

GOVERNMENT OF ZAMBIA

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**ACT**

No. 18 of 1981

Date of Assent: 16th December, 1981

**An Act to foster and encourage the development of small industries; to provide for the granting of incentives to small industries; to establish the Small Industries Development Organisation; to define the functions and powers of the Organisation; and to provide for matters connected with or incidental to the foregoing.**

[18th December, 1981

ENACTED by the Parliament of Zambia.

**Enactment**

PART I

PRELIMINARY

1. This Act may be cited as the Small Industries Development Act, 1981.

**Short  
title**

2. In this Act, unless the context otherwise requires—

**Interpreta-  
tion**

“Chairman” means the person appointed Chairman of SIDO under section *four*;

“Director” means the person appointed Director of SIDO under section *ten*;

“enterprise” means an undertaking engaged in manufacture or in the provision of services;

“manufacture” means the commercial transformation of raw materials or semi-processed materials into finished or semi-finished products, and includes the assembly of inputs into finished or semi-finished products, and repairing and packing, but does not include mining or recovery of minerals;

- “member” means a member of SIDO;
- “Secretary” means the person appointed Secretary to SIDO under section *eleven*;
- “services” includes any service for the supply or provision of goods, commodities, facilities or amenities for reward, which is performed by physical or mechanical means;
- “SIDO” means the Small Industries Development Organisation established by section *three*;
- “small industry” means all the small scale and village enterprises registered under the provisions of this Act;
- “small scale enterprise” means an enterprise having capital assets not exceeding two hundred and fifty thousand kwacha or such higher amount as may be prescribed from time to time;
- “Vice-Chairman” means the person elected Vice-Chairman of SIDO under section *four*;
- “village enterprise” means an enterprise in respect of which SIDO is satisfied that such enterprise—
- (a) is located in a village, rural or semi-urban area;
  - (b) uses labour intensive processes as far as is practicable; and
  - (c) uses local raw materials as far as is practicable.

## PART II

## SMALL INDUSTRIES DEVELOPMENT ORGANISATION

Establishment of SIDO

3. There is hereby established the Small Industries Development Organisation which shall be a body corporate with perpetual succession and a common seal, capable of suing and of being sued in its corporate name, and with power, subject to the provisions of this Act, to do all such acts and things as a body corporate may by law do or perform.

Composition of SIDO

4. (1) SIDO shall consist of the following members—

- (a) a Chairman, who shall be appointed by the President on such terms and conditions as the President may determine;
- (b) the chief executive officer of the Village Industry Service, a service registered under the Societies Act;
- (c) a representative of the Ministry responsible for national development planning;
- (d) a representative of the Ministry responsible for finance;
- (e) a representative of the Ministry responsible for industry;
- (f) a representative of the Ministry responsible for agriculture and water development;

Cap. 105

- (g) a representative of the Zambia Industrial and Mining Corporation Limited, a company registered under the Companies Act; Cap. 686
- (h) a representative of the Bankers' Association of Zambia, an association registered under the Societies Act; Cap. 105
- (i) a representative of the Zambia Federation of Employers established under the Industrial Relations Act; Cap. 517
- (j) a representative of the Zambia Congress of Trade Unions established under the Industrial Relations Act; Cap. 517
- (k) a representative of the House of Chiefs;
- (l) a representative of the Small Scale Industries Association of Zambia, an association registered under the Societies Act; Cap. 105
- (m) two persons, appointed by the Minister, who shall have had experience in matters relating to small industries.

(2) Subject to the approval of the Minister of any particular nomination, the members other than those referred to in paragraphs (a), (b) and (m) shall be nominated by their respective Ministries or organisations.

(3) A member referred to in subsection (2) may be withdrawn—

- (a) on the request of the Minister made in writing to the Ministry or organisation which the member represents; or
- (b) on the request to SIDO made in writing by the respective Ministry or organisation;

and in either case the respective Ministry or organisation shall, subject to the approval of the Minister, replace such member.

(4) SIDO shall elect a Vice-Chairman from amongst its members who shall discharge the functions of the Chairman whenever the office of Chairman is vacant or the Chairman is absent or is for any other cause unable to discharge the functions of his office.

