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Enhancing Transparency & Accountability
of the Extractive Industry in Tanzania



SECRECY
IN THE
EXTRACTIVE
SECTOR

LACK OF
BENEFICIAL
OWNERSHIP
DISCLOSURE

TRANSPARENCY
AND
ACCOUNTABILITY
IN THE
EXTRACTIVE
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**UNMASKING
BENEFICIAL OWNERSHIP:
STRENGTHENING
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TANZANIA'S
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Summary

1. Compliance among extractive companies disclosing beneficial ownership (BO) information has shown a general upward trend. In 2017/2018, 34 companies were required to disclose, with 16 (47.06%) complying. This improved in 2018/2019, with 41 companies required and 27 (65.85%) compliant, and in 2019/2020, 40 companies were required, with 26 (65%) complying. However, in 2020/2021, compliance slightly declined, with 45 companies required and 25 (55.56%) fulfilling the disclosure requirements. These trends indicate positive progress, though compliance rates continue to fluctuate.
2. For 2021/2022, 43 companies responded to BO requests: two companies disclosed individual BO names, 22 disclosed shareholders, and 19 failed to provide any BO data.
3. TEITI recognizes the existing challenges in ensuring comprehensive BO disclosure. To address this, TEITI suggests formal recognition as a competent authority under the Companies Act to access BO data directly from BRELA.
4. Tanzania made strides toward contract transparency through TEITI's roadmap to review the legal framework for disclosing mining, oil, and gas contracts, aiming to launch a public disclosure portal by June 2024. This phased plan included reviewing sector agreements, updating the TEITA Act, and consulting key stakeholders. However, as the year ends, progress remains uncertain, and the timeline appears delayed.

1.0. Introduction

Tanzania's abundance of extractive resources has bestowed it with a distinctive reputation. Internationally recognized for its exclusive Tanzanite reserves, the country also boasts deposits of various minerals, such as gold, diamonds, coal, nickel, iron, uranium, ruby, and graphite.¹ The extractive industry can threaten socio-economic development and human rights in communities. Positive outcomes benefit the whole country, yet negative impacts often affect nearby communities.²

On March 16, 2023, Deputy Minister of Minerals, Dr. Steven Kiruswa, launched the Tanzanian Local Content and CSR system, highlighting substantial achievements in the mining sector, such as a 131% increase in Tanzanian mining employment from 2018 to 2022, with 15,341 jobs in 2022, along with a 97.4% domestic procurement rate in 2022, and an 81% growth in mining service providers, which increased from 623 in 2018 to 1,386 in 2022. Moreover, 8,066 Tanzanians received mining sector training in 2022, amounting to 3.4 billion Tanzanian shillings.³

Moreover, the mining sector's contribution to the Gross Domestic Product (GDP) has been increasing yearly. In the year 2020/2021 the mineral sector contribution to GDP rose to 7.2% from 6.7% in 2019/2020. Following the notable development, the sector became the economy's leading foreign exchange source⁴. In 2023 the contribution of the mining sector to GDP has reached 10 per cent, affirmed President Samia on Sunday, October 22nd ⁵

Notably, The Tanzania Extractive Industries (Transparency and Accountability) Act, 2015 and its amendment of 2021 was enacted to ensure there is transparency and accountability of players in the extractive industry in Tanzania. Among other matters, section 4 of the Act establishes the TEITA Committee, which is an oversight body

¹ Ibid.

² Syahrir, R., Wall, F., & Diallo, P. (2021). Coping with sudden mine closure: The importance of resilient communities and good governance. *The Extractive Industries and Society*, 8(4), 101009.

³ [News | TUMEMADINI](#)

⁴ [The Tanzania Mining & Investment Forum \(tanzaniamininginvestmentforum.com\)](https://tanzaniamininginvestmentforum.com)

⁵ [Mining sector contribution to GDP rises to 10 percent | The Citizen](#)

for promoting and enhancing transparency and accountability in the extractive industry. Section 5 to 10 of the Act provides other matters concerning the functional arrangement of the Committee. Moreover, section 10 (2) (b) and (c) of the Act empowers the Committee to obtain information from extractive companies and statutory recipients concerning their operations. In addition, sections 15 (1) to (3) of the Act sets a requirement for extractive industry companies to provide information on local content, corporate social responsibility, and capital expenditure incurred. Similarly, section 16 (1) (a) and (b) requires the Committee to publish information of extractive industry companies, including disclosure of contracts and beneficial ownership. Section 23 of the Act sets out penalties for individuals and companies that fail to provide required documents or information under the law. An individual could face a fine of up to TZS 10.0 million (approximately USD 4,000), while a body corporate could be fined a maximum of TZS 150.0 million (approximately USD 60,000).

