

THE UNITED REPUBLIC OF TANZANIA

THE HIGHER EDUCATION STUDENT'S LOANS BOARD ACT, CAP. 178

**This edition of the Higher Education Student's Loans Board Act, Cap. 178
incorporates all the amendments made to it since its enactment in 2004
up to and including 30th October, 2007.**

Dar es Salaam,

30th September, 2008

J.P.M MWANYIKA

Attorney General

CHAPTER 178

THE HIGHER EDUCATION STUDENTS' LOANS BOARD ACT

[PRINCIPAL LEGISLATION]

ARRANGEMENT OF SECTIONS

Section Title

PART I

1. Short title
2. Application
3. Interpretation

PART II

ESTABLISHMENT OF THE BOARD

4. Establishment of the Board
5. Composition and appointment of the Board
6. Functions of the Board

PART III

POWERS OF THE BOARD

7. Powers of the Board
8. Committees of the Board
9. Delegation of powers of the Board

10. Executive Director
11. Procedure for appointment of Executive Director
12. Functions of the Executive Director
13. Appointment of Directors
14. Appointment of other staff of the Board
15. Disciplinary Authority

PART IV

OBLIGATIONS, ELIGIBILITY AND LIABILITY

16. Provision of student's loans
17. Eligibility for assistance
18. Conditions for grant of loans
19. Liability and obligations of loan beneficiary
- 19A Failure to repay the loan
20. Responsibility of an employer
21. Penalty for delayed remittance
22. Obligation of other persons
23. Consequence for non compliance
24. Proceedings for offences

PART V

FINANCIAL PROVISIONS

25. Funds resources of the Board

- 26. Annual estimates
- 27. Accounts and audit
- 28. Laying of reports before National Assembly
- 28A. Exemption from taxes

PART VI

MISCELLANEOUS PROVISIONS

- 29. Exemptions
- 30. Remuneration of members of the Board
- 31. Indemnity for *bonafide* acts
- 32. Directions of the Minister
- 32A. Remittance of levy
- 33. Regulations

SCHEDULE

CHAPTER 178

THE HIGHER EDUCATION STUDENTS' LOANS BOARD ACT

An Act to provide for the establishment of the Board and for the administration granting, repayment and recovery of Higher Education Students' Loans and for other matters related thereto.

[28 February 2005]

[GN. No 194 2005]

Act No. 9 of 2004

GN. No. 121 of 2007

Act No. 17 of 2007

PART I

PRELIMINARY PROVISIONS

Short title

1. This Act may be cited as the Higher Education Students' Loans Board Act.

Application

2. This Act shall apply to Mainland Tanzania as well as Tanzania Zanzibar.

Interpretation
Act No 17 of
2007 S.2

3. In this Act, unless the context otherwise requires-
“accredited institutions” means institutions which are licensed to offer courses which lead to attainment of Degrees and, or Advanced Diplomas;

“beneficiary” means a student who has been granted a loan under this Act;
“Board” means the Board established under section 4;

“committee “ means any committee of the Board established under

section 8;

“Director” means an officer of the Board appointed under section 13;

“eligible student” means a Tanzanian student who fulfils conditions stipulated under section 17;

“employer” includes natural and legal persons, institutions, licensing bodies, government and government institutions non governmental organizations, registered professional bodies where the beneficiaries belong, and any other body or organization in whose employment is a loan beneficiary or from where information of loan beneficiaries can be obtained;

“employment” includes any circumstance through which loan beneficiary works for gain or any kind of relationship between an employer and loan beneficiary in which the latter works for the former or through which the former deals with the latter in any manner or style whatsoever through which the employer and a loan beneficiary transact;

“Executive Director” means the Chief executive Officer of the Board appointed under section 10;

“Higher Education” means the education provided at the level of Degrees and, or Advanced Diplomas;

“liabilities” means liabilities, debts, charges and obligations of every description, whether present or future, actual or contingent and whether payable or to be observed or performed in the United Republic or elsewhere;

“loan” means the Government Students’ Loan granted under this Act;

“member” means a member of the Board;

“Minister” means the Minister responsible for Higher Education;

“Ministry” means the Ministry responsible for Higher Education;

“repeating student” means a student who for any reason is compelled to repeat the previous academic year;

“student” means any person admitted to a Higher Education institution as a candidate for a degree or advanced diploma;

“supplementing student” means a student who sits for supplementary examination;

“Tanzanian students” includes students who are citizens of the United Republic or who are residents of and have been accorded by competent authority rights and privileges similar to those enjoyed by the citizens of the United Republic in accordance with the

provisions of any written law applicable in the United Republic.

PART II

ESTABLISHMENT OF THE BOARD

Establishment
of the Board

4.-(1) There shall be established a Board to be known as the Higher Education Students' Loans Board.

