payments for gas transportation made to SONGAS

B9	Tariff on gas transport through SONGAS pipeline		
B10	Other material payment made to TPDC (TZS > 20 million)		

C Payments made to Tanzania Revenue Authority (Large Tax payers Department-LTD)

C1	Corporation Tax (including provisional tax and advance tax)		
----	---	--	--

C2	Withholding Taxes paid on company TIN where tax payer is withholdee		
C2-1	Withholding Taxes paid on company TIN where tax payer is NOT withholdee but withholder		
C3	Pay- As-You-Earn (PAYE)		
C4	Skills and Development Levy (SDL)		
C5	VAT paid to LTD		
C6	VAT paid to LTD (To be refunded)		
C7	Excise Duty paid to LTD		
C8	Capital Gains Tax Paid to LTD		
C9	Tax Exemptions on fuel		
C10	Other tax exemptions		
C11	Sole Proprietor (Presumptive Tax)		
C12	Personal Income Tax		
C13	Income Tax Interest and Penalty		
C14	Bed Night levy		

C15	Mgt and Technical Servc fees (mining oil and gas)		
C16	Dividends		
C17	Natural Resources Payments		
C18	Stamp Duty		
C19	Other material payments made to TRA LTD (TZS > 20 million)		

D Payments made to Tanzania Revenue Authority (Domestic Revenue Department-DRD)

D1	Corporation Tax (including provisional ax and advance tax)		
D2	Withholding Taxes paid on company TIN where tax payer is witholdee		
D2-1	Withholding Taxes paid on company TIN where tax payer is NOT witholdee but withholder		
D3	Pay- As-You-Earn (PAYE)		
D4	Skills and Development Levy (SDL)		
D5	VAT		
D6	VAT (To be refunded)		

D7	Excise Duty		
D8	Capital Gains Tax		
D9	Tax Exemptions on fuel		
D10	Other tax exemptions		
D11	Sole Proprietor (Presumptive Tax)		
D12	Personal Income Tax		
D13	Income Tax Interest and Penalty		
D14	Bed Night levy		
D15	Mgt and Technical Servic fees (mining oil and gas)		
D16	Dividends		
D17	Natural Resources Payments		
D18	Stamp Duty		
D19	Other material payments made to TRA DRD (TZS > 20 million)		

E Payments made to Tanzania Revenue Authority (Customs and Excise Department-CED)

E1	VAT paid to CED		
E2	Excise Duty paid to CED		
E3	Import Duty paid to CED		
E5	Fuel Levy paid to CED		
E6	Trade Levy Zanzibar		
E7	Vehicle Reg Tax		
E8	Railroad Dev Levy		
E9	Customs Processing Fee		
E10	Petroleum levy (kerosine, gas oil, and motor spirit)		
E11	Other material payments made to TRA (TZS > 20 million)		

F Payments made to Local Authorities

F1	Service Levy		
F2	Other Local Taxes, Fees and Levies		

G Payments made to Ministry of Finance (MoF)			
G1	Dividends for Government Shares held in the company		
G2	Revenues to Government for shareholding sale in the companies		
H Payments made to Ministry of Tourism and Natural Resources (MOTNR)			
H1	Payments to MOTNR/TFS		
Total payments made to government			

4 Social and Other Payments						
Date (dd/mm/yyyy)	Type of payment or contribution	Location	Paid to	Amount TZS	Amount USD	In-Kind

--	--	--	--	--	--

5 Social Security Funds

Date (dd/mm/yyyy)	Type of payment or contribution	Location	Paid to	Amount TZS	Amount USD	In-Kind
	PPF					
	NSSF					
	WCF					
	GEPP					

6 Production Data

Date/month of production	Type/Quality of Mineral/Product	Field/License	Unit of measure	Quantity produced

7 Sales (Exports and Local Sales) Data

Date/month of sale	Type/Quality of Minerals	Field/license	Unit of measure	Quantity sold	Value TZS	Value USD

