

LAWS OF GUYANA

CO-OPERATIVE SOCIETIES ACT

CHAPTER 88:01

Act

12 of 1948

Amended by

6 of 1950  
27 of 1954  
20 of 1967  
4 of 1972  
29 of 1991

Current Authorised Pages

<i>Pages (inclusive)</i>	<i>Authorised by L.R.O.</i>
1 - 77 ...	1/2012

**Index**  
**of**  
**Subsidiary Legislation**

	Page
<b>Co-operative Societies (Conferment of Powers) Order</b> (O.32/1969)	39
<b>Co-operative Societies Regulations</b> (Regs. 16/1948, 14/1949, 2/1963, 5/1998)	39
<b>Application of Section 34(1) Order</b> (O. 30/1950)	75
<b>Georgetown (North "B" Youth Council) Co-operative Credit Union Limited (Modification) Order</b> (O.70/1974)	75
<b>Linden Transport Co-operative Society Ltd (Exemption) Order</b> (O.66/1977)	76
<b>Guyana Co-operative Wholesale Society Ltd Order</b> (O.48/1980)	76
<b>Guyana Co-operative Credit Society Ltd (Modification of Provision) Order</b> (O.13/1982)	77
<b>Co-operative Societies (Exemption from Income Tax) Order</b> (O. 53/1971)	77

**CHAPTER 88:01**  
**CO-OPERATIVE SOCIETIES ACT**

**ARRANGEMENT OF SECTIONS**

## SECTION

**PART I**  
**PRELIMINARY**

1. Short title.
2. Interpretation.

**PART II**  
**REGISTRATION**

3. Appointment of Commissioner and Assistant Commissioner.
4. Societies which may be registered.
5. Conditions of registration.
6. Application for registration.
7. Registration.
8. Societies to be bodies corporate.
9. Evidence of registration.

**PART III**  
**DUTIES AND PRIVILEGES OF SOCIETIES**

10. Amendment of the rules of a registered society.
11. Address of society.
12. Copy of Act, regulations, rules, etc., to be open to inspection.
13. Disposal of produce to or through a registered society.
14. Creation of charges in favour of registered societies.
15. Charge and set-off in respect of shares or interest of members.
16. Shares or interest not liable to attachment or sale.
17. Transfer of interest on death of member.
18. Deposits by or on behalf of minors.
19. Register of members.
20. Proof of entries in books of society.

SECTION

**PART IV  
RIGHTS AND LIABILITIES OF MEMBERS**

21. Qualification for membership.
22. Members not to exercise rights till due payment made.
23. Restriction of membership in society.
24. Votes of members.
25. Representation by proxy.
26. Contracts with society of members who are minors.
27. No individual to hold more than one-fifth of share capital of any society.
28. Restrictions on transfer of share or interest.
29. Liability of past member and estate of deceased member for debts of society.

**PART V  
PROPERTY AND FUNDS OF REGISTERED SOCIETIES**

30. Loans made by a registered society.
31. Deposits and loans received by a registered society.
32. Restrictions on other transactions with non-members.
33. Investment of funds.
34. Disposal of profits.

**PART VI  
AUDIT, INSPECTION AND INQUIRY**

35. Audit.
36. Power of Commissioner to inspect societies' books, etc.
37. Inquiry and inspection.

**PART VII  
DISSOLUTION SECTION**

38. Dissolution.
39. Cancellation of registration of a society due to lack of membership.
40. Effect of cancellation of registration.
41. Liquidation after cancellation of registration of society.
42. Liquidator's powers.

## SECTION

43. Power of Commissioner to control liquidation.
44. Enforcement of order.
45. Limitation of the jurisdiction of the civil court.
46. Closure of liquidation.

**PART VIII  
SURCHARGE AND ATTACHMENT**

47. Power of Commissioner to surcharge officers, etc., of a registered society.
48. Appeal to the Minister.

**PART IX  
DISPUTES**

49. Settlement of disputes.
50. Case stated on question of law.

**PART X  
REGULATIONS**

51. Regulations.

**PART XI  
MISCELLANEOUS SECTION**

52. Conversion of industrial and provident society into registered society.
53. Recovery of sums due to State.
54. Powers to exempt any society from requirements as to registration.
55. Power to exempt societies from provisions of Act.
56. Power to exempt from stamp duty and registration fees.
57. Power to exempt from payment of income tax.
58. Prohibition of the use of the word "co-operative".
59. Chapters 89:01, 98:03 and 327 (1953 Ed.) not applicable to registered societies.
60. Penalty for non-compliance with Act.

**CHAPTER 88:01**

**CO-OPERATIVE SOCIETIES ACT**

1953 Ed.  
c. 326

12 of 1948

**An Act to provide for the formation and to regulate the operations of Co-operative Societies.**

[1<sup>ST</sup> SEPTEMBER, 1948]

**PART I  
PRELIMINARY**

Short title.

1. This Act may be cited as the Co-operative Societies Act.

Interpretation.

2. In this Act—

“bonus” means a share of the profits of a registered society divided among its members in proportion to the volume of business done with the society by them from which the profits of the society were derived;

“Commissioner” means the Commissioner for Co-operative Development appointed under section 3 and includes any person when exercising such powers of the Commissioner as may have been conferred upon him under that section;

“committee” means the governing body of a registered society to whom the management of its affairs is entrusted;

“dividend” means a share of the profits of a registered society divided among its members in proportion to the share capital held by them;

“member” includes a person or registered society joining in the application for the registration of a society, and a

person or registered society admitted to membership after registration in accordance with the rules;

“officer” includes a chairman, secretary, treasurer, member of committee, or other person empowered under the regulations or rules to give directions in regard to the business of a registered society;

“registered society” means a co-operative society registered under this Act;

“regulations” means regulations made under this Act;

“rules” means the registered rules made by a society in the exercise of any power conferred by this Act, and includes a registered amendment of the rules.

## PART II REGISTRATION

Appointment of Commissioner and Assistant Commissioners.

3. There shall be a Commissioner for Co-operative Development and such other officers as may be required to assist the Commissioner in the performance of his functions under this Act.

Societies which may be registered.

4. Subject to the provisions hereinafter contained, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Act with or without limited liability as the Commissioner may decide:

Provided that the liability of a society which includes at least one registered society among its members shall be limited.

Conditions of  
registration.  
[27 of 1954]

5. (1) No society, other than a society of which a member is a registered society, shall be registered under this Act, which does not consist of at least seven persons each of whom is qualified under section 21 for membership under this Act.

(2) The word “co-operative” shall form part of the name of every society registered under this Act.

(3) The word “limited” shall be the last word in the name of every society with limited liability registered under this Act.

(4) When for the purposes of this section any question arises as to age, residence, or occupation of land constituting the qualification of any person, that question shall be decided by the Commissioner whose decision shall be final.

Application for  
registration.  
[27 of 1954]

6. (1) For the purposes of registration an application shall be made to the Commissioner.

(2) The application shall be signed—

- (a) in the case of a society of which no member is a registered society, by at least seven persons qualified in accordance with the requirements of section 5(1); and
- (b) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society, and, where all the members of the society are not registered societies, by seven other members, or, when there are less than seven other members, by all

of them.

(3) The application shall be accompanied by two copies of the proposed rules of the society, and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Commissioner may require.

Registration.

7. (1) If the Commissioner is satisfied that a society has complied with this Act, and that its proposed rules are not contrary to this Act, he may, if he thinks fit, register the society and its rules. An appeal shall lie to the Minister against the refusal of the Commissioner to register any society, or to register any society with limited liability or unlimited liability, and such appeal shall be brought within one month from the date of such refusal.

(2) On registration the society shall pay such fee as may be required by the Regulations.

Societies to be  
bodies  
corporate.

8. The registration of a society shall render it a body corporate by the name under which it is registered, with power to hold property and to do all things necessary for the purpose of its constitution.

Evidence of  
registration.

9. A certificate of registration signed by the Commissioner shall be conclusive evidence that the society therein mentioned is duly registered, unless it is proved that the registration of the society has been cancelled.

### PART III DUTIES AND PRIVILEGES OF SOCIETIES

Amendment of  
the rules of a  
registered  
society.

10. (1) Any registered society may, subject to this Act, amend its rules, including the rule which declares the name of the society.

(2) No amendment of the rules of a registered

society shall be valid until that amendment has been registered under this Act, for which purpose copies of the amendment shall be forwarded to the Commissioner.

(3) If the Commissioner is satisfied that any amendment of the rules is not contrary to this Act, he may, if he thinks fit, register the amendment. An appeal shall lie to the Minister against the refusal of the Commissioner to register any amendment of any rule.

(4) An amendment which changes the name of a society shall not affect any right or obligation of the society or of any of its members or past members, and any legal proceedings pending may be continued by or against the society under its new name.

(5) When the Commissioner registers an amendment of the rules of a registered society, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence of the fact that the amendment has been duly registered.

Address of  
society.

11. Every registered society shall have an address, registered in accordance with the regulations, to which all notices and communications may be sent, and shall send to the Commissioner notice of every change of that address.

Copy of Act,  
regulations,  
rules, etc., to be  
open to  
inspection.

12. Every registered society shall keep a copy of this Act and of the regulations and of its rules and a list of its members open to inspection, free of charge, at all reasonable times at the registered address of the society.

Disposal of  
produce to or  
through a  
registered  
society.

13. (1) A registered society which has as one of its objects the disposal of any article produced or obtained by the work or industry of its members whether the produce of agriculture, animal husbandry, forestry, fisheries, handicrafts or otherwise may provide in its rules or may otherwise contract with its members —

- (a) that every such member who produces any such article shall dispose of the whole or any specified amount, proportion or description thereof to or through the society; and
- (b) that any member who is proved or adjudged, in such manner as may be prescribed by the regulations to be guilty of a breach of the rules or contract shall pay to the society as liquidated damages a sum ascertained or assessed in such manner as may be prescribed by the aforesaid regulations.

