

## TITLE XXVIII

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### CHAPTER 164

#### CO-OPERATIVE SOCIETIES

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## CHAPTER 164

### CO-OPERATIVE SOCIETIES

AN ACT TO PROVIDE FOR THE FORMATION AND TO REGULATE THE OPERATIONS OF CO-  
OPERATIVE SOCIETIES

12 of 1953  
17 of 1956  
6 of 1967  
LN 46A of 1978  
2 of 1980  
2 of 1987

[16th December 1953]

#### PART I

#### PRELIMINARY

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

Short title

2. In this Act unless the context otherwise requires-

Interpretation

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

"by-laws" means the registered by-laws made by a society in the exercise of any power conferred by this Act, and includes a registered amendment of the by-laws;

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

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

"member" includes a person or registered society joining in the application for the registration of a society, and a person or registered society admitted to membership after registration in accordance with the by-laws;

"officer" includes a chairman, secretary, member of committee, or other person empowered under the rules or by-laws to give directions in regard to the

business of a registered society;

"registered society" means a co-operative society registered under this Act;

"Registrar" means the Registrar of Co-operative Societies appointed under section 3 and includes any person when exercising such powers of the Registrar as may have been conferred upon him under that section;

"rules" means rules made under this Act.

## PART II

### REGISTRATION

**3.-(1)** There shall be appointed a Registrar of Co-operative Societies and such other persons to assist the Registrar as may be necessary to give effect to this Act.

*Appointment of Registrar  
and Assistant Registrars  
17 of 1956, s. 2  
LN 46A of 1978*

(2) Where any person also appointed is to be a public officer the appointment shall be made pursuant to the Constitution, but otherwise may be made by the Minister.

(3) The Minister may, by general or special order, confer on any person (other than the Registrar) so appointed, all or any of the powers of the Registrar under this Act.

(4) No person shall collect moneys in the nature of subscriptions for the purpose of the formation of a society to be registered under this Act without first obtaining the permission in writing of the Registrar.

(5) Any person who contravenes the provisions of this section shall be liable on summary conviction to a fine of twenty dollars, or to imprisonment for three months or to both such fine and imprisonment.

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

*Societies which may be  
registered*

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

Conditions of registration

**5.-(1)** No society, other than a society of which a member is a registered society, which does not consist of at least ten persons each of whom is qualified under section 20 for membership under this Act shall be registered under this Act.

(2) The word "co-operative" or its vernacular equivalent shall form part of the name of every society registered under this Act.

(3) The word "limited" or its vernacular equivalent shall be the last word in the name of every society with limited liability registered under this Act.

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

Application for registration

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

(2) The application shall be signed-

(a) in the case of a society of which no member is a registered society, by at least ten persons qualified in accordance with the requirements of section 5 (1); and

(b) in the case of a society of which a member is a registered society by a duly authorised person on behalf of every such registered society.

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

Registration  
LN 46A of 1978

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

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

Societies to be bodies  
corporate

**8.** The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and with power to hold property, to

enter into contracts, to institute and defend suits and other legal proceedings, and to do all things necessary for the purpose of its constitution.

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

Evidence of registration

## PART III

### DUTIES AND PRIVILEGES OF SOCIETIES

**10.-(1)** Any registered society may, subject to this Act and the rules, amend its by-laws.

Amendment of the by-laws of a registered society  
*LN 46A of 1978*

(2) No amendment of the by-laws of a registered society shall be valid until that amendment has been registered under this Act, for which purpose copies of the amendment shall be forwarded to the Registrar.

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

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

(5) In this section, "amendment" includes the making of a new by-law and the variation or rescission of a by-law.

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

Address of society

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

Copy of Act, rules, by-laws, etc., to be open to inspection

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

Disposal of produce to or through a registered society

(a) that every such member who produces any such article shall dispose of the whole or any specified amount, proportion or description thereof to or through the society; and

(b) that any member who is proved or adjudged, in such a manner as may be prescribed by the rules, to be guilty of a breach of the by-laws or contract shall pay to the society as liquidated damages a sum ascertained or assessed in such manner as may be prescribed by the aforesaid rules.

