

Tanzania

## Corporations Sole (Establishment) Act Chapter 119

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## Corporations Sole (Establishment) Act

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# Tanzania

## Corporations Sole (Establishment) Act

### Chapter 119

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*[This is the version of this document at 31 July 2002.]*

*[Note: This legislation has been thoroughly revised and consolidated under the supervision of the Attorney General's Office, in compliance with the Laws Revision Act No. 7 of 1994, the Revised Laws and Annual Revision Act (Chapter 356 (R.L.)), and the Interpretation of Laws and General Clauses Act No. 30 of 1972. This version is up-to-date as at 31st July 2002.]*

*[Act No. 23 of 1974]*

**An Act to enable the President to establish corporations sole to facilitate the more efficient carrying on of commercial or industrial enterprises by public departments.**

#### 1. Short title

This Act may be cited as the Corporations Sole (Establishment) Act.

#### 2. Interpretation

In this Act "**Minister**", in relation to any corporation sole, means the Minister for the time being responsible for the department for which the corporation sole is established.

#### 3. President may designate any public office to be a corporation sole

- (1) Where the President is of the opinion that it is expedient or desirable to establish a corporation sole in order to facilitate the carrying on of any commercial or industrial enterprise by a public department he may, by order published in the *Gazette*, designate any public office to be a corporation sole.
- (2) Every order made under subsection (1) shall specify the public department in relation to which the corporation is established and may specify the commercial or industrial enterprise which may be carried on by the corporation.
- (3) Where any public office is designated to be a corporation sole the public officer for the time being holding or acting in the public office shall have and may exercise all the powers of a corporation sole.
- (4) Every corporation sole established by an order under this section shall—
  - (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 any order made by the President in that behalf be capable of purchasing and otherwise acquiring and of alienating any property, movable or immovable.

#### 4. Functions of corporation sole

- (1) Every corporation sole shall carry on the commercial or industrial enterprise which it is authorised to carry on in an efficient manner and in accordance with the best mercantile traditions and may—
  - (a) 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;
  - (b) do all other acts and things which may be necessary to uphold and support the credit of the corporation and to obtain and justify public confidence, and to avert or minimise and loss to the corporation.
- (2) The Minister responsible for the public department in relation to which a corporation sole is established may give the corporation any directions of a general or specific nature which he considers fit and the corporation shall give effect to every such direction.

#### 5. Financial provisions

- (1) The funds and resources of a corporation sole shall be—
  - (a) any sums which may be provided by Parliament either by way of loan or grant;
  - (b) any sums of money which the corporation may borrow;
  - (c) any sums of money or other property which may in any manner become payable to or vested in the corporation sole by any written law or incidental to the carrying out of its functions.
- (2) A corporation sole shall not borrow any sum of money from any person other than the Government, the National Bank of Commerce, the Tanzania Investment Bank, Cooperative and Rural Development Bank, save in accordance with the regulations made under this Act:

Provided that a person lending money to a corporation sole shall not be bound to enquire whether the provisions of this subsection have been complied with.
- (3) Not less than two months before the beginning of any financial year (other than the first financial year) every corporation sole shall cause to be prepared and submit to the Minister and the Treasury Registrar 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 corporation sole during that financial year.
- (4) If in any financial year a corporation sole 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, it shall submit to the Minister and the Treasury Registrar a supplementary budget detailing that disbursement.
- (5) The annual budget and every supplementary budget shall be in the form and include the details which the Treasury Registrar may direct.
- (6) The Minister shall, upon receipt of the annual budget or any supplementary budget and after consultation with the Treasury Registrar approve or disapprove the same or may approve subject to any amendments which he deems fit.
- (7) Where the Minister has approved any annual budget or supplementary budget, the budget, as amended by him, shall be binding on the corporation sole, which shall, subject to the provisions of subsection (8), confine its disbursements within the items and the amounts contained in the applicable estimates as approved by the Minister.

- (8) A corporation sole may—
- (a) with the sanction in writing of the Minister and of the Treasury Registrar, make a disbursement notwithstanding that the disbursement is not provided for in any budget;
  - (b) from the amount of expenditure provided for in any budget in respect of any item, transfer, a sum not exceeding ten thousand shillings to any other item contained in the budget;
  - (c) adjust expenditure limits to take account of commercial and climatic changes not reasonably foreseeable at the time the budget was prepared, subject to submitting a supplementary budget to the Minister and the Treasury Registrar within two months of such alteration of expenditure limits becoming necessary.
- (9) In this section "financial year" in relation to any corporation sole means the period commencing on the first day of July in any year and expiring on the thirtieth day of June in the following year:
- Provided that the first financial year of a corporation sole shall commence on the date on which it is established and shall expire on the thirtieth day of June in the following year.

## **6. Corporation sole to be specified company**

Every corporation sole established under this Act shall be deemed to be specified in Part II of the Schedule to the Companies (Regulations of Dividends and Surpluses and Miscellaneous Provisions) Act, and that Act shall apply to corporations sole accordingly.

## **7. Regulations**

The Minister for the time being responsible for finance may make regulations regulating the administration of the funds and resources of Corporations sole.