

**"AN ACT TO ESTABLISH THE RUBBER DEVELOPMENT FUND
INCORPORATED OF 2014"**

APPROVED: DECEMBER 27, 2016

**PUBLISHED BY AUTHORITY
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA**

PUBLISHED: JANUARY 26, 2017

**The Act to establish
the Rubber
Development Fund,
Incorporated of
2014.**

Rubber Development Fund Incorporated Act

WHEREAS, the Liberia Rubber Industry Master Plan 2009 was formulated and adopted by the Government of Liberia and rubber industry stakeholders providing strategies for the development of Liberia's rubber industry including to create mutually beneficial and sustainable linkages between Liberian smallholders and rubber concessions by enhancing the rubber supply chain efficiency and effectiveness, and to establish a Rubber Development Fund, Incorporated;

WHEREAS, the Liberia Rubber Industry Master Plan considers key drivers for development of Liberia's rubber industry as technology and effective delivery of technical assistance, low cost farm development finance, and a monitoring and evaluation system requiring establishment of a Rubber Development Fund, Incorporated; and

WHEREAS, such a Fund organized as a Not For Profit Corporation will promote development of the rubber sector qualitatively and quantitatively through facilitating research, processing and manufacturing, replanting with superior performance clones, capacity building of rubber farmers, long-term credit, and delivery of grants and subsidies;

NOW THEREFORE, it is enacted by the Senate and House of Representatives of the Republic of Liberia in Legislature Assembled:

SECTION 1: DEFINITIONS

In this Act, unless the context otherwise requires:

"Board" means the Board of Directors of the Fund;

"Contribution" of a member means:

(a) in the case of government, the amount of rubber development appropriations actually paid into the fund, and

(b) in the case of all other members, the amount of "rubber development fees" actually paid into the fund;

"Director" means any of the Directors constituting the Board;

"Fund" means the Not For Profit Corporation organized under this Act;

"Government" means the Government of the Republic of Liberia, including branches, divisions, political sub-divisions, instrumentalities, authorities and agencies thereof;

"Law" means the Constitution of the Republic of Liberia and any law, statute, decree, rule, regulation, judicial act or decision, judgment, order, proclamation, directive, executive order or other sovereign act of Government that affects or purports to affect Rubber Exporters, Rubber Producers, or Rubber Processors or Rubber Manufacturers and which is generally applicable in the Republic of Liberia;

"Liberian Rubber Farmer" means any person, other than Government, engaged in the agricultural production of natural rubber or rubber products in the Republic of Liberia:

(a) In the case of an individual, such person is a citizen of the Republic of Liberia; or

(b) In the case of a legal person other than an individual, such person possesses at least fifty-one percent (51%) Liberian ownership of the equity and net profit interest in;

"Master Plan" means the document derived from the National Agenda for Rubber Sector Development which envisaged a 30-year (2010-2040) rubber development plan to be implemented by the Rubber Development Fund Incorporated (RDFI).

"Member" means any person qualifying for membership in the Fund under Section 8 of the Act, for as long as such person so qualifies;

"Person" means any natural or legal person including but not limited to an individual, partnership, joint venture, association, limited liability company, corporation, trust, estate, unincorporated entity, government or state and any branch, division, political sub-division, instrumentality, authority or agency or any government or state;

"Revenue Code" means the 2000 Revenue Code of the Republic of Liberia, as amended from time to time, or any successor legislation;

"Rubber Exporter" means any person who engages in the sale or transfer of Rubber and/or Rubber Products for resale or other use outside of the Republic of Liberia;

"Rubber Producer" means any person who engages in the production and sale or transfer of Rubber Products within the Republic of Liberia;

"Rubber Processor" means any person who engages in the processing of rubber products beyond the extracted raw material state for either local or export markets;

"Manufacturer" means any person who engages in value addition by the technological transformation of the rubber products beyond the raw material state for consumers' use;

"Rubber Products" means:

(a) Raw natural rubber, including natural latex, coagulum, cup lump, tree lace, bark scrap, ground scrap and any other form of natural rubber in the Republic of Liberia;