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

**14.** Subject to any prior claim of the Crown on the property of the debtor and to the lien or claim of a landlord in respect of rent or any money recoverable as rent and in the case of immovable property to any prior registered charge thereon, any debt or outstanding demand payable to a registered society by any member or past member shall be a first charge on all crops or other agricultural produce, felled timber or other forest produce, marine produce, fish (fresh-water and salt-water) livestock, fodder, agricultural, industrial and fishing implements, plant, machinery, boats, tackle and nets, raw materials, stock in trade and generally all produce of labour and things used in connection with production raised, purchased or produced in whole or in part from any loan whether in money or in goods given him by the society:

Creation of charges in favour of registered societies

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

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

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

**16.** Subject to the provisions of section 15, the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree

Shares or interest not liable to attachment or sale



or order of a Court in respect of any debt or liability incurred by such member, and a trustee in bankruptcy shall not be entitled to, or have any claim on, such share or interest:

Provided that where a society is dissolved the property and the shares of any member who has been adjudicated in bankruptcy shall be vested in the trustee in bankruptcy.

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

Deposits by or on behalf of minors

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

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

Register of members

(a) the date at which the name of any person was entered in such register or list as a member;

(b) the date at which any such person ceased to be a member.

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

Proof of entries in books of society

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

## PART IV

## RIGHTS AND LIABILITIES OF MEMBERS

**20.** In order to be qualified for membership of a co-operative society a person other than a registered society must-

Qualification for membership

(a) have attained the age of sixteen years;

(b) be resident within or in occupation of land within the society's area of operations as described by the by-laws.

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

Members not to exercise rights till due payment made

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

Votes of members

Provided that in the case of an equality of votes the chairman shall have a casting vote:

Provided further that in the case of societies of which a registered society is a member that society may have such voting powers as are provided in the by-laws.

**23.** A registered society which is a member of any other registered society may appoint any one of its members or, with the consent of the Registrar, any other person as its proxy for the purpose of voting in the conduct of the affairs of such other registered society.

Representation by proxy

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

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

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

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

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

from the date of his decease.

## PART V

### PROPERTY AND FUNDS OF REGISTERED SOCIETIES

**26.** A registered society shall not, except as provided in section 29, make any loan to any person other than a member:

Loans made by a registered society

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

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

Deposits and loans received by a registered society

**28.** Save as provided in sections 26 and 27, the transactions of a registered society with persons other than members shall be subject to such prohibitions and restrictions as may be prescribed by the rules.

Restriction on other transactions with non-members

**29.** A registered society may invest or deposit its funds-

Investment of funds

(a) with any bank approved for this purpose by the Registrar; or

(b) in any securities issued or guaranteed by a Government under the British Crown; or

(c) with any other registered society approved for this purpose by the Registrar; or

(d) in any other mode approved by the Registrar.

**30.-(1)** At least one-fourth of the net profit of every registered society, as ascertained by the audit prescribed by section 31, shall be carried to a fund to be called the reserve fund, which shall be employed as prescribed by the rules. The remainder of such profits and any profits of past years available for distribution may be divided among the

Disposal of profits

members by way of dividend or bonus, or allocated to any funds constituted by the society, to such extent or under such conditions as may be prescribed by the rules, or by-laws:

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

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

## PART VI

### AUDIT, INSPECTION AND INQUIRY

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

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

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

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

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

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

**33.-(1)** The Registrar may of his own motion, and shall on the application of a Inquiry and inspection

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

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

(a) proves that an ascertained sum of money is then due to him and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and

(b) deposits with the Registrar such sum as security for the cost of the proposed inspection as the Registrar may require.

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

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

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

## PART VII

### DISSOLUTION

**34.**-(1) If the Registrar, after holding an inquiry or making an inspection under section 33 or on receipt of an application made by three-fourths of the members of a registered society, is of the opinion that the society ought to be dissolved, he may make an order for the cancellation of the registration of the society.

Dissolution  
LN 46A of 1978

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

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

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

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

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

Cancellation of registration of a society due to lack of membership

**36.** Where the registration of a society is cancelled by an order under section 34 or under section 35 the society shall cease to exist as a corporate body from the date on which the order takes effect, hereinafter referred to as the date of dissolution:

Effect of cancellation of registration

Provided that any privileges conferred on the society by or under sections 14, 15 and 16 shall be deemed to be vested in any liquidator appointed for that society by the Registrar.

**37.** Where the registration of a society is cancelled under section 34 or section 35 the Registrar may appoint one or more persons to be, subject to his direction and control, the liquidator or liquidators of the society.

