

CHAPTER 314**CO-OPERATIVE SOCIETIES****CO-OPERATIVE SOCIETIES REGULATIONS***S.I. 91/1997***(SECTION 49)***[Commencement 9th December, 1974]*

- 1.** These Regulations may be cited as the Co-operative Societies Regulations. Citation.
- 2.** In these Regulations, “the Act” means the Co-operative Societies Act. Interpretation.
- 3.** (1) The Director shall keep or cause to be kept at his office a Register to be called “the Register of Societies” wherein shall be entered particulars relating to the registration of societies and their bye-laws. Register of Societies.
- (2) All entries in the Register of Societies shall be made by, or under the direction of, the Director and shall be signed by him.
- (3) Every alteration, interlineation or erasure in the Register of Societies shall be initialled by the Director.
- (4) The Register of Societies shall be open to inspection by the public at all reasonable times and free of charge.
- 4.** (1) Every application for the registration of a society shall be made to the Director on the form set out in the First Schedule and shall be accompanied by the fee specified in the Second Schedule. Applications of registration of societies.
First Schedule.
- (2) Two copies of the bye-laws which the society proposes to adopt shall be submitted together with the application. Second Schedule.
- 5.** Where the Director decides to register a proposed society the society and its bye-laws shall be registered in the Register of Societies. Registration.
- 6.** Upon the registration of a society, the Director shall forward to the society, free of charge — Director to forward to society certificate of registration, etc.

- (a) a certificate of registration;
- (b) two copies of the bye-laws 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 these Regulations.

Director refusal to register society.

7. When the Director refuses to register a society or its bye-laws he shall furnish the society with his reasons therefor.

Register of Members.

8. Every registered society shall keep a register to be called the “Register of Members” wherein 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 16.

Books and accounts of society.

9. Every registered society shall keep such accounts and shall use such books and forms as may from time to time be approved by the Director.

Election and admission of members.

10. The election and admission of members to a registered society, other than original members, shall be in such manner and on such conditions as the bye-laws shall prescribe.

Withdrawal of members.

11. A member may withdraw from a registered society by giving written notice to the secretary, but such withdrawal shall be without prejudice to section 29 of the Act.

Expulsion of members.

12. If a member acts in contravention of the Regulations or bye-laws or acts in any way detrimental to the interests of the 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. Such expulsion shall, however, be without prejudice to section 29 of the Act.

13. Where a member ceases to qualify for membership under the Act or these Regulations or the bye-laws, the committee shall cause his name to be struck off the Register of Members but the striking off of such name shall be without prejudice to any liability of such person under section 29 of the Act.

Member who loses qualifications for membership shall cease to be a member.

14. 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.

Withdrawing or expelled member not entitled to right of payment of share capital.

15. No registered society shall fix any limit to the number of its members without the approval of the Director.

Society not to limit its membership.

16. (1) Every appointment of a nominee by any member of a registered society for the purposes of section 18 of the Act shall be made in writing and signed by the member in the presence of two attesting witnesses.

Nominees.

(2) A member of a registered society with share capital shall not be entitled to appoint more than one nominee in respect of each share he holds.

(3) In every 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 bye-laws 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.

17. (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 total liabilities of the society.

Division of profits.

(2) No society shall pay a dividend on share capital at a rate exceeding eight per cent per annum on the paid-up capital.

(3) A bonus based on wages or on the value of the products of a member, or a bonus calculated in proportion to the amount of the business done by each member in 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.

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

(2) The maximum liability so fixed shall be subject to the approval of the Director, who may at any time reduce it.

(3) No registered society shall receive loans or deposits which will make its liability exceed the limit approved or fixed by the Director.

General meeting.

19. The supreme authority in a registered society shall be vested in the general meeting of members at which every member has a right to attend and vote on all questions. Subject to the provisions of section 25 of the Act, each member shall have one vote only which shall be exercised in person and not by proxy.

First Meeting of Members.

20. The first meeting of members shall have the same powers as are given to the annual general meeting, and shall be held within one month after the receipt of the certificate of registration of the society.

Annual general meeting.

21. (1) The annual general meeting of a registered society shall be convened by the committee as soon as the report on the audit of the accounts of the registered society by the Director or person authorised by him is received by the committee. At least seven days' notice in writing shall be given before any such general meeting is held.

(2) Notwithstanding paragraph (1) of this regulation, the Director 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.

22. The functions of the annual general meeting shall be —

Functions of annual general meeting.

