

THE UNIVERSAL COMMUNICATIONS
SERVICE ACCESS ACT, 2006

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SCHEDULE

THE UNITED REPUBLIC OF TANZANIA



No. 11 OF 2006

I ASSENT,

Juvayya H. Kikwete

President

05 January 2007

An Act to establish the Universal Communications Service Access Fund for enabling accessibility and participation by communication operators in the provision of communication services, with a view to promoting social, education and economic development of the rural and urban under-served areas; to provide for availability of communication services by establishing a legal framework for universal service providers to meet the communication needs of consumers and to provide for related matters.

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ENACTED by Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY PROVISIONS

1.-(1) This Act may be cited as the Universal Communications Service Access Act, 2006.

Short title and commencement

(2) This Act shall come into operation on such date as the Minister may, by notice published in the *Gazette*, appoint.

2.-(1) Subject to the provisions of subsection (2), this Act shall apply to Mainland Tanzania as well as to Tanzania Zanzibar in relation to the promotion of communication services through financing in rural and under-served areas.

Application

(2) With respect to broadcasting, this Act shall not apply to Tanzania Zanzibar.

3. In this Act unless the context requires otherwise-

Interpretation

- “Act” means the Universal Communications Service Access Act, 2006;
 “Authority” means the Tanzania Communications Regulatory Authority;
 “Board” means the Board of Universal Communications Service Access, Fund established under section 7;
 “Chairman” means the Chairman of the Board of the Universal Communications Service Access Fund and includes the Vice-Chairman and the person for the time being acting as Chairman;
 “communication services” means services for the provision of postal, electronic communications or content services;
 “Fund” means the Universal Communications Service Access Fund established under section 4;
 “Manager” means the Manager of the Fund appointed under section 9;
 “member” means a member of the Board of the Fund and includes the Manager;
 “Minister” means the Minister responsible for communications;
 “under-served areas” mean designated geographical areas by the Fund where there is reduced availability of communication services;
 “universal services” means a defined minimum set of communications service of specified quality which is available to all users independent of their geographical location, and in the light of specific national conditions, at an affordable price;
 “universal service areas” means rural or urban under-served areas;
 “universal service provider” means a person designated to provide universal services.

PART II
THE FUND

Establishment of the Fund

4. –(1) There is established a Fund to be known as the Universal Communications Service Access Fund.

(2) The Fund shall be a body corporate with perpetual succession with a common seal and shall, in its corporate name, be capable of -

- (a) suing and being sued;
- (b) acquiring, holding and disposing of real and personal property;
- (c) exercising the powers and performing the functions conferred upon it by or under this Act; and
- (d) entering into any contract or other transaction, and doing or suffering to do all such other acts and things which, a body corporate may lawfully perform, do or suffer to be done.

(3) Notwithstanding the provisions of sub-section (2), the Attorney-General shall have the right to intervene in any suit or matter instituted by or against the Fund.

(4) Where the Attorney-General intervenes in any matter in pursuance of subsection (3), the provisions of the Government Proceedings Act, shall apply in relation to the proceedings of that suit or matter as if it had been instituted by or against the Government.

Cap.5

5. The objectives of the Fund shall be to—

Objectives
of the
Fund

- (a) ensure the availability of communication services in rural and urban under-served areas;
- (b) promote the participation of the public and private sector in the provision of universal service in the rural and urban under served areas;
- (c) promote the socio-economic development of rural and urban under-served areas;
- (d) create a framework for an open and efficient access to and use of communication networks and services in production and availability of competitive market;
- (e) promote widespread provision of quality services at affordable rates and ensure that, rural and urban under-served areas have access to communication and information services at reasonable and affordable prices; and
- (f) ensure availability of universal services by enhancing communications services access through private sector participation.

