SUGAR INDUSTRY ACT, 2001

ARRANGEMENT OF SECTIONS

Section Title

PART I

PRELIMINARY PROVISIONS

1. Short title and commencement date.
2. Interpretation.

PART Il

SUGAR BOARD OF TANZANIA AND NATIONAL SUGAR INSTITUTE

3. Establishment of Sugar Board of Tanzania.
4. Functions of the Board.
5. Minister may give directions and take disciplinary measures.
6. Establishment of the National Sugar Institute.

PART III

CULTIVATION OF SUGAR CANE

7. Power to register sugarcane outgrowers.
8. Director to prescribe varieties of sugarcane to be grown.
9. Restriction on importation, breeding, multiplication of sugarcane cuttings seedling etc.
I 0. Director to determine protocol for research etc.
I 1. Board to make farming husbandry regulations.

PART IV

REGISTRATION, LICENSING AND INSPECTION

12. Power to issue licence for sugar manufacturers and small plants operators.
13. Power to register exporters, importers and industrial users of sugar etc.
14. Power to issue sugar import licence.
15. Power to issue export licences.
16. Penalty for importation or exportation of sugar without licence.
17. Conditions of licences.
18, Power of entry and inspection.

PART V

ADMINISTRATION AND FINANCIAL PROVISIONS

19. Appointment of the Director General and other staff.
20. Termination of employment of some employees etc.
21 . Seal of the Board.
22. Appointment of agents and Contractors.
23. Assets and liabilities to vest in the Board.
24. Funds and resources. of the Board.
25. Liability of members, etc.
26. Power to impose and payment of levy.
27. Establishment of the Sugar Industry Development Fund.
28. Books of accounts and audit.

PART VI

MISCELLANEOUS PROVISIONS

29. Rules and Regulations.
30, Forfeiture.
3 1. Where offence committed by body corporate.
32. Liability of employee or principal.
33. Notification of order and directions.
34. Burden of proof
35. General penalty.
36. Revocation of the Corporation.
37. Savings.

FIRST SCHEDULE

CONSTITUTION, FUNCTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS

SECOND SCHEDULE

CONSTITUTION, FUNCTIONS AND MANAGEMENT OF THE INSTITUTE

THIRD SCHEDULE

IDBI/SBI LOAN To KAGERA SUGAR LTD.

THE UNITED REPUBLIC OF TANZANIA

No. 26 OF *2001*

I ASSENT

.....

President

28th January 2002

An Act to make provisions for the establishment of Sugar Board of Tanzania and the National Sugar Institute, to provide for the improvement, development, regulation of the Sugar Industry and matters related thereto.

ENACTED by the Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY PROVISIONS

L This Act may be cited as the Sugar Industry Act, 2001 and shall come into operation on such date as the Minister may, by notice published in the *Gazette* appoint. Short title and commencernent date

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

"the Board" means the Sugar Board of Tanzania established by section *3;*

"the Board of Directors" means the Board of Directors established under section *3;*

"the Corporation" means the Sugar Development Corporation (or known by its acronym as SUDECO) established by an order made under section *3* of the Public Corporation Act; 1969 Acts No. 17

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

"the Director for Research and Development" means an officer-in-charge of the department of research and development in *the ministry*

"export" means export outside Tanzania;

"grower" means any person who-grows sugar cam for sale to a processing factory and is so registered by the Board;

"import" means import into Tanzania;

"industrial user of sugar" means a person who uses sugar as a raw material for an industrial manufacturing process m the production of a new product, different from the raw material used, but does not include blending process, and the sugar intended for, industrial use may be referred to as "industrial, sugar" ,

"input distributor" means a seller or stockist of agricultural inputs used in sugar cane production;

"the Insitute" means the National Sugar Insitute established by section 6;

"manufacturer" means a person who processes sugar cane to sugar;

"Minister" means the Minister responsible for Agriculture;

"Ministry" means the Ministry of Agriculture;

"sugar" means and includes all types and forms of sucroce (saccharose), maltose, glucose (dextrose), fructose (levulose) asphartame, cyclamates and all such natural and artificial sweeteners that may be used as a substitute for, or a supplement to a complement to crystalline sucrose, the product of sugarcane or sugar beet.

to sugar exporter" means any person or group of persons issued with export licence in accordance with provisions of section 15 of the Act.

