# THE TOBACCO INDUSTRY ACT, 2001

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THE **UNITED REPUBLIC OF TANZANIA**

No. 24 OF 2001

I ASSENT

.....

*President*

28th January 2002

An Act to establish the Tanzania Tobacco Board to repeal the Tanzania Tobacco Act 1984, and to provide for the regulation, improvement and development of the Tobacco industry and matters related thereto..

ENACTED by the Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY PROVISIONS

Short title and commencement

1. This Act may be cited as the Tobacco Industry Act, 2001 and shall come into operation on such date as the Minister may, by Order published in the *Gazette* appoint.

Interpretation

Cap. 337

*2.* In this Act, unless the context requires otherwise-

"association" means an association formed and registered under Societies Ordinace;

"Board" means the Tanzania Tobacco Board established by section *3;*

"Council" means the Tanzania Tobacco Council established under section 42;

"Director" means an officer-in-charge of the department in the ministry responsible for crop development and technical services;

Acts 1984 No. 20

"former Board" means the Board established by the provision of Tanzania Tobacco Board Act 1984.

"Fund Committee" means a committee established under section 39;

"inputs distributor" means a seller or stockist of agricultural inputs used in tobacco production" -

"inspector" means any officer appointed by the Board to perform the duties of inspectorate m accordance with the provisions of the Act;

"tobacco" means the leaves of a Plant of species of Nicotiana in any form usually accepted by manufacturers of tobacco for conversion into consumption and has been cured by air, sun, smoke or heat conveyed through flue pipes or by other process as may be given by an authorised officer and it also includes all other tobacco products;

"tobacco buyer" means any person or group of persons licenced to buy tobacco from the growers for sale or processing whether or not such buyer has sponsored production of that tobacco by providing inputs and other support services to growers in line with the farming contract and it also includes any person or a group of persons buying tobacco from the sales floor at the factories for domestic or export market;

"tobacco,exporter" means any person or group of persons licensed under section 20 of the Act;

"minister" means the Minister for the time being responsible for agriculture; -

"ministry" means the ministry for the time being responsible for agriculture;

"non-contract buyer" means a person who illegally buys tobacco from a grower who has a fanning contract with another buyer;

Acts No. 15 Of 1991

"primary society" means primary societies formed and registered under the Cooperative Society Act, 199 1;

"tobacco marketing" means the buying and selling of tobacco and tobacco products;

"tobacco grower" means a person or group of persons registered by the Board for, the purpose of growing tobacco independently or with financial or technical assistance pursuant to a subsisting farming contract;

"tobacco pest means tobacco beetle (basioderma serricorned E), the tobacco moth (Ephasitaclulella Hb.) and other organisms which the Minister may by notice in the Gazette declare to be a pest of tobacco;

"tobacco premises" means any land, building, factory, erection, vehicle, article or receptacle whatsoever for the Purpose Of growing, rading, processing, transporting or connected with the handling of tobacco or other plants or products liable to be infected by a pest of tobacco;

it member grower" means an individual farmer cultivating tobacco under growers' registration.

## PART II

### THE TANZANIA TOBACCO BOARD

The establishment of the Board

3.-(I) 'Mere is hereby established a Board to be known as the Tanzania Tobacco Board.

(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 Ad, be capable of purchasing or acquiring m any manner and alienating any movable and immovable property.

(3) The provisions of the First schedule shall have effect as to the constitution, tenure of office proceeding of meetings and other matters relating to the Board.