6. The functions of the Fund shall be to—

Functions
of the
Fund

- (a) identify the communications project areas that may be subsidized with funds of the Fund or that qualify for allocation of subsidy by the Fund;
- (b) determine the criteria to identify the rural and urban under-served areas and designate universal service areas;
- (c) establish the mechanisms for a proper management of funds;
- (d) set the bidding conditions for the awarding of funds;
- (e) evaluate the communications projects submitted by operators, to be subsidized with the Fund;
- (f) conduct research into and keep abreast of developments in the rural and urban under-served areas regarding on communication services and information technologies;
- (g) advise the Authority on any matter relating to the universal access, universal service obligations of applicants;

- (h) specify the universal service obligation through defining a set of communication services that all users should have access to at an affordable price;
- (i) designate universal service providers with obligation to provide universal service in accordance with laid down criteria;
- (j) monitor and enforce agreements relating to implementation of universal service obligation;
- (k) operate and maintain a universal service fund established herein;
- (l) monitor and enforce the mechanism for the assessment, collection and recovery of the universal service levy;
- (m) determine and distribute the universal service subsidy;
- (n) recommend to the Minister about policy guidelines for the Fund;
- (o) manage the financial resources of the Fund and make the most suitable allocation of the funds;
- (p) liaise, consult and cooperate with Ministries of Government, Independent Departments or Authority on matters related to the universal service; and
- (q) make guidelines for the operation of the Fund.

PART III
THE BOARD

Establishment of the Board

7.-(1) There is established a Board which shall be the governing body of the Fund.

(2) The Board shall be composed of ten members being-

- (a) the Chairman;
- (b) eight non-executive members; and
- (c) the Manager.

(3) The Chairman and non executive members shall be appointed by the Minister and shall be composed as follows-

- (a) a representative of the Ministry responsible for communications of the Revolutionary Government of Zanzibar;
- (b) a representative of the Ministry responsible for communications;

- (c) a representative of the Ministry responsible for finance;
- (d) a representative of the Tanzania Communications Regulatory Authority;
- (e) three representatives from the private sector; and
- (f) one representative from the Consumer Consultative Council established by the Tanzania Communications Regulatory Authority Act.

Act No. 12
of 2003

(4) In appointing members referred to in paragraph (e) of subsection (3), the Minister shall ensure that, there is representation from different sub sectors of the communication sector.

(5) The members of the Board shall be paid such fees and allowances as may be determined by the Minister upon the recommendation of the Fund.

(6) The Schedule to this Act shall have effect with regard to the proceedings and other matters in relation to the Board.

8.-1) The Board shall be responsible for the performance of the functions and management of the affairs of the Fund.

Powers
and
functions
of the
Board

(2) Without prejudice to the generality of subsection (1), the Board shall have powers to approve-

- (a) programmes for the Fund;
- (b) operating budget;
- (c) appointments of staff other than the Manager;
- (d) consulting and outsourcing contracts;
- (e) awarding contracts on tendered projects; and
- (f) quarterly reports on direct disbursements of fund projects.

(3) Notwithstanding the provisions of subsection (2), the Board shall maintain the integrity of the fund's financial activities, monitor the Fund's financial and annual reports.

9.-(1) There shall be a Manager of the Fund who shall be appointed by the Minister on a competitive selection procedure.

Manager
and other
staff

(2) A person shall not be qualified for appointment as a Manager unless he-

- (a) is a graduate of a recognized university;
 - (b) possesses at least ten years experience in one or more of the field of management, law, economics, information communication technology, finance or engineering;
 - (c) has knowledge and experience of the communication sectors;
 - (d) has satisfied the Board that he is unlikely to have a conflict of interest with the principal functions of the Fund; and
 - (e) is, in the opinion of the Board otherwise well suited to execute the functions of the Fund.
- (3) The Manager shall be appointed to serve for a term of five years which may be renewed on such terms and conditions as set out in a letter of appointment.
- (4) The Manager shall be the chief executive officer of the Fund and shall not engage in any other paid employment.
- (5) The Manager shall not participate in any deliberations or decisions of the Board relating to his terms and conditions of employment.
- (6) There shall be appointed employees as may be necessary for efficient performance, of the functions and day to day operations of the Fund.
- (7) Subject to the direction of the Board, the Manager shall have the responsibility to-
- (a) review the Fund's investment targets, project plan and budget in accordance with the provisions of this Act;
 - (b) identify and prepare rural and urban under - served areas communication projects;
 - (c) prepare and maintain the Fund's manpower plan, refinement of job descriptions and management of the hiring process;
 - (d) prepare, monitor and control the Fund's operating Budget;
 - (e) develop project terms of reference, or participate in the assignment of such tasks to project officers or external consultants;
 - (f) participate in the selection and supervision of consultants to support project implementation;
 - (g) sensitize the rural and urban under - served areas community on activities associated with the rural communications program;

- (h) liaise with operators involved in rural and urban under - served areas projects;
- (i) initiate funding proposal to replenish the Fund;
- (j) budgetary control of Fund and projects resources; and
- (k) prepare progress reports for approval by the Board.

