

THE UNITED REPUBLIC OF TANGANYIKA AND ZANZIBAR



No. 38 OF 1964

I ASSENT,

*Jelani K. Nyerere*  
President

30TH JULY, 1964

**An Act to provide for the Establishment and Management of certain Banking and Credit Corporations, to provide for the transfer to such Corporations of the assets and liabilities of the Agricultural Credit Agency and the Co-operative Bank of Tanganyika Limited, to amend the Banking Ordinance, and for matters connected therewith and incidental thereto**

I.....I

ENACTED by the Parliament of the United Republic of Tanganyika and Zanzibar.

**PART I**

**PRELIMINARY**

1. This Act may be cited as the National Co-operative and Development Bank Act, 1964, and shall come into operation on such date as the Minister shall, by notice in the *Gazette*, appoint.

Short title  
and com-  
mencement

2.-(1) In this Act, unless the context otherwise requires-  
"the Agency" means the National Development Credit Agency;

Interpre-  
tation

"Bank" means the National Co-operative and Development Bank and the National Co-operative Bank;

"by-laws" means the by-laws of a Corporation made under its Rules;

"Committee" means the Committee or other governing body of a Corporation, and "sub-committee" means a sub-committee, a joint sub-committee or similar body established by a Corporation or two or more of them;

"Corporation" means a Corporation established by this Act;

"delegate" and "substitute" means a delegate or substitute appointed under the Rules of the National Co-operative and Development Bank;

"member", in relation to a Corporation, means a person declared by the Rules of the Corporation to be a member or, if no such provision is made in the Rules, means the shareholders;

"the Minister", in sections 22, 23, 25, 27, 28, 30 and 44, means the Minister for the time being responsible for financial matters, and in the remaining provisions of this Act means the Minister for the time being responsible for co-operative development;

"officer in default" in relation to a Corporation has the meaning ascribed to that expression in subsection (2) of this section;

"Rules" means the Rules of a Corporation;

"unsecured advance" and "unsecured credit facility" means an advance and a credit facility respectively made without security or, in respect of any advance or credit facility made with security, any part thereof which at the time such advance or facility is granted exceeds the market value of the assets constituting that security.

(2) In this Act, the expression "officer in default" in relation to a Corporation means, in respect of any default or contravention, any officer of the relevant Corporation:

Provided that in any proceedings against a person alleged to be an officer in default it shall be a good defence-

- (a) in the case of non-compliance with any provisions of, or requirement under, this Act, to prove that he had reasonable grounds to believe and did believe that a competent and reliable person was responsible for complying with the particular requirement and was in a position to discharge that responsibility,
- (b) in the case of a contravention of any provision of this Act, to prove that the contravention occurred without his knowledge and consent.

## PART II

### THE CORPORATION

#### (a) *Establishment*

The Corporations

3. There are hereby established three corporations to be known as "the National Co-operative and Development Bank", "the National Co-operative Bank" and "the National Development Credit Agency" respectively, and each shall—

Cap. 430

- (a) have perpetual succession and a common seal;
- (b) in its corporate name be capable of suing and being sued;
- (c) subject to the provisions of this Act and, in the case of the Banks to the applicable provisions of the Banking Ordinance, be capable of purchasing and otherwise acquiring, and of alienating, any movable or immovable property.

Objects and powers of the Corporations

4.-(1) The objects for which the Corporations are established are the objects specified in their respective Rules, and subject to the provisions of this Act and to the Rules of the Corporation (and, in the case of the Banks, to the applicable provisions of the Banking Ordinance), each of the Corporations shall have power to do all such acts as appear to it to be requisite, advantageous and convenient for the discharge of the objects of the Corporation or are incidental or conducive to the discharge thereof.

(2) For the avoidance of doubts it is hereby declared-

- (a) that the provisions of subsection (1) of this section, and of section 5, relate only to its capacity as a body corporate and nothing therein

shall authorize the disregard by the Corporation of any rule of law; and

- (b) nothing in section 7 of the Interpretation and General Clauses Ordinance (which relates to the commencement and publication of certain rules) or in paragraph (b) of section 25 of that Ordinance (which relates to the power to annex penalties to the breach of certain rules) shall apply in relation to the Rules or by-laws of a Corporation. Cap. 1

**5.** Subject to any amendment, modification or substitution made in accordance with the relevant Rules and not inconsistent with the other provisions of this Act, the Rules set out in the First, Second and Third Schedules to this Act shall be the Rules of the Corporation specified therein and, subject to this Act and any other rule of law, each Corporation and its affairs shall be governed in accordance with its Rules. Government of the Corporations

**6.-(1)** The Minister shall appoint a fit and proper person to be the President of the National Co-operative and Development Bank. President of the National Co-operative and Development Bank

(2) The President of the National Co-operative and Development Bank shall be, and shall have all the powers of, a member of the Committee of the Bank, shall receive notices of all meetings thereof, and, if present at a meeting of the members of the Bank or at any meeting of the Committee of the Bank, shall preside as chairman thereof. President of the National Co-operative and Development Bank

**7.-(1)** The Ministers for the time being responsible for financial matters, co-operative development and agriculture may each appoint one representative to each of the Corporations. Representative of Ministers on the Corporations

(2) A representative appointed under this section-

- (a) shall be and shall have all the powers of a member of the Committee of the Corporation to which he is appointed, and shall receive notices of all meetings thereof;
- (b) shall be entitled to be present at all meetings of members of the Corporation to which he is appointed other than meetings convened solely for the purposes of electing members of the Committee or any delegate or substitute, and to vote thereat, and to vote in any referendum of the members of the Corporation;
- (c) shall, at any meeting of the members of the Corporation to which he is appointed, at any meeting of a Committee of such Corporation, at any meeting of a sub-committee of which he is a member, and at any referendum be entitled, in addition to exercising his vote, to veto any proposal at, or resolution or act of, such meeting or referendum, other than a proposal or resolution for the election by the members of a Corporation of a member of the Committee or of any delegate or substitute.

(3) A representative's power of vote shall be exercised-

- (a) in the case of a meeting, at the meeting at which the resolution is proposed or passed or the act done, as the case may be, and where it is so exercised-
- (i) in respect of a proposal, the proposal shall not be proceeded with at that meeting;
- (ii) in respect of a resolution or act, the resolution or act shall be abrogated;

(b) in the case of a referendum, within the time in which voting is to take place on such referendum, and where it is so exercised the proposal shall not be proceeded with at such referendum:

Provided that nothing in this subsection or in subsection (2) shall preclude the proposal or passing of a resolution in the like terms or the doing of a like act at any subsequent meeting or referendum.

Qualifica-  
tions and  
tenure of  
President  
and repre-  
sentatives

**8.**-(1) A Minister shall not appoint as President of the National Co-operative and Development Bank, or as a representative under section 7, a person who is disqualified for appointment by section 20 of the Banking Ordinance but, save as aforesaid, a person appointed as President or such representative shall not be required to have any of the qualifications prescribed for members of the Committee or elected officers of the relevant Corporation.

(2) Subject to the provisions of section 20 of the Banking Ordinance-

(a) a person appointed the President of the National Co-operative and Development Bank shall, unless he sooner dies or resigns or is removed from office by the appointing Minister, hold office for a period of three years, but shall be eligible for re-appointment;

(b) a person appointed a representative under section 7 shall hold office at the pleasure of the appointing Minister.

(b) *General provisions relating to the business of the Corporations*

Limitation  
of liabilities  
of members

**9.** The members of a Corporation shall be individually liable for the debts, contracts and liabilities of the Corporation, but to the extent only of the amounts (if any) for the time being unpaid on the shares of the Corporation held by them respectively.

Estimates  
of income  
and ex-  
penditure

**10.**-(1) The Corporations shall, unless the Minister otherwise directs, submit for his approval an estimate, in such form and containing such matters as he may require, of their income and expenditure for each financial year.

(2) A Corporation shall not incur expenditure exceeding that provided in the estimates except with the approval of the Minister.

(3) Where a Corporation fails to comply with the provisions of subsection (2), the Corporation and every officer of the Corporation in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding five thousand shillings.

Accounts  
and  
returns

**11.**-(1) The Registrar of Co-operative Societies shall have power-

(a) to direct the Corporations to make returns and file documents relating to the issue and transfer of shares, the membership of Committees and sub-committees, their accounts and statements of account, and the exercise of their borrowing powers, and to prescribe the person or persons by whom, and the times at which, such returns shall be made and such documents filed; and

(b) to direct the books and accounts to be kept, and the statements of accounts to be made, by the Corporations, and the form thereof -

(2) Subject to any direction given under subsection (1), the Corporations shall keep proper accounts and other records relating thereto in a form which shall conform to the best commercial standards

and which shall secure the provision of separate information as respects each of their main activities.

(3) Where the Registrar Of CO-Operative Societies directs a Corporation to make any return or file any document of a kind which in the case of companies to which the Companies Ordinance applies are open to inspection by members of the public, the Registrar of Co-operative Societies shall permit members of the public, on payment of the same fees and subject to the same conditions as those applicable to the like inspections in the Companies Registry, to inspect the returns made and any document filed by or on behalf of the Corporation. Cap.212

(4) Where a Corporation fails to comply with any direction of the Registrar of Co-operative Societies under this section, the Corporation and every officer of the Corporation in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one hundred shillings for each day during which such non-compliance continues.

(5) Nothing in this section shall be construed as exempting a Bank or any officer of a Bank from compliance with any provision of the Banking Ordinance which applies to such Bank.

**12.-**(1) The accounts of a Corporation shall be audited annually by auditors appointed by the Corporation with the approval of the Minister, and copies of the statement of accounts so -audited, together with the report of the auditors thereon, shall be sent to the Minister in each year. Audit

(2) The provisions of subsection (1) shall have effect in relation to the Agency notwithstanding the provisions of section 28 of the Exchequer and Audit Ordinance, 1961, but the Minister shall in each year lay before the National Assembly a copy of the audited statement of accounts for the preceding financial year of the Agency and the report of the auditors thereon. Ords. 1961  
No. 21

**13.-**(1) All deeds, instruments, contracts and other documents (including bills of exchange and promissory notes) shall be deemed to be duly executed by or on behalf of a Corporation- Execution of  
documents

(a) if sealed with the common seal of the Corporation in accordance with its Rules;

(b) if executed in that behalf in writing by not less than two officers of the Corporation authorized to execute the same under its Rules.

(2) Nothing in this section shall be construed as precluding the execution of any such document aforesaid by or on behalf of a Corporation by a lawfully appointed agent.

**14.-**(1) No Corporation shall grant any unsecured advance or unsecured credit facility to any person, who, at the time of such grant, or at any time within one year before the grant, is or was a delegate or substitute. Restrictions  
on advances

(2) No Corporation shall grant any unsecured advance or unsecured credit facility to any employee of any of the Corporations if the aggregate of such unsecured advances or credit facilities granted to such employee by any of the Corporations would exceed one-half of the annual emoluments received by such employee from the Corporation by which he is employed.

(3) No Corporation shall grant any unsecured advance or unsecured credit facility to-

- (a) any member of a Committee Or sub-committee of any of the Corporations whether such advance or facility is granted to such member severally or jointly with any other person;
- (b) any individual, firm, partnership, private company or co-operative society of which such member is a guarantor:

provided that nothing in paragraph (a) of this subsection shall apply to any such member who is an employee of any of the Corporations.

(4) If a Corporation contravenes the provisions of this section the Corporation and every officer of the Corporation in default shall be guilty of an Offence and shall be liable on conviction to a fine not exceeding five thousand shillings-

Members of Committees and sub-committees of corporations to declare interests

**15.**-(1) Subject to the provisions of this section, it shall be the duty of a member of a Committee Or a sub-committee of a Corporation who is in any way, either directly or indirectly, interested in a contract - or arrangement or any proposed contract or arrangement with the Corporation which is or was dealt with at a meeting Of the Committee or sub-committee of which he is a member to declare the nature of his interest to such Committee or sub-committee.

(2) In the case of a proposed contract or arrangement, the declaration required by this section shall be made at the meeting at which the question of entering into the contract or arrangement is first taken into consideration or, if the member was not at the date of that meeting interested in the proposed contract or arrangement, at the next meeting held after he became so interested, and in the case where a member becomes interested in the contract or arrangement after it is made the said declaration shall be made at the first meeting held after the member becomes so interested.

