

Uganda

## Uganda Steel Corporation Act Chapter 332

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# Uganda Steel Corporation Act

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# Uganda

## Uganda Steel Corporation Act Chapter 332

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**An Act to make provision for the establishment of a steel corporation for Uganda and 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 industry.

### 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 Uganda Steel Corporation.
- (2) The corporation shall have perpetual succession and a common seal and may sue or be sued in its corporate name.
- (3) The corporation may, for and in connection with its functions under this Act, purchase, hold, manage and dispose of any property and may enter into such contracts and other transactions as may be expedient.
- (4) The application of the seal of the corporation on any document shall be authenticated by the signatures of the chairperson and the general manager, and in the absence of the chairperson two other members of the board designated in that behalf by the board shall sign in place of the chairperson.
- (5) Every document purporting to be an instrument issued by the corporation and to be sealed with the seal of the corporation 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. Functions of the corporation

- (1) The functions of the corporation shall be—
  - (a) to manufacture steel from iron or ferrous scrap matter;

- (b) to manufacture iron and steel products, including iron and steel plates, bars, screws, wire, nails and girders;
  - (c) to organise and control the management of any enterprise or company specified in the Schedule to this Act, hereafter referred to as a "specified company";
  - (d) to establish, promote, finance or otherwise acquire and manage other industrial undertakings in the manufacture of steel;
  - (e) to serve as adviser to the Minister on any matter concerning the iron and steel industry in Uganda; and
  - (f) generally to do all such things as are necessary for, or conducive to, the promotion and the development of iron and steel industry in Uganda.
- (2) Without prejudice to the effect of subsection (1), the corporation shall—
- (a) supervise and, as far as possible, coordinate the affairs and activities of the specified companies;
  - (b) provide such technical and managerial services to the specified companies as would enhance the efficiency of those companies;
  - (c) ensure that a specified company conducts its business on sound commercial principles;
  - (d) ensure, in respect of the trading activities of a specified company, that the company—
    - (i) takes such steps as may be necessary, including the adoption of sound principles of pricing and cost structures, to avert excessive costs to the consumer;
    - (ii) avoids undue shortages in the normal supply of the iron and steel products which a specified company produces or is required to produce;
  - (e) advise on the criteria for the appointment and promotion of staff in the service of the specified companies, the terms and conditions of staff and the deployment of staff in, or for the purposes of, any specified company;
  - (f) assist any specified company in the formulation of the annual and long-term plans of the company, including the preparation of estimates and the investment of funds by the company;
  - (g) give advice, not inconsistent with the regulations of any specified company, relating to the financial administration and accounting procedures of the company and inspect at all reasonable times the accounts and financial records of the company;
  - (h) require any specified company to which the board has provided any service, to pay to the board such fees as the Minister may, after consultation with the Minister responsible for finance, approve.
- (3) A specified company to which the board gives any advice shall comply with that advice, and any officer responsible for any failure by any such company to comply as required by this section shall be liable to such disciplinary measures as the Minister may deem fit.
- (4) In the exercise of its functions under this Act, the board shall not give any advice which has the effect of mixing the funds of any specified company with those of another or diverting funds from one such company to another.
- (5) Where an officer of a specified company decides not to comply with any lawful advice given by the board, he or she shall, within fourteen days of receiving the advice of the board, notify the Minister of his or her decision together with his or her reasons; and the Minister shall, after that notification, decide whether the advice of the board shall prevail or not.
- (6) This section shall have effect notwithstanding any provision of the Companies Act or of any other law to the contrary.

- (7) For the purposes of subsections (3) and (5), "officer" has the same meaning as assigned to it in the Companies Act.

## **The board**

### **4. The board**

- (1) The governing body of the corporation shall be a board consisting of a chairperson and not less than six nor more than eight other members.
- (2) The chairperson and the other members of the board shall be appointed by the Minister for a period of two years and upon such terms and conditions as may be specified in the instruments of appointment.
- (3) 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.
- (4) 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 two months at such time and place as the chairperson may appoint or upon the request to the chairperson in writing of at least 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.
- (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) Five members shall form a quorum.
- (6) A member of the board who has any personal interest in any transaction or 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 failure to make any disclosure required by this section may constitute sufficient reason for the removal of the member from the board.
- (7) Where the failure to make the disclosure required by this section results in such material or financial loss as is mentioned in section 307 of the Penal Code Act, the removal of the member from the board shall not preclude any legal proceedings that may be taken against the member in respect of any such loss.
- (8) Subject to subsections (1) to (7), the board may regulate its own procedure.

