

Zimbabwe

## Industrial Development Corporation Act

### Chapter 14:10

Legislation as at 31 December 2016

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## Industrial Development Corporation Act (Chapter 14:10)

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## Zimbabwe

# Industrial Development Corporation Act

## Chapter 14:10

Commenced on 1 November 1963

*[This is the version of this document at 31 December 2016 and includes any amendments published up to 31 December 2017.]*

*[Note: This version of the Act was revised and consolidated by the Law Development Commission of Zimbabwe. This version is up-to-date as at 31st December 2016.]*

AN ACT to constitute a corporation the object of which shall be to promote the establishment of new industries and industrial undertakings and the development of existing industries and industrial undertakings; to provide for contributions by certain members of the staff of the corporation to the Consolidated Revenue Fund for the purpose of pensions and other benefits; and to provide for other matters incidental to the foregoing.

### 1. Short title

This Act may be cited as the Industrial Development Corporation Act *[Chapter 14:10]*.

### 2. Interpretation

“**Board**” means the board of directors referred to in subsection (1) of section seven;

“**company**” means an association of persons, whether incorporated or unincorporated;

“**Corporation**” means the Industrial Development Corporation of Zimbabwe, Limited;

“**Minister**” means the Minister of Industry and Commerce or any other Minister to whom the President may, from time to time, assign the administration of this Act.

### 3. Constitution and registration of Corporation

- (1) Upon the 29th November, 1963, there shall be constituted a body corporate to be called the Industrial Development Corporation of Zimbabwe, Limited, and the Registrar of Companies shall enter the name of the Corporation in his registers.
- (2) With effect from the 2nd May, 1980, the Corporation shall be called the Industrial Development Corporation of Zimbabwe, Limited.

### 4. Objects of Corporation

The objects of the Corporation shall be—

- (a) with the approval of the Minister, to establish and conduct any industrial undertaking;
- (b) to facilitate, promote, guide and assist in the financing of—
  - (i) new industries and industrial undertakings;
  - (ii) schemes for the expansion, better organization and modernization of and the more efficient carrying out of operations in existing industries and industrial undertakings;
- (c) without prejudice to the functions and powers conferred upon other relevant agencies or institutions of the Government and so far as may be practicable, to assist and support the development of small-scale or medium-scale industries and industrial undertakings;

- (d) within the scope of its functions and powers, to implement policies of the Government in regard to decentralization of industry, choice of technology and such other matters connected with industrial development as the Minister may specify for that purpose;
- (e) to undertake the development of management and technical expertise in the carrying out of operations in industries and industrial undertakings, including the development of expertise in project analysis, evaluation of investment opportunities and the provision of consultancy services;
- (f) to take such measures as may be necessary or expedient to enable the Corporation to exercise direct and effective control over enterprises in which it has made an investment;

to the end that the economic requirements of Zimbabwe may be met and industrial development within Zimbabwe may be planned, expedited and conducted on sound business principles.

## 5. Powers of corporation

For the purpose of attaining its objects, the Corporation shall have power—

- (a) to promote or assist in the promotion of companies for conducting industrial operations in Zimbabwe or any other country;
- (b) to lend or advance money to, to acquire an interest in or to provide, or by underwriting or otherwise to assist in the subscription of, capital for, any company engaged in or proposing to establish or to expand or modernize any such industry or industrial undertaking as is referred to in section four;
- (c) to hold, manage, develop, let or hire, buy, subscribe for or otherwise acquire, or sell or otherwise dispose of, or hypothecate or otherwise deal in, immovable or movable property of any sort, including stocks, shares, bonds, debentures and securities of, and any interest in, any company and, where necessary, to act as trustee for debenture holders;
- (d) to make, draw, accept or endorse negotiable instruments;
- (e) to guarantee any undertaking given in relation to the financing of any company or the performance of any contract by any company;
- (f) by the issue of debentures or debenture stock or otherwise to raise loans or borrow moneys:

Provided that the amount owing at any time in respect of loans raised or moneys borrowed shall not, without the approval of the Minister and of the Minister responsible for finance, exceed the amount of the issued capital of the Corporation at that time;