(b) Any product derived from the primary processing of natural rubber produced in the Republic of Liberia, including concentrated latex and dry rubber types including technically specified rubber, sheet and crepe; and rubber based finished goods derived from value added secondary processing;

(c) Wood, bark or lumber from rubber trees and any products derived from any such wood, bark, lumber or rubber seeds in the Republic of Liberia;

“Rubber Development Appropriation” means any payment into the fund by government pursuant to this act for the purpose of supporting the rehabilitation, development and modernization of the natural rubber plantation industry in the republic of Liberia; and

“Rubber Development Fees” means fees imposed under this Act that are to be paid to the Fund by each person who sells rubber and rubber products, including rubber producers, processors, and exporters within or outside of Liberia, for the purpose of supporting the rehabilitation, development and modernization of the natural rubber plantation industry in Liberia.

SECTION 2: REPEALER

The Act Empowering the President to Enter into Rubber Development Agreements and Establishing the Rubber Industry Rehabilitation and Development Fund of Liberia” (2003), and “The Liberia Rubber Development Authority Act” (2004), are hereby repealed. The assets and liabilities of the repealed Rubber Industry Rehabilitation and Development Fund of Liberia are hereby transferred to the Rubber Development Fund, Incorporated established and organized under this Act.

SECTION 3: SHORT TITLE

This Act may be cited as the “Rubber Development Fund Incorporated (RDFI) Act”.

SECTION 4: ORGANIZATION

1. There is hereby established by this Act, a Not-for-Profit Corporation to be known as the “Rubber Development Fund, Incorporated”.
2. The Fund shall have a distinct corporate identity with perpetual existence and a common seal and may sue and be sued in its corporate name.
3. The Fund may acquire, hold, manage or dispose of any movable or immovable property either alone or together with others in connection with the discharge of the functions

herein provided and may enter into contract and transactions in furtherance its corporate functions.

SECTION 5: APPLICATION OF THE ASSOCIATIONS LAW

The provisions of the Associations Law of Liberia, Title 5, Liberia Code of Laws Revised, that relate to domestic Not-For-Profit Corporations apply to the Rubber Development Fund, Incorporated unless otherwise specifically provided under this Act.

SECTION 6: PURPOSE OF THE FUND

The purpose of the Fund is to ensure the development and modernization of the Liberian rubber industry in all aspects, including capacity building and manufacturing of rubber-based products and to improve the performance and competitiveness of Liberian rubber supply chain and value chain activities.

SECTION 7: FUNCTIONS OF THE FUND

The Fund shall have the following functions:

- (a) To support the rehabilitation and development of the rubber sector in Liberia through a national extension and replanting program as well as other support services for Liberian rubber farmers;
- (b) To implement all action plans based on the validated Liberia Rubber Development Master Plan, and as may be revised from time to time;
- (c) To promote fair and transparent rubber trade practices and develop a set of trade rules to bring order to the rubber trade;
- (d) To facilitate the provision of technical, advisory, and consultancy services to the rubber industry regarding agricultural practices, planting materials, value addition processes, integrated pest management systems among other aspects to increase productivity, profitability and general industry competitiveness;
- (e) To promote a network of central demonstration rubber nurseries to augment the supply from private sector nurseries, standardize practices in nurseries, and develop a supervised certification scheme for nurseries to guarantee the quality of budded plants;
- (f) To advise Government on all matters relating to the development of the Liberia rubber industry including policy, national industry strategy, and regulatory matters;
- (g) In consultation with Government, to negotiate with international organizations, bilateral and multilateral agencies including financial institutions to obtain technical assistance, grants and developmental loans necessary to implement its plans and liaise with donors and lending agencies to facilitate the development of the sector;
- (h) To engage in any other activities consistent with the purpose and allowed by law that is not prohibited for a Not For Profit Corporation;
- (i) To facilitate the delivery of grants and subsidies to micro-farmers, with all grants being performance based;

