

CHAPTER 315

THE NATIONAL TEXTILES BOARD ACT.

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CHAPTER 315

THE NATIONAL TEXTILES BOARD ACT.

Commencement: 7 October, 1974.

An Act to establish a National Textiles Board for better management and control of the textile industry in Uganda and for other matters connected therewith.

Interpretation.

1. Interpretation.

In this Act, unless the context otherwise requires—

- (a) “chairperson” means the chairperson of the board appointed under section 3;
- (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 commerce or for industry.

Establishment and functions of the board.

2. Establishment of the board.

(1) There is established a board to be known as the National Textiles Board, in this Act referred to as the “board”.

(2) The board shall be a body corporate with 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 or other transactions, as may be necessary or expedient.

(3) The seal of the board 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. Composition of the board.

(1) The board shall consist of a chairperson and eight other members, three of whom shall be ex officio members representing, respectively—

- (a) the Ministry responsible for industry;
- (b) the Ministry responsible for agriculture; and
- (c) the Ministry responsible for finance.

(2) The chairperson and the other members of the board shall be appointed by the Minister upon such terms and conditions as may be specified in the instruments of appointment, and shall, subject to the eligibility for reappointment, serve for a period of two years.

(3) A 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 cause.

4. Functions of the board.

(1) The functions of the board are—

- (a) to engage in the production, processing, manufacturing or distribution of textiles;
- (b) to initiate, organise, assist, finance or carry out research relating to the textile industry, whether solely by itself or in conjunction with any other person or authority, and for that purpose to establish and administer research institutions and other similar bodies;
- (c) to organise and control the management of any 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 businesses in textiles;
 - (e) to serve as adviser to the Minister on any matter concerning the textile industry; and
 - (f) generally to do all such things as are necessary for or conducive to the promotion of the proper development of the textile industry in Uganda.
- (2) Without prejudice to the effect of subsection (1), it shall be the duty of the board—
- (a) to supervise and, as far as possible, to coordinate the affairs and activities of the specified companies;
 - (b) to provide such technical and managerial services to the specified companies as would enhance the efficiency of those companies;
 - (c) to ensure that a specified company conducts its business on sound commercial principles;
 - (d) to 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 textiles in Uganda;
 - (e) to 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) to 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) to give advice, not inconsistent with the regulations of any specified company, relating to the financial administration and accounting procedures of the company and to inspect at all reasonable times the accounts and financial records of that company;
 - (h) to 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 and the Minister responsible for planning, 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 such 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.

Meetings of the board.

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 to the chairperson 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 this section, the board may regulate its own procedure.

6. Committees of the board.

(1) There shall be such number of committees of the board as the board may determine.

(2) A committee shall consist of a chairperson, such members of the board and such other persons as the board may appoint, so, however, that the chairperson shall be a member of the board.

(3) The board may invite any number of persons to act as consultants or advisers to any committee.

(4) A committee shall have such functions as may be conferred on it by the board; and where a committee is appointed as a specialised agency of the board, the board may delegate to that committee any of its powers in connection therewith.

7. 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.

Staff.

8. 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) The general manager 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.

9. Staff of the board.

(1) The board may, 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 board.

(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.

10. Funds of the board.

(1) The funds of the board shall consist of—

- (a) any grant from the Government of a capital nature;
- (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.

11. 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.

12. 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.

13. 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.

14. 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 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 board not later than six months from the end of the financial year to which they relate.

(5) The Minister shall lay before the Cabinet 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.

15. 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) that, 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) that, 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) that, except as provided in paragraph (b) of this subsection, 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 obligations owed by such company and,

pursuant to section 4(4), 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, amend the Schedule to this Act.

16. 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.

17. 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.

18. Regulations.

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

Schedule.

ss. 4,15.

Specified companies.

1. African Furnishing House, Kampala Road, Kampala
2. African Textile Mill Limited, P.O. Box 242, Mbale
3. Lebel (EA.) Limited
4. Mulco Textile Limited, P.O. Box 472, Jinja
5. Nyanza Textile Industries Limited, P.O. Box 408, Jinja
6. Uganda Bags and Hessian Mills Limited, P.O. Box 105, Tororo
Uganda Blanket Manufacturers (1973) Ltd., P.O. Box 2400,
Kampala
8. Uganda Garment (1973) Ltd., P.O. Box 78, Jinja
9. Uganda Rayon Textiles, P.O. Box 4211, Kampala
10. Uganda Spinning Mill Limited, P.O. Box 333, Lira
11. United Garment Industries Ltd., P.O. Box 4378, Kampala

History: Decree 22/1974; S.I. 88/1974, S.I. 118/1976.

Cross References

Assets of Departed Asians Act, Cap. 83.
Companies Act, Cap. 110. Penal Code Act,
Cap. 120.