

ANTIGUA AND BARBUDA



THE CO-OPERATIVE SOCIETY REGULATIONS, 2013

STATUTORY INSTRUMENT

2013, No. 12

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ANTIGUA AND BARBUDA

THE CO-OPERATIVE SOCIETY REGULATIONS, 2013

2013, No. 12

THE CO-OPERATIVE SOCIETY REGULATIONS made in exercise of the powers contained in section 247 of the Co-Operative Societies Act, 2010 No. 9 of 2010.

PART I

PRELIMINARY

1. Short title.

These Regulations may be cited as the Co-Operative Society Regulations, 2013 and shall come into force on a date that the Minister may by Notice publish in the *Gazette*.

2. Interpretation.

In these Regulations—

“the principal Act” means the Co-Operative Societies Act No. 9 of 2010;

“Association” means a group of people organised for some common purpose but without corporate personality;

“bank” means a company registered under the Banking Act No. 14 of 2005;

“the financial year” of a co-operative society means the period designated as the financial year in the bye-laws of the co-operative society;

“maximum liabilities” means the highest level of exposure authorised by the shareholders of a co-operative society, but shall include the highest value of deposits of money made in a credit union, of accrued interest on those deposits and of loans taken out by or other payables due from a credit union;

“line of credit” means the maximum amount which a credit union is entitled to borrow from a given institution at any given time;

“liquid assets” means currency, deposits and other resources maintained by a credit union with a bank or any other deposit-taking institution which the credit union is entitled to withdraw on demand as readily marketable securities to meet its commitments with respect to loans and withdrawal of deposits, together with treasury bills, government debentures, treasury notes and securities listed on the East Caribbean Stock Exchange;

“members’ equity” or “equity of members” in a co-operative society” means—

the membership capital raised from the members through qualifying and equity shares; and

the institutional capital which includes the aggregate of a co-operative society's statutory or other non-distributable general reserves, earnings retained after distribution of surplus and any other funds which may be received by way of non-refundable donations for no specified purpose but which are not available for distribution;

"minimum capital" means the financial position of a co-operative society whose institutional capital is equal to ten per cent of its assets and whose share capital is equal to ten per cent of assets in keeping with Sections 97 and 125 of the Act;

"overdue loans" mean personal, mortgage, business, educational and other types of loans on which a member is in default or delinquent for more than thirty days but less than twelve months on a payment of the principal or interest according to any agreement that member has made with the credit union and for which a loan loss provision must be allocated as prescribed in Schedule 4; and

"Unincorporated Organization" means a body of persons not incorporated under law.

3. Register of Co-Operative Societies and Register of Credit Unions.

(1) All entries in the Registers of Co-Operative Societies and Credit Unions shall be made by or under the direction of the Supervisor of Co-operative Societies and shall be signed by the Supervisor.

(2) The Registers of Co-Operative Societies and Credit Unions shall, in addition to the details recorded under section 6 of the principal Act, contain in respect of each co-operative society and credit union—

- (a) its name;
- (b) its principal address;
- (c) the address of its place of business operations;
- (d) the address of its branch location;
- (e) the date of its registration;
- (f) the date its bye-laws are adopted by members;
- (g) the date its bye-laws are submitted to the Supervisor;
- (h) its founding members;
- (i) the date that amendments are made to the bye-laws as the case may be;
- (j) the date that a name is changed as the case may be; and
- (k) any other details considered relevant by the Supervisor.

(3) Every alteration, interlineation or erasure in the abovementioned Registers shall be initialled by the Supervisor.

(4) The abovementioned Registers shall be open free of charge to public inspection at the Financial Services Regulatory Commission during the normal hours of business of the Commission.

4. Prescribed Forms, fees and application for registration.

(1) The prescribed fees to be paid by a co-operative society to the Financial Services Regulatory Commission are prescribed in Schedule 2.

(2) An application for the registration of a co-operative society shall be made to the Supervisor in Form 01 prescribed in Schedule 1 and shall be accompanied by the fee specified in Schedule 2.

(3) A certificate of registration issued pursuant to section 16 of the principal Act shall be in the form prescribed under Schedule 1 and headed Form 02.

5. Registration, continuance, suspension and de-registration.

(1) If the Supervisor is satisfied that the co-operative society has fulfilled its obligations under sections 15, 21(2)(g) and 147 of the principal Act and regulations 7, 17, 36, 37 and 38 he shall issue an Annual Certificate of Continuance to each registered co-operative society.

(2) A certificate of continuance is valid for a period of one year and is renewable for a period of one year.

(3) An application for renewal of a certificate of continuance shall be made to the Supervisor of Co-Operative Societies in the form prescribed in Schedule 1 and shall be accompanied by the prescribed fee and shall be made not less than two months prior to the expiration date of that certificate.

(4) The Supervisor shall promptly consider an application for renewal and shall—

(a) renew the certificate of continuance;

(b) deny the application; or

(c) return the application with a request for additional information; supplemental information or clarification as considered appropriate by the Supervisor.

(5) If a co-operative society fails to fulfil the obligations referred to in sub-regulation (1) the Supervisor may cancel the registration of a co-operative society.

(6) A cancellation of the registration of a co-operative society by the Supervisor shall be noted in the Register of Societies.

6. Register of members.

A co-operative society shall maintain an accurate and up-to-date record in the Register of Members in respect of each member of the co-operative society, the residential and work address and occupation of the member and the number of shares held by him.

7. Records of a co-operative society.

A co-operative society shall retain records of its accounts and related forms for a minimum period of six years or for a longer period as directed by the Supervisor.

PART III

MEMBERSHIP

8. Members.

The membership of a co-operative society may include an individual, registered business, other legal entity, association, religious entity, community or other non-profit organization joining in an application but notwithstanding the foregoing a non-individual legal person or an unincorporated organisation shall have only one vote in a co-operative society through a designated representative.

9. Withdrawal of members.

A member may withdraw his membership from a co-operative society by giving written notice to the Board and shall state the reason for his decision to withdraw.

10. Termination of membership.

If a member of a co-operative society contravenes the principal Act, these regulations or the bye-laws of his co-operative society or behaves in a way that is detrimental to the interests of the co-operative society, his membership may be terminated by a vote of two-thirds of the members of his co-operative society who are present at a general meeting, upon a charge communicated to him in writing by the Board not less than ten days before the meeting.

11. Member who loses membership qualifications to cease to be a member.

Where a member ceases to qualify for membership under the bye-laws of his co-operative society, the Board shall update the Register of Members to reflect the removal of that member from the Register.

PART IV
MEETINGS

12. General meeting.

(1) The Board of Directors, the Supervisory and Compliance Committee and the Credit Committee are accountable to the general meeting of members at which every member has a right to attend and vote on all questions.

(2) Each member shall have one vote only which shall be exercised in person.

13. First meeting of members.

Members attending the first meeting of a co-operative society shall have the same powers as members attending an annual general meeting.

14. Chairperson of the general meeting.

(1) Subject to the bye-laws of a co-operative society, the president of a co-operative society or in his absence any other person elected by a majority of the members present shall preside as chairperson of the annual or special general meeting.

(2) Where a meeting is convened by the Supervisor he shall in writing indicate who shall preside over that meeting.

(3) The secretary of the Board or in the secretary's absence any person nominated in writing by the chairperson shall act as secretary at the meeting and the chairperson, if necessary, may nominate other officers to assist at the meeting.

(4) The chairperson may, by a decision of a meeting, adjourn the meeting to be reconvened at a subsequent time or different place but no business shall be transacted at any meeting adjourned other than business that was left unfinished from the meeting which was adjourned.

(5) The chairperson shall have the right to order the closure of a discussion and put a matter to a vote.

15. Questions to be decided by majority of votes.

Subject to the bye laws of a co-operative society a question submitted for the decision of the members present at a meeting, shall be decided by a simple majority of votes.

16. Voting at a meeting convened by the Supervisor.

(1) Where the Supervisor convenes a meeting, he or his representative shall not be entitled to vote unless the result of the vote is tied, in which case he shall have a casting vote.

(2) In respect of a resolution put to be decided on by voting--

(a) the chairperson shall, after the conclusion of voting declare--

- (i) whether the resolution was passed or not; and whether
 - (ii) the decision was unanimous or passed by a majority; and
- (b) a record of the decision indicated by the declaration of the chairperson shall be made in the minute book and shall be conclusive evidence of the results of that decision.

