



Supporting and empowering  
you every step of the way

## TANZANIA – NOT FOR PROFIT ORGANISATIONS

### FREQUENTLY ASKED QUESTIONS – PART 3

**Do Charitable Organisations qualify for Skills and Development Levy (SDL) exemption by default?**

Imposition, chargeability and remittance of Skills and Development Levy ("SDL" or "levy") is in accordance with Vocational Educational Training (VETA) Act ("Act"). The eligibility criteria for levy remittance is based on the number of employees i.e. employers having ten (10) or more employees are required to remit the levy equivalent to four (4%) percent of total gross monthly emoluments.

However, the Act provides for exemption to a number of organisations such as United Nations & its organisations, diplomatic missions, international & other foreign institutions dealing

with aid or technical assistance, *charitable organisations* and *religious institutions*. (to name a few).

In the context of levy exemption, a charitable organisation is defined as a resident entity of a public character granted a charitable status vide private ruling by the Commissioner.

That is to say, if the Not For Profit (NFP) organisation has obtained a charitable organisation status (*Refer to Part 1 of the FAQs for the criteria*), it will qualify for exemption from payment of SDL.

Further, exemption is also accorded to religious institutions whose employees are solely employed to administer place of worship, give religious instructions, generally administer religion and provide public health.



#### Caveat

This newsletter has been prepared for general guidance, and does not constitute professional advice. Accordingly, RSM Eastern Africa, its associates and its employees and agents accept no liability for the consequences of anyone acting, or refraining from acting, in reliance on the information contained herein or for any decision based on it. No part of the newsletter may be reproduced or published without prior written consent. RSM Eastern Africa is a member firm of RSM, a worldwide network of accounting and consulting firms. RSM does not offer professional services in its own name and each member firm of RSM is a legally separate and independent national firm.