

N.L.C.D. 353
COTTON DEVELOPMENT AUTHORITY ACT, 1969

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N.L.C.D. 353
COTTON DEVELOPMENT AUTHORITY ACT, 1969(1)

AN ACT to establish a corporate body to develop the cotton industry and for related matters.

1. Establishment of the Cotton Development Authority

- (1) There is hereby established a body corporate to be known as the Cotton Development Authority.
- (2) The Authority shall have perpetual succession and a common seal and may sue and be sued in its corporate name.
- (3) The Authority may for the performance of its functions, acquire and hold movable or immovable property, dispose of that property, and enter into a contract or any other transaction.

2. Functions of the Authority

- (1) The function of the Authority is to develop cotton production in the country.
- (2) Without prejudice to the generality of the function specified in subsection (1), the Authority or any other person authorised in that behalf by the Authority, is the exclusive authority to perform the following functions, and any other person shall not perform any of those functions:

- (a) the purchase, handling and transport of seed-cotton, the ginning of seed-cotton and the sale of ginned cotton;
 - (b) the determination and guarantee of the prices at which seed-cotton shall be purchased by the Authority;
 - (c) the purchase, sale, importation, handling, transport, distribution and exportation of cotton-seed; and
 - (d) the withholding of assistance at its discretion from growers, who have in the opinion of the Council acted against the common interest of cotton growers or have contravened a provision of the Regulations.
- (3) The Authority or any other person may perform any of the following functions:
- (a) the growing or the arrangement for the growing of cotton;
 - (b) the undertaking of research or the arrangement of research in respect of the problems affecting the cotton industry and for the improvement and utilisation of cotton products;
 - (c) the giving of advice on technical, social and economic matters connected with the general development of the cotton industry; and
 - (d) the performance of any other function which has been conferred on the Authority or on any other person under the Regulations.

3. The governing body

- (1) The governing body of the Authority is a council consisting of,
- (a) the chairman,
 - (b) four members representing banking, textile, farming and business interests,
 - (c) the chief crop production officer of the Ministry of Agriculture as an ex officio member, and
 - (d) the executive director.
- (2) The members of the Council shall be appointed by the President in accordance with article 70 of the Constitution.²⁽²⁾
- (3) Where a member of the Council ceases to be a member under this Act or otherwise before the expiry of that member's term of office, another member may be appointed by the President in accordance with article 70 of the Constitution.
- (4) *Spent.3(3)*
- (5) *Spent.4(4)*

4. Terms and conditions of members' office

- (1) Subject to this Act, a member of the Council shall hold office on the terms and conditions relating to the payment of remuneration and allowances as decided by the President.
- (2) A member may resign from the office of a member by giving one month's notice in writing to the President.
- (3) The chairman and the other members are eligible for re-appointment.

5. Meetings of the Council

(1) The Council shall meet for the performance of its functions at intervals, not exceeding three months at the times and places appointed by the chairman.

(2) The chairman shall preside at the meetings of the Council and in the absence of the chairman, a member appointed by the members present from among themselves shall preside.

(3) Questions proposed at a meeting of the Council shall be determined by a simple majority of the members present and voting and, in the event of an equality of votes, the person presiding shall have a casting vote.

(4) The quorum at a meeting of the Council is four.

6. Executive director

(1) The executive director shall be appointed in accordance with article 195 of the Constitution for a fixed period of five years which may be renewed.

(2) The terms of employment of the executive director shall be determined by the President.

(3) The executive director shall be an ex officio member of the Council and is, in addition to the functions as a member of the Council, responsible for carrying out the day-to-day management of the activities of the Authority and of its routine administration and organisation, subject to the directions given by the Council.

(4) The executive director shall, for the performance of the functions of office be provided with offices and assisted by personnel as laid down by the Regulations.

7. Officers and employees

The Authority shall employ any other officers and employees as may be necessary for the performance of its functions, on the terms and conditions determined by the Council.

8. Immunity of members, officers and employees

A member of the Council or any of the officers and employees of the Authority, shall not be held personally liable to civil action, suit or any other civil proceedings in respect of a matter relating to the performance of a function under this Act which was done in good faith.

9. Assets and funds of the Authority

(1) The assets of the Authority consist of the lands, buildings, equipment, stores, furniture, tools and machinery purchased by the Authority or granted to the Authority by the Government or any other person for the proper performance of its functions.

