

THE UNITED REPUBLIC OF TANZANIA



No. 3 OF 1967

I ASSENT,

Julius K. Nyerere
President

16TH FEBRUARY, 1967

An Act to vest in the National Agricultural Products Board the Assets and Liabilities of certain Firms and the Shareholdings of certain Companies and to make provision for matters connected therewith and incidental thereto

[10TH FEBRUARY, 1967]

ENACTED by the Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY

1. This Act may be cited as the National Agricultural Products Board (Vesting of Interests) Act, 1967, and shall be deemed to have come into operation on the tenth day of February, 1967.

Short title
and
commence-
ment

2. In this Act, unless the context otherwise requires—

Interpretation

“assets” means real and personal property of every kind including—

- (a) rights under contracts and agreements;
- (b) books, books of account and records;
- (c) stock-in-trade;
- (d) choses in action; and
- (e) all other rights, interests and claims in or to real or personal property, whether liquidated or unliquidated, certain or contingent, accrued or accruing,

but does not include any right to a refund of taxation under any law in force in the United Republic or elsewhere;

“Board” means the National Agricultural Products Board established under section 3 of the Agricultural Products (Control and Marketing) Act, 1962;

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“effective date” means midday on the tenth day of February, 1967;

“firm” means any person or body of persons, whether corporate or incorporate, carrying on business in Tanganyika;

“liabilities” includes obligations under contracts or agreements but does not include any liability in respect of taxation under any law in force in the United Republic or elsewhere;

“Minister” means the Minister for the time being responsible for commerce;

“scheduled firm” means a firm specified in the Schedule to this Act;

“Tanganyika assets” means assets situated or deemed by law to be situated in Tanganyika;

“Tanganyika liabilities” means liabilities situated or deemed by law to be situated in Tanganyika.

(2) For the purpose of this Act, a chose in action, wherever situate, relating to the business of a scheduled firm in Tanganyika shall be deemed to be situated in Tanganyika.

PART II

VESTING OF INTERESTS OF CERTAIN SCHEDULED FIRMS

Interpretation 3. In this Part, unless the context otherwise requires—

“employee of a scheduled firm” includes every officer or servant of a scheduled firm employed in connection with the business of that firm in Tanganyika on the effective date and who is resident in or ordinarily resident in Tanganyika on that date;

“expatriate employee” means an employee of a scheduled firm who is not a citizen of the United Republic of Tanzania and whose terms and conditions of service require him to serve the scheduled firm within Tanganyika or elsewhere;

“local employee” means an employee of a scheduled firm who is a citizen of the United Republic of Tanzania or whose terms and conditions of service require the person concerned to serve within Tanganyika only;

“scheduled firm” means any firm specified in Part I of the Schedule to this Act.

(a) Nationalization

Nationalization of scheduled firms

4.—(1) As from the effective date, the Board shall take over the respective businesses in Tanganyika of the scheduled firms.

(2) All the assets of the scheduled firms which are Tanganyika assets, subsisting upon the effective date, shall, by virtue of this section and without further assurance, be vested in the Board and shall be deemed to have so vested upon the effective date.

(3) All the liabilities of the scheduled firms, which are Tanganyika liabilities, subsisting at the effective date, shall, by virtue of this section and without further assurance, be vested in the Board and shall be deemed to have so vested upon the effective date and the scheduled firms shall be discharged from their obligations in respect of those liabilities.

(4) The Minister may by Regulations make such provisions supplementary to or consequential on the provisions of this section as appear to him to be necessary or expedient.

(5) Notwithstanding the other provisions of this section, the Minister may by order exclude from the operation of the preceding subsections any asset, in whole or in part, of any scheduled firm and where an order under this subsection is made, any property and rights which would otherwise have been vested in the Board shall be deemed never to have been so vested.

5.—(1) The instruments to which this section applies are instruments (including contracts, guarantees, agreements, bonds, ^{Operation of contract, etc.} authorities, mortgages, charges, bills of exchange, promissory notes, bank drafts, bank cheques, letters of credit and securities)—

- (a) to which a scheduled firm the business of which in Tanganyika has been nationalized under this Act is a party;
- (b) under which any money is or may become payable or any other property is to be, or may become liable to be transferred, conveyed or assigned to that scheduled firm; or
- (c) under which any money is, or may become payable or any other property is to be, or may become liable to be transferred, conveyed or assigned, by that scheduled firm,

which are subsisting at the effective date and which relate to that business, but not including any contract or agreement between a scheduled firm and a partner, director or member of the scheduled firm or a person employed by the scheduled firm, other than a local employee, in his capacity as such partner, director member or person.

(2) An instrument to which this section applies shall, by virtue of this section, continue in full force and effect and the Board shall by this Act—

- (a) be substituted for the scheduled firm as a party thereto;
- (b) be entitled to receive, and enforce payment of, any money payable thereunder;
- (c) be entitled to obtain a transfer, conveyance or assignment of, and enforce possession of any property which is to be transferred, conveyed or assigned thereunder;
- (d) be liable to make payment of any money payable thereunder; or
- (e) be liable to transfer, convey or assign any property which is to be transferred, conveyed or assigned thereunder,

as the case may be.