(2) No contract entered into under this section shall be contested in any court on the ground only that it constitutes a contract in restraint of trade.

Creation of charges in favour of registered societies.

**14.** Subject to any prior claim of the State on the property of the debtor and to the lien or claim of a landlord in respect of rent or any money recoverable as rent and in the case of immovable property to any prior mortgage or prior registered charge thereon—

- (a) any debt or outstanding demand payable to a registered society by any member or past member shall be a first charge on all crops or other agricultural produce, felled timber or other forest produce, marine produce, fish (freshwater and salt-water), livestock, fodder, agricultural, industrial and fishing implements, plant, machinery, boats, tackle and nets, raw materials, stock in trade and

generally all produce of labour and things used in connection with production raised, purchased or produced in whole or in part from any loan whether in money or in goods given him by the society:

Provided that nothing herein contained shall affect the claim of any *bona fide* purchaser or transferee without notice;

- (b) any outstanding demands or dues payable to a registered housing society by any member or past member in respect of rent, shares, loans or purchase money or any other rights or amounts payable to such society shall be a first charge upon his interest in the immovable property of the society.

Charge and set-off in respect of shares or interest of members.

15. A registered society shall have a charge upon the shares or interest in the capital and on the deposits of a member or past member or deceased member and upon any dividend, bonus, or profits payable to a member or past member or to the estate of a deceased member in respect of any debt due to the society from such member or past member or estate, and may set off any sum credited or payable to a member or past member or estate of a deceased member in or towards payment of any such debt.

Shares or interest not liable to attachment or sale.

16. Subject to section 15, the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order of a court in respect of any debt or liability incurred by such member, and neither his assignee in insolvency nor a receiver duly appointed shall be entitled to, or have any claim on, such

share or interest.

Transfer of  
interest on  
death of  
member.

17. (1) On the death of a member, a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with the regulations made in this behalf, or, if there is no person so nominated, to such persons as may appear to the committee to be the heir or legal representative of the deceased member, or may pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the regulations or rules:

Provided that—

- (a) in the case of a society with unlimited liability such nominee, heir or legal representative, as the case may be, may require payment by the society of the value of the share or interest of the deceased member ascertained as aforesaid;
- (b) in the case of a society with limited liability, the society may transfer the share or interest of the deceased member to such nominee, heir or legal representative, as the case may be, being qualified in accordance with the regulations and rules for membership of the society, or on his application within six months of the death of the deceased member to any person specified in the application who is so qualified.

(2) A registered society shall pay all other moneys due to the deceased member from the society to such

nominee, heir or legal representative, as the case may be.

(3) All transfers and payments made by a registered society in accordance with this section shall be valid and effectual against any demand made upon the society by any other person.

Deposits by or on behalf of minors.

18. (1) A registered society may receive deposits from or for the benefit of minors and it shall be lawful for a registered society to pay such minors the interest which may become due on such deposits. Any deposits made by a minor may, together with the interest accrued thereon, be paid to that minor; and any deposit made on behalf of a minor may, together with the interest accrued thereon, be paid to the guardian of that minor for the use of the minor.

(2) The receipt of any minor or guardian for money paid to him under this section shall be a sufficient discharge of the liability of the society in respect of that money.

Register of members.

19. Any register or list of members kept by any registered society shall be *prima facie* evidence of any of the following particulars entered therein—

- (a) the date at which the name of any person was entered in such register or list as a member;
- (b) the date at which any such person ceased to be a member.

Proof of entries in books of society.

20. (1) A copy of any entry in a book of a registered society regularly kept in the course of business shall, if certified in such manner as may be prescribed by the regulations, be received in any legal proceeding, civil or criminal, as *prima facie* evidence of the existence of such entry and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the

same extent as, the original entry itself is admissible.

(2) No officer of any such society shall, in any legal proceedings to which the society is not a party, be compelled to produce any of the society's books, the contents of which can be proved under subsection (1), or to appear as a witness to prove any matters, transactions or accounts therein recorded, unless the court for special reasons so directs.

#### PART IV RIGHTS AND LIABILITIES OF MEMBERS

Qualification  
for member-  
ship.  
[6 of 1950]

**21.** In order to be qualified for membership of a co-operative society a person, other than a registered society, must, at the time of application—

- (a) have attained the age of sixteen years; and
- (b) be resident within or in occupation of land within the society's area of operations as described by the rules:

Provided that a pupil attending any school may, notwithstanding paragraphs (a) and (b), with the consent in writing of the Chief Education Officer, be registered as a member of a society.

Members not  
to exercise  
rights till due  
payment made.

**22.** No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society, as may be prescribed by the regulations or rules.

Restriction of  
membership in  
society.

**23.** Except with the sanction of the Commissioner, no person shall be a member of more than one registered society whose primary object is to grant loans to its members.

Votes of members.  
[6 of 1950]

24. No member of any registered society shall have more than one vote in the conduct of the affairs of the society:

Provided that—

- (a) in the case of an equality of votes the Chairman shall have a casting vote;
- (b) in the case of societies of which a registered society is a member, that society may have such voting powers as are provided in the rules.

Representation by proxy.

25. A registered society which is a member of any other registered society may appoint any one of its members as its proxy for the purpose of voting in the conduct of the affairs of such other registered society.

Contracts with society of members who are minors.

26. The minority or non-age of any person duly admitted as a member of any registered society shall not debar that person from executing any instrument or giving any acquaintance necessary to be executed or given under this Act or the regulations made thereunder, and shall not be a ground for invalidating or avoiding any contract entered into by any such person with the society; and any such contract entered into by any such person with the society, whether as principal or as surety, shall be enforceable at law or against such person notwithstanding his minority or non-age.

No individual to hold more than one-fifth of share capital of any society.

27. No member, other than a registered society, shall hold more than one-fifth of the share capital of any co-operative society.

Restrictions on transfer of share or interest.

28. (1) The transfer or charge of the share or interest of a member or past member or deceased member in the capital of a registered society shall be subject to such conditions as to maximum holding as may be prescribed by this Act.

(2) In the case of a society registered with unlimited liability, a member shall not transfer any share held by him or his interest in the capital of the society or any part thereof, unless—

- (a) he has held such share or interest for not less than one year; and
- (b) the transfer or charge is made to the society, or to a member of the society, or to a person whose application for membership has been accepted by the committee.

Liability of past member and estate of deceased member for debts of society.

**29.** (1) The liability of a past member for the debts of a registered society as they existed on the date on which he ceased to be a member shall not continue for a period of more than two years reckoned from that date.

(2) The estate of a deceased member shall not be liable for the debts of the society as they existed on the date of his decease for a period of more than two years reckoned from the date of his decease.

## PART V PROPERTY AND FUNDS OF REGISTERED SOCIETIES

Loans made by a registered society.

**30.** (1) A registered society shall not, except as provided in section 33, make any loan to any person other than a member:

Provided that, with the consent of the Commissioner, a registered society may make loans to another registered society.

(2) Except with the permission of the Commissioner, a registered society shall not lend money on the security of any movable property other than produce or goods in which the society is authorised to deal.

(3) The Minister may, by general or special order, prohibit or restrict the lending of money on mortgage of any description of immovable property by any registered society.

Deposits and loans received by a registered society.

**31.** A registered society shall receive deposits and loans from persons who are not members only to such extent and under such conditions as may be prescribed by the regulations or rules.

Restrictions on other transactions with non-members.

**32.** Save as provided in sections 30 and 31, the transactions of a registered society with persons other than members shall be subject to such prohibitions and restrictions as may be prescribed by the regulations.

Investment of funds.

**33.** A registered society may invest or deposit its funds—

- (a) in the Post Office Savings Bank, or with any bank or person carrying on the business of banking approved for this purpose by the Commissioner; or
- (b) in any securities issued or guaranteed by the Government of a Commonwealth territory; or
- (c) with any other registered society approved for this purpose by the Commissioner; or
- (d) in any other mode approved by the Commissioner.

Disposal of profits.

**34.** (1) At least one-fourth of the net profits of every registered society, as ascertained by the audit prescribed by section 35, shall be carried to a fund to be called the reserve fund, which shall be employed as prescribed by the regulations. The remainder of such profits and any profits of

past years available for distribution may be divided among the members by way of dividend or bonus, or allocated to any funds constituted by the society, to such extent or under such conditions as may be prescribed by the regulations or rules:

Provided that in the case of a society with unlimited liability, no distribution of profits shall be made without the general or special order of the Minister.

(2) Any registered society may, with the sanction of the Commissioner, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding ten per cent of the remaining net profits to any charitable purpose or to a common-good fund.

## PART VI AUDIT, INSPECTION AND INQUIRY

Audit.

35. (1) The Commissioner shall audit or cause to be audited by some person authorised by him by general or special order in writing the accounts of every registered society once at least in every year.

(2) The audit under subsection (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the registered society.

(3) The Commissioner and every other person appointed to audit the accounts of a society shall have power when necessary—

- (a) to summon at the time of his audit any officer, agent, servant or member of the society who he has reason to believe can give material information in regard to any transactions of the society or the management of its

affairs;

- (b) to require the production of any book or document relating to the affairs of, or any cash or securities belonging to, the society by the officer, agent, servant or member in possession of such book, document, cash or securities.

Power of  
Commissioner  
to inspect  
societies'  
books, etc.

36. The Commissioner, or any person authorised by general or special order in writing by the Commissioner shall at all times have access to all the books, accounts, papers and securities of a registered society, and shall be entitled to inspect the cash in hand; and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

Inquiry and  
inspection.

37. (1) The Commissioner may of his own motion, and shall on the application of a majority of the committee, or of not less than one-third of the members of a registered society, hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an inquiry into the constitution, working, and financial condition of a registered society; and all officers and members of the society shall furnish such information in regard to the affairs of the society and produce the cash in hand and such books, accounts, papers and securities of the society as the Commissioner or the person authorised by him may require.

