

Tanzania

## Board of Internal Trade Act Chapter 103

Legislation as at 31 July 2002

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# Tanzania

## Board of Internal Trade Act

### Chapter 103

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[This is the version of this document at 31 July 2002.]

[Note: This legislation has been thoroughly revised and consolidated under the supervision of the Attorney General's Office, in compliance with the Laws Revision Act No. 7 of 1994, the Revised Laws and Annual Revision Act (Chapter 356 (R.L.)), and the Interpretation of Laws and General Clauses Act No. 30 of 1972. This version is up-to-date as at 31st July 2002.]

[Acts Nos. 15 of 1973; 5 of 1991]

**An Act to establish the Board of Internal Trade to supervise and co-ordinate the activities and management of certain parastatal companies.**

#### 1. Short title

This Act may be cited as the Board of Internal Trade Act.

#### 2. Interpretation

In this Act unless the context otherwise requires—

"**appointing authority**" means—

- (a) in relation to the Chairman and the Director-General, the President;
- (b) in the case of other member other than the Chairman and the Director-General, the Minister;

"**Board**" means the Board of Internal Trade established by section 3;

"**Chairman**" means the Chairman of the Board;

"**Director-General**" means the Director-General of the Board;

"**member**" means a member of the Board and includes the Chairman, Vice-Chairman and the Director-General;

"**Minister**" means the Minister for the time being responsible for commerce;

"**parastatal organisation**" means—

- (a) any body corporate established by or under any written law other than the Companies Act<sup>1</sup>;
- (b) any specified company;
- (c) any company incorporated under the Companies Act<sup>2</sup> having not less than fifty *per centum* of the issued share capital of which is owned by another parastatal organisation;

1

[Cap. 212](#)

2

[Cap. 212](#)

"**specified company**" means a company specified by the Minister for the purposes of this Act, by an order in the *Gazette*.

### 3. Establishment of Board

- (1) There is hereby established a board to be known as the Board of Internal Trade.
- (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 Act, be capable of purchasing and otherwise acquiring and of alienating, any movable or immovable property.

### 4. Composition and proceedings of Board

- (1) The Board shall consist of—
  - (a) a Chairman, who shall be appointed by the President; and
  - (b) not less than seven and not more than ten other members appointed by the Minister.
- (2) The provisions of the Schedule to this Act shall have effect as to the proceedings of the Board.
- (3) The Minister may, by order in the *Gazette*, amend, add to, vary or replace the Schedule to this Act.

### 5. Functions of Board

The functions of the Board shall be—

- (a) to supervise and co-ordinate the trading activities and management of the specified companies;
- (b) to ensure that each specified company carries on its trading activities in the national interest;
- (c) to carry out market research and to make available to the specified companies, the conclusions and recommendations of the Board;
- (d) to ensure that each specified company—
  - (i) conducts business in an efficient manner and in accordance with the best mercantile traditions;
  - (ii) takes adequate measures to uphold and support the credit of the specified company and to obtain and justify public confidence;
  - (iii) does all such acts and things as may be necessary to avert or minimise any loss to the Government or excessive costs to the consumer;
  - (iv) obtains proper distribution of the commodities which the specified company deals in;
  - (v) avoids shortages in commodities which are essential for public health, agriculture or industry or which are otherwise for the economic development of the United Republic;
- (e) to provide such services to parastatal organisations engaged in trade or business as the Board may approve;
- (f) to advise the Government on trade agreements entered in to or to be entered into with foreign countries or organisations;
- (g) to perform such other functions as the President may, by order published in the *Gazette*, confer upon the Board.

