

CHAPTER 30
THE SISAL INDUSTRY ACT
[PRINCIPAL LEGISLATION]
ARRANGEMENT OF SECTIONS

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CHAPTER 30

THE SISAL INDUSTRY ACT

An Act to repeal and replace the Sisal Industry Act, 1973, to provide for an orderly development of the Sisal Industry, and establishment of the Tanzania Sisal Board.

[1st October, 1997]

[GN. No. 690 of 1997]

Acts Nos.
2 of 1997
12 of 2004
20 of 2009

PART I

PRELIMINARY PROVISIONS

Short title

1. This Act may be cited as the Sisal Industry Act.

Interpretation
Act No.
20 of 2009 s. 31

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

“Board” means the Tanzania Sisal Board established by section 3;

“contract farming” means farming under the agreement between sisal growers, farmers or producers on the one part and sisal industry financiers including sisal buyers, factory owners, investors and bankers on the other part;

“Director General” means the chief executive officer of the Sisal Board appointed under this Act;

“input” means planting materials, agrochemicals, fertilizers, fuel, packing materials and farm implements;

“local government authority” means the district authority or urban authority established under the Local Government (District Authorities) Act and the Local Government (Urban Authorities) Act;

“Minister” means the Minister responsible for agriculture;

“Ministry” means the Ministry responsible for agriculture;

Cap. 287

Cap. 288

“producer” means any person, company, society or smallholder who grows for sale, buys, sells, imports or deals in sisal fibre or its derivatives or who manufactures for sale any article containing sisal fibre or its derivatives; “quality assurance officer” means an officer appointed by the Sisal Board under the provisions of this Act to oversee the quality of sisal;

“regulatory functions” includes quality control and licensing, data collection, analysis and dissemination, market information, enforcement of law and order, making and enforcing rules and regulations for proper production, processing, marketing, importation, exportation and storage of sisal inputs and products, and such other functions financed exclusively by the Government;

“sisal” means the plant “*Agave sisalana*” or other species of the genus *Agave*, or of the hybrids of any such species and fibre thereof, and includes brush tow, flume tow, twines, ropes, yarns, or any other product manufactured which contains predominately fibre or any of its derivatives;

“Sisal Association of Tanzania” means an association of all members of the sisal industry registered under the Companies Act;

Cap. 212

“small holder farmer” means any person who owns at least six hectares of sisal and not more than four hundred hectares;

“society” means a co-operative society registered under the Co-operative Societies Act;

Cap. 211

“stakeholder” means a dealer in the sisal industry including the central Government, local government authorities, cooperative societies, the Sisal Board and private players such as producers, producer associations, traders, processors, marketing agents, exporters, input suppliers, research and extension institutions and any other persons with vested interest in the sisal industry; and

“stakeholders meeting” means the meeting of sisal stakeholders referred to under section 9.

PART II

TANZANIA SISAL BOARD

Establishment
of Tanzania Sisal
Board

3.-(1) There is hereby established a Board to be known as the Tanzania Sisal Board.

(2) Subject to any directions of the Minister, the Board shall acquire by virtue of this Act and without further assurance any or all assets and liabilities of the Authority.

(3) The provisions of the Schedule to this Act shall have effect as to the constitution, tenure of office, and proceedings of and otherwise in relation to the Board.

(4) The Minister may, by order published in the *Gazette*, amend, add to, vary or replace the Schedule to this Act.

Board to be body
corporate

4. The Board shall be a body corporate with perpetual succession and a common seal and shall be capable in law of suing and being sued in its corporate name, of purchasing, holding, managing and disposing of any property whatsoever, whether movable or immovable, and whether by way of investment or otherwise, and of entering into any such contract as may be necessary or expedient for the performance of its functions under this Act or any other written law.

Functions of
Board
Act No.
20 of 2009 s. 32

5.-(1) The Board shall carry out regulatory functions and other activities as are necessary, advantageous or proper for the benefit of the sisal industry.