- (j) To adapt strong evaluation methods and arrange long-term credit for members where repayment of loans will be a direct transaction between the individual farmer and the relevant lending institution but terms and conditions may be determined by the lending agency in consultation with the Fund;
- (k) To develop and implement a long-term national program to finance the re-planting, new planting, rehabilitation, and modernization of Liberian rubber farms;
- (l) To devise and adopt a program of education, training and extension that promotes best practices in the production, value addition, quality assurance, storage, grading, shipping and export of rubber and rubber products;
- (m) To promote the concept of integrated farming and the use of intercroops and parallel crops as supplementary income generating strategy for smallholders;
- (n) To ensure the establishment of a fair system for marketing of smallholder rubber;
- (o) To promote the development, and transfer, of novel and cutting edge technological know-how and to introduce global best practices in natural rubber cultivation and processing in collaboration with the Central Agricultural Research Institute, the Ministry of Agriculture, institutions of higher learning, relevant stakeholders of the sector, international rubber research organizations, intergovernmental rubber organizations and other donor and funding agencies;
- (p) To facilitate the finance of local research and development activities concerning the production, use, consumption and marketing of Rubber and Rubber Products and services related thereto, and the Board shall take steps to introduce new technology including, but not limited to, new and suitable types of high yielding planting materials and profitable intercroops and parallel crops;
- (q) To launch a program to disseminate information pertaining to global and local rubber industry performance and trends to producers, processors, manufacturers, and exporters of rubber products that will help improve their strategies;
- (r) To establish an ICT based information center for rubber industry equipped with a library of rubber related publications including technical information for reference by the industry and smallholders. The website of the Fund shall be developed and maintained by the center;
- (s) To regularly collect data and information on all rubber farms in Liberia and Liberian rubber sector performance with the assistance of other relevant agencies and publish an annual Liberia rubber sector performance report. The Board shall create a database and register all rubber farms for this purpose;
- (t) To undertake such activities as the Board shall consider necessary and appropriate;
- (u) To advise Government on all matters relating to the development of Liberia rubber industry that includes policy, national industry strategy and regulatory matters; and
- (v) To establish linkages and obtain membership of relevant intergovernmental and international rubber industry organizations;

SECTION 8: MEMBERSHIP OF THE FUND

1. Qualification and Voting Rights.

Membership of the Fund shall be open to the following subject to the qualifications set forth in the bylaws:

- a) Rubber producers;
- b) Rubber exporters;
- c) Rubber processors; and
- d) Manufacturers of rubber products.

2. Powers of the Members.

Members of the Fund shall have the power to elect the Board of Directors and to ratify by-laws as proposed by the Board. The by-laws shall define the voting power of members and the criteria for voting.

3. Meetings.

Members shall meet annually to elect the Board of Directors, ratify by-laws, financial statements and all other matters reserved for membership approval.

4. Quorum.

A quorum for any meeting of members shall be based on a simple majority of membership in good standing as defined by the by-laws.

SECTION 9: INSTITUTIONAL STRUCTURE AND ADMINISTRATION OF THE FUND

THE SECRETARIAT

1. There shall be established a Secretariat, headed by an Executive Director appointed as herein provided. The Secretariat shall implement the policies, administer the regulations and carry out the day-to-day administrative and operational responsibilities of the Fund.
2. The Secretariat shall have such divisions and units as are necessary to perform the functions of the Fund. The divisions and units shall be responsible for a least the following functions:
 - (a) Technical Function: to develop operational policies, action plans and budgets;
 - (b) Farmer Development: in charge of Technical Advisory Services, Training Programs, and Farm Performance;

- (c) Resource Management;
 - (d) Technology Management: responsible for plant breeding and nursery programs, agronomic practices, and technology and processing.
3. The Executive Director shall, subject to the approval of the Board and budget limitations, engage staff and such consultants and advisers as may be required for the Secretariat to discharge its functions properly and efficiently and to carry out other general functions as set forth in this Act.
 4. The Board shall determine the detailed operational methodology and other structures of the Fund through by-laws.

SECTION 10: ESTABLISHMENT, FUNCTIONS AND POWERS OF THE BOARD OF DIRECTORS

1. Establishment and Powers

There is hereby established a Board of Directors of the Fund. The business, affairs, management, administration and control and all corporate powers of the Fund shall be exercised by or under authority of the Board of Directors.

2. Composition of the Board

(a) The Board of Directors shall be elected by members of the Fund and shall consist of not more than eleven (11) persons.