(3) For the purpose of this section a general notice given to a Committee or sub-committee by a member to the effect that he is to be regarded as interested in any contracts or arrangements made with any particular person shall be deemed to be a sufficient declaration Of interest in relation to any contract or arrangement so made:

Provided that no such notice shall be effective unless either it is give" at a meeting of the Committee or sub-committee or the member takes reasonable steps to secure that it is brought UP and read at the next meeting of the relevant Committee or sub-committee after it is given.

(4) Any member of a Committee or a sub-committee of a Corporation who fails to comply with the provisions of this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding five thousand shillings-

(5) Nothing in this section shall apply to contracts or arrangements made between the Corporations only or between any one or more of the Corporation and the Government only.

Members of Committees, etc, or employees of Corporations not to by lands

**16.** It shall not be lawful for a member of a Committee or sub-committee of any of the Corporations, or for a delegate or a substitute, directly or indirectly any land disposed by corporation under the for an employee of any of the Corporations, to buy or acquire proviso to subsection (2) of section 18 of the Banking Ordinance or subsection (2) of section 29 of this Act, at the time of, or within One year after, such disposition-

(c) *Special provisions relating to the business of the Banks*

**17.**-(1) Notwithstanding that-

- (a) neither the National Co-operative and Development Bank nor the National Co-operative Bank is a company or a co,-operative society within the meanings ascribed to those expressions in the Banking Ordinance; Or
- (b) the National Co-operative and Development Bank is not for the time being authorized by its Rules to carry on banking business within the meaning ascribed to that expression in the said Ordinance,

Application  
of the  
Banking  
Ordinance

each of the said Corporations shall be a bank for the purposes of that Ordinance and, subject to the provisions of this section, that Ordinance shall apply to, and in relation to the said Corporations.

(2) The following provisions of the Banking Ordinance shall not apply to the National Co-operative and Development Bank: -

- (a) sections 3, 17 and 19; and
- (b) until it is authorized by its Rules to undertake banking business within the meaning ascribed to that expression in the said Ordinance, section 14 and paragraph (c) of subsection (1) of section 16.

(3) Sections 3 and 17 of the Banking Ordinance shall not apply to the National Co-operative Bank.

(4) Upon the commencement of this Act, the Registrar of Companies shall issue a licence under the Banking Ordinance to each of the said Corporations.

(5) Nothing in this section shall preclude the Registrar of Companies from suspending or revoking a licence issued under subsection (4).

**18.** Nothing in section 66 of the Co-operative Societies Ordinance (which restricts the use of the title "co-operative") shall apply to the Banks.

Use of the  
title  
"co-opera-  
tive"  
Borrowing  
powers

**19.**-(1) The National Co-operative and Development Bank and the National Co-operative Bank may each borrow sums required by it for the purposes of its business and for meeting its obligations and may secure the repayment of moneys borrowed or owing by mortgage, charge or lien upon all or any property or assets of the Bank (both present and future), including any sums unpaid on its shares:

Provided that the said Banks shall not borrow any sums so as to have outstanding at any time an aggregate amount exceeding, in the case of the National Co-operative and Development Bank, ten million shillings or, in the case of the National Co-operative Bank, two hundred million shillings.

(2) A person lending money to either of the said Banks shall not be bound to inquire whether the borrowing of such money is within the power of the Bank.

(3) Nothing in the proviso to subsection (1) shall apply to any unsecured borrowing from the customers of a Bank of moneys credited to the current or deposit accounts of such customers, and such moneys

shall not be taken into account in computing the sums specified in that proviso.

Further  
restric-  
tions on  
advances to  
members

**20.** No Bank shall grant any unsecured advance or unsecured credit facility to any person who, at the time of the grant, or at any time within one year before the grant, holds or held shares in either of the Banks:

Provided that nothing in this section shall apply to the grant of an advance or credit facilities by one Bank to another.

Dividends  
and  
other  
payments

**21.**(1) No dividend or other moneys shall be paid to, any member of a Bank otherwise than out of profits.

(2) No interest shall be paid on any installment of the purchase price of shares in a Bank paid before such installment is due.

(3) No dividend or other payment to the members of a Bank shall exceed the amount recommended by the Committee of the Bank and approved by the Minister.

(4) Nothing in subsection (1) or (3) shall apply to payments on a winding up.

*(d) Special provisions relating to the business of the Agency*

Borrowing  
powers of  
the  
Agency

**22.**(1) The Agency may, with the approval of the Minister and subject to such conditions as he may determine, borrow sums required by it for meeting any of its obligations or for the purpose of its business and may secure the repayment of moneys borrowed or owing by mortgage, charge or lien upon all or any property or assets of the Agency (both present and future), including any sums unpaid on its shares:

Provided that the Agency shall not borrow under this section so as to have outstanding at any time an aggregate amount exceeding one hundred and fifty million shillings or such other sum as may from time to time be approved by resolution of the National Assembly.

(2) The powers of the Minister under this section shall extend to the amount (within the maximum herein before specified), the nature and sources of the borrowing and the times at and conditions on which the borrowing may be effected, and his approval may be either general or limited to a particular borrowing.

(3) The Government may guarantee, in such manner and on such conditions as it thinks fit, the repayment of the principal of, and the payment of the interest and other charges on, any borrowings of the Agency under this section, and any sums required for the fulfilling of any such guarantee shall be charged on and issued out of the Consolidated Fund.

(4) A person lending money to the Agency shall not be bound to inquire whether the borrowing of such money is within the power of the Agency.

Moneys  
provided  
by Parlia-  
ment or  
raised by  
the Govern-  
ment for  
the  
Agency

**23.**(1) The Minister may, with the approval signified by resolution of the National Assembly, raise money, either within or without the United Republic, specifically for the purposes of the Agency and all moneys so raised shall be charged on and issued out of the Consolidated Fund to the Agency.



(2) Where any moneys are paid to the Agency under the provisions of subsection (1), or out of moneys provided by Parliament, the Minister shall have power-

- (a) to declare the rate of interest to, be paid by the Agency thereon, which in the case of moneys issued under subsection (1) shall not be less than that at which the moneys were raised by the Minister, or, in the case of moneys provided by Parliament, to declare that no interest shall be payable thereon;
- (b) to prescribe the manner and time of repayment or, in the case of moneys provided by Parliament or raised on such terms that they are only repayable in such event, to declare that such moneys shall be repayable only on the winding up of the Agency.

(3) Save where it is otherwise provided in the enactment under which the moneys are provided by Parliament, moneys provided by Parliament or raised by the Minister under subsection (1) shall be taken into account in computing the aggregate of moneys borrowed for the purposes of the proviso to subsection (1) of section 22.

**24.** Such of the profits of the Agency as are not paid into its reserve funds (in accordance with the requirements of this Act or the Rules) or otherwise for the objects of the Agency and in accordance with its Rules may be applied towards the reduction of the interest payable on advances and credit facilities granted by the Agency, and, save on a winding up, no portion thereof shall be paid to, the members of the Agency.

Profits  
of the  
Agency

**25.** Except with the prior approval of the Minister, the Agency shall not guarantee a loan if, on the date on which it is proposed to give such guarantee, the moneys which the Agency may be called upon to pay under the same when added to the sums which it may be called upon to pay under all other guarantees then outstanding shall exceed such sum as may be prescribed by the Minister.

Restriction  
on guaran-  
tees

**26.**-(1) The Agency shall establish a fund to be known as the Guaranteed Loans Reserve Fund. There shall be paid into the Guaranteed Loans Reserve Fund from time to time such sums as will maintain the credit balance of such fund at an amount not less than one-quarter of the total of the moneys which the Agency is liable for the time being to be called upon to pay under guarantees.

Guaranteed  
Loans  
Reserve  
Fund

(2) Subject to the provisions of subsection (3), the moneys in the Guaranteed Loans Reserve Fund shall be applied solely to meet the obligations of the Agency under any guarantee.

(3) Nothing in subsection (2) Of this section shall prevent the Agency from transferring from the Guaranteed Loans Reserve Fund to, any other of its funds the sum by which the credit balance of the Guaranteed Loans Reserve Fund exceeds the amount at which that Fund is required for the time being to, be maintained under subsection (1)

**27.**-(1) In addition to the Guaranteed Loans Reserve Fund, the Agency shall establish and maintain a General Reserve Fund and shall, subject to any directions given by the Minister under subsection (3), pay into such fund any net profit earned by the Agency.

General  
Reserve  
Fund

(2) The General Reserve Fund shall be applied by the Agency in making good any loss or deficiency which may occur in any of the transactions of the Agency, other than those for which the Guaranteed Loans Reserve Fund is available.

(3) The Minister may give directions to the Agency as to the balance to be maintained in the General Reserve Fund, and where the Minister gives any such directions, the Agency shall not be required to, pay any of its net profits into the fund whereby the balance thereof would exceed the amount directed by the Minister.

Investment

**28.**-(1) The Agency may, with the approval of the Minister and subject to such conditions as he may determine, invest such part of its funds as are not required for the purposes of its business, and shall, subject to the directions of the Minister, invest the moneys forming part of its reserve funds and any provident fund established by the Agency.

(2) The powers of the Minister under this section shall extend to the amount which may be invested, the nature of the investment and the terms and conditions thereof, and his approval may be either general or limited to a specific investment.

(3) Where any part of a reserve fund is invested, the investment shall be valued at intervals not exceeding six months and where on any valuation it appears that the reserve fund is not maintained at the level required by this Act by reason of the investment having decreased in value since the date of the last valuation, the Agency shall forthwith pay into such fund a sum sufficient to maintain the same at such level.

Restriction  
on power to  
hold  
land

**29.**-(1) It shall not be lawful for the Agency to hold land other than-

- (a) such land as is required for its business premises or the housing or well-being of its staff; and
- (b) such land as is acquired as security or the result of foreclosure or otherwise on account of debt.

(2) All land acquired by the Agency in accordance with paragraph (b) of subsection (1) and free from any equity of redemption shall be disposed of at the earliest favourable opportunity upon such terms and conditions as the Agency may determine.

(3) Nothing in this section shall preclude the acquisition and holding by the Agency of any land for its business premises of a greater extent than that required for such premises, or the lease of any part thereof, if some part of such land is required and retained for its business premises.

(e) *Winding up of Corporations*

Winding up  
Cap. 212

**30.** Subject, in the case of the Banks, to the Banking Ordinance Part XI of the Companies Ordinance shall apply, notwithstanding anything contained in section 314 thereof, to the Corporations as though they were unregistered companies:

Provided that no application shall be made by or on behalf of the Agency or any member of the Agency for the winding up of the Agency without the written consent of the Minister.

## PART III

## MISCELLANEOUS PROVISIONS

(a) *Relating to all the Corporations*

**31.**-(1) Any member of a Committee or sub-committee or person employed in the business of any of the Corporations shall regard and deal with all documents, information, returns and forms relating to applications for advances, credit facilities or other financial assistance or the making thereof by the Corporations or relating to the accounts of any customer, or the accounts submitted by a prospective customer as secret and confidential. Secrecy

(2) Any such person having possession of or control over any documents, information, returns or forms relating to any of the matters aforesaid who communicates or attempts to communicate such information or anything contained in such documents, returns or forms to, any person-

- (a) other than a person to whom he is authorized by the Minister, or the Corporation of which he is an officer or by which he is employed, to communicate it; or
- (b) otherwise than for the purposes of the business of the Corporation; or
- (c) otherwise than in or in accordance with the directions of any court,

shall be guilty of an offence, and shall be liable on conviction to, a fine not exceeding two thousand shillings or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment.

**32.** Where any person employed by one of the Corporations is transferred in accordance with the Fourth or Fifth Schedules to this Act, or the by-laws of the Corporation, or with his consent, to the service of another Corporation, his employment by such Corporations 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 Corporations and the employee in the same manner as it applies to the cases set out in subsection (1) of the said section 8A. Severance allowance Acts 1962 No. 57

**33.** A person shall not be charged with an offence against this Act without the written consent of the Director of Public Prosecutions. Sanction to prosecute

(b) *Relating to the Banks*

**34.** The provisions of section 49A of, and the Schedule to, the Co-operative Societies Ordinance (which relate to the registration of charges by co-operative societies) shall apply *mutatis mutandis* to the Banks and to charges; (as defined therein) created by the Banks as they apply to registered co-operative societies and to charges created by registered co-operative societies. Charges by the Banks

(c) *Relating to the Agency*

**35.**-(1) No stamp duty or registration or renewal fee or fee for filing a memorandum of satisfaction shall be payable in respect of any document to which the Agency is a party, other than a document creating or evidencing a mortgage which is not created or evidenced by a chattels transfer instrument. Stamp and fees and access to valuation rolls

(2) No search fee in any registry of titles or documents shall be payable by the Agency.