- (g) to act as the manager or secretary of any company and to appoint any person to act on behalf of the Corporation as a director of or in any other capacity in relation to any company, and to act as the agent or representative of other companies, whether carrying on business in Zimbabwe or elsewhere;
- (h) to procure the registration of the Corporation outside Zimbabwe and, generally, to enter into any contract and perform any act, whether within Zimbabwe or elsewhere, which may be necessary for or incidental or conducive to the attainment of any of the objects of the Corporation, or which are calculated directly or indirectly to enhance the value of the services which the Corporation can render towards industrial development within Zimbabwe;
- (i) to appoint any person or promote any company for the purpose of—
  - (i) providing management services to the Corporation or any subsidiary company of the Corporation;
  - (ii) promoting and developing the Corporation's human resources by way of personnel training in sound financial administration, management techniques and services, computers, project implementation, and any other field related to the activities of the Corporation;

- (iii) acting as agent or representative of other companies, whether carrying on business in Zimbabwe or elsewhere:

Provided that any person so appointed or company so promoted shall act under the authority and direction of the Board and shall not, without the written consent of the Board, delegate any function assigned by the Board to that person or company.

## 6. General lines along which Corporation's powers should be exercised

It shall be the duty of the Corporation so to exercise its powers—

- (a) that every application or proposal dealt with by it is considered strictly on its economic merits, irrespective of all other considerations whatsoever; and
- (b) that all matters relating to the raw materials necessary for carrying on the industry or industrial undertaking, or the proposed industry or industrial undertaking, to the labour supply available for the carrying on thereof, to the rates of wages proposed to be paid and to the markets available for the disposal of the products thereof are carefully reviewed; and
- (c) that generally the activities of the Corporation referred to in paragraph (b) of section *four* are directed towards guiding and assisting others in financing the establishment or development of industries or industrial undertakings and that, so far as may be practicable, the Corporation shall not be required to provide an unduly large proportion of the capital which is necessary for such establishment or development.

## 7. Board of directors

- (1) The operations of the Corporation shall be managed and controlled by a board of directors, which may exercise all such powers of the Corporation as are not by this Act required to be exercised by the Minister.
- (2) The Board shall consist of not less than five and not more than nine directors:  
Provided that if at any time the number of directors holding office falls below five, the remaining directors shall manage and control the affairs of the Corporation.
- (3) All the directors shall be appointed by the Minister, after consultation and in accordance with any directions the President may give him for their ability and experience or administration and their suitability otherwise for appointment as directors.
- (4) The Minister shall appoint one of the directors to be chairman of the Board.
- (5) The directors may appoint one of their number to be deputy chairman of the Board.
- (6) No decision or act of the Board or act done under the authority of the Board shall be invalid by reason only of the fact that a disqualified person purported to act as a member of the Board at the time that decision was taken or that act was done or authorized.

## 8. Alternate directors

- (1) Subject to this Act, each director may, with the approval of the Minister, nominate an alternate director to act in his place.
- (2) An alternate director, when acting in the place of a director, shall in all respects have all the powers and discharge all the duties of that director:

Provided that an alternate director appointed by the chairman shall have only the powers and discharge only the duties of a director other than the chairman.

## 9. Members of parliament not to be directors

No person shall be appointed, nominated or remain a director or alternate director who is a member of Parliament.

