

CHAPTER 404

THE NATIONAL BANK OF COMMERCE (REORGANISATION AND VESTING OF ASSETS AND LIABILITIES) ACT

[PRINCIPAL LEGISLATION]

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CHAPTER 404

THE NATIONAL BANK OF COMMERCE (REORGANISATION AND VESTING OF ASSETS AND LIABILITIES) ACT

An Act to provide for the reorganisation of the National Bank of Commerce, to vest its assets and liabilities into designated new entities and to provide for other related transitional matters.

[1st October, 1997]

[s. 1(2)]

Acts Nos.	23 of 2003
23 of 1997	10 of 2007
10 of 2000	26 of 2007
10 of 2001	11 of 2010
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PART I

PRELIMINARY PROVISIONS

Short title **1.** This Act may be cited as the National Bank of Commerce (Reorganisation and Vesting of Assets and Liabilities) Act.

Application **2.**—(1) This Act shall apply to Tanzania Zanzibar as well as to Mainland Tanzania.

(2) Upon attainment of the privatisation of the Bank and upon the Government becoming a minority shareholder, or no longer a shareholder, the provisions of this Act, other than the provisions of sections 1, 2, 3, 4 and 5, shall cease to apply to the Bank.

Interpretation
Acts Nos. **3.**—(1) In this Act, unless the context requires otherwise—
10 of 2001 Sch. “ATHCO” means the Air Tanzania Holding Corporation
10 of 2007 s. 2 established under section 10 of the Air Tanzania
26 of 2007 s. 2 Corporation Re-organisation and Vesting of Assets and
Cap. 197 Liabilities Act which expired on 1 December, 2006;

“assets” means property, real and personal, of every kind including-

- (a) rights under contract and agreement;
- (b) money, books, books of accounts, records and goodwill;
- (c) all other rights, interest and claims in or to, real or personal property whether liquidated or unliquidated, certain or contingent, accrued or accruing;

Cap. 197 “Bank” means the Bank of Tanzania established by the Bank of Tanzania Act;

Cap. 342 “banking law” means the Banking and Financial Institutions Act;

“Board” means the Board of Directors of the Corporation established by section 8;

“Bureau” means the National Bureau de Change Limited;

Cap. 257 “Commission” means the Presidential Parastatal Sector Reform Commission formerly established by the Public Corporations Act;

“Committee” means the Transition Management Committee established under section 14;

Act No. “Company” means the NBC (1997) Limited;

1 of 1967

“Corporation” means the Consolidated Holding Corporation;

“designated new entity” means the Company, the NMB, the Bureau or the Corporation;

Act No. “effective date” means the 1st day of October, 1997;

1 of 1967

“former bank” means the bank established by the National Bank of Commerce (Establishment and Vesting of Assets and Liabilities) Act;

“instrument” includes a contract, a guarantee, an agreement including a mortgage, charge, bill of exchange, promissory note, bank draft, bank cheque, letter of credit or any other security;

Cap. 248 “LART” means the Former Loan and Advances Realisation Trust established under the Loans and Advances Realization Trust Act, which expired on the 30th day of June, 2006;

“liabilities” means debts, charges, duties and all obligations of every description under contract or agreement including

Cap. 44

savings and deposits of all kinds, whether present or future, actual or contingent, and whether payable, to be observed or performed in the United Republic or elsewhere; but does not include any liability in respect of taxation under any law in force in the United Republic;

“Minister” means the Minister responsible for finance;

“NMB” means the National Microfinance Bank required to be established by the National Microfinance Bank Limited Incorporation Act;

“residual assets” means the assets of the former bank which are not vested in the Company or the NMB and includes the assets of LART, ATHCO and SIMU 2000;

“rights” means rights, powers, privileges, and immunities, whether actual, contingent or prospective;

“SIMU 2000” means SIMU 2000 Ltd incorporated under the Companies Act;

“securities” includes-

- (a) debentures, stock, shares, bonds or notes issued or proposed to be issued by the Company or the NMB and any right, warrant or option in respect of it;
- (b) treasury bonds or other loan instrument of the Government;
- (c) rights or interests, whether described as units or otherwise under any unit trust;
- (d) such other instruments as the Minister may, by notice published in the *Gazette*, prescribe;

“specified branches” means the branches of the former bank specified in the First Schedule to this Act which are to constitute the Company or the NMB, or the Bureau;

“transition period” means the transition period referred to in section 13;

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“Tribunal” means the LART Loans Recovery Tribunal establishment under the Loans and Advances Realisation Trust Act;

“vesting date” means the date on which assets and liabilities to which the former bank was entitled or subject to, are

transferred to and vested in the Company, the NMB or the Corporation, as the case may be.