(2) The Commissioner shall, on the application of a creditor of the registered society, inspect or direct some person authorised by him in writing in this behalf to inspect the books of the society, if the applicant—

- (a) proves that an ascertained sum of money is then due to him and that he

has demanded payment thereof and has not received satisfaction within a reasonable time; and

- (b) deposits with the Commissioner such sum as security for the costs of the proposed inspection as the Commissioner may require.

(3) The Commissioner shall communicate the results of any such inspection to the creditor and to the society into whose affairs inquiry has been made.

(4) Where an inquiry is held under subsection (1), or an inspection is made under subsection (2), the Commissioner may apportion the costs or such part of the costs, as he may think right, between the registered society, the members demanding an inquiry, the officers or former officers of the society, and the creditor, if any, on whose application the inquiry was made.

(5) Any sum awarded by way of costs against any society or person under this section may be recovered, on application to a magistrate's court having jurisdiction in the place where the registered office of the society is situated or the person resides or carries on business for the time being, in like manner as a fine imposed by the court.

## PART VII DISSOLUTION

Dissolution.

38. (1) If the Commissioner, after holding an inquiry or making an inspection under section 37 or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may make an order for the cancellation of the registration of the society.

(2) Any member of a registered society may, within two months from the date of an order under subsection (1), appeal from such order to the Minister.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period. Where an appeal is presented within two months, the order shall not take effect until it is confirmed.

(4) Where the Commissioner makes an order for the cancellation of the registration of a society under subsection (1), he may make such further order as he may think fit for the custody of the books and documents and the protection of the assets of the society until the order cancelling registration takes effect.

(5) No registered society shall be wound up save by an order of the Commissioner.

Cancellation of registration of a society due to lack of membership.  
[27 of 1954]

39. The Commissioner may, by order in writing, cancel the registration of any registered society other than a society which includes among its members one or more registered societies, if at any time it is proved to his satisfaction that the number of the members has been reduced to less than seven. Every such order shall take effect from the date thereof.

Effect of cancellation of registration.  
[6 of 1950]

40. Where the registration of a society is cancelled by an order under section 38 or under section 39 the society shall, except for the purposes of winding-up, as hereinafter provided, cease to exist as a corporate body from the date on which the order takes effect, hereinafter referred to as the date of dissolution:

Provided that any privileges conferred on the society by or under sections 14, 15, 16, 17 and 49 shall be deemed to be

vested in any liquidator appointed for that society by the Commissioner.

Liquidation after cancellation of registration of society.

**41.** Where the registration of a society is cancelled under section 38 or 39, the Commissioner may appoint one or more persons to be, subject to his direction and control, the liquidator or liquidators of the society.

Liquidator's powers.

**42. (1)** A liquidator appointed under section 41 shall subject to the guidance and control of the Commissioner and to any limitations imposed by the Commissioner by order under section 43 have power to—

- (a) determine from time to time the contribution to be made by members and past members or by the estates of deceased members of the society to its assets;
- (b) appoint a day by notice published in the *Gazette* before which creditors whose claims are not already recorded in the books of the society shall state their claims for admission or be excluded from any distribution made before they have proved them;
- (c) decide any question of priority which arises between creditors;
- (d) refer disputes to arbitration and institute and defend suits and other legal proceedings on behalf of the society by his name or office;
- (e) decide by what persons and in what proportions the costs of liquidation are to be borne;

- (f) give such directions in regard to the collection and distribution of assets as may be necessary in the course of winding-up the society;
- (g) compromise any claim by or against the society provided the sanction of the Commissioner has first been obtained:
- (h) call such general meetings of members as may be necessary for the proper conduct of the liquidation;
- (i) take possession of the books, documents and assets of the society;
- (j) sell the property of the society;
- (k) carry on the business of the society so far as may be necessary for winding it up beneficially:

Provided that nothing herein contained shall entitle the liquidator of a credit society to issue any loan; and

- (l) arrange for the distribution of the assets of the society in a convenient manner when a scheme of distribution has been approved by the Commissioner.

(2) Subject to such regulations as may be made in this behalf, any liquidator appointed under this Act shall in so far as such powers are necessary for carrying out the

purposes of this section, have power to summon and enforce the attendance of parties and witnesses and to compel the production of documents by the same means and (so far as may be) in the manner as is provided in the case of a civil court.

Power of  
Commissioner  
to control  
liquidation.

**43.** A liquidator shall exercise his powers subject to the control and revision of the Commissioner, who may —

- (a) rescind or vary any order made by a liquidator and make whatever new order is required;
- (b) remove a liquidator from office;
- (c) call for all books, documents and assets of the society;
- (d) by order in writing limit the powers of a liquidator under section 42;
- (e) require accounts to be rendered to him by the liquidator;
- (f) procure the auditing of the liquidator's accounts and authorise the distribution of the assets of the society;
- (g) make an order for the remuneration of the liquidator; or
- (h) refer any subject of dispute between a liquidator and any third party to arbitration if that party shall have consented in writing to be bound by the decision of the arbitrator.

Enforcement of order.

44. (1) The decision of an arbitrator on any matter referred to him under section 43 shall be binding upon the parties, and shall be enforceable in like manner as an order made by the Commissioner under that section.

(2) An order made by a liquidator or by the Commissioner under section 42 or 43 shall be enforced by any civil court having jurisdiction over the place where the registered office of the society is situated in like manner as a decree of that court.

Limitation of the jurisdiction of the civil court.

45. Save in so far as is hereinbefore expressly provided; no civil court shall have any jurisdiction in respect of any matter concerned with the dissolution of a registered society under this Act.

Closure of liquidation.

46. (1) In the liquidation of a society whose registration has been cancelled, the funds, including the reserve fund, shall be applied first to the costs of liquidation, then to the discharge of the liabilities of the society, then to the payment of the share capital and then, provided the rules of the society permit, to the payment of a dividend at a rate not exceeding ten per cent *per annum* for any period for which no disposal of profits was made.

(2) When the liquidation of a society has been closed and any creditor of that society has not claimed or received what is due to him under the scheme of distribution, notice of the closing of the liquidation shall be published in the *Gazette*; and all claims against the funds of the society liquidated shall be prescribed when two years have elapsed from the date of the publication of the *Gazette* notice.

(3) Any surplus remaining after the application of the funds to the purposes specified in subsection (1) and the payment of any claims for which an action is instituted under subsection (2) shall be available for use by the Commissioner for any co-operative purpose at his discretion.

**PART VIII  
SURCHARGE AND ATTACHMENT**

Power of  
Commissioner  
to surcharge  
officers, etc.,  
of a registered  
society.

47. (1) Where, in the course of the winding up of a registered society it appears that any person who has taken part in the organisation or management of such society or any past or present officer of the society has misapplied or retained or become liable or accountable for any money or property of such society or has been guilty of misfeasance or breach of trust in relation to such society, the Commissioner may, on the application of the liquidator or of any creditor or contributory, examine into the conduct of such person and make an order requiring him to repay or restore the money or property or any part thereof with interest at such rate as the Commissioner thinks just or to contribute such sum to the assets of such society by way of compensation in regard to the misapplication, retainer, dishonesty or breach of trust as the Commissioner thinks just.

(2) This section shall apply notwithstanding that the act is one for which the offender may be criminally responsible.

Appeal to the  
Minister.

48. Any person aggrieved by any order of the Commissioner made under section 47 may appeal to the Minister within twenty-one days from the date of such order and the decision of the Minister shall be final and conclusive.

**PART IX  
DISPUTES**

Settlement of  
disputes.  
[20 of 1967]

49. (1) If any dispute touching the business of a registered society arises—

- (a) among members, past members and persons claiming through members, past members and deceased members; or

- (b) between a member, past member, or person claiming through a member, past member or deceased member, and the society, its committee, or any officer of the society; or
- (c) between the society or its committee and any officer of the society; or
- (d) between the society and any other registered society,

such dispute shall be referred to the Commissioner for decision. A claim by a registered society for any debt or demand due to it from a member, past member or the nominee, heir or legal representative of a deceased member, shall be deemed to be a dispute touching the business of the society within the meaning of this subsection.

(2) The Commissioner may on receipt of a reference under subsection (1)—

- (a) decide the dispute himself; or
- (b) refer it for disposal to an arbitrator or arbitrators.

(3) Any party aggrieved by the award of the arbitrator or arbitrators may appeal therefrom to the Commissioner within such period and in such manner as may be prescribed.

(4) A decision of the Commissioner under subsection (2), or in appeal under subsection (3), shall be final and shall not be called in question in any civil court and shall be enforced in the same manner as if the decision had been a judgment of a civil court.

(5) The award of the arbitrator or arbitrators under subsection (2) shall, if no appeal is preferred to the Commissioner under subsection (3), or if any such appeal is abandoned or withdrawn, be final and shall not be called in question in any civil court and shall be enforced in the same manner as if the award had been a judgment of a civil court.

(6) Notwithstanding anything contained in subsections (4) and (5), any decision of the Commissioner under subsection (2) or in appeal under subsection (3) and any award of the arbitrator or arbitrators under subsection (2), where any such decision or award requires the payment of any sum of money, may be enforced before a magistrate under the Summary Jurisdiction (Petty Debt) Act irrespective of the amount.

c. 7:01

Case stated on  
question of law.

**50.** (1) Notwithstanding anything contained in the last foregoing section, the Commissioner at any time when proceeding to a decision under this Act, or the Minister at any time when an appeal has been preferred to him against any decision of the Commissioner under this Act, may refer any question of law arising out of such decision for the opinion of the High Court.

(2) Any judge, or judges, of the High Court, as the Chief Justice may direct, may consider and determine any question of law so referred and the opinion given on such question shall be final and conclusive.

## PART X REGULATIONS

Regulations.  
[4 of 1972]

**51.** (1) Subject to negative resolution of the National Assembly, the Minister may make all such regulations as may be necessary for the purpose of carrying out or giving effect to the principles and provisions of this Act.

