

THE BOARD OF INTERNAL TRADE ACT, 1973

ARRANGEMENT OF SECTIONS

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SCHEDULE

THE UNITED REPUBLIC OF TANZANIA



No. 15 OF 1973

I ASSENT,

Julius K. Nyerere
 President

23RD JULY, 1974

An Act to establish a Board of Internal Trade to supervise and co-ordinate the activities and management of certain parastatal companies

[27TH JULY, 1973]

WHEREAS by the State Trading Corporation (Establishment and Vesting of Interest) Act, 1967 the State Trading Corporation was established to conduct the business of importers, exporters, wholesale dealers and retailers:

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AND WHEREAS by the same Act several trading firms and companies carrying on business in the United Republic were nationalized and their assets and liabilities vested in the State Trading Corporation:

AND WHEREAS it has been found expedient to re-organize the State Trading Corporation by transferring its activities to several companies wholly owned by the Government of the United Republic:

AND WHEREAS it is desirable in the public interest that a Board of Internal Trade be established to supervise and co-ordinate the activities of all such companies aforesaid:

Now THEREFORE, be it enacted by the Parliament of the United Republic as follows:

1. This Act may be cited as the Board of Internal Trade Act, 1973. Short title
2. In this Act unless the context otherwise requires- Interpretation
 - (a) in relation to the chairman and the Director-General, the President;
 - (b) in the case of any other member, the Minister;

"the Board" means the Board of Internal Trade established by section 3;

"the chairman" means the chairman of the Board;

"Director-General" means the Director-General of the Board;

"member" means a member of the Board and includes the chairman, vice-chairman and the Director-General;

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

"parastatal organization" means—

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(a) any body corporate established by or under any written law other than the Companies Ordinance;

(b) any specified company;

(c) any company incorporated under the Companies Ordinance not less than fifty per centum of the issued share capital of which is owned by another parastatal organization;

"specified company" means a company specified by the Minister for the purposes of this Act by an order in the *Gazette*.

Establishment of the Board

3. (1) There is hereby established a Board to be known as the Board of Internal Trade.

(2) The Board shall be a body corporate and 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.

Composition and proceedings of Board

4. (1) The Board shall consist of —

(a) a chairman, who shall be appointed by the President;

(b) a Director-General, who shall be appointed by the President and who shall be the chief executive officer of the Board;

(c) not less than seven and not more than twelve other members appointed by the Minister.

(2) The provisions of the Schedule to this Act shall have effect as to the proceeding of the Board.

(3) The Minister may, by order in the *Gazette*, amend, add to, vary or replace the Schedule to this Act.

Functions of Board

5. The functions of the Board shall be—

(a) to supervise, and co-ordinate the trading activities and management of the specified companies;

(b) to ensure that each specified company carries on its trading activities in the national interest;

(c) to carry out market research and to make available to the specified companies its conclusions and recommendations;

- (d) to ensure that each specified company —
 - (i) conducts its business in an efficient manner and in accordance with the best mercantile traditions;
 - (ii) takes adequate measures to uphold and support its credit and to obtain and justify public confidence;
 - (iii) does all such acts and things as may be necessary to avert or minimize any loss to the Government or excessive costs to the consumer;
 - (iv) obtains proper distribution of the commodities it deals in;
 - (v) avoids shortages in commodities which are essential for public health, agriculture or industry or otherwise for the economic development of the United Republic;
- (e) to provide such services to parastatal organizations engaged in trade or business as the Board may approve;
- (f) to advise the Government on trade agreements entered into or to be entered into with foreign countries or organizations;
- (g) to perform such other functions as the President may, by order published in the *Gazette*, confer upon the Board.

