The United Republic of Tanzania

No. 14 of 1985

I ASSENT.

[Signature]

President

21st Act 54, 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.

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. 430

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

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 bills and stocks; acquiring, holding and issuing on commission, under-writing and dealing with 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, treasurer 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 para-
paragraph “(o)” as “(f)” and by inserting the following new paragraph—
“funds received by the bank in the course of operating/deposit accounts”.

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 Section 9 of the principal Act is hereby repealed and replaced by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

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).

(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—
(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:—
“(5) The Chairman of the Bank may also be appointed
to hold the office of Managing Director.”
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.”

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

“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.

[Signature]
Clerk of the National Assembly

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