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

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 approve.

### **7. General manager**

- (1) The board shall have a general manager appointed by the Minister for such period and upon such terms and conditions as the Minister may, subject to this Act, determine.

- (2) Every employee of the corporation shall be a full-time employee of the board and shall, in the performance of his or her duties, be responsible to the board.
- (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 board, the administration and organisation of its affairs and the control of its staff.

## Staff

### 8. Staff of the corporation

- (1) The board may, with the approval of the Minister, from time to time and on such terms and conditions as it thinks fit—
  - (a) appoint such other officers and employees as may be necessary for the proper and efficient discharge of the functions of the board;
  - (b) grant pensions, gratuities or retiring allowances to the staff and employees of the board and require them to contribute to any pension, provident fund or superannuation scheme.
- (2) Public officers may be seconded to the corporation.
- (3) No matter or thing done by an officer or employee of the board shall, if it is done *bona fide* for the purposes of executing any provision of this Act, subject any such officer, employee or any other person acting under his or her direction to any civil liability.

## Financial provisions

### 9. Funds of the board

- (1) The funds of the board shall consist of—
  - (a) any grant of a capital nature from the Government;
  - (b) any loan from the Government or any person; and
  - (c) any monies that may become payable to the board in the discharge of its functions under this Act.
- (2) All monies received by the board shall be deposited to the credit of the board in a bank approved by the Minister.

### 10. Borrowing powers

- (1) The board may, with the prior approval of the Minister, in consultation with the Minister responsible for finance, borrow such sums of money as are 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.

### 11. Estimates

- (1) The board 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 board for the next ensuing year.

- (2) No expenditure shall be made out of the funds of the board 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. Investment

The board may invest any money under its control in any project approved by the Minister in consultation with the Minister responsible for finance.

## 13. Accounts and audit

- (1) The board 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 board if there are no such books as are necessary to give a true and fair view of the state of the affairs of the board and to explain its transactions.
- (3) The account 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 board 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 may, by writing under his or her hand, authorise the board to adopt as its financial year.

## Miscellaneous provisions

## 14. Transfer of property

- (1) The whole of the shares in each of the specified companies, except those owned by any individual, immediately before the commencement of this Act, are transferred to the board, subject to the following conditions—
  - (a) in respect of any shares held by an individual for the avoidance of doubt only, any rights in the company, including the rights to participate in the management of the company conferred by those shares, shall not be affected by the transfer;
  - (b) in respect of any shares held by the custodian board, the transfer shall operate, subject to such terms and conditions regarding periodic payments as may be stipulated by the custodian board;
  - (c) except as provided in paragraph (b), no monies shall become payable to any other statutory corporation whether by way of compensation or otherwise, on account of the transfer effected by this section.
- (2) For the avoidance of doubt, the transfer of shares effected by this section shall not affect the continuance of any specified company as a separate entity or any liability or obligation owed by such company; and pursuant to [section 4\(3\)](#), each specified company shall maintain its 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, by statutory instrument, amend the Schedule to this Act.

## 15. Minister's power of direction

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

## 16. Annual reports

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

## 17. Regulations

The Minister may, after consultation with the board, make regulations generally for better carrying out the provisions and principles of this Act.

## 18. Byelaws

- (1) The board may, with the prior approval of Minister, make byelaws not inconsistent with this Act generally for 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 those byelaws may be published in such manner as the board, with the approval of the Minister, may think fit.

### Schedule (Sections 3, 14(3))

#### Specified companies

1. E.A. Steel Products Limited, P.O. Box 1179, Jinja
2. Kalamu Limited
3. Miltires Limited
4. Steel Manufacturers of East Africa Limited
5. The Iron Deposit Project, Kigezi
6. The Magnetite Project, Tororo
7. Tororo Works Limited
8. Uganda Baati Limited
9. Uganda Hoes Limited
10. Uganda Metal Industries Limited, Jinja
11. Uganda Metal Products and Enamelling Company Limited