(2) Without prejudice to subsection (1), the functions of the Board shall be to-

- (a) advise the Government on the policies and strategies for the development of the sisal industry;
- (b) regulate and control the quality of sisal and sisal by-products;
- (c) collect, refine, maintain, use or disseminate information or data relating to the sisal industry;
- (d) make regulations for processing, exportation and storage of sisal and sisal by-products;

- (e) facilitate or assist in the formation of associations or other bodies related to or dealing with the sisal industry;
 - (f) protect and promote the interests of farmers against syndicate of buyers which may be formed through associations;
 - (g) provide for registration and licensing of persons engaged in growing, processing and marketing of sisal; and
 - (h) represent the Government in local and international fora in matters relating to sisal.
- (3) In particular, and without prejudice to the generality of provisions of subsection (1), and subject to any special or general directions by the Minister, the Board shall have power-
- (a) to register sisal products and to determine the qualifications and conditions for such registration;
 - (b) to make orders or give directions for compulsory registration of all producers of sisal or sisal products or of any particular category of producers;
 - (c) to collect from producers information and statistics for use by industry;
 - (d) to establish quality standards for sisal and sisal products and to ensure the compliance of such standards by persons so licenced;
 - (e) to issue export licences for sisal and sisal products;
 - (f) to do anything or enter into any transaction which, in the opinion of the Board is calculated to facilitate the proper and efficient carrying out of the Board's activities and the proper exercise of its functions;
 - (g) with the approval of the Minister, by order published in the *Gazette*, to impose a levy on all sisal, whether produced, sold or exported, any such order may prescribe different rates for different species, grades, descriptions or origins of sisal and in determining the amount of such levy the Board shall take into account what moneys are required for the purpose of maintenance, operation, research and training,

- marketing information system, extension and any other users as the Board may determine;
- (h) in liaison with producers, to represent the Government and the industry at all international fora relating to or dealing with the sisal industry;
 - (i) in consultation with farmers associations to represent the Government in all international fora; and
 - (j) subject to the prior approval in writing by the Minister, to perform any commercial functions as the Minister may consider necessary.
- (4) The export and import licences to be issued by the Board shall be-
- (a) in the prescribed form;
 - (b) subject to such terms and conditions as may be prescribed or endorsed therein; and
 - (c) issued subject to the payment of fees as may be prescribed by the Board.

Minister may give directions, vary functions of Board, etc
Act No. 20 of 2009 s. 33

6.–(1) The Minister may, in consultation with the Minister responsible for finance, direct the Board, subject to such terms and conditions as he may think fit, transfer any investment or shares or interest of the Board to any institution, or otherwise dispose of all or any of its shares or interest in any investment made under this section.

(2) The Minister may give to the Board directions of a general or specific character as to the exercise or performance by the Board of any of its functions under this Act as the Minister may deem fit, and the Board shall give effect to every such direction.

Orders and directions of Board

7.–(1) When any order is made or direction is given by the Board under this Act, the Board shall convey or cause to be conveyed the contents of the order and direction to the persons concerned in such manner as the Board may determine,

Provided that, where any such order or direction is published in the *Gazette*, all persons shall be deemed to have notice thereof.

(2) Contravention of any order or direction given or issued by the Board and in force at the time of such contravention, shall be an offence under this Act.

Issuance of
licences
Act No.
20 of 2009 s. 34

8.—(1) The Board shall grant licenses under this Act which shall be valid for a specific period and be subjected to such terms and conditions as may be prescribed by the Board.

(2) The Board may cancel or suspend a license where the licensee fails to comply with the terms and conditions of the licence.

(3) A person aggrieved by the decision of the Board for cancelling or suspending his licence may, within sixty days from the date of cancellation or suspension, appeal in writing to the Minister.

Stakeholders'
meetings
Act No.
20 of 2009 s. 35

9.—(1) For purposes of promoting the development of the sisal industry, there shall be a stakeholders' forum which shall be responsible for-

- (a) putting in place mechanisms for the management and funding of the shared functions;
- (b) making procedures for conducting annual general meetings;
- (c) determining modalities for financing its activities and meetings; and
- (d) establishing stakeholders' secretariat and other organs for better carrying out of the shared functions.

(2) The stakeholders shall hold a meeting at least once in every year for purposes of agreeing on the funding and implementation of the shared functions and other matters of common interest.

[s. 8A]

PART III

ADMINISTRATION AND FINANCIAL PROVISIONS

Appointment
of Executive
Secretary and
employees

10.—(1) The Board shall, with the prior approval of the Minister, appoint the Executive Secretary who shall be the chief executive officer and Secretary to the Board.