(2) The Board shall-

- (a) be a body corporate with perpetual succession and a Common seal;
- (b) in its corporate name, be capable of suing and being issued;
- (c) be capable of purchasing or acquiring and managing in any manner and alienating any movable and immovable property;
- (d) be capable of entering into any contract or agreement and doing all such other things or acts for the proper performance of its functions under the provisions of this Act, which may lawfully be done or performed by a body corporate.

Composition
and
appointment of
the Board
Act No 17
of 2007 S.3

5.-(1) The Board shall consist of not less than nine and not more than fourteen members as follows-

- (a) a Chairman;
- (b) the Director of Higher Education;
- (c) one member from the Treasury;
- (d) the Director of Technical Education;
- (e) a legally qualified member from the Attorney General's Office;
- (f) one member representing the employers' association of Tanzania;
- (g) one member from the financial institution;
- (h) one member nominated by an organ representing public higher education institutions;
- (i) one member nominated by an organ representing private higher education institutions;
- (j) one member representing the Minister responsible for finance in the Revolutionary Government of Zanzibar;
- (k) one student representing public higher education institutions;

- (l) one student representing private higher education institutions; and
- (m) two eminent persons having knowledge and experience in the management of higher learning institutions.

(2) The Chairman shall be appointed by the President and other members shall be appointed by the Minister upon their nomination or election by persons or institutions whom they each represent:

Provided that, in appointing members of the Board the Minister shall ensure that at least one third of the members of the Board consists of women.

(3) The provisions of the Schedule to this Act shall have effect as to the tenure of office of members, termination of their appointment, the proceedings of the Board and other matters relating to the Board and its members.

(4) The Minister may, by notice published in the *Gazette*, amend, vary or replace all or any of the provisions of the Schedule.

(5) The Minister may appoint a person to be a member of the Board who in his opinion, has such technical qualifications or experience by virtue of his involvement in the higher education, commerce, finance, public service or administration as would enable that person to make a useful contribution to the deliberations of the Board.

(6) The provisions of subsection (1) shall not prejudice the tenure of office of the sitting Chairman.

Functions of
the Board
Act No 17
of 2007
S.4

6. The functions of the Board shall be-

- (a) to assume responsibility for the control and management of any loans funds as vested in the Board under this Act;
- (b) to formulate the mechanism for determining eligible students for payment of loans under the Act;
- (c) to administer and supervise the whole process of granting, repayment and recovery of loans issued to students;
- (d) to keep the register and other records of students loans beneficiaries under the Board;
- (e) to advise the Minister on matters of policy and of the law concerning provisions and recovery of loans to students

- under this Act;
- (f) to establish operational links between the Board and higher education institutions with student loan beneficiaries for facilitating a smooth, efficient and effective administration of the loans funds;
 - (g) to establish operational link with employers of loan beneficiaries for the purpose of facilitating the recovery of the loans granted under this Act;
 - (h) to establish net-working and cooperation links on a mutually beneficial basis with institutions and organizations, be they governmental or nongovernmental, local, foreign or international;
 - (i) to conduct research and maintain a databank on other local and external scholarships, sponsorships and awards that may be accessed by Tanzanian students in need or in search of opportunities and financial sponsorship or assistance for higher education and or training;
 - (j) to ensure the overall efficient and effective implementation of the provisions of this Act any and of such other written law concerning Government loans; and
 - (k) to perform such other functions as are conferred upon the Board by or under this Act or any other written laws.

PART III POWERS OF THE BOARD

Powers of the
Board
Act No 17
of 2007
S.5

- 7. (1)** Without prejudice to section 6, the Board shall have powers-
 - (a) to administer both movable and immovable property of the Board;
 - (b) to administer the funds, investments and assets of the Board and in particular the funds allocated under the Government Budget or otherwise available for loans to students;
 - (c) to borrow money for any purpose deemed fit by the Board and, subject to any law in relation to investment of funds by a trustee, to invest in land and or Government

- Securities or other interest bearing assets such fund as may be vested in it and which may not be immediately required for current expenditure;
- (d) to signify the acts of the Board by use of official seal in the manner provided for under the Schedule;
 - (e) to demand and receive such fees for services rendered by officers and other employees of the Board;
 - (f) to receive and consider all students loan applications from eligible students wishing to be considered for the award of loans;
 - (g) to grant loan moneys to students who have been granted such loan in accordance with the provisions of the Act or regulations made hereunder or in furtherance thereof;
 - (h) **to determine other criteria and conditions governing the granting of students loan including the rates of interest and recovery of loans;**
 - (i) to determine the maximum number of eligible students to be granted loans in any one particular year;
 - (j) to recover all loan moneys owed by former student loan beneficiaries since July, 1994 under the Students Loan from or with the assistance of their respective employers or otherwise in accordance with the provisions of this Act and regulations made there under;
 - (k) to appoint, settle the terms and conditions of service or terminate the appointment of such employee of the Board as it is empowered to appoint under this Act as it may deem necessary;
 - (l) to decide and or recommend conditions of service and employment packages for the employees and or the officers of the Board and to approve or, as the case may be, recommend staff establishment and staff development plans prepared by management within the financial resources of the Board;
 - (m) to establish divisions or sub-divisions or disestablish any one of them and give them any such designation or