PART V

MANAGEMENT

17. Policies, prudential standards and credit committee.

(1) If the Supervisor is of the opinion that a co-operative society or its Board of Directors has not sufficiently protected the shares and deposits of its members, or has failed to take measures to protect the shares, and deposits of the credit union's members the Supervisor may make recommendations to Board of Directors to take measures in respect of the deficiencies identified by the Supervisor and the Board of Directors shall ensure that the recommendations of the Supervisor are adopted and implemented.

(2) Recommendations under sub-regulation (1) may include measures with respect to loans policy, collections policy, investment policy, asset-liability policy and personnel policy; and any other measures considered appropriate by the Supervisor.

(3) Subject to the bye-laws of a co-operative society and in addition to the obligations prescribed, the credit committee of a credit union shall—

- (a) make recommendations to the Board regarding policies and procedures to be followed by the credit union for approving and granting loans;
- (b) monitor, through reports from inspections and examinations conducted by the Supervisor, from the credit union's auditor and from other officers of the credit union, lending and collection procedures;
- (c) review and record all applications for loans, loan extensions and revisions of the terms of loans that are referred to it by the Board of Directors or an officer of the credit union, including in relation to each application for a loan or a renewal or extension of a loan—
 - (i) the name of the applicant;
 - (ii) the amount of the loan applied for or the change in the terms or conditions applied for; and
 - (iii) whether the application was approved, declined or deferred;

- (d) ensure that policies and procedures are established and implemented to collect delinquent accounts; and
- (e) review reports that are submitted to it by officers of the credit union.

18. Election and removal of Board and committees.

(1) Subject to the bye-laws of a co-operative society the Board, credit committee and supervisory committee shall serve as unpaid volunteers from amongst the members of the co-operative society and shall be elected at the annual general meeting of the co-operative society.

(2) Before accepting the nomination of a person for membership of the Board or of a committee, the chairperson of the meeting called to elect Directors shall satisfy himself that the person nominated—

- (a) is qualified and eligible under the principal Act and the bye-laws of the co-operative society to be a director or committee member; and
- (b) has consented to the nomination.

(3) Where the number of candidates nominated does not exceed the number of directors or committee members required, the chairperson of the meeting called to elect directors and committee members shall declare the candidates nominated to hold the positions for which they were nominated.

(5) Where candidates are to be elected for varying terms, the candidates receiving the highest number of votes cast are to be declared elected for the longest or the longer terms.

(6) Where two or more candidates receive an equal number of votes, the members present at the meeting may, by resolution, provide that a second ballot be cast to break the tie.

(7) Where the meeting does not decide to hold a second ballot in accordance with sub-regulation (6), the chairperson of the meeting called to elect directors and committee members shall draw lots, and the candidate whose lot is drawn is to be declared elected.

(8) Where a member votes for more than the number of directors or committee members to be elected on a ballot, his ballot will not be counted.

(9) A co-operative society shall not include in a bye-law governing the manner of electing a director or committee member, a provision that prohibits a member from nominating as a candidate for election as director and committee member, a person who—

- (a) is qualified to be a director and committee member; and
- (b) consents to the nomination.

(10) If the Directors of a co-operative society are changed, the Supervisor shall be provided with notice of the change in the form prescribed in Schedule 1 and headed Form 04.

19. Bank account.

(1) The Board of a co-operative society may open and maintain an account at any bank or credit union or apex body or central co-operative and set whatever signing authorities from amongst the Board and staff as it considers appropriate, provided that all cheques require the signatures of at least two authorised persons.

(2) Cheques drawn on an account mentioned in sub-regulation (1) may be signed by the treasurer of the co-operative society and another director.

(3) Notwithstanding sub-regulation (2) the Board may authorise the manager or another senior employee to perform any of the duties of the treasurer, including the signing of cheques.

20. Employees.

(1) The Board may —

- (a) establish the management, technical, administrative and other employee positions it considers necessary;
- (b) fix the salary, wages or remuneration policy for all employee positions;
- (c) appoint the management personnel it considers necessary; and
- (d) delegate any part of the functions of the secretary or treasurer to a suitable employee.

(2) A manager under sub-regulation (1)(c) shall be accountable for the appointment and performance of subordinate staff.

(3) Every employee appointed under this regulation shall hold office at the pleasure of the Board.

21. Security or Bond by officers.

(1) In respect of credit unions, the minimum amount of security or bond shall be—

- (a) \$7,500 for a co-operative society whose annual gross income exceeds \$50,000;
- (b) \$20,000 for a co-operative society whose annual gross income exceeds \$100,000;
- (c) \$50,000 for a co-operative society whose annual gross income exceeds \$500,000;
- (d) \$75,000 for a co-operative society whose annual gross income exceeds \$750,000;
and
- (e) \$100,000 for a co-operative society whose annual gross income exceeds \$1,000,000.

(2) In respect of other co-operative societies the minimum amount of security or bond shall be—

- (a) \$1,000 in the case of a co-operative society with sales or revenue not exceeding \$25,000 per year;
- (b) \$2,000 in the case of a co-operative society with sales or revenues greater than \$25,000 but not exceeding \$100,000 per year; and
- (c) \$5,000 in the case of a co-operative society with sales or revenues greater than \$100,000 per year.

22. Secretary.

(1) The secretary, if an elected member of the Board, shall be unpaid and shall not hold office for more than two consecutive terms.

(2) The Board shall appoint a secretary.

(3) An appointment made under sub-regulation (2) shall be invalid, and any remuneration stated for that appointment shall not be payable or recoverable unless approved in writing by the Board.

(4) A secretary may be terminated by one month's notice in writing by the Board.

(5) A secretary may resign his office by giving one month's written notice to the Board.

(6) Regulation 31 shall apply with any necessary alterations to the filling of a vacancy in the office of the secretary.

23. Payment of secretary.

The remuneration of the secretary, where he is not an elected official, shall be set by the Board.

24. Suspension of secretary.

(1) The Board may at any time suspend or pursuant to regulation 22, dismiss the secretary for any irregularity or dereliction in the performance of his duties.

(2) A suspension or dismissal of a secretary shall be reported immediately to the Supervisor.

(3) In the event of the suspension of the secretary the Board shall immediately appoint a substitute to hold office during the period of the suspension and shall report the name of that substitute to the Supervisor.

25. Temporary leave of secretary.

(1) Any period of leave from the duties of the secretary shall not be valid unless approved by the Board.

(2) During the period of leave of the secretary, the Board shall appoint a temporary secretary and shall report the appointment to the Supervisor.

(3) If the secretary wishes to take leave from duty for more than one month at any one time, the Board shall, if permission is granted, notify the Supervisor.

26. Duties of secretary.

(1) In addition to any duties assigned by the Board or the bye-laws, the secretary of a co-operative society shall—

- (a) attend all meetings of the co-operative society and of the Board and perform the instructions of the Board;
- (b) maintain his presence at the office of the co-operative society, or if there is more than one office of the co-operative society, at the main office during the hours of business as fixed by the Board;
- (c) record the minutes of all meetings of the co-operative society or of the Board;
- (d) review the minutes of all committees of the co-operative society;
- (e) be responsible for all records, books, papers and other documents of the co-operative society;
- (f) ensure that all records, books, paper and other documents of the co-operative society are kept in a safe place in the office of the co-operative society;
- (g) issue notices for all meetings of the Board and general membership of the co-operative society in accordance with these regulations and the bye-laws;
- (h) sign and execute, jointly with the President of the co-operative society, all deeds and conveyances of real or personal property, all fixed deposits or share certificates and any other documents as the Board may specify;
- (i) summon meetings as provided in these regulations; and
- (j) perform any other duties prescribed by the bye-laws of the co-operative society or authorised by the Board.

27. Treasurer.

(1) The Board shall appoint one of the members of the Board, with the chairperson and secretary excepted, to be the treasurer.

(2) The treasurer of a co-operative society shall not hold office for more than two consecutive terms.