- (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 Director 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 Director who shall consider the matter and make his decision therein, 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;
- (e) to transact any other general business of the registered society.

23. (1) 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 less 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 seven 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 such meeting by notice, which must contain the object of the proposed meeting and a statement to the effect that the meeting is convened on the failure of the chairman of the committee to convene the meeting demanded.

Special general meeting.

(2) Notwithstanding paragraph (1) of this regulation, the Director or a person authorised by him in writing may at any time, summon a special general meeting of a registered society in such manner and at such time and place as he may direct.

Quorum at
general meeting.

24. (1) When a registered society consists of not more than forty members, one-half of the number of the members or ten members, whichever is the less, shall form a quorum for the purposes of the annual or a special general meeting, and when 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 general meeting:

Provided that when any meeting is summoned by the Director 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 Director 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 at
meeting.

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

(2) The Director or a person authorised by him in writing shall preside at any meeting convened by the Director or on his demand.

(3) 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.

(4) The chairman may, by a 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 business left unfinished at the meeting from which the adjournment took place.

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

26. Any question submitted for the decision of the members present at a meeting, unless otherwise dealt with in these Regulations, shall be decided by a majority of votes.

Questions to be decided by a majority of votes.

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

Voting generally.

(2) 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 Director 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.

(3) 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.

28. Minutes of the meetings shall be entered in the minute book and signed by the chairman and secretary and shall contain —

Minutes of general meeting.

- (a) the number and names 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 membership of the society on the date of the meeting; and
- (d) the resolutions passed or decisions made at the meeting.

29. The committee shall be elected from amongst the members of the society at the annual general meeting of the registered society in accordance with the bye-laws of the society.

Election of committee.

30. 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

Chairman of committee.

of the chairman, the committee shall elect one of its members to perform his duties.

Powers and duties of committee.

31. (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 these Regulations, or the bye-laws, to general meetings or to any other officer of the society.

(2) The committee shall keep conspicuously displayed at the registered office of the society —

- (a) a copy of the latest annual balance sheet of the society; and
- (b) a copy of the latest annual report on the audit of the accounts of the society.

Meetings of committee.

32. 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.

Procedure of meetings of committee.

33. At each committee meeting the secretary shall —

- (a) read the minutes of the preceding meeting; produce the cash book, detail the entries of receipts and payments made therein since the last meeting and with the treasurer;
- (b) produce the cash book 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 meetings of committee.

34. 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.

35. Any member of the committee who, without its approval, fails to attend three consecutive meetings of the committee shall be deemed to have vacated his office and the office shall thereupon be filled as provided by regulation 36.

Failure to attend meetings or committee.

36. (1) Whenever a vacancy occurs on the committee, it shall be filled within seven days by the election of a substitute elected by the remaining members of the committee:

Vacancy on Committee.

Provided that, when such election does not take place, the Director may appoint the required substitute.

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

37. The committee may borrow money on behalf of the registered society to an amount not exceeding the total liability fixed in accordance with regulation 18.

Borrowing powers of committee.

38. The committee may, subject to the approval of the Director open a banking account. All cheques shall be signed by two members of the committee and the secretary:

Banking account.

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

39. (1) The committee may —

Employees.

- (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.

40. Every member who desires to obtain a loan from his society shall submit an application to the committee stating —

Applications for loans by members.

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- (a) the amount of money required;
 - (b) the purpose for which it is required;
 - (c) the period for which it is required;
 - (d) whether it is desired to repay the loan by instalments; and
 - (e) the names of the proposed sureties or any other security which is offered.

Approval of
loan.

41. (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 approve the loan.

(2) No person other than members of the committee, the secretary and the Director and his staff shall be present at any meeting of the committee when an application for a loan is under consideration.

(3) A member of the committee who applies for a loan or who is proposed as surety for a loan must withdraw while the relevant application is being discussed.

(4) If there is a difference of opinion concerning the granting of a loan, the voting shall be taken by ballot.

(5) The proceedings with regard to loans at a committee meeting shall be kept secret, and any member of the committee or officer of the registered society infringing this regulation may be liable to immediate expulsion or dismissal.

Security for
loans.

42. 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.

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

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

Documents
relating to loans.

44. When a loan is approved 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.

45. 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,

Restrictions on loans to defaulters.

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

46. Where, by reason of sickness or some other cause, a member finds that he will be unable to discharge his obligations to the registered society in respect of any loan made to him and notifies the secretary in writing before the time fixed for repayment of such loan or the payment of any instalment, the committee may extend the time fixed for repayment of the loan or payment of the instalment, as the case may be, on such conditions as it thinks fit.