Liquidation after cancellation of registration of society

**38.-(1)** A liquidator appointed under section 37 shall, subject to the guidance and control of the Registrar and to any limitations imposed by the Registrar by order under section 39 have power to-

Liquidator's powers

(a) determine from time to time the contribution to be made by members and past members or by the estate of deceased members of the society to its assets;

(b) appoint a day by notice before which creditors whose claims are not already recorded in the books of the society shall state their claims for admission or be excluded from any distribution made before they have proved them;

(c) decide any question of priority which arises between creditors;

(d) refer disputes to arbitration and institute and defend suits and other legal proceedings on behalf of the society by his name or office;

(e) decide by what persons and in what proportions the costs of liquidation are to be borne;

(f) give such directions in regard to the collection and distribution of assets as may be necessary in the course of winding up the society;

(g) compromise any claim by or against the society provided the sanction of the Registrar has first been obtained;

(h) call such general meetings of members as may be necessary for the proper conduct of the liquidation;

(i) take possession of the books, documents and assets of the society;

(j) sell the property of the society;

(k) carry on the business of the society so far as may be necessary for winding it up beneficially; and

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

(2) Subject to such rules as may be made in this behalf, any liquidator appointed under this Act shall in so far as such powers are necessary for carrying out the purposes of this section, have power to summon and enforce the attendance of parties and witnesses and to compel the production of documents by the same means and so far as may be in the same manner as is provided in the case of a civil court.

**39.** A liquidator shall exercise his powers subject to the control and revision of the Registrar, who may-

Powers of Registrar to control liquidation

(a) rescind or vary any order made by a liquidator and make whatever new order is required;

(b) remove a liquidator from office;

(c) call for all books, documents and assets of the society;

(d) by order in writing limit the powers of a liquidator under section 38;

(e) require accounts to be rendered to him by the liquidator;

(f) procure the auditing of the liquidator's accounts and authorise the distribution of the assets of the society;

(g) make an order for the remuneration of the liquidator; or

(h) refer any subject of dispute between a liquidator and any third party to arbitration if that party shall have consented in writing to be bound by the decision of the arbitrator.

**40.-(1)** The decision of an arbitrator on any matter referred to him under section 39 shall be binding upon the parties, and shall be enforceable in like manner as an order made by the Registrar under that section.

Enforcement of order

(2) An order made by a liquidator or by the Registrar under section 38 or section 39 may be enforced by the Court having jurisdiction over the place where the registered office of the society is situated in like manner as a decree of the Court.

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

Limitation of the jurisdiction of the civil court

**42.-(1)** In the liquidation of a society whose registration has been cancelled, the funds, including the reserve fund, shall be applied first to the costs of liquidation, then to the discharge of all deposit liabilities to its depositors, then to the discharge of the liabilities of the society, then to the payment of the share capital and then, provided the by-laws of the society permit, to the payment of a dividend at a rate not exceeding five *per centum per annum* for any period for which no disposal of profits was made.

Closure of liquidation  
6 of 1967, Sched  
2 of 1980, s. 2



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

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

## PART VIII

### DISPUTES

**43.-(1)** If any dispute touching the business of a registered society arises-

Settlement of disputes

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

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

(c) between the society or its committee and any officer of the society; or

(d) between the society and any other registered society,

such dispute shall be referred to the Registrar for decision.

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

(2) The Registrar may on receipt of a reference under subsection (1)-

(a) decide on the dispute himself; or

(b) refer it for disposal to an arbitrator.

(3) Any party aggrieved by the award of the arbitrator may appeal therefrom to the

Registrar within such period and in such manner as may be prescribed.

(4) A decision of the Registrar under subsection (2) or under subsection (3) shall be final and shall not be called in question in any civil court.

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

**44.** Notwithstanding anything contained in the last foregoing section, the Registrar at any time when proceeding to a decision under this Act, or the Minister at any time when an appeal has been preferred to him against any decision of the Registrar under this Act, may refer any question of law arising out of such decision for the opinion of a Judge, whose opinion given on such question shall be final and conclusive.

Case stated on question  
of law  
LN 46A of 1978

## PART IX

### RULES

**45.-(1)** The Minister may make all such rules as may be necessary for the purpose of carrying out or giving effect to the principles and provisions of this Act.