Management of the Board

4. Tile power to carry out the operation and management of the Board shall vest in the Board of directors.

Functions of the Board

5.-(I) The functions of the Board shall be the carrying out of such activities and the doing of such things as are necessary, advantageous or proper for the benefit, of the tobacco industry, and in particular shall include-

(a) to advise the government on policies and strategies to promote and develop the tobacco industry;

(b) to promote the development of production, processing and marketing of tobacco;

(c) to promote a conducive environment for the tobacco industry so as to allow effective and fair competition for all stakeholders;

(d) to make regulations for the control of tobacco pests and diseases;

(e) to control and prescribe measures for the preservation Of the, environment including avoidance of land degradation, through compulsory afforestration and economical use of fuel wood programmes;

(f) to assist directly or through financial support in the research and development in any matter relating to the tobacco industry;

(g) to regulate and enforce quality standards of tobacco;

(h) to collect, refine, maintain, use and disseminate information or data relating to the tobacco industry;

(i) to make rules and regulations in respect of farming processing, marketing, transportation, exportation and storage of tobacco;

0) to receive and administer any fund established under this Act;
(k) to represent the government in international fora relating to or dealing with tobacco industry;
(1) to promote and facilitate the formation of associations of other bodies of stakeholders within the tobacco sector (which shall form a consultative forum with the Board) and coordinate their activities-

Act No. 4 of 1994

Provided that the objectives and operation of such associations shall not involve arrangements for price fixing or doing anything that is contrary to the Fair Competition Act, 1994.

(2) Without prejudice to the generality of the provisions of subsection (1) and subject to any special or general direction of the Minister, the Board shall have power-

(a) to register or license tobacco growers, sellers and processors;
(b) to issue licences to tobacco buyers, sellers and processors;
(c) to grant licences for export or importation of tobacco from or into Tanzania;
(d) to appoint inspectors for the inspection of tobacco premises, and any other facility that may be inspected for the better carrying out any of the provisions of this Act.

(3) It shall be the duty of the Board in the exercise of its powers and in the performance of its functions under this Act to act in such manner as it appears to be beneficial to the tobacco industry in Tanzania.

(4) In the exercise of its powers and in the performance of its functions under this Act, the Board shall act in accordance with any general or specific directions that may be given to it by the Minister.

(5) No corporate body registered as an association, shall be approved to represent stakeholders in any forum established by this Act, or where such body has been so approved as such it shall cease to be such a representative, if it is proved that it has, as one of its objectives or functions, an objective or function that enables that association, in its capacity as an association, to act as:

(a) a tobacco grower;
(b) a tobacco buyer;
(c) a tobacco processor;
(d) a tobacco exporter;
(e) an inputs distributor; or

(f) an implementer of any other function or arrangement which may involve members of that association in price fixing or doing anything that is contrary to the Fair Competition Act, 1994. Act No.4 of 1994

minister lay give directions and take disciplinary mea

6.-(I) The Minister may give the Board directions of a general or specific character as to the exercise or: performance by the Board of any of its powers or functions under the Act, and the Board shall give effect to every such directions.

(2) Where the Board of Directors fails to perform any of its functions without reasonable cause or to give effect to any of the Minister's direction, the Minister may exercise disciplinary powers as he may deem fit against the Board.

## PART III
## CULTIVATION OF TOBACCO

Registration of tobacco growers

7.-(I) The Board shall cause a register to be kept and maintained of all tobacco growers and ancillary facilities owners, occupiers and managers of all land planted with tobacco and of all buildings used or intended to be used for grading, curing or baling of tobacco, market centres, warehouses and tobacco processing factories in such form as the Board deems fit.

(2) Every person intending to grow tobacco for sale shall register with the Board prior to growing the tobacco.

(3) Prior to registration, the grower shall provide the following information to the Board-

(a) name of a member grower and in case of a society or association, names of individual growers;

(b) types of tobacco to be grown and areas to be put under cultivation in that year of application;

(c) curing barn space available for the estimated tobacco to be produced;

(d) crop volume, production estimates, input stocks and additional inputs required in that year of application.

(4) No person shall grow tobacco on any land m Mainland Tanzania for the purpose of sale unless he has been registered by the Board.

(5) Any person who grows tobacco on any land in the area which has not been declared by the Director to be suitable for growing of tobacco, commits an offence.

De-registration of growers

8.-(I) The **Board shall** strike out of the register any tobacco grower who fails to meet the terms and conditions of registration as provided in this Act and Tobacco Regulations.

