



MALAWI INVESTMENT AND TRADE CENTRE



ONE STOP SERVICE CENTRE

INTRODUCTION

The Government of Malawi is determined to encourage trade and investment in the country as one way of attaining economic growth and development. In order to achieve this, Malawi Government established the Malawi Investment and Trade Centre (MITC) to act as a trade and inward investment promotion agency, established to promote Malawi as an ideal destination for trade and investment in Africa and beyond. MITC operates as a One-Stop Service Centre for business start-ups as mandated by the Investment and Export Promotion Act of 2012

In order to effectively contribute to the process of facilitating investment and trade in priority sectors of economic growth and promote private sector development, the Malawi Investment and Trade Centre instituted the "One-Door" One Stop Service Centre ("One-Door" OSSC).

The basic concept of OSSC is that business related Government service providers are stationed within the OSSC to assist investors under one roof without having to be referred elsewhere.

Currently the "One-Door" One Stop Service Centre ("One-Door" OSSC) co-locates officials from the following Government entities:-

1. Malawi Investment and Trade Centre – (MITC)
2. Department of the Registrar General – (DRG)
3. Department of Immigration and Citizenship Services – (DoICS)
4. Ministry of Lands, Housing and Urban Development – (MLHUD)
5. Malawi Revenue Authority – (MRA)

The One Stop Service Centre signifies

- Commitment by government to serve the investors in a coordinated and uniform manner
- Dedicated and experienced officials to assist investors to get information on the national investment process; business registration; information on incentives for all taxes; accessing immigration permits; accessing land
- Reduced cost of doing business as most critical offices are under one roof and business captains do not have to go to several offices to get information and obtain relevant permits
- Investors are able to make effective plans due to quick access to information and speedy processing of permits





Malawi Investment & Trade Centre

- Malawi Investment and Trade Centre Desk
- Guidance to investors on the National Investment Process
- Guidance to investors on the various permits and licenses required for their sector of operation
- Process and Issue the Investment Certificate
- Assist investors obtain relevant sector licenses



Department of Immigration

- Guidance to investors relating to Immigration requirements
- according to the Immigration Act
- Guidance to investors on Business Residence Permit and Temporary Employment Permit applications
- Facilitate processing and issuance of investors' Business Residence
- Permits and Temporary Employment Permits within 5 working days



Registrar of Companies

- Guidance to investors on Business Registration according to the
- Companies Act
- Facilitate investors business registration within 10 working days



Ministry of Lands, Housing & Urban Development

- Identify suitable land for investment purposes & facilitate immediate allocation
- Guidance and advice to Investors on land matters
- Facilitate Investors acquire or lease land in procedural and orderly manner



Malawi Revenue Authority

- Guidance to investors relating to tax incentives according to the Taxation Act and Customs and Excise Act
- Clarity to information investors obtain from print and electronic sources
- Guidance on procedures of accessing incentives
- Guidance on procedures for clearance of goods Facilitate investors' registration for Domestic Taxes

MALAWI INVESTMENT AND TRADE CENTRE

The Malawi Investment and Trade Centre desk in the OSSC helps in coordinating investor requirements with OSSC delegated officials. The desk processes and issue Investment Certificate. The desk also facilitates acquisition of other sector permits and investor requirements currently not represented in the OSSC

Investment Certification Requirements

All investors in Malawi are required to obtain an Investment Certificate before they establish their business in the country. Prospective investors are required to put up investments of not less than US\$ 50,000 as minimum investment capital to be able to obtain an investment certificate from the Malawi Investment and Trade Centre (MITC).

Investment Certificate is issued within 5 working days

Requirements for Investment Application

- Duly completed investment application form
- Detailed Business Proposal /Plan
- Copy of Memorandum and Articles of association
- Certificate of incorporation
- Copy of passport(s) personal information page of project's shareholders
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Investment Certification Fee

The application fee for the certificate is US\$200 and issuance fee is US\$ 800. The application fee of US\$200 is paid to MITC at the time that the application pack is being submitted. The issuance fee of US\$ 800 is payable upon the approval and collection of the Investment Certificate.

Payment is in US\$ Cash at the MITC offices or can be made to MITC's foreign currency denominated account and proof of payment be emailed to MITC. The account details for payment are as follows:-

Name of Bank	:	National Bank of Malawi
Bank Branch Name	:	Capital City
Bank Account Name	:	Malawi Investment and Trade Centre (MITC-FCDA Account)
Account Number	:	1000944617
Swift Code	:	NBMAMWMW

Investment Certification Application Processing

The Investment Approval Committee (IAC) hosted within MITC appraises the projects for approval or rejection. All applications submitted to MITC are processed by the committee.

