



ZIMBABWE

ACT

TO amend the Electricity Act [*Chapter 13:19*].

ENACTED by the President and Parliament of Zimbabwe.

1 Short title

This Act may be cited as the Electricity Amendment Act, 2003.

2 New sections substituted for sections 68 and 69 of Cap.13:19

Sections 68 and 69 of the Electricity Act [*Chapter 13:19*] (hereinafter called "the principal Act") are repealed and substituted by the following sections—

"68 Formation of successor companies

The Minister shall, not later than six months after the fixed date, take such steps as are necessary under the Companies Act [*Chapter 24:03*] to secure the formation of one or more of the following companies limited by shares, which shall be the successor company or successor companies to the Authority—

- (a) a company to take over the electricity generation plants of the Authority;
- (b) a company to take over the transmission system of the Authority;
- (c) a company to take over from the Authority the distribution and supply of electricity;
- (d) such other companies as the Minister may approve;

- (c) a company to hold the shares of the State in the companies referred to in paragraphs (a) to (d).

69 Initial and future shareholding in successor companies

(1) All the members of an appropriate successor company on its incorporation shall be persons nominated by the Minister, with the approval of the President, and shall hold their shares on behalf of the State.

(2) All the shares initially issued to members of the appropriate successor company on its incorporation shall be held by those members on behalf of the State.

(3) The interest of the State in the successor companies referred to in paragraphs (b), (c) and (e) of section *sixty-eight* shall not be diluted.

(4) The interest of the State in the successor companies referred to in paragraphs (a) and (d) of section *sixty-eight*—

- (a) shall not be diluted by the sale, transfer or disposal of shares initially issued to the State in terms of subsection (2) or the sale or transfer of any other securities issued to the State in terms of section *seventy-one*;
- (b) may, subject to paragraph (a), be diluted to the extent and in the manner approved by the Cabinet.

(5) For the purposes of this section—

“dilute”, in relation to the interest of the State in a successor company, means any sale, transfer or disposal of shares or securities in that company that will result in the State holding—

- (a) less than one hundred *per centum* of shares or securities in the successor company; or
- (b) shares representing less than one hundred *per centum* of the share capital of the successor company; or
- (c) shares of a value less than one hundred *per centum* of the share capital of the successor company; or
- (d) shares entitling the State to less than one hundred *per centum* of the votes in the affairs of the successor company.”

3 Savings

Any company which, before the date of commencement of the principal Act, was purportedly formed in terms of subsection (1) of section 68 of principal Act, shall be deemed to have been formed in terms of subsection (1) of section 68 of the principal Act as substituted by this Act.