

Tanzania

East African Development Bank Act Chapter 231

Legislation as at 31 July 2002

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East African Development Bank Act
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Tanzania

East African Development Bank Act Chapter 231

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[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.]

[DPG; Acts Nos. 7 of 1984; 15 of 1985]

An Act to provide for the carrying out of the obligations of the Government of the United Republic arising under the Treaty amending and re-enacting the Charter of the East African Development Bank and to provide for related matters.

WHEREAS the Governments of the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya (hereinafter referred to as "the Parties") did in Article 21 of the Treaty for East African Co-operation of 6th June, 1967 (hereinafter referred to as "the Treaty of 1967"), agree to establish a development bank, known as the East African Development Bank (hereinafter referred to as "the Bank"), the Charter therefor (hereinafter referred to as "the Charter") being set out in Annex VI of the Treaty of 1967:

AND WHEREAS the said Treaty of 1967 is no longer operative:

AND WHEREAS the Parties by a Treaty signed on 23rd July, 1980, (hereinafter referred to as "the Treaty of 1980") agreed to amend and re-enact the Charter of the Bank:

NOW, THEREFORE, BE IT ENACTED by the Parliament of the United Republic of Tanzania as follows:

1. Short title and application

- (1) This Act may be cited as the East African Development Bank Act.
- (2) This Act shall apply to Tanzania Zanzibar as well as to Mainland Tanzania.

2. Interpretation

In this Act—

"Minister" means the Minister responsible for Finance.

3. Financial provision

- (1) There shall be charged on and paid out of the Consolidated Fund, without further appropriation other than this Act, all payments required to be made from time to time by the Government to the Bank under the terms of the Treaty.
- (2) For the purpose of providing any sums required for making payments under this section, the Minister may, on behalf of the Government, make such arrangements as are necessary, or raise loans by the creation and issue of securities bearing such rates of interest and subject to such conditions as to repayment, redemption or otherwise as he thinks fit, and the principal and interest of such securities and the charges and expenses incurred in connection with their issue shall be charged on and be issued out of the Consolidated Fund.

- (3) Any moneys received by the Government from the Bank, or raised under subsection 2, shall be paid into and form part of the Consolidated Fund shall be available in any manner in which the consolidated Fund is available.

4. Certain provisions of Charter to the Treaty of 1980 to have force of law

The provisions of the Charter annexed to the Treaty of 1980 and set out in the Schedule to this Act shall have the force of law in the United Republic of Tanzania.

Schedule (Section 4)

The Provisions of the Charter annexed to the Treaty of 1980 which are to have the Force of Law in the United Republic of Tanzania

Chapter VI Currencies

Article 24 – Use of currencies

1. The member states may not maintain or impose any restriction on the holding or use by the Bank or by any recipient from the Bank for payments in any country of the following—
 - (a) currencies received by the Bank in payment of subscription to its capital stock;
 - (b) currencies purchased with the currencies referred to in subparagraph (a) of this paragraph;
 - (c) currencies obtained by the Bank by borrowing for inclusion in its ordinary capital resources;
 - (d) currencies received by the Bank in payment of principal, interest, dividends or other charges in respect of loans or investments made out of any of the funds referred to in subparagraphs (a), (b) and (c) of this paragraph or in payment of fees in respect of guarantees made by the Bank; and
 - (e) currencies received from the Bank in distribution of the net income of the Bank in accordance with Article 20 of this Charter.
2. The member States may not maintain or impose any restriction on the holding or use by the Bank or by any recipient from the Bank, for payments in any country of currency received by the Bank which does not come within the provisions of paragraph 1 of this Article unless such currency forms part of the Special Funds of the Bank and its use is subject to special regulations.
3. The member States may not maintain or impose any restriction on the holding or use by the Bank, for making amortisation payments or for repurchasing in whole or in part the Bank's own obligations, or currencies received by the Bank in repayment of direct loans made out of its ordinary capital resources.
4. Each member State shall ensure, in respect of projects within its territories, that the currencies necessary to enable payments to be made to the Bank in accordance with the provisions of the contracts referred to in Article 15 of this Charter shall be made available in exchange for currency of the member State concerned.