## 10. Tenure and conditions of office of directors

- (1) Subject to this Act, a director shall hold office for such period, not exceeding three years, as the Minister may fix on his appointment, and shall, upon the expiry of his term of office, be eligible for reappointment as a director.
- (2) A director shall vacate his office and his office shall become vacant—
  - (a) after the expiry of one month after the date upon which he gives notice in writing to the Minister of his intention to resign, or after the expiry of such period of notice as he and the Minister may agree; or
  - (b) on the date he begins to serve a sentence of imprisonment imposed in any country; or
  - (c) if he is required in terms of subsection (3) to vacate office; or
  - (d) if, after such director was given not less than seven days' notice of each meeting, he is absent from three consecutive meetings of the Board without the Board's permission.
- (3) The Minister may require a director to vacate his office if the Minister is satisfied that the director—
  - (a) has conducted himself in a manner that is unbecoming of a director or is prejudicial to the interests or reputation of the Board or the Corporation; or
  - (b) has failed to comply with the conditions of his office fixed by the Minister in terms of subsection (6); or
  - (c) is mentally or physically incapable of efficiently performing his functions as a director.
- (4) On the death of, or the vacation of office by, a director, the Minister shall appoint a person to fill the vacancy until the expiry of the period during which the director would, but for his death or the vacation of his office, have continued in office:

Provided that, if the director would, but for his death or the vacation of this office, have continued to hold office for less than six months, the Minister need not appoint a person to fill the vacancy.
- (5) A director shall be paid—
  - (a) such remuneration, if any, as the Minister may, after consultation with the Minister responsible for finance, fix for directors generally;
  - (b) such allowances as the Minister may fix to meet any reasonable expenses incurred by him in connection with the business of the Board:

Provided that the remuneration payable by the Corporation to any director in respect of any work done or office held by him, other than his work as or office of director, shall be determined by the Board.
- (6) A director shall hold office upon such conditions, other than conditions as to remuneration, as the Minister may fix for directors generally.

## 11. Meetings of Board

- (1) The chairman shall preside at all meetings of the Board at which he is present.
- (2) At meetings of the Board the chairman shall have a deliberative vote and, in addition, in the event of an equality of votes, a casting vote.

- (3) The deputy chairman, if one has been appointed, shall preside at any meeting of the Board from which the chairman is absent and shall at any such meeting have all the powers and discharge all the duties of the chairman except that in the event of an equality of votes he shall not have a casting vote.
- (4) Should the chairman and the deputy chairman, if one has been appointed, both be absent from any meeting of the Board, the directors who are present at that meeting shall elect one of their number to preside thereat.
- (5) Subject to subsection (2), the decision of the majority of the directors present at a meeting of the Board shall constitute the decision of the Board.

## 12. General Manager

Subject to any regulations made in terms of section *eighteen*, the Board may appoint upon such terms and conditions as it may determine, including conditions relating to remuneration, any person, including a director, to be the General Manager who shall exercise such powers and perform such duties as may be authorized or determined by the Board.

## 13. Share capital

- (1) Subject to this section, the authorized share capital of the Corporation shall be one hundred million dollars which shall be divided into fifty million ordinary shares of two dollars each.
- (2) The shares of the Corporation issued by the Corporation from time to time may be taken up, in whole or in part, by the State only.
- (3) Shares purchased by the State shall be paid for from moneys appropriated by Parliament for that purpose or by the transfer to the Corporation of the assets referred to in subsection (1) of section twenty-eight, at a price to be agreed upon between the Corporation and the Minister responsible for finance after consultation with the Minister, or partly from moneys so appropriated and partly by the transfer of such assets at a price to be so agreed upon.
- (4) Payment for the shares in the Corporation shall be made at such time and in such amounts as may after consultation be agreed between the Minister responsible for finance and the Board.
- (5) Any portion of the share capital which consists of money and which is not required by the Board for the immediate purposes of the Corporation may be invested by the Board with the State for the benefit of the Corporation or in such other way as the Minister may, after consultation with the Minister responsible for finance, approve.
- (6) The shares held by the State shall not be transferable by the State otherwise than by the authority of an Act.
- (7) The Board may from time to time, with the approval of the Minister and of the Minister responsible for finance, by resolution—
  - (a) increase the share capital of the Corporation to such extent as may seem to it to be expedient;
  - (b) issue, in whole or in part, the shares resulting from an increase in the share capital of the Corporation referred to in paragraph (a);
  - (c) call up, in whole or in part, any shares issued in terms of paragraph (b).

## 14. Limitation of liability of the State

The liability of the State shall be limited to the amount unpaid on the shares held by the State.