(2) The Minister may, upon advice by the Committee and at any time not later than the end of the transitional period, by order published in the *Gazette*, amend, add to, vary or alter the disposition of the specified branches in the First Schedule to this Act.

PART II

THE CONSOLIDATED HOLDING CORPORATION¹

Establishment of Corporation Act No. 10 of 2001 Sch.

4.–(1) There is hereby established a corporation to be known as the Consolidated Holding Corporation.

(2) The Corporation 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 or alienating any movable or immovable property.

Duration of Corporation Acts Nos. 9 of 2002 Sch. 10 of 2007 s. 3

5.–(1) The Corporation shall continue in existence for such time as there remain undischarged assets and liabilities of the former bank, LART, ATHCO and SIMU 2000 but shall in any case not continue in existence beyond 30th June, 2011 unless, within a period of up to six months prior to the date of its cessation of operations the Corporation is granted a new lease of life by a resolution in that behalf by the National Assembly.

(2) For purposes of terminating the business of the Corporation in pursuance of subsection (1), the Minister shall make a dissolution order to be published in the *Gazette*, dissolving the Corporation and providing for the transfer of any assets and liabilities back to the Treasury Registrar and for all other matters relevant to the dissolution of the Corporation.

¹ The heading is amended by Act No. 10 of 2007, Sch.

Functions and
resources of
Corporation
Acts Nos.
10 of 2000 Sch.
10 of 2007 s. 4
26 of 2007 s. 3

6.-(1) As from the effective date, it shall be the duty of the Corporation to-

- (a) carry on, in relation to the Company and the NMB, the business of a holding company and the business of an investment Company;
- (b) acquire and hold, on behalf of the Treasury Registrar, controlling and other interests in the share or loan capital in the Company;
- (c) take over the assets and liabilities and continue the business of the former bank which are not vested in the Company or the NMB or the Bureau;
- (d) receive or take over and discharge all claims against-
 - (i) the former bank, which are not vested in the Company or the NMB;
 - (ii) the LART in relation to residual assets and liabilities which remain undischarged as at 30th June, 2006;
 - (iii) any other residual assets and liabilities undischarged upon cessation of operations of ATHCO and SIMU 2000;
 - (iv) the Commission which remained undischarged as on 31st December, 2007.
- (e) take over and institute or continue cases arising out of residual assets and liabilities of LART, ATHCO and SIMU 2000 that remain undetermined in the courts of law; and
- (f) do any other act or thing which the Minister may, upon advice by the Committee, by notice in the *Gazette* determine as being a function of the Corporation.

(2) All cases to which LART, ATHCO, SIMU 2000 and Commission was or would have been a party, shall be continued at the court at which it was filed or instituted.

(3) All cases before the Tribunal to which LART was a party shall upon application by the Corporation be transferred to the court of competent jurisdiction as the Corporation may determine and be concluded as at 30th June 2011.

(4) Where the case under subsection (2) and (3) are not concluded within the prescribed period, the Attorney General shall take over and continue such cases.

(5) The Minister shall, within two months after the vesting date, make regulations to be published in the *Gazette* for the purpose of further directing the Corporation as to the performance of its functions under this Act.

(6) The funds and resources of the Corporation shall consist of-

- (a) such sums as may be granted by Parliament for the Corporation;
- (b) retention of such percentage as may be approved by the Minister of each sum collected by the Corporation in the course of discharging its functions in relation to the residual assets and liabilities of the former bank.