(3) The Agency shall have access without fee or charge to the valuation roll of any local government authority and it shall be the duty of officers of every such authority to supply without fee or charge to the Agency, upon application, particulars as to any valuation of rateable property in respect of which such local government authority has the power to levy rates.

(4) The Minister may make rules prescribing the fees to be paid to the Agency on account of the business of the Agency, and nothing in the foregoing provisions of this section shall be construed as exempting any person from any fee so prescribed-

Waiver of  
priority

**36.**-(1) Any mortgagee may by instrument under his hand agree that any mortgage, charge or encumbrance in favour of the Agency shall have priority over his mortgage, and such agreement when registered in the same manner as the mortgage held by him shall for all purposes be binding upon the mortgagee and as from the date of such registration upon his successors in title.

(2) No stamp duty or registration or renewal fees shall be payable in respect of any such agreement made in accordance with the provisions of this section.

Limitation  
Act

**37.** Notwithstanding anything contained in the Indian Limitation Act, 1908, as applied to Tanganyika or in any other law relating to the limitation of actions in force in Tanganyika, no suit, application or proceeding by the Agency shall be rejected or dismissed on the grounds that such suit, application or proceeding is barred by the provisions of the aforesaid Act or by the provisions of any such law.

False  
statements

**38.** Any applicant to the Agency for a loan or other financial assistance who wilfully fails to disclose any material information within his knowledge, or who wilfully makes any statement which he knows to be false or does not believe to be true shall be guilty of an offence, and shall be liable on conviction to a fine not exceeding ten thousand shillings or to imprisonment for a term not exceeding twelve months or to both such fine and such imprisonment, and shall further be liable to have any advance or other assistance made to him by the Agency cancelled forthwith, and to repay to the Agency forthwith all sums advanced to him together with interest thereon.

## PART IV

### TRANSITIONAL

Transfer of  
under-  
taking Of  
the  
Co-operative  
Bank of  
Tanganyika  
Ltd

**39.**-(1) Upon the commencement of this Act, the provisions of the Fourth Schedule to this Act shall apply for the transfer of the undertaking and of the assets and liabilities of the Co-operative Bank of Tanganyika Limited (hereinafter referred to as the "existing Bank"), to the National Co-operative Bank and for such other matters relating to the National Co-operative Bank and the National Co-operative and Development Bank as are contained therein, and the existing Bank and the committee and officers of the existing Bank shall do all such acts as may be necessary or desirable for the more effectual vesting of the undertaking, assets and liabilities of the existing Bank in the National Co-operative Bank.

(2) Save as provided in subsection (1), the existing Bank shall not exercise any function or conduct any business after the commencement of this Act.

(3) When the Minister is satisfied that the undertaking, assets and liabilities of the existing Bank have been effectually transferred to the National Co-operative Bank, he shall, by order in the *Gazette*, dissolve the existing Bank and thereupon the Registrar of Co-operative Societies shall cancel the registration of the existing Bank under the Co-operative Societies Ordinance and the Registrar of Companies shall cancel the licence issued to the existing Bank under the Banking Ordinance.

(4) Notwithstanding anything contained in the Co-operative Societies Ordinance or the Banking Ordinance, no order shall be made for the winding up, or the appointment of a liquidator, of the existing Bank.

**40.**-(1) Upon the commencement of this Act, the provisions of the Fifth Schedule to this Act shall apply for the transfer of the undertaking, assets and liabilities of the Agricultural Credit Agency (hereinafter referred to as "the existing Agency") to the National Development Credit Agency (hereinafter referred to as "the new Agency") and for such other matters as are contained therein, and the existing Agency, and the Governing Body and officers of the existing Agency shall do all such acts as may be necessary or desirable for the more effectual vesting of the undertaking, assets and liabilities of the existing Agency in the new Agency.

Transfer of  
under-  
taking of  
the Agriculture  
Credit  
Agency to  
the National  
Development  
Credit  
Agency

(2) Save as provided in subsection (1), the existing Agency shall not exercise any function or conduct any business after the commencement of this Act.

(3) Where the Minister is satisfied that the undertaking, assets and liabilities of the existing Agency have been effectually transferred to the new Agency, he shall, by order in the *Gazette*, dissolve the existing Agency.

**41.** Upon the commencement of this Act, the provisions of the Fifth Schedule to this Act shall apply for the transfer of the assets and liabilities of the United Republic, the President or the Government on account of the Co-operative Revolving Loan Fund and the African productivity Loans Fund to the new Agency, and for such other matters as are contained therein, and all persons holding office in the service of the United Republic who prior to the commencement of this Act had any responsibility or function in respect of either of such funds shall do all such acts as may be necessary or desirable for the more effectual vesting of such assets and liabilities in the new Agency.

Transfer of  
Co-operative  
Revolving  
Loan  
Fund and  
African  
Productivity  
Loans Fund

42. The Minister may by order provide for any matter which appears to him to be necessary or expedient for the purposes of securing the effectual transfer of any undertaking, assets or liabilities vested in the Corporations by virtue of this Act, for the purposes of facilitating the commencement of the businesses of the Corporations and the transfer of staff of the existing Bank and the existing Agency to the Corporations in accordance with the provisions of the Fourth and Fifth Schedules, and, without prejudice to the generality of the foregoing, may appoint and direct any person to do any act or sign any document for and on behalf of the existing Bank, the existing Agency, or the United Republic, the President or the Government on account of either of the Funds

Minister  
to secure  
transfer

referred to in section 41, whereby the provisions of the Fourth and Fifth Schedules may be more effectually carried out; and any act done or document signed by any such person in accordance with such directions shall be as effectual as if it had been done or signed by the person on whose behalf it was done or signed.

Corporation  
may carry  
oil certain  
businesses  
outside its  
objects

**43.** Notwithstanding that any loan or other transaction relating to any undertaking, assets or liabilities transferred to a Corporation under this Act was made or effected for or in respect of a business which is not within the objects of the Corporation to which such undertaking, asset or liability is transferred, the Corporation may exercise its functions and powers and carry on business in relation to such loan or transaction as if it were made or effected within the objects of the Corporation.

Write off  
of certain  
losses

**44.**-(1) The Minister may, not later than the first anniversary of the commencement of this Act and with the prior approval signified by resolution of the National Assembly, authorize the new Agency to write off any deficit of the existing Agency, and any sum so authorized to be written off shall be deducted from the sum referred to in item (a) of sub-paragraph (1) of paragraph 13 of the Fifth Schedule to this Act and the new Agency shall be under no, liability to repay such sum written off to the Government.

(2) Where any sum is written off under this section, the said paragraph of the Fifth Schedule shall have effect as if for the sum referred to in item (a) of sub-paragraph (1) thereof there were substituted such sum less the sum written off -

## PART V

### AMENDMENT AND EXPIRY OF LAWS

Amendment  
of Chattels  
Transfer  
Ordinance  
Cap. 210

**45.** The second definition of "instrument" in section 2 of the Chattels Transfer Ordinance (which lists the instruments which are not registrable under that Ordinance) is hereby amended by adding, immediately below paragraph (m), the following new paragraph: -

"(n) mortgages and charges granted or created by the National Co-operative and Development Bank or the National Co-operative Bank registered under the Co-operative Societies Ordinance;"

Amendment  
of Land  
Registra-  
tion  
Ordinance  
Cap. 334

**46.** Section 59 of the Land Registration Ordinance (which modifies the procedure for the registration of mortgages by certain corporate bodies) is hereby amended by adding, immediately after the words and comma "Co-operative Societies Ordinance," where they first occur in subsection (2), the words and comma "the National Co-operative and Development Bank or the National Co-operative Bank,"

Amendment  
of Banking  
Ordinance

**47.** (1) Subsection (2) of section 18 of the Banking Ordinance (which restricts the power of a bank to hold land) is hereby amended as follows: -

(a) by deleting paragraph (b) thereof and by substituting therefor the following new paragraph: -

"(b) to acquire land as security or as the result of foreclosure or otherwise on account of debt-~~;~~ and

b) by adding immediately after the word "acquired" in the proviso thereto the words "free from any equity of redemption"

(2) Section 31 of the Banking Ordinance (which exempts certain bodies from the provisions of that Ordinance) is hereby amended by deleting paragraph (b).

48.(1) Subject to the provisions of this section, the Agricultural Credit Agency Ordinance, 1961, shall expire on the date on which the Agency is dissolved by the Minister under subsection (3) of section 40 and thereupon the provisions of subsection (2) of section 10 of the Interpretation and General Clauses Ordinance shall apply in relation to the Agricultural Credit Agency Ordinance, 1961, as if such Ordinance had been repealed.

Expiry of  
Ords. 1961  
No. 65

(2) Nothing in this section shall apply to any provision of the Agricultural Credit Agency Ordinance to which paragraph 20 of the Fifth Schedule to this Act refers.

### THE FIRST SCHEDULE

(Section 5)

#### THE RULES OF THE NATIONAL CO-OPERATIVE AND DEVELOPMENT BANK

##### (a) Objects

1. The objects of the Bank shall be-

- (a) to subscribe for, take and hold shares or securities in the National Co-operative Bank and the National Development Credit Agency and to co-ordinate the activities, and to manage and transact the business, of the said Corporations;
- (b) to undertake and carry on any other business or undertaking within the objects of either of the said other Corporations:  
Provided that the Bank shall not carry on banking business as defined in the Banking Ordinance until it has established a reserve fund in accordance with section 14 of that Ordinance;
- (c) to undertake all such other work as will encourage the growth of the co-operative movement in Tanganyika;
- (d) to do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

Objects

##### (b) Share Capital

2.-(1) The share capital of the Bank shall be the total nominal value of the shares issued other than those withdrawn under rule 5.

(2) There shall be no limit on the number of shares which may be issued.

3. The nominal value of each share shall be one hundred shillings, and no share shall be issued for less than that sum:

Provided that nothing in this rule shall preclude the sale of shares from the share transfer fund for less than that sum, or the Committee from permitting the purchase of shares by instalments.

4.-41) No share shall be issued to any person who is not a member.

(2) No share shall be transferred-

- (a) except with the approval of the Committee;
- (b) except to the Bank under rule 6, to the share transfer fund under rule 10, or to a member.

Restriction  
on issue  
and  
transfer of  
shares

(3) No share shall be issued or transferred to any co-operative member if by reason thereof the nominal value of the aggregate of the shares of that member would exceed one-fifth of the share capital of the Bank at that time.