- designations as it may deem fit;
- (n) to make arrangements or provisions for health, pension, superannuation and or other terminal benefits for its officers or other employees in accordance with any written law applicable to public servants;
 - (o) to consider and approve the annual budget submitted by the management for the purposes of monitoring and reviewing financial statements and authorize major expenditure for the Board;
 - (p) to formulate and implement Board financial policies;
 - (q) to enter into contracts or memoranda of understanding with the Ministry, individuals and other organizations or institutions, establish such trusts and appoint such trustees, agents and independent contractors as may be required by the Board in the proper or better performance of its functions;
 - (r) to establish committees as it may consider necessary to fulfill its responsibilities;
 - (s) to keep under constant review and propose new or amended arrangements, forms and regulations regarding the administration, granting and recovering of student loans in accordance with the provisions of this Act;
 - (t) to make recommendations to the Minister for his approval of allowances for Board and or any of its committee members; and
 - (u) to do, such acts or things provided for in this Act which may in the opinion of the Board be necessary for the proper carrying out of the functions of the Board.

Committees of
the Board

8. The Board shall for the purposes of efficient performance of its functions and by resolution in writing, appoint not more than three committees to perform functions as may be directed by the Board.

Delegation of
powers of the
Board
Act No. 17 of
2007 S.6

9. (1) The Board may, subject to such terms, conditions and restrictions as it may specify, delegate to any committee of the Board or to any employee of the Board, some of its functions, powers or duties conferred or imposed by or under this Act on the Board and where any

such delegation is so made, the delegated functions, power or duty may be performed or exercised by the delegate subject to the terms, conditions or restrictions specified by the Board.

(2) A delegation under subsection (1) may be made to the holder of an office of the Board specifying the office but without naming the holder, and in every case where a delegation is so made each successive holder of the office in question and each person who occupies or performs the duties of that office may, without further authority, perform or exercise the delegated function, power or duty in accordance with the delegation made by the Board.

(3) A delegation made under this section may be published in the *Gazette*, and upon its being so published shall be judicially noticed and shall be deemed to be in force unless the contrary is proved-

Provided that any delegation of power made under any form or style by the Board shall constitute a delegation of such powers without further proof.

(4) No delegation made under this section shall prevent the Board from itself performing or exercising the function, power or duty delegated.

(5) Notwithstanding the foregoing provisions, the Board shall not have power to delegate-

(a) its power of delegation; or

(b) the power to approve the annual budget or any supplementary budget, annual balance sheet or any statement of accounts

Executive
Director

10.-(1) There shall be an Executive Director of the Board who shall be appointed by the Minister from amongst persons who possess qualifications, experience and competence to manage efficiently and effectively the affairs of the Board.

(2) The terms and conditions of service of the Executive Director shall be as may be specified by the Board in the instrument of appointment.

Procedure for
appointment of
Executive
Director

11.-(1) For the purpose of nominating the best candidate for appointment under section 10, a Committee of the Board appointed for that purpose shall submit to the Board a short list of candidates who

applied for that office under an open and competitive system together with an objective assessment of the suitability of each candidate and the Board shall, from that shortlist, recommend to the Minister for appointment of one of the candidates to be the Executive Director.

(2) The Executive Director shall hold office for four years and shall be eligible for re-appointment subject to his satisfactory performance.

(3) The Minister may, on the recommendation of the Board, terminate the appointment of the Executive Director for-

- (a) misconduct;
- (b) failure or inability to perform the functions of his office arising from the infirmity of body or mind; or
- (c) incompetence.

Functions of the Executive Director

12.-(1) The Executive Director shall be the chief executive director of the Board and shall exercise any other functions as the Board may consider necessary to delegate to him.

(2) Without prejudice to the generality of the foregoing, and subject to any directions given by the Board, the Executive Director shall have powers-

- (a) to exercise supervision and control over acts and proceedings of all officers, staff and other employees of the Board; and
- (b) subject to any restrictions that may be imposed by the Board under sub-section (2) of section 14, to dispose of all questions relating to the terms and conditions of service of the staff of the Board.

(3) In the exercise of the powers vested in him or delegated to him by the Board, the Executive Director, shall comply with any direction of policy or of a general nature given to him by the Board, and shall not, without the approval of the Board, depart or permit departure from the approved establishment of the Board or normal procedures for dealing with any particular matter.