Extension of loan.

47. Where the committee is satisfied that a member of the 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 therefore under regulation 40, the committee may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.

Misapplication of loan.

48. 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 46,

Recovery of loans.

the committee shall take steps for the recovery of the same by referring the matter to the Director in the manner prescribed in section 47 of the Act.

49. (1) Every member of the 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 bye-laws or in the relevant contract to be disposed of by the society.

Marketing.

(2) Any member who is approved or adjudged in accordance with the provisions of section 47 of the Act to be guilty of a breach of the bye-laws 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 bye-laws or by the relevant contract and such sum shall be deemed to be a debt due to the society.

Bad debts.

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

Preparation of annual accounts and report.

51. The committee shall in every year and as soon as conveniently possible within such time as the Director may direct —

- (a) cause the secretary to prepare and send to the Director the yearly balance sheet closed on the last day of the registered society's financial 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.

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

(2) An application to transfer shares shall be in such form as approved by the Director.

(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 against the transferor be affected thereby.

53. The committee may, in default of payment by any member indebted to the registered society to an amount not less than three-fourths of the sum paid up for the time being on any transferable 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 these Regulations or bye-laws 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 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.

Sales of shares of members in default.

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

Secretary.

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

(3) No appointment made under paragraph (1) of this regulation shall be valid and effective, and no remuneration fixed thereunder shall be payable or recoverable, unless approved by the Director. Every such approval shall be communicated in writing by the Director to the committee.

(4) In the event of a failure on the part of the committee to appoint a secretary, the Director shall appoint a secretary and, unless the person so appointed is a member of the committee, the Director shall fix his remuneration. Every appointment made by the Director under this paragraph shall be valid and effective, and every remuneration fixed by the Director 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:

Provided that no determination as aforesaid shall be valid and effective until approval of the Director in writing has been obtained therefor.

(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 rule shall apply *mutatis mutandis* to the filling of such vacancy.

Payment of
secretary.

55. The remuneration of the secretary, if any, shall be paid from the funds of the registered society monthly in arrear.

Security by
secretary.

56. (1) The secretary may be required to give security in such amount as the committee may determine.

(2) Every such security and the amount thereof shall be subject to the approval of the Director to be signified in writing to the committee.

Suspension of
secretary.

57. (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 Director, 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 Director.

Temporary
absence of
secretary.

58. (1) The secretary shall not absent himself from duty except 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 Director.

(3) In case the secretary desires to be absent from duty for more than one month at any one time, the committee shall, before granting permission for such absence, obtain the previous approval of the Director therefor.

- 59.** 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 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 approved 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 Director, 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 Director or any person authorised by him, all moneys in his hands belonging to the registered society;

Duties of
secretary.

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

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 these Regulations.

Treasurer.

60. The committee shall appoint one of the members of the committee, not being the chairman, to be the treasurer.

Security by treasurer.

61. 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.

62. The duties of the treasurer shall be —

- (a) to receive from the secretary as provided in paragraph (f) of regulation 59 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 Director and obtaining at the same time the 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 Director any amount in his hands in excess of the amount fixed from time to time by the committee;
- (d) to keep separate all money 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 Director or any person authorised by him, all moneys in his hands belonging to the registered society; and

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- (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.

63. If in any society, in the opinion of the Director, any member of the committee or other officer is unfit for the discharge of his duties, the society shall on the requirement of the Director dismiss him. Unfit officers.

64. (1) The reserve fund of a registered society, created in pursuance of the provisions of section 34 of the Act may, with the approval of the Director — Reserve fund.

- (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 approving the utilisation or application of the reserve fund under paragraph (1) of this regulation, the Director may impose such terms and conditions as he may deem fit.

(3) The reserve fund shall not otherwise be disturbed except in liquidation.

65. In pursuance of the provisions of section 35 of the Act, the accounts of every registered society shall be audited once at least every year by some person authorised by the Director. 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 Director accordingly, or shall specially report to the Director in what respects he finds the same incorrect, unvouched or not in accordance with the Act. The Director shall thereupon forward the report of such person to the committee. Audit of accounts.

66. (1) There shall be constituted a fund to be known as the Audit and Supervision Fund (hereafter called “the Fund”) and every registered society shall, when called upon to do so by the Director, make annually a contribution to such Fund. Audit and supervision of 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 Director and administered by him on behalf of the contributing registered societies.

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

(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 in accordance with its objects and bye-laws.

