

# H & S DEVELOPERS LIMITED

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Executive Director  
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Dar es Salaam  
Tanzania

6<sup>th</sup> October, 2020



DIF  
FYA  
[Signature]  
7/10/2020

REF: - 5/10/2020/H&S/1

**REF: - REQUEST TO RENEW TIC CERTIFICATE OF INCENTIVES NO. 0223129**

In Reference to the Letter Ref. No. TIC/PP.10/061310/22, dated on the 29<sup>th</sup> of September 2020, and the scheduled meeting today at your Facilitation Offices at TIC Centre. Please find below H&S Developers Limited Detailed Appeal and Reasoning to the Request for Renewal of TIC Certificate of Incentives No. 0223129

First, we would like to thank Tanzania Investment Centre for the General Presentation on the Benefits and Services provided by TIC for Registered Certificates of Incentives beyond the Expiry Date, which are of great importance to operating the project after completion and achieving desired results.

H&S Developers Limited requested on the 12<sup>th</sup> of May 2020 for the extension of the existing Certificate of Incentive issued in February 2014, as per the Request Letter Ref. No. 12/05/2020/H&S/1. The Main reasons for the delay in the execution and completion were as below:

- The major problem we faced was delay of starting the project due to delay in getting the finance following a long period of negotiations about three (3) years with International Management Company. The financier required a lot of specifications from the project and wanted certainty with international markets which led to delay in releasing funds for the project. Ultimately the Term Loan was secured from Barclays Bank. The Bank agreed to

finance H&S Developers Limited Hotel Project through its sister company African Power Machinery (TZ) LTD. The bank's argument to finance this way is due to the fact that H&S Developers LTD is a new company and African Power Machinery is an existing company with Good track record. Once the Project is done and starts operations the facility will be shifted to H&S Developers LTD.

- We also faced problems with the contractor's side. The contractors did not execute certain items timely. He could not keep up to the requirements of the project and timeline. All obstacles were addressed correctly, currently the main contractor is swiftly heading towards handover of the project.

We at H&S Developers Fully comprehend the maximum limit of extension of Five (5) Years as per TIC Regulations. However, we would like to point out the exact reason for requesting the extension of the Existing Certificate of Incentives. The Hotel Project is almost ready to receive all its Hotel equipment from furniture and fittings. A leading International Supplier has been appointed to carry on the complete supply of all Hotel Equipment as per the Highest Industry Standards.

An Application for Import Duty Exemption on Imported Hotel Equipment was addressed to The Commissioner for Customs and Excise at Tanzania Revenue Authority. The Application Request was positively responded to and H&S Developers Limited was granted the exemption for the same as per the attached Application and response letter from Commissioner for Customs and Excise.

In order to complete the Exemption application, H&S Developers should obtain Exemption Under PVoC Programme from Tanzania Bureau of Standards. As per the attached TBS regulation from, in order for H&S Developers Limited to be granted PVoC exemption on the Capital Goods being imported, A Valid Certificate of Incentives from Tanzania Investment Centre (TIC) should be

provided in addition to the already granted TRA approval letter for tax exemption and its approved list of exempted items.

H&S Developers Limited kindly requests the Executive Director at Tanzania Investment Centre to approve the extension of the existing Certificate of incentive for the purpose of completing the application at Tanzania Bureau of Standards for Exemption under PVoC programme. Accordingly, H&S Developers Limited can be granted Import Duty Exemption as per the Item 21 of Part B of the Fifth Schedule to the East African Community Customs Management Act, 2004 (R.E:2019) which will allow us to successfully finalize the project. The requested exemptions will help our company to finalize the remaining part of the building where we expect to finish by December, 2020.

Looking forward for your positive Response



H&S DEVELOPERS LIMITED

