

**THE TANZANIA TELECOMMUNICATIONS COMPANY
INCORPORATION ACT, 1993**

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SCHEDULE

THE UNITED REPUBLIC OF TANZANIA



No. 20 OF 1993

I ASSENT,

Hassan

 President
 21/12/93

An Act to facilitate the future incorporation of the Tanzania Telecommunications Company Limited, the vesting of assets and liabilities of the Tanzania Posts and Telecommunications Corporation pertaining to telecommunications services, the issuance of shares to the public, and to provide for other relevant matters

[.....]

ENACTED by the Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY PROVISIONS

1. This Act may be cited as the Tanzania Telecommunications Company Incorporation Act, 1993, and shall come into operation on the 1st day of January, 1994.

Short title

2. In this Act unless the context requires otherwise—

Interpretation

“assets” includes all property movable or immovable and all estates, easements and rights whether equitable or legal in, to or out of property, choses-in-action, money and goodwill;

“Company” means the Tanzania Telecommunications Company Limited which is required by this act to be established;

“former Corporation” means the Tanzania Posts and Telecommunications Corporation established by Tanzania Posts and Telecommunications Corporation Act, 1977.

Act No. 15 of 1977

“liabilities” means liabilities, debts, charges, duties and obligations of every description (whether present or future, actual or contingent, and whether payable to be observed or performed in the United Republic or else where);

“Minister” means the minister for the time being responsible for telecommunications;

"rights" means all rights, powers, privileges and immunities, whether actual, contingent or prospective;

"vesting date" means the date on which assets, and liabilities in respect of telecommunications services, to which the former corporation was entitled or subject to, are transferred to and vested in the successor company.

PART II

THE TANZANIA TELECOMMUNICATIONS COMPANY

Require-
ment to
establi-
shment the
Company

3.—(1) The Minister shall not later than the 1st day of January, 1994, cause to be incorporated subject to this Act, a company to be known as the Tanzania Telecommunications Company Limited.

(2) The Company 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) be capable of purchasing and otherwise acquiring or alienating any movable or immovable property;
- (d) have power from time to time to exercise and perform such other powers and functions as are conferred by or under this Act or any other written law.

(3) The Company shall, with effect from the 1st day of January, 1994 subject to this Act, take over the assets, liabilities and business of the former Corporation in relation to telecommunications services.

(4) The assets, rights and liabilities in respect of telecommunication services to which the former corporation was entitled or subject to, immediately before the vesting date shall be vested into the Company in accordance with the provisions of the Tanzania Posts and Telecommunications Corporation (Vesting of Assets and Liabilities) Act, 1993.

(5) The Minister shall, within not more than six months from the commencement of this Act, by notice published in the *Gazette*, determine the assets and liabilities allocated to the Company.

Functions
of the
Company

4.—(1) Notwithstanding the provisions of any other law, the functions of the Company shall include—

- (a) the operation of telecommunications services in accordance with a licence issued by the Commission under the provisions of the Tanzania Communications Act 1993;
- (b) the acquisition or take over of the business, assets and liabilities of the former Corporation in relation to the provision of telecommunications systems and services;
- (c) the establishment development and operation of telecommunications services within and outside the United Republic;

- (d) the provision of all incidental services which are necessary and proper for the purpose of the Company; and
 - (e) the doing of anything which appears to the company to be requisite, advantageous or incidental to, or which appears to it to facilitate, the performance by it of its functions as specified in the Act or in its Memorandum of Association.
- (2) In particular and without prejudice to the generality of subsection (1), the Company may in the performance of its functions under this Act take measures designed—
- (a) to ensure that charges for services are kept at commercial rates consistent with meeting the approved objectives;
 - (b) to ensure that its business is conducted according to commercial principles and shall perform its functions so that its income shall be sufficient to meet all charges properly chargeable to profit and loss account (including depreciation of assets and proper allocation to general reserve) taking one year with another;
 - (c) to generate a reasonable proportion of capital needs and remunerate capital and repay its loans.

5.—(1) The initial authorised capital of the company to be registered shall be at least two times such a sum as shall be sufficient to meet—

Au-
thorized
capital

- (a) the level of the total investment already undertaken in the former corporation or its predecessors pertaining to telecommunication services;
 - (b) capital investment planned during the short and long terms in the company; and
 - (c) working capital.
- (2) The Company shall have power in general meeting to increase the level of the authorised capital subject to the prior approval of the Minister responsible for Finance, and the Minister.

6.—(1) As a consequence of the vesting in the Company of the assets and liabilities relating to telecommunications services of the former Corporation, the Company shall issue such shares securities as shall be decided by the Company in general meeting and after prior approval of the Minister responsible for Finance which are equal to:—

Issued
capital the

- (a) the net value of the revalued assets relating to the telecommunications services of the Tanzania Posts Corporation as set out in the Schedule to this Act;
- (b) investment which shall be undertaken by the company under the telecommunications recovery programme which shall be met by contributions from members (other than loans); and
- (c) working capital which shall be required to sustain the operations.