PART 11
THE SUGAR BOARD OF TANZANIA AND THE NATIONAL SUGAR INSTITUTE

Establish-mentt of the Sugar Board of Tanzania

3.-(I) There is hereby established a body corporate to be known as the Sugar Board of Tanzania, which shall-

(a) have perpetual succession and a common seal;

(b) m its corporate name be capable of suing and being sued;

(c) be capable of purchasing or acquiring in any manner and alienating any movable and immovable property.

(2) The provisions of the First Schedule shall have effect as to the constitution, tenure of office, and proceedings of and other matters relating to the Board of Directors of the Board.

(3) The power to carry out the operations and management of the Board shall vest m the Board of Directors.

Functions of the Board

4.-~ 1) The functions of the Board shall be the carrying of such activities and the doing of such things as are necessary, advantageous or proper for the benefit of the sugar industry and in particular shall include-

(a) to promote the development and expansion of sugarcane cultivation, production and marketing of sugar and the use of by-products;

(b) to advise the government on the policies and strategies for promotion and development of the sugar industry;

(c) to promote the development of small-holder sugar cane growers;

(d) to create and promote a competitive environment conducive to fair play among stockholders in the sugar industry;

(c) to regulate and recommend measures for prescription and enforcement for the control of sugarcane pests and diseases;

(f) to recommend and regulate measures and procedures for the importation of sugarcane planting materials;

(g) to promote and assist in the research or investigation into any, matter relating to the sugar industry;

(h) to prescribe and or enforce the quality standards for sugarcane, sugar, sugar by-products and any materials from which sugar can be manufactured;

(i) to advise and oversee the execution of sugar trade agreements or contracts between the government and other parties;

0) to promote the training and improvement of skills in technological advancement in the sugar industry;

(k) to promote, develop and facilitate the formation of associations or other bodies of stockholders within the sugar sector (which shall form a consultative forum with the Board) and monitor their activities provided that the objectives of such associations shall not involve arrangement for price fixing or doing anything that is contrary to the Fair Competition Act, 1994;

Act No. 4 of 1994

(1) to provide a forum for discussions and negotiations among various categories of stockholders in the sugar sector;

(m) to monitor the execution of contracts and marketing arrangements between sugarcane outgrowers and sugar manufacturers or other bodies related to the sugar sector and reconcile the parties, when disputes arise;

(n) to collect, refine, maintain and disseminate data and information relating to the sugar industry;

(o) to collect any levy on behalf of any fund established under this Act;

(p) to promote and co-ordinate the development of large, medium and small scale sugar plants;

(q) to monitor the implementation of the provisions of the Agreements governing sale of privatised sugar factories and submit the report to the Minister

(r) to represent the government in international for a relating to or dealing with the sugar industry;

(s) to monitor trends for local sugar production, sugar export and import requirements.

(2) Without prejudice to the generality of the provisions of subsection (1), the Board shall have power-

(a) to issue licences for export or importation of sugar from or into Tanzania;

(b) to register or licence sugarcane growers, manufacturers of sugar and by products, sugar importers and exporters, and industrial users of sugar and sugar plants;

(c) to issue licences for the importation of sugar cane varieties upon the advice of the Director.

(d) to impose and collect levies from various participants in the sugar sector as specified herein;

(c) to appoint inspectors for the inspection of sugar cane fields, sugar processing facilities, sugar warehouses and any other facility that may be inspected for the better carrying out any of the provisions of this Act;

(f) to monitor the basis or method of pricing, selling and purchase of sugarcane, sugar, sugar by products and matters related thereto;

(g) to make rules and regulation relating to the sugar industry.

,(3) The Board may, subject to approval of the Minister, perform any commercial activities or hold interest in any undertaking, enterprise or project associated with the sugar industry.