(2) The Board of Directors may appoint, at such salaries and upon such terms and conditions as it may think fit, such officers and employees of the Board as it may deem necessary for the proper and efficient conduct of the business and activities of the Board.

[s. 9]

Remuneration
and allowances of
Board members

11. The Board of Directors shall be entitled to receive such remuneration, allowances and other benefits as the Minister may approve.

[s. 10]

Benefits of
employees

12. The Board may-

- (a) grant gratuities or other retirement allowances or benefits to the officers and employees of the Board;
- (b) establish and provide for contribution by the Board to a superannuation fund and a medical benefits fund for the officers and employees of the Board; or
- (c) require any officer or employee of the Board to contribute to any such superannuation fund or medical benefits fund and fix the amounts and method of payment of such contributions.

[s. 11]

Agents and
contractors

13. The Board of Directors may, appoint and employ upon such terms and conditions as it thinks fit, such agents and contractors of the Board as it deems necessary.

[s. 12]

Powers of Board
to delegate
functions

14.-(1) Subject to subsection (6) of this section, the Board of Directors may by writing under the seal of the Board, delegate subject to such terms, conditions and restrictions as it may specify, to any Committee of the Board or to any person or servant of the Board or 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 in the instrument of delegation.

(2) A delegation under subsection (1) may be made to the holder of an office under the Board specifying the office but without naming the holder, and in every such case each successive holder of the office in question and each person who occupies or performs the duties of that office may, without any further authority, perform or exercise the delegated function, power, authority or duty in accordance with the delegation made.

(3) The Board of Directors may revoke a delegation made by it under this section.

(4) A delegation made under this section shall not prevent the Board from performing or exercising the function, power, authority or duty delegated.

(5) Any delegation made under this section shall be published in the *Gazette*, and upon the publication, shall be judicially noticed and shall be presumed to be in force unless the contrary is proved.

(6) The Board of Directors 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 receipts, expenditure and the annual balance sheet.

[s. 13]

Funds and
resources of
Board
Act No.
20 of 2009 s. 36

15. The funds and resources of the Board shall consist of-

- (a) such sums as may be provided for the purpose by Parliament either by way of grant or loan;
- (b) any loan granted to the Board by the Government or any other person; and
- (c) any sum or property which may, in any manner, become payable to or vested in the Board as a result of the performance of its functions.

[s. 14]

Annual and
supplementary
budget

16.-(1) In this Act, “financial year” means any period not exceeding twelve consecutive months designated in that behalf by the Board of Directors:

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 shorter or longer 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 of Directors shall, at its meeting especially 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) Where in any financial year, the Board requires to make any disbursement not provided for, or of an amount in excess of the amount provided for, in the annual budget for the year, the Board of Directors shall, at a meeting, pass a supplementary budget detailing the disbursement.

(4) The annual budget and every supplementary budget shall be in such form and include such details as the Minister may direct.

[s. 15]

Power to borrow

17. With the prior approval of the Minister, the Board of Directors may, borrow moneys for use by the Board by way of loan or overdraft, and upon such security and such terms and conditions, relating to the repayment of the principal and the payment of interest as, subject to any direction by the Minister the Board deems fit.

[s. 16]

Accounts and
audit
Act No.
20 of 2009 s. 37

18.-(1) The Board of Directors shall cause to be provided and kept proper books of accounts and records with respect to-

- (a) the receipt and expenditure of moneys by, and other financial transactions of the Board; and
- (b) the assets and liabilities of the Board and shall cause to be made out for every financial year a balance sheet of the Board.

(2) At least once in every financial year, the accounts, including the balance sheet of the Board shall be audited by the Controller and Auditor-General.

(3) Every audited balance sheet shall be placed before a meeting of the Board of Directors and where adopted by the Board, shall be endorsed with a certificate that it has been so adopted.

(4) As soon as the accounts of the Board have been audited, and in any case not later than six months after the audit, the Board shall submit to the Minister a copy of the audited statement of accounts together with a copy of the report thereon made by the auditors.

(5) As soon as is practicable after the receipt by him of the copy of the statement together with the copy of the report submitted pursuant to subsection (4) the Minister shall lay a copy of the statement together with a copy of the report before the National Assembly.

