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2. The Editor in Chief then sends the article to a reviewer for evaluation of the article and advises the Editorial Board on the following:
  - (a) Originality and contribution to knowledge;
  - (b) Relevance of the article in terms of substance;
  - (c) Propriety of the format;
  - (d) Whether the article should-
    - be published as it is;
    - be published after corrections indicated by the reviewer;
    - not be published at all.
3. After effecting corrections or improvements suggested by the reviewer the author resubmits the article to the Chief Editor for further processing.
4. The review team comprises all senior staff of the University of Dar es Salaam School of Law, i.e., those with PhD degrees and Professors and other qualified staff from outside the UDSM School of Law. An article is sent to a reviewer depending on the expertise of the said reviewer in the particular area of the law. The School has 13 professors

who are PhD degree holders and 15 PhD degree holders who are not yet professors.

### **Instructions to Authors**

The Editorial Board of the Eastern Africa Law Review, a Journal of Law and Development, welcomes submission of articles to be considered for publication in the journal.

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## AN OVERVIEW OF TRANSFER PRICING IN EXTRACTIVE INDUSTRIES INTANZANIA

*Boniphace Luhende\**

### **Abstract**

The extraction of natural resources such as minerals and petroleum is expected to create a stream of tax revenues to the government. However, Multi-national Corporations (MNCs) in the extractive industry devise several techniques to avoid paying taxes in countries where they operate. One of the techniques adopted by MNCs to avoid tax is transfer mispricing. This article examines the legal mechanisms in Tanzania applied to deal with transfer pricing issues in the extractive sector. In its analysis, the article starts by providing a general overview of the concept of transfer pricing and how it may result into abusive transfer pricing. Then, the article examines the transfer pricing regime applicable to both Mainland Tanzania and Zanzibar. Finally, the article identifies the pitfalls in the Tanzanian transfer pricing regime and recommends the appropriate remedial measures.

**Key words:** *transfer pricing, extractive industry, arm's length, anti-tax avoidance*

### **1. INTRODUCTION**

The extraction of natural resources such as minerals and petroleum is expected to create a stream of revenues to the government through taxes, levies and royalties imposed on

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