(4) 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 appears to it proper to promote the efficiency and competitiveness of the sugar industry in Tanzania and internationally.

(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 sugar grower;
(b) a sugar buyer;
(c) a sugar processor;
(d) a sugar exporter;
(c) an inputs distributor; or
(f) an implementer of any other function or arrangement which may involve members of that assosiation in price fixing or doing anything that is contrary to the Fair Competition Act, 1994. Act No 4 of 1994

Minister may give directions and take disciplinary measures

5.--(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 functions under the Act, and the Board shall give effect to every such directions.

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

E'stabliment of the National Sugar Institute

6. -~ I) There is hereby established a body corporate to be known as the National Sugar Institute, which 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 or acquiring any movable and immovable property.

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

(3) The power to carry out the operations and management of the Institute shall vest in the Council.

(4) The Council shall have the main function of carrying out training in the development of the sugar industry, but without prejudice to the generality of the foregoing, the Institute shall have the following objects and functions-
(a) to provide central training for the sugar industry;
(b) to train persons as may be approved by the Council in such skills as may be required by the sugar industry, including sugarcane production, harvesting, processing and quality control, factory engineering, farm machinery and equipment engineering, basic crafts, general management and finance;

(c) to continuously assess the training needs of the sugar industry with a view to developing appropriate training Programmes and to upgrade human resources skills in order to improve productivity;

(d) to carry out studies or investigations relating to work performance including job specifications and work standards, with the aim of improving productivity;

(e) to carry out studies or research in sugar technology, chinery and equipment and information systems to be used by the sugar industry;

(f) to provide techinical consultancy services;

(g) to provide such other training outside the sugar industry on commercial basis as may be so approved by the Council from time to time;

(h) to do all such things which in the opinion of the Council, arc beneficial and necessary for the development of human resources in the sugar industry.

(5) The Minister may, by order published in the Gazette add or replace any of the functions, of the Institute.

(6) The funds and resources of the Institute shall consist the following-

(a) such sums of money as may be appropriated by the Parliament for the purpose;

Act No. I of 1994

(b) the whole of the training levy contributed by the sugar manufacturers, cane growers and the Board, payable by the employers under the provisions of the Vocational Education and Training Authority Act, 1994, pind the Authority shall be entitled to receive returns on the use of such funds;

(c) such sums of money as may be provided from the sugar Development Fund established under this Act;

(d) any contributions by the sugar manufacturers, cane growers, sugar importers and exporters;

(e) fees charged by the Institute for training and other services rendered;

(f) any monies raised by way of loans, donations and grants provided by the Government, persons and institutions within and outside the United Republic of Tanzania.

PART III

CULTIVATION OF SUGAR CANE

Power to register cane outgrowers

7.-(]) The Board shall have power to register all sugarcane outgrowers in the country directly or through agents.

(2) No person shall grow sugar cane for the purpose of sale to sugar manufacturers, for the manufacture of sugar unless he has been registered by the Board.

(3) It shall be an offence for any sugar manufacturer to procure or buy sugar cane from a sugar cane grower, who is not registered by the Board.

Director to prescribe varieties of sugar cam to be grown

8.(I) The Director of the Ministry will approve varieties of sugar cane to be grown for commercial purposes in Tanzania.

(2) It shall be an offence for any person to grow any sugar cane variety for commercial purposes which has not been approved by the director.

Restriction on importa-tion, breeding, niultiplica-tion of sugarcane cuttings seedlings etc.

9-(1) No person shall import, breed or modify (by genetic engineering) sugar cane or seed (fuzz), cuttings and seedlings without the authority of the Director,

(2) No person shall import for commercial purposes sugar cane varieties, seed (fuzz) cuttings or seedlings or other related planting materials without the written authority of the Board.

(3) Any person who contravenes this section shall on conviction be liable to a fine not exceeding ten million shillings or to an imprisonment for a term not exceeding two years or to both such a fine and imprisonment and such plant material shall be destroyed by the Board at the cost of the defendant.