Article 25 – Maintenance value of currency holding

1. Whenever the par value of the International Monetary Funds of the currency of a member State is reduced or the foreign exchange value of the currency of a member State has, in the opinion of the Bank, depreciated to a significant extent within the territory of that member State, such member state shall pay to the Bank within a reasonable time an additional amount of its own currency, sufficient to maintain

the value as of the time of subscription, of the amount of the currency of such member State paid into the Bank by that member State under subparagraph (b) of paragraph 3 of Article 5 of this Charter, and currency furnished under the provisions of this paragraph provided however, that the foregoing shall apply only so long as and to the extent that such currency shall not have been initially disbursed or exchanged for another currency.

2. Whenever the par value of the International Monetary Fund of the currency of a member State is increased, or the foreign exchange value of the currency of a State has, in the opinion of the Bank, appreciated to a significant extent within the territory of that member State the Bank shall return to such member State within reasonable time an amount of the currency of that member State equal to the increase in the value of the amount of such currency to which the provisions of paragraph 1 of this Article are applicable.

Chapter X

Status, immunities and privileges

Article 43 – Purpose of Charter

To enable the Bank effectively to fulfil its objectives and carry out the functions with which it is entrusted, the status, immunities, exemptions and privileges set forth in this Charter shall be accorded to the Bank in territories of each of the member States.

Article 44 – Legal status

The Bank shall possess full juridical personality and, in particular, full capacity—

- (a) to contract;
- (b) to acquire, and dispose of immovable and movable property; and
- (c) to institute legal proceedings.

Article 45 – Judicial proceedings

1. Actions may be brought against the Bank in the territories of the member States only in court of competent jurisdiction in a member State in which the Bank has an office, has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities.
2. No action shall be brought against the Bank by members or persons acting for or deriving claims from members. However, members shall have recourse to such special procedures for the settlement of controversies between the Bank and its members as may be prescribed in this Charter, in the regulations of the Bank or in contracts entered into with the Bank.

Article 46 – Immunity of assets

1. Property and other assets of the Bank, wheresoever located and by whomsoever held, shall be immune from requisition, confiscation, expropriation or any other form of taking or foreclosure by executive or legislative action and premises used for the business of the Bank shall be immune from search.
2. The Bank shall prevent its premises from becoming refuges for fugitives from justice, or for persons subject to extradition, or persons avoiding service of legal process or a judicial proceeding.

Article 47 – Immunity of archives

The archives of the Bank and all documents belonging to it, or held by it, shall be inviolable wherever located.

Article 48 – Freedom of assets from restriction

To the extent necessary to carry out the objectives and functions of the Bank and subject to the provisions of this Charter, all property and other assets of the Bank shall be free from restrictions, regulations, controls and moratoria of any nature.

Article 49 – Personal immunities and privileges

1. All Directors, alternate, officers and employees of the Bank—
 - (a) shall be immune from civil process with respect to acts performed by them in their official capacity; and
 - (b) shall be accorded such immunities from immigration restrictions or alien registration, and where they are not citizens of a member State, such facilities in relation to exchange regulations as are accorded by member States to the representatives, officials and employees of comparable rank of other member States.
2. Experts or consultants recovering services to the Bank shall be accorded the same immunities and privileges as in paragraph 1 above, unless the member State concerned determines otherwise.

Article 50 – Exemption from taxation

1. The Bank shall be enabled to import free of customs duty any goods required for the purpose of its operations except such goods as are intended for sale or are sold, to the public.
2. The Bank shall be exempted from income tax and stamp duty.

Article 52 – Waiver of immunities

1. The Bank at its discretion may waive any of the privileges, immunities and exemptions conferred under this Charter in any case or instance, in such manner and upon such conditions as it may determine to be appropriate in the best interests of the Bank.
2. The Bank shall take every measure to ensure that the privileges, immunities, exemptions and facilities conferred by this Charter are not abused and for this purpose shall establish such regulations as it may consider necessary and expedient.