(4) The Executive Director shall be the Secretary to the Board.

Appointment of

13.-(1) The Board shall appoint such number of Directors who

Directors shall assist the Executive Director in the performance of functions under this Act.

(2) The provisions of sections 10 and 11 shall apply *mutatis mutandis* to the respective affairs covered thereby in relation to Directors.

Appointment of other staff of the Board
14.-(1) Subject to the provisions of this Act, the Board may, from time to time, appoint at such salaries and upon such terms and conditions as it may consider fit, the staff and other employees of the Board as the Board may consider necessary for the proper and efficient conduct of the business and activities of the Board.

(2) The terms and conditions of service, including tenure and the functions or duties of the staff of the Board appointed under subsection (1), may be spelt out in their respective letters of appointment and or under the Regulations made by the Minister in that behalf, upon recommendation of the Board.

Disciplinary Authority
15. (1) The Board shall be the disciplinary authority and the Minister shall be the final appellate authority in relation to the Executive Director and other Directors.

(2) The Executive Director shall be the disciplinary authority and the Board shall be the final appellate authority in relation to the staff of the Board.

PART IV OBLIGATIONS, ELIGIBILITY AND LIABILITY

Provision of students' loans Act No 17 of 2007 S.7
16.-(1) Subject to the provisions of this Act, the Board shall provide, on loan basis, financial assistance to any eligible student who is in need of and has applied for such assistance as is required to meet all or any number of the students' welfare costs of Higher Education.

(2) The financial assistance under subsection (1) may cover-

- (a) meals and accommodation charges;
- (b) books and stationery expenses and special faculty requirements;
- (c) field practical work expenses;
- (d) research expenses;

- (e) tuition fees; and
- (f) special needs for students with disabilities:

Provided that the Board shall offer to eligible students loans in respect of items specified under subsection (2) to the extent as it may determine.

(3) The Board shall determine the percentage of the amount of the sum that shall be contributed by a student, a parent, a guardian or other person concerned as the case may be.

(4) Where the Board has determined the percentage of the contribution in terms of subsection (3), every student, parent, guardian or other person concerned shall be obliged to contribute the amount of the sum equal to a percentage determined by the Board.

Eligibility for assistance

17.-(1) Subject to the provisions of this Part, a student shall be eligible for consideration for a loan under this Act if-

- (a) he is a Tanzanian student;
- (b) he has been admitted to an Accredited institution;
- (c) he has made a written application in the prescribed form in which shall be included inter alia, the names of the applicant, the applicant's parents or guardian and or of the applicant's guarantor and which when approved by the Board shall form the basis of the loan contract, to be known as the Student Loan Agreement, between the applicant of one part and the Government the other part;
- (d) he is a person who has no financial assistance from any other source or sources to cover the item or items of cost for which the application is made;
- (e) he is a continuing student applicant, who has passed the examinations necessary to enable him to advance to the following year or stage of study.

(2) The Board shall provide financial assistance to supplementing or repeating students upon such terms and conditions as the Board may determine.

(3) Any loan beneficiary who pursues his studies abroad shall, upon his admission for studies abroad, enter into agreements with the Board on the mechanism of repaying the loan.

18.-(1) The Board shall in granting loan to eligible student, impose conditions, demand security and require repayment in installments at such times within such periods as the Board may determine.

(2) In granting loan to any student, the Board shall require guarantor or guarantors to guarantee any loan granted to a student, in case of any default by the student in the repayment of the loan, any guarantor who has guaranteed such loan shall automatically and fully be liable to pay to the Board all or any loan together with interest accrued and outstanding owed to the Board by the student as shall be notified to the guarantor or guarantors by the Board.

(3) Where a guarantor who has been notified by the Board under subsection (2), fails or refuses to repay such loan together with any interest accrued thereon, the guarantor shall be liable to civil proceedings.

(4) The Board shall immediately cancel issuance of loan to any loan beneficiary and demand repayment of the whole loan issued to any such beneficiary in one installment when found that such beneficiary, knowingly or recklessly, supplied or caused to be supplied false information to the Board or to the institution where such beneficiary is admitted for studies.

(5) Notwithstanding the provisions of subsection (2), the Board may institute proceedings against any loan beneficiary who furnished or caused to be furnished false information to the Board or to the institution where such beneficiary is admitted for studies.

19.-(1) It shall be the duty of every loan beneficiary under this Act to repay his debt to the Government through the Board.

(2) The debt that the loan beneficiary shall be liable to repay to the Government under subsection (1), shall be the total sum of money-

- (a) calculated on the basis of student loan agreement;
- (b) which shall be established as a fact by the Board as having received by him personally and or through his bank account; and

(c) which the Board or Government has paid directly to the account of the institution in which the beneficiary pursued studies, being a tuition fee or for other costs related to the beneficiary's studies.