Director to determine protocol for research etc

10. The Director shall in consultation with the Board determine the Protocol, format and procedures for the conduct of sugar cane research in Tanzania.

Board to make fanning husbandry regulations

11. The Board shall subject to the approval of the Minister make rules and regulations for better farming husbandry of sugar cane.

PART IV

REGISTRATION, LICENSING AND INSPECTION

Power to issue licence for sugar manufac-turers and small plant operators

12.(1) The Board shall, on application, issue licence to sugar manufacturers and small scale sugar plants operators upon such terms and conditions as the Board think fit.

(2) Where the Board, refuses to issue such a licence on any grounds which may. appear to the Board to be sufficient the Board shall inform the applicant the reasons for refusal.

(3) No person shall manufacture sugar for sale without a licence issued by the Board.

(4) 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.

(5) Any person aggrieved by the dicision of the Board pursuant to this section may within sixty days after the date of decision appeal to the Minister.

Power to register exporters, importers and industrial users of sugar etc.

13. The Board shall have the power to register sugar exporters, importers and industrial users of sugar and users of sugar by-products.

Power to issue sugar import licences

14. -(1) The Board shall have power to issue sugar import licences and prescribe procedures and regulations for sugar imports.

(2) The sugar import licences issued by the Board shall be subject to payment of a fee and upon such terms and conditions as the Board may impose.

(3) Before issuing relevant licences under subsection (1) of this section, the Board shall take into account the levels of local sugar production and sugar import or export requirements at the particular time.

Power to issue export licences

15. The Board shall have power to issue export licences subject to payment of a fee and upon such terms and conditions as the Board may by regulation impose.

Penalty for importation or exportation of sugar Without licence

16. Any person who import or exports sugar 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 thirty million shillings or to Imprisonment for a term not exceeding three years or both to such fine and imprisonment.

Conditions of licences

17.-(I) All licences granted under the provisions of this Act shall be-

(a) in the prescribed form set out in the Regulations to the Act;

(b) valid for a specified period; and

(c) issued subject to payment of a prescribed fee.

(2) All registrations under the provisions of this Act shall be made upon such terms and conditions as prescribed by the Regulations.

Power of entry and inspection

18.-(1) A sugar inspector or any person duly authorised in writing in **that** behalf by the Board may, at all reasonable times and upon production of relevant authority, enter upon any buildings, premises, warehouses or land occupied by any person whose activity or activities relate to sugar industry under the provisions of this Act, and make such inspection and inquiries as he thinks fit and proper in the implementation of this Act.

(2) Any person who obstructs a sugar inspector or any other person authorised on that behalf in the exercise of the power conferred upon him by this section or who neglects or refuses to produce to the inspector any goods, book or record which the inspector may request to be produced for his inspection shall be guilty of an offence punishable under Section 3 5 of this Act.

PART V

ADMINISTRATION AND FINANCIAL PROVISIONS

Appoint-ment of the Director General and other staff.

19.4 1) The Minister shall, upon recommendations of the Board of Directors, appoint the Director-General who shall be the Chief Executive of the Board.

(2) 'Me 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.

Acts No. 2 of 1992

Termination of employment of same of the employees etc.

20.-(I) Subject to subsection (2) immediately after the effective date, all employees or officers of 'the Corporation whose services are not required by the Board are by virtue of this Act terminated and every such employee or officer so terminated shall be entitled to terminal benefits in accordance with the terms and conditions of the contract of employment with the Corporation.

(2) The Board may absorb in its service some employees or officers of the Corporation whose service are required by the Board upon such terms and conditions as may be determined by the Board

Sew Of the **Bond**

21--(1) 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 auntheticated either by the Director-General (or his delegate) and one Board member or by any two Board members as the Board may determine.

Appointment Of Agents and contractors

22. 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

23.-(I) Subject to any directions of the Minister, m consultation with the Minister for Finance, the assets and liabilities of the Corporation shall by virtue of this Act and without further assurance vest m the Board.