Additional
function of
Corporation
Acts Nos.
26 of 2007 s. 4
11 of 2010 s. 23

7.-(1) The Corporation shall, in relation to residual functions and powers of the Commission, assume, co-ordinate and perform the functions of-

- (a) determining the means by which the restructured specified public corporation is to be diversified;
- (b) conducting post privatisation monitoring and evaluation;
- (c) administering initial public offering of Government shares in the stock markets;
- (d) collecting debts owed to public enterprises arising from sale agreements;
- (e) procuring title deeds in respect of diversified public enterprises;
- (f) doing any other act as the Minister may in consultation with the Treasury Registrar direct or that is necessary for effective carrying on the purpose of this Act.

(2) In the performance of the functions stipulated in subsection (1), the Corporation shall make consultation with the responsible Minister, to whom the specified public corporation is accountable and the Treasury Registrar.

[s. 6A]

Management of Corporation

8.—(1) There shall be a Board of Directors of the Corporation which shall, subject to this Act, carry out the functions and manage the affairs of the Corporation.

(2) The Board shall consist of a Chairman who shall be appointed by the President, and five other members who shall be appointed by the Minister.

(3) The provisions of the Second Schedule to this Act, shall have effect as to the constitution and proceedings of the Board and other matters in relation to the Board.

(4) The Minister may, on the recommendation of the Board, by order published in the *Gazette*, vary or replace all or any of the provisions of the Second Schedule to this Act.

(5) The members of the Board shall be entitled to such remuneration, fees or other allowances for expenses as the Minister may, determine upon the recommendation of the Board.

(6) The President shall appoint a Director General of the Corporation who shall be the Chief Executive Officer of the Corporation.

(7) The Board may appoint such number of other employees of the Corporation as it may consider necessary for the proper and efficient conduct of the business and activities of the Corporation, and in particular the efficient and effective discharge of matters connected with the residual assets of the former bank.

[s. 7]

Power of Corporation in relation to residual assets Acts Nos. 10 of 2007 s. 9 26 of 2007 s. 5

9. Subject to the provisions of this Act, to the directions of the Minister and to any instruction which may be given by the Committee, the Corporation shall have and exercise in relation to all the residual assets and liabilities all the powers that the former bank, the LART, ATHCO, SIMU 2000 and Commission had in relation to them.

[s. 8]

PART III

REORGANISATION AND VESTING PROVISIONS

Former bank to
cease operation

10.—(1) With effect from the time at which the specified branches close for business on the 30th day of September, 1997, the former bank shall cease to carry on any business of any kind.

(2) The former bank shall, for purposes of this Act, be and be deemed to have been dissolved with effect from the effective date.

(3) With effect from the effective date, the former bank shall be reorganised and its affairs and business shall be taken over and conducted by persons specified by and in accordance with the provisions of-

- (a) this Act;
- (b) repealed the NBC (1997) Ltd Incorporation Act;
- (c) the National Microfinance Bank Limited Incorporation Act.

Act No.
21 of 1997
22 of 1997

[s. 9]

Vesting of assets
and liabilities of
former bank into
new entities

11.—(1) Consequent upon the split of the former bank into the Company, the NMB and the Corporation, all the assets and the liabilities relating to banking business, to which the former bank was entitled or subject, immediately before the vesting date shall, with effect from the 1st day of October, 1997, by virtue of this section and without further assurance-

- (a) in respect of the banking business in the specified branches constituting the Company, be transferred to and vest in the Company;
- (b) in respect of the banking business in the specified branches constituting the NMB, be transferred to and vest in the NMB;
- (c) in respect of the business of the Bureau, be transferred to and vest in the National Bureau de Change Limited;
- (d) in respect of the business of the Karadha Company Limited be transferred to and vest in the Corporation;

- (e) in respect of non-banking assets and liabilities and all other assets, liabilities and business of the former bank not transferred and vested by paragraph (a), (b), (c) or (d) of this subsection, be transferred to and vest in the Corporation.

(2) The Minister shall, within not more than twelve months from the vesting date and upon advice by the Committee, by notice published in the *Gazette*, determine the assets and liabilities allocated to the Company, the NMB, the Bureau and the Corporation respectively.