(5) Until a society for supervision and audit has been established and registered, the Director 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 centum on the net annual profits of the registered society or of one per centum of the working capital of the registered society, and shall not in any case be less than ten dollars.

Bye-laws.

67. (1) The bye-laws of a society shall contain provision in respect of the following matters, that is to say —

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

(2) If the objects of a society include the creation of funds to be lent to the members, the bye-laws shall, in addition, contain provisions in respect of the following matters, that is to say —

- (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.

68. (1) Where, in pursuance of the provisions of subsection (1) of section 11 of the Act, a registered society amends its bye-laws, such amendment shall be made by a resolution of the members of the registered society at a general meeting.

Amendment of
bye-laws.

(2) Every resolution under paragraph (1) of this regulation shall not be valid and effective unless it was passed 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 passed under paragraph (1) of this regulation shall be forwarded to the Director together with three copies of the amendment.

69. (1) For the purposes of section 21 of the Act, a copy of an entry in any register, book or other record 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 register, book or other record, as the case may be, containing the entry is still in the custody of the society; such certificates being dated and signed by the secretary and one member of the committee.

Copies of entries.

(2) Any person may, on payment of the fee specified in the Second Schedule, obtain from the secretary of a society a certified copy of an entry in any register, book or other record kept in the course of business of such society.

Second Schedule.

70. (1) Reference of a dispute to the Director for decision under the provisions of subsection (1) of section 47 of the Act may be made —

Reference of a
dispute to the
Director for
decision.

- (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 Director, such a 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.

Reference to
arbitration by the
Director.

71. (1) Where in pursuance of the provisions of paragraph (b) of subsection (2) of section 47 of the Act, the Director refers a dispute to arbitration, such reference shall be embodied in an order of reference under his hand.

(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) specify the time within which the award shall be forwarded by the arbitrator or arbitrators to the Director:

Provided that, on good cause shown to his satisfaction, the Director 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 Director 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 Director and shall act as chairman.

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

(5) Where under paragraph (3) of this regulation, reference is made to three arbitrators, the following provisions shall have effect —

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- (a) if any party to the dispute fails to nominate an arbitrator within such time as the Director may specify, the Director 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 Director shall call upon the party concerned to nominate a new arbitrator within such time as the Director may specify, and if no new arbitrator is nominated accordingly, the Director 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 Director, a new arbitrator shall be nominated in his place by the Director; and
 - (d) the opinion of the majority of the arbitrators shall prevail.

72. (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 —

Proceedings,
before the
arbitrator or
arbitrators.

- (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 hearing thereof and may be represented by a counsel and attorney or any person who in the opinion of the arbitrator or arbitrators is competent to assist such 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;

- (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 *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 Director —
 - (a) the record of the proceedings; and
 - (b) the award.

Proceedings before the Registrar.

73. Where, in pursuance of the provisions of paragraph (a) of subsection (2) of section 47 of the Act, the Director 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 71 shall apply, *mutatis mutandis*, to such proceedings.

FIRST SCHEDULE (Regulation 4)

APPLICATION FOR REGISTRATION

**THE COMMONWEALTH OF THE BAHAMAS
THE CO-OPERATIVE SOCIETIES ACT**

To: The Director for Co-operative Development, Nassau, Bahamas.

1. Application for registration of the undermentioned society under the Co-operative Societies Act is hereby made by the persons whose signatures appear hereunder:
2. The name of the society is
3. The registered address is at
4. The area of operations of the society is
5. The objects of the society are as stated in the bye-laws
6. The bond of membership is

7. The financial year will terminate on the day of in each year.
8. The liability of the members for the debts of the society is limited/unlimited.
9. The society was established on the day of 19 and at the date of this application there are members in the society.
10. Herewith enclosed are two copies of the proposed by-laws.
11. The sum of \$..... is enclosed, being the registration fee.
12. Particulars relating to the applicants are given hereunder—

Name (Please Print)	Age	Occupation	Address	Signature
.....
.....
.....
.....
.....
.....
.....
.....
.....

13. The full name and address of the Secretary are as follows —

.....

Dated the day of in the year of Our Lord
 One Thousand Nine Hundred and

.....
 Secretary

Delete what is not applicable.

SECOND SCHEDULE (Regulation 4)**FEES PAYABLE TO THE DIRECTOR**

For the registration of a society under the Act \$20.00

FEES PAYABLE TO A SOCIETY

In respect of a certified copy of an entry in any register,
book or other record kept by a society for every 100
words or part thereof \$1.00