5. A member may resign by giving one month's notice in writing— Resignation of member

- (a) in the case of the Chairman, to the President;
- (b) in the case of a member referred to in paragraph (m) of subsection (1) of section four, to the Minister;
- (c) in any other case, to the Ministry or organisation which such member represents.

6. (1) The functions of SIDO shall be to do all such acts and things as are necessary to foster and encourage the development of small industries or as are conducive to the attainment of that purpose. Functions of SIDO

(2) Without derogating from the generality of subsection (1), SIDO may—

- (a) formulate, co-ordinate and implement national policies and programmes relating to the development and promotion of small industries;
- (b) carry out research projects, surveys and market research on any aspect connected with small industries;
- (c) provide, or assist in providing, training facilities for persons engaged or employed or to be employed in small industries and co-ordinate the activities of other institutions engaged in such training;
- (d) provide extension, management and consultancy services for small industries;
- (e) promote local and foreign investment in small industries;
- (f) assist in procuring, obtaining or providing supplies, equipment or raw materials for small industries;
- (g) assist in locating and developing industrial estates, common facility centres and ancillary services.

Proceedings  
of SIDO

7. (1) Subject to the provisions of this section, SIDO may regulate its own procedure.

(2) One half of the members holding office at any time shall form a quorum at any meeting of SIDO.

(3) For the transaction of its business, SIDO shall hold meetings at such places and at such times, being not less than once every six months, as SIDO may determine.

(4) A meeting of SIDO may be called by the Chairman or in his absence by the Vice-Chairman, and shall be called if not less than five members so request in writing, upon giving fourteen days' notice:

Provided that if the urgency of any particular matter does not permit the giving of fourteen days' notice, a special meeting may be called upon giving a shorter notice.

(5) There shall preside at any meeting of SIDO—

- (a) the Chairman; or
- (b) in the absence of the Chairman, the Vice-Chairman; or
- (c) in the absence of the Chairman and the Vice-Chairman, such member as the members present and voting may elect for the purpose of that meeting.

(6) Subject to the provisions of subsection (7), a decision of SIDO shall be by a majority of the members present and voting at a meeting and, in the event of an equality of votes, the person presiding at the meeting shall have a casting vote in addition to his deliberative vote.

(7) Where any member referred to in paragraphs (b) to (l) inclusive, of subsection (1) of section four is for any reasonable cause unable to attend any meeting of SIDO, his Ministry or organisation, as the case may be, may, in writing, nominate another person to attend such meeting in his stead and such person shall be deemed to be a member for the purpose of such meeting.

(8) SIDO may invite any person, whose presence is in its opinion desirable, to attend, and to participate in the deliberations of, a meeting of SIDO, but such person shall not be entitled to vote.

(9) The validity of any proceedings, act or decision of SIDO shall not be affected by any vacancy in the membership of SIDO or by any defect in the appointment of any member or by reason that any person not entitled so to do took part in the proceedings.

(10) SIDO shall cause minutes to be kept of the proceedings of its meetings and of every meeting of any committee established by it.

8. (1) If a member is present at a meeting of SIDO at which any matter is the subject of consideration in which matter the member or his spouse is directly or indirectly interested in his private capacity, he shall as soon as practicable after the commencement of the meeting, disclose such interest and shall not, unless SIDO otherwise directs, take part in any consideration or discussion of, or vote on, any question touching such matter.

Disclosure  
of interest

(2) The provisions of subsection (1) shall apply, *mutatis mutandis*, to a member of a committee of SIDO.

(3) A disclosure of interest made under this section shall be recorded in the minutes of the meeting at which it is made.

9. (1) SIDO may establish committees for the purpose of performing any of its functions under this Act and may delegate to any such committee such of its functions as it thinks fit.

Committees  
of SIDO

(2) SIDO may appoint as members of a committee established under subsection (1) persons who may or may not be members of SIDO, and such persons shall hold office for such period and on such terms and conditions as SIDO may determine.

(3) Subject to any specific or general direction of SIDO, any committee established under subsection (1) may regulate its own procedure.

10. (1) The President shall appoint a Director who shall be the chief executive officer of SIDO, and may appoint a Deputy Director, on such terms and conditions as the President may determine.

Director  
and Deputy  
Director

(2) The Director, or in his absence the Deputy Director, shall attend meetings of SIDO and may address such meetings, but shall not vote on any matter:

Provided that the person presiding at any meeting of SIDO may, for good cause, require the Director or the Deputy Director, as the case may be, to withdraw from such meeting.