(3) It is hereby declared for the avoidance of doubt that, any reference in this Act or in any subsidiary legislation made under it-

- (a) to property of the former bank or any of its subsidiary companies, is a reference to its property whether situated in the United Republic or elsewhere; and
- (b) to the rights or liabilities of the former bank or any of its subsidiary companies, is a reference to the rights to which it is entitled or, as the case may be, to the liabilities to which it is subject, whether under the law of the United Republic, Tanzania Zanzibar or of any other jurisdiction outside the United Republic.

(4) The liabilities to which this section applies shall, as from the vesting date, be deemed to be liabilities of the Company, the NMB, the Corporation, and the former bank shall be discharged from its obligations in respect of every such liability.

(5) The liabilities referable to a depositor's deposit with a specified branch which are transferred by this section to a designated new entity, are liabilities to return his deposit and pay interest on it, if it was payable, at the rate prevailing immediately before the vesting date but, as from the vesting date, the rights, liabilities and obligations referable to the deposits shall become instead rights, liabilities and obligations incident to the relationship of customer and banker, and variable accordingly.

(6) The rules of the former bank shall not, by virtue of subsection (1), bind the designated new entity, but subsection (1), (4) and (5) of this section shall not affect the continuance in force of any direction, authority or power subsisting with reference to a customer's account with the former bank immediately before the transfer of the account to the Company or to the NMB.

(7) Every person who, immediately before the vesting date, was managing the affairs and business of the former bank in the specified branches or in a subsidiary company shall, upon and after the vesting date, do all things that are necessary or desirable, subject to such directions as the Committee may give, for the effectual transfer in accordance with this Act of the assets and liabilities of the former bank in the specified branches or in that subsidiary company subsisting immediately before the transfer.

(8) Where before the vesting date, any person, who was responsible for the management of the affairs and business of the former bank in the specified branches or in a subsidiary company does or purports to do, any lawful act in relation to the assets and liabilities of the former bank or subsidiary company which, if done after the transfer would be necessary or desirable for the more effectual transfer of the assets and liabilities of the former bank or subsidiary company, that lawful act shall be deemed to have been done under this Act, and its performance by such person shall not be called into question in any court by reason only of that act having been done before the vesting date.

(9) Notwithstanding the preceding provisions, a person shall not, after the enactment of this Act but before the vesting date, transfer or enter into any transaction which might, on or after the vesting date, result in the transfer of any of the assets of the former bank or of any of its subsidiary companies in any manner other than that provided for by this Act.

(10) Every chose-in-action transferred by subsection (1) to the Company, the NMB or the Corporation may, on or after

the vesting date, be used on, recovered or enforced by the Company, the NMB, the Bureau or the Corporation, as the case may be, in its own name; save that it shall be necessary for the Company, the NMB or the Corporation to give notice of the transfer effected by this subsection to the person bound by the chose-in-action.

(11) Every asset and liability transferred by subsection (1) to the Company, the NMB or the Corporation may, on or after the vesting date, be sued on, recovered or enforced by the Company, the NMB, the Bureau or the Corporation, as the case may be, in its own name; save that it shall be necessary for the Company, the NMB or the Corporation to give notice of the transfer effected by this subsection to the person bound by the chose-in-action.

(12) In the case of assets and liabilities arising under any loans which are transferred to and vest in the Company, the NMB, the Bureau or the Corporation on the vesting date, the Company, the NMB, the Bureau or the Corporation may enter into such arrangements or agreements over such assets, rights and liabilities with the Government of the United Republic or any other third party.

(13) Any assets and liabilities which are not vested either in the Company, the NMB, the Bureau or the Corporation shall, before the end of the transitional period, be transferred by the Committee to the Corporation or, subject to any direction of the Committee, be dealt with by the Company, the NMB or the Corporation, as the case may be, in such manner as the Minister shall determine.

(14) A Person who fails or refuses to comply with the provisions of this section, commits an offence and on conviction, shall be liable to a fine not exceeding one and a half million shillings or imprisonment for a term not exceeding four years or to both.

