

**THE DISTRICT CORPORATIONS ACT, 1973**

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THE UNITED REPUBLIC OF TANZANIA



No. 16 OF 1973

ASSENT,

*Julius K. Nyerere*  
President

23RD JULY, 1974

**An Act to confer upon the Prime Minister power to establish District Corporations, to provide for the functions of District Corporations, and for matters incidental thereto or connected therewith**

[.....]

ENACTED by the Parliament of the United Republic of Tanzania.

**PART I**

PRELIMINARY

1. This Act may be cited as the District Corporations Act, 1973 and shall come into operation on such date as the Minister may, by notice in the *Gazette*, appoint.

Short title and commencement

2.-(1) In this Act, unless the context otherwise requires-

Interpretation

"district" means a district which is wholly within the area of the jurisdiction of a local authority;

"District Development Corporation" means any company registered under the Companies Ordinance to carry on business of any description whatsoever within the jurisdiction of a local authority and-

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(a) the whole or any part of the share capital of which is vested in a local authority; or

(b) the management of which is vested in a local authority;

"District Corporation" means any public corporation established for any district, or any two or more districts, by an order made under section 3;

"Minister" means the Prime Minister or, where the Minister for the time being responsible for regional administration is other than the Prime Minister, the Minister for the time being responsible for regional administration.

(2) A District Development Corporation shall be deemed to be carrying on business within a district if its principal Place of business is within the district or if such business is being predominantly carried on within the district notwithstanding that such Corporation carries on any ancillary or incidental business in any other district or districts.

## PART II

### DISTRICT CORPORATIONS

Minister may  
establish  
District  
corporations

**3.-(1)** The Minister may, by order published in the *Gazette*, establish for any district, or any two or more districts, a District Corporation for the carrying on of such commercial or industrial activity or enterprise as may be specified in the order.

(2) Every District Corporation established by an order made under this section shall-

- (a) be known, as the District Corporation of the district or districts for which it is established, or by such other name as the Minister may direct, and shall have perpetual succession and common seal;
- (b) in its corporate name, be capable of suing and being sued;
- (c) subject to the provisions of this Act, be capable of holding, purchasing or otherwise acquiring, and disposing of, any property, movable or immovable, for the purposes of carrying out the functions conferred upon it by or under this Act or any other written law.

(3) Every order made under this section establishing a District Corporation shall specify the district or districts for which it is established and the functions of the Corporation.

Share-  
holding

**4.** Where the Minister establishes a District Corporation the Government of the United Republic shall subscribe for all the shares of the Corporation:

Provided that the Minister may, in any case, provide that such shares shall be held by the Government and by such other person or persons as he may specify.

Powers of  
a District  
Corporation

**5. (1)** Every District Corporation established under this Act shall have the power, for the purpose of carrying out its functions, to do all such acts and things as appear to be necessary, advantageous or convenient for or in connection with the proper discharge of those functions or to be incidental or conducive to such discharge, and may, with the approval of the Minister, carry on any activity in that behalf in association with the Government, a local authority, another District Corporation, a co-operative society or any other person or body of persons.

(2) The Minister may from time to time, by order published in the *Gazette*, confer upon a District Corporation powers additional to the powers conferred upon it by this section, and any such order may prescribe restrictions, limitations or conditions subject to which such additional powers may be exercised.

(3) Every District Corporation shall have the power, with the consent and subject to the directions of the Minister, to borrow money for the purpose of the carrying out of its functions:

Provided that the person lending money to a District Corporation shall not be required or bound to enquire whether such consent has been given or any such direction has been complied with.

**6.** Where the Minister establishes any District Corporation under the provisions of this Act, the Minister shall, in the order establishing the Corporation, provide for the management of the District Corporation.

Management of a District Corporation

**7.** The Minister may give to any person or body of persons entrusted with the management of any District Corporation directions of a general or specific character as to the exercise and performance by such person or body of persons of his or their functions, and every such direction shall be given effect to accordingly.

Minister may give directions

**8.** Subject to such exceptions as the Minister may in any case allow, no District Corporation shall create an office within the Corporation save with the written consent of the Minister.

Power of Ministry in relation to appointment of employment by District Corporations

**9.** For the purposes of better co-ordination and regulation of the activities of District Corporations, the Minister may, subject to the provisions of this Act and of any other written law regulating the employment of persons on the United Republic, by regulations, regulate employment of employees by District Corporations, transfer of employees from a District Corporation to another District Corporation, the terms and conditions of employment of the employees and such other matters, whether or not relating to employees, as in the opinion of the Minister it is necessary or desirable in the public interest to provide for generally in relation to District Corporations.

Establishment and regulation of central services

**10.** (1) Every District Corporation shall keep and maintain proper accounts and other records in relation thereto, and shall in respect of each financial year of the Corporation prepare a statement of accounts in such manner and in such form as the Minister may direct.

Accounts and audit

(2) The Minister shall give directions as to the proper audit of the account of the District Corporations.

(3) As soon as the accounts of a District Corporation have been audited, and in any case not later than six months from the date of the completion of such audit, the person or body or persons entrusted with the management of the Corporation shall send a copy of the statement of accounts together with a copy of any report made by the auditors to the Minister, and the Minister shall lay or cause to be laid a copy of every such statement of accounts and auditor's report before the National Assembly and may cause the same to be published for general information.

## PART III

## DISSOLUTION OF DISTRICT DEVELOPMENT CORPORATIONS

Power of  
Minister to  
dissolve  
District  
Development  
Corporations

**11.** (1) The Minister may, by order published in the Gazette, dissolve any District Development Corporation and from the date specified in the order (hereinafter referred to as "the effective date") the District Development Corporation named in the order shall cease to exist and shall cease to perform the functions conferred upon it.