28. Duties of treasurer.

(1) In addition to any duties assigned by the Board or the bye-laws, the treasurer of a co-operative society shall—

- (a) receive and issue receipts for all monies due and payable to the co-operative society;
- (b) deposit all monies received in the name of the co-operative society in a bank or depository as specified by the Board;
- (c) sign all cheques, notes, bills of exchange and other documents necessary to effect the business of the co-operative society;
- (d) record all transactions effected by the co-operative society in the books provided for that purpose;
- (e) keep charge of all documents, books and vouchers for all payments made and receipts issued on behalf of the co-operative society;
- (f) prepare the annual statement of accounts, balance sheet, monthly statements as the Board may request;
- (g) keep all monies belonging to the co-operative society separate from other monies, and produce same at all times when called upon by the Board, or the Supervisor or any person authorised by it, including all monies in his hand belonging to the co-operative society;
- (h) produce a current statement of the co-operative society's monies on demand;
- (i) make payments as authorised by the Board and obtain receipts for those payments;
- (j) make payments as authorised by the Board, obtaining the payee's signature in the payment book prescribed by the Supervisor, provided that if the payment is made outside the co-operative society's office he shall, in every instance, obtain from the payee a manuscript receipt and attach it to a separate page of the payment book;
- (k) deposit with the manager of the co-operative society from monies collected by him on behalf of the co-operative society all sums in excess of an amount to be fixed from time to time by the Board and to obtain from him a receipt on a form to be taken from the prescribed counterfoil book;
- (l) reconcile at least once per month, the members' ledger or account with the relative general ledger control account;

- (m) reconcile or cause to be reconciled at least once per month all passbooks or statements received from depositors with the relative control accounts in the general ledger;
- (n) reconcile members' ledgers and passbooks at least once per year; and
- (o) perform any other duties as the bye-law or the Board may prescribe.

29. Supervisory and compliance committee.

In addition to any other duties prescribed, the supervisory and compliance committee of a co-operative society shall—

- (a) meet immediately after each annual general meeting of the co-operative society to plan for the current year;
- (b) appraise the policies and operating procedures of the co-operative society and make recommendations to the Board and to the credit committee;
- (c) ensure that the monthly and annual returns are filed in compliance with sections 130 and 147 of the principal Act;
- (d) determine periodically and not less than once every three months whether the provisions of the principal Act, these regulations, the bye-laws of the co-operative society, the PEARLS International Standards and the co-operative society's policies have been complied with in the processing of loans, in overdrawing from members' deposit accounts, administration of members' accounts, and the maintenance of minutes of the Board and the credit committee;
- (e) receive and investigate any complaints made by members of the co-operative society about the management of the co-operative society;
- (f) monitor the register of dormant and inactive accounts and the follow-up activities taken by management to reduce and prevent member losses;
- (g) monitor the management of the co-operative society and review and discuss all reports of the internal and external auditor and the compliance officer;
- (h) ensure that the co-operative society complies with the provisions of the principal Act, these regulations, the bye-laws of the co-operative society, the PEARLS International Standards, the Anti-Money Laundering and Counter Terrorist Financing guidelines, and its own approved policies;
- (i) verify the assets of the co-operative society and monitor whether the assets are properly protected; and

- (j) submit, before the seventh day of each ensuing month, a monthly report to the Board of Directors signed by at least two committee members.

30. Remuneration of elected officers.

(2) An elected official may be reimbursed for expenses incurred in relation to his duties with approval of the Board of Directors and upon submission of receipts.

(3) For the purposes of subsection 94(4) of the Act, "honorarium" means an ex gratia payment made by a co-operative society, without rendering the co-operative society legally obligated to pay or liable to pay any fixed or previously determined sum, the said payment being a one-time discretionary payment made to an elected official for his services in a volunteer capacity based on specific criteria defined in the bye-laws.

(4) An honorarium shall be payable only from the surplus of the outgoing year after the capital requirements have been met, and in the manner approved at a general meeting by the membership on the recommendation of the Board within the guidelines set by the bye-laws.

(5) Insofar as they cover all expenses for Board and committee activities and undertakings including reimbursements, attendance at meetings and conferences, special events, local and overseas travel, insurance and honoraria: governance costs shall not exceed five percent of the annual expenditure of a co-operative society.

31. Unfit officers.

(1) In addition to the reasons and procedures prescribed, a person may not be elected for office or may be removed from elected office by the members and shall no longer constitute part of the management of a co-operative society where—

- (a) he has committed an offence contrary to the principal Act;
- (b) he has contravened the bye-laws of his co-operative society;
- (c) being a Board or committee member, he has violated his fiduciary trust; or
- (d) he is a delinquent borrower.

(2) A person found to be ineligible for election or who is removed from office under sub-regulation (1) may appeal to the Supervisor and, if dissatisfied with the decision of the Supervisor, to the Co-Operative Societies Appeals Tribunal established under section 195 of the principal Act: in either case within twenty-one days of the declaration and the members' and the Supervisor's decision shall stand, respectively, until a determination is made by the Tribunal.

PART VI
FINANCING

32. Co-operative society not to limit members' shares.

(1) A co-operative society shall fix in its bye-laws the minimum level of qualifying shares for its membership, but a co-operative society shall not fix any upper limit to the number of its members or its equity shares.

(2) A co-operative society may encourage its members to purchase additional equity shares to strengthen the co-operative society's capital base, to increase the flow of funds available for loans and other member benefits, to enhance the co-operative society's earnings and to increase annual dividends.

(3) Qualifying shares shall not be applied as security for any loan.

(4) A share certificate issued by a co-operative society shall be in the form prescribed in Schedule 1 and headed Form 10.

33. Accounting for, redemption and transfer of shares.

(1) The shares of a member may be redeemed only if the member dies, withdraws or is terminated from membership, or otherwise ceases to be engaged in the activities of the co-operative society.

(2) Shares are ownership instruments that are puttable or mandatorily redeemable only upon the holder's retirement or death as in sub-regulation (1) and shall be accounted for as equity but in no case as a liability.

(3) A member of a co-operative society may transfer a share in the co-operative society to another member, subject to the approval of the Board and subject to the transferor's holding of shares in the co-operative society not falling below any minimum number of shares prescribed in the bye-laws of the co-operative society.

(4) If, in the case of a transfer under sub-regulation (3), the bye-laws of the co-operative society require a member to hold more than a minimum number of shares, the transferee shall acquire by the transfer or by the transfer and a further allotment of shares by the co-operative society, the number of shares so required to be held before the transfer is registered.

(5) A transfer of shares shall be in the form designated by the Supervisor.

34. Sale of shares of members in default.

(1) In addition to the powers prescribed the Board may in default of payment by any member indebted to a co-operative society sell, transfer and register the transfer in the books of the co-operative society any qualifying and additional equity shares held by the member to any person entitled to hold the same under these regulations or the bye-laws of the co-operative society for the best price obtainable.

(2) The Board shall apply the proceeds of a sale under sub-regulation (1) in or towards the discharge of the debt due to the co-operative society and of any expense incurred in the sale of the shares and shall pay the balance, if any, to the member.

(3) The Board shall not be responsible for any loss occasioned by a sale in accordance with this regulation, and the defaulting member shall cease to have any further claim in respect of any share sold.

(4) The Board may in default of payment by any member indebted to the co-operative society apply any deposits held by the member towards the discharge of the debt due and of any actual expense so incurred.

35. Nominees.

(1) Where more than one nominee is appointed by any member under section 106 of the principal Act the number of shares to be transferred or the exact proportion of the amount available that is to be transferred to each nominee shall be specified at the time of appointment.

(2) 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 bye-laws of the co-operative society otherwise provide.

(3) Where any money is paid to a nominee who is a minor, a receipt given either by his parent or guardian shall be sufficient discharge to the co-operative society.

PART VII

PROPERTY AND FUNDS

36. Deposits.

(1) A credit union shall not, without the approval of the Supervisor, establish and operate deposit accounts that permit funds in an account to be withdrawn or transferred by the depositor by means of a cheque, another bill of exchange, or any other negotiable instrument that allows the holder of the negotiable instrument to have payment on demand made to him from funds in the deposit.

(2) A credit union shall not, without the approval of the Supervisor, accept funds on deposits for a term that is stipulated in an agreement between the credit union and the depositor to be longer than five years.

(3) Where a credit union accepts deposits for a term that is stipulated in an agreement between the credit union and a depositor, the credit union shall provide a receipt to the depositor showing—

(a) the terms and conditions subject to which the funds are deposited by the depositor and accepted by the credit union;

(b) the date on which the deposit matures;

- (c) the rate of interest to be paid by the credit union on the funds deposited;
- (d) the time when interest is to be paid by the credit union; and
- (e) any conditions that the Board has stipulated for withdrawal of funds by the depositor prior to the date the deposit matures, and in cases where no withdrawal of funds is permitted it should be so stated on the receipt.

(4) Where a person has deposited funds in an account with a credit union, the credit union shall provide him with a statement showing the transactions conducted by him involving his account, the balance of funds in the account and any other information that the credit union considers important.