6. For the avoidance of doubts and without prejudice to the generality of the foregoing provisions of this Part it is hereby declared that the Board shall have all such powers necessary to take possession and recover any property, to ascertain, perfect and enforce any right, and to discharge any liability or obligation, vested in the Board by section 4, and to deal therewith, as would have been enjoyed by the scheduled firm concerned had the same remained vested in the scheduled firm.

(b) *Compensation*

Compensation to be paid

7.—(1) The United Republic shall pay full and fair compensation in respect of the net value of the assets taken over under section 4 after taking into account the liabilities also taken over under that section.

(2) When the amount of compensation payable to any person entitled thereto by virtue of subsection (1) has been determined the Minister for Finance shall issue a certificate setting out such amount and that amount shall constitute a charge on and be paid out of the Consolidated Fund:

Provided that the said amount of compensation shall be payable in such manner and in such instalments as the Minister for Finance, after consultation with the person entitled, shall determine.

(c) *Employees of Scheduled Firms*

Local employees

8.—(1) Each person employed by a scheduled firm as a local employee immediately preceding the effective date shall, as from the effective date be, and be deemed to have been, employed by the Board.

(2) After a person becomes employed by the Board by virtue of subsection (1), the terms and conditions of service applicable thereafter to him shall be not less favourable than those which were applicable to him immediately before his transfer to the service of the Board and such a person shall be deemed to have been appointed to the service of the Board in such employment as the Board shall determine; and for the purposes of determining any right to gratuity or other superannuation benefit, his service with the Board shall be regarded as continuous with his service immediately preceding the effective date.

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(3) After a person becomes employed by the Board by virtue of subsection (1), his employment immediately prior to the effective date and his employment by the Board shall be deemed to be continuous employment by one employer within the meaning of section 8A of the Severance Allowance Act, 1962 and that Act shall apply to the parties in the same manner as it applies to the cases set out in subsection (1) of the said section 8A.

Existing expatriate employees

9. If a scheduled firm notifies the Board that it is willing to second expatriate employees to the service of the Board, the Board may enter into arrangements with such firm and with the expatriate staff concerned whereby such employees are seconded to the service of the Board upon terms and conditions to be agreed but not in any case less favourable than those which were applicable to the employees concerned immediately before the effective date.

(d) *General*

10.—(1) Every scheduled firm and every partner, director and member thereof, and every person employed by such firm in relation to its business in Tanganyika immediately preceding the effective date, shall do or join in doing all acts or things which it is necessary or convenient to do for or in relation to the operation of any of the provisions of this Act, and, in particular, for or in relation to—

Staff to assist in respect of transfer of business

- (a) the taking over by the Board under this Act of the assets and business of that scheduled firm;
- (b) the assumption by the Board under this Act of the liabilities of that scheduled firm.

(2) Any scheduled firm or person who contravenes the provisions of subsection (1) shall be guilty of an offence and on conviction shall be liable to a fine not exceeding ten thousand shillings in respect of each day that the contravention continues.

PART III

VESTING OF SHARES OF CERTAIN SCHEDULED FIRMS

11. In this Part, unless the context otherwise requires, "scheduled firms" means the firms specified in Part II of the Schedule to this Act.

Interpretation

12. As from the effective date all the shares in each of the schedule firms shall by virtue of this section and without further assurance vest, free of any trust, mortgage, charge, lien, interest, or other incumbrance whatsoever, in the Board and shall be deemed to have so vested as from the effective date and the Board shall be the sole shareholder of the firm.

13.—(1) As from the effective date the directors of every scheduled firm shall cease to hold office.

Directors to retire from office

(2) A director who ceases to hold office by virtue of subsection (1) shall not, notwithstanding any provision to the contrary in any law or in any Articles of Association, charter, agreement, contract or other instrument whatsoever, be entitled to any damages or compensation in respect of the loss of office.

14.—(1) As from the effective date and notwithstanding any provision to the contrary in any law or in any Articles of Association, charter, agreement, contract or other instrument whatsoever—

Board to be the Board of Directors

- (a) the Board shall be the Board of Directors of each of the scheduled firms;
- (b) the Board may, with the approval of the Minister, appoint a manager of a scheduled firm;
- (c) the seal of the scheduled firm shall be affixed in such manner as the Minister may direct or, failing any such direction, as the Board may decide.

(2) The Minister may make Regulations regulating the procedure of the Board when meeting as the Board of Directors of a scheduled firm.

Minister
may make
regulations
modifying
provisions of
the Companies
Ordinance or
Articles of
Association
Cap. 212

15.—(1) The Minister may make Regulations modifying in their application to a scheduled firm any of the provisions of the Companies Ordinance or of any subsidiary legislation made thereunder or of the Articles of Association or other charter or instrument of the scheduled firm.

(2) Nothing in subsection (1) shall be construed as limiting the power of the Board as the sole member of a scheduled firm to amend the Articles of Association of the scheduled firm where such power exists under such Articles.