8 Operation costs

Type of costs	Value TZS	Value USD
Capital Expenditure		
Company operation costs		

9 Positions and Salaries of Foreign and Local Experts

Type of experts*	Positions	Quantity	Salaries TZS	Salaries USD
Foreign				

Local				
Other labour categories				

* A specialized expert in Mining/Oil/Gas

10

Procurement of goods and services from local companies in Tanzania

Type	Value TZS	Value USD
Goods (Include annex of companies provided goods)		
Service (include Annex of companies provided services)		

11

Management Sign-off

I acknowledge for and on behalf of the above Entity's responsibility for the truthful and fair presentation of the attached reporting template in accordance with the reporting instructions. Specifically, I confirm the following:

1. The information provided in respect of amounts paid is complete and has been faithfully extracted from the Entity accounting records;
2. All amounts paid are supported by genuine receipts and substantiated by documentary evidence;
3. The amounts paid exclude payments made before 1 July 2016 and payments made after 30 June 2017;

4. The classification of amounts paid on each line is accurate and does not include amounts due to be reported on other lines;
5. The amounts paid do not include amounts paid on behalf of other Entities;
6. The amounts paid/received only include amounts paid/received by the Entity;
7. The accounts of the Entity on which the figures are based have been audited in accordance with International Standards on Auditing.

Name:

Position:

Signature and Stamp:



Auditors Certification

I, (name), registered external auditor, have examined the foregoing TEITI reporting template of (insert name of Extractive Company) and can confirm that I have tested the completeness and accuracy of the extraction of the payments data included on the reporting template from the audited accounting records/financial statements of the Entity for the period(s) [stat dates] under International Auditing Standards.

Based on this examination, we confirm that the transactions reported therein are in accordance with instructions issued by TEITI, are complete, and are in agreement with the books of account for the respective period.

Name:

Position within the Audit firm:

Name of the Audit Firm (if applicable):

Address of the Audit Firm (or Auditor):

Signature and Stamp:

Appendix 5: Reporting Templates for Government Entities

TEITI RECEIPTS REPORTING TEMPLATE FOR GOVERNMENT AGENCY

(FROM 1 JULY 2016 TO 30 JUNE 2017)



1. NAME OF GOVERNMENT AGENCY:	
2. TAX PAYER NAME:	
3. TAXPAYER IDENTIFICATION NUMBER (TIN):	
4. SECTOR (Minerals /Oil/ Gas):	

5. Receipts from Companies

Ref for details of supporting breakdown	Type of Receipt	Receipts		Comments
		TZS	USD	
A. Received by the Ministry of Energy and Minerals (MEM)				
A1	Royalties for minerals			
A1-1	Royalties for oil and gas			
A2	Annual rental fee			
A3	License and permit fee			
A4	Profit per Production Sharing Agreements			
A5	Protected Gas/Additional Gas Revenues			
A6	Application and preparation fee			
A7	Other material payments made to MEM			
B. Received by Tanzania Petroleum Development Corporation (TPDC)				
B1	Protected Gas Revenue			
B2	Additional Gas Revenue			

B3	Profit per Production Sharing Agreement			
B4	License Charges/fees			
B5	Royalties for oil and gas			
B6	Training Fees			
B7	Quasi- Fiscal Expenditures			
B8	Tariff on gas transport through Mtwara-Dar es Salaam Gas Pipeline			
C. Pan African Energy payments for gas transportation received by SONGAS				
B9	Tariff on gas transport through SONGAS pipeline			
B10	Other material payment made to TPDC (TZS > 20 million)			
D. Payments made to Tanzania Revenue Authority (Large Tax payers Department-LTD)				
C1	Corporation Tax (including provisional ax and advance tax)			
C2	Withholding Taxes paid on company TIN where tax payer is withholder			

C2-1	Withholding Taxes paid on company TIN where tax payer is NOT withholder but withholder			
C3	Pay- As-You-Earn (PAYE)			
C4	Skills and Development Levy (SDL)			
C5	VAT paid to LTD			
C6	VAT paid to LTD (To be refunded)			
C7	Excise Duty paid to LTD			
C8	Capital Gains Tax Paid to LTD			
C9	Tax Exemptions on fuel			
C10	Other tax exemptions			
C11	Sole Proprietor (Presumptive Tax)			
C12	Personal Income Tax			
C13	Income Tax Interest and Penalty			
C14	Bed Night levy			
C15	Mgt and Technical Servic fees (mining oil and gas)			