(4) No share shall be issued or transferred to any non-co-operative member if by reason thereof the nominal value of the aggregate of the shares of all the non-co-operative members would exceed two-fifths of the share capital of the Bank at that time.

|                                |   |
|--------------------------------|---|
| Withdrawal of shares           | <b>5.</b> Save where a society, corporate body or association which has been admitted to membership is not confirmed therein by a General Meeting and withdraws its shares under rule 9 (3), no share may be withdrawn and the share capital of the Bank shall not be reduced.  |
| Forfeiture of shares           | <b>6.</b> Unless the shares of the former member are withdrawn under rule 9 (3) or transferred under rule 10 (2), the shares held by a member whose registration has been cancelled shall be forfeited to the Bank and shall be held by the Bank on trust for the members for the time being of the Bank.   |
| Registration                   | <b>7.</b> The issue, transfer and forfeiture of every share, and the amounts due and paid thereon and the date of payment, shall be recorded in the Register of Members.  |
| Taking up shares               | <b>8.</b> A member shall take up and pay for shares which he has undertaken to purchase within such time as the Committee shall require.  |
|                                | <i>(c) Membership</i>   |
| Members                        | <p><b>9.</b>-(1) The members of the Bank shall be those registered. co-operative societies or other corporate bodies or associations in Tanganyika which, in the opinion of the Committee, have similar socialist affiliations, which-</p> <p>(a) have signified in writing their acceptance of these Rules and their undertaking to purchase not less than the appropriate number of qualifying shares;</p> <p>(b) have paid to the Bank the nominal value of at least one share; and</p> <p>(c) have been admitted to membership by the Committee and confirmed therein by a General Meeting:</p> <p>Provided that where a society or other body or association has satisfied the conditions prescribed in sub-paragraphs (a) and (b) and has been admitted to membership by the Committee, it shall be deemed to be a member until the conclusion of the next Ordinary General Meeting unless, in the meantime, a resolution for confirmation of its membership shall have been proposed and not passed at a Special General Meeting, and such society, body or association shall be registered as a member accordingly.</p> <p>(2) The qualifying shares of-</p> <p>(a) a primary co-operative society shall be five;</p> <p>(b) all other members shall be ten.</p> <p>(3) Where the admission of a member is not confirmed before the conclusion of the next Ordinary General Meeting or a resolution for the confirmation of its admission is proposed and is not passed at an intervening Special General Meeting, the registration of the member shall be cancelled and such member may withdraw any shares issued to it between its admission and the cancellation of its registration.</p> |
| Withdrawal from membership     | <p><b>10.</b>-(1) On giving not less than three months notice in writing and discharging all its liabilities to the Bank, a member may withdraw from membership at the end of any financial year and thereupon its registration shall be cancelled.</p> <p>(2) Where a member withdraws from membership with the consent of the Committee, the Committee may, to the extent to which there are moneys available in the share transfer fund, purchase the shares of such member at the nominal value thereof or such lesser value as, having regard to the financial position of the Bank at the time of the purchase, the Committee considers reasonable, and any shares so purchased shall be transferred to the share transfer fund.</p>  |
| Expulsion of members           | <p><b>11.</b>-(1) If, after due inquiry, the Committee is satisfied that failure or neglect of a member to pay any sum due from it to the Bank or to the National Co-operative Bank (whether such sum is due on account of its purchase of shares or otherwise on account of its membership or on account of any transaction entered into with the Bank or the National Co-operative Bank) is wilful, the Committee may expel that member:</p> <p>Provided that such expulsion shall be subject to confirmation by a General Meeting and until so confirmed the registration of such member shall not be cancelled.</p> <p>(2) The liabilities of a former member to the Bank or the National Co-operative Bank shall be unaffected by its expulsion or the cancellation of its registration.</p> <p>(3) Save as provided in this rule, no member shall be expelled.</p>  |
| Re-admission of former members | <p><b>12.</b> A former member of the Bank may be re-admitted to membership in accordance with these Rules:</p> <p>Provided that no former member shall be re-admitted unless he has discharged all his liabilities to the Bank and the National Co-operative Bank.</p>  |
|                                | <i>(d) General Meetings</i>   |
| General Meetings               | <p><b>13.</b>-(1) An Ordinary General Meeting of the Bank shall be held once in every financial year.</p> <p>(2) Special General Meetings of the Bank may be held-</p> <p>(a) when directed by the President, the Committee or a representative; or</p>   |



(b) if the President or the Committee fail to direct a Special General Meeting within two months of the receipt of a requisition in that behalf by not members, on the directions of the members making such requisition.

(3) Not less than twenty-one days notice in writing shall be given of a General Meeting to all the members and to the Ministers entitled to appoint representatives:

Provided that-

(a) with the agreement of all the members and the representatives, a General Meeting may be held without such notice;

(b) the proceedings of a General Meeting shall not be invalidated by reason of the accidental omission to give notice to a member.

**14.**-(1) The members of the Bank shall be entitled to be represented at General Meetings by delegates appointed in accordance with the provisions of rule 15.

(2) The Manager and (notwithstanding that his term of office as a delegate has expired) an elected officer to whom item (i) of the proviso to sub-paragraph (d) of rule 30 (2) relates, may attend General Meetings so long as he holds such office and may speak, but not vote, thereat.

(3) A member or meeting which may appoint a delegate may also in the like manner appoint a substitute to act for and exercise the functions and powers, of such delegate in the event of the latter's incapacity or absence. Any such substitute may attend General Meetings but, save when acting for the delegate, may not speak or vote.

(4) Any member may, on giving two weeks notice in writing to the Manager, appoint an observer who may attend General Meetings, but may not speak or vote.

**15.**-(1) Each secondary co-operative society which is a member may appoint One delegate:

Provided that if the secondary society is itself a member of a secondary society which as a member of the Bank, the delegate of such first mentioned society may be appointed by such second mentioned society if the former consents.

(2) Each regional meeting of non-affiliated primary co-operative societies may appoint one delegate.

(3) If there are not more than three non-co-operative members each may appoint a delegate. If there are more than three such members, a meeting of such members may appoint three delegates.

(4) Delegates and substitutes appointed by co-operative members meetings of co-operative members shall be either society members or servants of the appointing member or of a primary co-operative, society represented at the appointing meeting.

(5) Unless he sooner dies, resigns or is removed from office by the member or meeting which appointed him a person appointed a delegate or substitute shall hold such office for one year, but, if qualified, shall be eligible for re-appointment.

(6) Every member or meeting which appoints or removes a delegate or a substitute shall forthwith inform the Manager of the Bank of such appointment or removal.

(7) In this rule-

"non-affiliated primary society" means a primary co-operative society which is a member of the Bank and which is not affiliated to a secondary co-operative society entitled to appoint a delegate;

"regional meeting" means a meeting of one representative each from the non affiliated primary societies situated in a region.

**16.**-(1) Voting at General Meetings shall be governed by this rule.

(2) Save as provided in paragraph (3), every delegate and representative shall have one vote.

(3) The delegate of a secondary society and of a regional meeting to which this paragraph applies, shall, in addition to the vote provided for in paragraph (2), have one extra vote for every ten thousand society members other than the first ten thousand.

(4) Paragraph (3) applies to a secondary society the members of which are primary societies only, and to a regional meeting, if the paid-up society members of primary societies of which such secondary society is composed or which are represented at the regional meeting, as the case may be, are twenty thousand or more.

(5) In paragraphs (3) and (4), "society members" means the society members of the primary co-operative societies referred to in paragraph (4).

**17.**-(1) The quorum at General Meetings shall be twenty delegates or two-thirds of the number of delegates entitled to attend, whichever is the less.

(2) At General Meetings, the President of the Bank, or in his absence, the Vice-President of the Bank, shall preside as chairman. In the absence of both the President and the Vice-President, the delegates present shall choose one of their number, or a member of the Committee, to be chairman at the meeting.

(3) No act or other proceeding of a General Meeting shall be invalid by reason of the fact that it is afterwards discovered that there is some defect in the election or appointment of a person who took part therein.

Attendance  
of members  
at General  
Meetings

Appointment  
of delegates

Votes of  
delegates  
and  
representa-  
tives

Proceedings  
at General  
Meetings

|  |   |
|--|---|
| Resolutions  | <p><b>18.</b>-(1) Questions before a General Meeting shall be proposed in the form of a resolution and, subject to the provisions of section 7 of the Act and this rule, shall be decided by a majority of votes cast.</p> <p>(2) In the event of there being an equality of votes. the proposal shall be withdrawn.</p> <p>(3) Members wishing to submit any matter for consideration by a General Meeting shall give notice thereof to the Committee not less than fourteen days before the meeting;</p> <p>Provided that, with the consent of the chairman of the meeting, a delegate may submit a matter for consideration by a meeting without giving any such notice.</p> <p>(4) Nothing in paragraph (3) shall apply to any matter submitted by or on behalf of a member of the Committee.</p>   |
| Minutes  | <p><b>19.</b> As soon as possible after every General Meeting, a copy of the minutes of the meeting shall be sent to every member.</p>  |
| Business required to be dealt with at General Meetings | <p><b>20.</b>-(1) The following business shall be dealt with by the ordinary General Meeting in each year:-</p> <p>(a) the consideration of the estimates of expenditure and income for the year;</p> <p>(b) the consideration of the annual statement of accounts, audited balance sheet and auditor's report for the previous year;</p> <p>(c) the consideration of the recommendations of the Committee regarding the dividend to be paid to members and the payment of any funds available for distribution;</p> <p>(d) the election of officers to fill any vacancy amongst the elected officers;</p> <p>(e) the consideration of the annual report of the Committee.</p> <p>(2) Nothing in paragraph (1) of this rule, or otherwise in these Rules shall preclude the Committee from declaring any matter to be a matter of major policy, and where a matter is so declared it shall be dealt with in accordance with rule 21.</p>          |
| <i>(e) Referendum</i>                                  |   |
| Referendum of all members                              | <p><b>21.</b>-(1) Where any matter is declared by the Committee of the Bank to be one of major policy, the matter shall be submitted in the form of a resolution to a referendum of all the members of the Bank.</p> <p>(2) A voting paper containing such resolution and any explanation or recommendation considered desirable shall be sent by the Committee to each member and to each representative.</p> <p>(3) Subject to the provisions of section 7 of the Act, the referendum shall be determined in accordance with the majority of votes returned to the Manager within the time specified in the voting paper.</p> <p>(4) On a referendum-</p> <p>(a) each co-operative member shall have one vote;</p> <p>(b) if there are no more than three non-co-operative members, each shall have one vote, but if there are more than three non-co-operative members, a meeting of such non-co-operative members shall have three votes.</p> |
| <i>(f) The Committee</i>                               |   |
| The Committee  | <p><b>22.</b>(1) There shall be a Committee of the Bank which shall consist of-</p> <p>(a) the President of the Bank;</p> <p>(b) the elected officers;</p> <p>(c) the representatives.</p> <p>(2) The Manager of the Bank and the Managers of the other Corporations shall be entitled to be present at all meetings of the Committee, and to speak, but not to vote, thereat.</p>  |
| Powers and duties                                      | <p><b>23.</b>-(1) The business of the Bank shall be managed by the Committee.</p> <p>(2) Subject to these Rules, the Committee shall have and may exercise, in addition to the powers and functions specifically conferred or imposed on it by these Rules, the powers and functions conferred or imposed upon the Bank by the Act, these Rules or otherwise, other than the powers or functions specifically conferred on a General Meeting or a referendum or the powers to conduct the business required by these Rules to be dealt with by the Ordinary General Meeting in each year..</p>  |
| Proceedings of Committee                               | <p><b>24.</b>-(1) The Committee shall meet for the dispatch of business as it thinks fit and, subject to any by-laws, a member of the Committee may, at any time, require the Manager to summon a meeting of the Committee.</p> <p>(2) The quorum of the Committee shall be five.</p>   |

- 25.**-(1) Subject to the provisions of paragraph (2) of rule 24, the Committee may act notwithstanding any vacancy in its number. vacancies,  
etc
- (2) No act or other proceeding of the Committee shall be invalid by reason of the fact that it is afterwards discovered that there is some defect in the election or appointment of a person purporting to be a member thereof.
- 26.**-(1) The Committee may- Sub-  
committees
- (a) establish sub-committees composed of members of the Committee or partly of members of the Committee and partly of other persons;
- (b) in co-operation with the Committee of either or both of the other Corporations, establish joint sub-committees composed of the members of the Committee and of such other Committee or Committees, or partly of such members and partly of other persons.
- (2) The Committee may delegate to any such sub-committee any of its functions, powers or duties.
- (3) Subject to any by-laws of the Committee or, in the case of a joint sub-committee, of the Committee and the other Committee or Committees concerned, a sub-committee may regulate its own proceedings.
- 27.** The Committee and every sub-committee shall cause minutes to be kept of its meetings. Minutes
- (g) Office-
- 28.** In addition to the President and the representatives, there shall be a Vice-President of the Bank and seven Committeemen, and the said Vice-President and Committeemen shall be elected by a General Meeting: Officers
- Provided that any casual vacancies in the office of Vice-President or Committeeman may be filled up by the Committee.
- 29.**-(1) An elected officer shall, unless he sooner ceases to hold office, hold Office until the conclusion of the Ordinary General Meeting in the third year after his election, but, if qualified, shall be eligible for re-election: Tenure of  
office
- Provided that an officer appointed by the Committee to fill a casual vacancy among the elected officers shall, unless he sooner ceases to hold office, hold office until the conclusion of the next Ordinary General Meeting; but, if qualified, shall be eligible for election at such meeting,
- (2) Notwithstanding the foregoing provision of this rule, the first elected officers shall, unless they sooner vacate office at the conclusion of the term for which they were elected to the corresponding office in the former Co-operative Bank of Tanganyika Limited.
- 30.**-(1) No person shall be elected or appointed an elected officer- Qualifica-  
tions and  
tenure
- (a) unless, at the time of his election or appointment, he is a delegate;
- (b) if he is disqualified by section 20 of the Banking Ordinance.
- (2) In addition to the provisions of the Banking Ordinance, an elected officer shall vacate his office if-
- (a) he becomes of unsound mind; or
- (b) he is convicted of any offence involving dishonesty or is imprisoned for three months or more; or
- (c) he accepts any office of profit in the Bank except with the written sanction of the Registrar of Co-operative Societies; or
- (d) he ceases to be a delegate of the member or meeting which he represents:
- Provided that where an elected officer ceases to be a delegate by reason of the expiry of his term of office as such delegate-
- (i) he shall not vacate office as an elected officer under this sub-paragraph until the appointment of a successor delegate or the conclusion of the next Ordinary General Meeting, whichever is the later; and
- (ii) if he is thereupon re-elected a delegate by the same member or meeting, he shall not vacate office under this sub-paragraph; or
- (e) the member for which he is a delegate ceases to be a member of the Bank; or
- (f) he is absent from three successive meetings of the Committee and a majority of the Committee require him to vacate his office.
- 31.**-(1) There shall be a Manager of the Bank, who shall be ex officio a member of all sub-committees and joint sub-committees of the Bank, except a sub-committee to inquire into any matter in which he is personally concerned, but shall not be entitled to vote thereat. The  
Manager