(2) In particular and without prejudice to the

generality of the power conferred by subsection (1), such regulations may—

- (a) prescribe the forms to be used and the conditions to be complied with in applying for the registration of a society and the procedure in the matter of such applications;
- (b) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members from time to time, and the payment to be made and interest to be acquired before exercising rights of membership;
- (c) subject to section 27, prescribe the maximum number of shares or portion of the capital of a registered society which may be held by a member;
- (d) prescribe the extent to which a registered society may limit the number of its members;
- (e) provide for the withdrawal and expulsion of members and for the payments to be made to members who withdraw or are expelled, and for the liabilities of past members;
- (f) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;

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- (g) provide for the appointment, suspension and removal of the members of the committee and other officers, and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers;
  - (h) prescribe the matters in respect of which a society may or shall make rules and for the procedure to be followed in making, altering and rescinding rules, and the conditions to be satisfied prior to such making, alteration or rescission;
  - (i) regulate the manner in which funds may be raised by means of shares or debentures or otherwise;
  - (j) prescribe the conditions to be observed by a registered society applying for financial assistance from Government;
  - (k) prescribe the payments to be made, the conditions to be complied with, and the forms of the bonds, instruments or other documents to be executed, by members applying for loans or cash credits, the period for which loans may be made or credits granted, and the maximum amount which may be lent and the maximum credit which may be allowed to individual members with or without the consent of the Commissioner;

- (l) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred;
- (m) provide for the mode in which the value of the interest of a member who has become of unsound mind and incapable of managing himself or his affairs shall be ascertained and for the nomination of any person to whom such interest may be paid or transferred;
- (n) provide for the formation and the maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of any registered society;
- (o) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability and the maximum rate of dividend which will be paid by societies;
- (p) prescribe the accounts and books to be kept by a registered society, and for the periodical publication of a balance sheet showing the assets and liabilities of a registered society;
- (q) provide for the audit of the accounts of registered societies and for the

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charges, if any, to be made for such audit and provide for the levy of contributions from all or any registered societies to a fund to be used for the audit and supervision of existing societies and co-operative propaganda and prescribe for the administration of such a fund;

- (r) prescribe the returns to be submitted by registered societies to the Commissioner, and the persons by whom and the form in which the same are to be made;
- (s) provide for the persons by whom, and the form in which, copies of entries in books of registered societies may be certified;
- (t) provide for the formation and the maintenance of a register of members, and, where the liability of members is limited by shares, of a register of shares;
- (u) provide for the inspection of documents and registers at the Commissioner's office and the fees to be paid therefor and for the issue of copies of such documents or registers;
- (v) prescribe the manner in which any question as to the breach of any rule or contract relating to the disposal of produce to or through a society may be determined, and the manner in which the liquidated damages for any

such breach may be ascertained or assessed;

- (w) prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Commissioner or such arbitrator or arbitrators;
- (x) prescribe the procedure to be followed by a liquidator appointed under section 41 and the cases in which appeals shall lie from the orders of such liquidator;
- (y) prescribe the forms to be used, the fees to be paid, the procedure to be observed and all other matters connected with or incidental to the presentation, hearing and disposal of appeals under this Act or the regulations.

## PART XI MISCELLANEOUS

Conversion of industrial and provident society into registered society.  
c. 88:02

52. (1) A society registered under the Industrial and Provident Societies Act (hereinafter referred to as an "industrial society") may, by a special resolution, determine to convert itself into a registered society.

(2) A resolution for the conversion of an industrial society into a registered society shall be accompanied by a copy of the rules of the registered society therein referred to, and shall appoint ten persons, members of the industrial society who, together with the secretary, shall sign the rules, and who may either be authorised to accept any alterations made by the Commissioner therein, without further

consulting the industrial society, or may be required to lay out all such alterations before the industrial society in general meeting for acceptance as the resolution may direct.

(3) With the rules a copy of the special resolution for the conversion of the industrial society into a registered society shall be sent to the Commissioner, who, upon the registration of the society, shall give it, in addition to the certificate of registration, a certificate signed by him that the rules of the registered society referred to in the resolution have been registered.

(4) A copy of the resolution for the conversion of an industrial society into a registered society, together with the certificate of registration of the rules of the registered society shall be sent for registration to the office of the Registrar of Industrial and Provident Societies, and upon the registration of such resolution and certificate, the conversion shall take effect.

(5) Upon the conversion of an industrial society into a registered society, the registration of the industrial society under the Industrial and Provident Societies Act shall become void and shall be cancelled by the proper officer, but the registration of an industrial society as a registered society shall not affect any right or claim for the time being subsisting against the industrial society, or any penalty for the time being incurred by such society, and for the purpose of enforcing any such right, claim, or penalty, the industrial society may be sued and proceeded against in the same manner as if it had not become a registered society. Every such right or claim, and the liability to such penalty, shall have priority as against the property of the registered society over all other rights or claims against or liabilities of the society.

Recovery of  
sums due to  
State.

53. (1) All sums due from a registered society or from an officer or member or past member of a registered society

as such to the State may be recovered in the manner provided for the recovery of debts due to the State under the law for the time being in force.

(2) Sums due from a registered society to the State and recoverable under subsection (1), may be recovered first, from the property of the society; secondly, in the case of a society of which the liability of members is limited, from the members subject to the limit of their liability; and thirdly, in the case of other societies, from the members.

Powers to exempt any society from requirements as to registration.

54. Notwithstanding anything contained in this Act the Minister may by special order in each case and subject to such conditions as he may impose, exempt any society from any of the requirements of this Act as to registration.

Power to exempt societies from provisions of Act.

55. The Minister may by general or special order exempt any registered society or class of societies from any of the provisions of this Act, or may direct that such provisions shall apply to any society or class of societies with effect from such date or with such modifications as may be specified in the order.

Power to exempt from stamp duty and registration fees.

56. (1) The Minister by notification in the *Gazette* may, in the case of any registered society or class of registered societies, remit—

- (a) the stamp duty with which, under any law for the time being in force, instruments executed by or in behalf of a registered society, or by an officer or member, and relating to the business of such society, or any class of such instruments are respectively chargeable; or
- (b) any fee payable under the law of registration for the time being in

force.

(2) A notification exempting any registered society from the fees referred to in subsection (1) (b) may provide for the withdrawal of such exemption.

Power to exempt from payment of income tax.  
c. 81:01

57. The Minister responsible for finance may, from time to time and for such period as he thinks fit, by order, exempt any registered society or class of societies from payment of income tax under any Income Tax Act for the time being in force.

Prohibition of the use of the word "co-operative".

58. (1) No person other than a registered society shall trade or carry on business under any name or title of which the word "co-operative" is part without the sanction of the Minister:

Provided that—

Cap. 327  
1953 Ed.

- (a) this section shall not apply to a bank registered under the provisions of the Co-operative Credit Banks Act; and
- (b) nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he traded or carried on business at the commencement of this Act.

(2) Any person who contravenes this section shall be liable on summary conviction to a fine of fifty dollars, and in the case of a continuing offence to a further fine of ten dollars for each day during which the offence continues.

Cs. 89:01, 98:03  
and 327 1953  
Ed. not  
applicable to

59. The Companies Act, the Trade Unions Act, and the Co-operative Credit Banks Act shall not apply to a registered society.

registered  
societies.  
[29 of 1991]

Penalty for  
non-  
compliance  
with Act.

**60.** Any registered society or an officer or a member thereof, wilfully neglecting or refusing to do any act or to furnish any information required for the purposes of this Act by the Commissioner or other persons duly authorised by him in this behalf, or any person wilfully or without any reasonable excuse disobeying any summons, requisition or lawful written order issued under this Act, or failing to furnish any information lawfully required from him by a person authorised to do so under this Act, shall be liable on summary conviction to a fine of two hundred dollars.

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**SUBSIDIARY LEGISLATION**

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O. 32/1969

**CO-OPERATIVE SOCIETIES (CONFERMENT  
OF POWERS) ORDER***made under section 3*

Citation.

1. This Order may be cited as the Co-operative Societies (Conferment of Powers) Order.

Exercise by  
assistant of all  
powers of  
Commissioner.

2. An assistant to the Commissioner for Co-operative Development shall exercise all the powers of a Commissioner for Co-operative Development under the Co-operative Societies Act.

Reg. 16/1948  
14/1949  
2/1963  
5/1998

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**CO-OPERATIVE SOCIETIES REGULATIONS***made under section 51***CO-OPERATIVE SOCIETIES REGULATIONS****ARRANGEMENT OF REGULATIONS**

## REGULATION

1. Citation.
2. Interpretation.
3. Register of Societies.
4. Application for registration of a society.

REGULATION

5. Registration.
6. Register of members.
7. Books and accounts.
8. Membership.
9. Nominees.
10. Division of profits.
11. Maximum liability.
12. Power of society in general meeting.
13. First meeting.
14. Convening annual general meeting.
15. Functions of annual general meeting.
16. Special general meeting.
17. Quorum at general meetings.
18. Chairman of general meetings.
19. Voting at general meetings.
20. Minutes of general meetings.
21. Election of committee
22. Chairman of the committee.
23. Duties of committee.
24. Meetings of committee.
25. Procedure at meetings of committee.
26. Minutes of meetings of the committee.
27. Failure to attend meetings of committee.
28. Vacancies on committee.
29. Borrowing powers.
30. Banking account.
31. Employees.

**REGULATIONS APPLICABLE TO CREDIT SOCIETIES**

32. Application for a loan.
33. Sanction of loan.
34. Security for loans.
35. Purposes of loans.

REGULATION

36. Documents relating to loans.
37. Restrictions on loans to defaulters.
38. Extensions of loans.
39. Misapplication of loans.
40. Recovery of loans.