Benefits of the Investment Certificate

Once the certificate is approved, MITC assists investors to get any additional licenses and permits that the investors might need to start their operations. These include the following:-

- Company Registration (facilitated by MITC's Companies Registration Specialist prior to obtaining Investment Certificate)
- Immigration Permits
- Qualifying Investment Incentives as per sector of operation
- Facilitation and processing of Land
- Utilities
- And any other issues faced by the investor as may come up from time to time

DEPARTMENT OF IMMIGRATION AND CITIZENSHIP SERVICES

The Immigration Specialist in the OSSC is mandated to help in facilitation of Business Residence Permits and Temporary Employment Permits for investors.

BUSINESS RESIDENCE PERMIT

- Required fees: Processing fee is US\$100, and Issuance fee is US\$ 2,000
- Validity Period: 5 years renewable
- Please note that application forms are available at MITC One Stop Service Centre offices as well as at the Department of Immigration and Citizenship Services offices
- Please note that the permit status is communicated to the investor within 5 days of submission.

Business Residence Permit Application requirements

- fully completed application forms in duplicate,
- 2 passport size photographs,
- a Business Registration Certificate/ Certificate of Incorporation/Memorandum and Articles of Association,
- A police clearance report from country of origin,
- a business plan/profile,
- Bank statement with not less than US\$50,000.
- The Bank Statement must be from a Malawian Bank
- The US\$50,000 needs to have been transferred into this account from outside the country.
- The Bank account should be a Business Account registered in the name of the business entity
- It is recommended that the Bank Account should be a Foreign Currency Denominated Account (optional)
- MITC Investment Certificate,
- A covering letter from the applicant.
- Passport copy

NB: Note that all documents should be in duplicate and all certificates be certified by Commissioner of Oath.

Business Residence Permit Application Processing within the OSSC

- Once all relevant documentation (BRP application) is submitted to the OSSC immigration Desk, the Immigration Specialist processes accordingly, and if all is in order communicates to the investor to make upfront payment of US\$2,100.
- Upon payment of the US\$2,100 a Bank Receipt is issued and the BRP is concurrently endorsed in the Investor's passport while the other process continue of producing the actual permit document
- The process from submission of all documentation and endorsement in passport take no more than 5 days
- The file then undergoes further security checks with other security officials and the investor is at some point requested to have their figure prints taken to finalize the process of the security checks.
- Once this process has been finalized, the documents are sent to Ministry of Home Affairs and Internal Security for Ministerial approval.
- Having satisfied all security processes, a 'BRP Permit Certificate' is issued and the

investor collects their 'Permit Certificate' from MITC offices.

TEMPORARY EMPLOYMENT PERMIT

- Required fees: Processing fee is US\$100, and Issuance fee is US\$1,000
- Validity Period: 2 years
- Please note that application forms are available at MITC One Stop Service Centre offices as well as at the Department of Immigration and Citizenship Services offices.
- Please note that the permit approval is communicated to the investor within 5 days of submission.

Temporary Employment Permit Application requirements

- fully completed application forms in duplicate,
- covering letter from the employer,
- certified copies of educational certificates,
- certified copies of professional certificates,
- evidence that the post was advertised in the local press and CVs of the local Malawians who took part in the interview for Time positions,
- a letter of no objection from the previous employer in case the applicant changes jobs within Malawi,
- 2 passport size photographs of the applicant,
- proof of arrangement of understudy,
- thumb print,
- registration certificates and certificate of incorporation,
- medical report from Malawian Public hospitals,
- Original police clearance letter from country of origin.
- All supporting documents should be submitted in duplicate.

NB: Note that all documents should be in duplicate and all certificates be certified by Commissioner of Oath.

MALAWI REVENUE AUTHORITY

The tax specialist assists investors by providing advisory guidance on tax incentives and granting of pre-approved incentives to investors according to sector of operation. The specialist also facilitates domestic tax registration for investors.

Main instruments and sources of information for tax incentives administration

- Taxation Act and Customs and Excise Act and VAT Act
- Tariff Code
- MRA Website, brochures, and Public notices
- Clearing and Forwarding Agents

The instruments are used to collect revenue and to achieve other government objectives through approved and gazetted tax incentives

BENEFITS

- Dedicated desk for investors to get information on incentives for all domestic taxes and international trade.
- Investors served in a coordinated and uniform manner
- Reduced cost of doing business, as investors do not have to go to Several MRA offices to get information

- Investors able to make effective plans due to readily available information and guidance on incentives
- Predictability and improved efficiency

Sectors covered under tax incentives regime

- Manufacturing
- Mining
- Tourism
- Construction
- Agriculture (Horticulture, Fishing, Irrigation, Poultry farming)
- Education
- Health
- Exportation

Priority Industries

There are 2 designated priority industry sectors and these are:-

- Agro processing Industry
- Electricity Generation, Transmission, and Distribution Industries

The 2 sectors are entitled to Tax Holiday for up to 10 years in addition to other general incentives as provided in the Taxation and Customs Acts. Machinery and equipment are duty free but VAT is payable. Procedure to access the Priority Industries incentive, a Company has to submit application to the Commissioner General. The application is assessed by a designated committee in order to determine qualification.