(2) The Manager shall-

- (a) conduct the business of the Bank in accordance with the instructions of the Committee;
- (b) cause the Bank's funds and securities to be kept under responsible double custody at all times;
- (c) keep, or cause to be kept, full and accurate accounts of all receipts and payments in the books of the Bank;
- (d) make such payments from the funds of the Bank as may be directed by the Committee;
- (e) attend, unless excused by the Committee, all meetings and shall keep, or cause to be kept, a record of all votes and minutes of proceedings of all meetings;
- (f) give, or cause to be given, notice of all General Meetings and meetings of the Committee;
- (g) prepare, or cause to be prepared, the annual report of the work of the Bank;
- (h) Prepare, or cause to be prepared, the balance sheet and accounts for audit and for submission to the Ordinary General Meeting;
- (i) render to the Committee at its meetings, or at such other time as required, an account of all his transactions and of the financial position of the Bank;
- (j) keep in safe custody the seal of the Bank;
- (k) perform such other duties as may be prescribed by the Committee.

Other officers

32. There shall be such other officers and servants of the Bank as the Committee shall appoint or authorize.

*(h) Financial*

Share transfer fund

33.-(1) In addition to any other fund required to be maintained by law, the Bank shall establish and maintain a share transfer fund.

(2) The amount of the share transfer fund shall not exceed Shs. 200,000 or such greater amount as may be authorized by the Registrar of Co-operative Societies, and in computing such amount the nominal value of the shares of the Bank held in the fund shall be included.

(3) Where shares of the Bank are held in the share transfer fund they shall be issued before any new shares are issued and the consideration for such shares shall be Paid to the share transfer fund.

Retirement benefits

34.-(1) The Bank may establish, control, manage, maintain and contribute to a provident fund for the benefit of employees of the Bank, and may grant gratuities in accordance with the rules governing such fund to such employees upon their retirement from the service of the Bank and to their dependants on the death of any such employee.

(2) In cases where no benefit or, in the opinion of the Committee, insufficient benefit, accrues from the fund established, the Committee may, in its discretion, grant from the funds of the Bank gratuities or additional gratuities, as the case may be, to of the Bank or their dependants in the circumstances mentioned in paragraph

(3) The powers set out in the foregoing provisions of this rule, shall include power to join in an existing provident fund scheme, to take out annuity policies for the benefit of the employees and their dependants, and to establish and maintain, with the other Corporations or either of them, a joint provident fund for the benefit of employees of the participating Corporations and their dependants.

Other funds

35. Nothing in rule 33 or 34 shall be construed as precluding the Bank from establishing such other funds and accounts as it may consider necessary or expedient for the purposes of its business.

Management of financial affairs, dividend and other payments

36.-(1) The financial affairs of the Bank shall be managed and conducted in a prudent and businesslike manner and, in addition to any restriction in the Act or otherwise by law on the grant of advances or other credit facilities to the members of the Banks, no amount shall be advanced or credit extended to a co-operative society if the amount of the advance or credit would, together with any other such amount outstanding, exceed the authorized maximum liability which the society may incur under the Co-operative Societies Rules.

(2) No dividend to the members of the Bank shall exceed five per centum of the nominal value of the shares held by such members.

(3) Any other moneys available for distribution to members of the Bank otherwise than on a winding up shall be paid to the members in proportion to the amount of business, or of any particular class of business as determined by a General Meeting, done by the member with the National Co-operative Bank, but no such payment shall be made without the consent of the Minister for the time being responsible for co-operative development.

- 37.** No remuneration or honorarium shall be paid to the President, the Vice-President or a Committeeman, as such: Remuneration
- Provided that nothing in this rule shall preclude the payment of such attendance allowance or such other allowance for out of pocket expenses as may be authorized by a General Meeting.
- 38.** The books of account of the Bank shall be kept at the head office of the Bank or at such other places as the Committee thinks fit and shall be open to inspection by the Registrar of Co-operative Societies and authorized representatives of the members, Inspection
- (i) Miscellaneous*
- 39.** The seal of the Bank shall be affixed in the presence of the President or the Vice-President or a member of the Committee, and either the Manager or Chief Accountant of the Bank; and such witnesses to the affixation of the seal shall attest the same with their signatures. Affixation of the seal
- 40.** 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 Manager and Chief Accountant of the Bank, or one of them and some other officer of the Bank appointed in that behalf by the Committee.
- 41-(1)** The Committee may make by-laws not inconsistent with the Act or these Rules- By-Laws
- (a) prescribing the notice to be given, the preparation of the agenda, and the procedure, of General Meetings, and regulating the conduct of a referendum;
- (b) prescribing the notice to be given of meetings of the Committee and of any sub-committee and regulating the procedure thereat;
- (c) regulating the procedure at meetings Of Primary co-operative societies and non-co-operative members for the election of delegates and voting at a referendum;
- (d) generally for the conduct of the business of the Bank.
- (2) By-laws made under sub-paragraphs (a) and *W* of paragraph (1) shall be subject to confirmation by a General Meeting and until so confirmed shall not come into operation.
- (3) The by-Laws of the Bank shall be binding on the members, delegates, Committee, sub-committees, officers and servants of the Bank but, save as aforesaid, no person dealing in good faith with the Bank shall be bound by such by-laws save by his agreement thereto.
- 42-(1)** Save as provided in paragraph (3), these Rules may be altered, varied and revoked and new rules substituted therefor, by a General Meeting or by a referendum. Alteration of the Rules
- (2) Notice of a General Meeting for the amendment of the Rules shall be given not less than thirty days before the proposed meeting and shall contain a draft of the Proposed amendments. A resolution for the amendment of the Rules shall not be Passed unless supported by three-quarters of the number of delegates entitled to attend the General Meeting or, in the case of a referendum, of three-quarters of the votes which may be cast.
- (3) Nothing in paragraph (1) of this rule shall apply in respect of rule I or 5, or this rule.
- 43-(1)** In these Rules, unless the context otherwise requires- Interpretation
- "the Act" means the National Co-operative and Development Bank Act, 1964;
- "the Bank" means the National Co-operative and Development Bank;
- "co-operative member" means a member of the Bank which is a co-operative society;
- "Corporations" means the Corporations established by the Act;
- "elected officer" means a person holding an office which, in accordance with rule 29, is to be filled by election by a General Meeting, and includes a person appointed by the Committee to fill any casual vacancy in any such office;
- "financial year" that period which the Committee declares to be the financial year the Bank;
- "Members" in relation to the Bank, has the meaning ascribed to that expression in rule 9;
- "the National Co-operative Bank" means the Bank of that name established by the Act;
- "the National Development Credit Agency" means the Corporation of that name established by the Act;
- "non-co-operative member" means a member other than a co-operative member;
- "President" means the President of the Bank;
- "representative" means a representative appointed to the Bank under section 7 of the Act.
- (2) Nothing in these Rules, and no omission, shall be construed as derogating from the capacity or powers conferred by the Act on the President or a representative.

**THE SECOND SCHEDULE**

(Section 5)

THE RULES OF THE NATIONAL CO-OPERATIVE BANK

(a) *Objects*

- Objects
1. The objects of the Bank shall be-
    - (a) to carry on the business of banking in all its 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, scrip and other instruments and securities, whether transferable or negotiable, or not; granting and issuing letters of credit and circular notes; buying, selling and dealing in bullion and specie; acquiring, holding and issuing on commission, underwriting 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, and transacting the business of the National Development Credit Agency;
    - (b) to undertake and execute any trusts the undertaking whereof may seem desirable, and also to undertake the office of executor, administrator, receiver, treasurer, registrar or auditor, and to keep for company, Government authority, or body, any register relating to any stocks, funds, shares, or securities, or to undertake any duties in relation to the registration of transfers and the issue of certificates;
    - (c) to take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Bank, and to obtain and justify public confidence, and to avert or minimise financial disturbances which might affect the Bank.

(b) *Share Capital*

- Share capital
- 2-(1) The capital of the Bank shall be the total nominal value of the shares issued.
  - (2) There shall be no limit on the number of shares which may be issued.
- Shares
3. The nominal value of each share shall be one hundred shillings and no share shall be issued for less than that sum.
- Restriction on issue and transfer of shares
- 4-(1) No share shall be issued to, or held by, any person other than-
    - (a) the National Co-operative and Development Bank; or
    - (b) some other person approved by the Minister.
  - (2) No share shall be transferable.
- No reduction of capital
5. No share shall be withdrawn and the capital of the Bank shall not be reduced.
- Registration of shares
6. The issue of every share, and the amount paid thereon and the date of payment, shall be recorded in the Register of Members.
- Taking up shares
7. A member shall pay for shares which he has undertaken to purchase before such shares are issued.

(c) *The Committee and Officers*

- The Committee
- 8-(1) There shall be a Committee of the Bank which shall be composed of-
    - (a) not less than five or more than seven Committeemen appointed by the shareholders:
 

Provided that any casual vacancy in the number of such Committeemen may be filled up by the Committee; and
    - (b) the representatives.
  - (2) Where there are two or more shareholders, the Committeemen shall be elected at a meeting of the shareholders at which each shareholder shall have as many votes as he has fully paid shares in the Bank.
- Qualifications of Committeemen
9. No person shall be elected or appointed a Committeeman if he is disqualified by section 20 of the Banking Ordinance.
- Tenure of office of Committeemen
- 10-(1) A Committeeman shall, unless he sooner vacates office, hold office for a period of one year, but shall be eligible for re-appointment:
 

Provided that a Committeeman appointed by the Committee to fill a casual vacancy shall hold office for the remainder of the year for which the Committeeman in whose place he is appointed was himself appointed.