## 6. Powers in relation to specified companies

- (1) For the proper discharge of its functions the Board shall subject to any directions the Minister may give in that behalf, have the power—
  - (a) to require a specified company to submit to the Board schedules and other details of proposed imports and domestic purchases, consider such details and to give the specified company such advice as the Board may consider necessary;
  - (b) to assist a specified company in formulating annual and long term corporate plans;
  - (c) to give specified companies directions relating to accounting arrangements;
  - (d) to carry out inspection of the accounts and financial records of the specified companies;
  - (e) to give a specified company such assistance relating to—
    - (i) the formulation or conduct by such company of cost structures, principles of pricing and trading operations;
    - (ii) the employment by such company of a General Manager, a Chief Accountant and other senior staff;
    - (iii) the management of the affairs of any such company and otherwise in relation to the activities of the company as the Board may consider necessary.
- (2) The Minister may—
  - (a) require a specified company to submit to the Board for inspection and comments, an annual plan including a detailed proposed budget, at least six weeks before the start of the accounting year to which such plan relates;
  - (b) require a specified company to submit to the Board for inspection and comments, such periodic reports, analysis, audited accounts, programmes and other information as the Minister may direct;
  - (c) to require a specified company or a parastatal organisation to which the Board has proved services, to pay to the Board such fees as the Minister may, after consultation with the Minister responsible for finance, by order prescribe.
- (3) A specified company shall comply with every requirement under this section, and in the event of non-compliance the Board shall report such non-compliance to the Minister who may take such disciplinary measures as the Minister may deem fit.
- (4) The Board may, with the consent of the Minister and after consultation with the specified companies concerned, by order signed by the Director-General or any officer authorised in writing in that behalf by the Director-General, transfer any employee of the specified company or of the Board to any other specified company or to the Board.
- (5) Where, by an order made under subsection (4), the Board transfers any employee of a specified company or of the Board to the service of any other specified company or of the Board—
  - (a) such employee shall, as from the date of such transfer, be deemed to be an employee of the specified company or of the Board to which the employee is transferred;
  - (b) the terms and conditions of service applicable to such employee after such transfer shall not be less favourable than those which were applicable immediately before the transfer and, for the purposes of determining any right to gratuity or any other superannuation benefit, the service of such employee with the specified company or, as the case may be, of the Board, to which the employee is transferred shall be regarded as continuous with the service immediately preceding such transfer; and

- (c) the employment by the specified company or, as the case may be, by the Board of such employee immediately prior to the transfer shall be deemed to be continuous employment by one employer within the meaning of section 9 of the Severance Allowance Act<sup>3</sup>, and that Act shall apply to the parties in the same manner as it applies to the cases set out in subsection (1) of the said section 9.

## 7. Minister may give directions to Board

The Minister may give the Board directions of a general or specific nature and the Board shall give effect to every such direction.

## 8. Funds of Board

The funds and resources of the Board shall consist of—

- (a) such sums as may be provided for the purposes of the Board by Parliament, either by way of grant or loan;
- (b) such sums as the Board may, from time to time, borrow in accordance with the provisions of this Act;
- (c) such sums as may in any manner become payable to or vested in the Board either under the provisions of this Act or incidental to the carrying out of its functions.

## 9. Appointment of employees

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

## 10. Appointment of Director-General

- (1) The Board shall have a Director-General who shall be appointed by the President upon such terms and conditions as the President may think fit.
- (2) The Director-General shall be the chief executive of the Board and shall be responsible to the Board.

[s. 9A]

## 11. Remuneration and allowances of members

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

[s. 10]

## 12. Superannuation benefits

The Board may—

- (a) grant gratuities or other retirement allowances or benefits to the officers and other employees of the Board;
- (b) establish and contribute to a superannuation fund or a medical benefits fund for the officers and other employees of the Board;

- (c) require any officer or other employee of the Board to contribute to any such superannuation fund or medical benefits fund and fix amounts and method of payment of such contribution.