6. (1) For the proper discharge of its functions the Board shall, subject to any directions the Minister may give in that behalf, have the power-

- (a) to require a specified company to submit to the Board details of its proposed imports and domestic purchases schedules and to consider such details and to give a specified company such advice in respect thereof as the Board may consider necessary;
- (b) to assist a specified company in formulating its annual and long term corporate plans;
- (c) to give specified companies directions relating to their accounting arrangements;
- (d) to carry out inspection of the accounts and financial records of the specified companies;
- (e) to give a specified company such assistance relating to the formulation or conduct by such company of its cost structures, principles of pricing and trading operations, the employment by such company of a General Manager, a Chief Accountant and other senior staff, the management of the affairs of any such company and otherwise in relation to the activities of the company as the Board may consider necessary.

(2) The Minister may-

- (a) require a specified company to submit to the Board for inspection and comments its annual plan including a detailed proposed budget, at least six weeks before the start of the accounting year to which such plan relates;

- (b) require specified companies to submit to the Board for inspection and comments such periodic reports, analysis, audited accounts, programmes and other information as the Minister may direct;
- (c) to require specified companies and parastatal organizations to which the Board has provided services to pay the Board such fees as the Minister may, after consultation with the Minister for Finance, by order prescribe.

(3) A specified company to which any direction is given under this section shall comply with such direction, and in the event of non-compliance by any specified company of any such direction, the Board shall report such non-compliance to the Minister who may take such disciplinary measures as he may deem fit.

(4) The Board may, with the consent of the Minister and after consultation with the chairmen and the General Managers of the specified companies concerned, by order signed by the Director-General or any officer authorized in writing in that behalf by the Director-General, transfer any employee of a specified company or the Board to any other specified company or to the Board.

(5) Where, by an order made under subsection (4), the Board transfers any employee of a specified company or the Board to the service of any other specified company or the Board-

- (a) such employee shall, as from the date of such transfer, be deemed to be an employee of the specified company or the Board to which he is transferred;
- (b) the terms and conditions of service applicable to such employee after such transfer shall be not less favourable than those which were applicable to him immediately before the transfer, and for the purposes of determining any right to gratuity or any other superannuation benefit the service of such employee with the specified company or, as the case may, the Board to which he is transferred shall be regarded as continuous with his service immediately preceeding such transfer; and
- (c) the employment of such employee immediately prior to his transfer, and his employment by the specified company or, as the case may be the Board, to which he is transferred, 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.

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Minister may
give
directions
to Board

7. The Minister may give the Board directions of a general or specific nature and the Board shall give effect to every such direction.

- 8.** The funds and resources of the Board shall consist-
- Funds of Board
- (a) such sums as may be provided for the purposes of the Board by Parliament, either by way of grant or loan;
 - (b) such sums as the Board may, from time to time, borrow in accordance with the provisions of this Act;
 - (c) such sums as may in any manner become payable to or vested in the Board either under the provisions of this Act or incidental to the carrying out of its functions.
- 9.** The Board may from time to time appoint at such salaries and upon such terms and conditions as it may think fit, such officers and employees of the Board as it may deem necessary for the proper and efficient conduct of the business and activities of the Board.
- Appointment of employees
- 10.** The members of the Board shall be entitled to receive such remunerations, allowances and other benefits as the Minister may direct.
- Remuneration and allowances of members
Superannuation benefits
- 11.** The Board may-
- (a) grant gratuities or other retirement allowances or benefits to the officers and employees of the Board;
 - (b) establish and contribute to a superannuation fund or a medical benefits fund for the officers and employees of the Board;
 - (c) require any officer or employee of the Board to contribute to any such superannuation fund or medical benefits fund and fix amounts and method of payment of such contribution.
- 12.**-(1) Subject to subsection (5) the Board may from time to time, by writing under the seal of the Board delegate, subject to such terms, conditions and restrictions as it may specify, to any committee of the Board or to any officer or employee of the Board, or any other person or body of persons, all or any of its functions, powers, authorities or duties under this Act, and where any delegation is so made the delegated function, power, authority or duty may be performed or, as the case may be, exercised by the delegate subject to the terms, conditions and restrictions specified in the writing.
- Powers of the Board to delegate
- (2) Any delegation under subsection (1) may be made to the holder of an office under the Board specifying the office but without naming the holder, and in every such case each successive holder of the office in question and each person who occupies or performs the duties of that office may, without any further authority, perform or, as the case may be, exercise the delegated function, power, authority or duty in accordance with the delegation made.
- (3) The Board may revoke a delegation made by it under this section.
- (4) No delegation made under this section shall prevent the Board from itself performing or exercising the function, power, authority or duty delegated.