- (2) A Committeeman shall vacate office if-
- (a) such circumstances arise as would, if he were not a Committeeman, disqualify him for election or appointment as such;
  - (b) he becomes of unsound mind;
  - (c) he accepts any office of profit in the Bank except with the written sanction of the Registrar of Co-operative Societies;
  - (d) he is absent from three successive meetings of the Committee and a majority of the Committee requires him to vacate office.
- 11.** The business of the Bank shall be managed by the Committee and, subject to these Rules, the Committee shall have and may exercise all the powers and functions conferred on the Bank by the Act, these Rules and otherwise, other than the powers and functions expressly conferred by these Rules on the shareholders. Power and duties
- 12-(1)** The Committee shall meet for the dispatch of business as it thinks fit and, subject to any by-laws, a member of the Committee may, at any time, require the Manager to summon a meeting of the Committee. Proceedings of Committee
- (2) The quorum of the Committee shall be five.
- 13-(I)** Subject to the provisions of paragraph (2) of rule 12, the Committee may act notwithstanding any vacancy in its number. Vacancies etc
- (2) No act or other proceeding of the Committee shall be invalid by reason of the fact that it is afterwards discovered that there is some defect in the election or appointment of a person purporting to be a member thereof.
- 14-(1)** The Committee may-
- (a) establish sub-committees composed of members of the Committee or partly of members of the Committee and partly of other persons;  
with the Committee of either or both of the other Corporations,
  - (b) in co-operation committees composed of the members of the Committee and of such other Committee or Committees, or partly of such members and partly of other persons.
- (2) The Committee may delegate to any such sub-committee any of its functions, powers or duties. Sub-committees
- (3) Subject to any by-laws of the Committee or, in the case of a joint sub-committee, of the Committee and the other Committee or Committees concerned, a sub-committee may regulate its own proceedings.
- 15.** The Committee and every sub-committee shall cause minutes to be kept of its meetings. Minutes
- 16-(1)** There shall be a Manager of the Bank who shall be ex officio a member of all sub-committees of the Bank, except a sub-committee to inquire into any matter in which he is personally concerned, but shall not be entitled to vote thereat. Manager
- (2) The Manager shall have the right to take part in the proceedings of the Committee, but shall not have the right to vote.
- 17.** There shall be such other officers and servants of the Bank as the Committee shall appoint or authorize. Other officers
- (d) *Financial*
- 18.** The Bank shall establish a reserve fund in accordance with the provisions of section 14 of the Banking Ordinance and in each year, before any dividend is declared on any share, there shall be transferred to the reserve fund not less than twenty-five per centum of its net profits unless-
- (a) the Bank is no longer required to make any payment to such fund under the said section; and
  - (b) the Registrar of Co-operative Societies otherwise directs.
- 19.** The Bank shall establish and maintain a building fund and in each year, before any dividend is declared on any share, there shall be transferred to such building fund not less than ten per centum of its net profits or such lesser percentage of its net profits as the Registrar of Co-operative Societies may allow. Building Fund
- 20-(1)** The Bank may establish, control, manage, maintain and contribute to a provident fund for the benefit of the employees of the Bank, and may grant gratuities in accordance with the rules governing such fund to such employees upon their retirement from the service of the Bank and to their dependants on the death of any such employee. Retirement benefits
- (2) In cases where no benefit or, in the opinion of the Committee, insufficient benefit, accrues from the fund established, the Committee may, in its discretion, grant from the funds of the Bank gratuities or additional gratuities, as the case may be, to employees of the Bank or their dependants in the circumstances mentioned in paragraph (1).

|                                 |   |
|---------------------------------|---|
|                                 | (3) The powers set out in the foregoing provisions of this rule shall include the power to join in an existing provident fund scheme to take out annuity policies for the benefit of employees and their dependants and to establish and maintain, with the other Corporations or either of them, a joint provident fund for the benefit of the employees of the participating Corporations and their dependants.   |
| Other funds                     | <b>21.</b> Nothing in rule 18, 19 or 20 shall be construed as precluding the Bank from establishing such other funds and accounts as it may consider necessary or expedient for the purposes of its business.   |
| Management of financial affairs | <b>22.</b> The financial affairs of the Bank shall be managed and conducted in a prudent and businesslike manner and, in addition to any restriction in the Act or otherwise by law on the grant of advances or other credit facilities to the members of the Banks, no amount shall be advanced or the credit extended to a co-operative society if the amount of the advance or the credit would, together with any other such amount outstanding, exceed the authorized maximum liability which the society may incur under the Co-operative Societies Rules.  |
| Remuneration of Committeemen    | <b>23.</b> No remuneration or honorarium shall be paid to a Committeeman as such: Provided that nothing in this rule shall preclude the payment of such attendance allowance or such other allowances for out of pocket expenses as may be authorized by a General Meeting of the National Co-operative and Development Bank for Committeemen of that Bank.   |
| inspection                      | <b>24.</b> The books of account of the Bank shall be kept at the head office of the Bank or at such other places as the Committee thinks fit and shall be open to inspection by the Registrar of Co-operative Societies and the shareholders.   |
|                                 | (e) <i>Miscellaneous</i>  |
| Affixation of the Seal          | <b>25.</b> The Seal of the Bank shall be affixed in the presence of a member of the Committee and either the Manager or Chief Accountant of the Bank, and such witnesses to the affixation of the Seal shall attest the same with their signatures.   |
| Execution of documents etc.     | <b>26.</b> 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 Manager and Chief Accountant of the Bank, or one of them and some other officer of the Bank appointed in that behalf by the Committee.  |
| By-laws                         | <b>27.</b> -(1) The Committee may make by-laws not inconsistent with the Act or these Rules-<br>(a) prescribing the notice to be given for, and the procedure of, meetings of shareholders;<br>(b) prescribing the notice to be given for, and regulating the proceedings of, meetings of the Committee, and of any sub-committee;<br>(c) generally for the conduct of the business of the Bank.<br>(2) By-laws made under sub-paragraph (a) of paragraph (1) shall be subject to confirmation by a meeting of shareholders at which each shareholder shall have as many votes as he holds fully paid up shares, and until so confirmed shall not come into operation.<br>(3) The by-laws of the Bank shall be binding upon the shareholders, Committee, sub-committees, officers and servants of the Bank but, save as aforesaid, no one dealing in good faith with the Bank shall be bound by the by-laws save agreement thereto. |
| Alteration of Rules             | <b>28.</b> -(1) Save as provided in paragraph (2), these Rules may be altered, varied or revoked and new rules substituted therefor by a meeting of the shareholders at which each shareholder shall have as many votes as he holds fully paid up shares and at which not less than three-quarters of the votes which may be cast are cast in favour of the amendment.<br>(2) Nothing in paragraph (1) of this rule shall apply to rule 1, 4 or 5 or this rule.   |
| Interpretation                  | <b>29.</b> -(1) In these Rules, unless the context otherwise requires-<br>"the Act" means the National Co-operative and Development Bank Act, 1964;<br>"the Bank" means the National Co-operative Bank;<br>"Corporations" means the Corporations established by the Act;<br>"the Minister" means the Minister for the time being responsible for co-operative development;<br>"the National Co-operative and Development Bank" means the Bank of that name established by the Act;<br>"the National Development Credit Agency" means the Corporation of that name established by the Act;<br>"representative" means a representative appointed to the Bank under section 7 of the Act.<br>(2) Nothing in these Rules, and no omission, shall be construed as derogating from the capacity or powers conferred by the Act on a representative.   |



**THE THIRD SCHEDULE**

(Section 5)

THE RULES OF THE NATIONAL DEVELOPMENT CREDIT AGENCY

(a) *Objects*

1-(1) The objects of the Agency shall be to provide and to facilitate the provision of credit for agriculture, agricultural purposes and enterprises, for the marketing and processing of agricultural products, for the development of storage and transport facilities and undertakings, for the development and encouragement of small industries and trades, and for the development of co-operative distribution services. Objects

(2) In this rule "agriculture" includes fruit growing, horticulture, dairy farming, any livestock industry, market gardening, nursery grounds, forestry and fishing, and "agricultural" shall be construed accordingly.

(b) *Share Capital*

2-(1) The original share capital of the Agency shall be twenty thousand shillings.

(2) The Agency may, from time to time with the consent of the Minister, increase the share capital of the Agency.

3. The nominal value of each share shall be one hundred shillings and no share shall be issued for less than that sum.

4.-(I) No share shall be issued to, or held by, any person other than-

(a) the National Co-operative and Development Bank; or

(b) some other person approved by the Minister.

(2) No share shall be transferable.

Restriction  
on issue  
and  
transfer  
of shares

5. No share shall be withdrawn and the capital of the Agency shall not be reduced.

No reduction  
of capital

6. The issue of every share, and the amounts due and paid thereon and the date of payment, shall be recorded in the Register of Members.

7. A member shall pay for shares which he has undertaken to purchase before such shares are issued.

Taking up  
shares

(c) *The Committee and Officers*

8.-(1) There shall be a Committee of the Agency which shall be composed of-

(a) not less than five or more than seven Committeemen appointed by the shareholders:

Provided that any casual vacancy in the number of such Committeemen may be filled up by the Committee; and

(b) the representatives.

(2) Where there are two or more shareholders, the Committeemen shall be elected at a meeting of the shareholders at which each shareholder shall have as many votes as he has fully paid shares in the Agency.

9. No person shall be elected or appointed a Committeeman if he is disqualified by section 20 of the Banking Ordinance from being concerned in the management of a bank.

The  
Committee

Qualifica-  
tions of  
Committee-  
men

10.-(1) A Committeeman shall, unless he sooner vacates office, hold office for a period or one year, but shall be eligible for re-appointment:

Tenure of  
Office

Provided that a Committeeman appointed by the Committee to fill a casual vacancy shall hold office for the remainder of the year for which the Committeeman in whose place he is appointed was himself appointed.

(2) A Committeeman shall vacate office if-

(a) such circumstances arise as would, if he were not a Committeeman, disqualify him for election or appointment as such;

(b) he becomes of unsound mind;

(c) he accepts any office of profit in the Agency except with the written sanction of the Registrar of Co-operative Societies;

(d) he is absent from three successive meetings of the Committee and a majority of the Committee require him to vacate office.

|                           |  |
|---------------------------|--|
| Powers and duties         | <p><b>11.</b> The business of the Agency shall be managed by the Committee and, subject to these Rules, the Committee shall have and may exercise all the powers and functions conferred on the Agency by the Act, these Rules and otherwise, other than the powers and functions conferred by these Rules on the shareholders.</p>  |
| Proceedings Of Committees | <p><b>12.</b>-(1) The Committee shall meet for the dispatch of business as it thinks fit and, subject to any by-laws, a member of the Committee may, at any time, require the Manager to summon a meeting of the Committee.</p> <p>(2) The quorum of the Committee shall be five.</p>  |
| Vacancies, etc.           | <p><b>13.</b>-(1) Subject to the provisions of paragraph (2) of rule 12, the Committee may act notwithstanding any vacancy in its number-</p> <p>(2) No act or other proceeding of the Committee shall be invalid by reason of the fact that it is afterwards discovered that there is some defect in the election or appointment of a person purporting to be a member thereof.</p>   |
| Sub-committees            | <p><b>14.</b>-(1) The Committee may</p> <p>(a) establish sub-committees composed of members of the Committee or partly Of members of the Committee and Partly of other persons;</p> <p>(b) in co-operation with the Committee of either or both of the other Corporations, establish joint sub-committees composed of the members of the Committee and of such other Committee or Committees, or partly of such members and partly of other persons.</p> <p>(2) The Committee may delegate to any such sub-committee any of its functions, powers or duties.</p> <p>(3) Subject to any by-laws of the Committee or, in the case of a joint sub-committee, of the Committee and the other Committee or Committees concerned, a sub-committee may regulate its own proceedings.</p>  |
| Minutes                   | <p><b>15.</b> The Committee and every sub-committee shall cause minutes to be kept of its meetings.</p>  |
| Manager                   | <p><b>16.</b>-(1) There shall be a Manager of the Agency who shall be ex officio a member of all sub-committees of the Agency, except a sub-committee to inquire into any matter in which he is personally concerned, but shall not be entitled to vote thereat.</p> <p>(2) The Manager shall have the right to take part in the proceedings of the Committee, but shall not have the right to vote.</p>   |
| Other officers            | <p><b>17.</b> There shall be such other officers and servants of the Agency as the Committee shall appoint or authorize.</p>   |
|                           | (d) Financial  |
| Reserve funds             | <p><b>18.</b> The Agency shall establish a reserve guarantee fund and a general reserve fund in accordance with the provisions of the Act and shall pay into such funds the net profits of the Agency to the extent so provided.</p>   |
| Retirement benefits       | <p><b>19.</b>-(1) The Agency may establish, control, manage, maintain and contribute to a provident fund for the benefit of employees of the Agency, and may grant gratuities in accordance with the rules governing such fund to such employees upon their retirement from the service of the Agency and to their dependants on the death of any such employee.</p> <p>(2) In cases where no benefit or, in the opinion of the Committee, insufficient benefit, accrues from the fund established, the Committee may, in its discretion, grant from the funds of the Agency gratuities or additional gratuities, as the case may be, to employees of the Agency or their dependants in the circumstances mentioned in subparagraph <i>M</i>.</p> <p>(3) The powers set out in the foregoing provisions of this rule shall include the power to join in an existing provident fund scheme, to take out annuity policies for the benefit of the employees and their dependants, and to establish and maintain, with the other Corporations or either of them, a joint provident fund for the benefit of the employees of the participating Corporations and their dependants.</p> |
| Other funds               | <p><b>20.</b> Nothing in rule 18 or 19 shall be construed as precluding the Agency from establishing such other funds and accounts as it may consider necessary or expedient for the purposes of its business.</p>   |

