

TLS CONCEPT NOTE

Name of program	LEGAL ASPECTS OF LEASING TRAINING FOR TANGANYIKA LAW SOCIETY MEMBERS
Program objectives	<p>The objective of the Project is to train the Lawyers on:</p> <ul style="list-style-type: none"> • INTRODUCTION TO LEASING AS AN ALTERNATIVE FINANCING MECHANISM, • LAWS AND REGULATIONS FOR LEASING IN TANZANIA AND BEYOND • PARTIES TO A LEASE (THREE PARTY STRUCTURE) • TYPES OF LEASES • LEASE PROVIDERS • LEASE AND OTHER RELATED TRANSACTIONS LIKE HIRE PURCHASE, LOANS, INSTALMENT SALES, CONDITIONAL SALE, CREDIT SALE • ECONOMIC and PRODUCTIVITY BENEFITS OF LEASING, • PILLARS OF LEASING, • INTRODUCTION TO FINANCIAL CONCEPTS IN LEASING, • PRICING AND STRUCTURING TRANSACTIONS. • LEASE DOCUMENTATION • MECHANICS OF LEASING • RISKS CONFRONTING THE PARTIES, FRAUD MANAGEMENT • REGISTRATION OF LEASES • REPOSSESSION • LEGAL FEATURES OF CROSS BORDER LEASES • INTERNATIONAL BEST PRACTICE

<p>Program background/context</p>	<p>The mission of the International Finance Corporation (IFC), the private sector arm of the World Bank Group, is to promote sustainable private sector investment in developing countries like Tanzania, helping to reduce poverty and improve people's lives. IFC has launched the Private Enterprise Partnership for Africa (PEP Africa), a new approach to technical assistance in Africa.</p> <p>The Africa Leasing Facility aims to stimulate the development of a healthy leasing industry in Sub-Saharan Africa. Financial leasing enables small- and medium-sized businesses to acquire funding for their operations without the significant holdings or collateral required by banks. The goal of the Program is strengthening the leasing market to positively impact economic development in this region. This goal will be achieved by:</p> <ul style="list-style-type: none"> • Facilitating the creation of an appropriate enabling environment; • Providing training and consulting services to the leasing industry; • Conducting a public education campaign to educate private enterprises, Business Associations, financial institutions and regulatory agencies about leasing; and, • Proactively mobilizing IFC and other investment resources. <p>It is under the creating of an appropriate enabling environment component that IFC's Africa Leasing facility would like to train the Lawyers about the legal aspects of leasing because of their roles as counsel to financial institutions, to the SMEs and as those who inform and sensitize the public to leasing as an alternative financing mechanism and the legal challenges that come with them.</p>
<p>Counter Part Role (Tanganyika Law Society)</p>	<ul style="list-style-type: none"> • Facilitate and coordinate the training • Informing their members • Acting as IFC's champion to its members
<p>Private sector development issues the program will address</p>	<ul style="list-style-type: none"> • Capacity building for the practitioners • Raise awareness about the benefits of leasing to the SMEs • Facilitate access to finance through an appropriate

	<p>legal and regulatory framework</p> <ul style="list-style-type: none"> • Financial sector deepening • Job creation • Productivity enhancement • Revenue generation for the SMEs and the Economy as a whole
Program beneficiaries and the expected benefits they will derive	<ul style="list-style-type: none"> ▪ Legal Practitioners ▪ Business solution providers ▪ SMEs ▪ Financial institutions as they increase clientele
Program implementation mechanism and partners (if any)	<p>IFC will be responsible for the implementation, management and monitoring of this program in conjunction with the Tanganyika Law society.</p>
Planned training dates	<p>Start date:</p> <ol style="list-style-type: none"> 1. May 30th /31st 2011 (Dar Es Salaam) 2. 02nd /03rd June 2011 (Arusha)
EXPECTED No. Of Participants	<p>60 (Dar es Salaam) 50 (Arusha)</p>
Expected Funding Requirements	<p>IFC will finance the training</p>
IFC Africa Leasing Facility relevant experience	<p>1. Leasing is a Core Component of IFC's Financial Markets development Strategy:</p> <ul style="list-style-type: none"> - Increase access to financing to Small & Medium Businesses - Broaden the range of financial services available in Emerging Markets <p>2. Leasing has been an Historic Focus Area for the IFC</p> <ul style="list-style-type: none"> - Over the past 30 years, IFC has financed 126 leasing projects in 58 countries for \$1.3 billion <p><i>IFC has participated in the set-up of the first leasing company in 27 countries</i></p> <ul style="list-style-type: none"> - <u>IFC has set-up or improved leasing regulations and Laws in 35 countries like the Tanzania leasing Act and the Leasing guidelines.</u> - IFC has operated 30 Leasing technical assistance projects across the globe with \$17 million of its own funding leveraged with

	<p>Donor funding with a particular focus on the following pillars <i>Legal & Regulatory, Market Research, Institution Building, Public Awareness, Promotion of local and foreign investment</i></p>
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