(8) The Board shall appoint a person who is a lawyer and who has experience of not less than five years to be Secretary to the Fund.

(9) The Secretary shall be appointed to serve for a term of five years which may be renewed on such terms and conditions as set out in the letter of appointment.

10.-(1) Within the first twelve months from the date of commencement of this Act, the Fund shall develop and adopt a code of conduct to be observed by the members and employees of the Fund in the performance of their functions.

Code of
Conduct

(2) The code of conduct when adopted shall be binding on the members and employees of the Fund.

11.-(1) A member or employee of the Fund shall be considered to have a conflict of interest for the purposes of this Act, if he has or acquires any pecuniary or other interest that may reasonably conflict with the proper performance by that person of his functions or the exercise of his powers.

Conflict of
interest

(2) Where at any time a member of the Fund has a conflict of interest in relation to—

- (a) any matter before the Fund for consideration or determination; or
- (b) any matter the Fund may reasonably expect to come before it for consideration or determination,

that member shall, immediately disclose the conflict of interest to the other members of the Fund and refrain from taking part, or any further part, in the consideration or determination of the matter.

(3) Upon the Fund becoming aware of any conflict of interest, it shall make a determination as to whether in future the conflict is likely to interfere with the proper and effective performance of the functions or the exercise of powers of a member or employee of the Fund.

(4) The Fund shall report to the Minister any determination by the Fund that a conflict of interest is likely to interfere with the effective performance of the functions and duties of the member of the Fund.

(5) When the Fund determines that the conflict of interest is likely to interfere with the member's proper and effective performance of the functions or the exercise of powers of the Fund, the Minister may ask the member or employee concerned to resign.

Removal
of
members

12.—(1) The Minister shall, in consultation with the Board, remove a member from office at any time if —

- (a) the member is declared bankrupt;
- (b) the member is convicted of a criminal offence;
- (c) the member is in conflict of interest;
- (d) the member is incapable of carrying out the member's duties because of ill health or physical or mental impairment; and
- (e) he fails to attend at least two thirds of all meetings of the Fund in a period of consecutive twelve months.

(2) A member of the Board, including the Chairman and the Manager, shall not, during a period of eighteen months after the expiration or termination of the term of office or service with the Fund -

- (a) enter into any contract of employment with, or contract for the supply of services to, any person or organization issued funds by the Fund; or
- (b) acquire or hold any financial interest, whether as any employee, partner, shareholder, officer or joint venture, in any business or organization supplying services to any person or organization issued funds by the Fund.

PART IV

PROVISION OF UNIVERSAL COMMUNICATIONS ACCESS SERVICE

Universal
service
obligation

13.—(1) The minimum set of services in the context of universal service obligation shall include but not limited to the obligation on the universal service provider to -

- (a) ensure the availability of connection by every person to public communication networks through communication services;
- (b) the provision of the following services:
 - (i) connection to a communication network able to support communication services;

- (ii) reasonable geographic access to public call boxes across the United Republic of Tanzania;
 - (iii) ability to consumers to access emergency services, operator assistance and directory inquiry services;
 - (iv) delivery of affordable communication services to all customers on reasonable request;
 - (v) providing customers with disabilities with the same or equivalent services as all other customers so as to have access to the same level of universal service;
- (c) ensure that, services which the market has provided to most people and which have become essential become generally available to everyone; and
 - (d) ensure that, communication services are reasonably accessible to all people in the United Republic of Tanzania on an equitable basis, wherever they reside or carry on business,
 - (e) ensure that, postal and broadcasting services are accessible to rural and urban under-served areas.

(2) In fulfilling the universal service obligation, the universal service provider shall meet targets set by the Fund for the supply-time and quality-of-service.