Tanzania's discussions on the disclosure of beneficial ownership have occurred without comprehensive legislative support. However, it is worth noting the recent significant legal advancements in Tanzania concerning the disclosure of beneficial ownership. These legal measures aim to bolster the country's economic stability while actively combating illicit trade, money laundering, and other organized economic crimes that have negatively impacted Tanzania's business environment.

Therefore, this analysis primarily focuses on providing an in-depth assessment of the current state of compliance with the beneficial ownership law within Tanzania's extractive sector. Through a comprehensive examination, this analysis highlights the extent to which extractive companies are adhering to legal requirements regarding the disclosure of beneficial ownership information and provide strategic recommendations that can enhance adherence to the beneficial ownership law.

2.0. Introduction to Beneficial Ownership Disclosure in the Tanzania Extractive Sector

Beneficial ownership refers to the natural person or persons who ultimately own or control an entity or asset, such as a company, a trust, or a property, as well as a person who enjoys the benefits of ownership even though the title to some form of property is in another name, namely beneficial owner. It also refers to any individual or group of individuals who, directly or indirectly, have the authority to vote or influence transaction choices involving a certain security, such as business shares.⁶

This session is dedicated to analyzing the legal framework in Tanzania for disclosing beneficial ownership, delving into the legal implications and compliance, with a particular focus on the extractive sectors (mining, oil, and gas).

To begin, during the Anti-Corruption Summit held in London on May 12, 2016, Hon. Kassim Majaliwa, the Prime Minister of The United Republic of Tanzania, provided assurance to stakeholders. He made a commitment that the government would take steps to ensure that information regarding the beneficial ownership of companies engaged in extractive industries would be made accessible to the public through a centralized registry by the year 2020. Furthermore, the Prime Minister pledged to establish bilateral agreements to facilitate the exchange of information with partner countries (United Republic of Tanzania, 2016).

However, it is essential to note that as of now, four years past the initially committed deadline, it is pertinent to inquire whether the centralized registry has indeed been implemented as pledged by the Prime Minister. Furthermore, there is a need to assess the effectiveness of Tanzania's legal framework in encouraging companies to disclose their beneficial owners.

⁶ [Beneficial Ownership Meaning and Regulation \(investopedia.com\)](https://www.investopedia.com/terms/b/beneficial-ownership-meaning-and-regulation/)

On the other hand, in 2009, Tanzania joined the Extractive Industry Transparency and was among the few first countries to domesticate by enacting a specific law in 2015⁷ (TEITI, 2016). The Extractive Industries Transparency Initiative is grounded in the fundamental premise that the extractive resources of a nation are the collective property of its citizens. Consequently, the stewardship of the wealth generated by these resources falls under the purview of sovereign governments. However, there has historically been a lack of clarity regarding the true ultimate natural persons that have direct or indirect control or gains from extractive investments. The Extractive Industries Transparency Initiative (EITI) has established a comprehensive framework for beneficial ownership disclosure to address this opacity.

As per the EITI Standard, Beneficial ownership is defined as “the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.” In 2016 and 2019, EITI Standards introduced a pivotal requirement regarding beneficial ownership disclosure, Requirement 2.5. This requirement consists of several components:

- a) EITI encourages implementing countries to maintain a publicly accessible register of the beneficial owners of corporate entities involved in extractive assets. This register should include information about the identities of the beneficial owners, the extent of their ownership, and details on how they exercise control. Ideally, beneficial ownership data should be integrated into existing corporate filings with regulatory bodies, stock exchanges, or agencies responsible for extractive industry oversight. If such data is already publicly available, the EITI report should provide guidance on accessing it.
- b) The EITI report should document the government's policy, and the discussions held by the multi-stakeholder group (MSG) regarding the disclosure of beneficial ownership. This documentation should encompass relevant legal provisions, ongoing disclosure practices, and any planned or ongoing reforms related to beneficial ownership disclosure.

