



**Supplement No. 1
to Gazette No. 25 of 21st April, 2006**

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ACT NO. 2 OF 2006

**Lesotho Electricity Company (Proprietary) Limited
(Establishment and Vesting) Act, 2006****ACT**

An Act to establish the Lesotho Electricity Company (Proprietary) Limited and to provide for the vesting of the assets, liabilities, rights and obligations of the Lesotho Electricity Corporation in the said company, and to provide for the transfer of employees.

ENACTED BY THE PARLIAMENT OF LESOTHO**Short title and commencement**

1. This Act may be cited as the Lesotho Electricity Company (Proprietary) Limited (Establishment and Vesting) Act 2006 and shall come into operation on such date as the minister may by notice published in the Gazette, appoint.

Interpretation

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

“Company” means the Lesotho Electricity Company (Proprietary) Limited to be incorporated by the Minister under the Companies Act 1967¹;

“Corporation” means the Lesotho Electricity Corporation, a corporate body with limited liability established under the Electricity Act 1969²;

“Minister” means the Minister responsible for energy:

“Vesting date” means the date to be appointed by the Minister by notice published in the Gazette, on which the vesting of the assets, liabilities, rights and obligations in the company takes effect.

Incorporation of Company

3. (1) The Minister shall, within a period of six months from the date of commencement of this Act, cause to be incorporated a new private company limited by shares, under the Companies Act 1967, to be known as Lesotho Electricity Company (Proprietary) Limited from the date of incorporation, but no fee is payable in respect of registration of such Company to the Registrar of Companies.

(2) On the date of incorporation of the Company, the entire share capital of the Company shall be held by the Government.

Vesting

4. (1) With effect from the vesting date, all the assets, liabilities, rights and obligations of the Corporation including all rights in land, but excluding the regulatory functions of the Corporation, are deemed to vest in the Company.

(2) With effect from the vesting date, the Corporation shall cease to exist and shall be taken, for all purposes, to have been dissolved.

(3) All bonds, deeds, contracts, leases, documents, legal proceedings and working arrangements that subsisted immediately before the vesting date and to which the Corporation was a party shall, with effect from the vesting date, be fully effective and enforceable by and against the Company notwithstanding that the consent of any other person was not obtained.

(4) The Company shall be privatized in accordance with the provisions of the Privatisation Act 1995³.

Employees

5. The employees of the Corporation shall be deemed to be transferred to the Company on the vesting date on terms and conditions not less favourable than those enjoyed by them prior to their transfer, and any period of service with the Corporation shall be deemed to be the service with the Company.

Registration of Transfers

6. (1) Any property which is registered in the name of the Corporation shall, on the vesting date, be deemed to be registered in the name of the Company pursuant to the Deeds Registry Act 1967¹.

(2) The Registrar of Deeds shall, on the vesting date, endorse any lease, deed of transfer or other deed, evidencing rights of the Corporation, in terms of Land Act, 1979² to immovable property in Lesotho as if the immovable property is registered in the name of the Company, but no fee is payable in respect of such endorsement to the Registrar of Deeds.

Licences

7. A licence issued under the Industrial Licensing Act 1969³ or Trading Enterprises Order 1987⁷ to the Corporation shall, from the vesting date, be deemed to have been issued to the Company.

NOTE

1. Act No. 25 of 1967
2. Act No. 7 of 1969
3. Act No. 9 of 1995
4. Act No. 12 of 1967
5. Act No. 17 of 1979
6. Act No. 27 of 1969
7. Order No.4 of 1987