C16	Dividends			
C17	Natural Resources Payments			
C18	Stamp Duty			
C19	Other material payments made to TRA LTD (TZS > 20 million)			

E. Payments made to Tanzania Revenue Authority (Domestic Revenue Department-DRD)

D1	Corporation Tax (including provisional ax and advance tax)			
D2	Withholding Taxes paid on company TIN where tax payer is witholdee			
D2-1	Withholding Taxes paid on company TIN where tax payer is NOT witholdee but withholder			
D3	Pay- As-You-Earn (PAYE)			
D4	Skills and Development Levy (SDL)			
D5	VAT			
D6	VAT (To be refunded)			

D7	Excise Duty			
D8	Capital Gains Tax			
D9	Tax Exemptions on fuel			
D10	Other tax exemptions			
D11	Sole Proprietor (Presumptive Tax)			
D12	Personal Income Tax			
D13	Income Tax Interest and Penalty			
D14	Bed Night levy			
D15	Mgt and Technical Servic fees (mining oil and gas)			
D16	Dividends			
D17	Natural Resources Payments			
D18	Stamp Duty			
D19	Other material payments made to TRA DRD (TZS > 20 million)			

F. Payments made to Tanzania Revenue Authority (Customs and Excise Department-CED)

E1	VAT paid to CED			
E2	Excise Duty paid to CED			
E3	Import Duty paid to CED			
E5	Fuel Levy paid to CED			
E6	Trade Levy Zanzibar			
E7	Vehicle Reg Tax			
E8	Railroad Dev Levy			
E9	Customs Processing Fee			
E10	Petroleum levy (kerosine, gas oil, and motor spirit)			
E11	Other material payments made to TRA (TZS > 20 million)			

G. Payments made to Local Authorities

F1	Service Levy			
F2	Other Local Taxes, Fees and Levies			

H. Payments made to Ministry of Finance (MoF)				
G1	Dividends for Government Shares held in the company			
G2	Revenues to Government for shareholding sale in the companies			
I. Payments made to Ministry of Tourism and Natural Resources (MOTNR)				
H1	Payments to MOTNR/TFS			
J. Donations received from extractive companies for Corporate Social Responsibility (please provide details of the nature of receipt and purpose including in kind receipts)				
F1				
F2				

6. Agency/Ministry Management sign-off	
I acknowledge for and on behalf of the Agency our responsibility for the truthful and fair presentation of the attached reporting template in accordance with the reporting guidelines. Specifically, I confirm the following:	
1. The information provided in respect of amounts received is complete and has been faithfully extracted from the Agency's accounting records	

2. All the amounts received are supported by official and genuine flag receipts and substantiated by documentary evidence				
3. The amounts received exclude payments made before 1 July 2016 and payments made after 30 June 2017				
4. The classification of amounts received on each line is accurate and does not include amounts due to be reported on other lines				
5. The amounts received do not include amounts received in respect of other taxpayers with a different TIN				
6. The amounts received only include amounts received by the reporting Agency				
7. The accounts of the Agency on which the figures are based have been audited and an unqualified audit opinion issued thereon by the Auditor General in accordance with International Standards on Auditing as applicable to the public sector				
Name				
Position				
Date				
Signature				
Stamp				
We attach further information which will assist you in reconciling the amounts received to the records of the relevant taxpayers (See supporting schedules and support documentation)				
Auditors Report from the Office of the Controller and Auditor General				

I have examined the foregoing TEITI reporting template of (insert name of taxpayer) and can confirm that I have tested the completeness and accuracy of the extraction of the receipts data included on the reporting template from the accounting records of the Agency/Ministry

Based on this examination I can report that nothing has come to my attention that would lead me to believe that the information disclosed in the template does not represent a truthful and fair summary of receipts of the government agencies as stated in accordance with the template instructions

Name				
Position within the Office of the Auditor General				
Date				
Signature				
Stamp				

Appendix 6: Reporting templates for information regarding the operations of State-Owned Companies (TPDC and STAMICO)

[illegible]

Financial relationship between the SOE and the government					
NB! Indicate currency	Retained earnings	Reinvestment	Dividends paid to the government	Other transfers to the government	Funds received from the government
Summary of statutory rules and link or reference to relevant law(s) or polic(ies)					
Value in FY 16/17					
Value in FY 17/18					

Note: If the SOE's subsidiaries or joint ventures received funds from the government or the SOE, or remitted funds to the government or the SOE, please fill out the table separately for each subsidiary and JV.