⁷ Tanzania Extractive Industries Transparency and Accountability Act of 2015 (as amended in 2021)

- c) As of 1 January 2020, implementing countries were required to request that companies publicly disclose beneficial ownership information. This requirement applies to corporate entities involved in exploration or production licenses for oil, gas, or mining. It mandates the disclosure of the identities of beneficial owners, their ownership percentages, and details on how they exercise control. Any gaps or weaknesses in reporting on beneficial ownership should be disclosed, including the identification of entities that failed to submit complete information. In situations where constitutional or practical barriers hinder the implementation of this requirement, countries may seek adapted implementation following EITI Board procedures.

Subsequently, the new 2023 EITI Standards have introduced further enhancements. Reporting companies are now expected to publish anti-corruption policies outlining how they manage corruption risks, with a focus on their utilization of beneficial ownership data. Furthermore, companies and multi-stakeholder groups are required to conduct robust due diligence processes⁸. Building upon the 2016 and 2019 requirements, the multi-stakeholder group must evaluate existing mechanisms to ensure the accuracy of beneficial ownership information. They should collaborate on establishing an approach for corporate entities within the scope of Requirement 2.5(c) to confirm the accuracy of the provided beneficial ownership data, potentially including the attestation of beneficial ownership declarations by senior management or legal counsel, along with the submission of supporting documentation.

⁸ [EITI Standard 2023 | EITI](#)

3.0. Tanzania Legal Framework on Beneficial Ownership

3.1. The Mining Act [CAP 123 R.E 2019]

The Mining Act (cap 123 R.E 2019)) and its accompanying regulations do not contain explicit provisions requiring mining companies to provide information concerning their beneficial owners during the mineral rights application/renewal process or during the extraction phase.

Furthermore, it is crucial to note that the Mining (Mineral Rights) Regulations of 2018, particularly Regulation 16, mandate that individuals applying for a Primary Mining License (PML) must provide their holders' names without mentioning the necessity to disclose beneficial owners⁹. These requirements exist because PMLs are exclusively granted to Tanzanian citizens, with the primary objective being to exercise control and prevent the issuance of PMLs to foreign individuals. However, it is essential to acknowledge that this objective may not always align with reality, as the ultimate owner of such a license may, in fact, be a foreign entity not necessarily with legal registration. Furthermore, there is the potential for the ultimate benefits derived from this license to end up in the hands of individuals with the authority to grant the license or those classified as politically exposed persons.

Furthermore, these regulations maintain a conspicuous silence regarding the obligatory disclosure of beneficial owners in the context of other types of mining licenses. For instance, the issuance of a Special Mining License for large-scale mining operations does not impose a mandatory obligation for the revelation of beneficial owners. This regulatory gap gives rise to the potential for various illicit activities, including corruption, tax evasion, the facilitation of illicit financial flows, and the funding of terrorist activities. **Why is it that mining license authorities are not particularly keen on obtaining information about the actual individuals who ultimately profit from the mining activities for which they issue licenses?**

⁹ [MINING-LOCAL-CONTENT-REGULATIONS-2018.pdf \(madini.go.tz\)](#)

3.2. The Tanzania Extractive Industries Transparency and Accountability Act, 2015

This Act was enacted to establish a governed board that will ensure transparency and accountability in the extractive industries. Section 16(1)(b) of the TEITA Act imposes an obligation to the Multi-Stakeholder Committee to cause the minister to publish information, including but not limited to names of individual shareholders who own interests in the extractive industry companies. This provision is subjected to multiple and perhaps a confusing understanding which might be a triggering factor to realise full implementation of B.O disclosure. Whether individual shareholders refer to beneficial ownership or are limited to legal shareholders is debatable and unclear in the law. It should be noted that an individual shareholder can be a legal entity not necessarily a natural person. On the other hand, it is the obligation of the minister to disclose such information as per the letter of this law rather than a reporting company.

Perhaps to tackle the ambiguity and ensure implementation of the B.O disclosure, in 2019, The Minister for Minerals published the Tanzania Extractive Industries Transparency and Accountability Act which provides for the information required for beneficial ownership disclosure. Regulation 12(1) of Tanzania Extractive Industries (Transparency and Accountability) (General) Regulations of 2019 provides for information required for beneficial ownership disclosure, and in sub-regulation 12 (2), companies are required to attest the beneficial ownership declaration forms and supporting documents signed by the companies. Limited success can be mentioned in realising these regulations.

