

THE UNITED REPUBLIC OF TANZANIA



No. 39 OF 1967

I ASSENT,

*Tulio K. Nyerere*  
President

27TH OCTOBER, 1967

**An Act to establish the Tanzania Sisal Corporation and to vest in that corporation the assets and liabilities and part of the shareholdings of certain firms and companies carrying on sisal business in Tanganyika**

[27TH OCTOBER, 1967]

ENACTED by the Parliament of the United Republic of Tanzania.

**PART I**  
PRELIMINARY

1.-(1) This Act may be cited as the Tanzania Sisal Corporation (Establishment and Vesting of Interests) Act, 1967.

Short title  
and  
commence-  
ment

(2) This Act shall be deemed to have come into operation on the 27th October, 1967.

2. In this Act, unless the context otherwise requires-  
"assets" means real and personal property of every kind including-

Interpreta-  
tion

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

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

"Board" means the Board of Directors established under section 5;

"the Corporation" means the body corporate established by section 3;

"effective date" means midday on the 27th October, 1967;

"firm" means any person or body of persons, whether corporate or unincorporated, carrying on business in Tanganyika;

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

"Minister" means the Minister for the time being responsible for agriculture;

"Tanganyika assets" means assets situated, or deemed by law to be situated, in Tanganyika;

"Tanganyika liabilities" means liabilities situated, or deemed by law to be situated, in Tanganyika.

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

## PART II

### THE TANZANIA SISAL CORPORATION

Establish-  
ment of  
the Corpora-  
tion

**3.** There is hereby established a corporation to be known as "the" Tanzania Sisal Corporation" which shall-

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

Functions  
of the  
Corpora-  
tion

**4.**(1) As from the effective date it shall be the function of the Corporation to conduct the business of sisal growers, processors, exporters, manufacturers of sisal products and to carry on any business or activity conducive or incidental thereto.

(2) Without prejudice to the generality of subsection (1), the Corporation may-

- (a) acquire by agreement and hold interests in any company or firm carrying on business concerned directly or indirectly with sisal;
- (b) establish branches within the United Republic or elsewhere;
- (c) manage the affairs of and continue the business of any firm the interests of which are vested in or acquired by the Corporation under the provisions of this Act whether or not that business relates to sisal;
- (d) advance money on loan, give guarantees for the benefit of or provide management or other services to companies or firms engaged in the sisal business;
- (e) with the approval of the Minister, enter into arrangements with any firm for the supply to the Corporation of management services or services as a managing agent upon such terms and conditions as the Board with such approval as aforesaid, may determine;
- (f) do anything or enter into any transaction which in its opinion is calculated to facilitate the proper and efficient carrying on of its activities and the proper exercise of its functions under the provisions of this Act,

- (g) do all such acts and things as may be necessary to uphold and support the credit of the Corporation and to obtain and justify public confidence, and to avert or minimize any loss to the Corporation.

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

**5.**-(1) There shall be a Board of Directors for the Corporation, which shall, subject to this Act, be responsible for the policy, control and management of the Corporation.

Management of the Corporation

(2) The Board of Directors shall consist of-

- (a) a chairman, who shall be appointed by the President;
- (b) such other members being not less than five nor more than nine as the Minister may appoint.

(3) The Chairman and other members of the Board shall be appointed from amongst persons who have had experience of, and shown capacity in, agricultural, commercial or financial matters, administration or the organization of workers.

(4) The general manager of the Corporation shall be appointed by the Board acting with the approval of the Minister:

Provided that the first general manager shall be appointed by the Minister.

(5) The Board shall elect one of their members to act as deputy chairman.

(6) The Minister may make regulations with respect to-

- (a) the appointment of, and the tenure and vacation of office by, the members of the Board;
- (b) the quorum, proceedings and meetings of the Board and determinations of the Board;
- (c) the execution of instruments and the mode of entering into contracts by or on behalf of the Corporation, and the proof of documents purporting to be executed, issued or signed by the Corporation, or a Director, officer, or servant of the Corporation.

(7) Subject to any regulations made under subsection (6), the Board shall have power to regulate their own procedure.

**6.**-(1) The Corporation shall conduct its business according to commercial principles.

Financial duties of the Corporation

(2) Any excess of the revenue of the Corporation in any financial year over the total sum chargeable to revenue account that year shall be paid into the Consolidated Fund unless the Minister otherwise directs.

(3) The Corporation shall charge to revenue in every year all charges which are proper to be made to revenue including, in particular, proper provision for the depreciation or the renewal of assets and proper allocation to a general reserve.