(5) Where a credit union accepts a deposit from an individual person who is not a member the deposit shall not be held for a period greater than one year unless the individual becomes a paid-up member of the credit union.

(6) The Board may, after consultation with the Supervisor, determine the forms in which the receipts and statements required under sub-regulations (3) and (4) are given.

37. Statutory reserve.

(1) The statutory reserve of a co-operative society created under section 125(1) of the principal Act shall be kept in liquid form in any applicable short-term instrument provided under section 120 of the principal Act.

(2) In accordance with section 125(2) of the principal Act, a co-operative society may apply funds from the statutory reserve—

- (a) to meet occasional deficiencies incurred by the co-operative society;
- (b) to recoup losses on the co-operative society's operational, loans and or investments; and
- (c) for the improvement of the co-operative society's products, services, technology and human resources.

(3) In approving the utilisation or application of the statutory reserve of a co-operative society under sub-regulation (2), the Supervisor may impose any exemptions, restrictions, terms and conditions as he may consider appropriate to ensure the co-operative society meets the minimum capital requirement defined in Regulation 2.

(4) The statutory reserve of a co-operative society shall not constitute any part of the liquidity fund of a co-operative society.

38. Liquidity.

- (1) Every registered co-operative society at all times shall—
- (a) have in its possession liquid assets; and

- (b) maintain a line of credit, in an amount sufficient to enable the co-operative society to meet its normal cash flow requirements as estimated by the co-operative society, including withdrawals and disbursements in the case of a credit union.

(2) A credit union shall at all times maintain an account for its liquidity fund with the apex body or central credit union or central co-operative in accordance with sections 120(2) and 200 of the principal Act.

(3) The liquidity fund account mentioned in sub-regulation (2) shall be—

- (a) calculated in an amount that is not less than fifteen percent of the total unencumbered deposits and the short-term payables of the co-operative society as shown on the co-operative society's most recent financial statement prepared and submitted in accordance with regulation 54; and

- (b) kept in the form of demand deposits or deposits redeemable on the notice of the co-operative society.

(4) A credit union shall maintain the account described in sub-regulation (2) separate and apart from the statutory and other capital reserves, and from any other accounts or funds.

(5) Notwithstanding sub-regulation (3)(b) and subject to sub-regulation (6), where a credit union—

- (a) was registered under the former Act; and

- (b) maintained, on the commencement of the principal Act, a statutory reserve or a liquidity fund;

the monies maintained on the commencement of the principal Act in the statutory reserve or liquidity fund may be used to satisfy requirements of sub-regulation (3)(a).

(6) Where—

- (a) a credit union described in sub-regulation (5) does not otherwise have sufficient monies on account to satisfy the requirements of sub-regulation (3)(a); and

- (b) any part of the statutory reserve or liquidity fund mentioned in sub-regulation (5) consists of unencumbered securities of the Government;

those securities shall mature within five years of the coming into force of these regulations in order to be eligible to be used to satisfy the requirements of sub-regulation (3)(a).

(7) Where securities held by a credit union will mature after five years of the coming into force of these regulations and the credit union does not otherwise have sufficient moneys on account to satisfy the requirements of sub-regulation (3)(a), the credit union shall as soon as possible after the coming into force of these regulations sell those securities and use the proceeds of the disposition in satisfying the requirements of sub-regulation (3)(a).

(8) Within six months of the coming into force of these regulations, a credit union shall maintain not less than fifty percent (50%) of the amount required by sub-regulation (3)(a) in liquid

assets and at the end of one year maintain the full amount required by sub-regulation (4)(a) in liquid assets.

(9) Subject to section 125(4) of the principal Act, where a credit union does not have in its possession liquid assets, does not maintain a line of credit or does not do either or both of those things in an amount sufficient to enable it to meet its normal cash flow requirements as required by sub-regulation (1), it may use the funds in its account required to be maintained by sub-regulations (2) and (3) to satisfy the requirements of sub-regulation (1).

39. Stabilisation and development funds.

(1) A stabilisation fund or a deposit guarantee fund may be established by credit unions and funded by pooled resources to assist in ensuring the safety of members' deposits.

(2) Where stabilisation or deposit guarantee funds are established they shall be administered by the apex body which shall establish rules for their respective operations.

(3) The purpose of a development fund established under section 126 of the Act shall be to provide a source of funding for training, education and human development and to strengthen institutional capacity and business growth among co-operative societies.

40. Division of profits.

(1) The statutory reserve shall not be applied for distribution to members by way of dividend, patronage rebate, bonus or any variation thereof.

(2) No dividend or payment on account of profits shall be declared or paid by a co-operative society until—

- (a) all capitalised expenses including formation expenses have been completely written off;
- (b) all bad and doubtful debts and other classified assets have been fully and duly provided for; and
- (c) the requirements of subsection 129 (2) of the Act have been satisfied.

(3) The rate of dividend, patronage rebate or bonus by which a co-operative society's surplus may be distributed under shall be proposed by the Board and ratified by the annual general meeting.

(4) Members shall not force the declaration or payment of a dividend, patronage rebate or bonus in excess of the rate proposed by the Board of directors.

(5) Only members who had paid in full the minimum requirement set in the bye-laws for qualifying and equity shares defined in regulation 34 shall be eligible to receive a dividend, patronage rebate or bonus with respect to the year in review.

(6) Where a co-operative society is permitted to account for the proceeds of any type of shares that are redeemable at the option of the holder, those proceeds shall be accounted for as

financial liabilities and no dividend, patronage rebate or bonus shall be payable with respect to same.

41. Maximum liability on loans and deposits.

The total amount borrowed by a co-operative society shall not at any time exceed the aggregate of six times the retained earnings and statutory reserves of the co-operative society.

42. Applications for loans by members.

An application for a loan from a credit union shall be submitted to the manager or loan officer or any other officer assigned by the credit committee and shall state—

- (a) the amount of money required;
- (b) the purpose for which it is required;
- (c) the period for which it is required;
- (d) whether he wishes to repay the loan by instalments;
- (e) evidence of ability to repay the debt;
- (f) the names of the proposed sureties or any other security which is offered;
- (g) his permission for the credit union conduct checks on his credit worthiness and the validity of any securities offered; and
- (h) any other information the loan officer, manager or credit committee requires.

43. Approval of loans.

(1) In considering loan applications, the credit committee or the authorised officer of a credit union shall satisfy itself or himself as to the credit rating and trustworthiness of the applicant, the capacity of the applicant for repayment, the viability of the proposal, the prospects of the advantage to the applicant in the way of increased production or profitability or otherwise, and the adequacy of the security offered.

(2) No director, committee member or employee, nor any limited company or partnership of which they are a principal stakeholder may act as co-maker or guarantor or endorser of any loan for another official or employee.

(3) No person other than the elected and ex officio members of the credit committee, the secretary of the Board or a member of the Supervisor's staff may be present at any meeting of the credit committee when an application for a loan is under consideration.

(4) Employees or members of the Board, the supervisory and compliance or the credit committee who apply for a loan or who have a fiduciary relationship with a borrower shall withdraw while the relevant application is being discussed.

(5) A co-operative society shall not make an unsecured loan to an unincorporated organisation.

(6) A loan shall not be made by a credit union to a company unless the loan—

(a) is personally guaranteed by shareholders of the company holding a majority of the shares in value and in voting rights; or

(b) is guaranteed by an organisation or agency of Government approved by the stabilisation fund or deposit guarantee fund, if in place, or the Apex Body.

(7) A loan shall not be made by a co-operative society to a body corporate if a majority of the shares of the body corporate are held by the officers and directors of the co-operative society unless the application has been reviewed by the Supervisory Committee and the Supervisor in consultation with the Board of the apex body.

(8) If there is a difference of opinion among members of the credit committee concerning the granting of a loan, the voting shall be by ballot.

(9) The proceedings with regard to loans at the credit committee meeting shall not be disclosed without lawful authority, and any member of the credit committee or officer or employee of the co-operative society who contravenes this regulation shall be liable to immediate expulsion from, or dismissal by, the co-operative society.

44. Interest rates, security and other terms.

(1) The interest rate policy of a co-operative society on a deposit or a loan shall be set by the Board, but interest on a loan made by a credit union may be paid at intervals not exceeding one month.

(2) The Board shall by resolution establish a policy with respect to—

(a) the collateral security or guarantee required for an approved loan; and

(b) the manner in which the fair market value of any real property obtained as a security for a loan is to be calculated.