(3) A Universal service provider shall, with the prior approval of the Fund, establish compensation schemes in the event of failure by the universal service provider to meet the service targets set pursuant to the provisions of subsection (2).

(4) The Fund shall publish the performance of universal service provider required to meet the services targets.

(5) A Universal service provider in fulfilling the universal service obligation shall enter into contracts with customers specifying the services to be provided together with the compensation schemes or arrangements in the event the contracted service quality levels are not met.

(6) User contracts with universal services provider shall contain methods and procedures for complaint handling and settlement of disputes.

(7) In fulfilling the universal service obligation, universal services provider shall take into account the progressive adjustment of tariffs towards costs in order to maintain the affordability of services for users in rural or under - served areas and for vulnerable groups of users such as the elderly, those with disabilities or those with special social needs.

(8) The Fund shall in the promotion of universal service obligation set up schemes for price caps or geographical averaging or other similar schemes for some of all specific services.

(9) The Fund shall design schemes that ensure affordability based on the principles of transparency and non-discrimination through guidelines setting out the criteria that ensures affordability to all and nation-wide and shall, in relation therewith, set easy and supportive conditions for universal service providers to acquire sites or spaces for communication equipment installations.

Open
communica-
tion
networks
and
services

14.-(1) Access to communication networks or services for the provision of universal communication services shall be open, non-discriminatory and upon conditions based on objective criteria that are transparent and readily accessible to the general public.

(2) The universal services providers shall maintain access and connection to the communications network, by reducing on the number of disconnection of end-users for non-payment so as to fulfill the universal service obligation.

(3) Access to and the use of communication networks or services may be restricted or denied by universal services provider including complete refusal of access to the network or services, interruption, disconnection or limitation of service functions upon and on the basis of essential requirements including but not limited to-

- (a) communications equipment or the use of such equipment having not been approved by the Authority;
- (b) security or integrity of the network;
- (c) emergency situation involving serious threat to health, security or public order or risk of sabotage to networks or services;
- (d) in the interest of national security;
- (e) enforcement of licence obligation; and
- (f) non availability of back ground information of the universal service provider intended to be interconnected.

(4) Restrictions on access to and use of the communication network on grounds contained in paragraph (3) shall be proportionate and non-discriminatory and based on the objective criteria identified in advance.

(5) The universal services provider for the provision of universal service obligation shall ensure access to and use their network by providing details of technical interface specifications for network access and any changes thereof shall be communicated in advance of implementation.

15.-(1) The Fund may designate an operator as universal service provider in geographical areas where it is economically viable so to do and shall through competitive bidding award funds to universal service provider to provide universal service.

Designation of universal service providers

(2) The universal service obligation on a provider may be nation-wide in a specified universal service area.

(3) The Fund shall not designate a person to be a universal service provider unless the person holds communications licence issued by the Authority.

16.-(1) The Fund may designate a universal service area in respect of one or more specified universal service obligations.

Universal service areas

(2) In determining universal service areas, the Fund shall ensure that, no universal service area in respect of a universal service obligation overlaps to any extent with any other universal service areas in respect of that service obligation.

(3) The Fund shall lay down the criteria for determining the universal service areas.

(4) Where, at a particular time, any areas in the United Republic are not within a universal service area, in respect of a service obligation—

(a) those areas together constitute at that time a single universal service area in respect of that service obligation; and

(b) the Fund shall be taken to have designated such area.

(5) The universal service provider for a universal service area in respect of a service obligation shall take all reasonable steps to -

(a) fulfill that service obligation, so far as it relates to that area; and

(b) comply with the universal service provider's approved policy statement and the approved project proposal of the universal services provider that covers that area in respect of that service obligation.

(6) The universal service provider for a universal service area in respect of a service obligation, who fulfils that service obligation by supplying alternative communications services in accordance with an approved project proposal, shall be taken to have fulfilled any other obligation that arises

under that service obligation to the extent that the other obligation applied to the supply of alternative communications services.

Policy
statement
and
project
proposal

17.–(1) A universal service provider shall submit to the Fund for approval a draft -

- (a) policy statement, or draft variation of an approved policy statement;
- (b) project proposal,

in respect of the universal service obligation and universal service area that will be covered.

