

Rwanda

## Ministerial Order determining the Organisation and Functioning of the Asset Disposal Evaluation Committee to set Value for State Private Assets to be Sold, Exchanged, Donated or Completely Destroyed

Ministerial Order 7 of 2009

Legislation as at 7 June 2010

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# Ministerial Order determining the Organisation and Functioning of the Asset Disposal Evaluation Committee to set Value for State Private Assets to be Sold, Exchanged, Donated or Completely Destroyed

### Ministerial Order 7 of 2009

Published in Official Gazette 23 on 7 June 2010

**Assented to on 1 December 2009**

**Commenced on 7 June 2009**

*[This is the version of this document from 7 June 2010.]*

#### **The Minister of Finance and Economic Planning;**

Pursuant to the Constitution of the Republic of Rwanda of 04 June 2003, as amended to date especially in Articles 120, 121 and 201;

Pursuant to Organic Law n°37/2006 of 12/09/2006 on State finances and property as modified and complemented to date;

Pursuant to Law N°50/2008 of 09/09/2008 determining the procedure for disposal of state private assets especially in Articles 8, 9, 14, 18 and 22;

After consideration and approval by the Cabinet in its session of 11/11/2009;

#### **HEREBY ORDERS:**

### **Article One – Purpose of this Order**

This Order determines the organisation and functioning of the asset disposal evaluation Committee to set value for state private assets to be sold, exchanged, donated or completely destroyed.

### **Article 2 – Preparation of asset list**

The Person responsible for finance and property in a public institution with private assets to be disposed of shall prepare and forward the list of those assets to the Chief budget manager for the latter to transmit that list to the valuation Committee.

### **Article 3 – Establishment of the valuation Committee**

The valuation Committee shall be established by the Chief budget manager in each budgetary agency.

That Committee is responsible for determining the value of State private asset which shall be sold, donated, exchanged or destroyed.

### **Article 4 – Composition of the valuation committee and its term of office**

The valuation committee is composed of five (5) following members:

- 1° The head of finance Unit;
- 2° The officer in charge of logistics;

- 3° Other three members including the president of the valuation Committee nominated by the Chief budget manager of that entity.

The Officer in charge of logistics shall be the secretary of the valuation Committee.

When the asset to be disposed presents a particular nature not knowledgeable to the institution, the budgetary agency may entrust the valuation of the State private assets to an independent valuator.

The Chief budget manager may change a Committee member or the entire Committee if there is not performing well their duties or for others justified reasons to do so.

The term of office for the valuation Committee is three year (3) not renewable. After an interval of one term of office as a member of the valuation Committee, a member may again be appointed on the Committee as well as those who are not mentioned under Article 5 of this Order.

### **Article 5 – Officials not allowed to be members of the valuation Committee**

The following officials shall not be allowed to be members of the valuation Committee of the state private assets:

- 1° The head of a public body;
- 2° The members of Executive Committees of Districts and Kigali City Councils;
- 3° The chief budget manager;
- 4° The internal auditor;
- 5° The legal advisor.

### **Article 6 – Valuation**

The valuation shall be conducted based on the following grounds:

- 1° the book value;
- 2° the value of the asset on the market;
- 3° the nature of the asset to be sold, donated, exchanged or destroyed.

### **Article 7 – Bidding in sealed envelopes**

Bidding in sealed envelopes shall be used if assets to be sold are located in scattered areas such that gathering them may be expensive for the disposing entity or if the assets are of high value equal or higher than fifty million (50,000,000 Rwf) Rwandan francs. In that case, those assets shall be put in bulk and the buyer can compete for a single lot, several or all lots.

### **Article 8 – Payment for sold assets**

Payment for the sold assets by bidding through sealed envelopes, direct negotiations, or reselling to the original seller shall be done within fifteen (15) days from the date of the selling session.

The buyer shall pay cash. However, the institution may require the payment of ten percent (10%) immediately by cheque after notification of award of the asset mentioned under this provision, the balance shall be paid through the account indicated during the selling session pursuant to the law determining the procedure for disposal of state private assets, within a period of fifteen (15) days in accordance with the previous provision. The transfer of ownership shall take place after the total payment. The sale contract is the evidence of transfer of ownership for movables.

The transfer of ownership for immovable shall be operated in conformity with relevant laws.

The buyer who does not pay the total price of the bought asset, shall lose the right to that asset as well as the money paid at the day of the sale.

### **Article 9 – Withdrawal of the purchased asset**

The buyer of the state private assets who paid in accordance with this Order shall withdraw the purchased asset within a time specified in the notice related to the sale of that asset.

Any person who does not withdraw the bought asset within the time specified in the notice mentioned in this Article shall incur penalties equivalent to (1.5%) of the total price of the bought asset, per day. Nevertheless, the incurred penalties shall not exceed fifty per cent (50%) of the total price of the sold asset.

When the penalties exceed fifty per cent (50%) of the total cost of the asset purchased, the buyer shall be declared defaulter and shall have no right to that asset which shall be subject to resale.

The asset shall be sold as it is and the buyer is supposed to have seen and known its nature. The budgetary agency shall never be held responsible for the nature of an asset after its sale.

### **Article 10 – Donation or exchange of State private asset**

The donation or exchange of State private asset shall be under a written contract. That contract shall determine the use of donated or exchanged asset.

### **Article 11 – Complete destruction of a state private asset**

When a State private asset is no longer of any use, it may be burnt to destruction or by use of any other means; however such disposal shall be authorized by the Minister in charge of Infrastructure in collaboration with an Organ in charge of environmental conservation.

The budgetary agency shall destroy a State private asset when:

- 1° it is no longer for any use,
- 2° can not be purchased,
- 3° it is toxic.

In any case, the Organ in charge of environmental conservation shall be represented during the destruction of the State private asset.

### **Article 12 – Specific method**

The disposal of Government buildings and vehicles shall be authorized by the Minister having infrastructure in his/her attributions.

### **Article 13 – Repealing provision**

All prior provisions contrary to this Order are hereby repealed.

### **Article 14 – Commencement**

This Order shall come into force on the date of its publication in the Official *Gazette* of the Republic of Rwanda.