

GOVERNMENT OF ZAMBIA

ACT

No. 18 of 1979

Date of Assent: 12th April, 1979

An Act to provide for the establishment, constitution, duties and powers of the Zambia Agricultural Development Bank for the purpose of providing financial assistance to agricultural and fishing industries; and to provide for matters connected with or incidental to the foregoing.

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ENACTED by the Parliament of Zambia.

Enactment

PART I

PRELIMINARY

1. This Act may be cited as the Zambia Agricultural Development Bank Act, 1979, and shall come into operation on such date as the Minister may, by statutory order, appoint.

Short title
and
commence-
ment

2. In this Act, unless the context otherwise requires—

Interpreta-
tion

“ Bank ” means the Zambia Agricultural Development Bank established by section *three*;

“ Board ” means the Board of Directors established under section *four*;

“ Chairman ” means the Chairman of the Board;

“ General Manager ” means the General Manager appointed under section *ten*;

“ member ” means a member of the Board and includes the Chairman.

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PART II

ESTABLISHMENT OF ZAMBIA AGRICULTURAL
DEVELOPMENT BANKEstablish-
ment of
Zambia
Agricultural
Develop-
ment Bank

3. There is hereby established the Zambia Agricultural Development Bank which shall be a body corporate with perpetual succession and a common seal capable of suing and of being sued in its corporate name, and with powers, subject to the other provisions of this Act, to do all such other acts and things as a body corporate may do by law, and as are necessary for, or incidental to, the carrying out of its duties and functions under this Act.

Board of
Directors

4. (1) There shall be a Board of Directors which shall be responsible for the policy and the administration of the affairs and business of the Bank.

(2) The Board shall consist of a Chairman and nine other members.

(3) The Chairman and three other members shall be appointed by the Minister and the six other members shall be appointed by the shareholders.

(4) Every member shall hold office for a period of three years and shall be eligible for re-appointment.

Remunera-
tion of
members

5. Every member shall be entitled to such remuneration as the Board may, with the approval of the Minister, determine.

Removal of
members

6. (1) Notwithstanding anything contained in subsection (4) of section *four*, the Minister or the shareholders, as the case may be, may at any time remove from office any member appointed by the Minister or the shareholders respectively—

- (a) for incapacity;
- (b) for serious misbehaviour;
- (c) if he becomes a director of any other banking or money-lending institution;
- (d) if he contravenes the provisions of section *nine*; or
- (e) in the circumstances set out in Article 34 (2) of the Constitution.

Cap. 1

(2) A member shall cease to hold office—

- (a) if he dies;
- (b) if he resigns by giving notice in writing to the Minister;
- (c) if he is adjudged bankrupt or enters into any arrangement for the benefit of his creditors;
- (d) if he is adjudged to be of unsound mind;

- (e) if he is absent, without leave, from four consecutive meetings of the Board, of which he has had notice.

7. (1) The Board shall from time to time meet for the transaction of business of the Bank at such places and such times as the Chairman may decide, but not less than once in every three months.

Meetings
and
proceedings
of Board

(2) The Chairman may at any time call a special meeting and shall call such a meeting if so requested in writing by at least two members:

Provided that ten days' notice of a special meeting shall be given unless the Chairman considers that the matter for consideration is so urgent as to require a shorter period of notice.

(3) At any meeting of the Board one-half of the total number of members shall constitute a quorum.

(4) Subject to the provisions of subsection (3), the Board may regulate its own procedure.

(5) All decisions of the Board shall be taken by means of a resolution passed by a majority of the members present and voting at a meeting and, in the event of an equality of votes, the Chairman or other member presiding at the meeting shall have a casting vote in addition to his deliberative vote.

(6) The Chairman shall preside at every meeting of the Board but in the absence of the Chairman from any meeting the members present shall elect one of their number to act as Chairman.

(7) Any proposal circulated among the members of the Board and agreed to in writing by one-half or more of the members shall have the same force and effect as a resolution passed at a duly constituted meeting of the Board and shall be included in the minutes of the next meeting of the Board.

8. The Board may appoint such number of committees as it may deem necessary from amongst its members to whom it may delegate any of its functions under this Act.

Committees
of Board

9. No member shall take part in the discussion of or vote upon—

Circum-
stances in
which
members
may not
vote

- (a) an application for a loan by any person who is a debtor or creditor of such member;

- (b) an application for a loan by any person who is an employer or employee of such member; or
- (c) any other matter in which such member has direct or indirect pecuniary interest.

Employment
and
functions
of
General
Manager

10. (1) The Minister shall, in consultation with the Board, appoint a General Manager of the Bank at such remuneration and on such terms and conditions as the Board may determine.

(2) The General Manager shall be the Chief Executive of the Bank and shall perform such duties as may, from time to time, be prescribed by the Board with the approval of the Minister.

(3) The General Manager shall be present at all meetings of the Board unless his presence at any meeting has been excused by the Chairman or unless any matter in which he has direct or indirect pecuniary interest is to be considered at such meeting.

Employment
of staff

11. (1) The Board may, at such remuneration, and on such terms and conditions as it deems fit, engage staff for the conduct of the business of the Bank.

(2) The Board may delegate any of the powers contained in subsection (1) to the General Manager.

Establish-
ment of
pensions
scheme

12. The Board shall, with the approval of the Minister, provide pensions or other terminal benefits for the staff of the Bank and may establish and administer any scheme or fund for such purposes and make contributions to any such scheme or fund.