(3) Any loan beneficiary who pursues his studies abroad shall, upon his admission for studies abroad, enter into agreements with the Board on the mechanism of repaying the loan.

(4) Any loan beneficiary who, secures employment with an employer on contract or permanent terms upon successful or unsuccessful completion of studies for which the loan was granted or upon earlier termination of such studies for any reason or cause whatsoever shall-

(a) arrange with the employer monthly deductions from his salary for remittance to the Board and of such amount and for such period as shall be determined by the Board;

(b) ensure that payment of such monthly deductions by the employer are remitted to the Board from the date such remittance is due to start and that the relevant documents bear the name of the loan beneficiary and his student loan number:

Provided that any deduction from wages, salaries or any income of beneficiaries shall not exceed one third of the total net income per month.

(c) inform the Board in writing of-

(i) the name, address and telephone number of the employer and any subsequent employer or employers and the arrangements made with the employer in accordance with the provisions of paragraphs (a) and (b) of this sub-section;

(ii) the current address of the loan beneficiary and any subsequent change of address until settlement or payment of final installment of the outstanding debt, including interest ,if any; and

(d) do any other thing as may be prescribed under relevant Regulations made by the Minister in accordance with the provisions of this Part.

(5) Any loan beneficiary who engages in self-employment in any trade, occupation or profession under licence as required by any written law upon completion of the studies for which the loan was granted or upon earlier termination of such studies for any reason or cause whatsoever shall, starting not later than twelve months after such completion or earlier termination and or engaging in such gainful self- employment under licence-

- (a) arrange with the Board about the amount and period during which remittance of money shall be made to the Board;
- (b) ensure that the remittance of such monthly amount is made to the Board bearing the correct name, address and the Student Loan Number;
- (c) inform the Board and the Ministry of his current postal and physical occupational and residential addresses and, if any telephone numbers and any subsequent changes thereof; and
- (d) do any other thing as may be prescribed under general regulations made by the Minister in accordance with the provisions of this Part.

(6) The provisions of subsection (5) shall apply *mutatis mutandis*, to any loan beneficiary who is in the employment of foreign government, an international organization, company, agency or association of whatsoever description or any foreigner, as the case may be.

(7) For the purpose of subsection (6), the expression-

- (i) "foreign government" includes any government other than the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar, an Embassy, High Commission or resident representative of a foreign government;
- (ii) "foreign company, agency or association" includes any company , agency or association not incorporated and or registered in Tanzania under Tanzanian law;
- (iii) "international organization" includes organizations within the United Nations Organization.

Failure to repay
the loan

19.A- (1) Any beneficiary who, without good cause fails to repay the loan shall be liable to civil proceedings.

(2) When any prescribed amount of loan is, in accordance with the certificate of the Executive Officer, due to the loan beneficiary such amount shall be a debt accrued and the Board may cause a demand notice to the loan beneficiary through his known address or in widely circulating local news papers to settle the prescribed amount within twenty one days from the date of such notice.

(3) Where such demand notice is properly served and the loan beneficiary fails to pay within the time specified in the notice, the Board shall apply to the competent court for summary warrant, which shall be designed by the Board to recover the debt.

(4) Where the application has been made under subsection (3), the court may grant the warrant on production by the Board of lists of the names and the addresses of loan beneficiaries and the amount due by everyone with a certificate of the Executive Officer certifying that such loan beneficiaries have been duly required to repay but have faulted.

(5) Every warrant issued under subsection (4) shall be executed in all respect as though it were both warrant of attachment and a warrant of sale issued by the court.

(6) Notwithstanding subsection (5), the court shall have and exercise power to issue warrant of attachment and warrant of sale under this Act.

(7) Any claim for repayment of loan under this Act may be instituted in the court under order XXXV of the Civil Procedure Act.

(8) For the purposes of recovery of loans, proceedings may be brought to court within the period of ten years from the date when the debt became due.

(9) The court may, for sufficient reasons, extend by half the period of time prescribed under subsection (8).

20.-(1) It shall be the duty of each employer of any loan beneficiary to-

(a) notify the Board of the employment of the loan beneficiary

within twenty eight days from the date on which such loan beneficiary is employed;

- (b) ensure that the employee arranges with him (employer) for the monthly deduction and remittance of repayment installment to the Board in accordance with the provisions of this Act;
- (c) inform in writing, the Board the status or rank and salary and the changes, if any, in the name, address, occupation and or status or rank and salary of the employee who is a loan beneficiary.

(2) The employer shall pay every deduction from the loan beneficiary's wages or remuneration in the prescribed manner to the Board within fifteen days after the end of each month.