21. The financial affairs of the Agency shall be managed and conducted in a prudent and businesslike manner and in the conduct of its business the Agency shall have regard to the economic and financial merits of the undertakings or projects to which it grants assistance. Management of financial affairs
22. No remuneration shall be paid to a Committeeman as such: Remuneration of Committeemen  
Provided that nothing in this rule shall preclude the payment of such attendance allowance or such other allowances for out of pocket expenses as may be authorized by a General Meeting of the National Co-operative and Development Bank for committeemen of that Bank.
23. The books of account of the Agency shall be kept at the head office of the Agency or at such other places as the Committee thinks fit and shall be open to inspection by the Registrar of Co-operative Societies and the shareholders. Inspection
- (e) *Miscellaneous*
24. The Seal of the Agency shall be affixed in the presence of a member of the Committee and either the Manager or the Chief Accountant of the Agency, and such witnesses shall attest the same with their signatures. Affixation of the seal
25. Deeds, instruments, contracts and other documents to which the Agency is a party may be executed in writing on behalf of the Agency by the Manager and Chief Accountant of the Agency, or one of them and some other officer of the Agency appointed in that behalf by the Committee. Execution of document ect.
- 26.-(1) The Committee may make by-laws not inconsistent with the Act or these Rules- By Laws
- (a) prescribing the notice to be given for, and the procedure of, meetings of shareholder;
- (b) prescribing the notice to be given for, and regulating the proceedings of, meetings of the Committee, or of any sub-committee;
- (c) generally for the conduct of the business of the Agency.
- (2) BY-laws made under sub-paragraph (a) of paragraph (1) shall be subject to confirmation by a meeting of shareholders at which each shareholder shall have as many votes as he holds shares, and until so confirmed shall not come into operation.
- (3) The by-laws of the Agency shall be binding upon the members, Committee, sub-Committees, officers and servants of the Agency but, save as aforesaid, no person dealing in good faith with the Agency shall be bound by the by-laws save by his agreement thereto.
- 27.--(1) Save as provided in paragraph (2), these Rules may be altered, varied or revoked and new rules substituted therefor by a meeting of the shareholders at which each shareholder shall have as many votes as he holds shares and at which not less than three-quarters of the votes which may be cast are cast in favour of the amendment. Alteration
- (2) Nothing in paragraph (1) of this rule shall apply to rules 1, 4 or 5, or this rule.
- 28.-41) In these Rules, unless the context otherwise requires- Interpretation
- "the Act" means the National Co-operative and Development Bank Act, 1964;
- "the Agency" means the National Development Credit Agency;
- "Corporations" means the Corporations established by the Act;
- "the Minister" means the Minister for the time being responsible for co-operative development;
- "the National Co-operative and Development Bank" means the Bank of that name established by the Act;
- "representative" means a representative appointed to the Bank under section 7 of the Act.
- (2) Nothing in these Rules, and no omission, shall be construed as derogating from the capacity or powers conferred by the Act on a representative.

#### **THE FOURTH SCHEDULE**

(Section 39)

Transitional provisions relating to the Banks

##### **PART I**

TRANSFER OF ASSETS AND LIABILITIES ETC.

- 1.-(1) Subject to the provisions of this Schedule, the undertaking, assets and liabilities which, immediately before the commencement of this Act, were the undertaking, assets and liabilities of the existing Bank shall, on the commencement of this Act, vest by virtue of this Act and without further assurance, in the National Co-operative Bank. Vesting of assets and liabilities

- (2) On the commencement of this Act, the existing Bank shall deliver to the National Co-operative Bank or as the National Co-operative Bank may order, possession of the immovable property vested by this Schedule in the National Co-operative Bank, including, without prejudice to the generality of the foregoing, all books, papers, documents, minutes, receipts and ledgers appertaining to the existing Bank and its operations.
- (3) Nothing in this paragraph shall operate so as to transfer to or vest in the National Co-operative Bank any liability of the existing Bank in respect of any share issued by the existing Bank, but the liabilities of the existing Bank in respect of all such shares issued, and the rights and liabilities of the shareholders of the existing Bank in respect of any such shares are hereby extinguished.
- Agreements, etc. 2.-(1) Subject to the provisions of this Schedule, every deed, bond and agreement including agreements for personal services) to which the existing Bank was a party immediately before the commencement of this Act, whether in writing or not and whether or not of such a nature that rights or assets thereunder could be assigned by the existing Bank, shall unless its terms or subject matter make it impossible, that it should have effect as modified in manner provided by this subsection, have effect from the commencement of this Act as if-
- (a) the National Co-operative Bank were a party thereto;
  - (b) for any reference (however worded and whether express or implied) to the existing Bank there were substituted, as respect anything falling to be done on or after the commencement of this Act, a reference to the National Co-operative Bank;
  - (c) for any reference (however worded and whether express or implied) to any Committee, sub-committee officer, trustee or member of the existing Bank there were substituted, as respects anything failing to be done after the commencement of this Act, a reference to the corresponding Committee, sub-committee, officer, trustee or member, as the case may be, of the National Co-operative Bank,
- (2) Documents, other than those referred to in sub-paragraph (1), but not including written laws or the by-laws of the existing Bank, which refer, whether specifically or generally, to the existing Bank shall be construed in accordance with the provisions of sub-paragraph (1) so far as applicable.
- Terms of employment of staff transferred 3.-(1) Where by reason of paragraph 2, the National Co-operative Bank becomes a party to any agreement for the rendering of personal services by a former employee of the existing Bank-
- (a) such employee shall be deemed to have been appointed to the service of the National Co-operative Bank in such ~employment as the Committee of that Bank shall determine (being employment in a like office to that in which he was engaged in the service of the existing Bank), but, save as provided in sub-paragraph (2) of this paragraph otherwise on the terms of such agreement; and for the purposes of determining any light to gratuity or other benefit, his service with the National Co-operative Bank under such agreement shall be regarded as continuous with his service with the existing Bank immediately before the commencement of this Act;
  - (b) such employee's employment by the National Co-operative Bank and by the existing Bank 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.
- (2) A person who becomes an employee of the National Co-operative Bank under an agreement to which sub-paragraph (1) refers shall be liable to be transferred or seconded to the service of either of the other Corporations, but no Such transfer or secondment shall be made without such employee's consent unless the existing rights of such' employee to gratuity Or superannuation benefits (if any) are preserved.
- Legal proceedings 4.-(1) Any legal proceedings pending immediately before the commencement of this Act to which the existing Bank is a party m so far as they relate to any property, right, liability or obligation vested in the National Co-operative Bank or to any deed bond, agreement or other document which has effect in accordance with sub-paragraphs (1) and (2) of paragraph 2, may be continued by or against the National Co-operative Bank.
- (2) In any such proceedings or in any Proceedings instituted by or against the National Co-operative Bank after the commencement of this Act in respect of any riot, liability or obligation formerly vested in the existing Bank, the National Co-operative Bank and every other party to the Proceedings may take all such objections and exceptions as might have been taken in proceedings by or against the existing Bank.
- Completion of Acts, licences etc. 5. Where any thing has been commenced by or under the authority of the existing Bank prior to the commencement of this Act and such thing is within the power of the National Co-operative Bank or was done in relation to any of the matters transferred by this Schedule from the existing Bank to the National Co-operative Bank, such thing may be carried on and completed by, or under the authority of, the National Co-operative Bank.

6. Any licence or permit (other than a licence under the Banking Ordinance) issued under the law of Tanganyika to the existing Bank and in force immediately before the commencement of this Act shall be deemed to have been issued to the National Co-operative Bank and shall, subject to the provisions of the law under which it was issued, continue in force for the remainder of the period for which it was so issued.

Licences

7. The balance to the credit of any provident fund or any other superannuation fund or scheme for the benefit of the employees of the existing Bank shall be appropriated by the National Co-operative Bank solely for the purposes of a similar fund or scheme of the National Co-operative Bank or a joint fund or scheme of the Corporations or any two of them.

Provident funds

**PART II**

THE INITIAL CAPITAL OF THE NATIONAL CO-OPERATIVE BANK

8-(1) On the commencement of this Act, the National Co-operative Bank shall create and shall issue free of charge to the National Co-operative and Development Bank (hereinafter referred to as the "controlling Bank") such number of shares of one hundred shillings each as equals the number of shares issued, immediately before the commencement of this Act, by the existing Bank; and in computing such number of shares, any shares held in the share transfer fund of the existing Bank shall be included.

Initial share Issue by National Co-operative Bank

(2) The shares issued by the National Co-operative Bank under this paragraph shall be issued and credited as fully paid and shall, for all purposes, be deemed to be fully paid shares.

(3) The Minister shall appoint such person as he shall think fit to exercise the powers of the Committee of the National Co-operative Bank to issue shares under this paragraph and to affix the seal of the said Bank thereto and any person so appointed shall have all the powers of the Committee in that behalf and to affix such seal.

**PART III**

SHARE CAPITAL, MEMBERSHIP AND COMMITTEE OF THE NATIONAL CO-OPERATIVE AND DEVELOPMENT BANK

9-(1) On the commencement of this Act the co-operative societies, and other corporate bodies and associations who immediately before the commencement of this Act, were members of the existing Bank shall become members of the controlling Bank and, subject to the provisions of this Schedule, shall be entitled to the like number of shares in the capital of the controlling Bank as, immediately before the commencement of this Act, were registered in their respective names in the share register of the existing Bank.

Membership of controlling Bank and shares

(2) On the commencement of this Act the controlling Bank shall create and shall issue to each society or other corporate body or association which becomes a member of the controlling Bank under this paragraph, the like number of shares of one hundred shillings each as, immediately before the commencement of this Act, were registered in such member's name in the share register of the existing Bank and shall create and issue to the share transfer fund of the controlling Bank such number of shares of one hundred shillings each as, immediately before the commencement of this Act, were held by the share transfer fund of the existing Bank.

(3) Each of the shares issued under the provisions of this paragraph shall be deemed to have been issued on payment of the amount for which the corresponding share in the existing Bank was issued, and shall be credited accordingly.

(4) The members of the controlling Bank shall hold their respective shares in the controlling Bank in accordance with the Rules thereof, but subject to the liability to pay any unpaid instalments of the Purchase Price of the corresponding shares in the existing Bank.

10-(1) Every delegate, substitute or observer elected or appointed by the members of the existing Bank shall, on the commencement of this Act, if his appointment would have continued after the date on which this Act comes into operation, be deemed to have been elected or appointed a delegate, substitute or observer by such members in their capacity as members of the controlling Bank and shall unless he sooner vacates office under the Rules of the controlling Bank, continue to hold office until the term for which he was so elected or appointed expires.