(2) The funds and property of the Authority consist of

- (a) the sums of money granted to the Authority by the Government with the prior approval of the Minister responsible for Finance,
- (b) the sums of money or any other property granted to the Authority by foreign governments or foreign institutions,
- (c) income derived from the sale of ginned cotton, cotton seed, seed-cotton and any other

by-products, and

- (d) any other money or property payable to or vested in the Authority in respect of a matter incidental to its functions.

(3) Subject to article 181 of the Constitution, the Authority may borrow from a corporation, local authority or any other person the amounts that it may require for the performance of its functions.

10. Accounts

(1) The Authority shall keep proper books of accounts and proper records in relation to the accounts, in the form approved by the Auditor-General.

(2) The financial year of the Authority shall be the period of twelve months ending on the 31st day of March in each year.

(3) The executive director shall prepare the budget estimates for the financial year and present the estimates to the Council for its approval not later than two months before the end of the preceding financial year of the Authority.

11. Audit

(1) In accordance with article 187 of the Constitution the accounts of the Authority shall be submitted annually by the Council to the Auditor-General for auditing.

(2) The Council shall furnish a report on the activities of the Authority during the preceding financial year together with the audited statement of accounts in respect of that year to the Minister not later than the 31st day of July immediately succeeding the end of the previous financial year.

(3) The Minister shall transmit copies of the report and audited statement as soon as practicable to the President.

12. Offences

(1) A person who contravenes a provision of this Act, or of the Regulations commits an offence and is liable on summary conviction to a fine not exceeding two hundred and fifty penalty units or to a term of imprisonment not exceeding one year or to both the fine and the imprisonment.

(2) A court of competent jurisdiction imposing a conviction under subsection (1) may order the destruction of contaminated cotton crop, seed-cotton or cotton seed.

(3) Where an offence under this Act is committed by a body of persons

- (a) in the case of a body corporate, every director and officer of the body corporate shall be deemed to have committed that offence; and
- (b) in the case of a firm, every partner of the firm shall be deemed to have committed that offence.

(4) A person shall not be convicted of an offence under subsection (3) if it is proved that the offence was committed without the knowledge of that person or that due diligence was exercised to prevent the commission of the offence.

13. Regulations

The Authority may, with the prior approval in writing of the Minister, make Regulations by legislative

instrument

- (a) relating to the production, purchase, storage and processing of seed-cotton, and the sale and utilisation of cotton lint and cotton seed, which the Council considers to be in the true interests of the country and of the cotton industry;
- (b) relating to the importation of cotton lint, seed-cotton and cotton seed;
- (c) relating to the destruction of contaminated cotton crop, seed-cotton and cotton seed;
- (d) in respect of a matter required or authorised by this Act, to be made by Regulations; and
- (e) in respect of a matter for the purpose of carrying out of this Act.

14. Exemption from taxes

The Authority is not liable for the payment of income tax, a duty imposed under the Internal Revenue Act, 2000 (Act 592) or any other tax exempted by the Regulations.

15. Interpretation

In this Act, unless the context otherwise requires,

“**Authority**” means the Authority established by section 1;

“**Council**” means the governing body of the Authority;

“**member**” means a member of the Council;

“**Minister**” means the Minister responsible for Agriculture;

“**Regulation**” means Regulations made under section 13.

16. Commencement

Spent.5(5)

Endnotes

1 (Popup - Footnote)

1. The Act was issued as the Cotton Development Authority Decree, 1969 ([N.L.C.D. 353](#)) made on the 13th day of May, 1969 and notified in the *Gazette* on 16th May, 1969.

2 (Popup - Footnote)

2. [Section 3](#) had a proviso which stipulated the first members of the Authority in a Schedule to the Decree.

3 (Popup - Footnote)

3. The subsection reads,

“Subject to [section 3 \(4\)](#) a member of the Authority shall hold office for two years.”

4 (Popup - Footnote)

4. The subsection reads,

“One year after the expiry of the term of office of the first members as mentioned in subparagraph (3) of this paragraph, two of the four members representing farming, textile, business and banking interests in the country, shall upon the drawing of lots, vacate their seats one year after their appointment as members of the Authority, but shall be eligible for reappointment to the vacant seats so created for a normal term of office of two years.”

5 (Popup - Footnote)

5. The section provided for the retroactive operation of the Decree, from the 1st day of June, 1968.