21.-(1) Where an employer fails to deduct or after deducting any loan repayment from a loan beneficiary does not pay such deductions to the Board within the prescribed period a sum of equal to ten percent of the total amount of repayment shall be charged on the employer for each month that the repayment remains unpaid.

(2) Where any person employs a loan beneficiary and fails to disclose or conceals such information to the Board or fails to arrange for repayment plan with such beneficiary, such person commits an offence and shall be liable upon on eviction to a fine of seven million shillings or imprisonment for a term not less than twelve months or to both.

(3) Where an employer is a corporate body, then the Chief Executive Officer or any other accountable officer of such body shall be personally liable for the penalty and for the purposes of this Part, the Companies Act or any other law protecting such officers with corporate status shall not apply.

(4) Without prejudice to the provisions of subsection (2), where an employer employs a loan beneficiary and fails to disclose that information to the Board as required in this Act, the Board shall recover the whole amount of loan due to the beneficiary from the employer in whole-some single payment.

(5) Any person who obstructs any member, an employee or an officer of the Board or its appointed agent from doing any act authorized by this Act or Regulations made under the Act, commits an offence and

shall be liable upon conviction, to a fine not exceeding seven million shillings or imprisonment for a term of not less than twelve months or to both.

(6) The Board, Board employees or its agents shall have power to inspect any record of the employer for searching the beneficiaries' information.

22.-(1) It shall be the duty of the parent, guardian or any other person who is the guarantor of the loan beneficiary under the Student Loan Agreement to ensure that-

- (a) the Board is informed of the current address and occupation of the loan beneficiary and the name, postal and physical address of the current and any subsequent employer of the loan beneficiary;
- (b) all payments in respect of the debt for which the loan beneficiary is liable to repay and remittances thereof by the employer of the loan beneficiary are duly made in accordance with the provisions of this Act;
- (c) he provides the information and does any other thing or things required to be given or done by the loan beneficiary under the provisions of this Act;
- (d) where the debt is due and payable to the Board and the loan beneficiary fails to pay the loan, he pays the loan as if he were the loan beneficiary and all recovery mechanism shall apply against the guarantor.

(2) The Board shall proceed against the guarantor only when the Board has made efforts to have the loan beneficiary repay the loan and such efforts proved futile.

23.-(1) Any person who-

- (a) does or omits to do an act or thing contrary to the provisions of this Part or Regulations made under the provisions of this Part;
- (b) knowingly or recklessly furnishes false information, commits an offence and shall be liable on conviction to a fine of not less

than one million shillings or to imprisonment for a term of not less than twelve months or both.

(2) The Government may for the purpose of repayment of loan have the right to-

- (a) enforce the debt incurred by any loan beneficiary in accordance with the law of the country governing civil actions;
- (b) request host Government of non-returning beneficiaries in whatever category of employment or otherwise, to repatriate them at the loan beneficiary's own expenses; and
- (c) add any expenses incurred by the Government on travel and other necessary costs of a repatriated non-returning loan beneficiary to the amount loaned to him.

Proceedings for
offences
Act No 17
of 2007
S.15

24.-(1) Proceeding for offences under this Act may commence at any time when the Board has sufficient evidence to justify prosecution.

(2) The court before whom any person is convicted of an offence under this Act, shall without prejudice to any civil remedy, order such person to pay to the Board, as the case may be, the amount of any outstanding loan repayments and interest or any other sum, together with any penalty thereon found to be due from such person to the Board.

(3) All sums recovered by legal proceedings in respect of sums which should have been but were not paid to the Board shall be so paid to the Board.

(4) In any proceedings under this Act, a copy of any entry in the accounts of or any extract from the record or register of the Board shall, if stated to be a true copy by a certificate purporting to be signed by the Secretary to the Board or a person authorized by him, be received in evidence as *prima facie* evidence of the truth of the contents thereof.

(5) For the purposes of this Part the Law of Limitation Act shall not apply.

PART V FINANCIAL PROVISIONS

Funds and resources of the Board

- 25.** The funds and resources of the Board shall consist of-
- (a) such sums as may be provided for the purposes of the Board by the Parliament;
 - (b) any funds or assets which may vest in or accrue to the Board from other sources by way of fees, grants, gifts or any other way;
 - (c) money received by the Board for goods or services rendered by the Board;
 - (d) any sum which the Board may borrow for the purposes of the Board; and
 - (e) any sums or property which may in any manner become payable to or vest in the Board.

Annual estimates

26.-(1) At least three months before the commencement of each financial year, the Executive Director shall prepare or cause to be prepared for approval of the Board, annual estimates of the revenue and expenditure of the Board for the ensuing financial year.