(b) The Government of Liberia shall at all times have the right to appoint two Directors, one of whom shall be the Minister of Agriculture. Except as otherwise determined by the President of Liberia, the other Director may be the Minister of Finance. The by-laws shall set forth the categories of directors and the manner of their election.

3. Election and term of Directors

(a) Directors shall be elected at the annual meeting of the Members to hold office until the next annual meeting. Each director shall hold office until the expiration of the term for which he/she is elected, and until his/her successor has been elected and qualified, or until he/she resigns or is removed.

(b) The Board shall elect the following officers from among its membership who shall exercise duties as specified in the by-laws: Chairperson; Vice-Chairperson and Treasurer. The Board shall also appoint the Executive Director of the Secretariat who shall serve as a non-voting secretary for meetings of the Board.

(c) The initial Board of Directors who shall hold office until the first meeting of the members, and until their successors shall have been elected shall consist of eleven (11) persons as follows:

- (i.) Two (2) Directors appointed by the Government;
- (ii.) Four (4) Directors; one appointed by each of the four largest rubber exporters based upon the amount of contribution made into, or obligated to pay into the Fund for the two calendar years preceding the effective date of this Act;
- (iii.) Three (3) Liberian Rubber Farmers to be selected by the members of Rubber Planters' Association of Liberia;
- (iv.) The President of the Rubber Planters' Association of Liberia; and
- (v.) The Fund Manager.

(d) The initial Board of Directors as selected above shall exist for a period of three months after the coming into effect of this Act and until their successors shall have been elected. Each director shall be entitled to one vote.

(e) The Board of Directors of the Fund shall appoint a Fund Manager selected through a competitive recruitment process and he/she shall serve on a full time basis. The Fund Manager shall serve as the Chief Financial Officer of the Fund and shall be responsible for the management of the funds and finances of the Fund under the direct supervision of the Board through a fund management committee constituted by the Board as a sub-committee of the Board. The Fund Manager shall be a person or institution with integrity, significant relevant knowledge and experience in the rubber industry, business administration and related disciplines.

4. Powers of the Board

All corporate powers and affairs of the corporation are managed by and under the authority of the Board of Directors. The Board of Directors shall have overall responsibility for the Fund in furtherance of this Act.

The Board shall be responsible for the adoption of policies and regulations, including without limitations:

- To make, approve, alter or repeal policies governing or to govern the operations of the Fund consistent with this Act;
- To draft the by-laws of the Fund; and
- To review and approve the annual budget and work plan of the Fund

5. Meetings

The Board shall meet at least once every calendar quarter. The Chairperson of the Board may, however, call a special meeting at any time as the need arises. The time and place for holding meetings may be fixed by or under the by-laws, or if not so fixed, by the Board.

6. Quorum

A simple majority of the full Board present in person ~~at a meeting~~ duly convened shall constitute a quorum for the transaction of business.

7. Removal

Any Director, except a Government-appointed Director, may be removed for cause by a simple majority vote of the full Board of Directors. A Director from Government serves at the will and pleasure of the President and may only be removed by the President of the Republic of Liberia. Any Director elected by a vote of members may also be removed by a vote of majority of the members. Any vacancy caused by the removal of a Director shall be filled pursuant to this act by the President of the Republic of Liberia in the case of a Government Director; in the case of any other Directors by votes of the members in accordance with procedures set forth in the by-laws of the Fund.

8. Reports

To enhance transparency and responsibility, the minutes of the Board, the annual budget of the Fund as adopted, receipts, expenditures, procurement requests and contracts, audits and any management letters or similar communications shall be open for inspection by the Members. An annual report shall be filed with the Government through the Ministry of Agriculture to be included in the Ministry's annual report to the Legislature. In addition the Board shall maintain a website on which all such documents would be accessible. The website shall also be a channel for dissemination of extension, marketing and all relevant information.

9. Disclosure

A Director having, directly or indirectly, any interest in any company or undertaking with which the Board proposes to enter into any contract or having any interest in any such contract or in any matter under discussion by the Board shall disclose to the Board the fact of his or her interest and the nature thereof, and such disclosure shall be recorded in the minutes of the Board and, unless specifically authorized thereto by the Chairperson, such Director shall take no part in any deliberation or decision of the Board relating to the contract or matter. Without limitation, any interest of a Director's spouse or other immediate family member shall be considered an interest of such Director.