[s. 10]

Entertainment
of suit, claim or
matter in court
Act No.
10 of 2001 Sch.

12.–(1) Without prejudice to the generality of section 11, where a suit, claim or matter is or was filed in court against the Company, of which the cause of action arose on or before the effective date, that court shall dismiss such suit, claim or matter.

Cap. 257

(2) Where the court is satisfied that any suit, claim or matter instituted against the Company, relates to the reorganisation process or an act done in accordance with the Public Corporations Act, and the process or act has divested any right or liability of the Company, to the Corporation, it shall dismiss such suit, claim or matter.

Cap. 89

(3) Subject to the Law of Limitation Act, where any matter is dismissed pursuant to subsection (1) or (2), the plaintiff may institute such suit, claim or matter against the Corporation.

Cap. 257

(4) Subject to the provisions of subsections (1) and (2), where a suit, claim or matter filed in court against the Government relates to a cause of action which arose between the effective date and the closing date, which cause of action relates to a divestiture process done in accordance with this Act or the Public Corporations Act, such suit, claim or matter shall be dismissed.

(5) A suit, claim or matter dismissed under subsection (4) may be preferred against the Corporation and the provisions of subsection (6) shall apply *mutatis mutandis* to any decree obtained from a suit described under this section.

(6) Where before the closing date a decree is obtained against the Company in any suit, claim or matter which would be dismissed under subsections (1) and (2) herein, that decree shall be executed against the Corporation in the same way as a decree obtained against the Corporation in accordance with the provisions of this Act.

(7) Where a notice is served in accordance with section 10(11) in a liability contingent upon determination by a court, the plaintiff shall upon receipt of that notice substitute forthwith the Corporation as a party in place of the Company.

(8) For purposes of this section, “closing date” means the 30th day of April, 2000.

[s. 11]

PART IV

CONSEQUENTIAL AND TRANSITIONAL PROVISIONS

Transitional
period

13. There shall be a transitional period of not more than twelve months commencing from the vesting date within which, subject to this Act, all necessary measures shall be taken to facilitate the winding-up of the affairs and business of the former bank and its subsidiary companies, the effectual transfer and vesting of its assets and liabilities and the transfer and discharge of the affairs of the employees of the former bank.

[s. 12]

Transition
Management
Committee

14.-(1) There is hereby established a Committee to be known as the Transition Management Committee which shall consist of-

- (a) the Permanent Secretary to the Treasury, who shall be the Chairman;
- (b) the Chairman of the Commission;
- (c) the Attorney General or his representative;
- (d) the Treasury Registrar;
- (e) the Director of banking supervision in the Bank;
- (f) the Managing Director of the Company;
- (g) the Managing Director of the NMB;
- (h) the Director General of the Corporation; and
- (i) two other members appointed by the Minister.

(2) The Committee, shall subject to this Act and to such directions as the Minister may issue in that behalf, regulate the procedure for the conduct of its business, and be answerable to the Minister for the overall conduct of the transitional functions referred to in section 13.

(3) In the discharge of its duties under this Act, the Committee shall have power to-

- (a) identify for determination by the Minister the assets, liabilities, rights and business to be allocated to the

- designated new entities, and recommend the manner in which the same are to be allocated in furtherance of the provision of section 11;
- (b) impose on any of the designated new entities an obligation to enter into such written agreements with or in favour of, any other designated new entity;
 - (c) ensure that the transfer of all the assets and liabilities to the designated new entities is done in accordance with the policy decisions made by the Government of the United Republic and determine all issues and matters arising from and incidental to the transfer;
 - (d) determine all matters pertaining to the transfer of the employees and affairs of the former bank to the designated new entities;
 - (e) ensure that the transfer of any residual property, assets and liabilities of the former bank is done in an efficient and expeditious manner;
 - (f) make such supplemental, incidental or consequential provisions as it may deem appropriate, desirable, necessary or expedient for purposes of facilitating the smooth and speedy implementation of the reorganisation of the former bank.
- (4) The Bank shall provide secretarial and other facilities for the Committee.
- (5) The Committee and its supporting staff shall be paid such remuneration and allowances as the Minister may determine.
- (6) All the expenses of the Committee shall be funded by the Bank.