(2) The Board shall, before the commencement of each financial year, consider and approve, subject to such modifications and amendments as it may consider appropriate, the estimates prepared in accordance with sub section (1).

(3) The annual estimates shall contain provision for all estimated expenditure during the ensuing financial year and in particular for-

- (a) the disbursement of loans to student loan beneficiaries;
- (b) the payment of salaries, allowances, travel and other charges in respect of the officers, staff and other employees of the Board;
- (c) the payment of costs of materials, equipment and other charges in respect of services, and, if applicable, training and consultancy;
- (d) the payment of allowances, fees and expenses in respect of members of the Board and any other person as it may deem necessary and appropriate;
- (e) the improvement and maintenance of any building or other immovable properties of the Board;
- (f) the proper maintenance and replacement of the furniture and

equipment of the Board;

(g) the creation of such reserve fund to meet future contingent liabilities as the Board may think fit.

(4) No expenditure of the Board shall be incurred except in accordance with the provisions of the annual estimates or in accordance with the provisions of any supplementary estimates approved by the Board.

(5) A copy of the annual estimates and every supplementary estimates, if any, shall immediately after the approval of such annual estimates or, as the case may be, the supplementary estimates, by the Board, be forwarded to the Minister.

Accounts and
audit
Act No 17
of 2007
S.16

27.-(1) The Board shall cause to be kept proper books of accounts and shall, within and not later than six months, after the end of each financial year cause to be prepared-

(a) a statement of assets and liabilities of the Board on the last day of that financial year, to be submitted to and audited by the Controller and Auditor General or his appointee;

(b) a statement of income and expenditure during such financial year;

(c) such other statements as may be required.

(2) Copies of the statements referred in subsection (1) and a copy of auditor's report, if any, shall be submitted to the Minister together with the report on the activities of the Board during the financial year.

Laying of
reports before
National
Assembly

28. The Minister shall cause to be laid before the National Assembly as soon as may be practicable, and in any case not later than twelve months after the close of each financial year, the following-

(a) copies of the statement referred to in paragraph (a) of subsection (1) of section 27;

(b) a copy of the auditor's report; and

(c) a copy of the Board's report.

Exemption
from taxes

28A. The Board shall be exempted from payment of all taxes, rates, duties and charges.

Act No 17
of 2007 S.17

PART VI

MISCELLANEOUS PROVISIONS

Exemptions	<p>29.- (1) Notwithstanding the provisions of this Act, in any case where the Board is of the opinion that a loan beneficiary should be exempt from repaying his loan by reason of-</p> <ul style="list-style-type: none">(a) death;(b) impossibility or undue difficulty, or the expenses to be incurred in the recovery of the loan being in excess of the amount sought to be recovered, there upon the liability of the loan shall be extinguished or deemed to be abandoned. <p>(2) The Minister may, by notice published in the <i>Gazette</i> exempt any class of persons from all or any of the provisions of this Act, where in his opinion it is in the public interest to do so.</p>
Remuneration of members of the Board	<p>30. The members of the Board shall be entitled to such remuneration, fees or allowances for expenses as the Minister may, upon the recommendation of the Board, prescribe from time to time.</p>
Indemnity for Bona-fide acts	<p>31. No matter or thing done by any member of the Board or its committee or of the Board shall if done bona-fide in the execution or purported execution of the functions of the Board, committee or employee of the Board as the case may be, render such member or employee personally liable for such matter or thing.</p>
Directions of the Minister	<p>32. The Minister may give directions of a general or specific character to the Board, provided that directions shall be consistent with the purposes and provisions of this Act, as to the performance by the Board of any of its functions under the Act and the Board shall give effect to every direction given by the Minister-</p>
Remittance of levy Act No 17 of 2007 S.18	<p>32A. The Minister of Finance shall, in every financial year, remit to the account of the Board the sum of not less than zero point five percent of the annual revenues collected from the skills development levy.</p>
Regulations	<p>33.-(1) The Minister may, upon the advice of the Board make</p>

regulations for the better carrying out of the purposes and provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the Minister may make regulations-

- (a) prescribing the conditions and terms upon which any specified services or categories of services within the scope of the powers, functions and duties of the Board shall be provided to applicants for student loans, student loan beneficiaries and other relevant persons;
- (b) fixing, where applicable, the fees, rates and other charges for or in connection with the provision by the Board of any facilities or services;
- (c) prescribing various procedural matters and forms to be used under this Act;
- (d) providing for the proper management, control and administration of the Board;
- (e) providing for and regulating discipline and disciplinary proceedings for the staff of the Board;
- (f) prescribing anything which may be prescribed under this Act; and
- (g) providing for any matter which in the opinion of the Board, is necessary to provide for the efficient performance of the functions of the Board.

(3) The Regulations made under this Act shall be published in the *Gazette*.