(2) A draft policy statement for a universal service provider shall be a general statement of the policy the provider will apply in supplying equipment, goods and services as a universal service provider.

(3) A draft policy statement for a universal service provider for a universal service area in respect of a service obligation shall set out -

- (a) equipment, goods or services that the provider will supply in fulfillment of that service obligation, so far as it relates to that area; and
- (b) arrangements for supplying and marketing the equipment, goods or services.

(4) The Fund shall determine the requirements for draft policy statements and project proposals of universal service providers.

(5) Without limiting the generality of sub-section (4), the following may include the requirements in relation to project proposal-

- (a) time-frames for the supply of specified equipment, goods or services;
- (b) performance standard relating to the fulfillment of the universal service obligation;
- (c) processes for advising persons about the availability, offer and supply for equipment, goods or services in the fulfillment of the universal service obligation, and the terms and conditions on which the equipment, goods or services are offered or supplied.

(6) The Fund shall, before approving universal service provider's policy, satisfy that the draft adequately deals with the supply of appropriate equipment, goods or services to -

- (a) people with disability;
- (b) people with special needs;
- (c) delivery of quality communication services;
- (d) pricing of services in terms of affordability; and
- (e) making available and accessible communication services to all people.

(7) The Fund shall, before approving universal service provider's project proposal, satisfy that the draft:—

- (a) specifies appropriate equipment, goods or services that the provider will supply in fulfillment of the service obligation concerned, so far as it relates to the fulfillment of the universal service obligation;
- (b) deals adequately with how the provider will fulfill that service obligation;
- (c) sets out appropriate terms and conditions on which the equipment, goods or services are to be supplied; and
- (d) sets out appropriate arrangements for the marketing of the supply of the equipment, goods or services to persons concerned.

(8) The Fund shall give written notice of the Fund's decision whether to approve a draft policy statement or project proposal to the universal service provider concerned.

(9) If the Fund refuses to approve the draft, the Fund—

- (a) shall give the universal service provider written notice of the reasons for the refusal; and
- (b) may, by giving written notice, direct the provider to give the Fund, within a specified period of time and in specified terms, a fresh draft policy statement or a project proposal as the case may be.

Universal
service
levy

18.—(1) The universal service Fund shall be supported by a universal service levy imposed on all holders of communication licences.

(2) The universal service levy shall be worked out on the basis of, the operator's eligible revenue.

(3) The eligible revenue of an operator subject to a universal service levy for a financial year is the amount of the operator's eligible revenue for the financial year.

(4) An eligible revenue payable under subsection (3), shall not exceed 1.5 percent of the gross operating revenue of holders of communication licence.

(5) The Minister shall, after consultation with stakeholders of communication licence, make regulations providing the procedure in which the net cost of universal service obligation will be determined.

(6) The calculation of net cost of universal service obligation shall be:

- (a) audited by independent auditor;
- (b) published by the Fund in the *Gazette*; and
- (c) open for public inspection.

(7) A holder of a communication licence who fails to pay the universal service levy shall commit an offence and upon conviction shall be liable to a fine not exceeding shillings ten million.

(8) Notwithstanding the provisions of subsection (7), the universal service levy which is due and has not been paid shall be treated as a debt recoverable under a civil suit by way of summary procedure.

Universal
service
subsidy

19.—(1) Before the end of a claim period, being a period during which the Fund determine universal service subsidy, the Fund shall determine one or more universal service subsidies for the period.

(2) The Fund shall ensure that there is a subsidy for each universal service area in respect of each service obligation that may cover one or more universal service areas in respect of one or more service obligations.

(3) A determination made pursuant to the provisions of this section shall specify the:

- (a) amount, or a method for working out the amount of the subsidy; and
- (b) circumstances in which the universal communications service provider, for the relevant claim period, is or may be eligible to receive subsidy.

(4) The circumstances that may be specified shall include, but not limited to-

- (a) whether the subsidy is payable to the universal service provider or a competing universal service provider; and
- (b) type or amount of equipment, goods or services that are supplied to persons in the universal services area.

