



Malawi Government

Ministry of Industry and Trade

PRESS RELEASE

THE NEW BUSINESS LICENSING ACT AND ITS REGULATIONS

The Ministry of Industry and Trade wishes to inform the general public and the business community that Government has commenced implementation of the new Business Licensing Act of 2012 following the promulgation of Business Licensing Regulations which were gazetted on 14th November, 2014. The Act is part of the reforms to economic laws that government is doing to facilitate the implementation of its overriding strategy, the Malawi Growth and Development strategy (MGDS) II.

Accordingly, the Ministry wishes to inform the general public and the business community of the following pertinent issues under the Act and its regulations:

- i. All local councils under the Ministry of Local Government and Rural Development are business licensing centres for

Malawian-owned businesses pursuant to Section 3 sub-regulation 1 of the Business Licensing Regulations.

- ii. The Ministry of Industry and Trade remains the licensing authority for all businesses operated by non-Malawians in the country pursuant to Section 3 sub-regulation 2 of the Business Licensing Regulations.
- iii. The minimum capital requirement for new applications from 1st July, 2015 shall be **US\$250,000** as per Section 30 sub-section 2 and 5 read together with section 37 subsection 2 (l) of the Act.
- iv. Pursuant to Part III, Section 10 of the Act, all Business Licensing Centres in Local Government Authorities are hereby requested to establish business registries that shall be managed by Business Licensing Officers, kept and maintained using modern technology and skills, wherever possible.
- v. From 1 July, 2015 all Business Licensing Centres will be required to submit quarterly reports to the Chief Business Licensing Officer, who is the Secretary for Industry and Trade, within one month after the end of each quarter and publish, once in a year, the current register of all businesses licensed in the area of the Centre's jurisdiction as provided for in Section 9 subsection 3 c and d of the Act.
- vi. A person, who is not a citizen of Malawi, and intends to carry out business whose core activity is retail, shall operate in Blantyre City, Zomba City, Lilongwe City, Mzuzu City, Kasungu Municipality and Luchenza Municipality within the areas designated for that purpose

as provided for in Regulation 9 sub-regulation 1 of Business Licensing Regulations and the Second Column of the Third Schedule. However, a person, who is not a citizen of Malawi, and intends to carry out business whose core activity is retail, may carry on business outside the areas designated above upon approval of the Chief Business Licensing Officer and the Investment Approval Committee (IAC).

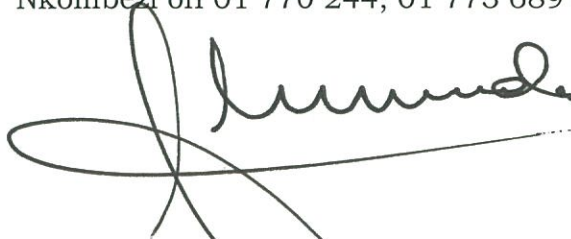
- vii. All applicants for renewal of a licence should remember to submit to the Business Licensing Centre or Chief Business Licensing Officer, as the case may be, an annual return in the prescribed form (contained in Form 5 of the Regulations) showing *inter alia*; annual turnover per business activity, changes in ownership and outstanding credit obligations as provided for in Section 18 of the Act.

The Ministry will soon embark on a sensitization campaign on the new Business Licensing Act and its regulations to all important stakeholders including all Local Councils to ensure smooth implementation of the Act. The Act and the regulations can be downloaded from the Ministry's website <http://www.moit.gov.mw>

It should also be noted that contravention of the Act will lead to liability to prosecution in accordance with the provisions of the Act. In this regard, the Ministry of Industry and Trade and the relevant institutions will re-

enforce their monitoring and inspection exercises to ensure adherence to the provisions of the new Act.

For more information please contact Mrs Charity Musonzo or Mr. Wiskes Nkombezi on 01 770 244, 01 773 689 or 01 774 085.

A handwritten signature in black ink, appearing to read 'Cliff K. Chiunda', with a large, sweeping flourish extending from the end of the signature.

Cliff K. Chiunda
**Chief Business Licensing Officer and Secretary for
Industry and Trade
Ministry of Industry and Trade
City Centre
Lilongwe**

30th April, 2015