[s. 13]

15.-(1) The instruments to which this section applies are those instruments-

- (a) to which the former bank or any of its subsidiary companies is a party;
- (b) under which any money is or may become payable or any other property is to be, or may become liable to be

Provisions
concerning
instruments

transferred, conveyed or assigned to the former bank or its subsidiary company;

- (c) under which any money is, or may become, payable as any other property is to be, or may become liable to be transferred, conveyed or assigned, by the former bank or its subsidiary company,

which are subsisting at the vesting date and which relate to the asset or liability transferred to a designated new entity by virtue of this Act.

(2) An instrument to which this section applies shall, with effect from the vesting date and by virtue of this section continue in full force and effect and the designated new entity shall by this section-

- (a) be substituted for the former bank or its subsidiary company as a party to it;
- (b) under which any money is or may become payable or any other property is to be, or may become liable to be transferred, conveyed or assigned to the former bank or its subsidiary company;
- (c) be entitled to obtain a transfer, conveyance or assignment of, and enforce possession of any property which is to be transferred, conveyed or assigned under it;
- (d) be liable to make payment of any money payable under it; or
- (e) be liable to transfer, convey or assign any property which is to be transferred, conveyed or assigned under it, as the case requires.

(3) Where in relation to any instrument a doubt exists as to whether that instrument is one to which subsection (1) applies, the matter shall be referred by the Committee to the Minister and his ruling on the matter shall be final and binding on all the parties concerned.

(4) Where in an instrument to which the former bank is not a party, reference is made to the former bank or its subsidiary company and, in the opinion of the Minister, that reference

should be a reference to the former bank, the Minister may notify the parties that the reference in that instrument to the former bank or its subsidiary company shall be construed as reference to a designated new entity and, upon that notice being issued, that instrument shall take effect as if reference in the instrument to the former bank or its subsidiary company were reference to the Company, the NMB or the Corporation, as the case may be.

(5) The provisions of this section shall apply to testamentary instruments made before the vesting date whether the testator dies before or after that date.

(6) As regards negotiable instruments and orders for payment of money, this section shall apply to an instrument or order drawn, given, accepted or endorsed on or after the vesting date as it shall apply to one drawn, given, accepted or endorsed before that date.

(7) This section shall not be construed as-

- (a) validating or be deemed to validate an instrument or a term, covenant, condition or any other provision of an instrument to which this Act relates, which was invalid or unenforceable immediately before the vesting date; or
- (b) creating in favour of or against a designated new entity or any other party, any right or liability under an instrument to which this Act relates, which has ceased to be legally enforceable prior to the vesting date.

[s. 14]

Provisions
regarding
employees of
former bank

16.-(1) Subject to this Act, the employees of the former bank who are immediately before the effective date employees of that bank shall, with effect from the vesting date be transferred to and be employed by the Company, the NMB or the Corporation, as the case may be.

(2) The Committee shall, not later than the end of the transitional period, finally determine which of the employees of the former bank shall be employed by the Company, the NMB, the Bureau or the Corporation, as the case may be.

- (3) With effect from the vesting date-
- (a) the Company shall accept into its employment, subject to this Act, every person who immediately before the vesting date was employed by the former bank in the specified branches and is designated by the Committee for employment by the Company;
 - (b) the NMB shall accept into its employment, subject to this Act, every person who immediately before the vesting date was employed by the former bank in the specified branches and is designated by the Committee for employment by the NMB;
 - (c) the Bureau shall accept into its employment, subject to this Act, every person who immediately before the vesting date was employed by the former bank in the Bureau or in any of the specified branches and is designated by the Committee for employment by the Bureau;
 - (d) the Corporation shall accept into its employment, subject to this Act, every person who immediately before the vesting date was employed by the former bank and is designated by the Committee for employment by the Corporation.

[s. 15]

Provisions
applicable to
transferred staff

17.-(1) With effect from the vesting date, an employee transferred from the former bank shall be employed by the new employer on terms not less favourable than those applicable to him before his transfer.