(2) Any tobacco grower who has a subsisting contract with outstanding loans shall only be allowed to withdraw his registration after giving three month's notice of his intention to do so -

Varieties of tobacco to be grown

9.-(I) The Board upon the direction of the Director shall prescribe, varieties of tobacco to be grown in different parts of mainland Tanzania.

(2) It shall be an offence for any person to grow any tobacco variety which has not been prescribed by the Board.

Restriction on tobacco seed importa-tion

1O.-(l) No person shall import, breed or multiply tobacco seeds or plants for any purpose unless authorised by the Director.

(2) Any person who contravenes this section commits an offence and shall on conviction be liable to a fine not exceeding one million shillings or to an imprisonment for a term not exceeding two years or to both such a fine and imprisonment.

(3) Any seeds or plants imported, bred or multiplied without the authority of the Director shall be destroyed by the Board at the expense of the offender.

Restriction on sowing uncertified seeds

11. -4 1) No tobacco grower shall sow tobacco seeds which have not been certified by the Director or an authorised officer.

(2) Any person who contravenes the provisions of this section shall be guilty of an offence and the court shall on conviction impose the following sentences namely-

(a) in the case of the first offence, a fine not exceeding one hundred thousand shillings and total destruction of the seedlings or plants by the Board at the cost of the offender; or

(b) in the case of the second offence, a fine exceeding two hundred thousand shillings and the total destruction of seedlings or plants by the Board at the cost of the offender; or

(c) in the case of the third offence, a fine not exceeding five hundred thousand shillings or an imprisonment for a term not exceeding two years and the total distruction of seedlings or plants by the Board at the cost of the offender, and the Board shall cancel the offender's registration.

*12.* The Board shall subject to the approval of the Minister make rules and regulations for better farming husbandry of tobacco.

Board to make regulations

PART IV

LICENSING, MARKETING AND INSPECTION

13.4 1) The Board shall, on application made, issue to the applicant a respective licence, upon such terms and conditions as stipulated by the provisions of this Act and where the Board refuses to issue such a licence on any grounds whatsoever, the Board shall inform the applicant in writing the reasons for refusal.

Power to issue various tobacco licences

(2) The licences issued under this section shall be categorised as follows:

(a) tobacco buying licence;
(b) tobacco selling licence;
(c) tobacco seed multiplication licence;
(d) tobacco processing licence.

*14.-(I) No* new processing tobacco factory shall be registered unless the following particulars have been submitted and approved by the Board-

Registration Of processing factory

(a) the name and address of the factory;
(b) the name and address of each director or partner and the shareholding of each shareholder;
(c) processing capacity of the factory;
(d) planned production of the factory,
(e) capacity, number and area of warehouses;
(f) existing transport facilities;
(g) number and quality of skilled, semi-skilled and non skilled personnel employed or to be employed;
(h) precautions taken with respect to the preservation of the environment.

(2) The certificate of registration is not transferable.

(3) The certificate holder shall begin operations within two years from the date of issuance of the certificate.

(4) Any person who buys, markets or processes tobacco without a licence issued by the Board commits an offence.

(5) The Board may if the terms and conditions of licence have not been complied with, cancel, vary or suspend any licence issued under this section.

(6) Any person aggrieved by the decision of the Board pursuant to this section, may within thirty days from the date of the decision was communicated to him, appeal to the Minister who shall respond to the appellant within thirty days from the date of receipt of the appeal.

**Export of unprocessed tobacco prohibited**

15. Subject to the authorisation of the Minister under his hand, export of unprocessed tobacco is prohibited.

**Greenleaf buying licences** and **farming contracts**

16.-(I) Any person intending to buy greenleaf tobacco from the field shall be required to obtain a greenleaf tobacco buying licence upon terms and conditions as may be determined by the Board.

(2) Greenleaf buyers may enter into contract with growers for pre-financing such growers in the process of tobacco production and such contracts shall be approved by the Board.