[s. 11]

### 13. Powers of Board to delegate

- (1) Subject to subsection (5), the Board may from time to time, in writing and under the seal of the Board, delegate, subject to such terms, conditions and restrictions specified, to any committee of the Board or to any officer or employee of the Board or to any other person or body of persons, all or any of its functions, powers, authorities or duties under this Act, and where any delegation is so made the delegated function, power, authority or duty may be performed or as the case may be, exercised by the delegate, subject to the terms, conditions and restrictions specified.
- (2) Any delegation under subsection (1) may be made to the holder of any office under the Board specifying the office but without naming the holder, and in every such case each successive holder of the office concerned and each person who occupies or performs the duties of that office may, without any further authority, perform or as the case may be, exercise the delegated function, power, authority or duty in accordance with the delegation made.
- (3) The Board may revoke a delegation made under this section.
- (4) No delegation made under this section shall prevent the Board from itself performing or exercising the function, power, authority or duty delegated.
- (5) The Board shall not have power under this section to delegate—
  - (a) its power of delegation; or
  - (b) the power to approve the annual budget or any supplementary budget of the annual balance sheet or any statement of account.

[s. 12]

### 14. Annual and supplementary budget

- (1) In this Act "financial year" means any period not exceeding twelve consecutive months designated in that behalf by the Board:

Provided that the first financial year after the commencement of this Act, shall commence on the date of the commencement of this Act and may be of a longer or shorter period than twelve months.
- (2) Not less than two months before the beginning of any financial year, other than the first financial year, the Board shall, at a meeting convened for that purpose, pass a detailed budget, in this Act called "the annual budget", of the amounts respectively—
  - (a) expected to be received; and
  - (b) expected to be disbursed,by the Board during that financial year.
- (3) If in any financial year the Board intends or requires to make any disbursement not provided for or of an amount in excess of the amount provided for, in the annual budget for that year, the Board shall, at a meeting, pass a supplementary budget detailing such disbursement.
- (4) The annual budget and every supplementary budget shall be in such form and include such detail as the Minister may direct.
- (5) Upon passing any annual budget or any supplementary budget the Board shall submit such budget to the Minister for approval.

- (6) The Minister shall, upon receipt of the annual budget or any supplementary budget, approve or refuse to approve the budget or may approve subject to such amendment as the Minister may deem fit.
- (7) Where the Minister has approved any annual budget or supplementary budget, the budget, as approved by the Minister shall be binding on the Board which, subject to the provisions of subsection (8) of this section, shall confine disbursements within the items and the amounts contained in the applicable estimates as approved by the Minister.
- (8) The Board may—
  - (a) with the written approval of the Minister, make a disbursement notwithstanding that such disbursement is not provided for in any budget;
  - (b) from the amount of expenditure provided for in any budget in respect of any item, transfer, a sum not exceeding twenty thousand shillings, to any other item contained in such budget;
  - (c) adjust expenditure limits to take account of circumstances not reasonably foreseeable at the time the budget was prepared, subject to submitting a supplementary budget to the Minister within two months of such alteration becoming necessary.

[s. 13]

## 15. Investment

With the approval of the Minister, the Board may, from time to time, invest any part of the moneys available in any fund of the Board in such manner as the Board may deem fit.

[s. 14]

## 16. Power to borrow

- (1) With the approval of the Minister, the Board may, from time to time, borrow moneys for the purposes of the Board by way of loan or overdraft and upon security and such terms and conditions relating to the repayment of the principal and the payment of interest, subject to any directions by the Minister, as the Board may deem fit.
- (2) A person lending money to the Board shall not be bound to enquire whether the borrowing of that money by the Board has been approved by the Minister.

[s. 15]

## 17. Accounts and audit

- (1) The Board shall cause to be provided and kept proper books of accounts and records with respect to—
  - (a) the receipt and expenditure of moneys and any other financial transactions of the Board;
  - (b) the assets and liabilities of the Board, and shall cause to be made out for every financial year, a balance sheet showing details of the income and expenditure of the Board and all assets and liabilities.
- (2) At least once in every financial year, the accounts including the balance sheet of the Board shall be audited by the Tanzania Audit Corporation.
- (3) As soon as the accounts of the Board have been audited, and in any case, not later than six months after such audit, the Board shall submit to the Minister a copy of the audited statement of accounts together with a copy of the report made by the auditors.

- (4) Every audited balance sheet shall be placed before a meeting of the Board and if adopted by the Board shall be endorsed with a certificate that it has been so adopted.