- (5) The Board shall not have power under this section to delegate-
 - (a) its power of delegation; or
 - (b) the power to approve the annual budget or any supplementary budget of receipts and expenditure, the annual balance sheet or any statement of account.

Annual and supplementary budget

13.-(1) In this Act "financial year" means any period not exceeding twelve consecutive months designated in that behalf by the Board:

Provided that the first financial year after the commencement of this Act shall commence on the date of the commencement of this Act and may be of a longer or shorter period than, twelve months.

(2) Not less than two months before the beginning of any financial year (other than the first financial Year) the Board shall, at its meeting especially convened for that purpose, pass a detailed budget (in this Act called, "the annual budget") of the amounts respectively-

- (a) expected to be received; and
 - (b) expected to be disbursed,
- by the Board during that financial year.

(3) If in any financial year the Board requires to make any disbursement not provided for or of an, amount in excess of the amount provided for, in the annual budget for that year, the Board shall, at a meeting, pass a supplementary budget detailing such disbursement.

(4) The annual budget and every supplementary budget shall be in such form and include such details as the Minister may direct.

(5) Forthwith upon passing any annual budget or any supplementary budget the Board shall submit same to the Minister for his approval.

(6) The Minister shall, upon receipt of the annual budget or any supplementary budget, approve or disapprove the same or may approve subject to such amendment as he may deem fit.

(7) Where the Minister has approved any annual budget or supplementary budget, the budget, as amended by him, shall be binding on the Board which, subject to the provisions of subsection (8), shall confine its disbursements within the items and the amounts contained in the applicable estimates as approved by the Minister.

(8) The Board may-

- (a) with the sanction in writing of the Minister make a disbursement notwithstanding that such disbursement is not provided for in any budget;
- (b) from the amount of expenditure provided for in any estimates in respect of any item, transfer, a sum not exceeding twenty thousand shillings, to any other item contained in such budget;
- (c) adjust expenditure limits to take account of circumstances not reasonably foreseeable at the time the budget was prepared, subject to submitting a supplementary budget to the Minister within two months of such alteration of expenditure limits becoming necessary.

14. With the prior approval of the Minister, the Board may, from time to time, invest any part of the moneys available in any fund of the Board in such manner as the Board may deem fit. Investment

15.-(1) With the prior approval of the Minister the Board may, from time to time, borrow moneys for the purposes of the Board by way of loan or overdraft, and upon such security and such terms and conditions relating to the repayment of the principal and the payment of interest as, subject to any directions by the Minister, the Board may deem fit. Power to borrow

(2) A person lending money to the Board shall not be bound to enquire whether the borrowing of that money by the Board has been approved by the Minister.

16. (1) The Board shall cause to be provided and kept proper books of accounts and records with respect to— Accounts and audit

(a) the receipt and expenditure of moneys by, and other financial transactions of, the Board;

(b) the assets and liabilities of the Board,

and shall cause to be made out for every financial year a balance sheet showing details of the income and expenditure of the Board and all its assets and liabilities.

(2) At least once in every financial year the accounts including the balance sheet of the Board shall be audited by the Tanzania Audit Corporation established by the Tanzania Audit Corporation Act, 1968. Acts 1968 No. 1

(3) As soon as the accounts of the Board have been audited, and in any case not later than six months after such audit, the Board shall submit to the Minister a copy of the audited statement of accounts together with a copy of the report thereon made by the auditors.

(4) Every such audited balance sheet shall be placed before a meeting of the Board and, if adopted by the Board shall be endorsed with a certificate that it has been so adopted.

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SCHEDULE
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1.-(1) The members of the Board shall, from among their number, elect a vice-chairman, who shall hold office for so long as he remains a member of the Board. Constitution

(2) A member of the Board shall, unless his appointment is sooner determined by the appointing authority, or he otherwise ceases to be a member, hold office for such period as the appointing authority may specify in his appointment:

Provided that in the case of a member who is a member by virtue of his holding some other office, he shall cease to be a member upon his ceasing to hold that office.