(3) Without prejudice to the provisions of subsection (2), the signing of farming contracts between growers and buyers shall be done on seasonal basis.

(4) Buyers shall enter into contract with licensed processors in Tanzania for processing tobacco so bought.

**Appoint-ment of tobacco classifier**

17.-(I) The Board shall appoint and register a technically trained person to be a tobacco classifier who shall classify all tobacco leaves at the market centre before sale.

(2) Every grower shall grade all his tobacco according to set standard classification, procedures and rules issued by the Board.

(3) The Minister shall prescribe the procedure to be applied -in case of disagreement on classification of tobacco between the grower and classifier or between the buyer and classifier as the case may be.

(4) All tobacco produced under pre-financing arrangement between the grower and the buyer shall, after classification, be bought by the buyer.

(5) Notwistanding the provisions of subsection (4), the existence of pre-financing arrangement between the buyer and the grower shall not entitle the buyer to refuse to buy tobacco produced under any other different arrangement.

All tobacco to be classified

18.-(I) No person shall sell or buy green leaf tobacco which has not been classified by a tobacco classifier duly registered and employed by the Board.

(2) Any person who purports to classify tobacco being not a tobacco classifier appointed by the Board, commits an offence against this section and shall upon conviction be liable to a fine not exceeding one million shillings or an imprisonment for a term of three years or both such fine and imprisonment.

(3) Any classifier who during the exercise of tobacco classification fraudulently assign a lower or higher grade to tobacco than its actual grade, commits an offence.

Power to issue tobacco import licences

19.-(I) The Board shall, have power to issue tobacco import licence according to the prescribed procedures and regulations for such imports.

(2) The tobacco import licences issued by the Board shall be subject to such terms and conditions as set out by Tobacco Regulations.

Power to issue tobacco export licences

*20.* The Board shall have power to issue tobacco export licences subject to such terms and conditions as the Board may by regulation prescribe.

Penalty for importation or exportation of tobacco without authority

*21.* **Any person, who import** or exports tobacco without a licence issued **by the Board** or in contravention of any of provisions of this Act, shall be guilty of an offence and on conviction, shall be liable to a fine not exceeding five million shillings or to imprisonment for a term not exceeding three years or both to such fine and imprisonment.

Power to issue, tobacco seed multiplica-tion,

22. The Board shall, after the Director's approval have power to issue tobacco seeds multiplication licence upon such terms and. conditions as the Board may prescribe.

**Licences**

23. All licences granted under the provisions of this Act shall be-

(a) m the prescribed form;

(b) valid for a specified period;

(c) issued subject to payment of a prescribed fee and any other terms and conditions as the Board may prescribe m the Regulations.

**Power to cancel, vary, suspend licences**

24--< 1) The Board may, if the terms and conditions of licence have not been complied with, cancel, vary suspend any licence issued under the provisions of this Act.

(2) When a person applying for a buyers licence has a bad record of-

(a) buying unclassified;

(b) refusing or failing to make payments to growers for the crop already sold to the buyer; or

(c) entering into farming Contract with growers who have a fanning contract with another buyer; or

(d) having outstanding debts with growers; or

(e) buying tobacco from a grower while knowing that such grower has another farming contract With another buyer; or

(f) acting in such a manner as to obstruct the Board from performing any of its duties,

then, in addition to any sentence or penalty which may have been imposed upon the buyer, the Board may suspend the buyer's licence for one crop buying season.

**Aggrieved party to appeal to minister**

25. Any person aggrieved by the decision of the Board pursuant to section 24 hereof, may within thirty days from the date of decision, appeal to the Minister.

**Appoint-ment Of tobacco inspect-**

26. The Board shall have power to appoint proper and fit persons to be tobacco inspectors who shall have and exercise powers generally to supervise the arrangements for the cultivation, purchase, export and import of tobacco and who, without prejudice to the generality of the foregoing Power shall have and exercise such other powers including the inspection of tobacco premises, processing plants, market centres, the taking of samples and the certifying of weight and quality of tobacco as are provided for in this Act or as may be prescribed.