[s. 17]

PART IV

MISCELLANEOUS PROVISIONS

Liability of
members, etc.
Cap. 16
Cap. 76

19. Without prejudice to the provisions of section 284A of the Penal Code or of the Public Officers (Recovery of Debts) Act, act or thing done or omitted to be done by any member of the Board or by any officer, servant or agent of the Board shall not, where done or omitted *bona fide* in the execution or purported execution of his duties as such member, officer, employee or agent subject any such person to any action, liability or demand whatsoever.

[s. 18]

Powers of quality
assurance officer
Act No.
20 of 2009 s. 38

20.—(1) A quality assurance officer may at any reasonable hour of the day, enter any place where sisal is grown, processed or stored and inspect or examine the same for the purpose of ensuring that the provisions of this Act, or of any regulations made hereunder or of any directions given or order made by the Board are being complied with.

(2) A quality assurance officer may, for the purpose of securing compliance with the provisions of this Act or of any regulations made hereunder or of directions given or order made by the Board or for the purposes of detecting and establishing any breach of any such provisions or directions or order take samples of any sisal found in any plantation, processing plant, sisal store or any other place, and may submit such samples of such tests as he may deem necessary.

(3) A person who obstructs a quality assurance officer in the exercise of the powers conferred upon him by this section or who neglects or refuses to produce to the quality assurance officer any book or record which the quality assurance officer may request to be produced for his inspection, commits an offence.

[s. 19]

Contract farming
Act No.
20 of 2009 s. 40

21.—(1) A registered farmer may, for purposes of carrying on and facilitating farming activities, enter into a contract farming with financiers, sisal buyers, sisal processors, investors or bankers.

(2) The contract farming entered into under subsection (1) shall be in the prescribed standard form and shall contain—

- (a) name, address and status of the registered farmer;
- (b) name, address and status of the financier;
- (c) obligations of the parties;
- (d) type or kind of facilitation to be granted to the farmer;
- (e) terms and conditions imposed on the farmer; and
- (f) such other information as may be necessary for the purpose of the contract farming.

(3) Every contract farming entered into under this section shall be submitted to the Board for scrutiny and registration.

(4) The Board shall monitor the implementation of the contract farming in order to protect rights of both parties.

(5) A person being a financier, sisal buyer, sisal processor, investor or banker shall not facilitate a registered farmer in any manner without a contract farming as required under this section.

(6) A person who contravenes this section commits an offence and on conviction, shall be liable to a fine of not less

than five million shillings or to imprisonment for a term of not less than six months but not more than two years or to both.

[s. 19A]

Regulations
Act No.
20 of 2009 s. 39

22.—(1) The Minister may, upon consultation with the Board, make regulations for the following purposes—

- (a) to require the submission of information and statistics relating to sisal and sisal products, including but not restricted to such matters as production, machinery, labour, equipment, storage facilities, sales, deliveries, shipments and stock and to prescribe forms in connection therewith;
- (b) to prescribe the procedure for the compulsory registration of sisal producers and the forms to be used in connection therewith;
- (c) to prescribe the manner in which sisal shall be stored by producers and the manner in which such place where the sisal is stored shall be maintained, and the specifications of any store to be used for the storage of sisal;
- (d) to provide for the definitions of grades of sisal offered for sale for export and to make orders prohibiting sale of sisal for export that does not comply with such grades;
- (e) to provide for the inspection, weighing and measuring of sisal and for the appointment of quality assurance officers and to prescribe the duties of the quality assurance officers;
- (f) to provide for records to be kept by the producers, sellers or exporters and for the submission of returns and to prescribe forms of such records and returns;
- (g) to provide for any matter incidental to any of the matters herein mentioned; and
- (h) to prescribe anything which is to be or may be prescribed and generally for the carrying into effect of any provisions or purposes of this Act including the performance by the Board.

(2) Regulations made under this section may be made applicable to the United Republic as a whole or to any part thereof.

[s. 20]

Power to make
by-laws
Act No.
20 of 2009 s. 40A

23. The local government authorities may, in consultation with the Minister, make by-laws for better carrying out of the shared functions as agreed by stakeholders.