(3) The provisions of section *eight* shall apply, *mutatis mutandis*, to the Director and the Deputy Director.

Secretary  
and other  
staff

11. (1) There shall be a Secretary to SIDO who shall be appointed by SIDO on such terms and conditions as SIDO may determine.

(2) The Secretary shall be responsible for the administration of the day-to-day affairs of SIDO under the general supervision of the Director.

(3) SIDO may, on such terms and conditions as it shall determine, appoint such other staff as it considers necessary for the performance of its functions under this Act.

Immunity of  
members and  
staff

12. No action or other proceeding shall lie against any member, member of a committee of SIDO or member of the staff of SIDO for or in respect of any act or thing done or omitted to be done in good faith in the exercise or purported exercise of his duties under this Act.

Seal

13. (1) The seal of SIDO shall be such device as may be determined by SIDO and shall be kept by the Secretary.

(2) SIDO may use a wafer or rubber stamp in lieu of an embossed seal.

(3) The affixing of the seal of SIDO shall be authenticated by the Chairman or the Director and the Secretary or one other person authorised in that behalf by a resolution of SIDO.

(4) Any document purporting to be a document duly executed or issued under the seal of SIDO or on behalf of SIDO shall be received in evidence and shall be deemed to be a document so executed or issued, as the case may be, without further proof, unless the contrary is proved.

(5) Any contract or instrument which if entered into or executed by a person not being a body corporate would not be required to be under seal, may be entered into or executed without seal on behalf of SIDO by the Secretary or any other person generally or specifically authorised in that behalf by SIDO.

Funds of  
SIDO

14. (1) The funds of SIDO shall consist of such moneys as may—

(a) be appropriated by Parliament for the purpose of SIDO;

- (b) be paid to SIDO by way of grants or donations;
- (c) vest in or accrue to SIDO.

(2) SIDO may—

- (a) accept moneys by way of grants or donations from any source in Zambia and, subject to the approval of the Minister, from any source outside Zambia;
- (b) subject to the approval of the Minister, raise by way of loans or otherwise such moneys as it may require for the discharge of its functions;
- (c) charge and collect fees in respect of programmes, seminars, consultancy services and other services provided by SIDO.

(3) There shall be paid from the funds of SIDO—

- (a) the salaries, allowances and loans of the staff of SIDO;
- (b) such reasonable travelling, transport and subsistence allowances of members or members of any committee of SIDO when engaged on the business of SIDO at such rates as the Minister may determine;
- (c) any other expenses incurred by SIDO in the discharge of its functions.

(4) SIDO may invest in such manner as it thinks fit such of its funds as it does not immediately require for the discharge of its functions.

15. The financial year of SIDO shall be such period of twelve consecutive months as may be determined by SIDO.

Financial  
year

16. SIDO shall cause to be kept proper books of account and other records in relation thereto.

Accounts

17. (1) As soon as practicable, but not later than six months after the expiry of each financial year, SIDO shall submit to the Minister a report concerning its activities during such financial year.

Annual  
report

(2) The report referred to in subsection (1) shall, among other things, report on the financial affairs of SIDO and there shall be appended thereto—

- (a) a balance sheet;
- (b) an audited statement of revenue and expenditure during the year; and
- (c) such other information as the Minister may require.

(3) The Minister shall, not later than seven days after the first sitting of the National Assembly next after the receipt of the report referred to in subsection (1), lay it before the National Assembly.

## PART III

## SMALL SCALE ENTERPRISES

Registration  
of small  
scale  
enterprise.  
Cap. 707

18. (1) An enterprise shall not be registered as a small scale enterprise unless—

- (a) it complies with the provisions of the Trades Licensing Act; and
- (b) it is approved in writing by SIDO as a small scale enterprise.

(2) Application for registration under this Part may be made to SIDO and shall be in the prescribed form.

(3) An appeal against refusal to register any small scale enterprise may be made to the Minister in the manner prescribed, and the decision of Minister shall be final.

Incentives

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of 1977

19. (1) Any small scale enterprise registered under the provisions of this Part may apply in the prescribed manner for any incentives under the Industrial Development Act.

(2) The Minister may in writing approve any application made under subsection (1) and may in like manner grant to such applicant any incentives applied for.