Power of entry, inspection, etc.

27.-(1) A tobacco inspector or any other person duly authorised in writing in that behalf may, at any reasonable hour during the day time, enter any premises where tobacco is grown, processed, packed, stored or sold to inspect or examine the same for the purpose of ensuring that the provisions of this Act, or of any regulations or rules made hereunder, or of any directions given, or order made by the Minister, the Director or the Board are being complied with.

(2) The tobacco inspector or any authorised person may, for the purpose of securing compliance with the provisions of this Act or of any regulations, by-laws, orders or directions, take samples of any raw tobacco, found in or on any store, plant or other place or premises (including any land) and may subject samples to such tests as he may deem necessary.

(3) Any person, who obstructs the tobacco inspector or any other authorised person in the exercise of the power conferred upon him by this section, or who neglects or refuses to produce to the tobacco inspector or any other authorised person any thing, book or record which the tobacco, inspector or any other authorised person may request to be produced for his inspection, shall be guilty of an offence.

Adulteration of tobacco

*28.* If any person adds or causes or permits to be added any foreign or extraneous matter to any tobacco shall be guilty of an offence and shall on conviction be liable to a fine not exceeding shillings one hundred thousand or imprisonment for a term not exceeding three months or to both such fine and imprisonment.

## *PART V*

### ADMINISTRATION AND FINANCIAL PROVISIONS

Appointment of Director General and other staff

*29-(0)* The Minister shall, upon recommendation of the Board, appoint a Director-General, who shall be the chief excutive officer of the Board.

(2) The Board may appoint at such salaries and upon such terms and conditions as it may think fit, such officers and employees as it may deem necessary for the proper and efficient conduct of the business and activities of the Board.

(3) Subject to subsection (2), all or officers or employees of the former Board whose services are not required by the Board are by virtue of this Act terminated, and every such employee officer shall be entitled to terminal benefits in accordance with the terms and conditions of the contract of employment with the former Board.

(4) The Board may absorb in its service some officers; or employees of the former Board whose services are required by the Board upon such terms and conditions as the Board may determine provided that the services of such officers or employees shall be taken to be continuous and such employees or officers shall not be entitled to any immediate terminal benefits by virtue of such absorption.

**Board to grant gratuities to employees**

30. The Board may grant gratuities and other retirement benefits and allowances to officers and employees of the Board as the Board may determine.

**Seal of the Board**

31.-(I) There shall be a Common Seal of the Board which shall be of such shape, size and form as the Board may determine.

(2) All deeds, contracts or agreements, to which the seal is affixed shall be authenticated either by the Director-General or his representative and one Board member or by any two Board members.

**Funds and ment of agents and contractors**

*32. The* Board may, appoint and employ upon such terms and conditions such agents and contractors as it may deem necessary for the better carrying out the functions of this Act.

**Assets and liabilities to vest in the Board**

33. Subject to any direction of the Minister, the assets and liabilities of the former Board shall by virtue of this Act and without further assurance vest in the Board.

**Funds and** resources of the Board

34. The funds and resources of the Board shall consist of-

(a) such sums of money as may be provided by the Parliament;

(b) any monies raised by way of loans, donations or grants made within and outside the United Republic of Tanzania;

(c) any monies raised by way of cess or levy imposed under the provisions of this Act;

(d) any loan or subsidy granted to the Board by the Government or any other person;

(c) such sums of money or property which may become payable to or vested in the Board under this Act or any other written law or in respect of any matter incidental to the carrying out of its functions .

Annual budget of the Board

35.-(I) Before the commencement of a financial year, the Board of Directors shall consider and endorse a detailed budget of moneys expected to be received and disbursed by the Board during the coming financial year.

(2) After approval by the Board of Directors of the budget under subsection (1), the Board shall submit the same to the Minister for his approval and thereafter the budget so approved shall be binding upon the Board.