(2) Subject to subsection (1), until such time as new schemes and terms and conditions of service are drawn-up by the designated new entities, the schemes and terms and conditions of service in the former bank shall continue to apply to every person transferred under section 16 to the service of the designated new entity as if he was still in the service of the former bank.

(3) Where any person who is transferred to the service of a designated new entity under section 16 is a member of any statutory or voluntary pension scheme or provident fund, he

shall for purposes of this Act continue to be governed by the same regulations under those schemes or fund as if he had not been transferred to the service of the designated new entity, and for purposes of the regulations governing those schemes, his services with the designated new entity shall be deemed to be service in the former bank.

[s. 16]

Continuation
and completion
of disciplinary
proceedings

18.—(1) Where immediately before the 1st day of October, 1997-

- (a) any disciplinary proceedings have been initiated against any employee of the former bank or its subsidiary company and such proceedings are still pending before the former bank or in the course of being heard or investigated by the former bank or had been heard or investigated by the former bank and no order or decision had been rendered thereon; or
- (b) any such employee has been interdicted or suspended, the Company, the NMB or the Corporation as the case may be shall-
 - (i) in the case of paragraph (a), carry on and complete the hearing or investigation and make an order or render a decision, as the case may be; and
 - (ii) in the case of paragraph (b), deal with such employee in such manner as it deems appropriate, having regard to the offence against him, including the institution and completion of disciplinary proceedings and the making of an order or the rendering of a decision as the case may be, as if those disciplinary proceedings had been commenced by the designated new entity to which the employee would be transferred for employment.

(2) Where on the 1st day of October, 1997, any penalty, other than dismissal, has been imposed on any employee of the former bank or its subsidiary company pursuant

to disciplinary proceedings conducted against him and the penalty has not been or remains to be, served by such employee, he shall on his transfer to the Company, the NMB or the Corporation, as the case may be, under section 16, serve or continue to serve that penalty to its full term as if it had been imposed by the designated new entity in question, and the penalty shall remain valid against the employee on his transfer and shall continue in full force and effect until he has served the penalty in full.

[s. 17]

Taxation

19. Notwithstanding anything contained in any written law, a transaction entered into or action taken in pursuance of the reorganisation of the former bank in accordance with the provisions of this Act, or the Acts providing for the incorporation of the designated new entities, shall not attract the charge of any tax or duty on the Company, the NMB, the Corporation or the Bank.

[s. 18]

Repeal

20. [Repeals the National Bank of Commerce (Establishment and Vesting of Assets and Liabilities) Act No. 1 of 1967.]

[s. 19]

Savings
Act No.
1 of 1967

21. Notwithstanding the repeal of the National Bank of Commerce (Establishment and Vesting of Assets and Liabilities) Act, all subsidiary legislation made under it in force immediately before the vesting date and which are required for the continuation of the business of the former bank or its subsidiary company shall continue in force until they are revoked or replaced.

[s. 20]

FIRST SCHEDULE*(Made under section 3)***BRANCHES OF THE FORMER BANK WHICH
CONSTITUTE THE COMPANY AND THE NMB LTD**

Region	NBC (1997) Ltd. Serial Branch No.	NBC Ltd. Serial Branch No.
Arusha	1. Clock Tower	1. Babati
	2. Uhuru	2. Karatu
	3. Namanga	3. Katesh
		4. Kibaya
		5. Loliondo
		6. Mbulu
		7. Monduli
		8. Mt. Meru
Coast	4. Tumbi	9. Kibaha
		10. Mafia
		11. Bagamoyo
		12. Chalinze
		13. Kibiti
		14. Kisarawe
Dodoma	5. Mazengo	15. Kondo
		16. Kongwa
		17. Mpwapwa
		18. Mtendeni
Iringa	6. Mshindo	19. Ludewa
	7. Njombe	20. Mafinga
	8. Mufindi	21. Makete
		22. Makambako
		23. Mkwawa
Kagera	9. Jamhuri Road	24. Biharamulo
		25. Bukoba
		26. Kanyigo
		27. Kayanga
		28. Muleba
		29. Ngara
Kigoma	10. Obed Katikaza	30. Kasulu
		31. Kibondo
Kilimanjaro	11. Kibo	32. Hai
	12. Nelson Mandela	33. Mawenzi
		34. Rombo
		35. Same
		36. Tarakea
		37. Mwanga
Lindi	13. Lindi	38. Kilwa Masoko
		39. Lindi
		40. Liwale
		41. Nachingwea