(3) Any member of the Board may at any time resign by giving notice in writing to the appointing authority and from the date specified in the notice or, if no date is so specified, from the date of the receipt of the notice by the appointing authority, he shall cease to be a member.

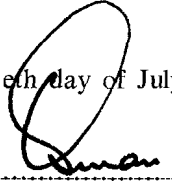
(4) The Board may, with the approval of the Minister, appoint any member or officer of the Board or a public officer to be the Secretary of the Board.

Absent member to be replaced at meetings.	2. If a member is unable for any reason to attend a meeting, the body or the Ministry, as the case may be, which he represents, may in writing nominate another person in his place for the purpose of that meeting.
Casual vacancies	3. Where any member ceases to be a member for any reason before the expiration of his term of office, the appointing authority shall appoint another person in his place and the person so appointed shall hold office for the remainder of the term of office of his predecessor.
Meetings	<p>4.(1) An ordinary meeting of the Board shall be convened by the chairman and the notice specifying the Place, date and time of the meeting shall be sent to each member at his usual place of business or residence not less than seven days before, the date of such meeting. In case the chairman is unable to act by reason of illness, absence from Tanganyika, or other sufficient cause, the vice-chairman may convene such meeting.</p> <p>(2) The chairman, or in his absence, the vice-chairman, shall be bound to convene a special meeting of the Board upon receipt of a request in writing in that behalf signed by not less than three members of the Board. Not less than seven days' notice of such meeting shall be given to all members of the Board in the manner prescribed in sub-paragraph (1).</p> <p>(3) The chairman, the vice-chairman, or the temporary chairman elected in accordance with the provisions of paragraph 5 (2) presiding at any meeting of the Board may invite any person who is not a member to participate in to deliberations of the Board, but any such person shall not be entitled to vote.</p>
Procedure	<p>5.(1) one-half of the total number of the members of the Board, or four members, whichever is the lesser number, shall form a quorum for a meeting of the Board.</p> <p>(2) In the absence of the chairman from a meeting of the Board the vice-chairman shall preside. In the absence of both the chairman and the vice-chairman from any meeting, the members present shall elect one of their number to be a temporary chairman of that meeting.</p> <p>(3) At any meeting of the Board a decision of the majority of the members Present and voting shall be deemed to be a decision of the Board. In the event of an equality of votes the chairman of the meeting shall have a casting vote in addition to his deliberative vote.</p> <p>(4) Notwithstanding the provisions of sub-paragraph (2), where the chairman so directs, a decision may be made by the Board without a meeting by circulation of the relevant papers among all the members and the expression in writing of their view but any member shall be entitled to require that any such decision shall be deferred until the subject matter shall be considered at a meeting of the Board.</p>
Minutes of meetings	6. Minutes in Proper form of each meeting of the Board shall be kept and shall be confirmed by the Board at the following meeting and signed by the chairman of the meeting.
Vacancies, etc. not to invalidate proceedings	7. Subject to the provisions Of paragraph 5 relating to quorum, the Board may act notwithstanding any vacancy in the membership thereof and no act or proceeding of the Board shall be invalid by reason only of some defect in the appointment of a person who purports to be a member thereof.
Orders, directions etc.	<p>8. All orders directions, notices or documents made or issued by the Board shall be signed by-</p> <p>(a) the Director-General; or</p> <p>(b) any member of the Board or other officer of the Board authorized in writing by the Director-General in that behalf.</p>
Seal of Board	9. The seal of the Board shall not be affixed to any instrument except in the presence of the Director-General or the chairman or the Vice-chairman or the Secretary and at least one other member of the Board.

10. Subject to the provisions of this Schedule the Board shall have power to regulate its own proceedings.

Board may regulate its own proceedings

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Passed in the National Assembly on the eighteenth day of July, 1973.



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Clerk of the National Assembly