Rules  
LN 46A of 1978

(2) In particular and without prejudice to the generality of the power conferred by subsection (1), such rules may-

(a) prescribe the forms to be used, the fees to be paid and the conditions to be complied with in applying for the registration of a society and the procedure in the matter of such applications;

(b) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members from time to time and the payment to be made and interest to be acquired before exercising rights of membership;

(c) subject to the provisions of section 24, prescribe the maximum number of shares or portion of the capital of a registered society which may be held by a member;

(d) prescribe the extent to which a registered society may limit the number of its members;

(e) provide for the withdrawal and expulsion of members and for the payments to be made to members who withdraw or are expelled and for the liabilities of past members;

(f) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;

(g) provide for the appointment, suspension and removal of the members of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers;

(h) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and rescinding by-laws, and the conditions to be satisfied prior to such making, alteration or rescission;

(i) regulate the manner in which funds may be raised by means of shares or debentures or otherwise;

(j) prescribe the payments to be made, the conditions to be complied with, and the forms of the bonds, instruments or other documents to be executed, by members applying for loans or cash credits, the period for which loans may be made or credits granted, and the maximum amount which may be lent and the maximum credit which may be allowed to individual members with or without the consent of the Registrar;

(k) provide for the formation and the maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of any registered society;

(l) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability and the maximum rate of dividend which may be paid by societies;

(m) prescribe the accounts and books to be kept by a registered society, and for the periodical publication of a balance sheet showing the assets and liabilities of a registered society;

(n) provide for the audit of the accounts of registered societies and for the charges, if any, to be made for such audit and provide for the levy of contributions from all or any registered societies to a fund to be used for the audit and supervision of existing societies and prescribe for the administration of such a fund;

(o) prescribe the returns to be submitted by registered societies to the

Registrar, and the persons by whom and the form in which the same are to be made;

(p) provide for the persons by whom, and the form in which, copies of entries in books of registered societies may be certified;

(q) provide for the formation and maintenance of a register of members and, where the liability of members is limited by shares, a register of shares;

(r) provide for the inspection of documents and registers at the Registrar's office and the fees to be paid therefor and for the issue of copies of such documents or registers;

(s) prescribe the manner in which any question as to the breach of any by-law or contract relating to the disposal of produce to or through a society, may be determined, and the manner in which the liquidated damages for any such breach may be ascertained or assessed;

(t) prescribe the mode of appointing an arbitrator and the procedure to be followed in proceedings before the Registrar or such arbitrator;

(u) prescribe the forms to be used, the fees to be paid, the procedure to be observed and all other matters connected with or incidental to the presentation, hearing and disposal of appeals under this Act or the rules.

## PART X MISCELLANEOUS

**46.-(1)** All sums due from a registered society or from an officer or member or past member of a registered society as such to the Government may be recovered in the manner provided for the recovery of debts due to the Government under the law for the time being in force.

Recovery of sums due to Government

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

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

Special powers of Minister to exempt any society from requirements as to registration

*LN 46A of 1978*

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

Special power of Minister to exempt societies from provisions of Act  
*LN 46A of 1978*

**49.** The Minister by notification in the Gazette may, in the case of any registered society or class of registered societies, remit-

Power to exempt from stamp duty and registration fees  
*LN 46A of 1978*

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

(b) any fee payable under the law of registration for the time being in force.

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

Prohibition of the use of the word "co-operative"  
*46A of 1978*

Provided that nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he traded or carried on business at the commencement of this Act.

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

**51.** If any person obtains possession by false representation or imposition of any property of a society, or having the same in his possession withholds or misapplies the same, or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the society, and authorised by this Act, he shall on the complaint of the society, or of any member authorised by the society, or the committee thereof, or of the Registrar or any Assistant Registrar by his authority, be liable on summary conviction to a fine of forty dollars with costs, and to be ordered to deliver up all such property or to repay all moneys applied improperly, and, in default of such delivery or repayment, or of the payment of such fine to be imprisoned for three months.

