

THE UNITED REPUBLIC OF TANZANIA



No. 23 OF 1994

I ASSENT,

Ali Hassan Mwinyi
.....
3/4/94
.....
President

An Act to amend certain written Laws pertaining to financial institutions.

[.....]

ENACTED by the Parliament of the United Republic of Tanzania.

PART I
PRELIMINARY PROVISIONS

1. This Act may be cited as the Written Laws (Financial Institutions) (Amendment) Act, 1994 and shall come into operation on such date as the Minister may, by notice in the *Gazette*, appoint.

Short title
and Com-
mence-
ment

PART II
AMENDMENT OF THE NATIONAL BANK OF COMMERCE
ACT, 1967

2. This part shall be read as one with the National Bank of Commerce Act, 1967 in this Part referred to as the principal Act.

Construc-
tion Acts
1967 No. 1

3. Section 4A of the principal Act is repealed and replaced by the following section:—

Repeal
and re-
placement
of section
4A

“Au-
thorized
Capital of
the Bank

4A.—(1) The authorised capital stock of the Bank shall be two billion shillings divided into two hundred thousand shares, each having a par value of ten thousand shillings, fifty percent of which shall be paid up and the other fifty percent to be callable.

(2) The authorised capital stock of the Bank shall be increased by a resolution of the Board.

(3) The shares of the Bank, when issued shall be subscribed for and allocated to the following:—

(a) the Government;

(b) any person, whether natural or corporate, local or foreign, public or private or any body of persons.

(4) The shares, allotted to and subscribed by the Government of the United Republic, or any part of those shares, may be disposed to any person, whether natural or corporate, public or private or any body of persons at a value to be agreed upon between the Government of the United Republic and the eligible subscriber herein mentioned.

(5) Payment for shares shall be made in the United Republic at their par value as soon as the shares are allotted by the Bank and the payment shall be made in cash or for valuable consideration equivalent to cash.

(6) The shares of the Bank shall not be pledged or encumbered in any manner whatsoever and shall only be transferred or assigned in accordance with this Act.

(7) The liability of the shareholders in respect of their shares shall be limited to the unpaid portion of the par value of the shares, and the shareholders shall not by the reason only of having subscribed for and been allotted shares, be liable for the obligations of the Bank."

PART III

AMENDMENT OF THE TANZANIA HOUSING BANK ACT, 1972

Construction Act
No. 34 of
1972

4. This Part shall be read as one with the Tanzania Housing Bank Act, 1972, in this Part referred to as the principal Act.

Amendment of
section 1

5. Section 1 of the principal Act is hereby amended by adding a following section—

"Applica-
tion

1A. This Act shall apply to Mainland Tanzania as well as Tanzania Zanzibar."

6. The principal Act is hereby amended in section 2 which relates to interpretation by—

Amend-
ment of
section 3

- (a) adding the following new interpretations in their appropriate alphabetical order—

“Banking business” means—

- (a) the business of receiving funds from general public through the acceptance of money deposits payable upon demand or after a fixed period or after notice, or any similar operations through the frequent sale or placement of bonds, certificates, notes other securities and the use of such funds either in whole or in part for loans or investments for the account and at the risk of the person doing such business;
- (b) any other activity recognised as customary banking practice which a financial institution engaging in the activities described in paragraph (a) may be additionally authorised to do by the Bank.

“founder shareholders” means the Government of the United Republic, the National Provident Fund and the National Insurance Corporation;

“Housing Development” includes—

- (a) the promotion of housing development by making available loans or equity;
- (b) making available technical and financial assistance for site and service facilities;
- (c) rendering technical, financial and other assistance for promotion and implementation of owner-occupied housing scheme;

- (b) deleting the word “parastatal organisation”.

7. Section 4 of the principal Act is hereby amended in sub-section (1)(b) by—(i) deleting paragraph (b) and substituting for it with the following paragraph—

Amend-
ment of
section 4

- “(b) to carry on the business of banking, including receiving money on savings, time and term deposit, current account subject to with drawal by cheque, receiving funds from the public through acceptance of money deposits payable upon demand or after a fixed period or after notice or any similar operation through the frequent sale on placement of bonds, certificates notice or other securities and the use of such funds either in whole or in part for loans or investment.”

“Authori-
sed capital
of the
Bank

(ii) adding the following paragraphs immediately below paragraph (b):—

“(c) to carry on any other activity recognised as customary banking practice, including but not limited to borrowing, raising or taking up money, lending or dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scripts and other instruments and securities, whether negotiable or transferrable or not, granting and issuing letters of credit and circular notes, buying, selling and dealing in bullion and species, acquiring, holding and issuing or commission, underwriting and dealing with stocks, funds shares, debentures, debenture stock, bonds, obligations, securities and investments of all kind, the negotiating of loans and advances, receiving money and valuables on deposits, or for safe custody, or otherwise, collecting and transmitting money and securities managing property and transacting all kinds of agency business commonly transacted by commercial bankers;

(d) to carry on the business of buying and selling foreign currency;

(e) to undertake the business as executors, trustee administrator and receiver.”

(iii) by re-numbering paragraphs c, d, e, f, g and h as f, g, h, i, j and k.

8. Sections 5 and 6 of the principal Act are hereby repealed and replaced by the following new sections—

“Au-
thorized
capital of
the Bank

5.—(1) The authorized capital stock of the Bank shall be two billion shillings divided into two hundred thousand hundred shares each having a par value of ten thousand shillings, fifty percent of which shall be paid up and the other fifty percent be callable.

(2) The shares of the bank shall be issued at such time as the Board may, by resolution appoint.

(3) The authorised capital for the Bank may be increased by a resolution of the Board.

Restric-
tion on
share
holding

6.—(1) The authority to deal with the shares shall vest in the shareholders after consultation with the Board of Directors, subject to the relevant banking laws and regulations.

(2) Without prejudice to any special rights previously conferred to the founder shareholders, any share may be issued with such preferred, deferred or other special rights on restrictions whether in regard to dividends, voting return of share capital or otherwise, as the Board of Directors may from time to time determine.

(3) The shares of the Bank, when issued shall be subscribed for by and allotted to the following—

- (i) the founder share holders;
- (ii) new shareholders whether natural or corporate persons, local or foreign, public or private or any other person or body of persons as the Board may approve.

(4) In the event that the authorised capital stock of the Bank is increased, the shareholders shall subscribe for additional shares thereby created when they have subscribed to and been allotted shares pursuant to subsection (2).

(5) The Board of Directors may approve the sale, transfer or allocation of shares to any interested person without prejudice to the existing rights of other shareholders."

"Amend-
ment of
sections
22, 23 and
24

9. The Principal Act is hereby amended in section 22, 23, and 24 by deleting the designation of "General Manager", wherever it appears in those sections and substituting for it the designation "Managing Director".

(b) Inserting the following marginal notes at the right hand side of section 5(1):—

"Au-
thorised
capital of
the Bank.

Passed in the National Assembly on the Twenty-Fourth day of August, 1994.


Clerk of the National Assembly