

**THE SPECIFIED COMPANIES (TRANSFER OF MANAGEMENT)
ACT, 1983**

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THE UNITED REPUBLIC OF TANZANIA



No. 20 OF 1983

I ASSENT

Julius K. Nyerere
President

10th September, 1983.

An Act to give statutory effect to the acquisition of the share capital in certain Tanzanian companies, to provide for the transfer of their management and for the matters connected with and incidental to such acquisition

[.....]

WHEREAS each of the companies specified in the Schedule to this Act is a private company incorporated in the United Republic of Tanzania and was until the 17th day of January, 1982; operating agricultural and livestock enterprises in the United Republic:

AND WHEREAS the Government of the United Republic of Tanzania found it necessary in the public interest to take over the business of those companies;

AND WHEREAS, subsequent to that take over, the Government of the United Republic of Tanzania set up a Trustee Management Board to supervise and manage the properties and business of those companies as from the 17th day of January, 1982:

AND WHEREAS, it is meet to give statutory effect to that acquisition and the subsequent set up of the Board and to make other provisions to facilitate the more effectual take over of the Companies;

NOW THEREFORE, BE IT ENACTED by the Parliament of the United Republic of Tanzania as follows:—

PART I

PRELIMINARY

1. This Act may be cited as the Specified Companies (Acquisition and Short Transfer of Management) Act, 1983. and shall be deemed to have come into title and commencement operation on the 17th day of January, 1982.

2. In this Act, unless the context requires otherwise—
“assets” means real and personal property of everykind including—
Interpretation

- (a) rights under contracts and agreements;
- (b) books, books of accounts and records;
- (c) stock-in-trade,

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(d) choses in action; and

(e) all other rights, interests and claims in or real or personal property whether in liquidated or unliquidated, certain or contingent, accrued:

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 Trustee Management Board established under section 13;

'the effective date' means midnight of the 17th day of January, 1982;

'Minister' means the Minister for the time being responsible for Agriculture;

'organization' means:—

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(a) any public corporation established under the Public Corporations Act, 1969;

(b) any parastatal organization established by or under any written law other than the Companies Ordinance;

(c) any company or other body corporate established under the Companies Ordinance not less than fifty-one per cent of whose share capital is owned by the Government, a parastatal organization or by a public corporation;

'previous owner' means any person who was a shareholder in a specified company immediately before the effective date, and includes any person claiming through the previous owner;

'specified company' means a Company specified in the Schedule to this Act.

'Treasury Registrar' means Treasury Registrar appointed under the Treasury Registrar Ordinance and includes any body appointed by the Treasury Registrar as his agent for the purposes of this Act.

PART III

ACQUISITION AND TRANSFER OF MANAGEMENT OF SPECIFIED COMPANIES

Acquisition of the specified companies and vesting of shares

3.—(1) As from the effective date all shares in each of the specified company shall by virtue of this section and without further assurance, vest free of any trust, mortgage, charge, lien, interest or any other encumbrance of any kind, shall be deemed to have so vested as from the effective date and the Treasury Registrar shall be the sole shareholder of each of the specified company.

(2) Subject to the provisions of this Act, no right or interest in any specified company, including any right or interest arising from any encumbrance, derived by any person from or through, previous owner, shall be exercisable or enforceable as against the Treasury Registrar and the company shall vest in the Treasury Registrar free of any or all those rights, interests or encumbrances.

Value of shares

4. The Treasury Registrar shall as soon as may be practicable carry out investigations for the purposes of determining the value of the share vested under section 3.

Power of the Board

5. For the avoidance of doubt and without prejudice to the generality of the preceding sections, it is hereby declared that the Board established by section 13 shall have all the powers necessary to take possession and recover and enforce any right, and to discharge any liability or obligation, vested in the Board by section 3 and deal with them in the same manner as dealt with by the previous owner immediately before takeover of the company.

Construction of instruments affecting shares

6.—(1) Any disposition—

(a) which was effected 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 section 3;

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 become vested in the Treasury Registrar under the provisions of section 3; 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 in which that power of attorney or other instrument relates.

7.—(1) No previous owner, or any director, partner, employee or agent of a previous owner, shall sell, assign, dispose of or interfere in any manner with any share or asset of any specified company. Restriction on disposition of assets of previous owner

(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 fifty thousand shillings and shall, in addition, restore to the specified company such share certificate or asset as may have been dealt with by him in contravention of that subsection.

8. Notwithstanding the acquisition of the specified companies under this Act and, for the avoidance of doubts, any subsisting employment, including rights of gratuity and superannuation benefits, of any employee immediately before the effective date shall be deemed as continuous and conditions of service shall not be less favourable than those which were applicable to him immediately before the effective date subject to any directions which the President may give in that behalf. Provisions relating to employees

9.—(1) The directors of each specified company shall cease to hold office as from the effective date. Directors to retire for office

(2) Notwithstanding any contrary provision in any law for the time being in force or in any Article of Association, charter, agreement, contract or other instrument of any kind, a director who ceases to hold office by virtue of subsection (1) shall not be entitled to any damages as compensation in respect of the loss of office.