Financial resources of the Corporation

7. The funds and resources of the Corporation shall consist of-

- (a) such sums as may be provided for the purposes of the Corporation by Parliament either by way of grant or by loan;
- (b) any sums borrowed by the Corporation with the approval of the Minister acting with the concurrence of the Minister responsible for finance, but the Corporation shall confine the use of moneys borrowed on a short term basis or on bank overdraft to the purposes of the businesses nationalised under Part III and the Minister, acting with the concurrence of the Minister responsible for finance may from time to time approve an upper limit for borrowings of this kind;
- (c) any sums or property which may in any manner become payable to or vested in the Corporation pursuant to this Act or as the result of the performance of its functions.

Powers of Minister in relation to the Board

8.-(1) The Minister may, after consultation with the Board, give to the Board directions of a general character as to the exercise and performance by the Board of their functions in relation to matters appearing to the Minister to affect the national interest and the Board shall give effect to any such directions.

(2) The Board shall afford to the Minister facilities for obtaining information with respect to the property and activities of the Corporation and shall furnish him with returns, accounts, and other information with respect thereto and afford to him facilities for the verification of information furnished, in such manner and at such times as the Minister may require.

Accounts and audit

9.-(1) The Board shall ensure that proper accounts and other records in relation thereto are kept by the Corporation and shall prepare in respect of each financial year of the Corporation a statement of accounts in such form as the Minister may direct, being a form which shall conform with the best commercial standards.

(2) The accounts of the Corporation shall be audited by auditors of high repute who shall be appointed by the Minister.

(3) As soon as the accounts of the Corporation have been audited, the Board shall send a copy of the statement of accounts to the Minister together with a copy of any report made by the auditors,

(4) The Minister shall lay -a copy of every such statement of accounts and auditors' report before the National Assembly.

**PART III**

VESTING OF INTERESTS OF CERTAIN SCHEDULED FIRMS

**10.** In this Part, unless the context otherwise requires-

Interpreta-  
tion

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

"employee on expatriate terms" means an employee of a scheduled firm who is not a citizen of the United Republic of Tanzania and whose terms and conditions of service require him to serve the scheduled firm within Tanganyika but require his employer to provide him with a passage to a country outside East Africa either during or at the end of his service;

"local employee" means an employee of a scheduled firm other than an employee on expatriate terms;

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

(a) *Nationalization*

**11.**(1) As from the effective date, the Corporation shall take over the respective businesses in Tanganyika of the scheduled firms.

Nationaliza-  
tion of the  
scheduled  
firms

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

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

(4) For the avoidance of doubts it is declared that-

(a) all the assets of the scheduled firms which relate to business transactions and become Tanganyika assets after the effective date shall be vested in the Corporation upon the date upon which they so become Tanganyika assets;

(b) all the liabilities of the scheduled firms which relate to business transactions and become Tanganyika liabilities after the effective date shall be liabilities of the Corporation upon the date upon which they so become Tanganyika liabilities and the scheduled firms shall be discharged from their obligations in respect of those liabilities

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

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

Operation  
of contract,  
etc.

**12.**-(1) The instruments to which this section applies are instruments (including contracts, guarantees, agreements, -bonds, authorities, mortgages, charges, bills of exchange, promissory notes, bank drafts, bank cheques, letters of credit and securities)-

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

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

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

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

as the case may be.

Power  
of the  
Corpora-  
tion

**13.** For the avoidance of doubts and without prejudice to the generality of the foregoing provisions of this Part, it is declared that the Corporation shall have all such powers necessary to take possession and recover any property, to ascertain, perfect and enforce any right, and, to discharge any liability or obligation, vested in the Corporation by section 11, and to deal therewith, as would have been enjoyed by the scheduled firm concerned had the same remained vested in the scheduled firm.

*(b) Compensation*

14.-(1) The United Republic shall pay full and fair, compensation in respect of the net value of the assets taken over under section 11 after taking into account the liabilities also taken over under that section. Compensation to be paid

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

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

(3) Nothing in this Act shall be construed so as to affect in any way the rights of the holder of a certificate issued under the Foreign Investments (Protection) Act, 1963. Cap. 533

*(c) Employees of Scheduled firms*

15.-7(1) Each person employed by a scheduled firm as a local employee immediately preceding the effective date shall, as from the effective date be, and be deemed to have been, employed by the Corporation. Local employees

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

(3) After a person becomes employed by the Corporation by virtue of subsection (1), his employment immediately prior to the effective date and his employment by the Corporation 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. Cap. 487

16. If a scheduled firm notifies the Corporation that it is willing to second or transfer employees on expatriate terms to the service of the Corporation, the Corporation may enter into arrangements, in relation thereto with such firm and with the expatriate staff concerned. Transfer or secondment of employees on expatriate terms

(d) *General*

Staff to assist in respect of transfer of business

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

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

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

**PART IV**

## VESTING OF SHARES OF CERTAIN SCHEDULED FIRMS

Interpretation

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

Vesting of shares

19.-(1) As from the effective date, the specified shares in each of the scheduled firms shall by virtue of this section and notwithstanding any provision of the Articles of Association and without further assurance vest, free of any trust, mortgage, charge, lien, interest or other encumbrance whatsoever in the Corporation, and shall be deemed to have so vested as from the effective date.