10. Restriction on Actions

The Fund is prohibited from granting direct loans to its Members. Notwithstanding, the Fund may contract a commercial or industrial banking institution and micro-finance institutions to provide such loan facility to its members under terms and conditions to be agreed upon by the contracting financial institution and the Member. The Fund may guarantee the repayment of loans made by financial institution to its Members or otherwise take on the contingent liability pursuant to the agreement with the contracting financial institution.

SECTION 11: CAPITALIZATION

1. Financing

The Fund shall be financed through fees imposed on the export or internal sale of Rubber Products produced in Liberia (Rubber Development Fees), through appropriations from Government (Rubber Development Appropriations) and relevant donors and financial institutions.

2. Rubber Development Fees

(a) The obligations to pay Rubber Development Fees shall apply on identical terms and conditions without exception to every person, including producers, processors, manufacturers, exporters, and Liberian rubber farmers, engaged in the business of producing rubber and/or rubber based products in Liberia in keeping with a Fee Structure Formula fixed by the Board of Directors, approved by Members of the Fund and stated in the by-laws of the Fund.

(b) Every rubber exporter shall pay Rubber Development Fees to the Fund on all rubber and rubber products for export that it derives from its own rubber trees or purchased from other farmers, and shall collect Rubber Development Fees for payment to the Fund from every person from whom it purchases rubber. The Board shall establish the procedures, rules and regulations for the collection of Rubber Development Fees, and the sanctions for failure thereof.

(c) Every person who sells rubber and rubber products other than for export shall pay Rubber Development Fees to the Fund on all rubber and rubber products that it sells.

3. Other Sources of the Fund

(a) The Government of Liberia's contribution to the Fund may be composed of appropriations or other funds made available by the Government in the National budget.

(b) Subject to the approval of the Board, the Fund shall have authority to receive donations or other assistance from any person.

4. Exemption

The Fund shall be an "exempt person" for tax purposes under the Revenue Code of Liberia as amended from time to time. Notwithstanding, employees of the Fund are subject to taxation.

SECTION 12: FISCAL PROVISIONS

1. Assets

All assets of the Fund and all receipts from activities and transactions under the provisions of this Act shall be credited to the Fund. The Fund may maintain its funds in such depository or depositories as shall be determined by the Board provided that in no instance shall deposits be held in a depository in which a Director has any direct or indirect control.

2. Moneys of the Fund

The moneys of the Fund shall be managed by the Fund Management Committee appointed by the Board pursuant to the by-laws to oversee and monitor the Fund Manager.

3. Procurement

The Board shall adopt a procurement policy for the Fund. All procurement of goods and services by the Fund shall be conducted based on a standard comparable to the Public Procurement and Concessions Act and in line with international procurement standards.

4. Audits

At the close of each fiscal year or at such other time during such year as may be deemed appropriate by the Board, the accounts of the Fund shall be audited by an independent reputable auditing and accounting firm. In addition, the General Auditing Commission or competent authority shall be entitled to audit the accounts of the Fund in the same manner as it has authority to audit the accounts of Governmental agencies.

SECTION 13: INDEMNITY

Except for instances of gross negligence or willful misconduct, the Fund shall indemnify Directors and officers of the Fund in respect of claims arising out of their functions as a Director or officer of the Fund in the performance of their duties.

SECTION 14: REGISTERED AGENT AND ADDRESS

The registered address of the Fund in Liberia shall be the Ministry of Agriculture, Post Box 9010 Monrovia, Liberia and the name and address of the registered agent are Minister of Agriculture. The corporate office of shall be located in a suitable location in the rubber belt as may be determined by the Board.

SECTION 15: DISSOLUTION OF THE FUND

The Fund shall remain in perpetual existence until this Act shall be repealed by an Act of Legislature or upon recommendation of its Board of Directors by resolution of two thirds majority of the full Board approving dissolution of the corporate existence of the Fund, and subject to approval by two thirds majority vote of the Members. Upon dissolution of the Fund, the directors shall become trustees to wind up the affairs of the Fund, pay its debts and liabilities, and distribute the remaining assets of the Fund, subject to the approval of the Government.