In June 2017, a comprehensive legal review on the disclosure of beneficial ownership was presented to the Tanzanian Extractive Industries Transparency Initiative Multi-Stakeholder Group (TEITI MSG). This report meticulously scrutinized 13 pieces of legislation, highlighting numerous deficiencies within Tanzanian laws pertaining to the disclosure of beneficial ownership information. Subsequently, between December 2017 and January 2018, the TEITI Secretariat, in collaboration with legal experts from the Ministry of Minerals and the Attorney General's office,

established a task force to assess the recommendations provided by the consultants in the beneficial ownership report.

The task force recommended amendments to the TEITA Act of 2015, with a specific focus on incorporating provisions for the comprehensive disclosure of beneficial ownership by reporting companies (TEITI, 2018). However, it is worth noting that no progress has been made in introducing these proposed amendments to the parliament for the legislative process.

In the 11th to 13th TEITI reconciliation reports, the “disclosure of beneficial ownership” primarily entails the revelation of legal shareholders, frequently involving corporate entities rather than individual natural persons. Notably, in the 13th report, all 25 reporting companies provided information regarding their parent or overseas companies as beneficial owners¹⁰. If we assume that this confusion is not intentional, it raises the question of whether the concept of beneficial ownership is not well comprehended by those responsible for its implementation, or whether the confusion stems from differing legal interpretations of whether a company qualifies as an individual or legal person.

Furthermore, the implementation of the Act and its associated regulations has encountered numerous challenges. These challenges encompass legal inconsistencies between various laws and government bodies that oversee the extractive sector, including the Companies Act and the Business Registrations and Licensing Agency (BRELA), to name a few.

3.3. The Companies Act, [Cap 212 R.E 2002]

In Tanzania, the registry of beneficial ownership is presently overseen by the Business Registration and Licensing Authority (BRELA), through the Companies Act, [Cap 212 R.E 2002]. As stipulated by BRELA, a comprehensive company registration includes details related to the corporate entity's full designation, legal status, year of incorporation, and a roster of directors alongside their physical addresses¹¹.

¹⁰ [649f2287817b7846038778.pdf](#)

¹¹ [BRELA ORS](#)

BRELA introduced a requirement for all companies operating within Tanzania, including those engaged in mining, oil, and gas, to register their beneficial ownership status through a dedicated portal established for this purpose. This effectively mandates all companies in Tanzania to disclose information about their beneficial ownership.

The amended Section 3 of the Act now includes a definition for “beneficial owner,” referring to any natural person who holds ultimate ownership or control over a customer, conducts transactions or activities on behalf of another natural person, exercises the ultimate effective control over a legal entity or legal arrangement, or is designated as a beneficiary of an insurance policy or a similar investment-linked insurance policy. These amendments also outline specific conditions under which a customer is considered a beneficial owner.

3.4. The Anti-Money Laundering Act

Additionally, the Anti-Money Laundering (Amendment) Act of 2022 further reinforces these regulatory measures. Section 15 of the amended Companies Act, Act No. 12 of 2002, ensures that accurate and current records of beneficial owners of legal entities are identified, obtained, verified, and consistently maintained. Part III of the amended Companies Act, Act No. 12 of 2002, requires that companies provide information about beneficial owners who are not currently subject to regulation under the Act. This information is deemed crucial for various purposes, including taxation, anti-money laundering control, and counter-terrorism financing.

3.5. Trustees’ Incorporation (Transparency of Beneficial Ownership) Rules 2024, GN No. 139A of 2024 (the Rules)

On 29 February 2024, the Minister for Constitutional and Legal Affairs issued procedures for the submission of information on Beneficial Ownership (BO) vide the Trustees’ Incorporation (Transparency of Beneficial Ownership) Rules 2024¹², GN No. 139A of 2024.

¹² <https://oagmis.agctz.go.tz/portal/legislation/2691>

The Rules impose mandatory obligations to ordinary or professional trustees to obtain and hold adequate, accurate, and current information regarding the identity of the settlor, the trustee, if any, the beneficiaries and any other natural person exercising ultimate effective control over the trust; and basic person or entity information on other regulated agents of, and service providers to, the trust, including investment advisors or managers, accountants, and tax advisors.

In addition to the above, the Trustee must submit accurate and adequate particulars of the settlor, beneficiaries, and beneficial owners of the trust to the Administrator General through Form No. 1A, 1B, and 1C as prescribed in the Rules.