- (2) For the purposes of subsection (1), the specified shares shall be-
  - (a) that quantity of shares being sixty per cent of the shareholding of each class of shares held by every shareholder:
 

Provided that if in any particular case a calculation of sixty per cent results in a remainder consisting of a fraction of a share and that fraction is one-half or a larger fraction, one further whole share shall be specified share, but if a remainder consists of, a fraction smaller than one-half, it shall be disregarded;
  - (b) that parcel or those parcels of shares held by each shareholder amounting to the quantity specified in paragraph (a) and bearing the lowest numbers of all the shares, of the class of share concerned held by that shareholder.

Appointment of - provisional directors

20. Upon the commencement of this Act, and notwithstanding any provision to the contrary in any law or in any Article of Association charter, agreement, contract, or other instrument whatsoever-

- (a) the Corporation may, by instrument under seal, appoint as many persons to the Board of Director of each of the schedule firms as will give it through its appointees a simple majority on each Board; and



- (b) a person appointed a director under paragraph (4) shall-
  - (i) hold office until the next succeeding annual general meeting of the scheduled firm concerned when he shall cease to hold office by virtue of this section but shall be eligible for election as a director; and
  - (ii) not be required to hold any share qualification.

**21.-** The Minister may make regulations modifying the Articles of Association or other charter or like instrument of a scheduled firm, but so that any such regulations shall be limited to ensuring that-

Minister may modify Articles of Association

- (a) the Corporation may elect a number of directors proportionate to its shareholding;
- (b) the Articles of Association or charter or other like instrument do not-
  - (i) provide for the appointment of a particular person as managing director or governing director or any similar position of overall control;
  - (ii) provide for any person other than a director to exercise any power of control or direction over the affairs of the scheduled firm;
  - (iii) provide for a particular director to hold office for a period greater than that between two succeeding annual general meetings.

(2) Nothing in subsection (1) shall be construed as limiting the power of the members of a scheduled firm to alter or add to its Articles of Association in the manner provided by the Companies Ordinance. Cap. 212

**22.-**(1) The United Republic shall pay full and fair compensation in respect of the shares vested in the Corporation under section 19.

Compensation

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

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

(3) Nothing in this Act shall be construed so as to affect in any way the rights of the holder of a certificate issued under , the Foreign Investments (Protection) Act, 1963.

Cap. 533

**23.-**(1) Any disposition-

- (a) which was effected by a testamentary instrument executed before the effective date-, and
- (b) which would have operated as a bequest of all or any of the shares vested in the Corporation under the provisions of this Part, shall have effect as a bequest of the right of the testator to be paid compensation in respect of the acquisition of the shares in relation to which that disposition would have operated.

(2) Any power of attorney or other instrument-

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

(b) which operates in relation to all or any of those shares,

shall have the like operation in relation to the right to payment of compensation in respect of the acquisition of the shares to which that power of attorney or other instrument relates.

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SCHEDULE

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(Sections 10 and 18)

PART I

Bird & Company (Africa) Limited.  
N.V. Cultuur Maatschappij (Ngombezi).  
Nico Sisal Estate Limited.  
Central Line Estates Limited.  
Fazal Kassam & Ali (Kilimanjaro Sisal Estate).  
Mr. & Mrs. S. M. Lambrou (Kulasi Sisal Estate).

PART II

Tanganyika Sisal Estates Limited.  
Rudewa Estates Limited.  
Pangani Fibres Limited.  
Kiswani Estates Limited.  
Arnautoglu Enterprises Limited.  
Tanga Line Sisal Limited.  
Ndungu Sisal Estate Limited.  
Myombo Sisal Estates Limited.  
Buhuri Estates Limited.  
Eustace Sisal Estates Limited.  
Muhesa and Mkumbi Limited.  
Twiga Plantations Limited.  
Muhinduru Sisal Estate (1964) Limited.  
Muhinduru Sisal Estate Limited.  
Toronto Plantations Limited.  
Sachak Estates Limited.  
Kazamias Sisal Estates Limited.  
Kimamba. Fibres Limited.  
Noorani Plantations Limited.  
Noorani Plantations (Holding) Limited.  
Lewa Estates Limited.  
Jamhuri Sisal Estates Limited.  
Bombuers Limited.,  
Mdaula Estate Limited.  
Kihonda Sisal Estate Limited.  
Juma Haji, (Tanzania), Limited.  
Misimbo Sisal Estate Limited.

Wanainchi Sisal Estates (Tanganyika) Limited.

Songa Sisal Estate Limited.

Sisal. Plantations Limited.

Korogwe Sisal Estate Limited.

Kitulu Plantations Limited.

Manzabay Sisal Estate (1963) Limited.

Passed in the National Assembly on the twenty-seventh day of  
October, 1967.

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*Clerk to the National Assembly*