(3) A loan, when approved by the authorised official, shall be granted to a member who is able to obtain two approved sureties, or who can give other suitable security, qualifying shares excluded, to the satisfaction of the policy requirement.

(4) A credit union shall not grant a discount or waiver of loan interest rates or other beneficial terms to its directors or committee members.

(5) A loan agreement entered into by a co-operative society and an employee of that co-operative society shall provide that on the termination of his contract of employment the employee

shall be required to settle all amounts outstanding or to provide additional security for the unpaid balance.

(6) An application for a loan from a co-operative society shall be accompanied by any information about the financial position and income of the borrower as the credit committee or loans officer of the co-operative society may require.

(7) The total of all loans made by a credit union to organisations, unincorporated organisations or bodies corporate shall not exceed twenty-five percent (25%) of the total shares and deposits of the credit union.

(8) All transactions in the loan account of a member of a co-operative society shall be shown by the necessary entries in a passbook or statement to be delivered to each member.

(9) Where a mortgage on land or buildings is taken by a co-operative society as security for a loan, the amount loaned shall not exceed seventy-five percent (75%) of the market value of the land or buildings.

(10) Before a mortgage under sub-regulation (9) is approved, the credit committee or loans officer of the co-operative society shall require that an appraisal of the market value of the property in a form designated by the apex body and approved by the Supervisor be made by an appraiser who is known to be competent by the co-operative society and who is instructed and employed independently of any owner of the property.

45. Loan documents, procedures and conditions.

(1) Before the proceeds of a loan are disbursed, the borrower and his sureties shall execute an instrument in writing setting out the terms of repayment of the loan, which may contain any terms and conditions as the credit committee may consider necessary.

(2) When a loan application is approved, the credit committee or loans officer approving the loan shall approve the application in writing and ensure that the application and approval specify with respect to the loan—

- (a) the amount approved and date of approval;
- (b) the rate of interest and terms of repayment;
- (c) the project plan or business strategy;
- (d) any security to be held by the co-operative society; and
- (e) the date(s) and amount of disbursement.

(3) A loan shall not be made except for a purpose approved in the loan policy approved by the Board.

(4) A loan shall be applied only to the purpose for which it was granted.

(5) A charge that is required to be executed pursuant to the terms of a loan shall be in the form prescribed in Schedule 1 and headed Form 05.

46. Restrictions on loans to defaulters.

Where a member of a co-operative society—

(a) is in default in the payment of a loan or of an instalment of a loan; and

(b) does not satisfy the credit committee that the default is due to a good cause;

he shall not be granted a further loan until he has repaid the existing loan.

47. Extension of loan.

Where, whether by reason of sickness or for some other cause, a member of a co-operative society finds that he will be unable to discharge his obligations to the co-operative society in respect of a loan made to him and notifies the secretary of the co-operative society in writing of his inability before the time fixed for repayment of the loan or the payment of any instalment, the credit committee may extend the time fixed for repayment of the instalment, on any conditions it may require.

48. Misapplication of loan.

Where a credit committee or manager of a credit union is satisfied that a member of the co-operative society who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which was stated in the application for the loan, the credit committee or manager may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.

49. Recovery of loans.

Where—

(a) a loan or an instalment of a loan by a co-operative society 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;

the co-operative society shall take steps for the recovery of the loan and may take whatever remedies are available under the loan contract and the law.

50. Bad debts and allowance for doubtful and overdue loans.

(1) When a loan is approved by a credit union—

(a) where part of the loan remains unpaid for a period of twelve months, or any lesser period that the Board may determine, after the date fixed for repayment in full of the monies loaned and no payment on account of the principal amount has been made after that date, the loan amount may be classified by the co-operative society as

“overdue” or “doubtful” and the amount of the principal remaining unpaid, subject to the approval of the Board, shall be charged to the revenue of the current year and any money standing to the credit of the borrower on the books of the credit union in a share or deposit account and the market value of any security held by the credit union in respect of the loan shall be deducted from the unpaid principal before the charge is made against the current year’s revenue;

- (b) any monies subsequently recovered with respect to the loans shall be paid into the bad and doubtful debts recovered account on the income side of the statement of comprehensive income and expense;
- (c) all interest which has been collected thereon during the current year shall be deducted from the loan before the loan is written off; and.
- (d) with the approval of the Board, any collection fees, commissions or legal charges incurred in the collection of the loan which are not recoverable from the debtor may be added to the loan before it is written off.

(2) When a co-operative society identifies a loan as a doubtful or uncollectible loan, the credit union shall immediately allow for it by—

- (a) establishing on its books and accounts an allowance for the loan in an amount equal to the difference between—
 - (i) the book value of the loan, including any interest due and unpaid and interest accrued; and
 - (ii) the realisable book value of the loan as estimated by the credit union;
- (b) reporting on any income statement it prepares, including its annual income statement, the loss from income resulting from the allowance made for doubtful loans; and
- (c) reporting on any balance sheet it prepares, including its annual balance sheet—
 - (i) the value, as an asset, of its loans in an amount equal to the value of all of the loans as stated on its books and accounts less the allowance for the doubtful loans; and
 - (ii) any property or other assets acquired in the financial year under a foreclosure realisation proceedings on a loan that was a doubtful loan at an amount not greater than the realisable value of the foreclosed property.

(3) At the end of each financial year a co-operative society shall report to the Supervisor—

- (a) the number and amount of doubtful loans for which an allowance has been made in accordance with this regulation in that financial year;

(b) the amount of allowance for doubtful loans made in that financial year; and

(c) the value of property and other assets recovered in that financial year on doubtful loans.

(4) The Board of a co-operative society shall cause a monthly list of all doubtful loans reflecting—

(a) the name of the borrower;

(b) the amount of the loan;

(c) the value of any allowance made under this regulation; and

(d) any anticipated net loss resulting on its income statement for the financial year;

to be available at the registered office of the co-operative society for any examination required by the credit committee, Supervisory and compliance committee, the internal auditor, the compliance officer and the auditor of the co-operative society; and the Board shall send a copy of that list to the Supervisor on or before the fifth day of the ensuing month.

(5) The loan loss allowance to be calculated at the end of each month and each fiscal year shall be in accordance with Schedule 4.

51. Interest on bad and doubtful loans.

(1) Interest payments shall not be included in a credit union's income where the interest payment is with respect to a doubtful loan for which an allowance has been made under regulation 50.

(2) Subject to sub-regulation (3), a credit union may include in its income a maximum of 90 days' accrued interest with respect to a doubtful or overdue loan.

(3) The Supervisor may allow a credit union to include in its income accrued interest on loans where the interest has accrued for a period longer than 90 days.

PART VIII

AUDIT AND DISCLOSURE

52. Co-Operative Societies Charges Book.

A person may gain access to the Co-Operative Societies Charges Book for the fee prescribed in Schedule 2.

53. Preparation of annual and monthly accounts and prudential reports.

(1) A credit union shall prepare its financial statements and the supervisory returns as prescribed under the Act in accordance with, as applicable, the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, both on solo and consolidated basis, as the situation merits.

(2) For the purpose of sub-regulation (1) the term International Financial Reporting Standards will include the term International Accounting Standards issued by the erstwhile International Accounting Standards Committee.

(3) The Board of a co-operative society shall, by the fifteenth day of each month, present the mandatory Financial Return in the forms stipulated by the Supervisor of Co-Operative Societies, and the PEARLS Performance Report for Credit Unions in the form prescribed in Schedule 3.

(4) Subject to sub-regulation (2), the Board shall also—

(a) cause the treasurer to send to the auditor—

(i) the yearly balance sheet or Statement of Financial Position closed on the last day of the co-operative society's financial year;

(ii) a detailed Income and Expense Statement or Statement of Comprehensive Income and Expense;

(iii) a statement of Cash Flows for the financial year ;

(b) cause the treasurer or manager to prepare a report on the year's performance of the co-operative society, including, for credit unions, the PEARLS Performance Report in the form prescribed in Schedule 3 and any other material required by the Supervisor; and

(c) present the audited statements identified in (a) above to the Supervisor and to the co-operative society's annual general meeting.

54. Audit of Accounts.

(1) The financial statements of a corporation shall be audited in accordance with the International Standards for Auditing issued by the International Federation of Accountants (IFAC).

(2) The auditor appointed under section 135 of the principal Act shall be a practising member of the Institute of Chartered Accountants of Antigua and Barbuda and shall confirm in his report that the co-operative society's financial statements were prepared in accordance with the generally accepted international auditing standards approved by the Eastern Caribbean Institute of Chartered Accountants or its equivalent.