Investment
of pension
funds

13. Any funds set aside for the purposes mentioned in section twelve may be invested by the Bank in such manner as the Board deems fit.

PART III

CAPITAL

Authorized
capital

14. (1) Subject to the provisions of subsection (2), the authorised capital of the Bank shall be seventy-five million kwacha (K75,000,000) divided into seventy-five million shares of K1 par value which shall be allotted in such manner as the Minister may determine.

(2) The authorised capital may be increased by a resolution of the Board with the approval of the Minister.

(3) The Board may allot additional shares resulting from the increase of the authorised capital pursuant to the provisions of subsection (2) to such persons, whether resident in Zambia or elsewhere, as the Minister may approve.

(4) The authorised capital of the Bank and any additional shares resulting from any increase thereof shall be divided into such classes of shares with such rights as the Board may determine.

PART IV

FUNDS AND BUSINESS OF THE BANK

15. (1) The funds of the Bank shall consist of such sums of money— Funds of Bank

- (a) as may be received by the Bank under sections *fourteen and sixteen*;
- (b) as the Bank may acquire by means of grants or raise by means of loans;
- (c) as may be appropriated for it by Parliament; and
- (d) as may accrue to it in the course of its business.

(2) No charge or lien shall be created upon the funds of the Bank.

16. The Bank shall, with the approval of the Minister responsible for finance, have power to raise additional funds by— Power to raise additional funds

- (a) obtaining overdrafts from other banks;
- (b) receiving moneys on deposit;
- (c) any other method of which the Minister responsible for finance may approve.

17. The funds of the Bank shall be applied towards— Application of funds of Bank

- (a) the payment of salaries, fees, remuneration, allowances and expenses due and payable to the members of the Board and the staff of the Bank;
- (b) the repayment of sums raised by way of loan by the Bank and the payment of interest thereon;
- (c) the provision of long, medium and short-term loans for agricultural and fishing projects;
- (d) the payment of rates, rent, taxes, insurance premiums, including the expenses of maintenance of assets which may become vested in the Bank;
- (e) the payment of such dividends as the Board may approve;
- (f) such capital expenditure as the Board may approve;
- (g) such contributions to charitable or benevolent organisations as the Board may authorise;

- (h) the lending of money to members of staff of the Bank for the purchase of motor vehicles or houses for personal occupation;
- (i) any other expenses necessary for or incidental to the business of the Bank authorised under this Act.

Business
of Bank

18. The business of the Bank shall be—

- (a) to provide loans or any other form of credit facilities to any person, company, statutory corporation, local authority, association, co-operative society, the Government or any other institution approved by the Board for any agricultural or fishing project;
- (b) to do all other matters and things incidental to or connected with the foregoing.

PART V

LOANS AND SECURITIES

Loans and
securities

19. A loan made under section *eighteen* may be granted on any of the following securities—

Act No. 20
of 1975

- (a) a mortgage on unexhausted improvements on land within Zambia as provided in the Land (Conversion of Titles) Act;

Cap. 369

- (b) stop order on crops or bank accounts;
- (c) bills of sale or agricultural charges created under the Agricultural Credits Act; or
- (d) any other security proscribed by the Board.

Mode of
application
for loans

20. An application for a loan shall be made in such manner and in such form as the Board may determine.

Limitations
on granting
of loans

21. No loan shall be granted—

- (a) to any member or his spouse or, save as provided in paragraph (h) of section *seventeen*, any member of staff of the Bank; or
- (b) to any other person in excess of any amount fixed by the Board.

Reserve
fund.
Cap. 700

22. The Bank shall maintain a reserve fund as provided in section *eighteen* of the Banking Act.

Investment
of funds

23. The Board may invest all or any part of the funds of the Bank not immediately required for the purposes of this Act.

PART VI

ACCOUNTS AND AUDIT

Financial
year

24. The financial year of the Bank shall begin on the 1st January, and end on the 31st December of each year.

25. (1) The Board shall cause to be kept and maintained proper books of account and records of all the transactions of the Bank and such books of accounts and records shall be kept at the principal place of business of the Bank.

Accounts
and audit

(2) The accounts of the Bank for each financial year shall be audited by a person who publicly carries on the profession of accountant in Zambia and who shall be appointed auditor by the shareholders.

(3) For the purposes of audit, the auditor shall at all reasonable times have access to all books and records relating to the assets, liabilities, income and expenditure of the Bank.

26. (1) The Board shall, not later than six months after the end of each financial year, submit to the Minister and the shareholders a report of its operations including a statement of accounts for that year duly certified by the auditor.

Annual
report

(2) The Minister shall, not later than nine months after the end of each financial year cause the annual report and statement of accounts referred to in subsection (1) to be published in the *Gazette* and laid before Parliament.

PART VII

MISCELLANEOUS

27. (1) The common seal of the Bank shall be such as may be determined by the Board, and the affixing of the seal shall be authenticated by the signatures of the Chairman and any other two members as the Board may appoint.

Execution
of documents

(2) Any document purporting to be a document executed or issued under the seal of the Bank authenticated as aforesaid shall be received in evidence and shall, unless the contrary is proved, be deemed to be duly executed.

(3) Any cheque drawn by the Bank shall be signed by such officers of the Bank, not being less than two in number, as the Board may designate.

28. The Board may, with the approval of the Minister by statutory instrument, make regulations for the better carrying into effect of the provisions of this Act.

Regulations