Punishment of fraud or misappropriation  
*17 of 1956, s. 3*

**52.** The provisions of the Companies Act, and the Trade Unions Act shall not apply to a registered society.

Exemption  
Cap. 175  
Cap. 76

**53.-(1)** (a) Any registered society or an officer or a member thereof, wilfully neglecting or refusing to do any act or to furnish any information required for the purposes of this Act by the Registrar or other persons duly authorised by him in this behalf; or

Penalty for non-compliance with Act

(b) any person wilfully or without any reasonable excuse disobeying any summons, requisition or lawful written order issued under the provisions of this Act, or failing to furnish any information lawfully required from him by a person authorised to do so under the provisions of this Act,

shall be guilty of an offence under this Act.

(2) Every offence referred to in subsection (1) shall be punishable with a fine of two hundred dollars.

## **CHAPTER 164**

### **CO-OPERATIVE SOCIETIES**

#### *Subsidiary Legislation*

#### **CONFERMENT OF POWERS OF THE REGISTRAR**

LN 30/1979

#### *(Section 3(b))*

*[20th July 1979]*

The powers of the Registrar specified in the First Schedule are conferred on the persons specified in the Second Schedule:-

#### **FIRST SCHEDULE**

Sections 23 and 33  
Rules 23,25,39,43(3) and 45

#### **SECOND SCHEDULE**

Senior Co-operative Societies Officers;  
Co-operative Societies Officers;  
Assistant Co-operative Societies Officers.

## CO-OPERATIVE SOCIETIES RULES

### (Section 45)

1. These rules may be cited as the Co-operative Societies Rules.

222/232/1956  
LN 42/1979

2. The Registrar 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 by-laws.

Register of Societies

3. All original entries in the Register of Societies shall be made by, or under the direction of, the Registrar and shall be signed by him.

4. Every alteration, interlineation or erasure in the Register of Societies shall be initialled by the Registrar.

5. The Register of Societies shall be open to inspection by the public at all reasonable times and free of charge.

6.-(1) Every application for the registration of a society shall be submitted to the Registrar in the form set out in the First Schedule to these Rules.

Application for  
registration of Societies  
First Schedule

(2) Three copies of the by-laws which the society proposes to adopt shall be submitted together with the application.

7. When the Registrar decides to register a proposed society the society and its by-laws shall be registered in the Register of Societies.

Registration

8. Upon the registration of a society the Registrar shall forward to the society, free of charge-

(a) a certificate of registration in the form set out in the Second Schedule to these Rules;

Second Schedule

(b) a copy of the by-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 the Rules in English.

**9.** When the Registrar refuses to register a society or its by-laws he shall record in writing his reasons for so doing.

**10.** Every registered society shall keep a register to be called the "Register of Members" wherein shall be entered-

Register of members and books and accounts

(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 rule 19.

**11.** Every registered society shall keep such accounts and records and shall use such books as may from time to time be prescribed by the Registrar.

**12.** 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 by-laws shall prescribe.

Membership

**13.** A member may withdraw from a registered society by giving written notice to the Secretary, but such withdrawal shall be without prejudice to section 25 (1) of the Act.

**14.** If a member acts in contravention of the rules or by-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 25(1) of the Act.



**15.** Any member who loses any of the qualifications for membership prescribed by the Act or the rules or the by-laws shall cease to be a member of the registered society, and the committee shall cause his name to be struck off the Register of Members without prejudice to any liabilities of such person under section 25(1) of the Act.

**16.** 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.

**17.** No registered society shall fix any limit to the number of its members.

**18.** The Registrar shall have power to prohibit or restrict transactions of any society with non-members when it is proved to his satisfaction that such transactions are opposed to co-operative principles or involve the abuse of any of the privileges accorded to societies or involve an evasion of income tax or a breach of any rules or orders of Government.

Non-members

**19.-(1)** No registered society shall pay a dividend on share capital exceeding five *per centum per annum* on the capital actually paid up.

Division of profits

(2) A bonus based on wages or on the value of the products of a member, or a bonus or rebate on patronage calculated in proportion to the amount of business done by each member with the registered society, may be distributed every year after the accounts have been audited 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.

(3) The Registrar or an Assistant Registrar may prohibit a society from making a loan to any person or paying a bonus or distributing any part of its accumulated funds without an authorisation in writing by the Registrar or Assistant Registrar. This power may not be delegated by the Registrar or Assistant Registrar.

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

Maximum liability

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

**21.** 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 sections 22 and 23 of the Act, each member shall have one vote only which shall be exercised in person and not by proxy.