(3) The Supervisor shall, on receipt of the auditor's report in accordance with section 147(1) of the principal Act, forward his comments to the Board.

PART IX

RECONSTRUCTION

55. Amalgamations.

(1) In order to amalgamate, the amalgamating societies shall—

- (a) agree on the bye-laws for the regulation of the proposed amalgamated co-operative society;
- (b) each approve the terms of the amalgamation by a special resolution, which also approves the bye-laws of their successor; and
- (c) jointly apply to the Supervisor for the registration of the amalgamated co-operative society, and send to the Supervisor three copies of its bye-laws signed by the secretary of each of the amalgamating societies.

(2) If the Supervisor is satisfied in respect of the matters with which he must be satisfied before he registers the bye-laws of a co-operative society, he shall register the bye-laws of the amalgamated co-operative society and issue to it a certificate of registration and specify a date from which the registration takes effect.

(3) On the date specified in sub-regulation (2), all the property, rights and liabilities of each of the amalgamating societies shall be transferred to and vested in the amalgamated co-operative society.

(4) On the date specified in sub-regulation (2) but after the transfer effected by sub-regulation (3), each of the amalgamating societies shall be dissolved.

(5) Upon the dissolution of a co-operative society, the Supervisor shall issue a certificate of dissolution in the form prescribed in Schedule 1 and headed Form 06.

(6) Where a co-operative society is revived under the principal Act, the Supervisor shall issue a certificate of revival in the form prescribed in Schedule 1 and headed Form 07.

56. Statement for members relating to proposed amalgamation or transfer of engagements.

(1) Pursuant to sections 151 and 152 of the principal Act, a co-operative society which proposes—

- (a) to amalgamate with one or more other societies,
- (b) to transfer its engagements to another co-operative society, or
- (c) to undertake to fulfil the engagements of another co-operative society shall cause to be sent to every member of the co-operative society, and to the auditor of the co-operative society a statement, in the form the Supervisor may direct, showing the

matters specified in sub-regulation (2), together with a copy of the annual accounts for the most recent financial year.

(2) The matters to be specified in the statement referred to in sub-regulation (1) are—

- (a) the financial position of each co-operative society concerned as appearing from the most recent unaudited monthly statements;
- (b) details of any payments proposed to be made to members of each co-operative society concerned in consideration of the proposed amalgamation or transfer;
- (c) any changes to be made, in connection with the amalgamation or transfer, in the terms governing outstanding loans;
- (d) the details of the arrangements proposed in relation to employees of each co-operative society; and
- (e) any other matter which the Supervisor may require in the case of a particular amalgamation or transfer

(3) A statement under sub-regulation (1) shall not be sent to the members of a co-operative society, until it has been approved by the Supervisor and shall be sent so that every member receives it before the date on which he receives notice of any resolution which is in favour of the proposal concerned and is to be moved at a general meeting of the co-operative society.

PART X

DISPUTES AND APPEALS

57. Reference of a dispute to the Supervisor for decision.

(1) Reference of a dispute to the Supervisor for decision under section 194(1) of the principal Act may be made—

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

(2) Every reference under this regulation shall be made by a statement in writing addressed to the Supervisor, and that statement shall—

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

58. Reference to arbitration by the Supervisor.

(1) Where under section 194(3) of the principal Act, the Supervisor refers a dispute to arbitration, the reference shall be embodied in an order of reference signed by an authorised officer of the Supervisor.

(2) Every order of reference under this regulation shall—

- (a) specify the name, address and occupation of the arbitrator or arbitrators;
- (b) set out full particulars of the dispute; and
- (c) specify the time within which the award shall be forwarded by the arbitrator or arbitrators to the Supervisor, provided that, on good cause shown to its satisfaction, the Supervisor may by a further order extend the time whether before or after the time limited by the order of reference has expired.

(3) Where the Supervisor decides to refer a dispute to more than one arbitrator, the 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 Supervisor and shall act as chairperson.

(4) Where there is more than one party on any side, the Supervisor shall determine which of them is the principal party and that party shall be entitled to nominate an arbitrator.

(5) Where under sub-regulation (3), reference is made to three arbitrators—

- (a) if any party to the dispute fails to nominate an arbitrator within the time the Supervisor may specify, the Supervisor may make the nomination;
- (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 Supervisor shall call upon the party concerned to nominate a new arbitrator within the time the Supervisor may specify, and if no new arbitrator is nominated accordingly, the Supervisor may nominate one himself;
- (c) if an arbitrator who dies, or refuses or neglects to act, or becomes incapable of acting, was nominated by the Supervisor, a new arbitrator shall be nominated in his place by the Supervisor; and
- (d) the opinion of the majority of the arbitrators shall prevail.

59. Proceedings before the arbitrator.

(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—

- (a) written notice of the time and place at which the proceedings are to be held shall be served upon the parties to the dispute, at least ten days before the date of the hearing;
- (b) a record of the evidence adduced before the arbitrator or arbitrators shall be made, dated and signed by the arbitrator or arbitrators;
- (c) every party to a dispute shall be entitled to appear at the arbitration hearing and may be represented by an attorney-at-law or any other person who in the opinion of the arbitrator or arbitrators is competent to assist the party in the presentation of his case;
- (d) documents produced as exhibits before the arbitrator or arbitrators shall be marked, dated and initialled by the arbitrator or arbitrators and shall be attached to the record of the proceedings; and
- (e) where a party is duly served and he fails to attend at the hearing, the dispute may be heard and determined by the arbitrator or arbitrators in his absence.

(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 to the dispute the costs and expenses are to be paid.

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

- (a) the record of the proceedings; and
- (b) the award in the form prescribed in Schedule 5.

60. Proceedings before the Supervisor.

Where, under section 194(3) of the principal Act, the Supervisor exercises the power of deciding a dispute himself by an officer or an employee, the proceedings shall, as nearly as possible, be conducted in the same way as proceedings before a court of law and the provisions of regulation 59 shall apply to the proceedings.

PART XI

MISCELLANEOUS

61. Copies of entries.

(1) For the purposes of sections 238, 239 and 240 of the principal Act, a copy of an entry in any register, book or other record of a co-operative society may be certified by a certificate written at the foot of the copy, declaring that it is a true copy of the entry and that the register, book or other record containing the entry is still in the custody of the co-operative society.

(2) A certificate under sub-regulation (1) shall be dated and signed by the secretary of the co-operative society and one member of the Board.

(3) A person may, on payment of the fee specified in Schedule 2, obtain from the secretary of a co-operative society a certified copy of an entry in any register, book or other record kept in the course of business of the co-operative society that contains only information to which the person is authorised by the bye-laws of the co-operative society to receive.

62. Bye-laws of a co-operative society.

(1) The bye-laws of each existing and new co-operative society shall contain provisions, in addition to the matters specified in the principal Act, governing—

- (a) the name of the co-operative society;
- (b) the co-operative society's area of operations and common bond of membership;
- (c) the objects for which the co-operative society was established;
- (d) the manner of raising funds to meet the objective of the co-operative society;
- (e) the specification of occupations that ought not to be candidates or elected or appointed to serve as officials;
- (f) the quorum, mode of holding meetings and the method of notice;
- (g) the composition, election and removal of the Board, credit committee and the supervisory and compliance committee and their respective powers;
- (h) the determination of the maximum amount of the interest in the shares of the co-operative society which may be held by any member;
- (i) the redemption of shares and payment of any balances due on withdrawing from the co-operative society.
- (j) the claims of the representatives of deceased members and the payment of nominees,

- (k) the custody and use of the co-operative society's seal;
- (l) the audit of accounts by auditors appointed by the co-operative society; and
- (m) the nature and extent of the liability of members.

(2) Where the objects of a co-operative society include the creation of funds to be lent to the members, the bye-laws shall contain provisions in respect of—

- (a) the occupation or residence of the members;
- (b) the conditions on which loans may be made to members, and
- (c) the consequences, if any, of default in the payment of any sum due to the co-operative society.