(3) In this section, the term "financial year" means any period not exceeding twelve consecutive months designated by the Board of Directors as the accounting period of the Board and the term "budget" includes a supplementary budget.

Liability of members etc.

36. No act or thing done or omitted to be done by any member, officer, employee or agent of the Board shall, if the matter or thing is done or omitted to be done in good faith for the purpose of carrying out the provisions of this Act or of any order or regulations made thereunder, subject any person as aforesaid to any action, liability, claim or demand whatsoever.

Power to impose few

37. There shall be raised, paid and collected in respect of all tobacco processed in or imported into Tanzania a tobacco levy at such rate as the Minister may, upon recommendation by the Board and after consultation with the Minister responsible for finance and the Minister responsible for marketing, impose by notice published in the *Gazette.*

Payment of levy

38. Any levy imposed under the provision of section 37 of this Act, shall be paid by all tobacco buyers, processors, exporters and importers and such levy shall be collected and expended as prescribed by the rules and regulations made under the provisions of this Act.

Establish-ment of Tobacco Industry Develop-ment Fund

39.41) The Board shall cause to be established a fund for tobacco development to be known as the "Tobacco Industry Development Fund" (hereinafter referred to as the "Fund') into which moneys realised from special cess or levy shall be paid.

(2) The sources of money for the fund shall include-

(a) any cess or levy determined by the Minister for the purpose;

(b) any other source as may be determined by the tobacco stakeholders from time to time; and

(c) any donations or grants from government or individuals.

(3) The purpose of the Fund shall include financing the following activities-

(a) price stabilization support;

(b) extension service and input support to the growers;

(c) training and human resources development;

(d) the administration of the Fund;

*(e) mar*keting promotions; and

(f) such other activities beneficial to the tobacco industry as may be deemed fit by the Fund Committee after consultation of the Board.

(4) There shall be a Fund Committee consisting of five members including the Chairman, who shall be appointed by the Minister on the recommendations from the tobacco industry from amongst person directly engaged or otherwise interested in the tobacco industry.

(5) A member of the Fund Committee shall hold office for a term of three years and may be eligible for reappointment.

(6) The Director General of the Board shall be a member of the Committee and the Board shall serve as the Fund Secretariat.

(7)He Fund Committee shall recommend to the Board the rules, regulations and procedures for the operation and management of the Fund provided always that such rules, requlations and procedures shall not be operative until approved by the Minister.

(8) Separate proper books of accounts and other records the Fund shall be *kept* and maintained by the Board.

(9) Any person being an employee of the Board who siġns, authorises, endorses or permits any payment or causes such payment to be made in respect of the moneys of the Fund commits an offence

Books of accounts and audit

40.4 1) The Board shall cause to be kept and maintained proper books of accounts with respect to-

(a) all sums of money received and expended by the Board and the Tobacco Development Fund respectively;

(b) all the assets and liabilities of the Board and the Fund respectively;

(c) the income and expenditure statement of the Board and the Fund;

Acts 1972 No. 33

(2) The books of accounts of the Board and the Fund shall be audited at the end of each financial year by any authorised auditor duly registered under the Auditors and Accountants (Registration) Act, 1972.

(3) The Report of the auditor appointed under the provisions of subsection (2) shall state-

(a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

(b) whether, in his opinion, proper books of accounts have been kept by the Board as it appears from his examination of those books;

(c) whether in his opinion and to the best of his information and according to the explanations given to him, the income and expenditure account gives a true and fair view of the income and a view of the state of affairs of the Board and Fund at the end of the financial year.

(4) The Board shall, not later than three months after the end of financial year, submit to the Minister a copy of the audited accounts and annual report on the activities of the Board in respect of that year.

Minister to submit accounts to National Assembly

41. The Minister shall within a period of six months or such longer period as the National Assembly may by resolution appoint after the accounts have been audited, lay the audited accounts and audit report before the National Assembly.

