

GOVERNMENT OF ZAMBIA

ACT

No. 24 of 2005

Date of Assent: 28th September, 2005

An Act to amend the Development Bank of Zambia Act.

[7th October, 2005

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Development Bank of Zambia (Amendment) Act, 2005, and shall be read as one with the Development Bank of Zambia Act, in this Act referred to as the principal Act.

Short title

Cap. 363

2. Section *two* of the principal Act is amended by the insertion in the appropriate place of the following new definition:

Amendment
of section 2

“ Bank of Zambia ” means the Bank of Zambia established under the Bank of Zambia Act; and

Act No. 43 of
1996

“ financial business ” has the meaning assigned to it by the Banking and Financial Services Act;

Cap. 387

3. Section *three* of the principal Act is amended —

Amendment
of section 3

(a) by the re-numbering of the paragraph in that section as subsection (1); and

(b) by the insertion after subsection (1) of the following new subsections:

(2) The Bank is a financial business for purposes of the Banking and Financial Services Act.

Cap. 387

(3) Notwithstanding subsection (2), the Bank shall be deemed to be a financial institution for purposes of Part 2 of Chapter VI and Chapter VII of the Banking and Financial Services Act.

Cap. 387

(4) After the date of the coming into force of this Act, the Bank of Zambia may prescribe such transition periods as are appropriate to permit the Bank to achieve compliance with the licensing and other requirements of the Banking and Financial Services Act.

Cap. 387

Amendment
of section 44. Section *four* of the principal Act is amended —

(a) by the deletion of subsection (6) and the substitution therefor of the following new subsection:

(6) A person shall not be appointed to, or continue to hold office on, the Board of Directors unless the person satisfies the requirements for appointment as stipulated in subsection (1) of section *thirty-one* of the Banking and Financial Services Act;

Cap. 387

(b) in subsection (11) by the insertion of the words “in addition to the requirements of the Banking and Finance Services Act” before the words “whenever the Board”;

(c) by the deletion of subsection (12); and

(d) by the renumbering of subsection (13) as (12).

Amendment
of section 85. Section *eight* of the principal Act is amended by the deletion of subsection (3) and the substitution therefor of the following:

(3) Subject to the other provisions of this Act, the Board may delegate any of its powers to the Managing Director to the same extent that the Board of directors of a company incorporated under the Companies Act may confer powers on the managing director of such company:

Cap. 388

Provided that any delegation of power by the Board to the chief executive officer shall not diminish the responsibility of the Board for the management of the Bank.

Amendment
of section 126. Section *twelve* of the principal Act is amended —

(a) by the numbering of the paragraph in that section as subsection (1);

(b) by the insertion in subsection (1) of the words “Subject to the provisions of the Banking and Financial Services Act” and a comma before the words “The business of the Bank”; and

Cap. 387

(c) by the insertion immediately after subsection (1) of the following new subsection:

(2) The business of the Bank shall be conducted in compliance with this Act and with the Banking and Financial Services Act.

7. Section *fifteen* of the principal Act is amended by the insertion in paragraph (e) of the words “ subject to section *sixty-nine* of the Banking and Financial Services Act ” and a comma before the words “ the payment of such dividends ”.

Amendment
of section 15

8. Section *seventeen* of the principal Act is amended in subsection (3) by the insertion of the following new proviso:

Amendment
of section 17

Provided that the limitations on the Bank’s lending as specified in paragraph (a) or (b) of this section shall be in addition to the limitation placed on the Bank by the Banking and Financial Services Act.

Cap. 387

9. Section *twenty-three* of the principal Act is amended—

Amendment
of section 23

(a) in subsection (2) by the insertion of a comma and the words “ subject to section *sixty-three* of the Banking and Financial Services Act ” after the words “ financial year shall ”;

(b) in subsection (3) by the deletion of the word “ Minister ” and the substitution therefor of the words “ Bank of Zambia. ”

(c) in subsection (4) by the insertion after the words “ income and expenditure of the Bank ” of the words “ and shall be entitled to require from the members of the Board, the chief executive officer or any person concerned in the management of the Bank such information and explanations as the auditor requires to perform the auditor’s duties under this Act. ”; and

(d) by the insertion immediately after subsection (4) of the following new subsections:

(5) An auditor appointed under this section shall submit to the Board a report written in accordance with subsection (2) of section *sixty-four* of the Banking and Financial Services Act.

Cap. 387

(6) The Board shall, within three months from the end of each financial year, submit a copy of the report of the auditor, together with a copy of the annual financial statement to the Bank of Zambia.

Insertion of
new Part
VA

10. The principle Act is amended by the insertion immediately after Part V of the following new Part:

PART VA

INSOLVENCY AND DISSOLUTION

Insolvency

24A. (1) In the event of the Bank becoming insolvent the Bank of Zambia may in accordance with Chapter VII of the Banking and Financial Services Act dissolve and liquidate the Bank.

Cap. 387

Cap. 387

(2) In subsection (1) insolvency has the meaning assigned to it by section eighty-six of the Banking and Financial Services Act.

Effect of
dissolution
of Bank

24B. Where the Bank is dissolved under section *twenty-four A* this Act shall be repealed.
