

Uganda

## Wood Industries Corporation Act Chapter 334

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# Uganda

## Wood Industries Corporation Act Chapter 334

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**An Act to establish a Wood Industries Corporation and to provide for other matters connected therewith or incidental thereto.**

### Interpretation

#### 1. Interpretation

In this Act, unless the context otherwise requires—

- (a) **"chairperson"** means the chairperson of the board appointed under [section 4](#);
- (b) **"custodian board"** means the Departed Asians' Property Custodian Board established by the Assets of Departed Asians Act;
- (c) **"Minister"** means the Minister responsible for forestry.

### Establishment, seal and functions of the corporation

#### 2. Establishment and seal of the corporation

- (1) There is established a corporation to be known as the Wood Industries Corporation.
- (2) The corporation shall have perpetual succession and a common seal and may sue or be sued in its corporate name, and may, in connection with the purposes of this Act, purchase, hold, manage and dispose of any property, and enter into such contracts, as may be necessary or expedient.
- (3) The application of the seal of the corporation shall be authenticated by the signatures of the chairperson, the general manager and a member of the board designated for that purpose by the board.
- (4) In the absence of the chairperson, two other members may be appointed by the board to sign in his or her place, and any person performing the functions of the general manager may sign in the absence of the general manager.
- (5) Every document purporting to be an instrument issued by the board and to be sealed with the seal of the board authenticated in the manner provided by this section shall be received and be deemed to be such an instrument without further proof unless the contrary is shown.

#### 3. Function of the corporation

- (1) The function of the corporation shall be to promote wood industries in Uganda.

- (2) Without prejudice to the generality of subsection (1), the corporation may, in the performance of its function under this Act, do any or all of the following—
  - (a) establish forest industries and wood processing industries;
  - (b) acquire shareholdings in any forest industry or wood processing industry;
  - (c) organise and control the management and staff of any company specified in the Schedule to this Act, hereafter referred to as a "specified company";
  - (d) trade in timber and other forest products; and
  - (e) do such other things as are necessary or incidental to the effective performance of the foregoing functions of the corporation.
- (3) The power to organise and control the management and the staff of any specified company shall extend to the giving of such technical and managerial advice as is necessary to enhance the efficiency of any such company.
- (4) In the management of the specified companies, the corporation shall ensure that the funds of each company are not mixed with those of another notwithstanding that the corporation may maintain a common fund to which the income from each company may be credited.

## **The board**

### **4. Board of the corporation**

- (1) The governing body of the corporation shall be a board.
- (2) The board shall consist of a chairperson and not less than four nor more than six other members.
- (3) The chairperson and the other members shall be appointed by the Minister upon such terms and conditions as may be specified in the instruments of appointment and shall serve for a period of two years.
- (4) Any member of the board may resign his or her office by writing under his or her hand addressed to the Minister, or may be removed from office by the Minister for inability to perform the functions of his or her office or for any other sufficient reason.
- (5) Any member of the board ceasing to hold office shall be eligible for reappointment.

### **5. Meetings of the board**

- (1) The board shall meet for the discharge of its functions under this Act at least once every month at such time and place as the chairperson may appoint or upon the request in writing of three members of the board.
- (2) The chairperson shall preside at all meetings of the board, and in his or her absence such member of the board as the members present shall appoint shall preside.
- (3) The board may invite any number of persons to act as consultants or advisers at any of its meetings as it may think fit.
- (4) Questions proposed at a meeting of the board shall be determined by a simple majority of the members of the board present and voting; and in the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.
- (5) Four members shall form a quorum.
- (6) Any member of the board who has any personal interest in any transaction of the board or any matter before the board shall disclose the nature of his or her interest to the board and shall be disqualified from taking part in the deliberations of the board with respect to that transaction or

matter; and the failure to make any disclosure required by this section may constitute a sufficient reason for the removal of the member from the board.

- (7) Subject to subsections (1) to (6), the board may regulate its own procedure.

## **6. Remuneration of board members, etc.**

The chairperson and the other members of the board and any other person attending any meeting of the board may be paid such remuneration or allowances as the Minister may, after consultation with the Minister responsible for finance, determine.

## **Staff**

### **7. General manager**

- (1) The corporation shall have a general manager and other senior management staff who shall be appointed by the Minister for such period and upon such terms and conditions as the Minister may determine.
- (2) The general manager shall devote his or her full time to the affairs of the corporation.
- (3) Subject to this Act and to the general control of the board on matters of policy, the general manager shall be responsible for the management of the funds, property and business of the corporation and for its administration and organisation and the control of the staff of the corporation.

### **8. Staff of the corporation**

- (1) The board may, subject to [section 7](#), from time to time, and on such terms and conditions as it thinks fit, appoint such officers and employees as may be necessary for the proper and efficient discharge of the functions of the corporation, and may also delegate to the general manager either alone or together with other persons the power to appoint such class of employees as it may specify.
- (2) Public officers may be seconded to the corporation or otherwise give assistance to it.
- (3) The board may grant pension, gratuities or retiring benefits to the officers and other employees of the corporation and may require them to contribute to any pension, provident fund or superannuation scheme.
- (4) No matter or thing done by any employee of the corporation shall, if it is done *bona fide* for the purposes of executing any provision of this Act, subject any such employee or any person acting by his or her direction to any civil liability.

## **Financial provisions**

### **9. Funds of the corporation**

The funds of the corporation shall consist of—

- (a) any grant from the Government of a capital nature;
- (b) any loan raised by the corporation for the purposes of its functions under this Act;
- (c) any monies that may become payable to the corporation in the discharge of its functions under this Act.