Formation of Tanzania Tobacco Council

42. -(I) The Board may cause to be formed a forum of tobacco growers on one hand and buyers, sellers and processors (hereinafter referred to as "traders") on the other to be known as the Tanzania Tobacco Council (hereinafter referred to as "the Council") which shall constist of such number of representatives shared equally between growers and traders and other category of persons engaged in tobacco industry as the Council may determine.

(2) The provisions of the Second Schedule shall have effect as the tenure of office, proceedings of meetings and other matters relating to the Tobacco Council.

(3) The major function of the Council shall be to negotiate and agree on the minimum indicative prices of tobacco for each grade at each season and register the agreement with the Board.

## PART VI
## MISCELLANEOUS PROVISIONS

**Rules and regulations**

43-41) The Minister may make rules and regulations-

(a) governing the cultivation or production, marketing, transportation, warehousing processing, importation and exportation of tobacco;

(b) prescribing the forms and particulars to be included in any return, information or statistics to be submitted by tobacco growers, buyers, processors, exporters and importers under the provisions of this Act;

(c) providing for the grading or classification of grades, fixed in respect of tobacco whether locally manufactured or imported;

(d) providing for the inspection of all tobacco whether locally, grown, or processed or imported and for the appointment of inspectors and prescribing their duties;

(e) providing for the procedures sampling, inspection, weighing and determination of quality of tobacco;

(f) providing for records or information to be kept by the tobacco growers, buyers, processors, exporters and importers of tobacco;

(g) prescribing anything which is to be or may be prescribed and generally for better carrying out of the provisions or purpose of this Act.

(2) Where the Minister discharges any function under section 43 which relates to or has a bearing on marketing research or promotion, he shall consult with the Minister for the time being responsible for Marketing.

**General penalty**

44. Any person, who commits any offence against the provisions of this Act, shall be liable on conviction for every such offence, except where m any other section a special penalty is provided, to imprisonment for a term not exceeding three years or to a fine not exceeding one million shillings or to both.

Tenure of office

2.-41) A member of the Board of Directors shall hold office for a period of three years from the date of appointment and shall be eligible for re-appointment.

(2) In the case of a Board member, who is a member by virtue of his holding some 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 from the Board by giving notice in writing to the Minister and from the date specified in the notice or, if no date is so specified, from the date of receipt of the notice by the Minister, he shall cease to be a member.

(4) Where a person ceases to be a Board member for any reason before the expiration of his term of office, the Minister 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.

Disqualification of a Board member

3. No person who has been adjudged or otherwise declared insolvent or bankrupt and has not been discharged or within the period of five years preceding his appointment has been sentenced to a term of imprisonment of or exceeding six months imposed without the option of a fine and has not received a free pardon, shall be appointed a Board member.

Meetings of the Boards

4.41) The Board of Directors shall meet at least four times a year and at such **other** times as may be necessary or expedient for the transactions of business.

(2) The Board of Directors shall appoint one of their members to be a Vice Chairman for a period of one year.

(3) All meetings of the Board of Directors shall be convened and presided by the Chairman or in his absence by the Vice Chairman, and in the absence of both the Chairman and the Vice-Chairman, the members present shall elect one from their members to be a Chairman for that meeting only.

(4) The Chairman, or in his absence, the Vice Chairman, shall convene a special meeting of the Board upon a request in writing signed by not less than four members of the Board of Directors for such a meeting and shall cause such a meeting to be **held** within twenty one days of receiving such request.

(5) The Board of Directors may coopt any person to attend any deliberations of the meeting as an expert but that coopted person shall not be allowed to vote.

Alternate member

5. If a Board member is unable for any reason to attend the meeting of the Borad or the Committee of the Board as the case may be, which he represents, he may, in writing nominate another person in his place for the purpose of that meeting.

Power to regulate its procedures

6. Subject to the provisions of this Act, the Board of Directors shall have power to regulate its own procedures in respect of meetings and proper conduct of its business.