To qualify for priority industry sector designation, a company needs to have investment value as follows

- US\$500,000 for Agro-processing for local investors (100% shareholding).
- US\$5,000,000.00 for Agro-processing for foreign investors
- US\$30,000,000.00 for electricity generation

Industrial Rebate Scheme

Industrial Rebate scheme is available for manufactures whereby all raw materials are duty free, while VAT is payable and the VAT is claimable. Foregone import duty is expected to be recovered through growth in domestic taxes, to boost the sector by creating employment, import substitution, enhanced domestic taxes, and exports to generate forex.

In order to access the incentive, a company should submit a formal application to be registered under industrial rebate.



MINISTRY OF LANDS, HOUSING & URBAN DEVELOPMENT

The Lands specialist helps in facilitating land applications and obtaining of land title deeds.

Land Classification in Malawi

Land in Malawi is in three categories, namely customary, public and Private land.

- Customary land is used, held or occupied under customary law in the area and is acquired through Traditional Authority leaders. Once an investor acquires Customary Land, the land status is transformed into leasehold land.
- Public land is used, occupied, or acquired by government and is allocated by government or government agency to be turned into leasehold land.
- Private land is owned, used or held under leasehold title, freehold title or a certificate of claim and is acquired from individuals or companies.
- Leasehold title is granted for a period of 21 to 99 years depending on the nature of development and is subject to renewal after expiry of the lease.
- The lessee is required to pay annual ground rent to government.

The lessee also pays fees and duties as an acceptance of the offer of land by government. In case of serviced land, the lessee pays premium at once.

Process of Land Acquisition

This is a 4 stage process as follows:-

- Submit application for leasehold
- Obtain offer letter
- Pay for Lease process
- Obtain leasehold title

Depending on the nature of the investment for which the land will be used for, there may be need for conducting Environmental Impact Assessment before the land offer is formalized.

DEPARTMENT OF REGISTRAR GENERAL

The Companies Specialist helps in facilitating Local as well as Foreign Company Registration and incorporation

Local Company Registration

A Local Company is defined as a company incorporated under the Malawi Companies Act. For all intents and purposes this means and relates to a local company that is formed or becomes a body corporate under the Companies Act, Cap. 46: 03 of the laws of Malawi.

A local company registration requires submission to the Registrar of Companies the following:-

1. Memorandum of Association with at least two subscribers (shareholders/members)
2. Articles of Association. The Articles should show the following information:-
 - (a) full name, residential and postal addresses and occupation of first

- directors and secretary of the company;
(b) situation and postal address of Company's registered office; and that they have been signed by or on behalf of directors

Registration fees for Local Company Registration is MK100 for first MK1000 share capital value then MK10 for each additional MK2000 of share capital value. Or alternatively calculated as:

MK (Share capital) x 20+ MK25,500
2,000

Share capital multiplied by 20, divided by 2000, and add MK25,500.

NB: MK entails Malawi Kwacha Average Exchange Rate for 2016 is MK730: 1US\$

External Company Registration

An External Company is defined as a body corporate formed outside Malawi which establishes or maintains an established place of business in Malawi. 'Established place of Business' entails fixed place of business except an agency unless the Agent has general authority to negotiate and conclude contracts on behalf of that body corporate or maintains a stock of its goods from which the Agent regularly fulfills orders on its behalf.

An external company registration requires the following:-

- (a) Power of Attorney by an agent to represent the company for registration
- (b) A duly authenticated (notarized) copy of the Memorandum and Articles of Association
- (c) A notarized Certificate of Incorporation issued by the registration Authority in the country of origin/incorporation.
- (d) Notarized shareholder resolution authorization the opening of a branch or subsidiary in Malawi
- (e) Authenticated copies of passport copies of shareholders
- (f) List of directors resident in Malawi

Registration fees for External Company Registration is MK100 for first MK1000 share capital value then MK10 for each additional MK2000 of share capital value. Or alternatively calculated as

MK(Share Capital)x20 divided by 2000 plus MK500

NB: MK entails Malawi Kwacha Average Exchange Rate for 2016 is MK730: 1US\$

Business Name Registration

Registration of other forms of trading other than through a medium of a company involves:-

- (a) completion of a two page forms that requires basic information concerning business name and personal information of the applicant; subject to trading permits or licenses that other industries may require.
- (b) The application fee payable to the Registrar General is K2000 only.



To find out more about our services,

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