SCHEDULE

(Made under section 5)

PROVISIONS RELATING TO THE BOARD

Tenure of
office of the
Chairman

1. The Chairman of the Board shall hold office for a period of four years from the date of his appointment and shall be eligible for re- appointment.

Tenure of office of other members	<p>2.-(1) A member of the Board other than a Chairman shall, unless his appointment is sooner terminated by the appointing or nominating authority or he otherwise ceases to be a member, hold office for a term of three years from the date of his appointment and shall be eligible for re-appointment.</p> <p>(2) In the case of the member who is a member of the Board by virtue of holding a certain office, that member shall cease to be a member upon his ceasing to hold that office.</p> <p>(3) Any member of the Board may at any time resign by giving notice in writing to the Minister 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 Minister, he shall cease to be a member.</p>
Vice-Chairman	<p>3. The members of the Board shall elect one of their numbers to be the Vice-Chairman of the Board and any member so elected shall, subject to his continuing to be a member, hold office for a term of one year from the date of his election and shall be eligible for re-election.</p>
Meetings	<p>4.-(1) The Board shall meet at least once in every six months and may meet as often as there is sufficient business to transact and at such times and such places as the Board shall determine.</p> <p>(2) An ordinary meeting of the Board shall be convened by the Chairman of the Board and the notice specifying 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 fourteen days before the date of such meeting:</p> <p>Provided that, where the Chairman is unable to act by reason of illness, absence from Tanzania or other sufficient cause, the Vice-Chairman may convene such meeting.</p> <p>(3) The Chairman or in his absence the Vice-Chairman shall preside at every meeting of the Board and, in the absence of both the Chairman and the Vice-Chairman, the members present at a meeting shall appoint one of their number to preside at the meeting.</p> <p>(4) The Chairman or, in his absence the Vice-Chairman may, on his own motion, and shall if requested in writing in that behalf by at least one third of the members convene extra-ordinary meeting of the Board and a notice of not less than seven days shall be given to all members of the Board in the manner prescribed in subparagraph (2).</p> <p>(5) The Chairman, the Vice-Chairman or other person presiding at any meeting of 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 right to vote at the meeting.</p> <p>(6) The Board may transact business notwithstanding any vacancy in its membership.</p>
Minutes of the meeting	<p>7. Minutes in proper form, of each meeting of the Board shall be recorded, kept and read and confirmed or amended and confirmed by the Board at its next meeting and</p>

signed by the person presiding at the meeting, and the Secretary.

Quorum

8. The quorum at any meeting of the Board shall be two thirds of the members for the time being in office.

Decision of the Board

9.-(1) All acts, matters and things to be done by the Board shall be decided by a simple majority of the members present and voting.

(2) Each member of the Board shall have one vote and in the event of equality of votes, the Chairman of the meeting shall have a casting vote in addition to his normal or deliberative vote.

(3) Notwithstanding the provisions of sub-paragraph (2), a decision of the Board may be made by the Board, without it meeting, by circulation of relevant papers among the members and the expression in writing of similar views by the majority of the members shall constitute the decision of the Board:

Provided that, a member may require that, notwithstanding the member's signature the matter be brought to the following meeting of the Board.

Defect in appointment not to invalidate proceedings

10. Subject to the provisions of paragraph 7 relating to quorum, the Board may act notwithstanding any vacancy in the membership thereof and no act or proceedings of the Board shall be invalid by reason only of any such vacancy or some defect in the appointment of a person who purports to be a member.

Absence from the meetings

11. 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 revoke the appointment of the member and appoint another member in his place.

Use of official seal of the Board

12.- (1) There shall be an official seal of the Board which shall be of such shape, size and form as the Board may determine.

(2) The official seal of the Board shall not be affixed to any instrument or document made, issued or executed by or on behalf of the Board except in the presence of the Chairman or Vice-Chairman, the Secretary or such other member of the Board or other employee of the Board as the Board may appoint in that behalf.

Execution of documents

13. All rulings, resolutions, declarations or other documents made, issued or executed by or on behalf of the Board or the Board shall be sealed with the official seal of the Board and shall be signed by-

- (a) the Chairman, or in his absence, the Vice-Chairman;
- (b) the Secretary of the Board; or
- (c) any other member of the Board or employee of the Board authorized in writing in that behalf by the Board.

Payment of allowances to members	14. The members of the Board shall be entitled to receive such remuneration, allowances and other benefits as the Minister may direct.
Declaration indirectly of interest by member	15. Member of the Board who is in any way directly or indirectly interested in a contract or proposed contract or any matter being deliberated by the Board shall declare the nature of his interest to the fellow members.
Board to regulate its own proceedings	16. Subject to this Schedule the Board shall have power to regulate the procedure in relation to its meetings and the transaction of its business.