Moreover, the Rules expressly oblige trustees to make available to the competent authorities information regarding BO and control of the trust, the residence of the trustees, and any assets held or managed by the reporting person or any other person about any trustees with which they have a business relationship, or for which they undertake an occasional transaction. The said competent authorities, for BO purposes, are authorities with designated responsibilities for combating money laundering and terrorist financing; authorities responsible for investigation and prosecution of offences related to money laundering and terrorist financing; the Tanzania Revenue Authority; the Financial Intelligence Unit; and Government institutions responsible for overseeing or implementing economic empowerment of the Tanzanian nationals under the respective laws.

In tandem with the duty to disclose information, the Rules impose restrictions on the trustees against disclosing and using BO information. Rule 6, for example, restricts disclosure and use of BO information except for communication with the respective BO, compliance with the law or Court order requirement, or adherence to the instructions given by the BO himself. Moreover, the Rules, vide rule 8, impose an obligation on the Administrator General or any other officer to always treat BO information with strict confidentiality, including when in an employment relationship with RITA and even after cessation of such ties.

In so far as default in complying with B.O disclosure requirements is concerned; the Rules provide a punishment of not less than TZS 100,000 but not exceeding TZS 200,000

4.0. State of Beneficial Ownership Disclosure in the Tanzania Extractive Sector

In Tanzania, beneficial ownership information is recorded in the BRELA register, as required by the Companies Act, Act No. 12 of 2002. This information includes the company's name, legal status, year of establishment, and the details of its directors, including their addresses. Additionally, large mining, oil, and gas companies, whether listed domestically or internationally, must now register their beneficial ownership details through a dedicated portal, making it mandatory for all companies in Tanzania to disclose this information.¹³

In the reporting period of 2016/2017, 22 extractive companies were required to disclose their beneficial ownership details. However, the compliance rate was relatively low, with only 8 of these companies adhering to the disclosure requirements, resulting in a compliance percentage of 36.36%. As the years progressed, there was a noticeable increase in companies mandated to disclose their beneficial ownership information. In the subsequent period of 2017/2018, the requirement extended to 34 companies, of which 16 successfully complied, resulting in an improved compliance rate of 47.06%.

This trend continued in the following years, with more companies being required to disclose beneficial ownership information. In the 2018/2019 reporting period, 41 companies were subject to the requirement, and 27 managed to comply, achieving a compliance rate of 65.85%.

In 2019/2020, the requirement was imposed on 40 companies, with 26 complying, reaching a compliance rate of 65%. The reporting period, 2020/2021, witnessed the highest number of companies obligated to disclose beneficial ownership, with 45 totals. Of these, 25 companies

¹³ [Beneficial Ownership Portal | Home \(brela.go.tz\)](https://www.brela.go.tz/)

achieved compliance, resulting in a compliance rate of 55.56%. These figures indicate the evolving landscape of compliance in the extractive sector in Tanzania over the five years, with varying levels of success and increasing numbers of companies adhering to the beneficial ownership disclosure requirements. This progression signifies a positive step towards enhancing transparency and accountability within the industry.

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The graph below visualizes the trend of company's compliance to reporting of beneficial ownership information from 2016/17 to 2021/22 as observed from the TEITI reconciliation reports.

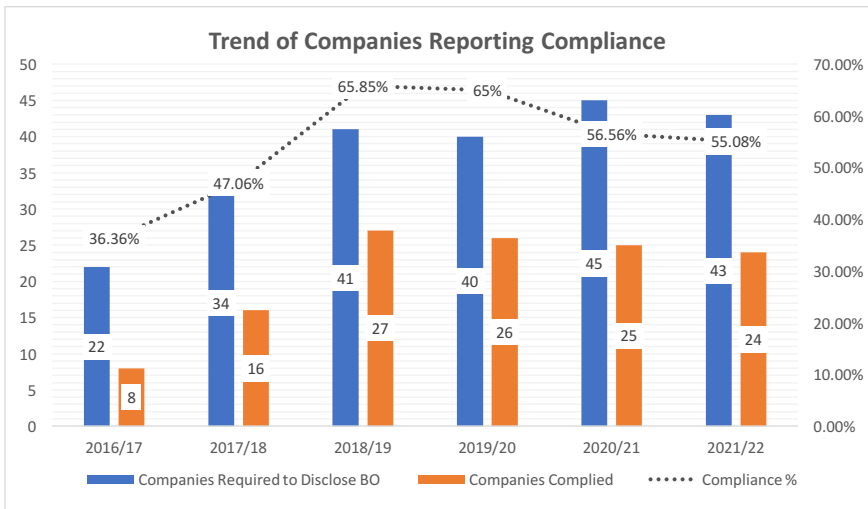


Figure 1: Compliance report from the reporting periods 2016/17 to 2021/22

Source: Tanzania Extractive Industry Transparency Initiative Reconciliation Reports

