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DOKEZO No. 73

AG.DIF (F.56 & M.72)

M/s VIETEL TANZANIA LIMITED holds a Certificates of Incentives No.110102 of 3rd November, 2014 after being incorporated in Tanzania through Certificate of Incorporation No. 45383 of 2014. Given the nature and magnitude of the project it was granted a STRATEGIC status for five years just after registration (2014-2019). M/s VIETEL TANZANIA LIMITED hereby request for an extension of project implementation period. The project so far has been implemented for **six years** as October 2020 after being extended for one year last April 2020.

The current request is based on among other things:-

i. That outbreak of COVID19 has disrupted the implementation program significantly
ii. The fact that the project is being implemented in phase and therefore the last phase (i.e phase 4) is now due
iii. Working from home and shifts for employees during COVID19 surveillance has delayed the project
iv. Financial difficulties due to TRA withholding the companies funds amounting to TZS 10.2 Billion in connection to tax dispute
v. Halotel contractual obligation with Universal Communication Services Access Fund (UCSAF) phase 4 to cover networking for 114 sites in rural areas.

During the visit the team observed the following:

- The Certificate of incentives implementation claimed to be expired was still valid as of April 2021
- As April 2021 90% of senior positions were granted to Tanzanians including technical team leadership
- Witnessed that procurement of Telecommunication items were initiated on 23rd March 2021, (Annex I), November and December 2020 purchase Veneer Mast (Annex II), invoice number 23032021VTZ of 23rd March 2021(Annex III), Purchase order for OTDR and SPLICER 24th December 2020(Annex IV)
- Notice of delay in shipping containers from the supplier due to containers shortage (Annex V) and invoice for packaging list of IP&DWDM equipment (Annex VI & VII)
- Universal Communication Services Fund (UCSAF) contract (Annex VIII) and;
- List of Capital or deemed capital goods approved but yet to be enjoyed (Annex IX)

Based on the significant development status of the project implementation, the exceptional objective of this company to prioritize networking the rural areas which

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would otherwise take very long to be covered, the fact that this phase 4 is final and expected to cover 114 rural sites.

The team is of the opinion that Management to consider extension of Certificate of Incentives No. 110102 to accomplish phase 4 for the last and **one final year.** The Centre also intensify supervision of this company to ensure value for money for exemptions granted.

Please I submit for your decision/further guidance.

Bevin Ngenzi
ZM (E)
30th April 2021

74 Ag.EXD - M73 F56

Viettel (T) Ltd a telecom project registered in Oct 2014 applies for CoI implementation period extension to enable completion of planned but unexecuted activities to roll out its full network in rural areas in Tanzania. The PW was conducted and established a delay in completion of project mainly due to shipping and foreign experts issues caused by Covid outbreak and poor cashflows following TRA witholding of company funds. Various documentary evidence to prove the mentioned challenges have been attached and its recommended that 1 year extension period be granted to facilitate completion.

Ag.DIF 04/05/2021

75. Ag.DIF, M.74

Despite some documentary evidences provided to support delayed completion of Halotel investment, it is not clear to what extent has the Company implemented its investment plan. Therefore, it could be more helpful if the analysis could provide the following information:

(i) An investment plan of the company since its commencement;
(ii) Implementation status of the investment plan including actual capital invested and employments created so far; and expected capital to be invested and

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	additional jobs to be created. (iii) Status of company's dispute with TRA. Is the dispute resolved? Ag. EXD 5/5/2021
76.	ZM(E) — (M.75) Please review the comments analysed by Ag. EXD and rectify those anomalies highlighted and BU. Ag. DIF 7-05-2021
77.	AG DIF (M.76) As raised in M.76 an investment plan of the project since commencement is detailed in the progress report F.55 item 1-1.1.6 (detailed plan) and the associated cost (capital expenditure) totalling to USD 392.946 million (item 1.2). An implementation status of the project is detailed in F.55 item 1.3 to 1.3.2. Future plan comprise item 1.3.3, where actual expenditure invested is more than Tsh. 769.05 Bil tax paid Tsh. 224.32 Billion and creation of 852 jobs. The project is planning to inject USD 23,813,744.00 for Radio, Core, transmission, Mechanical, IT and infrastructure. I submit ZM(E) 10/05/2021
78	EXD - M74-77 I hereby re-submit M74 and further clarity on project status as shown in M77 and respective attached folios (attachments) Ag. DIF 10/05/2021

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Ag DIF

Refer m. 75. Let me have a glimpse with respect to (iii) thereof.

10/5/2021

80 Doth - M79

Kindly Provide status.

Ag. DIF 10/5/2021

81- Ag. DIF

Nyaraka tulizopeleka leo - F57. TRA tarehe 21/11/2019 ilitenga benki ya Standard Chartered Tanzania kuwa wakala wa TRA na kuiamuru TRA kuchukua fedha kutoka akaunti ya Viettel kiasi cha shilingi 10,211,190,143.15 na kuziamishia katika akaunti ya Kamishna wa Usluni wa forodha.

Vile vile nyaraka hizi zinaonesha kuwa Viettel na Mamlaka ya Mapato Tanzania tarehe 10/3/2021 kulikuwa na kikao cha watalaamu wa TRA na Wawakilishi wa Viettel agenda ya kikao ilikuwa ni ombi la Halotel kudishiwa 10,211,190,143.15 tsh ikiwa ni kodi ya ongezeko la thamani iliyokusanywa na TRA kutoka moja kwa moja kwenye akaunti ya Viettel kwasaba ya Mapungufu ya uwasilishaji wa "return" za VAT TRA kuanzia Mei 2015.

Nawasilisha kwa taarifa

11/5/21

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EXD-M79-81

The tax dispute issue facing Viettel is being resolved and latest meeting was held on 10/03/2021. The tax dispute is an operational issue and investor is seeking COI extension to enable him to continue with investing as per approved project. As recommended by PVV team I recommend your approval for 1 year COI extension.

Prosper Ag-DIF 11/05/2021

Approved. One year.

11/5/2021

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