

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



**REPORT ON THE PROJECT PHYSICAL VERIFICATION VISIT
CONDUCTED FOR SHAMS DEVELOPMENT LTD**

IN

DAR ES SALAAM REGION

19TH OCTOBER, 2022

COMPANY BRIEF PROFILE

Company Name	Shams Development Ltd		
Postal Address	P. O. Box 71119		
Contact Person	Mr. Hussein Shams		
Office Phone	022 2116777		
Mobile Phone	0713780780		
E-mail	info@shamsdvlp.co.tz		
Project Core Activity	To construct commercial building and storage Facilities		
Project Location	Plot No. 962, Mbezi Kawe		
Certificate of Incentives No & Date of Registration	61322 dated on 26 th March,2014		
Present Ownership Structure	Foreign 100%		
Shareholders	Shareholders	Nationality	Shareholding (%)
	Hussein Mohamed Shams	Tanzanian	5
	Jana Hussein Shams	American	19
	Nour Hussein Shams	Lebanese	19
	Ali Hussein Shams	Lebanese	19
	Ali Hussein Shams	American	38
Current Status of the Project	On progress		
Manpower Total (Nos.)	Foreign Men: Foreign Women: 0 Local Men: 2 Local Women: 3		
Project Financing Expenditure to-date (USD)	US \$ 5.02m		

1.0 BACKGROUND

Shams Development Ltd is a project promoting company, registered in the United Republic of Tanzania under the Certificate of Incorporation number 85422 dated 25th August, 2011. The objectives of the Company is to establish, owning and operating a commercial premises with shopping mall places, office spaces and apartments. On 26th March, 2014 the company was issued a certificate of Incentive number 61322 from Tanzania Investment Centre for the project of construction of commercial building and storage facilities.

Company is the registered owner of area situated at Plot No. 962, Mbezi Kawe in Dar-Es-Salaam City bearing Title Number 49695/1 issued on 20th January, 2022. The plot size is 2145 sqft.

The Certificate of Incentive was expired in 2017. The company submitted a request to TIC to be re-issued with Certificate of Incentive to enable the company to proceed with the implementation of the project.

On 19th October, 2022, TIC conducted a Project physical Verification Visit (PVV) in order to verify the eligibility of the investor's request.

, 1.1 Project Location

The project is located on Plot No. 962, Mbezi Kawe.

1.2 Objective of the Visitation

The main objective of the site visit was to conduct a physical verification of the development of the project so as to verify the eligibility of the investor's request for re-issue with Certificate of Incentive and to advice TIC on approval decision based on the site findings.

1.3 PVV Team

(i)	Fidelis Obanga	Principal Investment Officer
(ii)	Deusdedit Hokororo	Investment Officer
(iii)	John Gift	TIC- TRA
(iv)	Neema Missana	TIC- Labour

2.0 Methodology

The following methodology were used to conduct the PVV

- (i) To review the submitted request documents and the company file so as to get the historical background of the project and strong reasons for renewal of Certificate of Incentive.
- (ii) Interview with Mr. Hussein Shams (Managing Director) to get the progress report of the project and the challenges hindering

effective implementation of the project.

(iii) Physical site visitation to verify the progress of the project

3.0 Interviews, Observations and Findings

On 19th October, 2022, the PVV team visited the company and had a consultative conversation with Mr. Hussein Sham (Managing Director) to acquire important information on the progress of the project development and challenges hindering effective implementation of the project. The following are the key issues observed.

3.1 Interview with Mr. Hussein Sham (Managing Director)

- (i) The company could not implement the project within the implementation period (March, 2014 to 2017) due to the boundary dispute between Plot No. 340 and Plot No. 341A owned by National Housing (NHC) Buildings and leased to French School Society along Msasani Road Dar es salaam.
- (ii) The dispute was due to the building and fixtures constructed on NHC property by French School Society extended by 5.96 metres over the rear side (beacon No.656) of the common boundary line.
- (iii) The dispute took 7 years to be resolved which resulted the project to a lost approximately Tzs 2 Billion and led to postpone the implementation of the project.
- (iv) The boundary disputes agreement was signed between Owner of plot No. 340 Mr. Gray Lazarus Mwakalukwa and Plot No. 341A French School Society in which both parties agreed to surrender 2 metres at the front side of the existing boundary.
- (v) According to the Dispute Agreement entered, it was proposed that, the French School society was supposed to demolish the portion of its laboratory.
- (vi) Promoters had a consultative discussion with TRA on the incentive which will be able to obtain for such kind of project.
- (vii) The promoters requested the renewal of Certificate of Incentive (Col) in order to overcome the challenges faced when using the expired Col as attachment when applied for permit/approval from Government institutions.

3.2 Physical Findings

- (i) The Location of the project registered to TIC is at Plot No. 962, Mbezi Kawe, Kinondoni District, while the project is implemented at Plot No. 340 along msasani Road.
- (ii) According to the documents submitted, the Plot No. 340 owned by Mr. Gray Lazarus Mwakalukwa and not Shams Development Ltd.
- (iii) The project is 90% implemented which the construction of 6 villas are completed.