20. The Fund shall have the right to request any person to submit any information for the purpose of carrying out its functions under the Act.

Right to
information

21.—(1) There shall be a Public Register kept by the Fund which shall be available for public inspection at all times during business hours.

Public
Register

(2) The Fund shall determine from time to time the categories of decisions and information which will be placed on the Public Register and notify the Minister accordingly.

(3) The Fund shall exclude from the Public Register any document or part of a document which is confidential.

(4) The Fund shall ensure that where possible the Register shall be accessible to the public by internet.

Publication
of
universal
service
providers

22. Upon issuing of funds, the Fund shall publish in the *Gazette* and local newspapers the list of universal service providers.

PART V
FINANCIAL PROVISIONS

Sources of
funds

23.—(1) The funds and sources of the Fund shall consist of—

- (a) such funds as may be appropriated by the Parliament for purposes of the Fund;
- (b) such sums of money allocated by way of subventions by the Authority;
- (c) universal service levy by holders of communication licences;
- (d) any grants, donations, bequests or other contributions, or transfers granted in any manner by any individual or legal entity, whether local or foreign; and
- (e) such sums of moneys received as levies and contributions in respect of services supplied by the Fund.

(2) The Minister shall make regulations prescribing the manner and percentage by which a holder of a communications licence shall pay universal service levy and other fees payable by persons in connection with the services rendered by the Fund.

(3) The Fund shall disclose details of the sources of its funds in the Annual Report.

Accounts
and
financial
audit

24.—(1) The Fund shall keep books of accounts and maintain proper records of its operations in accordance with commercial accounting standards.

(2) The accounts of the Fund may at any time and shall, at the end of each financial year, be audited by a person registered as an auditor under the Accountants and Auditors (Registration) Act, appointed by the Fund on such terms and conditions as the Board may determine.

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Performance
audit

25.—(1) The Controller and Auditor General shall at least once every two years and more frequently as he sees fit, conduct an audit of the performance by the Fund of its functions including its performance in relation to key performance indicators, on such terms and conditions as the Minister may determine.

(2) The Controller and Auditor general shall conduct additional audits of the Fund as may be requested by the Minister.

(3) The key performance indicators under sub-section (1) shall be as directed by the Minister, or in the absence of such direction, as determined by the Controller and Auditor General.

26.-(1) Before 30th September each year, the Fund shall prepare an annual report in respect of that year up to the immediately preceding 30th June and submit it to the Minister.

Annual
report

(2) The annual report shall provide detailed information regarding the exercise of the functions and powers of the Fund during the year to which it relates and shall include -

- (a) a copy of the audited accounts of the Fund;
- (b) a copy of the report of the Controller and Auditor General on the performance audit carried out during the year to which the annual report relate; and
- (c) such information and other material as the Fund may be required by this Act.

27.-(1) Before the end of financial year, the Fund shall prepare a budget for the following financial year showing estimates of its receipts and expenditure for the following financial year.

Budget

(2) Subject to the provision of subsection (1), the Fund shall inform the Minister of its budget for the following financial year by submitting a copy of the budget to the Minister.

(3) Where the Minister directs, the Fund shall commission auditors to assess and make a report regarding the extent to which the budget represents a fair and reasonable projection of the income and expenditure of the Fund for the relevant year.

(4) The Fund shall submit to the Minister a copy of any report prepared pursuant to subsection (3) as soon as possible after the Fund receives it.

(5) If the audit reports contain a statement that the budget does not represent a fair and reasonable projection of income and expenditure, the Minister may require the Fund to revise the budget with a view to making it responsive to the projection of income and expenditure.

PART VI
MISCELLANEOUS PROVISIONS

Regulations **28.** The Minister may make regulations for the better carrying out of the provisions of this Act and may, generally, prescribe any matter, thing, manner or procedure by which such matter or thing may be made.

Transitional and savings **29.**—(1) Any person being the subject of this Act who, before the commencement of this Act, was a holder of a licence or permit authorizing the provision of universal communications service shall, within the next following months conform to the provisions of this Act.

(2) This Act shall not operate so as to defeat, cause to suffer or to affect in a prejudicial way the rights of any person under a licence or permit granted prior to the commencement of this Act.