(2) Where an order is made under subsection (1), all the assets and liabilities which were vested in the District Development Corporation immediately before the effective date shall, by virtue of this section and without further assurance, vest in the United Republic.

(3) Notwithstanding the provisions of subsection (2) the Minister may, by order published in the *Gazette*—

- (a) vest any function or power of the former District Development Corporation in any person or body of persons specified in the order and upon such order being made, such person or body of persons may, subject to the directions of the Minister, exercise such function or power in the same manner and to the same extent as it could have been exercised by the District Development Corporation before the effective date;
- (b) transfer any asset or liability of the District Development Corporation to any person or body of persons specified in the order, and upon such order being made the asset or liability shall, by virtue of such order and without further assurance, vest in the person or body of persons with effect from the date specified in the order.

(4) Where any asset or liability of a District Development Corporation consists of or is evidenced by any right or claim under any contract, guarantee, bill of exchange, promissory note, cheque, agreement or any other instrument whatsoever to which the District Development Corporation is a party, such instrument shall, in the event of the dissolution of the District Development Corporation under this Act, take effect as if—

- (a) where no order under paragraph (b) of subsection (3) has been made in respect of such asset or liability or until such time as the order is made, the United Republic were substituted for the District Development Corporation as a party thereto;
- (b) in the event of an order under paragraph (b) of subsection (3) being made in respect of such asset or liability, the person or body of persons specified in the order were substituted as a party thereto.

(5) This section shall not apply to any right or liability under any contract of service under which any person was employed by a District Development Corporation immediately before the effective date.

(6) The provisions of this section shall apply notwithstanding the provisions of the Companies Ordinance.

**12.**-(1) In the event of the dissolution of any District Development Corporation under the provisions of this Act, the Minister shall as soon as may be practicable after the effective date, cause the accounts and activities of the District Development Corporation to be fully examined by auditors appointed by the Minister in that behalf, and the auditors shall prepare or cause to be prepared audited balance sheets of the Corporation and profit and loss accounts for the period expiring on the effective date, and the auditors shall submit their report, the balance sheets and profit and loss accounts to the Minister who shall, after consultation with the Minister for the time being responsible for finance, determine whether or not any compensation be paid to any of the former members of the District Development Corporation.

Rights  
of  
share  
holders

(2) Every determination made by the Minister under subsection (1) shall be certified by him in writing and the contents thereof shall be communicated to the member or members concerned.

(3) Where the Minister in exercise of the powers conferred upon him by this section has certified that any sum of money be paid to any such former member by way of compensation, such sum of money shall constitute a charge on and be paid out of the Consolidated Fund.

(4) Compensation payable under this section shall be paid in such manner and by such installments as the Minister may, after consultation with the Minister for the time being responsible for finance, direct.

(5) Subject to the provisions of this section no former member of a District Development Corporation shall be entitled to any compensation or other payment by reason of the dissolution of a District Development Corporation and the vesting of its assets and liabilities in the United Republic or by reason of such dissolution and the transfer of the assets and liabilities of the former District Development Corporation to any person or body of persons.

**13.** (1) Where the Minister dissolves any District Development Corporation under this Act, the Minister may, by order in the *Gazette*, transfer any person who was an employee of the District Development Corporation immediately before the effective date to the service of any existing District Development Corporation or any District Corporation specified in the order.

Employees of  
District  
Development  
corporation

(2) Where by an order made under this section, the Minister transfers any person in consequence of the dissolution of a District Development Corporation to the service of any existing District Development Corporation or any District Corporation—

- (a) such person shall, as from the effective date, be deemed to be an employee of the District Development Corporation or, as the case may be, the District Corporation to which he is transferred;
- (b) the terms and conditions applicable to such employee after such transfer shall not be less favourable than those which were applicable to him 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

District Development Corporation or, as the case may be, the District Corporation to which he is transferred shall be regarded as continuous with his service immediately before the transfer, and

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- (c) the employment of such employee immediately prior to his transfer, and his employment by the District Development Corporation or, as the case may be, the District Corporation to which he is transferred shall be deemed to be continuous employment by one employer within the meaning of section 8A of the Severance Allowance Act, 1962, 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 8A.

#### PART IV

##### MISCELLANEOUS PROVISIONS

Delegation of powers

**14.** (1) The Minister may, by order in the *Gazette*, delegate all or any of his functions under this Act, other than his power under section 3 to establish a District Corporation, to a Regional Commissioner with respect to any District Corporation established within the area of the jurisdiction of the Regional Commissioner.

(2) The Minister shall not delegate any of his powers under this Act to any person save in accordance with the provisions of this section.

Regulations

**15.** (1) The Minister may make regulations generally for the better carrying out of the provisions of and purposes of this Act and any such regulation may, without prejudice to the generality of the foregoing, provide for-

- (a) the execution of instruments and the mode of entering into contracts by or on behalf of a District Corporation;
- (b) where the management of a District Corporation is vested in Board of Directors-
  - (i) the composition of such Board of Directors;
  - (ii) the appointment of and the tenure and vacation of office by the members of the Board;
  - (iii) the quorum, proceedings and meetings of the Board and decisions of the Board;

(c) anything which is permitted or required by this Act to be prescribed.

(2) All regulations made under this section shall be published in the *Gazette* and may be applicable to all District Corporations or any specified District Corporation or District Corporations.

**16.** The Minister may, where he dissolves any District Development Corporation, at any time before the expiry of six months from the effective date, by order in the *Gazette* make such consequential, transitional and supplementary provisions as he may consider necessary or expedient upon the dissolution of any District Development Corporation.

Minister may  
make con-  
sequential-  
provisions

Passed in the National Assembly on the eighteenth day of July, 1973,



Clerk of the National Assembly