Loans and guarantees from SOEs to oil, gas and mining companies

Statutory rules governing SOE's right to grant loans or guarantees to extractive companies, incl. link or reference to relevant law or policy	Indicate each loan or loan guarantee from the SOE to extractive companies active in FY 16/17 or FY 17/18	Date of granting loan or guarantee	Date of full repayment or expiry, if applicable	Name of the legal entity providing loan or guarantee (e.g. SOE, its subsidiary or JV)	Name of the entity loan or guarantee provided to	Total value of loan or guarantee (<i>indicate currency</i>)	Outstanding value at the end of FY 16/17	Outstanding value at the end of FY 17/18	Interest rate	Loan tenor and repayment schedule	Links or references to supporting documentation

Loans and guarantees from the state to extractive companies, including the SOE											
Statutory rules governing the government's right to grant loans or guarantee to extractive companies including the SOE, incl. link or reference to relevant law or policy	Indicate each loan or loan guarantee from the state to the SOE active in FY 16/17 or FY 17/18	Date of granting loan or guarantee	Date of repayment or expiry, if applicable	Name of the legal entity receiving loan or guarantee (e.g. SOE, its subsidiary or JV)	Government entity granting loan or guarantee	Total value of loan or guarantee (<i>indicate currency</i>)	Outstanding value at the end of FY 16/17	Outstanding value at the end of FY 17/18	Interest rate	Loan tenor and repayment schedule	Links or references to supporting documentation

Third-party financing											
NB! Indicate currency	Statutory rules governin g SOE's right to seek third- party financing (debt and equity)	Total value of equity issued to third parties in the year under review	Value of outstandi ng loans from extractiv e compani es (e.g. third party financing of cash calls)	Value of outstandi ng loans from other third- party entities (e.g. banks)	Total value of outstandi ng third- party loans	Links or references to supporting documentat ion					
FY 16/17											
FY 17/18											

Appendix 7: Reporting Template for collecting contract and license information from Companies in the Oil and Gas Sector [PURA]

Oil and gas licenses of Tanzania										
Last updated:										
Name of the field/area	License number	Commodity(ies)	License holder(s) and their share (%)	Operator	Award procedure	Date of application	Date of award	Date of expiry or duration	Coordinates	Comments/links

Appendix 8: Reporting template for production, exports, and minerals from the Mining Commission

Total output per commodity in <i>year</i>						
Commodity	Unit	Production volumes (quantities)	Production values (TZS or USD)	Expected export volumes (quantities)	Expected export values (TZS or USD)	Royalties paid (TZS)
Example: Gold	TOz	1,500,000	1,650,000,000	1,450,000	1,600,000,000	240,000,000

Mining sector output for most significant producers in <i>year</i>								
Name of the project	Operator (company)	Commodity	Unit	Production volumes (quantities)	Production values (TZS or USD)	Expected export volumes (quantities)	Expected export values (TZS or USD)	Royalties paid (TZS)
Example: Gold mine	Gold company LLC	Gold	TOz	1,500	1,650,000	1,450	1,600,000	240,000
		List other commodities						

Appendix 9: Reporting Template for disclosing information about beneficial ownership

Reporting Template for Disclosure of Beneficial Ownership of the Extractive Companies in the United Republic of Tanzania.