**REGULATION APPLICABLE TO MARKETING  
SOCIETIES**

41. Marketing.

**REGULATIONS APPLICABLE TO ALL SOCIETIES**

42. Bad debts.
43. Preparation of annual accounts and report.
44. Transfer of shares.
45. Special provisions as to transfer of shares of a member who is of unsound mind.
46. Sales of shares of members in default.
47. Secretary.
48. Payment of Secretary.
49. Security by Secretary.
50. Suspension of Secretary.
51. Temporary absence of Secretary.
52. Duties of Secretary.
53. Treasurer.
54. Security by Treasurer.
55. Duties of Treasurer.
56. Unfit officers.
57. Reserve Fund.
58. Audit of accounts.
59. Audit and Supervision Fund.
60. Rules.
61. Amendment of rules.
62. Copies of entries.
63. Reference of a dispute to the Commissioner for decision.

REGULATION

- 64. Reference to arbitration by the Commissioner.
- 65. Proceedings before the arbitrator or arbitrators.
- 66. Proceedings before the Commissioner.
- 67. Fees.

SCHEDULE-Fees.

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**COOPERATIVE SOCIETIES REGULATIONS**

*made under section 51*

Citation.                    1. These regulations may be cited as the Co-operative Societies Regulations.

Interpretation.            2. In these Regulations—

“section” means a section of the Act;

“Secretary” means the Secretary of a registered society.

Register of Societies.            3. (1) The Commissioner shall keep or cause to be kept at his office a Register (to be called “the Register of Societies”) in which there shall be entered particulars relating to the registration of co-operative societies and to registration of the rules of registered societies.

(2) All original entries in the Register of Societies shall be made by, or under the direction of, the Commissioner and shall be signed by him.

(3) Every alteration, interlineation or erasure in the Register of Societies shall be initialled by the Commissioner.

(4) The Register of Societies shall be open to

[Subsidiary]

Co-operative Societies Regulations

inspection by the public at all reasonable times and free of charge.

Application for registration of a society.

4. (1) Every application for the registration of a society shall be submitted to the Commissioner in the form prescribed by him.

(2) The Commissioner may require that there shall be submitted, together with the application, 3 copies of the proposed rules of the society.

Registration.

5. (1) Where the Commissioner decides to register a proposed society, the society and its rules shall be registered in the Register of Societies.

(2) Upon registration of a society, the Commissioner shall forward to the society free of charge—

- (a) a certificate of registration;
- (b) a copy of the rules of the society as approved by him and certified under his hand as having been approved by him;
- (c) a copy of the Act, and of the regulations in force there under.

(3) Where the Commissioner refuses to register a society or its rules, he shall record in writing his reasons for so doing.

Register of members.

6. Every registered society shall keep a register (to be called "the Register of Members") in which there shall be entered—

- (a) the name, address and occupation of

each member and a statement of the shares, if any, held by him;

- (b) the date on which each member's name was entered in the register;
- (c) the date on which any member ceased to be a member; and
- (d) the nominee, if any, appointed under regulation 9.

Books and accounts.

7. Every registered society shall keep such accounts and use such books as may from time to time be prescribed by the Commissioner.

Membership.

8. (1) The election and admission of members to a registered society, other than original members, shall be in such manner and on such conditions as are prescribed by the rules.

(2) A member may withdraw from a registered society by giving written notice thereof to the Secretary, but such withdrawal shall be without prejudice to section 29(1).

(3) If a member acts in contravention of the regulations or rules, or acts in any way detrimental to the interests of a registered society, such member may be expelled by a vote of two-thirds of the members present at a general meeting upon a charge communicated to him in writing by the committee not less than one week before the meeting, but such expulsion shall be without prejudice to section 29(1).

(4) Any member who loses any of the qualifications for membership prescribed by the Act or the regulations or the rules shall cease to be a member of the

registered society, and the committee shall cause his name to be struck off the Register of Members without prejudice to any liabilities of such person under section 29(1).

(5) In the case of any registered society of limited liability holding deposits or loans from non-members, no member withdrawing, removed or expelled therefrom shall be entitled to a repayment of any money paid by him towards the purchase of shares.

Nominees.

9. (1) Every appointment of a nominee by any member of a registered society for the purposes of section 17 shall be made in writing signed by the member in the presence of two attesting witnesses.

(2) No member of a registered society with share capital shall be entitled to appoint more than one nominee unless that member holds more than one share.

(3) In any case where more than one nominee is appointed by any member, the number of shares to be transferred or the exact proportion of the amount available that is to be transferred to each of these nominees shall be specified at the time of the appointment.

(4) Every appointment of a nominee shall be recorded in the Register of Members.

(5) For the purpose of a transfer to a nominee, the value of any share or interest shall be represented by the sum actually paid for that share or interest by the member holding it unless the rules of the registered society otherwise provide.

(6) Where any money is paid to a nominee who is a minor, a receipt given either by the minor or by his guardian shall be sufficient discharge to the registered society.

Division of profits.

10. (1) Unless otherwise authorised by the Minister under the proviso to section 34(1), no dividend or payment on account of profits shall be made by a society registered with unlimited liability until the reserve fund has reached a proportion of not less than one-tenth of the society's total liabilities.

(2) No registered society shall pay a dividend if the rate of interest on loans granted by it to its members exceeds twelve per cent per annum.

(3) No registered society shall pay a dividend on share capital, exceeding six per cent per annum on the capital actually paid up.

(4) A bonus based on wages or on the value of the products of a member, or a bonus or rebate on patronage calculated in proportion to the amount of the business done by each member with the registered society may be distributed periodically to the members from surplus funds after the deduction of all expenditure and after making provision for bad and doubtful debts and making allocation to the reserve fund.

Maximum liability.

11. (1) Every registered society shall, from time to time, fix at a general meeting the maximum liability it may incur in loans or deposits whether from members or non-members.

(2) The maximum so fixed shall be subject to the sanction of the Commissioner, who may at any time reduce it. No registered society shall receive loans or deposits which will make its liability exceed the limit sanctioned by the Commissioner.

Power of society in general

12. The supreme authority in a registered society shall be vested in the general meeting of members at which every

[Subsidiary]

Co-operative Societies Regulations

meeting. member has a right to attend and vote on all questions. Subject to sections 24 and 25, each member shall have one vote only which shall be exercised in person and not by proxy.

First meeting. **13.** The first meeting of members shall have the same powers as are given to the annual general meeting, and shall be held immediately or not later than one month after the receipt of the Certificate of Registration of the Society.

Convening annual general meeting. **14.** The annual general meeting of members shall be convened by the committee as soon as the report on the audit of the accounts of the registered society by the Commissioner or person authorised by him is received by the committee. At least eight days' notice shall be given before any such general meeting is held:

Provided that the Commissioner may at any time after the audit of the accounts has been completed, convene the annual general meeting which shall proceed as if it had been convened by the committee.

Functions of annual general meeting. **15.** The functions of the annual general meeting shall be—

- (a) to confirm the minutes of the previous annual meeting and of any intervening special general meeting
- (b) to consider the reports of the committee and the balance sheet together with the report on the audit of the accounts of the registered society for the previous year as prepared by the Commissioner or the person authorised by him;

- (c) to approve the accounts or, if the accounts are not approved, to cause the Secretary to notify the Commissioner, who shall consider the matter and make his decision thereon, and such decision as to the correctness of the accounts shall be final and conclusive;
- (d) to hear and decide upon any complaints brought by members aggrieved by a decision of the committee:

Provided that notice of such complaints to be brought before the meeting has been given to the Secretary at least two days prior to the meeting; and

- (e) to transact any other general business of the registered society.

Special general meeting.

16. A special general meeting of members may be convened at any time by the committee; and on receipt of a demand stating the object of the proposed meeting signed by not less than one-fifth of the members of the registered society, if such society is composed of not more than one hundred members, or by twenty-five members if such society consists of more than one hundred members, it shall be the duty of the chairman of the committee to convene such a meeting giving eight days' notice. If the chairman of the committee fails to convene a meeting within fourteen days from the receipt of a demand as aforesaid, the members applying for such a meeting will have the right to convene the meeting by notice which must contain the object of the proposed meeting and a statement to the effect that the

[Subsidiary]

*Co-operative Societies Regulations*

meeting is convened on the failure of the chairman of the committee to convene the meeting demanded:

Provided that the Commissioner or a person authorised by him may at any time summon a special general meeting of the registered society in such manner and at such time and place as he may direct. He may also direct what matters shall be discussed at the meeting. Such meeting shall have all the powers of a meeting called according to the regulations.

Quorum at  
general  
meetings.  
[Reg. 14/1949]

17. (1) Where a registered society consists of not more than forty members, one-half of the number of the members or 10 members, whichever is the less, shall form a quorum for the purposes of the annual or a special general meeting, and where a registered society consists of more than forty members one-fourth of the total number of the members of such society shall form a quorum for the purposes of the annual or a special general meeting:

Provided that—

- (a) in the case of any registered society of which other registered societies are members, the number of members required to form a quorum shall be decided by the rules; and
- (b) when any meeting is summoned by the Commissioner, any members present at such meeting shall be deemed to form a quorum.

(2) If within one hour after the time fixed for any meeting other than a meeting convened by the Commissioner the members present are not sufficient to form a quorum, such meeting shall be considered as dissolved if convened on the demand of members; in all other cases it shall stand

adjourned to the same day in the next week at the same time and place and a notice to that effect shall be posted by the Secretary within twenty-four hours, and if at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting the members present shall form a quorum.

Chairman of  
general  
meetings.  
[Reg. 14/1949]

18. (1) The chairman of the committee or in his absence any other person elected by a majority of those present shall preside at the annual or special general meeting:

Provided that the Commissioner or a person appointed by him may preside at any meeting convened by himself or on his demand.

(2) The Secretary or in his absence any other person nominated in writing by the chairman shall act as secretary at the meeting. The chairman, if necessary, may nominate other officers to assist at the meeting.