[s. 20A]

Penalties

24. A person who commits an offence under this Act or any subsidiary legislation made hereunder shall, unless some other punishment is prescribed therefore is liable to a fine not exceeding five million shillings or imprisonment for a term not exceeding seven years, or to both and in every case of an offence under this Act or under subsidiary legislation made hereunder, the sisal or sisal product in relation to which the offence is committed shall, on conviction, be forfeited to the Board.

[s. 21]

PART V REPEAL AND SAVINGS

Repeal
No. 2 of 1973

25. [Repeals the Sisal Industry Act.]

[s. 22]

Savings
Act No.
2 of 1973

26. Notwithstanding the repeal of the Sisal Industry Act, all directions given and all rules made by the Tanzania Sisal Authority under the provisions of the Sisal Industry Act, 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.

[s. 23]

SCHEDULE

(Made under section 3(3))

CONSTITUTION AND PROCEEDINGS OF THE BOARD

Constitution
Acts Nos.
12 of 2004 Sch.
20 of 2009 s. 41

1.—(1) The Board of Directors shall consist of the Chairman who shall be appointed by the President and eight other members to be appointed by the Minister as follows—

- (a) two members from the Sisal Association of Tanzania who shall represent the large sisal growers, sisal spinners and manufacturers;
- (b) two members representing small scale farmers recommended by sisal small holders farmers association;
- (c) one member from a research institute dealing with sisal;
- (d) one member representing the Ministry; and
- (e) two members who have knowledge and experience in the sisal industry.

(2) In appointing members of the Board under subparagraph (1), the Minister shall ensure that the appointment is made from three names of candidates recommended by the relevant organisation, association or sector.

(3) The members of the Board shall, from among their number, elect a Vice Chairman, who shall hold office for so long as he remains a member of the Board.

(4) A member of the Board shall, unless his appointment is sooner terminated by the Minister, or he otherwise ceases to be a member, hold office for such period as the Minister may specify in his appointment, or where no period is so specified, for a period of three years from the date of his appointment, and shall be eligible for re-appointment, provided that in the case of a member who is a member by virtue of his holding some other office; he shall cease to be a member upon his ceasing to hold that office.

(5) A member of the Board may, at any time, resign 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 the receipt of the notice by the Minister, he shall cease to be a member.

Alternative
member

2. Where a Board member is unable for any reason to attend a meeting of the Board or the Ministry as the case may be, which he represents, may in writing, nominate another person in his place for the purpose of that meeting.

Minister may
appoint member

3. Where any member ceases to be a 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 of the term of office of his predecessor.

- Meetings**
- 4.**—(1) An ordinary meeting of the Board of Directors 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 his usual place of business or residence not less than fourteen days before the date of such meeting and in case 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 not less than fourteen days' notice of the 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 interim Chairman elected in accordance with the provisions of paragraph 5(2) presiding at any meeting of the Board may invite any person who is not a member to participate in the deliberations of the Board, but any such person shall not be entitled to vote.
- Quorum**
- 5.**—(1) One-half of the total number of the members of the Board or four members 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, in the absence of both the Chairman and the Vice Chairman from any meeting, the members present shall elect one of their number to be an interim 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, in the event, of an equality of votes the Chairman of the meeting shall have a casting vote in addition to his deliberative vote.
- (4) Notwithstanding the provisions of subparagraph (2), where the Chairman so directs, a decision may be made by the Board of Directors 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 is considered at a meeting of the Board.
- Minutes**
- 6.** Minutes in proper form of each meeting of the Board shall be kept and shall be confirmed by the Board at the next meeting and signed by the Chairman of the meeting.
- Seal**
- 7.** The seal of the Board shall not be affixed to any instrument except in the presence of the Secretary and one member of the Board.

Improper
appointment
not to invalidate
proceedings

8. Subject to the provisions of paragraph 5 relating to quorum, the Board of Directors may act notwithstanding any vacancy in the members thereof and act or proceeding of the Board shall not be invalid by reason only of some defect in the appointment of a person who purports to be a member thereof.

Orders,
directions, etc.

9. All orders, regulations, directions, notices or documents made or issued by the Board shall be signed by-

- (a) the Executive Secretary; or
- (b) any member of the Board or other officer of the Board authorised in writing by the Secretary in that behalf.

Board may
regulate its own
proceedings

10. Subject to the provisions of this Schedule, the Board of Directors shall have power to regulate its own proceedings.
