

THE UNITED REPUBLIC OF TANZANIA



No. 21 OF 1967

I ASSENT

Julius K. Nyerere
President

29TH JUNE, 1967

An Act to amend the National Bank of Commerce (Establishment and Vesting of Assets and Liabilities) Act, 1967

[29TH JUNE, 1967]

ENACTED by the Parliament of the United Republic of Tanzania.

1.—(1) This Act may be cited as the National Bank of Commerce (Establishment and Vesting of Assets and Liabilities) (Amendment) Act, 1967 and shall be read as one with the National Bank of Commerce (Establishment and Vesting of Assets and Liabilities) Act, 1967 (hereinafter referred to as "the principal Act").

Short title construction and application Acts 1967 No. 1

(2) This Act shall extend to Zanzibar as well as to Tanganyika.

2. The principal Act is amended by adding immediately below section 4, the following new sections: —

New sections 4A and 4B added

"Authorized capital

4A.—(1) The authorized capital stock of the Bank shall be one hundred million shillings and shall be divided into one thousand shares having a par value of one hundred thousand shillings each.

(2) The authorized capital stock of the Bank shall be subscribed and held only by the United Republic.

(3) The authorized capital stock of the Bank shall be divided into two hundred and fifty paid-in shares and seven hundred and fifty callable shares.

Payment of subscription to capital

4B.—(1) Payment of the amount subscribed by the United Republic to the paid-in capital stock of the Bank shall be made as follows: —

(a) by the issue of sixty shares in return for the net interest of the United Republic in the assets of the Tanganyika Bank of Commerce Limited vested in the Bank by this Act;

(b) in respect of one hundred and forty shares by payment in Tanzanian currency within thirty days of the date of subscription;

(c) in respect of fifty shares by payment in Tanzanian currency, in such instalments and at such times as the Board may resolve.

(2) Payment of the amount subscribed to the callable capital stock of the Bank shall be subject to call only as and when required by the Bank to meet the obligations of the Bank incurred by borrowings and deposits which the Bank is not otherwise able to meet by use of its assets then existing including the use of its general reserve and any facilities it may obtain with the Bank of Tanzania.

(3) The amounts required to be paid to the Bank in payment of the United Republic's subscription to the capital stock of the Bank is hereby charged upon and shall be paid out of the Consolidated Fund."

New section
7A added

3. The principal Act is amended by adding immediately below section 7 the following new section:—

"General
reserve
fund and
allocation of
profits

7A.—(1) The Bank shall establish and maintain a general reserve fund.

(2) At the end of each financial year, after allowing for the expenses of operation during that year and after making provision for bad and doubtful debts, depreciation of assets, contributions to staff and superannuation funds, carry-over into the next financial year and such other contingencies and provisions as are customarily made by banks, the Board shall give consideration to the allocation of the net profits of the Bank for that financial year and after consultation with the Minister shall resolve what part of the net profits shall be transferred to the general reserve fund, and what shall be allocated to surplus and what part, if any, shall be distributed by way of dividend to the United Republic."

Section 5
of
Act No. 1
of 1967
amended

4. Section 5 of the principal Act is amended as follows:—

(a) by deleting subsection (2) and substituting therefor the following:—

"(2) The Board of Directors shall consist of—

(a) a chairman, who shall be the managing director of the Bank, and who shall be appointed by the President;

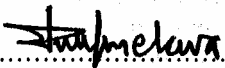
(b) such other members being not less than five nor more than nine as the Minister may appoint."; and

(b) by deleting subsections (4) and (5) and substituting therefor the following:—

"(4) The general manager of the National Bank shall be appointed by the Board acting with the approval of the Minister.

(5) Subject to this Act the chairman and managing director shall be responsible to the Board for the execution of the policy laid down by the Board and for the control and management of the National Bank and the general manager shall be responsible to the chairman and managing director.”

Passed in the National Assembly on the twenty-eight day of June, 1967.


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Clerk of the National Assembly