#	Section I: Company Identification	
1	Full legal name of entity	
2	Company registration number	
3	Tax identification number	
4	Contact address in Tanzania and abroad (physical address, telephones, fax, email address and web address)	
5	Is this publicly listed entity? (yes or no)	
6	If yes, provide which stock market the entity is listed, under which name and under which stock symbol	
7	Is this entity a wholly owned subsidiary of a publicly owned company? (yes or no)	
8	If yes, provide the name of the publicly listed company, contact details, which stock market the	

	company is listed, under which name and under which stock symbol.	
9	Is the entity wholly owned by the Government of the United Republic of Tanzania? (yes or no)	

Section II: Licenses Held by the Entity			
#	Issuing authority	License number	License type
1			
2			
3			
4			
5			
6			
7			
8			

Section III: Association with other Entities/Persons				
11. Provide details of every entity/person with which the entity is cooperating in the extraction of gas and mining in Tanzania				
#	Full legal name of entity/person	Nature of association	License number	License activity

1				
2				
3				
4				
5				
6				
7				
8				

****If the entity is a publicly listed company, a wholly owned subsidiary of a public company, or a wholly owned state enterprise, proceed to Section VII on Management Sign-off. If not, complete all the following sections.**

Section IV: Declaration of Beneficial Ownership

12. According to the EITI Standard, Requirement 3.11.d.i, a beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity. Provide details of any beneficial owner who owns or controls 1% or more in the entity.

Beneficial Owner One (provide the following details for each beneficial owner of the entity)

Identity of the beneficial owner	Information about how ownership is held or control over the company is exercised	Date when beneficial interest was	Means of contact

						acquired	
[Full name as it appears on national identify card]	By shares		By % of voting rights		Other	[date]	[residential/ service address]/ other
	[number of shares]	[% of shares]	[% of direct voting rights]	[% of indirect voting rights]	[If the beneficial owner holds shares in the entity via a separate company provide company registration, country of incorporation, registered office address]		
[Date of birth and/or national identify number]							
[Nationality]							
[Country of residence]							

Beneficial Owner Two (provide the following details for each beneficial owner of the entity)

Identity of the beneficial owner	Information about how ownership is held or control over the company is exercised				Date when beneficial interest was acquired	Means of contact
[Full name as it appears on national identify card] [Date of birth and/or national identify number] [Nationality] [Country of residence]	By shares		By % of voting rights		Other	[date] [residential/ service address]/ other
	[number of shares]	[% of shares]	[% of direct voting rights]	[% of indirect voting rights]	[If the beneficial owner holds shares in the entity via a separate company provide company registration, country of incorporation, registered office address]	

Beneficial Owner Three (provide the following details for each beneficial owner of the entity)							
Identity of the beneficial owner	Information about how ownership is held or control over the company is exercised				Date when beneficial interest was acquired	Means of contact	
[Full name as it appears on national identify card] [Date of birth and/or national identify number] [Nationality]	By shares		By % of voting rights		Other	[date]	[residential/ service address]/ other
	[number of shares]	[% of shares]	[% of direct voting rights]	[% of indirect voting rights]	[If the beneficial owner holds shares in the entity via a separate company provide company registration, country of incorporation, registered office address]		

[Country of residence]							
------------------------	--	--	--	--	--	--	--

Summary of Beneficial Ownership				
#	Name of beneficial owner (provide full legal name. Also provide full legal name if shareholder is a company or beneficial owner holds shares through a company entity)	Class of share	Number of shares held	% of share held
1				0.0%
2				0.0%
3				0.0%
4				0.0%
5				0.0%

6				0.0%
7				0.0%
8				0.0%
9				0.0%
10				0.0%
11				0.0%

Section V: Persons with Influence over the Actions or Management of the Company

13. In addition to the beneficial owners of the entity, are there persons with influence over the actions or management of the company? If yes, provide the following details

#	Name of the person	Relationship with the entity
1		
2		
3		
4		
5		

Section VI: Politically Exposed Persons

14. According to the Financial Action Task Force, politically exposed persons are individuals who are or have been entrusted with prominent public functions by a local foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials. It also includes persons who are or have been entrusted with a prominent function by an international organization and therefore refers to members of senior management, i.e. directors, deputy directors and members of the board or equivalent functions. The definition does not cover middle ranking or more junior individuals in the foregoing categories. Are there politically exposed persons who are beneficial owners of the entity? If yes, provide the following details

#	Name	Public office position and role	Date when office was assumed	Date when office was left, if applicable
1				
2				
3				
4				
5				

Section VII: Management Sign-off

15. I, undersigned, for and on behalf of the reporting entity confirm that all information provided in the reporting template on beneficial ownership is accurate and reliable.

Name	
Position	
Signature	

Stamp	
Telephone	
E-mail address	