

THE UNITED REPUBLIC OF TANZANIA



No. 14 OF 1985

I ASSENT.

Julius K. Nyerere

President

21st October 1985

An Act to amend the Co-operative and Rural Development Bank Act, 1971, to specify the status of that bank in relation to the Banking Ordinance (Cap. 430) and the Bank of Tanzania Act, 1965, and to provide for its objects and functions

[.....]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Co-operative and Rural Development Bank (Amendment) Act, 1985, and shall be read as one with the Co-operative and Rural Development Bank Act, 1971, in this part referred to as "the principal Act".

2. This Act shall be deemed to have come into operation on the first day of July, 1985. Commencement of section 3

3. Section 3 of the principal Act is hereby amended—

(a) by deleting the whole of sub-section (3) and substituting for it the following—

“(3) The Bank shall be a bank for the purposes of the Bank of Tanzania Act, 1965”.

(b) by adding immediately after subsection (3) the following new subsection—

“(4) The Banking Ordinance shall not apply to the Bank”. Cap. 400

Amendment
of section 4

4. The Principal Act is hereby amended by deleting the whole of section 4 and substituting for it the following new section—

Objects and
functions of
the Bank

4.—(1) The objects and functions of the Bank shall be:—

- (a) to make available short-term, medium and long-term finance for rural development;
- (b) to provide technical assistance and advice for the purposes of promoting rural development;
- (c) subject to the provisions of this Act, to administer such special funds as may from time to time be placed at the disposal of the Bank;
- (d) to finance the purchase of agricultural inputs by:—
 - (i) making or guaranteeing loans, whether falling within the definition of long and medium term finance or otherwise; or
 - (ii) the purchase and resale of agricultural input on credit terms;
- (e) to mobilise local resources by accepting deposits and floating bonds, debentures and other monetary instruments;
- (f) to provide, in accordance with the conditions appropriate in the normal and proper conduct of banking business, adequate and proper banking services and facilities throughout the United Republic;
- (g) to conduct its business without discrimination except on such grounds as are appropriate in the normal and proper conduct of banking business;

(2) The Bank shall—

- (a) carry on the business of banking in all the branches and departments, including borrowing, raising or taking up money; lending or dealing in bills of exchange; promissory notes, coupons, drafts, bills of lading, warrants, debentures certificates, scripts and other instruments and securities, whether transferrable or negotiable, or not; granting and issuing letters of credit and circular notes; buying, selling, and dealing in billion and species; acquiring, holding and issuing on commission, under-writing and dealing with stocks; funds; shares; debentures; debenture stock; bonds; obligations, securities and investments of all kinds, the negotiating of loans and advances; receiving money and valuables on deposit, or for safe custody, or otherwise, collecting and transmitting money and securities, managing property, and transacting all kinds of agency business commonly transacted by bankers;
- (b) undertake and execute any trusts the under-taking whereof may seem desirable, and also to undertake the office of executor, administrator, receiver, treasure register or auditor, and to keep for any company, Govern-

ment authority, or body and registers relating to any stocks, funds, shares or securities, or to undertake any duties relating to the registration of transfers and the issue of certificates;

- (c) take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Bank, to obtain and justify public confidence, and to avert or minimize financial disturbances which might affect the Bank;
- (d) undertake such other activities as may be necessary or advantageous for the purpose of furthering the foregoing objects.

(3) The Bank shall not, in the discharge of the objects or performance of the functions set out in subsection (1) and (2) divulge any information relating to the affairs of any of its customer except in circumstances and in accordance with procedures permitted under any written law, or in accordance with practices, usage or customs deemed proper and necessary amongst bankers."

5. Section 7 of the principal Act is hereby amended by re-lettering paragraph "(e)" as "(f)" and by inserting the following new paragraph— "funds received by the bank in the course of operating/deposit/accounts".

Amendment of section 7

6. Section 9 of the principal Act is hereby repealed and replaced by the following:

Repeal and replacement of section 9

9.—(1) The special funds and long term finance of the Bank shall be used exclusively to implement the objects of the Bank as set out in section 4 (1).

Restriction on use of resources of the bank

(2) The ordinary resources and banking deposits of the Bank shall, after providing for the cash and liquid assets of the Bank as required by the Bank of Tanzania Act, 1965, be used for implementing the objects of the Bank".

7. Section 19 of the principal Act is hereby amended—

Amendment of section 19

- (a) by renumbering the present provisions of that section as sub-section (1);
- (b) by adding, after that sub-section, the following:—

"(2) Where the Chairman of the Bank is not also the Managing Director, the General Manager shall be the chief executive officer of the Bank, responsible to the Board of Directors for the execution of the policy of the Bank as laid down by the Board of Directors, and for the control and management of the Bank."

8. Section 20 of the principal Act is hereby amended by adding after sub-section (4) the following sub-section:—

Amendment of section 20

"(5) The Chairman of the Bank may also be appointed to hold the office of Managing Director."

Amendment
ah section 22 9: Section 22 of the principal Act is hereby amended, by deleting sub-sections (5) and (6) and substituting for them the following sub-section:

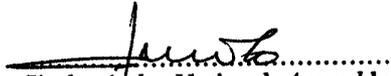
“(5) Except where the provisions of section 19 (2) apply, the General Manager shall be the chief of the staff of the Bank and shall conduct, under the direction of the Board of Directors and in consultation with the Chairman of the Bank, the current business of the Bank; and shall be responsible for the organization, appointment and dismissal of the officers and staff of the Bank in accordance with regulations adopted by the Board of Directors.”.

Addition of
section 22A 10. The Principal Act is hereby amended by adding after section 22 the following new section:

“Common Seal and execution of documents 22A.—(1) The common seal of the Bank shall be affixed in the presence of the Chairman of the Bank or any member of the Board of Directors and the General Manager or any other officer of the Bank authorized in that behalf by the Board of Directors.

(2) All deeds, instruments, contracts and other documents to which the Bank is a party may be executed in writing on behalf of the Bank by the Chairman of the Bank and the General Manager or by one of them and some other officer of the Bank appointed for that purpose by the Board of Directors.”.

Passed in the National Assembly on the twenty-sixth day of July, 1985.


Clerk of the National Assembly