(3) The chairman may, by the decision of the meeting, adjourn the meeting from time to time and from place to place but no business shall be transacted at any meeting so adjourned other than the business left unfinished at the meeting from which the adjournment took place.

(4) The chairman shall have the right to order the closure of the discussion and put the matter to the vote.

Voting at  
general  
meetings.

19. (1) Any question submitted to the decision of the members present at a meeting, unless otherwise dealt with in the regulations, shall be decided by a majority of votes.

(2) At any meeting a resolution put to the vote shall be decided on a show of hands unless voting by call of names or a ballot is demanded by at least five of the members present before the declaration of the result of the show of

[Subsidiary]

*Co-operative Societies Regulations*

hands, and in such case voting by call of names or a ballot shall be taken, as the case may be.

(3) The chairman shall have an ordinary vote and in case of an equality of votes shall be entitled to a casting vote. In the case of a meeting convened by the Commissioner and presided over by him or his representative, he or his representative shall not be entitled to vote except on an equality of votes, in which case they shall have a casting vote.

(4) In respect of every resolution put to the vote the chairman shall declare whether it has been carried or lost, and whether on a show of hands or unanimously or by a particular majority, and an entry to that effect in the minute book shall be conclusive evidence of anything therein contained.

Minutes of  
general  
meetings.  
[Reg. 14/1949]

**20.** Minutes of the meetings shall be entered in the minute and signed by the chairman and Secretary and shall contain—

- (a) the number of the members present at the meeting and the name of the chairman or of the person who presided at the meeting;
- (b) the time fixed for the meeting and the time the meeting commenced;
- (c) the total number of members on the date on which the meeting was held; and
- (d) all resolutions passed or decisions made at the meeting.

Election of  
committee.  
[Reg. 14/1949]

**21.** The committee shall be elected at the annual general meeting of the registered society in accordance with the rules. The members shall hold office until the next election and shall be eligible for re-election:

Provided that a special general meeting convened for the purpose may remove the committee or any members thereof before the expiration of their period of office by a majority of three-fourths of the members present, who shall proceed at the same meeting to the election of others in their stead who shall hold office until the election of a new committee by the next annual general meeting.

Chairman of  
the committee.

**22.** The committee shall elect its own chairman, who shall have an ordinary vote and on an equality of votes shall be entitled to a casting vote. In the temporary absence of the chairman, the committee shall elect one of its members to perform his duties.

Duties of  
committee.

**23.** (1) The committee shall represent the registered society before all competent public authorities and in all dealings and transactions with third persons, with power to institute or defend suits brought in the name of or against the society, and in general it shall carry out such duties in the management of the affairs of the registered society as have not been specially assigned by the regulations or the rules to general meetings or to any other officer of the society.

(2) The committee shall always keep a copy of the latest annual balance sheet of the registered society together with the report referred to in regulation 14, hung in a conspicuous place at the registered office of the society.

Meetings of  
committee.

**24.** The committee shall meet as often as the business of the registered society may require and in any case not less frequently than once a month. Meetings of the committee shall be summoned by the Secretary in writing.

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[Subsidiary]

Co-operative Societies Regulations

Procedures at meetings of committee.

25. At each committee meeting the Secretary shall—

- (a) read the minutes of the preceding meeting;
- (b) produce the cash book, detail the entries of receipts and payments made therein since the last meeting and with the Treasurer produce the cash in their possession for verification by the committee with the cash book;
- (c) produce a statement showing the loans due and unpaid, for determination by the committee as to the action to be taken in each case;
- (d) produce applications for loans, if any, for determination by the committee in accordance with the priority of receipt; and
- (e) submit any other business for consideration by the committee.

Minutes of meeting of the committee.

26. Minutes of committee meetings shall be recorded forthwith by the Secretary in the minute book and shall be signed by the chairman or other presiding member and by the Secretary and shall contain the following particulars:

- (a) the names of the members present and the date of the meeting;
- (b) the name of the chairman or other presiding member; and

- (c) a short statement of all matters discussed and decisions made and a record as to whether each decision was made unanimously or by a majority.

Failure to attend meeting of committee.

27. Any member of the committee who, without due excuse approved by the committee, fails to attend at three consecutive meetings of the committee shall be deemed to have vacated his office which shall thereupon be filled as provided by regulation 28.

Vacancies on committee.

28.(1) Vacancies occurring on the committee shall be filled within eight days by the election of substitutes elected by the remaining members of the committee:

Provided that when such election does not take place the Commissioner may appoint the required substitutes.

(2) Any substitutes elected or appointed under paragraph (1) shall hold office until the expiration of office of the committee.

Borrowing powers.

29. The committee may borrow money on behalf of the registered society to an amount not exceeding such total amount as may have been fixed in accordance with regulation 11.

Banking account.

30. The committee may open a banking account. All cheques shall be signed by two members of the committee and the Secretary:

Provided that with the authority in writing of the Commissioner previously obtained, cheques may be signed by one member of the committee and the Secretary

[Subsidiary]

*Co-operative Societies Regulations*

Employees.

**31.** (1) The committee may —

- (a) appoint such clerks or employees as it considers necessary; and
- (b) fix the salary, wages or remuneration of every such clerk or employee.

(2) Every clerk or employee appointed under this regulation shall hold office during the pleasure of the committee.

#### REGULATIONS APPLICABLE TO CREDIT SOCIETIES

Application for  
a loan.

**32.** Members who desire to obtain a loan shall submit an application to the committee stating the amount and the purpose for which the loan is required, the term for which it is asked, whether it is desired to repay it by instalments, and the names of any proposed sureties or any other security which is offered.

Sanction of  
loan.

**33.** (1) The committee shall consider at a meeting every application for a loan and if the committee is satisfied with the trustworthiness of the applicant, the sufficiency of the security offered and the prospects of advantage to the borrower, in the way of increased production or economy or otherwise, it may sanction the loan.

(2) No persons other than members of the committee and the Secretary and the Commissioner and his staff shall be present at any meeting of the committee when an application for a loan is under consideration, except in cases where the application has been received from any member of the committee or from any other officer of the registered society, and the rules specify certain other officers of the registered society who shall be present in such cases. A

member of the committee or other officer who applies for a loan or who is proposed as surety for a loan must withdraw while the relevant application is being discussed. If there is a difference of opinion concerning the granting of a loan, the voting shall be taken by ballot. The proceedings with regard to loans at committee meetings shall be kept secret, and any member of the committee or officer of the registered society infringing this regulation shall be liable to immediate expulsion or dismissal.

Security for loans.

34. Loans, when approved by the committee, shall be granted to members who are able to obtain two sureties approved by the committee, or who can give other security to the satisfaction of the committee.

Purposes of loans.

35. (1) No loan shall be made except for a purpose to be approved of in each case by the committee.

(2) All loans made shall be applied by the borrowing members to such purpose as the committee has approved.

Documents relating to loans.

36. When a loan is sanctioned by the committee a notice shall be sent to the borrower to that effect, and, before the amount is advanced, the borrower and his sureties shall execute an instrument in writing setting out the terms of repayment of the loan and containing such other terms and conditions as the committee may consider necessary.

Restrictions on loans to defaulters.

37. Where a member —

- (a) is in default in the payment of a loan or of an instalment of a loan; and
- (b) does not satisfy the committee that such default is due to a good cause, such member shall not be entitled to

[Subsidiary]

*Co-operative Societies Regulations*

receive another loan from the registered society.

Extensions on loans to defaulters.

**38.** If by reason of sickness or some other cause, a member finds that he will be unable to discharge his obligations to the registered society and notifies the Secretary in writing before a loan is due the committee may extend the time fixed for payment on such conditions as it thinks fit.

Misapplication of loans.

**39.** Where the committee is satisfied that a member of a registered society who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application therefor under regulation 32, the committee may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.

Recovery of loans.

**40.** Where—

- (a) a loan or an instalment of a loan has not been paid on the date on which it became due; and
- (b) no extension for the payment thereof has been given to the debtor by the committee under regulation 38,

the committee shall take steps for the recovery of the same by referring the matter to the Commissioner as prescribed in section 49.

#### REGULATION APPLICABLE TO MARKETING SOCIETIES

Marketing.

**41.** (1) Every member of a society shall deliver to the society at such place as the committee shall direct such amount of articles produced or obtained by him as may be prescribed in the rules or in the relevant contract to be

disposed of by the society.

(2) Any member who is proved or adjudged in accordance with section 49 to be guilty of a breach of the rules or the relevant contract as the case may be shall pay to the society as liquidated damages such sum as may be specifically assessed or ascertained in manner prescribed by the rules or by the relevant contract and such sum shall be deemed to be a debt due to the society.

### REGULATIONS APPLICABLE TO ALL SOCIETIES

Bad debts.

**42.** The committee may, with the approval of the Commissioner, cause bad debts to be written off the books of the registered society in such manner and at such times as the Commissioner may deem fit.

Preparation of annual accounts and report.

**43.** The committee shall in every year and as soon as conveniently possible within such time as the Commissioner may direct—

- (a) cause the Secretary to prepare and send to the Commissioner the yearly balance sheet closed on the 31st December of the preceding year together with a detailed statement of the profit and loss account; and
- (b) prepare a report on the year's working of the registered society to be presented to the annual general meeting.

Transfer of shares.  
[Reg. 14/1949]

**44. (1)** Any share may be transferred with the approval of the committee to any other member at the option of the transferor, but if the transferee is not a member, he must be approved of as a member by the committee, or the

[Subsidiary]

*Co-operative Societies Regulations*

general meeting according to the rules relating to the admission of members before the transfer can be registered; and if the rules require a member to hold more than one share, the transferee must acquire by the transfer, or by the transfer and allotment, the number so required to be held before the transfer can be registered.

(2) Special transfer forms shall be prescribed by the Commissioner.

(3) No transfer of a share shall be valid and effective unless and until such transfer has been registered by the Secretary on the direction of the committee.