## 15. Expenditure

The expenditure incurred by or on behalf of the Board, including the remuneration of directors, shall be defrayed from the funds of the Corporation.

## 16. Appropriation of profits

No dividend in excess of eight *per centum* per annum shall be declared by the Board without the approval of the Minister.

## 17. Accounts and audit

- (1) The Board shall cause proper books of account to be kept and also all necessary books and records in relation thereto.
- (2) The accounts of the Corporation shall be audited by one or more persons approved by the Minister, to be appointed annually by the Board, who are registered as public auditors in terms of the Public Accountants and Auditors Act [Chapter 27:12] and who publicly carry on the profession of accountants and auditors.

## 18. Regulations

- (1) The directors may, by resolution at a meeting of the Board, make regulations providing for all matters which by this Act are required or permitted to be prescribed or which, in their opinion, are necessary or convenient to be provided for in order to carry out or give effect to this Act.
- (2) Without derogation from the generality of subsection (1), regulations made in terms of subsection (1) may provide for all or any of the matters specified in the Schedule.
- (3) A resolution referred to in subsection (1) shall not become effective until it has been signed by the Minister.

## 19. Information to be furnished to Minister and to Parliament

- (1) As soon as practicable after the meeting of the Board at which the balance sheet and accounts of the Corporation are submitted has been held, the Corporation shall transmit to the Minister in respect of its last preceding financial year copies of—
  - (a) a balance sheet and profit and loss account showing separately the financial details in connection with any industrial undertaking established and conducted by the Corporation under paragraph (a) of section *four* and duly certified by the auditors appointed under section *seventeen*; and
  - (b) the report, if any of the Board submitted and the address, if any, of the chairman of the Board delivered at the said meeting or, if no such report was submitted or address delivered, a full report on the operations of the Corporation during the said financial year.
- (2) The Minister shall lay copies of all such balance sheets, accounts, reports or addresses before Parliament on one of the fourteen days on which Parliament next sits after their receipt by him.
- (3) As soon as practicable after the close of any meeting of the Board or after a decision has been taken by the directors in accordance with a regulation made under paragraph 5 of the Schedule, the Corporation shall transmit to the Minister for his information a copy of the minutes of that meeting or a copy of that decision, as the case may be.

## 20. Winding up of Corporation

The Corporation shall not be wound up except by or under the authority of an Act.



## 21. Use of name of Corporation

No association or company shall carry on business under or be registered under the Companies Act [Chapter 24:03] by a name identical with that of the Corporation or so nearly resembling the name of the Corporation as to be calculated to deceive:

Provided that this section shall not prohibit any company from carrying on business under or remaining registered by the name by which it was registered under the said Act at the 1st November, 1963.

## 22. Application of Companies Act

- (1) The President may, by proclamation, apply to the Corporation any provision of the Companies Act [Chapter 24:03] or any amendment thereof which is not inconsistent with this Act, with such modifications as he may think fit, and may withdraw or amend any such proclamation.
- (2) Subject to subsection (1), none of the provisions of the Companies Act [Chapter 24:03], or of any other law relating to companies, shall apply to the Corporation.

## 23. Staff of Corporation

The Board may appoint, upon such terms and conditions as it may deem fit, such staff as may be necessary for conducting the business of the Corporation and may suspend or discharge any member of such staff:

Provided that no person seconded from the Public Service may be discharged except with the consent of the Public Service Commission.

## 24. Corporation deemed to be approved service

The Corporation shall be deemed to be an approved service for the purposes of the law governing the Public Service:

Provided that—

- (i) a person shall only be seconded from the Public Service to the employment of the Corporation for an indefinite period;
- (ii) notwithstanding anything contained in any other enactment, the pensionable emoluments of any person seconded from the Public Service to the employment of the Corporation shall be the salary paid to him by the Corporation together with any allowance paid to him by the Corporation which is approved by the Minister responsible for finance for the purposes of this section.

## 25. Corporation to contribute to Consolidated Revenue Fund

There shall be paid out of the funds of the Corporation into the Consolidated Revenue Fund such amounts as may be agreed upon by the Minister responsible for finance and the Corporation in relation to the liability assumed by the State for the payment of pensions and other benefits to members of the staff of the Corporation who have been seconded from the Public Service to the employment of the Corporation.