General meeting

**22.** The first general meeting of members shall have the same powers as are given to the annual general meeting, and shall be held immediately or not later than one month after the receipt of the certificate of registration of the society.

**23.** The annual general meeting of members shall be convened by the committee not later than one month after the report on the audit of the accounts of the registered society by the Registrar or person authorised by him is received by the committee. At least eight days notice shall be given before any such general meeting is held:

Annual General Meeting

Provided that the Registrar 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.

**24.** The functions of the annual general meeting shall be-

(a) to confirm the minutes of the previous annual meeting and of any intervening special general meeting;

(b) to consider the reports of the committee and the balance sheet together with the report on the audit of the accounts of the registered society for the previous year as prepared by the Registrar 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 Registrar who shall consider the matter and make his decision thereon, and such decision as to the correctness of the accounts shall be final and conclusive;

(d) to hear and decide upon any complaints brought by members aggrieved by a decision of the committee:

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

(e) to elect the committee; and

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

**25.** 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 eight days notice. If the Chairman of the committee fails to convene a meeting within fourteen days from the receipt of a demand as aforesaid the members applying for such a meeting will have the right to convene the meeting by notice which must contain the object of the proposed meeting and a statement to the effect that the meeting is convened on the failure of the Chairman of the committee to convene the meeting demanded:

Special General Meeting

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

**26.-(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 or a special general meeting:

Quorum at General Meetings

Provided that when any meeting is summoned by the Registrar 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 Registrar, 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.

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

Chairman of General Meetings

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

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

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

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

**28.** Any question submitted to the decision of the members present at a meeting, unless otherwise dealt with in the Act, shall be decided by a majority of votes on a show of hands.

Voting at General Meetings

**29.-(1)** 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 Registrar 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.

(2) In respect of every resolution put to the vote the Chairman shall declare whether it has been carried or lost, and an entry to that effect in the minute book shall be conclusive evidence of anything therein contained.

**30.** Minutes of the meetings shall be entered in the minute book and signed by the Chairman and Secretary before the dissolution or adjournment of the meeting and shall contain-

Minutes of General Meetings

(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 date of meeting;

(c) the total number of members on the date on which the meeting was held; and

(d) all resolutions passed or decisions made at the meeting.

**31.-(1)** The committee shall be elected at the annual general meeting.

Election of Committee

(2) The committee shall consist of such number of members as the by-laws may prescribe and the quorum shall be as prescribed in the by-laws.

(3) Members of the committee shall hold office until the election of a new committee and shall be eligible for re-election:

Provided that any member may be removed by a majority of three-quarters of the members present and voting at a special general meeting who shall proceed at the same meeting to the election of a new member who shall hold office until the election of the new committee.

(4) Any vacancies on the committees shall be filled by co-option by the remaining members of the committee.

(5) The committee shall elect its own chairman who shall have an ordinary vote, and on an equality of votes, a casting vote. In the temporary absence of the Chairman the committee shall elect one of its members to perform his duties.

**32.-(1)** The committee shall be the executive authority of the society and subject to any directions from a general meeting it shall manage the affairs of the society; it may bind the society in contract, borrow money on behalf of the society to an amount not exceeding the amount which may have been fixed in accordance with rule 20 and may institute, defend and settle any legal proceedings on behalf of the society.

Duties of Committee

(2) The committee shall always keep a copy of the latest annual balance sheet of the society, together with the report referred to in rule 23, available for inspection by any person entitled to see them.

**33.** The committee shall hold meetings not less frequently than once a month at which-

Meetings of Committee

(a) the minutes of the previous meeting shall be read;

(b) the accounts, bank book and cash in hand shall be scrutinised and checked;

(c) any loans due and owing to the society shall be considered and any action considered necessary in respect of such loans authorised;

(d) any current business shall be considered.

**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-

Minutes of Meetings of  
Committee

- (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) 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 due excuse approved by the committee, fails to attend at three consecutive meetings of the committee, shall be deemed to have vacated his office which shall thereupon be filled as provided by rule 31.

Failure to attend  
Meetings of Committee

**36.-(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 rule shall hold office during the pleasure of the committee.

**37.-(1)** Where the by-laws of a society permit loans to be made to members the provisions of this rule shall apply.

Loans

(2) An application shall be made to the committee in such form as the Registrar may direct.