10. Every person who immediately before the effective date was a share holder, director, member or employee of a specified company shall do all lawful act as he may be called upon in writing to do by the Board or the Treasury Registrar in order to facilitate the more effectual taking over by the Board of the shares and assuming an effective control of the specified company. Previous owner, directors, et, to facilitate take over

11.—(1) Subject to the provisions of this section, the United Republic shall after consultation with the previous owner, pay such compensation in respect of the shares in each of the specified companies acquired under section 3(1) as the Minister for Finance may determine as being full and fair compensation. Compensation

(2) When the amount of compensation payable to any person entitled to it by virtue of subsection (1) has been determined, the Minister for Finance shall issue a certificate setting out the amount, and that amount shall constitute a charge on and be paid out of the consolidated fund.

(3) Notwithstanding subsection (2), the 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.

12.—(1) The Minister shall, after consultation with the Minister for the time being responsible for finance, in relation to each specified company, by order published in the *Gazette*, designate an organization to which that company shall be transferred. Transfer of Management specified companies

(2) Where an order is made under subsection (1) the Treasury Registrar shall by a certificate under his hand transfer to the organization designated in the Order all shares, rights and interest, in or over any of the specified companies in relation to which the organization is designated and which vested in the Treasury Registrar by the operation of the provisions of Part II of this Act.

(3) Where a certificate under subsection (2) is issued in relation to any of the specified companies, such, specified company shall, by virtue of that certificate and without further assurance, vest in the organization specified in the certificate, and the provisions of subsection (3) shall as from the date of transfer apply as if references in that section to the Treasury Registrar were references to the organization in the order under subsection (1).

(4) Upon the transfer of any of the specified companies to an organization under this section all persons who are employed in carrying on the business of any of the specified companies immediately before the date of the transfer, including the persons who were employed by any of the companies immediately before the effective date and who by virtue of the operation of section 8 became employees of the Board in relation to any of the specified companies shall as from the date of transfer of the specified company to the organization be employed by the organization and the provisions of section 8 shall apply as if references in that section to the Board were references to the organization.

PART IV

MANAGEMENT OF SPECIFIED COMPANIES

13. There is hereby established a Board to be known as the Trustee Management Board which shall consist of—

- (a) a chairman who shall be appointed by the Minister; and
- (b) not less five nor more than nine other members to be appointed by the Minister,

and the Board shall be deemed to have been established as from the effective date.

Management of the specified companies

14.—(1) The Board shall be responsible for the management and control of the business and affairs of each specified company and shall, for that purpose, ensure that business of such company is carried on efficiently in accordance with the best economic principles so as to avert or minimize any losses to that business.

Effect of change in the membership of the company

15. Every provision in any law or in any Article of Association or any other charter or instrument of a specified company 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 of any kind, as a result of the change in membership or shareholders of the company below a certain number, shall be of no effect whatsoever in relation to a specified company.

Power of the Minister in relation to the Board

16. The Minister may give to the Board directions of a general or specific character regarding the management of any specified company and, without prejudice to the generality of the powers of the Minister under this Act, such direction may be connected with—

- (a) the management of a specified company;
 - (b) the maintenance of books of accounts and other documents relating to the business conducted in relation to a specified company;
 - (c) other matters pertaining to such company and persons employed in connection with the business of the company,
- and the Board shall give effect to any such directions.

Minister may make regulations Cap. 212

17.—(1) The Minister may make regulations modifying, in their application to the company, any of the provisions of the Companies Ordinance or of any subsidiary legislation made under it or of the Articles of Association or other charter or instrument of the Company.

(2) Nothing in subsection (1) shall be construed as limiting the power of the Board as the sole member of the Company to amend the Articles of Association of the company.

18. Where, after the effective date but before the enactment of this Act, any person was a member of the Board, an officer or employee of the Company immediately before the effective date purported to perform any duty or exercise any power or functions imposed or conferred upon him as such member of the Board, officer or employee by or under any enactment or rule of law, the duty, power or functions shall be deemed to have been imposed on and vested in the member of the Board, officer or employee as if he had been a member of the Board, officer or employee of the Board in relation to the Company on the date on which he performed the duty or exercised the power or function, and the performance of that duty or the exercise of that power or function shall not be called into question in any court by reason only of this Act not having been enacted.

SCHEDULE

SPECIFIED COMPANIES

1. Rift Valley Seed Ltd.
2. Hashman Estates Ltd.
3. Lente Estate Ltd.
4. Loldebis Ltd.
5. Mayoka Estate Ltd.
6. Tanganyika Air Ltd.

Passed in the National Assembly on the sixteenth day of July, 1983.


Clerk of the National Assembly