(3) A housing co-operative society shall provide in its bye-laws, in addition to the matters specified in sections 209-215 of the principal Act, that—

- (a) the co-operative society shall give a copy of the bye-laws and the occupancy agreement to every member;
- (b) each member is entitled to have quiet enjoyment of his housing unit;
- (c) either the co-operative society or the member is responsible for—
 - (i) the maintenance of the housing unit in a safe, habitable and reasonable state of repair;
 - (ii) the repair or replacement of fixtures; and
 - (iii) any damage to the housing unit.
- (d) the co-operative society and its agents, except in the case of an emergency, are required to give reasonable notice to the member prior to entry of the member's unit;
- (e) the co-operative society shall give three months notice of any increase in housing charges except where—
 - (i) the Supervisor gives its approval for a shorter notice; or
 - (ii) the members have unanimously approved the increase at a general meeting.
- (f) the co-operative society shall give a minimum of thirty days' notice to a member of the termination of his membership, except where a member contravenes a bye-law governing—

- (i) ordinary cleanliness of the housing unit after having received written notice of the contravention;
 - (ii) the use of the premises for prohibited purposes; or
 - (iii) payment of housing charges; and
- (g) there is to be no acceleration of housing charges.
- (4) Where the objects of a co-operative society include the creation of funds for the purpose of joint investments by the members, the bye-laws shall contain provisions to the effect that —
- (a) current records shall be kept of the investment agreements held with each member;
 - (b) the investment portfolio shall be maintained in balance with the level of risk associated with each investment; and
 - (c) the co-operative society shall hire the services of a financial adviser to discuss proposed investments.

63. Name change

Where the name of a co-operative society is changed, pursuant to the provisions of its bye-laws, the Secretary shall inform the Supervisor of the change of name and the Supervisor shall issue to the co-operative society, a certificate of change of name in the form prescribed in Schedule 1 and headed Form 03.

SCHEDULE 1

PRESCRIBED FORMS

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

[FORM 01]

(Regulation 4)

APPLICATION FOR REGISTRATION OF A CO-OPERATIVE SOCIETY

To: The Supervisor of Co-Operatives, Financial Services Regulatory Commission

1. Application for registration of the under mentioned co-operative society under the Co-Operative Societies Act, 2010 (section 12) is hereby made by the ten persons whose signatures appear below:

- 2. The name of the co-operative society is:
- 3. The registered address of the co-operative society is:
- 4. The objects of the co-operative society are as stated in the bye-laws.
- 5. The bond of membership is:
- 6. The financial year will end on the day of in each year.
- 7. The liability of the members for the debts of the co-operative society is limited.
- 8. The co-operative society was established on the day of 20 and at the date of this application there are members in the co-operative society.
- 9. We enclose three copies of the proposed bye-laws.
- 10. We enclose the registration fee of \$.....
- 12. Particulars relating the applicants are as follows:

(Please print)

FULL NAME	ADDRESS	DATE OF BIRTH	OCCUPATION	SIGNATURE

- 13. The following persons have been appointed and have consented to act as provisional directors of the co-operative society

FULL NAME	ADDRESS	DATE OF BIRTH	OCCUPATION	SIGNATURE

- 14. The name and address of the Secretary:

.....

Dated:.....

Signature:.....

Secretary

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

[FORM 02]

(Regulation 4)

CERTIFICATE OF REGISTRATION

Certified that the application datedmade by to be registered under section 16 of the Co-Operatives Societies Act, No. 9 of 2010 as the has been accepted and that the said co-operative society has been registered accordingly as No. subject to the provisions of the said Act and the Regulations made thereunder.

Dated this.....day of20.....

Administrator/CEO

Supervisor of Co-Operatives

Financial Services Regulatory Commission

Financial Services Regulatory Commission

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

[FORM 03]

(Regulation 63)

CERTIFICATE OF NAME CHANGE

Certified thatby a resolution passed in accordance with Sections 13 and 51 of the Co-Operative Societies Act No 9 of 2010 and Regulation ... of the Co-Operative Societies Regulations, 2001 has amended its bye-laws and will here forth be known as.....

Dated this.....day of20.....

Administrator/CEO
Financial Services Regulatory Commission

Supervisor of Co-Operatives
Financial Services Regulatory Commission

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

[FORM 04]

NOTICE OF CHANGE OF DIRECTORS

(Regulation 18)

Name of Co-operative society

Registration No.....

On theday of20.....the following persons ceased to be directors of the above named co-operative society due to

FULL NAME	DATE OF BIRTH	ADDRESS	POSITION HELD	SIGNATURE

As ofday of20..... the directors of.....are as follows:

FULL NAME	DATE OF BIRTH	ADDRESS	POSITION HELD	SIGNATURE

.....
Signature

.....
Date

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

[FORM 05]

(Regulation 45)

INSTRUMENT OF CHARGE

FORM RL7

ANTIGUA AND BARBUDA

REGISTERED LAND ACT, CAP 374

SECTION 64

OF THE ACT

CHARGE

REGISTRATION SECTION

BLOCK

PARCEL

.....
I.....of.....(hereinafter called "the Chargor") **HEREBY CHARGE** my interest in the above-mentioned title (hereinafter called "the Charged Property") to

secure the repayment to.....of(hereinafter called "the Chargee") of the principal sum of EC\$.....(the receipt whereof is hereby acknowledged) with interest at the rate of per centum per annum.

THIS CHARGE is made as a form of security to the Chargee for a *loan made to the Chargor *or toof..... (hereinafter called "the Borrower") and is made subject to Section 67 of the above-named Act unless negatived, modified or added to, and the terms hereinafter contained.

AND I the above-named Chargor hereby acknowledge that I understand the effect of Section 72 of the Registered Land Act.

AND I, the above-named Chargee hereby reserve the following rights:-

- (1) *The right to consent prior to the subsequent transfer, charge or lease of the above-mentioned property pursuant to Section 68 of the Act.
- (2) *The right to make further advances and to tack pursuant to Section 81 of the Act.
- (3) *The right to consolidate pursuant to Section 82 of the Act.

THE TERMS HEREINBEFORE REFERRED TO

[Please insert the relevant terms]

Dated this day of 20.....

- Delete where applicable
- NB: Any definitions used should be incorporated in the terms hereinbefore referred to.

Signed by the Chargor)

in the presence of-
.....

*Signed by the Borrower)

in the presence of-
.....

Signed by the Chargee)

in the presence of-
.....

CERTIFICATE OF VERIFICATION OF EXECUTION BY CHARGOR

I, the undersigned HEREBY CERTIFY that the above-named

Ofappeared before me on the
.....day of, 20.... and being known to me personally or being properly identified by
*(passport No..... or other credible form of photographic identification) acknowledged the
above-signature to be his and that he had freely and voluntarily executed this Instrument and
understood its contents.

Dated this day of 20.....

.....
Attorneys at Law or Notary Public

***CERTIFICATE OF VERIFICATION OF EXECUTION BY THE BORROWER**

I, the undersigned HEREBY CERTIFY that the above-named

Ofappeared before me on the
.....day of, 20.... and being known to me personally or being properly identified by
*(passport No..... or other credible form of photographic identification) acknowledged the
above-signature to be his and that he had freely and voluntarily executed this Instrument and
understood its contents.

Dated this day of 20.....

.....
Attorneys at Law or Notary Public

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

[FORM 06]

(Regulation 55)

CERTIFICATE OF DISSOLUTION

Name of Co-operative society

Registration No.....

I hereby certify that the above-named Co-operative society, was this day dissolved pursuant to Section 166 and 167 of the Co-Operative Societies Act, No 9 of 2010.

Dated this.....day of20.....

Administrator/CEO
Financial Services Regulatory Commission

Supervisor of Co-Operatives
Financial Services Regulatory Commission

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

[FORM 07]

(Regulation 55)

CERTIFICATE OF REVIVAL

Name of Co-operative society

Registration No.....

I hereby certify that the above-named Co-operative society, has been revived pursuant to Section 169 and 167 of the Co-Operative Societies Act, No 9 of 2010.

Administrator/CEO
Financial Services Regulatory Commission

Supervisor of Co-Operatives
Financial Services Regulatory Commission

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

[FORM 08]

(Regulation 5)

CERTIFICATE OF CONTINUANCE

Name of Co-operative society

Registration No.....

I hereby certify that the above-named Co-operative society, is this day continued as a registered co-operative society pursuant to Section 15 of the Co-Operative Societies Act, No 9 of 2010.

Dated this.....day of20.....