PART VII
CONSEQUENTIAL AMENDMENT TO THE TANZANIA COMMUNICATIONS
REGULATORY AUTHORITY ACT, 2003

Construction Act No. 12 of 2003 **30.** This Part shall be read as one with the Tanzania Communications Regulatory Authority Act, 2003 hereinafter referred to as the “principal Act”.

Amendment of section 50 **31.** The principal Act is amended in subsection (1) of section 50 by:

(a) inserting after paragraph (b) the following provision: “(c) subventions to the Universal Communications Service Access Fund;”

(b) renumbering paragraphs (c), (d), (e) and (f) respectively.

—————
SCHEDULE
—————

PROCEEDINGS OF THE BOARD

Nomination of the Vice Chairman **1.**—(1) During the first meeting of the Board, members shall nominate one of their numbers to be the Vice Chairman.

(2) Members including the Chairman shall be appointed for a term of three years and may be eligible for re-appointment for one further successive term but shall not otherwise be eligible for re-appointment.

2. Any member may at any time resign by giving notice in writing to the appointing authority and from the date specified in the notice or if no date is so specified from the date of receipt of the notice by the appointing authority, he shall cease to be a member.

Resignation
of a
member

3.-(1) The Secretary to the Fund shall equally serve as the Secretary to the Board.

Secretary

(2). The Secretary of the Board may take part in proceedings of the Board but shall have no vote.

4.-(1) The Board shall ordinarily meet at least four times yearly at such times and places as it deems necessary for the transaction of its business and it shall convene special meeting upon request by the majority of members.

Meetings
of
theBoard
Official
seal of the
Fund

(2) An ordinary meeting of the Board shall be convened by the Chairman and the notice specify the place, date and time of the meeting shall be sent to each member at his usual place of business or residence not less than ten days before the date of the meeting and where the Chairman is unable to act by reason of illness or other case or is absent from the United Republic, the Vice chairman may convene the meeting.

(3) The Chairman or, in his absence, the Vice Chairman, may on his own motion, or if requested in that behalf by at least half the members shall, convene a special meeting of the Board.

(4) The Board may invite any person who is not a member to participate in the deliberations of the Board, but any person so invited shall have no vote at the meeting.

(5) The quorum at any meeting of the Board shall be half of the members in Office.

(6) The Board may act notwithstanding any vacancy in its membership.

5. Minutes in proper form of each meeting of the Board shall be kept and shall be confirmed by the Board at its next meeting.

Minutes
of the
meetings

6.-(1) The official seal of the Fund shall be of such shape, size and form as the Board may determine.

Official
seal of the
Fund

(2) The official seal shall not be affixed to any instrument or document except in the presence of the Manager, Secretary or such other employee of the Fund as the Board may appoint in that behalf.

7.-(1) All deeds, documents, ruling, declarations or other official instruments requiring the seal of the Fund shall be affixed with the official seal in the presence of two officers of the Fund duly authorized to act in that behalf and shall be signed by those officers.

Execution
of
documents

(2) The Board may by resolution or otherwise appoint any officer or employee of the Fund or any other agent, either generally or particular case, to execute or sign on behalf of the Fund any agreement or other instrument not under seal in relation to anything coming within the powers of the Fund.

Proceedings
not
invalid-
dated by
irregularity

8. No act or proceeding of the Board shall be invalid by reason of any defect or irregularity in the appointment of any member or by reason that any person who purported *bona fide* to act as a member at the time of the act or proceedings, was in fact disqualified or not entitled to act as a member.

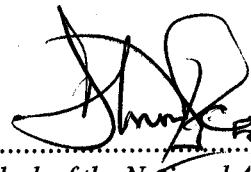
Absence
from three
consecutive
meeting

9. Where any member absents himself from three consecutive meetings of the Board without sufficient cause, the Board shall advise the appointing authority of the fact and the appointing authority may terminate the appointment of the member and appoint another member in his place.

Board may
regulate its
own
proceedings

10. Subject to the provisions of this Act, the Board shall have power to regulate its own procedure in relation to its meetings and the transaction of its business.

Passed in the National Assembly on the 9th November, 2006.



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Clerk of the National Assembly