Mara	14. Forodhani	42. Bunda 43. Mugumu 44. Tarime
Mbeya	15. Karume Avenue	45. Chunya
	16. Mbalizi Road	46. Ileje
	17. Tukuyu	47. Kyela 48. Mbarali 49. Mbozi 50. Mwanjelwa 51. Tunduma
Metro Dar	18. Foreign	52. Bank House
	19. Samora	53. Kariakoo
	20. City Drive	54. Ilala
	21. Kawe	55. Magomeni
	22. Kichwele	56. Temeke
	23. Morogoro Road	
	24. Oysterbay	
	25. Pugu Road	
	26. Ubungo	
	27. Mnazi Mmoja	
	28. Mlimani	
	29. Muhimbili	
Zanzibar	30. Zanzibar Mjini Magharibi	57. ChakeChake
Morogoro	31. Mwere	58. Ifakara 59. Kilombero 60. Kilosa 61. Mahenge 62. Turiani 63. Wami
Mtwara	32. Shangani	64. Masasi 65. Mtwara 66. Newala 67. Ndanda
Mwanza	33. Nyerere Road	68. Geita 69. Magu 70. Misungwi 71. Kenyatta Road 72. Nansio 73. Ndugu 74. Sengerema
Rukwa	34. Sumbawanga	75. Mpanda 76. Nkasi

Ruvuma	35. Chabruma	77. Litembo 78. Mbinga 79. Tunduru
Shinyanga	36. Kizumbi	80. Bariadi 81. Kahama 82. Maswa 83. Mwanhuzi
Singida	37. Singida	84. Kiomboi 85. Manyoni
Tabora	38. Isike	86. Isunga 87. Nzega 88. Sikonge 89. Urambo
Tanga	39. Bank Street	90. Handeni 91. Lushoto 92. Muheza 93. Korogwe 94. Mombo 95. Ngamiani 96. Pangani
	40. Madaraka House	

SECOND SCHEDULE

THE BOARD OF DIRECTORS OF THE CORPORATION

(Made under section 8)

1.-(1) The Board shall be constituted according to section 8 of the Act.

(2) The members shall appoint one of their number to be the Vice-Chairman.

(3) The members, who shall work on part-time basis, shall hold office for a period of two years but may be re-appointed for such further period as the Minister may determine.

2.-(1) The Board shall meet for the discharge of business at such times and places as it may decide.

(2) The Chairman or, in his absence, the Vice-Chairman, shall preside at all meetings of the Board which he attends.

(3) Decisions of the Board shall be made by a simple majority of members present and voting and in the event of an equality of votes, the Chairman or other person presiding shall have a second or casting vote.

(4) The quorum at any meeting of the Board shall be four, one of whom shall be the Chairman or, in his absence the Vice-Chairman.

(5) The Board may at any time co-opt any person to act as an advisor at its meetings, but such person shall not be entitled to vote at the meeting.

(6) Any member who has any financial or other interest, whether direct or indirect, in any undertaking which is the subject matter of any decision before the Board, shall disclose in writing to the Board the nature of his interest and shall not participate in the discussion or decision of the Board relating to the matter.

(7) Any member who fails or refuses to disclose his interest under subparagraph (6) of this paragraph commits an offence and on conviction, shall be liable to be removed from the Board and to a fine not exceeding three hundred thousand shillings or imprisonment for a term not exceeding twenty-four months or to both.

(8) Subject to the preceding provisions, the Board shall regulate its own procedure.

3. The Board may on such terms and conditions as it may determine, appoint such committees as it may consider necessary to perform such functions or advise the Board on such matters as the Board may direct.

4. The members of the Board and the staff of the Board shall be paid such allowances as the Board may, from time to time, with the prior consent of the Minister, determine.

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