Cancellation  
of  
registration  
and  
withdrawal  
of  
incentives

20. (1) The registration of a small scale enterprise shall be deemed cancelled from the date it ceases to be qualified for registration under the provisions of this Part; and any incentives granted pursuant to such registration shall be deemed withdrawn from such date.

(2) If a small scale enterprise is found to have obtained its registration through fraud or mistake or in contravention of any provision of this Act or of any regulations or orders made hereunder, then the registration shall be void.

(3) If a small scale enterprise is convicted of any offence under any written law, the Minister may, depending on the nature of the offence, cancel the registration and withdraw any incentives granted under this Part.

Re-registra-  
tion or  
restoration  
of  
incentives

21. Where the registration of any small scale enterprise has been cancelled or any incentive withdrawn, the small scale enterprise affected may apply for re-registration or restoration of the incentive, as the case may be, and if the Minister is satisfied that the circumstances which led to such cancellation or withdrawal no longer apply he may in writing grant such application.

PART IV

VILLAGE ENTERPRISES

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22. (1) Subject to any specific or general directions of the Minister, SIDO shall register every enterprise which SIDO approves as a village enterprise. Registration of village enterprise

(2) Every enterprise registered under subsection (1) shall be exempt from the provisions of the Trades Licensing Act. Cap. 707

23. Upon application made in the prescribed form by any registered village enterprise or by SIDO on behalf of any such enterprise, the Minister responsible for administering any incentive under the Industrial Development Act or this Act may in writing grant, in respect of such applicant, subject to such terms and conditions as he thinks fit, any of the incentives prescribed under the provisions of this Act or of the Industrial Development Act. Incentives  
Act No. 18 of 1977  
Act No. 18 of 1977

24. The provisions of section *twenty* shall apply, *mutatis mutandis*, to a village enterprise. Cancellation of registration and withdrawal of incentives

25. The provisions of section *twenty-one* shall apply, *mutatis mutandis*, to a village enterprise. Re-registration or restoration of incentives

PART V

MISCELLANEOUS

26. (1) SIDO shall maintain separate registers of— Maintenance of registers  
(a) all small scale enterprises registered under the provisions of section *eighteen*; and  
(b) all village enterprises registered under the provisions of section *twenty-two*;

which shall contain such information, including information relating to incentives, as the Minister may prescribe.

(2) The registers referred to in subsection (1) shall be kept at such centres as the Minister may determine and shall be open to inspection by the public at such times and on such conditions, including the payment of any fees for inspection, as the Minister may prescribe.

27. Any person who— Offences and penalties  
(a) wilfully furnishes the Minister, a member, a member of any committee of SIDO or a member of the staff of SIDO with any information or explanation knowing it to be false in any material particular;

- (b) fails to comply with any order or demand lawfully made under this Act;
- (c) obstructs a member, a member of a committee of SIDO or a member of the staff of SIDO in the exercise of his functions under this Act; or
- (d) contravenes any provision of this Act;

shall be guilty of an offence and shall be liable, upon conviction, to a fine not exceeding five thousand kwacha or to imprisonment for a term not exceeding three years, or to both such fine and imprisonment.

Prohibition  
of  
publication  
or  
disclosure  
of  
information  
to  
unauthorised  
persons

28. (1) No person shall, without the consent in writing given on behalf of SIDO, publish or disclose to any person, otherwise than in the course of his duties, the contents of any document, communication or information whatsoever, which relates to, and which has come to his knowledge in the course of, his duties under this Act.

(2) Any person who knowingly contravenes the provisions of subsection (1) shall be guilty of an offence and shall be liable, upon conviction, to a fine not exceeding five thousand kwacha or to imprisonment for a term not exceeding three years, or to both such fine and imprisonment.

(3) If any person having information which to his knowledge has been published or disclosed in contravention of subsection (1) unlawfully publishes or communicates any such information to any other person, he shall be guilty of an offence and shall be liable, upon conviction, to a fine not exceeding five thousand kwacha or to imprisonment for a term not exceeding three years, or to both such fine and imprisonment.

Regulations

29. The Minister may, by statutory instrument, make regulations prescribing all matters which by this Act are required to be prescribed, or which are necessary or expedient for the proper carrying out of the provisions of this Act.