SECTION 16: TRANSITIONAL PROVISIONS AND PREVIOUS ACTS

Notwithstanding the repeal of the "Act Empowering the President to Enter into Rubber Development Agreements and Establishing the Rubber Industry Rehabilitation and Development Fund of Liberia (2003)" and "The Liberia Rubber Development Authority Act (2004)", any contract entered into by any entity pursuant to the aforesaid Acts shall be valid and continue to be in force as if it was made or done under this Act.

SECTION 17: EFFECTIVE DATE

This Act shall take effect immediately upon publication in handbill.

ANY LAW TO THE CONTRARY NOT WITHSTANDING

-2016-

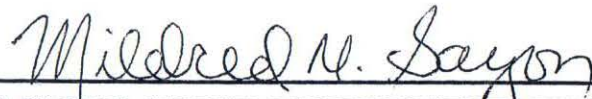
**FIFTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA**

HOUSE'S ENGROSSED BILL NO. 51 ENTITLED:

**"AN ACT TO ESTABLISH THE RUBBER DEVELOPMENT FUND
INCORPORATED OF 2014"**

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee Room on Tuesday, September 6, 2016 @ 12:22 G.M.T.

On motion, the Bill was taken from Committee Room for its second reading. On motion under the suspension of the rule, the second reading of the Bill constituted its third and final reading, and the Bill was adopted, passed into the full force of the law, and ordered engrossed today, Thursday, September 29, 2016 @ 14:50 G.M.T.



CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

-2016-

**FIFTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA**

SENATE'S ENDORSEMENT TO HOUSE'S ENGROSSED BILL
NO. 51 ENTITLED:

**"AN ACT TO ESTABLISH THE RUBBER DEVELOPMENT FUND
INCORPORATED OF 2014"**

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee Room on Tuesday, November 15, 2016 at the hour 13:05 G.M.T.

On motion, the Bill was taken from Committee Room for its second reading. On motion under the suspension of the rule, the second reading of the Bill constituted its third and final reading, and the Bill was adopted, passed into the full force of the law, and ordered engrossed today, Wednesday, December 7, 2016 at 14:02 G.M.T.

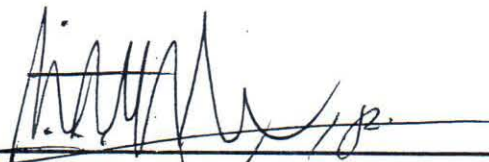


SECRETARY, LIBERIAN SENATE, R.L.

ATTESTATION TO:

**“AN ACT TO ESTABLISH THE RUBBER DEVELOPMENT
FUND INCORPORATED OF 2014”**

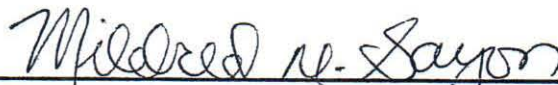
**VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/
PRESIDENT OF THE SENATE**



SECRETARY, LIBERIAN SENATE



SPEAKER, HOUSE OF REPRESENTATIVES, R.L.

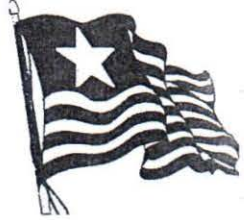


CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.



THE HONORABLE HOUSE OF REPRESENTATIVES

Capitol Building
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Website www.legislature.gov.lr



Office of the Chief Clerk

-2016-

FIFTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF THE REPUBLIC OF LIBERIA


SCHEDULE OF HOUSE'S ENROLLED BILL NO. 54 ENTITLED:

"AN ACT TO ESTABLISH THE RUBBER DEVELOPMENT FUND INCORPORATED OF 2014"

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR EXECUTIVE APPROVAL.

APPROVED THIS: 27th DAY OF DECEMBER A.D. 2016

AT THE HOUR OF 2:30 P.M.



THE PRESIDENT OF THE REPUBLIC OF LIBERIA