Act No. 2 of 1992

(2) Subject to the provisions of section 59 of the Public Corporation Act, 1992 on transfer of liabilities under subsection (1) of this section, all liabilities of the Corporation incurred in respect to subsidiary companies shall by virtue of this Act be transferred to the respective subsidiary companies.

(3) For avoidance of doubt, all the Corporations contracts, guarantees, agreements, bonds, authorities, mortgages charges, bills of exchange, promisory notes, bank draft, bank cheques, letters of credit or any other security instruments shall be transferred to the Board and any reference to the Corporation shall be deemed to be reference to the Board.

Funds and resources of the Board

24. 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 by the Board under the Provisions of this Act;

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

(e) such sums Of money or property which may become payable to or vested in the Board under this Act or any other written

respect of any matter incidental to the carrying out of its law or in

respect of any matter incidental to the carrying out of its function.

Liability of members etc Cap. 16 **Act& 1970** No. 7

25. No matter or thing done or omitted to be done by any member, Officer, Servant 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 and Payment of levy

26.-(I) There shall be raised, collected and paid in respect of all sugar manufactured in and imported into Tanzania, sugar levies at such rates as the Minister I consultation with the Minister responsible for finance, may on the recommendation of the Board impose by notice in the *Gazette.*

(2) The levies raised shall be computed collected and paid m such manner as may be prescribed by regulations made under this Act.

(3) Any levies imposed under the provisions of this section shall be paid by all sugar manufacturers and sugar importers and such levies shall be expended as Prescribed by the rules and regulations made by the Board under the provisions of this Act.

(4) The regulations made in relation to levy shall Provide for it to be an 0ffence for any person who fails to pay any levy part thereof

Establish-ment of Sugar Industry Develop-ment Fund

27.4 1) The Board shall establish a Fund for development of the sugar industry to be known as "the Sugar Industry Development Fund" (hereinafter referred to as the "Fund") into which all of the moneys from levies on sugar industry shall be paid.

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

(a) sugar marketing promotion;
(b) administration of the Board;
(c) the provision of financial assistance for the promotion of out grower cane development and sugar plants;
(d) training and technological advancement;
(e) administering the Fund; and
(f) such other activity of general interest for the promotion and development of the sugar industry.

(3) The Baord shall recommend to the Minister, the composition, form, proceedings and the management of the Fund.

Books of accounts and audit

28. -(I) 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 Fund and matters in respect of which the receipt and expenditure take place;
(b) all the assets and liabilities of the Board and the Fund;
(c) the income and expenditure statement of the Board and the Fund.

(2) the financial year of the Board and the Fund shall end on 30' June of each year.

Act No.33 of 1972

(3) The books of accounts of the Board and the Fund shall be audited at the end of each financial year by any authorised auditors appointed by the Board of Directors who must be duly registered under the Auditors and Accountants (Registration) Act, 1972.

(4) The Report of the auditor appointed under the provisions of subsection (3) 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 and the Fund as it appears from 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 expenditure for the year and the balance sheet gives a true and fair view of the state of affairs of the Board and the Fund at the end of the financial year.

(5) The Board shall, not later than six 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.

(6) 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.

PART VI
MISCELLANEOUS PROVISIONS

Rules and Regulations

29.4 1) The Minister may upon recommendations of the Board, make rules and regulations-

(a) governing the manufacture, importation and exportation of sugar;

(b) prescribing the forms and particulars to be included in any return, information or statistics to be submitted by the cane growers, small scale sugar plants, sugar manufacturers, exporters and importers under the provisions of this Act;

(c) providing for the grading and definitions of grades, fixed in respect of sugar cane and sugar whether locally manufactured or imported;

(d) providing for the inspection of sugar whether locally manufactured or imported and for the appointment of sugar inspectors and prescribing their duties,

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

(f) providing for information, data and records to be maintained and supplied by the sugar cane growers, small scale sugar plants, manufacturers, exporters, importers of sugar and industrial users of sugar;

(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 subsection (1) 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.

(3) The rules and regulations made under the provisions of this section shall be published in the *Gazette*.