To date, some of the extractive companies have been disclosing the individual names of the beneficial owners as requested by the TEITA Committee. TEITI is in the process of conducting awareness sessions for extractive industries on the importance of disclosing such names. This move will increase and enhance compliance and accountability. A compilation of beneficial owner information for 2021/22 shows that 43

¹⁴ Tanzania Extractive Industry Transparency Initiative 13th Report (July 2020 – June 2021)

companies responded by returning the filled beneficial owner forms. Two companies submitted beneficial owners to the level of individual names, and 22 submitted shareholders, while 19 companies failed to disclose the data on beneficial ownership¹⁵.

At the meeting held on October 12, 2023, between BRELA and TEITI to discuss beneficial ownership disclosure in the extractive sector, it was established that TEITI, in line with its mandate, collects and publishes beneficial ownership information from companies involved in mining, oil, and natural gas activities. However, a significant challenge was identified in TEITI's ability to ensure comprehensive disclosure, as indicated by an EITI assessment. In response, TEITI proposed collaborating with BRELA, the Central Register of Beneficial Owners, to be recognized as a competent authority for obtaining this information directly from the registration system, thereby enhancing transparency and accountability in the sector. This proposal was well-founded and aimed at empowering economic development.

Important deliberations were held, among other things, to address beneficial ownership disclosure in the extractive sector. Firstly, it was agreed that TEITI should be formally recognized as one of the competent authorities under Section 451B (e) of the Companies Act, Chapter 212, specifically for obtaining Beneficial Ownership Information from companies engaged in mining, oil, and natural gas activities. This recognition would enable TEITI to enhance transparency and accountability by directly accessing this critical information.

Secondly, it was proposed that the TEITI IT Officer meet with the BRELA IT Officer to explore the feasibility of TEITI gaining direct access to Beneficial Ownership Information from the Beneficial Owners' Registration System. This step would streamline the data exchange process and ensure that TEITI can effectively verify the information received from mining companies, thereby furthering the goal of transparency and accountability within the sector.

Tanzania recognizes the vital role of contract transparency in the extractive sector for good governance. To address this, TEITI has

¹⁵ [668063cead408620312203.pdf](#)

established a revised roadmap. It involves a review of the legal framework for contract disclosure, covering mineral and energy sector agreements from 2021. The process includes consultations with government entities, extractive companies, and stakeholders to ensure comprehensive and responsible disclosure. An online portal for disclosing contracts will be established, and mining, oil, and gas contracts will be submitted for ministerial disclosure by May 2024. Full disclosure, compliant with the EITI Standard and the TEITA Act, is targeted for June 2024.

This revised roadmap for contract disclosure in Tanzania is closely associated with the broader effort to enhance transparency and accountability in the extractive sector, which includes beneficial ownership disclosure. Ensuring the publication of contracts related to mining, oil, and gas companies provides the public with insights into the terms and conditions of extractive industry agreements and contributes to the disclosure of beneficial ownership information. These initiatives work to create a more transparent and accountable environment within the extractive sector, reinforcing the government's commitment to good governance and the responsible management of national assets.

Table 2: Revised Roadmap for Disclosing Contracts in Tanzania

Objectives	Activities	Responsible	Deadline
Legal framework for contract disclosure be reviewed	Phase I: Review of Mineral Sector Agreements entered with extractive industry companies from 2021 for purposes identifying Information to be disclosed as per the TEITA Act.	Government agencies responsible for extractive industries	December, 2023
	A draft work prepared.		
	Submission of a draft work to the TEITA Committee before submission to the Minister of Minerals.		