[s. 16]

## **Schedule (Section 4(2))**

### **1. Tenure of office**

- (1) The members of the Board shall, from among their number, elect a vice-chairman who shall hold office for as long as he remains a member of the Board.
- (2) A member of the Board shall, unless his appointment is sooner determined by the appointing authority or otherwise ceases to be a member, hold office for such period as the appointing authority may specify in the appointment:  
  
Provided that in the case of a member who is a member by virtue of holding some other office, the member shall cease to be a member upon ceasing to hold that office.
- (3) Any member of the Board may at any time resign by giving notice in writing to the appointing authority and from the date specified in the notice or, if no date is specified, from the date of the receipt of the notice by the appointing authority, such member shall cease to hold office.
- (4) The Board may, with the approval of the Minister, appoint any member or officer of the Board or a public officer to the Secretary to the Board.

### **2. Absent member to be replaced at meetings**

If a member is appointed from a body or a Ministry and is unable for any reason to attend a meeting of the Board, the body or the Ministry, from which the member is appointed may, in writing, nominate another person for the purpose of attending that meeting.

### **3. Casual vacancies**

Where any member ceases to hold office for any reason, before the expiration of the term of office, the appointing authority shall appoint another person and the person appointed shall hold office for the remainder of the term of office of the member ceasing to hold office.

### **4. Meetings**

- (1) An ordinary meeting of the Board shall be convened by the Chairman and the notice specifying the place, date and time of the meeting shall be sent to each member at the usual place of business or residence not less than seven days before the date of such meeting and if the Chairman is unable to act by reason of illness, absence from Tanzania or other sufficient cause, the Vice-Chairman may convene such meeting.
- (2) The Chairman or in his absence, the Vice-Chairman, shall be bound to convene a special meeting of the Board upon receipt of a request in writing in that behalf, signed by not less than three members of the Board and a notice of such meeting shall be given to all members of the Board in the manner prescribed in subparagraph (1).
- (3) The Chairman, the Vice-Chairman, or the temporary Chairman elected in accordance with the provisions of paragraph 5(2) presiding at any meeting of the Board, may invite a person who is not a member to participate in the deliberations of the Board, but such person shall not be entitled to vote.

### **5. Procedure**

- (1) One-half of the total number of the members of the Board or four members, whichever is the lesser number, shall form a quorum for a meeting of the Board.

- (2) In the absence of the Chairman from a meeting of the Board, the Vice-Chairman shall preside and in the absence of both the Chairman and the Vice-Chairman, the members present shall elect one of their members to be a temporary chairman of that meeting.
  - (3) At any meeting of the Board a decision of the majority of the members present and voting shall be deemed to be a decision of the Board and in the event of an equality of votes the Chairman of the meeting shall have a casting vote in addition to the deliberative vote.
  - (4) Notwithstanding the provisions of subparagraph (2), where the Chairman so directs, a decision may be made by the Board without a meeting by circulation of the relevant papers among all the members and the expression in writing of their views, but any member shall be entitled to require that any such decision shall be deferred until the subject matter shall be considered at a meeting of the Board.
6. **Minutes of meetings**
- Minutes of each meeting of the Board shall be kept and shall be confirmed by the Board at the following meeting and signed by the Chairman of the meeting.
7. **Vacancies not to invalidate proceedings**
- Subject to the provisions of paragraph 5 relating to quorum, the Board, may act notwithstanding any vacancy in the membership and no act or proceeding of the Board shall be invalid by reason only of some defect in the appointment of a person who purports to be a member.
8. **Orders or directions**
- All orders, directions, notices or documents made or issued by the Board shall be signed by—
- (a) the Director-General; or
  - (b) any member of the Board or other officer of the Board authorised in writing by the Director-General in that behalf.
9. **Seal of Board**
- The seal of the Board shall not be affixed to any instrument except in the presence of the Director-General or the Chairman or the Vice-Chairman or the Secretary and at least one other member of the Board.
10. **Board may regulate its own proceedings**
- Subject to the provisions of this Schedule the Board shall have power to regulate its own proceedings.