



Compliance Alert: The Companies (Retention and Disposal of Company Documents) Regulations, 2023

Background

In line with section 455A of the Companies Act, 2002, the Minister for Investment, Industry, and Trade has issued regulations on retention and disposal of company documents. Prior to the issuance of these regulations, companies were only required to retain books of account for a period of six years as provided by section 151(4). There was no guideline regarding other documents i.e annual returns, certificate of incorporation, memorandum and articles of association. Below is the summary of the Regulations:

Requirement to retain company documents

The Regulations mandate that companies must maintain and make available all original documents either in paper or electronic form for a specified period, as outlined in the [First Schedule of the Regulations](#). However, companies have the option to adopt their own documents retention policies that allow for longer retention periods than those prescribed in the Schedule. The retention periods begin from the date the document is no longer in use.

Disposal of documents and the need to file disposal form with the Registrar

Companies are permitted to dispose off documents after the expiry of the retention periods set forth in the Regulations. The disposal of company documents must be authorized by the Board of Directors, administrator, administrative receiver, receiver, or liquidator of the company. After the disposal, the parties involved must sign the Disposal Form provided in the Second Schedule of the Regulations and submit it to the Registrar within 28 days from the date of disposal.

Exceptions to retention and disposal of company documents

The Registrar retains the power to direct any company, with written reasons, to retain specific documents beyond the prescribed retention period. Furthermore, the Regulations specify that if documents are required for ongoing investigations, legal proceedings, or claims, they must not be disposed of until those matters are completed. Any disposal of documents deemed necessary for ongoing investigations, proceedings, or claims is considered an intentional act subject to a default fine.

Offense/penalty for contravention

Non-compliance with the Regulations constitutes an offense, subjecting the responsible person to a fine not exceeding TZS 10 million. The Regulations aim to ensure proper document retention and disposal practices, facilitating transparency and compliance among companies in managing their records.