(3) The application shall be considered at a meeting of the committee, and if the committee are satisfied that-

- (a) the loan is adequately secured;
- (b) the applicant is trustworthy;
- (c) it is in the interest of the applicant and the society generally that the loan

should be made, and the committee approve of the purpose for which the loan is requested,

the committee may sanction the loan.

(4) No loan shall be advanced until the terms upon which it is made have been reduced to writing to the satisfaction of the committee.

(5) It shall be a condition of every loan that the borrower shall apply the proceeds of the loan to the purpose for which it was given.

(6) Every loan shall become immediately repayable upon breach of any of the conditions thereof.

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

(8) In all matters appertaining to loans the committee shall act in accordance with the directions of the Registrar.

**38.-(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 by-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 43 of the Act to be guilty of a breach of the by-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 by-laws or by the relevant contract and such sum shall be deemed to be a debt due to the society.

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

Bad Debts

**40.** The committee shall in every year and as soon as conveniently possible within such time as the Registrar may direct-

Preparation of annual accounts and report and returns

(a) cause the Secretary to prepare and send to the Registrar the yearly balance

sheet closed on the 31st December of the preceding year together with a detailed statement of the profit and loss account; and

(b) prepare a report on the years working of the registered society to be presented to the annual general meeting; and

(c) cause the Secretary to prepare and send to the Registrar quarterly returns in the form prescribed.

**41.-(1)** Any shares 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 as a member by the committee or the general meeting according to the by-laws relating to the admission of members, before the transfer can be registered; and if the by-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 so required to be held before the transfer can be registered.

Transfer of shares

(2) Special transfer forms shall be provided by the Registrar.

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

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

**42.** 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 the rules or by-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 over the balance, if any, to the member, without being responsible for any loss occasioned thereby, and the defaulting member shall cease to have any further claim in respect of such share.

Sale of shares of members in default

**43.-(1)** The Committee shall appoint a Secretary and, unless the person so appointed is a member of the committee, shall have power to fix the remuneration for his services, which, if any, shall be paid from the funds of the registered society monthly

Secretary



in arrear.

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

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

**44. The duties of the Secretary shall be-**

Duties of Secretary

(a) to attend all meetings of the registered society and of the committee and to carry out all the instructions of the committee;

(b) to be present at the office during the hours of business as fixed from time to time by the committee;

(c) to record the whole of the transactions of the registered society in the books provided for that purpose; to conduct correspondence on behalf of the registered society; to prepare the annual statement of accounts and balance sheet; and to have charge of the documents, books and vouchers for payments and receipts on behalf of the registered society;

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

(e) to receive all moneys due or payable to the registered society and issue receipts to the payer for same from a receipt book supplied to the registered society for the purpose by the Registrar;

(f) 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 Registrar or any person authorised by him, all moneys in his hands belonging to the registered society;

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

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;

(h) to summon meetings as provided in the rules;

(i) any other duties which the by-laws or the committee of the society shall require him to do.

**45.-(1)** If in any society, after due inquiry an officer is found to be unfit for the discharge of his duties, the society shall on the requirement of the Registrar, dismiss him.

Unfit officers  
LN 42/1979

(2) The Registrar or his representative may take part in the inquiry, a report of which shall be sent to the society and to the Registrar.

**46.-(1)** The reserve fund of a registered society created in pursuance of the provisions of section 30(1) of the Act, may, with the sanction of the Registrar-

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 sanctioning the utilisation or application of the reserve fund under paragraph (1) of this rule the Registrar may impose such terms and conditions as he may deem fit.

**47.** In pursuance of the provisions of section 31 of the Act, the accounts of every registered society shall be audited at least once in every year by some person authorised by the Registrar. 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 Registrar accordingly, or shall specially report to the Registrar in what respects he finds the same incorrect unvouched or not in accordance with the Act. The Registrar shall thereupon forward the report of such person to the committee.

Audit of accounts

**48.-(1)** There shall be constituted a fund to be known as the Audit and Supervision

Audit and Supervision  
Fund

Fund if the Registrar so directs and every registered society shall, when called upon to do so by the Registrar, make annually a contribution to such fund.

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

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

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

(5) Until a society for supervision and audit has been registered the Registrar 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 twenty dollars.

