

Uganda

## National Tobacco Corporation Act Chapter 316

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# Uganda

## National Tobacco Corporation Act Chapter 316

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

### Interpretation

#### 1. Interpretation

In this Act, unless the context otherwise requires—

- (a) "**board**" means the governing body constituted under section 4;
- (b) "**chairperson**" means the chairperson of the board;
- (c) "**corporation**" means the National Tobacco Corporation established under section 2;
- (d) "**director**" means a director of the board and includes the chairperson;
- (e) "**financial year**" means the period of twelve months ending on the 31st day of December, or such other period of twelve months as the Minister may, by writing under his or her hand, authorise the corporation to adopt as its financial year;
- (f) "**managing director**" means the managing director of the corporation;
- (g) "**secretary**" means the secretary of the corporation.

### Establishment and seal of the corporation

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

- (1) There is established a body to be known as the National Tobacco Corporation.
- (2) The corporation shall be a body corporate having perpetual succession and a common seal and may sue or be sued in its corporate name and, subject to this Act, may do or suffer all such other things as bodies corporate may lawfully do or suffer.
- (3) The application of the seal of the corporation on any document shall be authenticated by the signature of the chairperson, a director and the managing director.
- (4) In the absence of the chairperson, two other directors may sign in his or her place, and the person performing the functions of the managing director may sign in the absence of the managing director.
- (5) The signatures of the chairperson, the director and the managing director shall be independent of the signature of any other person who may sign any such document as a witness.

- (6) 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. Function of the corporation**

- (1) The function of the corporation shall be to promote the tobacco industry 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) process and manufacture tobacco;
  - (b) market tobacco leaf and manufactured tobacco;
  - (c) be exclusively responsible for the export and the marketing of tobacco leaf and manufactured tobacco outside Uganda;
  - (d) invest any surplus funds in any project intended for the development of the tobacco industry;
  - (e) make appropriate recommendations to the responsible Ministry in matters attaching to the tobacco industry; and
  - (f) do such other things as are conducive or incidental to the effective performance of the foregoing functions of the corporation.

## **The board**

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

- (1) The governing body of the corporation shall be a board.
- (2) The board shall consist of the managing director and not less than six and not more than eight other directors, one of whom shall be its chairperson.
- (3) A director, including the chairperson, shall be appointed by the Minister for a period of three years and upon such terms and conditions as may be specified in the instrument appointing him or her.
- (4) A director may resign his or her office by writing under his or her hand addressed to the Minister, and the Minister may remove any director from office for inability to perform the functions of his or her office or for any other sufficient reason.
- (5) If the office of a director becomes vacant otherwise than by effluxion of time, the Minister may appoint another person to hold office in his or her place.
- (6) A person appointed under subsection (5) shall cease to hold office on the date when the person in whose place he or she holds office would have ceased to hold office in accordance with this Act.
- (7) A director ceasing to hold office shall be eligible for reappointment.

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

- (1) The board shall meet at least once every three months or upon the request in writing to the chairperson by at least three directors of the board at such time and place as the chairperson may appoint.
- (2) The chairperson shall preside at all meetings of the board at which he or she is present, and in his or her absence such director, other than the managing director, as the directors present may elect shall preside.

- (3) The board shall, as it deems fit, invite any person to act as consultant or adviser at any of its meetings.
- (4) Questions proposed at a meeting of the board shall be determined by a simple majority of the directors 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 directors (including the chairperson) shall form a quorum at every meeting of the board.
- (6) A director 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 the disclosure required by this section may constitute sufficient reason for the removal of the director from the board.
- (7) Subject to subsections (1) to (6), the board may regulate its own procedure.

## 6. Remuneration of directors

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

## Staff

### 7. Managing director

- (1) The board shall have a managing director appointed by the Minister for such period and upon such terms and conditions as the Minister may determine.
- (2) The managing director shall be the chief executive officer of the corporation and shall attend board meetings as an *ex officio* member without a vote.
- (3) The managing director shall, from time to time, keep the chairperson informed of the progress of the corporation business.
- (4) The chairperson may, from time to time, in writing, direct the managing director to submit a report on any matter affecting the affairs of the corporation.
- (5) Subject to this Act and the general supervision and control of the board, the managing director shall be responsible for the management of the funds, property and business of the corporation and for the administration, organisation and control of the staff of the corporation.

### 8. Deputy managing director

- (1) There shall be a deputy managing director who shall be appointed for such period and upon such terms and conditions as the Minister may, in consultation with the board, determine.
- (2) The deputy managing director shall discharge such duties as are assigned to him or her by the board.
- (3) In the absence of the managing director, the deputy managing director may exercise such powers as are exercisable by the managing director.

### 9. Secretary of the corporation

- (1) The corporation shall have a secretary who shall be appointed by the Minister on such terms and conditions as the Minister may determine.

- (2) In addition to any functions conferred upon him or her by the Minister, the secretary shall have the custody of the seal of the corporation and be responsible for—
  - (a) taking minutes of the meetings of the board; and
  - (b) keeping records of all transactions of the corporation.

#### 10. Staff of the board

- (1) The board may—
  - (a) from time to time, appoint such officers and employees as may be necessary for the proper and efficient performance of the functions of the corporation; and
  - (b) with the approval of the Minister, and on such terms and conditions as he or she thinks fit, fix remuneration, grant pensions, gratuities or other benefits on retirement or termination of service of the officers or employees of the corporation and require them to contribute to any pension, provident fund or superannuation scheme.
- (2) Public officers may be seconded to the corporation.
- (3) Nothing done by an officer or employee of the corporation shall, if it was done *bona fide* for the purpose of carrying the provisions of this Act into effect, subject him or her to any civil liability.

### Financial provisions

#### 11. Funds of the corporation

The funds of the corporation shall consist of—

- (a) any loan from any source;
- (b) any grant from the Government;
- (c) any borrowing;
- (d) any funds that may become payable to the corporation in the performance of its functions under this Act.

#### 12. 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 performing 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 powers of the corporation.

#### 13. Estimates

- (1) The corporation shall, within such period before 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.

#### **14. Corporation to operate on sound financial principles**

In the performance of its functions under this Act, the corporation shall have due regard to sound financial principles and shall so conduct its business in such manner 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 a similar nature or otherwise to offset the amount of that loss or debt.

#### **15. 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 affairs of the corporation and explain its transactions.
- (3) The accounts shall, in respect of every financial year, be subject to audit by the Auditor General or any auditor appointed by him or her.
- (4) The Auditor General shall submit to the Minister a copy of the audited accounts of the corporation not later than six months after the end of each financial year to which they relate, or such other time not exceeding nine months, as the Minister may determine.
- (5) The Minister shall lay before Parliament a copy of the audited accounts submitted under subsection (4).

#### **16. Annual reports**

- (1) 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.
- (2) The Minister shall lay before Parliament a copy of the report submitted under subsection (1).

### **Miscellaneous**

#### **17. Transfer of property and assets**

- (1) The whole of the shares in each of the subsidiary companies and projects specified in the Schedule to this Act and any interest or right appertaining to such subsidiary company or project are transferred to the board.
- (2) The Minister may, by statutory instrument, amend the Schedule to this Act.

#### **18. Minister's power of direction**

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

#### **19. Regulations**

The Minister may make regulations for better carrying out the provisions and principles of this Act.

## **Schedule (Section 17)**

### **Property and assets transferred to the board**

1. Printpak (U) Ltd.
2. Small Holders Tobacco Project.
3. Uganda Packaging Industries.