	<p>Phase II: Review of Energy Sector Agreements (Production Agreements) entered with extractive industry companies from 2021 for purposes of identifying information to be disclosed as per the TEITA Act.</p> <p>A draft work has been prepared.</p> <p>Submission of a draft work to the TEITA Committee before submission to the Minister of Energy.</p>		January, 2024
	Review of TEITA Act and other national laws on contract and information disclosures or publication for smooth disclosure process		June 2024
	Submit the collected information to TEITA Committee before the same is submitted to the Minister of Minerals and Minister of Energy for publication		June 2024
Capacity Building and Stakeholders Engagement	Conduct two (2) consultation meetings with Government entities.	TEITI, Government agencies and other stakeholders.	March, 2024
	Conduct two (2) consultation meetings with extractive companies.	TEITI Secretariat and Extractive companies.	March, 2024
Institutional Framework	Establish portal for disclosing contracts.	Host Government agency and Consultant.	April, 2024
Submission of the Contract for Minister disclosure	Submission of the mining, oil and gas contract	TEITA Committee/ Minister responsible	May, 2024

Disclose of the Mining, Oil and gas Contract	Full disclosure as per the EITI Standard and TEITA Act, 2023	TEITI Secretariat and TEITA Committee	June, 2024
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Source: Tanzania Extractive Industry Transparency Initiative

Tanzania has made notable progress toward full contract transparency through a roadmap aimed at revising the legal framework for disclosing mining, oil, and gas contracts. This roadmap, which targeted a public disclosure portal launch by June 2024, included phased steps for reviewing sector agreements, updating the TEITA Act, and engaging government entities and extractive companies. Although these efforts were set to culminate in a comprehensive online portal by mid-2024, progress remains uncertain as the year's end approaches, and the timeline appears delayed. Promisingly, TEITI reports that mining contracts have been obtained for review, and they are now seeking consent from the relevant companies and government bodies before proceeding with disclosure.

5.0. Conclusions and Recommendations

5.1. Conclusions

Tanzania has made progress in establishing a legal framework for beneficial ownership disclosure in the extractive sector. However, there are significant gaps in the current legal framework, particularly within the Mining Act and the TEITA Act. These gaps create ambiguity and may hinder the full implementation of beneficial ownership disclosure.

Moreover, over the past five years, many companies have been required to disclose their beneficial ownership information. However, compliance rates have varied, with improvements seen over the years. While there is a positive trend in compliance, there is room for further improvement to ensure comprehensive disclosure.

Furthermore, the collaboration between the Tanzania Extractive Industry Transparency Initiative (TEITI) and the Business Registration and Licensing Authority (BRELA) is a positive step in enhancing

transparency and accountability. Recognizing TEITI as a competent authority for obtaining beneficial ownership information from mining, oil, and gas companies can streamline the data exchange process and improve the accuracy of the information.

Additionally, the revised roadmap for contract disclosure in Tanzania, including a review of mineral and energy sector agreements, aligns with the broader effort to enhance transparency and accountability. This roadmap, which aims for full disclosure by June 2024, will complement the goals of beneficial ownership disclosure by providing more insights into the extractive industry agreements.

5.2. Recommendations

By addressing the recommendations below, Tanzania can strengthen its beneficial ownership disclosure framework, enhance transparency and accountability in the extractive sector, and contribute to its responsible management.

1. The government should consider amending the Mining Act and the TEITA Act to require mining companies to disclose their beneficial ownership information explicitly. Unambiguous legal provisions can eliminate any confusion and ensure full compliance.
2. TEITI and other relevant agencies should engage in awareness campaigns and training programs for companies and government officials involved in the extractive sector. This can help improve understanding of beneficial ownership concepts and the importance of compliance.
3. The government should work toward ensuring that beneficial ownership disclosure encompasses both legal shareholders and individual natural persons who directly or indirectly own or control extractive companies. This broader scope will align with international best practices and enhance transparency.
4. The government, in collaboration with TEITI, should establish a system for regular monitoring and reporting on beneficial

ownership compliance. This can include publishing annual reports on the status of disclosure and measures taken to address non-compliance.

5. Encourage public participation and engagement in the monitoring of beneficial ownership disclosure. This can help hold companies and government accountable and promote transparency in the extractive sector.
6. TEITI and BRELA should work closely to streamline the data exchange process, ensuring that beneficial ownership information is accurate and up to date. This can be achieved through IT collaboration and clear communication channels.
7. Continue to work on the implementation of the revised roadmap for contract disclosure, with a focus on ensuring that mining, oil, and gas contracts are disclosed in a transparent and accountable manner.

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