7. A Director who is in any way directly or indirectly interested in a contract or proposed contract or any matter being deliberated by the Board shall declare the nature of his interest to the fellow Directors. Director to declare interest

8. A circular resolution in writing signed by all the Directors for the time being in Tanzania shall be as effectual as a decision made at a meeting provided that a member may require that notwithstanding the Director's signatures the matter be brought at the following Board meeting. Circular resolution

9.-(I) Six of the members of the Board shall constitute a quorum at any meeting and all acts, matters and things to be done by the Board of Directors shall be decided by a simple majority of the members present at the meeting. Quorum

(2) Each member of the Board of Directors shall have one vote and in the event of equality of votes the Chairman of the meeting shall have a second or casting vote in addition to his normal vote.

10. The Chairman and other members of the Board shall be entitled to such Board allowances and other benefits at such rates as the Minister may approve. members to be paid allowance

11. Minutes in proper form of each meeting of the Board of Directors shall be kept and confirmed by the Board at its next meeting and signed by the Chairman of the meeting. Minutes

12. Subject to the provisions of paragraph 9 relating to quorum, the Board of Directors may act notwithstanding any vacancy in the members thereof and no act or proceedings of the Board of Directors shall be invalid by reason only of some defect in the appointment of a person who purports to be a member thereof. Defects in appointment not to invalidate proceedings

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## SECOND SCHEDULE

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### TENURE OF OFFICE, PROCEEDINGS OF THE MEETING OF THE TOBACCO COUNCIL

*(Made under section 42)*

L The Chairman of the Council shall be appointed by the members of the Council. Appoint-ment of Chairman

2-0) A member of the Council shall hold office for a period of three years from the date of appointment and shall be eligible for re-appointment. Tenure of office

...

(2) In the case of a Council member, who is a member by virtue of his holding some office he shall cease to be a member upon his ceasing to hold that office.

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

Council may appoint a member

3. Where a person ceases to be a member of the Council for any reason before, the expiration of his term of office, the Council 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.

Disqualification of a Council member

4. No person who has been adjudged or otherwise declared insolvent or bankrupt and has not been discharged or within the period. of five years proceeding his appointment, has been sentenced to a term of imprisonment of or exceeding six months imposed without the option of a fine and has not received a free pardon, shall be appointed a member of the Council.

Meetings of the Council

5.-(I) The Council shall meet at least twice a year and at such other times as may be necessary or expedient for the transaction of business.

(2) The Council shall appoint one of their members to be a Vice-Chairman for a period of one year on rotation.

(3) All meetings of the Council shall be convened by the Chairman or in his absence by the Vice-Chairman.

(4) The Chairman, or in his absence, the Vice-Chairman, shall convene a special meeting of the Council upon a request in writing signed by less than half the members of the Council for such a meeting and shall cause such a meeting to be held within twenty one days of receiving such request.

(5) The Council may coopt any person to attend any deliberations of the meeting as an expert but that coopted person shall not be allowed to vote.

Alternate member

6. If a Council member is unable for any reason to attend the meeting of the Council or the Committee of the Council as the case may be, which he represents, may, in writing nominate another person in his place for the purpose of that meeting.

power to regulate its procedures

7. Subject to the provisions of this Art, the Council shall have power to regulate its own procedures in respect of meetings and the proper conduct of its business.

Quorum

$.-(I) Nine of thee members of the Council shall constitute a quorum at any meeting and all acts, matters and things to be done by the Council shall be decided by a simple majority of the members present.

(2) Each member of the Council shall have one vote and in the event of equality of votes the Chairman of the meeting shall have a second. or casting vote in additon to his normal vote,

9. Minutes in proper form of each meeting of the Council shall be kept and shall be confirned by the Council at its next meeting and signed by the Chairman of the meeting. Minutes

10. Subject to the provisions of paragraph 8 relating to quorum, the Council may act notwithstanding any vacancy in the members thereof and no act or proceedings of the Council shall be invalid by reason only of some defect in the appointment of a person who purports to be a member thereof Defects in appoint-ment not to invalidate proceedings

Passed in the National Assembly on the 5th November ,2001

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*Clerk of the National Assembly*

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