Administrator/CEO
Financial Services Regulatory Commission

Supervisor of Co-Operatives
Financial Services Regulatory Commission

.....
Name of member/ shareholder	Signature of member/shareholder	Signature of Witness
Date	date	date

SCHEDULE 2

(Regulation 4, 52)

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

CO-OPERATIVE SOCIETIES FEES PAYABLE

	FEE
FSRC SERVICE	
1. For application for registration by a co-operative society, other than a Junior Co-Operative	100.00
2. For a certificate of registration:	
(a) for a credit union	100.00
(b) for any other co-operative society, other than a junior co-operative society	50.00
3. For reservation of name	5.00
4. For change of name	100.00
5. For search	10.00
6. For restoring co-operative society's name to register:	
(a) credit union	100.00
(b) other co-operative society	50.00
7. For the filing of the annual and special returns:	
(a) on the day that it is due	No fee

FSRC SERVICE		FEE
(b) for each day after the date that it is due to be filed, a special filing fee		50.00
to a maximum of		1,000.00
8. For a certificate of continuance		250.00
9. For a certificate of amendment or revision of bye-laws		100.00
10. For a certificate of revival		100.00
11. For a certificate of dissolution		100.00
12. For an examination of any document		20.00
13. To inspect the Co-Operative Societies Charges Book		10.00
14. For photocopies of any document:		
(a) for the first page		2.00
(b) for each additional page		1.00
15. For certification of any document:		
(a) for the first page		10.00
(b) for each additional page		5.00
16. For a notice that is required to be published in the <i>Gazette</i> or other media		cost of the notice
17. For any certificate other than certificate of dissolution or certificate for which a fee is not provided		50.00
18. For filing any document unrelated to anything for which a fee is not provided		20.00
19. For Examination or Inspection of a co-operative society		No Fee

NOTE: All services provided by the FSRC in respect of any junior co-operative society shall be gratis.

SCHEDULE 3

(Regulation 53)

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

MONTHLY PEARLS PRUDENTIAL PERFORMANCE RETURN – BY CREDIT UNION

PEARLS RATING SYSTEM RATIOS	GOALS	YEAR 20... GOALS	ACTUAL (date)
P. PROTECTION			
1. Loan Loss Allowance/Delinquent Loans > 12mos.	100%		
2. Net Loan Loss Allow./Allow Required for Delinquency 1-12 Mos.	35%		
3. Complete Loan Charge-off/Delinquency > 12Mos.	Yes		
4. Annual Loan Charge-off/Average Loan Portfolio	Minimised		
5. Annual Recovered Charged-Offs/Accumulated Charge-Offs	100%		
6. Solvency	Min 110%		
E. EFFECTIVE FINANCIAL STRUCTURE			
1. Net Loans/Total Assets	Between 70 – 80%		
2. Liquid Investments / Total Assets	< = 16 – 20%		
3. Financial Investments / Total Assets	< = 2%		
4. Non-Financial Investments / Total Assets	0%		
5. Savings Deposits / Total Assets	70% - 80%		
6. Borrowed Funds / Total Assets	0.5%		
7. Member Share Capital / Total Assets	< = 20%		

8. Institutional Capital / Total Assets	$\geq 10\%$		
9. Net Institutional Capital / Total Assets	$\geq 10\%$		
A. ASSET QUALITY			
1. Total Delinquency / Total Loan Portfolio	$\leq 5\%$		
2. Non-Earning Assets / Total Assets	$\leq 5\%$		
3. Net Zero Cost Funds / Non-Earning Assets	$\geq 200\%$		
R. RATES OF RETURN & COSTS (ANNUALISED)			
1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate		
2. Liquid Investments Income/ Average Liquid Investments	Market Rates		
3. Financial Investments Income / Average Financial Investments	Market Rates		
4. Non-Financial Investment Income/Average Non-Financial Investments	$\geq R1$		
5. Financial Cost Savings Deposits / Average Savings Deposits	Market Rates $>$ Inflation		
6. Financial Cost External Credit / Average External Credit	Market Rates		
7. Financial Cost Member Shares / Average Member Shares	Market Rates $> R5$		
8. Gross Margin / Average Assets	$\wedge E9 = 10\%$		
9. Operating Expenses / Average Total Assets	$\leq 5\%$		
10. Provisions for Risk Assets / Average Assets	$\wedge P = 100\%$, $\wedge P2 = 35\%$		
11. Other Income or Expense / Average Assets	Minimised		
12. Net Income / Average Assets (ROA)	$\wedge E9 = 10\%$.		
13. Net income / Average Institutional Capital (ROC)	$>$ Inflation		
L. LIQUIDITY			
1. Liquid Assets – Short Term Payables / Total Deposits	15% - 20%		

2. Liquidity Reserves / Total Savings Deposits	10%		
3. Non-Earning Liquid Assets / Total Assets	< 1%		
S. SIGNS OF GROWTH			
1. Net Loans	$\wedge E1 = 70 - 80\%$		
2. Liquid Investments	$\wedge E2 \leq 16\%$		
3. Financial Investments	$\wedge E3 \leq 2\%$		
4. Non-financial Investments	$\wedge E4 = 0\%$		
5. Savings Deposits	$\wedge E5 = 70 - 80\%$		
6. External Credit	$\wedge E6 = 0.5\%$		
7. Member Shares	$\wedge E7 \leq 20\%$		
8. Institutional Capital	$\wedge E8 \geq 10\%$		
9. Net Institutional Capital	$\wedge E9 \geq 10\%$		
10. Membership	$\geq 15\%$		
11. Total Assets	$> \text{Inflation} + 10\%$		

Additional Data

	Meetings Held to Date	Total Due This Year
Board of Directors		
Supervisory and Compliance Committee		
Credit Committee		
Joint / Extraordinary Committee		
Other Committee		

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010**SCHEDULE 4***(Regulation 50)***ALLOWANCE FOR DOUBTFUL AND OVERDUE LOANS****PROVISIONING FOR LOAN LOSS****Period Overdue****Percentage of Loan Outstanding
Balance To Be Provided For**

Over three months, but less than twelve months	35%
Twelve months or more	100%

NOTE: Schedules 3, 3A, 3B and 4 are to be submitted to the Supervisor on or before the 5th day of every ensuing month in keeping with sections 7, 44 and 69 of the Co-Operative Societies Regulations, 2010.

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

SCHEDULE 5

(Regulation 59)

DETERMINATION AND ORDER BY THE SUPERVISOR OF CO-OPERATIVES

In the Matter of a Dispute Between

[Name of Complainant]

(Complainant)

AND

[Name of Respondent]

(Respondent)

referred to me under section 194 of the Co-Operative Societies Act, 2010.

I, *[Name of Commission]* Supervisor of Co-Operatives, before proceeding to hear or determine the dispute, made or cause a preliminary investigation to be made, and having ascertain the cause and defined the issues, I have been unable to bring about a voluntary settlement between the parties in the dispute, and I therefore **HEREBY** proceeded to hear the matter in dispute pursuant to section 194(3), (4) and (5) on the basis of the law as follows:

(1) The area of the law in dispute, that is to say, the Cooperative Societies Act No. 9 of 2010 is as follows:

(a)

(b)

UPON HEARING the Complainant and the Respondent

- (2) The Complainant submissions are as follows:
- (3) The Respondent submissions are as follows:

I DETERMINE that:

- (4) The analysis of the Supervisor is as follows:
 - (a)
 - (b)

I HEREBY order as follows:

- (1)
- (2)
- (3)
- (4) The cost and expenses of hearing and determining the disputes are \$.....
- (5) I direct that costs and expenses in the amount of..... be paid by.....to.....

Dated:

.....Supervisor of Co-Operative Societies

THE CO-OPERATIVE SOCIETIES ACT, NO. 9 OF 2010

AWARD BY APPOINTED ARBITRATOR

In the matter of a Dispute Between

[Name of Complainant]

(Complainant)

AND

[Name of Respondent]

(Respondent)

referred to me under section 194 (5) of the Co-Operative Societies Act, 2012.

I/We,.....being appointed Arbitrator(s) under regulation 60 of the Co-Operative Societies regulations, 2012, do order and determine as follows:

(1) The area of the law in dispute, that is to say, the Cooperative Societies Act No. 9 of 2010 is as follows:

(a)

(b)

UPON HEARING the Complainant and the Respondent

(2) The Complainant submissions are as follows:

(3) The Respondent submissions are as follows:

AND We DETERMINE that:

(4) The analysis of the Arbitrator(s) is as follows:

(a)

(b)

I/We HEREBY order as follows:

(1)

(2)

(3)

(4) The cost and expenses of hearing and determining the disputes are \$.....

(5) I direct that costs and expenses in the amount of..... be paid by.....to.....

Dated:

.....
Arbitrator

.....
Arbitrator

Made the 11th day of April, 2013.

Honourable Harold E. Lovell,
*Minister responsible for Finance
the Economy and Public Administration.*