Forfeiture

30.-~ 1) Where any court convicts any person of an offence under this Act or under any subsidiary legislation made under it, the court may order in addition to any penalty it may impose, that the property seized in respect of which the offence has been committed be forfeited to the Government.

(2) Any property so forfeited under this section shall be delivered to the Government in which it shall vest free of any mortgage, charge, lien or other encumbrance of any kind.

(3) Notwistanding the provisions of subsections (1) and (2) above, if the court is of opinion that the property so forfeited is likely to be damaged or become unfit for human consumption, the court may direct that the property be sold and the proceeds be kept by the Government.

Where offence committed by body corporate

31. Where any offence under this Act or subsidiary legislation made under it is committed by a body corporate then, as well as the body corporate, any person who, at the time of the commission of the offence was concerned, as a director or an officer, together with the management of the affairs of the body corporate, shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly

Liability of employee principle

32. Where an offence under this Act or any subsidiary legislation made under it is committed by a person as an agent or employee then, as well as the agent or employee, the principal or employer shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Notification of order and directions

33. Where any order or direction made or given by the Minister, or the Board under this Act is not required to be published in the *Gazette*, the order or direction shall be brought to the notice of person affected or likely to be affected thereby in a manner determined by the Minister, or the Board as the case may be.

Burden of proof

34. In any proceeding for an offence under this Act the burden to prove that the order, direction or requirement, the contravention of which constitutes the offence with which the accused is charged, shall not apply to the accused or, in the case of an order, direction or requirement not published in the *Gazette*, that he had no notice of the contents of the order, direction, or as the case may be required judgment, shall lie on the accused.

General penalty

35. Any person, who commits any offence against the provision of this Act shall be liable on conviction for every such offence, except where in any other section a special penalty is provided, to imprisonment for a term not exceeding twenty four months or to a fine not exceeding two million shillings or to both.

Revocation of the corporation G. N No. 44 of 1974

36. The Sugar Development Corporation (Establishment) order, *1974* is hereby revoked.

Savings

37.-(1) Notwithstanding the revocation of the Sugar Development Corporation (Establishment) Order, *1974*, all the directions given or regulations, orders, notices or rules made under the Sugar Development Corporation (Establishment) Order, 1974 shall be deemed to be directions given and regulations made by or on behalf of the Board under the provisions of this Act and shall remain in force until revoked by directions given or regulations made under this Act.

(2) Any levy or cess imposed under the provisions of the Sugar Development Corporation (Establishment) Order, 1974 and any rules governing the collection thereof shall, notwithstanding the revocation of the aforementioned Order remain in force as if such levy or cess and rules had been imposed and made under this Act until the same are revoked or replaced under and in accordance with the provisions of the Act.

FIRST SCHEDULE

CONSTITUTION, FUNCTIONS AM PROCEEDINGS OF THE BOARD OF DIRECTORS

(Made under section 3 (2)

constitution of the Board of Directors

1-(I) The Board of Directors shall consist of eight members as follows-

(a) a Chairman who shall be appointed by the President upon advice of the Minister,

(b) one member representing consumers;

(c) two members from not less than three and not more than five recommended names by Tanzania Sugar Producers' Association;

(d) two members from three recommended names by Tanzania Sugar Cane Growers Association;

(e) one member representing the Ministry;

(f) one member from amongst persons who in the opinion of the Minister possesses the knowledge and experience beneficial to the sugar industry.

(2) Members of the Board of Directors specified under paragraphs (b), (c), (d), (e) and (f) shall be appointed by the Minister.

Disqualification of a Board member

2. A Person who has been adjudged or otherwise declared insolvent or bankrupt and has not been discharged within the period of five Years Proceeding his appointment, or 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, is **disqualified from** being appointed a Board member.

Tenure of office

3.-(I) The members of the Board of Directors shall hold Office for a period of **three** years from the date of appointment and shall be eligible for rc-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.