Delegates, etc. and officers

(2) The persons who immediately before the commencement of this Act, were the Vice-President or members of the Committee or any sub-committee of the existing Bank shall, on the commencement of this Act, if their appointments would have continued after the date on which this Act comes into operation, become the Vice-President or members of the Committee or the like sub-committee of the controlling Bank and shall, unless they sooner vacate office under the Rules of the controlling Bank, continue to hold such offices until the term for which they were originally appointed expires,

## THE FIFTH SCHEDULE

(Sections 40 and 41)

## PART I

## TRANSFER OF THE ASSETS AND LIABILITIES OF THE AGRICULTURAL CREDIT AGENCY

|                                   |   |
|-----------------------------------|---|
| Vesting of assets and liabilities | <p>1.-(1) Subject to the provisions of this Schedule, the undertaking, assets and liabilities which, immediately before the commencement of this Act, were the undertaking, assets and liabilities of the existing Agency shall, on the commencement of this Act, vest by virtue of this Act and without further assurance, in the new Agency.</p> <p>(2) On the commencement of this Act, the existing Agency shall deliver to the new Agency, or as the new Agency may order, possession of the immovable and movable property vested by this Part of this Schedule in the new Agency including, without prejudice to the generality of the foregoing, all books, papers, documents, minutes, receipts and ledgers appertaining to the existing Agency and its operations.</p>  |
| Agreements, etc.                  | <p>2.-(1) Subject to the provisions of this Schedule every deed, bond and agreement (including agreements for personal services) to which the existing Agency was a party immediately before the commencement of this Act, whether in writing or not and whether or not of such a nature that rights or assets thereunder could be assigned by the existing Agency, shall, unless its terms or subject matter make it impossible that it should have effect as modified in manner provided by this paragraph, have effect from the commencement of this Act as if-</p> <p>(a) the new Agency were a party thereto;</p> <p>(b) for any reference (however worded and whether express or implied) to the existing Agency there were substituted, as respects anything falling to be done on or after the commencement of this Act, a reference to the new Agency;</p> <p>(c) for any reference (however worded and whether express or implied) to any Board, committee, officer, trustee or member of the existing Agency, there were substituted, as respects anything falling to be done on or after the commencement of this Act, a reference to the corresponding Committee, sub-committee, officer, trustee or member, as the case may be, of the new Agency.</p> <p>(2) Documents, other than those referred to in sub-paragraph (1), but not including written laws, which refer, whether specifically or generally, to the existing Agency shall be construed in accordance with the provisions of sub-paragraph (1) so far as applicable.</p>  |
| Staff transferred                 | <p>3.-(1) Where, by reason of paragraph 2, the new Agency becomes a party to any agreement for the rendering of personal service by a former employee of the existing Agency-</p> <p>(a) such employee shall be deemed to have been appointed to the service of the new Agency in such employment as the Committee of the new Agency shall determine (being employment in a like office to that in which he was engaged in the service of the existing Agency) but, save as provided in sub-paragraph (2) of this paragraph, otherwise on the terms of such agreement; and for the purposes of determining any right to gratuity or other superannuation benefit, his service with the new Agency under such agreement shall be regarded as continuous with his service with the existing Agency immediately before the commencement of this Act;</p> <p>(b) such employee's employment by the new Agency and by the existing Agency 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 sub-section (1) of the said section 8A.</p> <p>(2) A person who becomes an employee of the new Agency under an agreement to which sub-paragraph (1) refers shall be liable to be transferred or seconded to the service of either of the other Corporations, but no such transfer or secondment shall be made without such employee's consent unless the existing rights of such employee to gratuity or superannuation benefits (if any) are preserved.</p> <p>(3) Nothing in this paragraph shall apply to a member or executive officer of a district loans committee of the existing Agency and nothing in paragraph 2 shall apply to any agreement between the existing Agency and any such person.</p> |
| Legal proceedings                 | <p>4.-(1) Any legal proceedings pending immediately before the commencement of this Act to which the existing Agency is a party in so far as they relate to any property, right, liability or obligation vested in the new Agency or to any deed, bond agreement or other document which has effect in accordance with sub-paragraphs (1) and (2) of paragraph 2, may be continued by or against the new Agency.</p>  |

(2) In any such proceedings or in any proceedings instituted by or against the new Agency after the commencement of this Act in respect of any right, liability or obligation formerly vested in the existing Agency, the new Agency and every other party to the proceedings may take all such objections and exceptions as been taken in proceedings by or against the existing Agency.

5. Where any thing has been commenced by or under the authority, of the existing Agency prior to the commencement of this Act and such thing is within the power of the new Agency or was done in relation to any of the matters transferred by this Schedule from the existing Agency to the new Agency, such thing may be carried on and completed by, or under the authority of, the new Agency.

Completion of acts

6. Any licence or permit issued under the law of Tanganyika to the existing Agency and in force immediately before the commencement of this Act shall be deemed to have been issued to the new Agency and shall, subject to the provisions of the, law under which it was issued, continue in force for the remainder of the period for which it was so issued.

Licences

7. The balance to the credit of the existing Agency's Provident Fund Scheme shall be transferred to the new Agency and shall be appropriated by the new Agency solely for the purposes of a provident fund scheme of the new Agency or a joint provident fund scheme of the Corporations or any two of them.

Provident scheme

**PART II**

**TRANSFER OF THE ASSETS AND LIABILITIES OF THE CO-OPERATIVE REVOLVING LOAN FUND AND THE AFRICAN PRODUCTIVITY LOANS FUND**

8.-41) Subject to the provisions of this Schedule, the assets and liabilities of the United Republic, the President, and the Government on account of the Co-operative Revolving Loan Fund and the African Productivity Loans Fund (hereinafter referred to as "the Funds") shall, on the commencement of this Act, vest by virtue of this Act and without further assurance, in the new Agency.

Vesting of assets and liabilities

(2) On the commencement of this Act, all persons holding office in the service of the United Republic who, prior to the commencement of this Act, had any responsibility or function in respect of either of the Funds shall deliver to the new Agency, or as the new Agency may order, possession of the immovable and movable property vested by this Part of this Schedule in the new Agency -eluding, without prejudice to the generality of the foregoing, all books, papers, documents, minutes, receipts and ledgers appertaining to the Funds and their operations.

9. Subject to the provisions of this Schedule, every deed, bond or agreement (whether in writing or not, and whether of such a nature that rights, liabilities and obligations thereunder could be assigned) to which the United Republic, the President or the Government was a party immediately before the commencement of this Act on account of the Funds or either of them, shall, unless its terms or subject matter make it impossible that it should have effect as modified in manner provided in this paragraph, have effect from the commencement of this Act, as if-

Agreements

(a) the new Agency were a party thereto;

(b) for any reference (however worded and whether express or implied) to the United Republic, the President, or the Government or its or his attorney, there were substituted in respect of anything to be done on or after the commencement of this Act, a reference to the new Agency; and

(c) for any reference (however worded and whether express or implied) to any trustee or person holding office in the service of the United Republic, there were substituted as respects anything falling to be done after the commencement of this Act, a reference to a trustee or officer of the new Agency.

10.-(1) Any proceedings pending immediately before the commencement of this Act to which the President or the Attorney-General, or the attorney of the President, was a party on account of any transaction arising out of the operation of the Funds or either of them, may be continued as if the new Agency were a party thereto in lieu of the President, the Attorney-General or the attorney of the President, as the case may be.

Legal proceeding

(2) In any such proceedings or in any proceedings instituted by or against the new Agency after the commencement of this Act in respect of any of the assets or liabilities of the Funds, or either of them, vested in the new Agency by this Part, the new Agency and every other party to the proceedings may take all such objections and exceptions as might have been taken had the proceedings been instituted by, or against, the President or the Attorney-General, as the case may be.

11. Where anything has been commenced by or under the authority of the United Republic the President or the Government on account of the Funds or either of them before the commencement of this Act and such thing is within the power of the new Agency or was done in relation to any of the matters transferred by this Part of this

Completion of acts

Schedule from the United Republic, the President or the Government to the new Agency, such thing may be carried on and completed by, or under the authority of, the new Agency.

Minister  
may give  
certificates

12. Where any question arises as to whether an asset or liability, or any property or book, paper, document, minute, receipt or ledger, or any agreement, deed or bond, or any transaction, is on account of, or appertains to, the said Funds or either of them, the matter shall be referred to the Minister for the time being responsible for co-operative development and he shall certify under his hand whether or not the same was on account of, or appertains to, the said Funds or either of them- and where the Minister gives such a certificate, no court shall inquire further into' such question.

### PART III

#### PROVISIONS RELATING TO THE ASSETS AND LIABILITIES TRANSFERRED TO THE NEW AGENCY

Certain  
funds to  
be deemed  
loans

13-(1) Subject to the provisions of this Part of this Schedule, the new Agency shall be deemed to have borrowed from the Government under the powers in that behalf contained in this Act-

(a) the sum of twenty-six million, four hundred and forty-five thousand shillings (being the aggregate of the sums accounted for in the accounts of the existing Agency as irredeemable loans and grants); and

(b) the sum of five million, eight thousand, nine hundred and twenty-eight shillings and fifty-eight cents (being the aggregate of the capital value of the Funds),

and the new Agency shall account for the said sums accordingly.

(2) The said sums shall be deemed to have been borrowed on the terms that they shall be repayable to the Government, but shall not be so repayable except in the event of the winding up of the Agency and, in the case of the sum referred to in item (a) of sub-paragraph (1), on the terms that the new Agency shall pay interest on such amounts thereof at such times and at such rates as, immediately before the commencement of this Act, the existing Agency was required to pay interest on the equivalent amounts of the said irredeemable loans and grants.

(3) The new Agency, on accounting for the sum referred to in item (a) of sub-paragraph (1) in the manner provided by that sub-paragraph, shall not be required to account separately for the said irredeemable loans and grants, but save in relation thereto and as is otherwise provided in this Part of this Schedule, the assets and liabilities vested in the new Agency by this Act shall vest on the like conditions as those to which they were subject, immediately before the commencement of this Act, as assets and liabilities of the existing Agency, the United Republic, the President or the Government, as the case may be.

Reserve  
fund

14. Any assets constituting the reserve funds of the existing Agency shall, on their vesting in the new Agency, constitute assets of the corresponding reserve fund of the new Agency.

Implied  
covenants  
Cap. 250

15. Where in any mortgage deed executed to secure a loan made under the former Land Bank Ordinance any covenants were, prior to the commencement of this Act, implied in favour of the existing Agency or any other party thereto by reason of the provisions of the said Ordinance and the Agricultural Credit Agency Ordinance, 1961, then, if such deed has effect in accordance with the provisions of this Schedule as if the new Agency were a party thereto, such covenants shall continue to be implied after the commencement of this Act in favour of the new Agency or such other party, as the case may be.

Conditions

16-(1) Where any transaction, deed, instrument, contract or document which adheres for the benefit of the new Agency was, prior to the commencement of this Act, subject to any statutory conditions or conditions implied regulations made under the Land Bank Ordinance and continued in force by the Agricultural Credit Agency Ordinance 1961, then such transaction, deed, instrument, contract or document shall, notwithstanding the expiration of the said Ordinances, continue subject to such conditions as if they were expressly set out therein, or the same were expressly subject thereto.

(2) Where, in accordance with sub-paragraph (2) of paragraph 5 of Part III of the Third Schedule to the Agricultural Credit Agency Ordinance, 1961, the existing Agency or any party to any transaction deed, instrument contract or document with the existing Agency was entitled to do any act, then, if such transaction, deed, instrument, contract or document has effect in accordance with the provisions of this Schedule as if the new Agency were a party thereto, the new Agency and such other party, as the case may be, shall notwithstanding the expiration of the said Ordinance, be deemed to be entitled to do such act as if the power in that behalf were an express term of such transaction, deed, instrument, contract or document.



17. Any waiver of priority under section 20 of the Land Bank Ordinance or section 17 of the Agricultural Credit Agency Ordinance, 1961 shall adhere for the benefit of the new Agency as if it were a waiver under section 36 of this Act.

Waiver

18. Where under any regulations made under the Land Bank Ordinance, the Bank or the Board of the Bank had power to make any provision varying the terms of any transaction, deed, instrument, contract or document which has effect in accordance with the provisions of this Schedule as if the new Agency were a party thereto, the new Agency shall have power to make the like provision.

Power of  
Land Bank

#### PART IV

##### THE INITIAL SHARE CAPITAL OF THE NATIONAL DEVELOPMENT CREDIT AGENCY

19-(1) On the commencement of this Act, the new Agency shall create two hundred shares of one hundred shillings each and shall, on payment of the nominal value thereof, issue the same to the controlling Bank, and the controlling Bank shall pay for and take up such shares.

Initial  
share  
issue

(2) The Minister shall appoint such person as he shall think fit to exercise the powers of the Committee of the new Agency to issue shares under this paragraph and to affix the seal of the Agency thereto and any person so appointed shall have all the powers of the Committee in that behalf and to affix such seal.

#### PART V

##### TRANSITIONAL PROVISIONS RELATING TO DISTRICT LOAN COMMITTEES OF THE EXISTING AGENCY

20.-(1) The new Agency may continue to employ the district loans committees established under the Agricultural Credit Agency Ordinance, 1961, as its agents and sub-agents in the business of the new Agency and so long as it so employs any such district loans committee, such committee shall be deemed to be a sub-committee of the new Agency and the provisions of sections 6, 7 and 23 of, and of the First Schedule to, the Agricultural Credit Agency Ordinance, in so far as they apply to or in relation to a district loans committee and the members or officers thereof, shall notwithstanding the expiry of the other provisions of that Ordinance, but subject to this paragraph, continue to have the force of law.

District  
loan  
committees

(2) The said provisions of the Agricultural Credit Agency Ordinance, 1961, shall have effect for the purposes of this Act as if the references therein to the Executive Loans Committee were references to such sub-committee of the new Agency as the new Agency shall appoint, and as if the references to the Board were references to the Committee of the new Agency; and the powers conferred on the Minister by those provisions may be exercised by the Minister for the time being responsible for co-operative development.

Passed in the National Assembly on the first day of July, 1964.

  
.....  
Clerk of the National Assembly