3.3 Challenges faced the project.

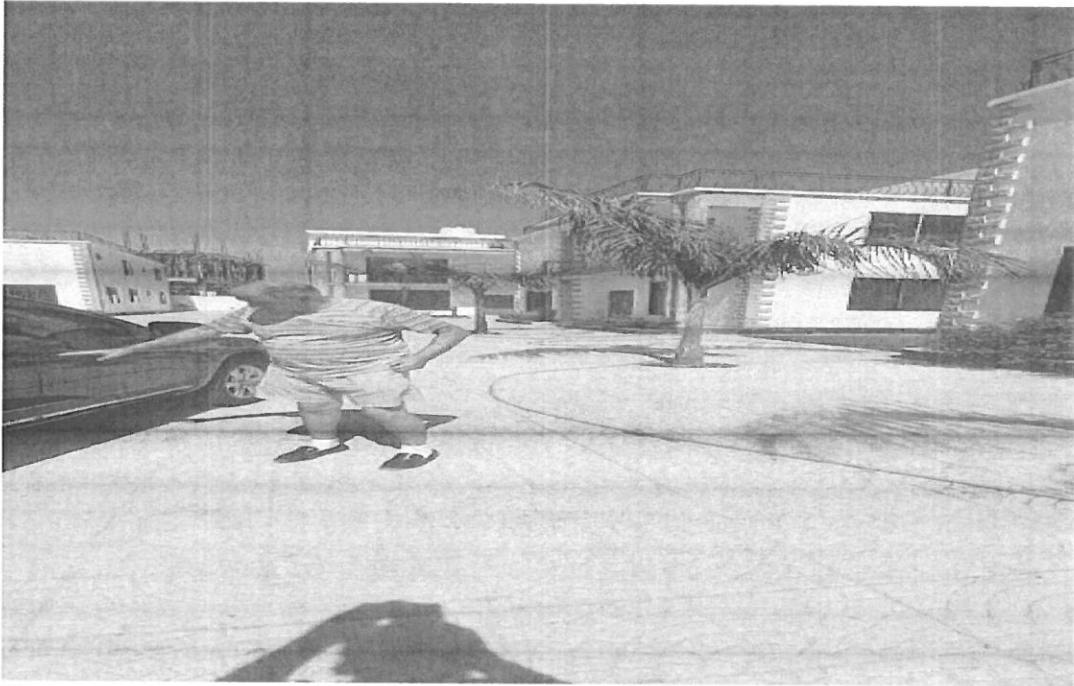
Boundary dispute between Plot No. 340 and Plot No. 341A owned by National Housing (NHC) Buildings and leased to French School Society due to French School society extended about 5.96 metres over the rear side (beacon No.656) of the common boundary line and took 7 years to be resolved.

Appendix No. 1



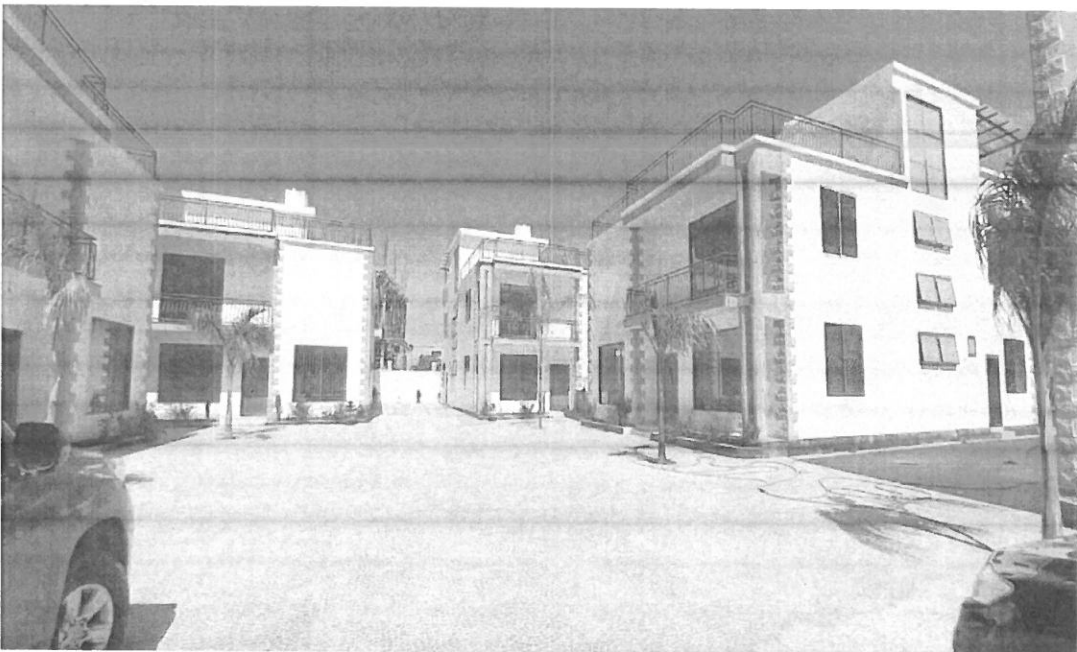
Villas constructed in Plot No. 340 along msasani Road.

Appendix No. 2



Villas constructed in Plot No. 340 along msasani Road.

Appendix No. 3



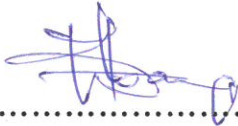
Villas constructed in Plot No. 340 along msasani Road.

4.0 Recommendations

This project failed to be implemented within the period because of Boundary dispute between Plot No. 340 and Plot No. 341A owned by National Housing (NHC) Buildings and leased to French School Society after French School society extended about 5.96 metres over the rear side (beacon No.656) of the common boundary line and it took 7 years to be resolved

According to the documents submitted, the Plot No. 340 owned by Mr. Gray Lazarus Mwakalukwa and not Shams Development Ltd and since the project implemented in Plot No. 340 along msasani Road contrary to Plot No. 962, Mbezi Kawe which registered to TIC. The team recommend that, the centre should advice investor in written to provide the evidence of ownership of land and sectorial approval of Plot No.340 from Kinondoni Municipal as well as applying for amendment for project location before granting approval for reissue of Certificate of Incentive.

We are hereby submitting this report for your further action,



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Fidelis Obanga
Principal Investment Officer



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Deusdedit Hokororo
Investment Officer



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John Gift
TIC-TRA



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Neema Missana
TIC- Labour