Meetings of the Board

4.-(I) 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) All meetings shall be chaired by the Chairman and in his absence the members of the Board Of Directors shall appoint an interim Chairman for that meeting.

(3) All meetings of the Board shall be convened by the Chairman and in his absence the management shall convene the **meeting** in consultation with the Board members.

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

(5) The Board may co-opt any person to attend any deliberations of the meeting as an expert but that co-opted person shall not be allowed to vote.

Director to declare interest

5. 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.

Circular resolutions

6. 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 directors' signature the matter be brought at the following Board meeting.

Board members to be paid allowances

7. The members of the Board shall be entitled to receive such remuneration, allowances and other benefits as the Minister may direct.

Alternate members

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

Power to regulate its procedures

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

Quorum

10.-(I) Four of the members of the Board shall consitute a quorum at any meeting and all acts, matters and things to be done by the Board shall be decided by a simple majority of the members present.

(2) Each member of the Board 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.

Minister may appoint a member

11. 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 term of office of his predecessor.

Minutes

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

Defects in appointment not to invalidate proceedings

13. Subject to the provisions of paragraph 10 relating to quorum, the Board of Directors may act notwithstanding any vacancy in the members thereof and no act o proceedings of the Board shall be invalid by reason only of some defect in the appointment of a person who purports to be a member thereof.

SECOND SCHEDULE

CONSTITUTION, FUNCTIONS AND PROCEEDING OF THE INSTITUTE

(Made under section 6 (2)

Manage-ment of the Institute

1. The Power to Party Out the functions and management of the business affair, of the Institute shall be vested in the Governing Council (hereinafter referred to as the "Council").

constitu--tion of the Council

2. The Council of the Institute shall consist of seven members-

(1) a. Chairman who shall be appointed by the Minister on recommendation of the Board.

(2) Upon the recommendation of the Board the Minister shall appoint members from the following institutions-

(i) three members representing the Tanzania Sugar Producers Association;

00 one member from the Tanzania Sugarcane Growers Association;

(iii) one member from a technical training institute;

(*v)* one member representing the Board.

ne term of the Council members

3. Members of the Council shall hold office for a period of three Years and shall be eligible for re-appointment.

Quorum

4.-(]) Four 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 deliberative vote.

Minutes of Council

5. Minutes in proper form of each meeting of the Council shall be properly kept and shall be confirmed by the Council at its next sitting and signed by the Chairman of the meeting.

Council to regulate its Procedures

6. The Council shall have power to regulate its procedures in respect of meetings and proper conduct of its business.

Minister May vary functions of the Institute

7. The Minister may, upon the advise of the Board, by Order published in the Gazette, add or replace any of the functions of the Institute.

Appoint-ment of the Institute's Principal

8. The Council shall in consultation with the Board, appoint the Principal of the Institute who shall be the Chief Executive of the Institute.

Council may appoint employees of the Institute

9. T lie Council may, appoint at such salaries and upon such terms and conditions such officers and employees for the proper and efficient performance of the Institute's functions and it may grant pensions, gratuities and allowances to any officer or employee and appoint or employ agents and contractors as it may deem necessary.

Sea of the Institute

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

(2) The Seal of the Institute shall not be affixed to any instrument except in the presence of the Principal and one Council member.

Accounts and audit

11. The Institute shall keep and maintain proper books of accounts and records relating to its transactions in accordance with acceptable accounting standards.

(1) The financial year of the Institute shall end on 30'" June of each year.

Act No. 33 of 1972

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

(3) The accounts and report of the auditors shall be submitted to the Council not later than four months after the end of each financial year, and the Council shall submit a copy of the audit report to the Board within two months after they have been audited.

(4) The Board shall submit a copy of the Institute's audit report to the Minister together with the Board's audited accounts as specified in this Act.

Council to make rules of code of conduct

12. The Council with the approval of the Board shall make rules and regualtions regarding code of conduct and discipline in respect of academic staff, students and other employees.

Passed in the National Assembly on the 7th November ,2001.

Clerk of the National Assembly

Printed by the Government Printer, Dar es Salaam -Tanzania