Effect of
reduction in
the member-
ship of a
scheduled
firm

16. Every provision in any law or in any Articles of Association or any other charter or instrument of a scheduled firm, providing for any consequence to follow, or requiring any act or thing to be done, or entitling any person to do any act or thing or to take any action whatsoever, as a result of a reduction in the number of the members of the firm below a certain number, shall be of no effect in relation to the scheduled firms.

Compensa-
tion

17.—(1) The United Republic shall pay full and fair compensation in respect of the shares vested in the Board under section 12.

(2) When the amount of compensation payable to any person entitled thereto by virtue of subsection (1) has been determined the Minister for Finance shall issue a certificate setting out such amount and that amount shall constitute a charge on and be paid out of the Consolidated Fund:

Provided that the said amount of compensation shall be payable in such manner and in such instalments as the Minister for Finance, after consultation with the person entitled, shall determine.

Construction
of
instruments
affecting
shares

18.—(1) Any disposition—

(a) which was affected by a testamentary instrument executed before the effective date; and

(b) which would have operated as a bequest of all or any of the shares vested in the Board under the provisions of this Part,

shall have effect as a bequest of the right of the testator to be paid compensation in respect of the acquisition of the shares in relation to which that disposition would have operated.

(2) Any power of attorney or other instrument—

(a) which was executed before the effective date upon which any shares became vested in the Board under the provisions of this Part; and

(b) which operates in relation to all or any of those shares, shall have the like operation in relation to the right to payment of compensation in respect of the acquisition of the shares to which that power of attorney or other instrument relates.

Retiring
directors to
assist in the
take over

19.—(1) Every person who immediately before the effective date was a director, member or employee of a scheduled firm shall do all such lawful things and acts as he may be called upon in writing to do by the Board in order to assist the Board in the taking over of the shares and in assuming an effective control of the scheduled firm.

(2) Any person who contravenes the provisions of subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding ten thousand shillings in respect of each day that the contravention continues.

PART IV

MISCELLANEOUS

20. The Minister may give the Board directions of a general character as to the exercise and performance by the Board of their functions in relation to the assumption of control and management of the properties vested in the Board under the provisions of this Act.

Power of Minister to give directions

21. The Board shall afford the Minister facilities for obtaining information with respect to their activities in relation to the properties vested in them under the provisions of this Act and shall furnish him with returns, accounts and other information with respect to such properties and afford to him facilities for the verification of information furnished, in such manner and at such time as the Minister may require.

Board to afford Minister opportunity to examine accounts, etc.

22. The Minister may make Regulations prescribing all matters which are by the foregoing provisions of this Act required or permitted to be prescribed, or for carrying out or giving effect to the foregoing provisions of this Act and in particular for prescribing penalties not exceeding twenty thousand shillings for offences against the regulations.

Regulations

23. The National Agricultural Products Board Act, 1964 is hereby amended—

Amendments to the National Agricultural Products Board

(a) by adding immediately below section 6 the following new section:—

“Power to conduct certain businesses

6A.—(1) The Board may—

Acts 1964, No. 39

- (a) conduct the business of importers, exporters, wholesale dealers and retailers of such merchandise as the Minister may approve;
- (b) conduct the businesses of manufacturers and processors of such agricultural and other products as the Minister may approve;
- (c) with the approval of the Minister, acquire by agreement and hold interests in any mercantile firm trading or manufacturing or processing agricultural products in Tanganyika;
- (d) manage the affairs of any mercantile firm the interests of which are vested in the Board by any written law or acquired by the Board in the exercise by the Board of its power under the provisions of paragraph (c).

(2) Where the Board conducts any mercantile business it shall—

- (a) conduct its business in an efficient manner and in accordance with the best mercantile traditions;
- (b) conduct its business without discrimination except on such grounds as are appropriate in the normal and proper conduct of mercantile business.

(3) Nothing in this section shall be construed as imposing on the Board, whether directly or indirectly, any form of duty or liability enforceable by proceedings before any court.

(4) In this section 'mercantile firm' means any person or body of persons, whether corporate or incorporate, carrying on business in Tanganyika."; and

(b) by adding, immediately below section 11, the following new section:—

"Regulations 12. The Minister may make regulations amending any of the provisions of the First Schedule to the principal Act in so far as the same apply to the Board."

SCHEDULE

PART I

<i>Name of firm</i>	<i>Principal place of business</i>
Rajwani Mills	Dodoma.
Pure Food Products Limited	A company registered in Kenya and carrying on business in Tanganyika.

PART II

Pure Food Products (Tanganyika) Limited	Dar es Salaam.
Chande Industries Limited	Dar es Salaam.
Tanzania Millers Limited	Dar es Salaam.
G. R. Jivraj Limited	Dar es Salaam.
Nurmohamed Jessa & Co. Limited	Dar es Salaam.
Associated Traders Limited	Mwanza.
Kyela Sattar Rice Mills Ltd.	Kyela.

Passed in the National Assembly on the fifteenth day of February, 1967.


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Clerk of the National Assembly