(4) No transfer of a share shall be registered if made by a member indebted to the registered society without special order of the committee, and until the transfer of a share is registered no right shall be acquired against the registered society by the transferee, nor shall any claim of the registered society upon the transferor be affected thereby.

Special provisions as to transfer to shares of a member who is of unsound mind.

45. (1) Where a member or person claiming through a member of a registered society has become of unsound mind or incapable of managing his affairs and no committee, receiver, or guardian has been appointed, the Society may, subject to regulation 44 and section 27, transfer the share or interest of such member to any person mind, nominated by such member for the purposes of section 17, or may pay to the person nominated a sum representing the value of the share or interest of such member ascertained in accordance with regulation 9(5)

(2) If no nominee has been appointed, the society may pay a sum representing the value of the member's share or interest to the Public Trustee:

Provided that, if the value of such share or interest does

not exceed twenty dollars (\$20), the committee of the society may, subject to any conditions they think fit, pay the whole or any portion of such sum to the person who appears to them to have the care of such member or the management of his affairs.

(3) All transfers and payments made by a registered society in accordance with this regulation shall be valid and effective against any demand made upon the society by any person.

Sales of shares  
of members in  
default.

46. The committee may in default of payment by any member indebted to a registered society to an amount not less than three fourths of the sum paid up for the time being on any transferable default, share held by him, sell, transfer and register in the books of the registered society such share to any person entitled to hold the same under the regulations or rules for the best price obtainable therefor, and apply the proceeds in or towards the discharge of the debt so due and of any expense incurred in or about the same, paying over the balance (if any) to the member without being responsible for any loss occasioned thereby, and the defaulting member shall cease to have any further claim in respect of such share.

Secretary.

47. (1) The committee shall appoint a secretary and, unless the person so appointed is a member of the committee, shall have power to fix the remuneration for his services.

(2) The Secretary, if a member of the committee, shall be unpaid.

(3) No remuneration fixed under paragraph (1) shall be payable or recoverable, unless approved by the Commissioner. Every such approval shall be communicated in writing by the Commissioner to the committee.

[Subsidiary]

*Co-operative Societies Regulations*

(4) In the event of failure on the part of the committee to appoint a Secretary, the Commissioner shall appoint a Secretary and, unless the person so appointed is a member of the committee, the Commissioner shall fix his remuneration. Every appointment made by the Commissioner under this sub-regulation shall be valid and effective, and every remuneration fixed by the Commissioner shall be payable and recoverable, as if made or fixed by the committee.

(5) The Secretary shall occupy his office until his services are determined by one month's notice in writing given by the committee.

(6) The Secretary may resign his office by giving one month's notice to the committee in writing.

(7) On the occurrence of a vacancy in the office of the Secretary, the provisions of this regulation shall apply, *mutatis mutandis*, to the filling of such vacancy.

Payment of  
Secretary.

**48.** The remuneration (if any) of the Secretary shall be paid from the funds of the registered society monthly in arrear.

Security by  
Secretary.

**49.** The Secretary may be required to give security in such amount as the committee may determine.

Suspension of  
Secretary.

**50.** (1) The committee may at any time suspend the Secretary for any irregularity in the performance of his duties.

(2) Such suspension shall be reported forthwith to the Commissioner who shall approve or disallow the same and shall communicate his decision to the Secretary and the committee in writing, and on notification of his approval of the suspension the services of the Secretary shall be determined without further notice.

(3) In the event of the suspension of the Secretary the committee shall forthwith appoint a substitute to hold office during the period of such suspension and shall report the name of such substitute to the Commissioner.

Temporary absence of Secretary.

51. (1) The Secretary shall not absent himself from duty save with the permission of the committee previously obtained.

(2) During the absence of the Secretary, the committee shall appoint a temporary secretary and shall report the appointment to the Commissioner.

Duties of Secretary.

52. The duties of the Secretary shall be—

- (a) to attend all meetings of the registered society and of the committee and to carry out all the instructions of the committee ;
- (b) to be present at the office during the hours of business as fixed from time to time by the committee;
- (c) to record the whole of the transactions of the registered society in the books provided for that purpose; to conduct correspondence on behalf of the registered society; to prepare the annual statement of accounts and balance sheet; and to have charge of the documents, books and vouchers for payments and receipts on behalf of the registered society;
- (d) to receive all applications for loans

and bring the same before the committee; to prepare receipts and other documents in the form prescribed for signature by borrowers prior to their taking the loans sanctioned; and with the authority of the committee to supply information about the registered society which may be applied for by members;

- (e) to receive all moneys due or payable to the registered society and issue receipts to the payer for same from a counterfoil receipt book supplied to the registered society for the purpose by the Commissioner, obtaining at the same time the signature of the person making the payment on the counterfoil;
- (f) to deposit with the Treasurer from moneys collected by him on behalf of the registered society all sums in excess of an amount to be fixed from time to time by the committee and to obtain from him a receipt on a form to be taken from the prescribed counterfoil book;
- (g) to keep separate all moneys belonging to the registered society and on no account to mix them with any other moneys; and to produce at all times when called upon to the committee, or the Commissioner or any person authorised by him, all moneys in his hands belonging to the registered

society;

- (h) to make payments as authorised by the committee, obtaining the payee's signature on the payment book prescribed by the Commissioner:

Provided that if the payment is made outside the registered society's office the Secretary shall, in every instance, obtain from the payee a manuscript receipt and attach it to a separate page of the payment book;

- (i) to issue a receipt on a form to be taken from the prescribed counterfoil book when receiving money from the Treasurer; and
- (j) to summon meetings as provided in the regulations.

Treasurer.

**53.** The committee shall appoint one of the members of the committee, not being the chairman, to be the Treasurer.

Security by  
Treasurer.

**54.** The Treasurer may be required to give security for such amount as may be determined by, and to the satisfaction of, the committee.

Duties of  
Treasurer.

**55.** The duties of the Treasurer shall be—

- (a) to receive from the Secretary as provided in regulation 52 (f) moneys collected by the latter on behalf of the registered society, furnishing him with a receipt on a form taken from the counterfoil book supplied for the purpose by the Commissioner and obtaining at the same time the

[Subsidiary]

*Co-operative Societies Regulations*

- signature of the Secretary on the counterfoil;
- (b) to advance money to the Secretary for payments and obtain from him a receipt from the prescribed counterfoil book;
  - (c) to place to the account of the registered society in such bank as may be approved by the Commissioner any amount in his hands in excess of the amount fixed from time to time by the committee;
  - (d) to keep separate all moneys belonging to the registered society and on no account to mix them with any other moneys; and to produce at all times when called upon to the committee, the Commissioner or any person authorised by him, all moneys in his hands belonging to the registered society; and
  - (e) to keep a record on the prescribed form of all moneys received by him from the Secretary and of all moneys paid to the Secretary.

Unfit officers.  
[Reg. 2/1963  
5/1998]

**56.** (1) If in any society any member of the committee or other officer is in the opinion of the Commissioner unfit for the discharge of his duties, the society shall on the requirement of the Commissioner dismiss him.

(2) If in the opinion of the Commissioner the committee of any registered society is or becomes incapable of managing or wilfully neglects to conduct the affairs of such society in a proper manner the Commissioner may assume control of the affairs of the society and may appoint a person or persons to manage the affairs of the society for such time as the Commissioner thinks fit:

Provided that the Commissioner may, at any time, if he thinks fit, cause a committee to be elected in accordance with the rules of the society and shall forthwith hand over the management of the society to the committee so elected.

(3) Where the Commissioner has assumed control of a society under paragraph (2), one-third of the members of the society or, and notwithstanding the exercise of the right by the aforesaid one third of the members, the majority of members of the committee in office immediately before the Commissioner assumed control of the society may within 21 days appeal in writing to the Minister and the decision of the Minister shall be final.

Reserve Funds.

57. (1) The reserve fund of a registered society created in pursuance of section 34(1), may, with the sanction of the Commissioner —

- (a) be utilised in the business of the registered society; or
- (b) be applied to meet occasional deficiencies incurred by the registered society.

(2) In sanctioning the utilisation or application of the reserve fund under paragraph (1), the Commissioner may impose such terms and conditions as he may deem fit.

[Subsidiary]

*Co-operative Societies Regulations*Audit of  
accounts.

58. In pursuance of section 35, the accounts of every registered society shall be audited once at least in every year by some person authorised by the Commissioner. Such person shall have access to all the books and accounts of the registered society and shall examine every balance sheet and annual return of the receipts and expenditure, funds and effects of the registered society, and shall verify the same with the accounts and vouchers relating thereto, and shall either sign the same as found by him to be correct, duly vouched and in accordance with the Act, and shall report to the Commissioner accordingly, or shall specially report to the Commissioner in what respects he finds the same incorrect, unvouched or not in accordance with the Act. The Commissioner shall thereupon forward the report of such person to the committee.

Audit and  
Supervision  
Fund.

59. (1) There shall be constituted a fund to be known as the Audit and Supervision Fund and every registered society shall, when called upon to do so by the Commissioner, make annually a contribution to such fund.

(2) Until such time as a society has been established and registered for the purposes of supervision and audit, such contributions shall be held by the Commissioner and administered by him on behalf of the contributing registered societies.

(3) So long as the Commissioner administers the fund on behalf of the contributing registered societies, he shall report in every year to the Government in respect of the income derived from contributions, the expenditure he has sanctioned from the fund and the balance in his hands.

(4) As soon as a society for supervision and audit has been established and registered, the fund shall be credited to such society and shall be utilised by such society in accordance with its objects and rules.

(5) Until a society for supervision and audit has been established and registered, the Commissioner shall fix the amount of the annual contribution to the fund of every registered society called upon to contribute to the fund. The amount of every such annual contribution shall be subject to a maximum of either ten per cent (10%) on the net annual profits of the registered society or of one per cent (1%) of the working capital of the registered society.

Rules.