## 26. Establishment by Corporation of pension fund

The Corporation may—

- (a) make provision for pecuniary benefits for the members of the staff of the Corporation, other than persons seconded from the Public Service, on their retirement, resignation, discharge or other termination of service, or for their dependants in the event of their death, by means of—
  - (i) policies of insurance; or
  - (ii) the establishment of pension funds; or

- (iii) the establishment of provident funds; or
  - (iv) such other provision as the Corporation may determine; or
  - (v) any two or more such schemes;
- (b) require persons in respect of whom provision is made under paragraph (a) to make contributions to any scheme established or instituted in terms of that paragraph and deduct such contributions from the salaries of such persons;
- (c) contribute to any scheme established or instituted in terms of paragraph (a).

## 27. Refund of contributions

If a member of the staff of the Corporation is discharged on account of misconduct or resigns, or is called upon to resign, in order to avoid such discharge, there shall be refunded to him the amounts, not including interest on arrear contributions, paid by him to any scheme established in terms of section twenty-six:

Provided that the Corporation may deduct from any amounts so payable to such member the amount of any direct loss which the Corporation may have sustained by reason of such misconduct and any amount so deducted shall be paid to the Corporation.

## 28. Transfer of assets

- (1) Upon the 30th September, 1964, so much of the assets vested in the Southern Rhodesia Industrial Development Fund established under section 9 of the Industrial Development Act [*Chapter 231 of 1963*] as may be determined by the Minister of the Treasury after consultation with the Minister of Trade, Industry and Development and the Corporation, on that date, are hereby transferred to and vested in the Corporation and all the liabilities and obligations which had on that date been incurred by that Fund in respect of the assets so transferred shall be imposed upon and discharged by the Corporation.
- (2) The assets vested in the Southern Rhodesia Industrial Development Fund which are not transferred in terms of subsection (1) shall vest in the State.

## 29. Savings

Notwithstanding the repeal of the Industrial Development Act [*Chapter 231 of 1963*], all bonds, charges, agreements, contracts and instruments in respect of the assets, liabilities and obligations transferred in terms of subsection (1) of section *twenty-eight* to which the Southern Rhodesia Industrial Development Fund mentioned in that subsection was a party and which are subsisting on the 1st November, 1963, shall be of as full force and effect against or in favour of the Corporation and enforceable as fully and effectively as if, instead of such Fund, the Corporation had been named therein or had been a party thereto.

## Schedule (Section 18)

### Matters in respect of which the Board may make regulations

1. The conditions, other than those relating to remuneration, of appointment of alternate directors and the circumstances in which an alternate director shall vacate his office.
2. The occasions when, the circumstances in which and the conditions under which an alternate director may act in the place of a director.
3. Meetings of the Board, and the procedure thereat, including the quorum necessary therefor and the minutes to be kept thereof.
4. The taking of decisions by directors without holding a meeting of the Board.
5. The submission annually of a balance sheet and accounts to a meeting of the Board.

6. The provision of an official seal or seals and the use thereof within Zimbabwe or elsewhere.
7. The issue of certificates of title to shares and debentures; the register of members and debenture-holders; calls on unpaid shares; the issue of new shares; the conditions on which shares and debentures are issued, including provisions for liens, powers to sell unpaid shares and debentures, forfeiture, transfer or transmission of shares and debentures and modification of rights attaching to any shares.
8. The powers of the directors, subject to this Act, to raise loans and borrow moneys and by power of attorney to appoint any person to act for the Corporation.
9. The appointment, subject to the approval of the Minister, of foreign committees to act on behalf of the Corporation in foreign countries and the powers, functions and procedure of such committees.
10. The setting up of a reserve fund and the capitalization of undivided profits and reserves.
11. The declaration of dividends and the payment of dividends or interest.
12. The notices to be given to the directors, alternate directors and other persons concerned or connected with the business of the Corporation.