(2) The issued capital as determined under subsection (1) shall be allotted to:

- (a) the Treasury Registrar;
- (b) employees of the Company;
- (c) Government employees,

in the proportion which shall be determined by the Minister from time to time; save that initially all shares shall be issued to the Treasury Registrar, and shall be divested to the other shareholders at such times and in such manner as shall be determined by the Minister upon recommendation by the Company.

(3) The total foreign investment in the Company shall not at any time exceed such percentage of the total shareholding in the Company as the Minister responsible for finance shall from time to time determine.

(4) The shares to be issued to the other shareholders shall be issued by a prospectus published generally to the public, but special schemes may be instituted to give assistance to Tanzanians who are not able to acquire such shares through their own means.

(5) The shares to be issued to employees of the Company or of the Company or of the Government shall be through a special scheme whereby staff will be allotted a number of free shares for every share they purchase.

(6) Shares acquired to be issued pursuant to this section shall be issued or allotted as fully paid and treated for the purposes of the Companies Ordinance as paid up by virtue of payment to the Company of their nominal value.

(7) The proportion of the holding of the government which is to be divested in order to issue shares to the foreign investors, the public and staff, shall in the first instance be utilized to pay for the shares which will be allotted to Tanzanians through special assistance schemes, and to staff of the Corporation as fully paid shares, and the remainder shall be retained in the company as redeemable loan for such a period as the Minister shall, in consultation with the Company determine.

(8) Subsequent issues of shares of the Company shall be allotted to the shareholders in the proportions and in such a manner as the Company shall in general meeting deem fit; save that it shall be necessary to seek the approval of the Minister as long as the government still holds the majority shareholding.

Shares

7.—(1) The authorised share capital of the company shall be stated in the Memorandum of Association to be of such an amount and of such nominal value as shall be determined by the company in General Meeting, after consultation with the Minister responsible for finance, plus two special rights shares of the same nominal value with power for the company to increase or reduce the said capital and to vary or abrogate

the rights attached to any class of shares in the company to issue any part of its capital, original or increased, with or without any preference, priority, or special privilege, or subject to any postponement of rights, or to any conditions, or restrictions, and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the powers hereinbefore contained.

(2) The special rights shares shall be issued to the Treasury Registrar in such manner as he shall determine and may only be held or transferred according to his determination.

(3) Any shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting return on capital or otherwise as the directors may, with the prior approval of the special rights shareholders, determine.

(4) The Company in general meeting may, with prior approval of the Minister increase its share capital by the creation of new shares of such an amount as may be deemed expedient, upon any such terms and conditions or with such rights or privileges as the general meeting may determine and attach any special rights to any existing class of shares; save that the Government will not participate in the allotment of any such new shares created.

PART III

ADMINISTRATION OF THE COMPANY

8.—(1) The Company shall in each year hold an Annual General Meeting in addition to any other meetings in that year, in the manner and within specified times as shall be set out in the Articles of Association.

Annual
General
Meetings
the

(2) The Articles of Association shall provide for the role, the procedure and other matters with respect to the Annual General Meeting.

9.—(1) There shall be a Board of Directors which shall subject to the provisions of this Act be responsible for the carrying out of the functions and management of the affairs and business of the Company.

Board of
Directors

(2) All directors of the Company shall be natural persons and shall be not less than two and not more than such number as shall be determined by the company in general meeting and, if the Government is the majority shareholder, after obtaining prior approval of the Treasury Registrar.

(3) The directors shall initially be appointed by the Minister after consultation with the Treasury Registrar and after shares are allotted to other shareholders, by the shareholders in such proportion of their respective shareholdings as shall be provided by the Articles Association of the Company.

(4) There shall be a Chairman of the Board of Directors who shall be appointed—

- (a) if the Government is the majority shareholder, jointly by the special rights shareholders;
- (b) in any other case, in such manner as shall be decided by the Company in a general meeting.

Dividends 10. The Company shall declare dividends only after prior approval of the Treasury Registrar.

PART IV

MISCELLANEOUS PROVISIONS

**Capital-
ization of
profits**

11.—(1) The company in general meeting and on the recommendation of the directors may resolve that it is desirable to capitalise any sum for the time being standing to the credit of any reserve account or profit and loss account or otherwise available for distribution to members, and that sum be applied in any of the ways that the profits of the Company may be properly applied.

(2) The ways in which any sum may be applied for the benefit or the members under subsection (1) are—

- (a) in paying up any amounts unpaid on shares held by members; or
- (b) in paying up in full unissued shares or debentures to be issued to members as fully paid.

**Accounts
and audit**

12.—(1) The directors shall ensure that the Company maintains such accounting records as are required to comply with the requirements of the Companies Ordinance and of this Act.

(2) The Company in general meeting shall appoint the Auditor, fix his remuneration and regulate his duties in accordance with the Companies Ordinance.

**Minding-
up**

13. If the Company is wound up, the liquidator may divide amongst the members or class of members any part of the assets of the Company according to the value that the liquidator sets for those assets.

Passed in the National Assembly on the twenty-second day of November, 1993.


Clerk of the National Assembly