60. (1) The rules of a proposed society shall contain provision in respect of the following matters:

- (a) the name of the society;
- (b) the registered address of the society;
- (c) the objects for which the society was established;
- (d) the purposes to which the funds may be applied;
- (e) the qualifications for membership, the terms of admission of members, and the mode of election;
- (f) the nature and extent of the liability of members; and
- (g) the manner of raising funds, including the maximum rate of interest on deposits.

(2) If the objects of the proposed society include the creation of funds to be lent to the members, the proposed rules shall, in addition, contain provision in respect of the

[Subsidiary]

*Co-operative Societies Regulations*

following matters—

- (a) the occupation or residence of the members;
- (b) the conditions on which loans may be made to members, including—
  - (i) the rate of interest, and
  - (ii) the maximum amount which may be lent to a member; and
- (c) the consequences, if any, of default in the payment of any sum due on account of shares.

Amendment  
of rules.

**61.** (1) Where in pursuance of the provisions of section 10(1) a of registered society amends its rules, such amendment shall be made by a resolution of the members of the registered society at a general meeting.

(2) No resolution under paragraph (1) shall be valid or effective unless it was taken by a majority of not less than three-fourths of the members present at the general meeting at which the resolution was proposed.

(3) A copy of a resolution under paragraph (1) shall be forwarded to the registrar together with three copies of the amendment.

Copies of  
entries.

**62.** For the purposes of section 20 a copy of an entry in a book of a society may be certified by a certificate written at the foot of such copy, declaring that it is a true copy of such entry and that the book containing the entry is still in the custody of the society, such certificate being dated and signed

by the Secretary and one member of the committee.

Reference of a dispute to the Commissioner for decision.

**63.** (1) Reference of a dispute to the Commissioner for decision under the provisions of section 49(1) may be made –

- (a) by the committee; or
- (b) by the registered society in pursuance of a resolution in that behalf taken in general meeting; or
- (c) by any party to the dispute; or
- (d) where the dispute concerns a member of the committee and the registered society, by any member of the registered society.

(2) Every reference under this regulation shall be made by a statement in writing addressed to the Commissioner. Such statement shall –

- (a) be dated;
- (b) specify the dispute;
- (c) set out full particulars of the dispute; and
- (d) be signed by the party making it.

Reference to arbitration by the Commissioner.

**64.** (1) Where in pursuance of the provisions of section 49(2) (b), the Commissioner decides to refer a dispute to arbitration, such decision shall be embodied in an order of reference under his hand.

[Subsidiary]

*Co-operative Societies Regulations*

- (2) Every order of reference under this regulation shall—
- (a) specify the name, surname, place of abode and occupation of the arbitrator or arbitrators;
  - (b) set out the dispute and full particulars thereof; and
  - (c) limit the time within which the award shall be forwarded by the arbitrator or arbitrators to the Commissioner:

Provided that, on good cause shown to his satisfaction, the Commissioner may by a further order enlarge the time whether before or after the time limited by the order of reference has expired.

(3) Where the Commissioner decides to refer a dispute to more than one arbitrator, such reference shall be to three arbitrators, of whom one shall be nominated by each of the parties to the dispute and the third shall be nominated by the Commissioner and shall act as chairman.

(4) Where under paragraph (3) reference is made to three arbitrators, the following provisions shall have effect:

- (a) if any party to the dispute fails to nominate an arbitrator within such time as the Commissioner may specify, the Commissioner may make the nomination himself;
- (b) if an arbitrator nominated by one of the parties to the dispute dies, or refuses or neglects to act, or by absence or otherwise becomes

incapable of acting, the Commissioner shall call upon the party concerned to nominate a new arbitrator within such time as the Commissioner may specify, and if no new arbitrator is nominated accordingly, the Commissioner may nominate one himself;

- (c) if the arbitrator who dies, or refuses or neglects to act, or becomes incapable of acting, was nominated by the Commissioner, a new arbitrator shall be nominated in his place by the Commissioner; and
- (d) the opinion of the majority of the arbitrators shall prevail.

Proceedings  
before the  
arbitrator or  
arbitrators.

65. (1) The proceedings before the arbitrator or arbitrators shall, as nearly as possible, be conducted in the same way as proceedings before a court of law, and in particular the following provisions shall have effect in respect thereof:

- (a) notice of the time and place at which the proceedings are to be held shall be given to the parties to the dispute, and such notice shall be a ten days' notice;
- (b) a record of the evidence adduced before the arbitrator or arbitrators shall be made, dated and signed by the arbitrator or arbitrators;
- (c) documents produced as exhibits before the arbitrator or arbitrators

[Subsidiary]

Co-operative Societies Regulations

shall be marked, dated and initialled by the arbitrator or arbitrators and shall be attached to the file of the proceedings; and

- (d) in the absence of any party duly notified to attend, the dispute may be decided by the arbitrator or arbitrators *ex parte*.

(2) The award of the arbitrator or arbitrators shall—

- (a) be in writing;
- (b) be dated and signed by the arbitrator or arbitrators; and
- (c) state the amount of the costs and expenses of the arbitration, if any, and by which party or parties to the dispute the same are to be paid.

(3) Upon the completion of the proceedings, the arbitrator or arbitrators shall forward to the Commissioner—

- (a) the file of the proceedings; and
- (b) the award.

Proceedings  
before the  
Commissioner.

**66.** Where, in pursuance of the provisions of section 49(2) (a), the Commissioner exercises the power of deciding a dispute himself, the proceedings before him in relation thereto shall, as nearly as possible, be conducted in the same way as proceedings before a court of law and the provisions of regulation 65 shall apply, *mutatis mutandis*, to such proceedings.

LAWS OF GUYANA

74      **Cap. 88:01**

*Co-operative Societies*

[Subsidiary]

*Co-operative Societies Regulations*  
*Application of Section 34(1) Order*

Fees.

**67.** The fees specified in the Schedule shall be payable for the matters to which they relate.

reg. 67

**SCHEDULE**

1. For registration of a society and its rules  
    \$2.00
  2. For registration of an amendment of the rules of a society  
    \$0.50
  3. For every inspection on the same day of documents whether one or more in the custody of the Commissioner and relating to one and the same society  
    \$0.25  
  
    Provided that the Commissioner may, in his discretion, waive this fee.
  4. For every copy or extract of any document in the custody of the Commissioner, for every 120 words or part thereof.  
    \$0.15
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[Subsidiary]

*Application of Section 34(1) Order*  
*Georgetown (North "B" Youth Council) Co-operative Credit Union Limited (Modification)*  
*Order*

## APPLICATION OF SECTION 34(1) ORDER

*made under section 55*

Citation.

1. This Order may be cited as the Application of Section 34(1) Order.

Application of section 34(1).

2. From and including the year 1950, section 34(1) of the Cooperative Societies Act shall apply to the classes of societies shown in the first column of the Schedule, with the modification shown in the second column of the said Schedule.

### SCHEDULE

Class of Society	Modifications
(a) Co-operative thrift societies and Co-operative savings societies.	At least 15% of the net profits to be carried to the reserve fund.
(b) Co-operative credit societies and Co-operative credit unions.	At least 20% of the net profits to be carried to the reserve fund.

O. 70/1974

### GEORGETOWN (NORTH "B" YOUTH COUNCIL) CO-OPERATIVE CREDIT UNION LIMITED (MODIFICATION) ORDER

*made under section 55*

Citation.

1. This Order may be cited as the Georgetown (North "B" Youth Council) Co-operative Credit Union Limited (Modification) Order.

**[Subsidiary]**

*Linden Transport Co-Operative Society Limited (Exemption) Order*  
*Guyana Co-Operative Wholesale Society Limited (Exemption) Order*

Modification to  
s. 21 of Act.

2. Section 21(a) of the Act in its application to the Georgetown (North "B" Youth Council) Co-operative Credit Union Limited shall be subject to the following modification, that is to say, the reference therein to the age of sixteen years shall be construed and read as if there had been substituted therefor a reference to the age of twelve years.

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O. 66/1977

**LINDEN TRANSPORT CO-OPERATIVE  
SOCIETY LIMITED (EXEMPTION ORDER)**

*made under section 54*

Citation.

1. This Order may be cited as the Linden Transport Co-operative Society Limited (Exemption) Order.

Exemption  
from provisions  
of section 21 of  
the Act.

2. The Linden Transport Co-operative Society Limited shall for the purpose of registration be exempt from the provisions of Section 21 of the Act.

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O. 48/1980

**GUYANA CO-OPERATIVE WHOLESALE  
SOCIETY LIMITED (EXEMPTION) ORDER**

*made under section 55*

Citation.

1. This Order may be cited as the Guyana Co-operative Wholesale Society Limited (Exemption) Order.

Exemption.

2. The Guyana Co-operative Wholesale Society Limited is hereby exempted from the provisions of sections 21 and 27 of the Act.

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[Subsidiary] *Guyana Co-operative Credit Society Limited (Modification of Provision) Order*  
*Co-operative Societies (Exemption From Income Tax) Order*

O. 13/1982

**GUYANA CO-OPERATIVE CREDIT SOCIETY  
LIMITED (MODIFICATION OF PROVISION)  
ORDER**

*made under section 55*

Citation.

1. This Order may be cited as the Guyana Co-operative Credit Society Limited (Modification of Provision) Order.

Modification of application of section 21 of the Act.

2. Section 21 of the Act, in its application to the Guyana Co-operative Credit Society Limited, shall be read and construed as if for the words "registered society" there were substituted the words "registered society or a friendly society within the meaning of section 3 of the Friendly Societies Act."

O. 53/1971

**CO-OPERATIVE SOCIETIES (EXEMPTION  
FROM INCOME TAX) ORDER**

*made under section 57*

Citation.

1. This order may be cited as the Co-operative Societies (Exemption from Income Tax) Order.

Tax Exemption.

2. The Co-operative Societies registered under the Co-operative Societies Act, are hereby exempted from payment of income tax.