## 10. Borrowing powers

- (1) The corporation may, subject to the approval of the Minister, in consultation with the Minister responsible for finance, borrow sums required by it for meeting any of its obligations or discharging any of its functions under this Act.
- (2) An approval given under subsection (1) may be either general or limited to a particular borrowing or otherwise and may be either unconditional or subject to conditions.
- (3) A person lending money to the corporation shall not be bound to inquire whether the borrowing of money is within the power of the Corporation.

## 11. Estimates

- (1) The corporation shall, within such period from the end of each financial year as the Minister shall determine, make and submit to the Minister for his or her approval estimates of the income and expenditure of the corporation for the next ensuing year.
- (2) No expenditure shall be made out of the funds of the corporation unless the expenditure has been approved by the Minister under the estimates for the year in which the expenditure is to be made or in any other estimates supplementary to those estimates.

## 12. Corporation to operate on sound financial principles

In the discharge of its functions under this Act, the corporation shall so conduct its business that taking one transaction with another, and taking one year with another—

- (a) its revenue is sufficient for meeting all charges including interest on capital and loans properly chargeable to revenue account;
- (b) sufficient provision is made to provide for depreciation of assets; and
- (c) where any loss or bad debt arises in respect of any transaction, provision is made in respect of other transactions whether of similar nature or otherwise, to offset the amount of such loss or debt.

## 13. Investments

The corporation may invest any monies under its control in any investment or project approved by the Minister in consultation with the Minister responsible for finance.

## 14. Accounts and audit

- (1) The corporation shall keep proper books of account and proper records in relation to them.
- (2) For the purposes of this section, proper books of account shall be deemed not to have been kept with respect to the business of the corporation if there are not kept such books as are necessary to give a true and fair view of the state of the affairs of the corporation and to explain its transactions.
- (3) The accounts shall, in respect of every financial year, be subject to audit by the Auditor General or an auditor appointed by him or her.
- (4) The Auditor General shall deliver to the Minister a copy of the audited accounts of the corporation not later than six months from the end of the financial year to which they relate.
- (5) The Minister shall lay before Parliament a copy of the audited accounts delivered under subsection (4).
- (6) In this section, "financial year" means the period of twelve months ending on 31st December, or such other period of twelve months as the Minister, by writing under his or her hand, may authorise the corporation to adopt as its financial year.

## Miscellaneous provisions

### 15. Transfer of property

- (1) Subject to such terms and conditions regarding periodic payments as may be stipulated by the custodian board, there is transferred to the corporation the whole of the shares in each of the specified companies.
- (2) For the avoidance of any doubt, the transfer of shares effected by subsection (1) shall not affect the continuance of any specified company as a separate entity or any liability or obligation owed by the company; and pursuant to [section 3\(4\)](#), each specified company shall maintain its own separate accounts, subject to the Companies Act and the direction of the corporation.
- (3) The Minister may, in consultation with the custodian board and the Minister responsible for finance, amend the Schedule to this Act.

### 16. Minister's power of direction

The Minister may, subject to this Act, give to the corporation written directions of a general or specific nature relating to the functions of the corporation, and the corporation shall be bound to comply.

### 17. Annual reports

The corporation shall, not later than six months after the end of each financial year, make and submit to the Minister a report showing the performance of the corporation during that financial year, including the extent to which any direction given by the Minister during that financial year has been carried out.

### 18. Byelaws

- (1) The board may, with the prior approval of the Minister, make byelaws not inconsistent with this Act regulating the following matters—
  - (a) procedure at the meetings of the board;
  - (b) terms and conditions of service of the officers and employees of the corporation;
  - (c) welfare schemes for the employees of the corporation;
  - (d) legal proceedings by or against the corporation;
  - (e) the custody of the seal of the corporation; and
  - (f) generally the conduct of the business of the corporation, including the control of the management and staff of the specified companies.
- (2) Notwithstanding the Interpretation Act, it shall not be necessary to publish in the *Gazette* the byelaws made by the board under this section, but the byelaws may be published in such manner as the board, with the approval of the Minister, may think fit.

### 19. Regulations

The Minister may, in consultation with the board, make regulations—

- (a) for ensuring against undue shortage of timber and other processed wood in Uganda;
- (b) requiring that the export and marketing of timber and other processed wood outside Uganda is carried out through or by the corporation exclusively; and
- (c) generally for better carrying out the provisions and principles of this Act.

**Schedule (Section 3)****Specified companies**

1. Associated Sawmills, P.O. Box 6, Kaliro
2. Bombo Sawmills Ltd., Buvuma Islands
3. Budongo Sawmills, P.O. Box 15, Masindi
4. East African Sawmills Ltd., P.O. Box 17, Kampala
5. Kagera Sawmills (Impregnation) Ltd., P.O. Box 616, Kampala (including the holdings of the company at Kibale and Itwara).
6. Kalinzu Sawmills Ltd., P.O. Box 65, Kasese (consisting of the holdings of the company at Katonya and Nkombe)
7. Kyehara Sawmills Ltd., P.O. Box 50, Fort Portal
8. Mafuga Sawmills, P.O. Box 9, Kabale
9. Muvule Furniture Mart, P.O. Box 215, Jinja
10. Partap Sawmills Ltd., Masindi, Bunyoro
11. Sikh Sawmills and Ginners Ltd., P.O. Box 215, Jinja (including the holdings of the company at Hoima and Bugoma)
12. Tim Properties Ltd., P.O. Box 616, Kampala
13. Uganda Timber and Joiners Ltd., P.O. Box 1665, Jinja (including the holdings of the company at Ngogwe)