**49.-(1)** The by-laws of a proposed society shall contain provision in respect of the following matters- By-laws

(a) the name of the society;

(b) the registered address of the society;

(c) the objects for which the society was established;

(d) the purposes to which the funds may be applied;

(e) the qualifications for membership, the terms of admission of members, and the mode of election;

(f) the nature and extent of the liability of members;

(g) the manner of raising funds, including the maximum rate of interest on deposits;

(h) the total number of members of the committee;

(i) the quorum of the committee; and

(j) such other matters relating to the operation and purposes of the society as the Registrar may approve;

(2) If the objects of the proposed society include the creation of funds to be lent to the members the proposed by-laws shall, in addition, contain provision in respect of the following matters-

(a) the occupation or residence of the members;

(b) the conditions on which loans may be made to members, including-

(i) the rate of interest, and

(ii) the maximum amount which may be lent to a member; and

(c) the consequences, if any, of default in the payment of any sum due on account of shares.

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

Amendment of by-laws

(2) Every resolution under paragraph (1) of this rule shall not be valid and effective unless it was taken by the assent of not less than three-fourths of the members present at the general meeting at which the resolution was proposed.

(3) Three copies of the amendment of the by-law shall be forwarded to the Registrar together with a certificate as in the form set out in the Third Schedule to these Rules.

Third Schedule

**51.** For the purposes of section 19 of the Act a copy of an entry in the book of a society may be certified by a certificate written at the foot of such copy, declaring that it is a true copy of such entry and that the book containing the entry is still in the custody of the society; such certificate being dated and signed by the Secretary and one member of the committee.

Copies of entries

**52.-(1)** Reference of a dispute to the Registrar for decision under the provisions of section 43 (1) of the Act may be made-

Reference of a dispute to the Registrar 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 rule shall be made by a statement in writing addressed to the Registrar. Such statement shall-

(a) be dated;

(b) specify the dispute;

(c) set out full particulars of the dispute; and

(d) be signed by the party making it.

**53.-(1)** Where, in pursuance of the provisions of section 43 (2)(b) of the Act, the Registrar decides to refer a dispute to arbitration, such decision shall be embodied in an order of reference under his hand.

Reference to arbitration by the Registrar

(2) Every order of reference under this rule shall-

(a) specify the name, surname, place of abode and occupation of the arbitrator;

(b) set out the dispute and full particulars thereof; and

(c) limit the time within which the award shall be forwarded by the arbitrator to the Registrar:

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

**54.-(1)** The proceedings before the arbitrator 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

(a) notice of the time and place at which the proceedings are to be held shall be given to the parties to the dispute, and such notice shall be a ten days notice;

(b) a record of the evidence adduced before the arbitrator shall be made, dated and signed by the arbitrator;

(c) documents produced as evidence before the arbitrator shall be marked, dated and initialled by the arbitrator and shall be attached to the file of the proceedings; and

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

(2) The award of the arbitrator shall-

(a) be in writing;

(b) be dated and signed by the arbitrator; 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 shall forward to the Registrar-

(a) the file of the proceedings; and

(b) the award.

**55.** Where, in pursuance of the provisions of section 43 (2)(a) of the Act, the Registrar exercises the power of deciding the 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 rule 54 shall apply *mutatis mutandis* to such proceedings.

Proceedings before the Registrar

**56.** The fees specified in the Fourth Schedule to these Rules shall be payable for

Fees

the matters to which they relate.

Fourth Schedule

FIRST SCHEDULE

(Rule 6(1))

APPLICATION FOR THE REGISTRATION OF A SOCIETY

*Made under the Co-operative Societies Act*

To the Registrar of Co-operative Societies,

Solomon Islands .

1. Application to register a society of liability is hereby made by the ten persons/registered societies whose names are subscribed below.

2. The name of the society is as

set forth in by-law No. of the by-laws of the society.

3. At a meeting of the society held at

on the day of 19, it was resolved to apply for registration as a society under the Act.

4. Accompanying this application are attached:

(a) a list of all members and the capital subscribed by each;

(b) the names and addresses of the committee and other officers of the society;

(c) three copies of the by-laws of the society.

5. All communications with the society should be addressed to

Dated this day of , 19 .

Signatures:

1.	2.	3.
4.	5.	6.



7.

8.

9.

10.

SECOND SCHEDULE

*(Rule 8(a))*

CERTIFICATION OF REGISTRATION

I hereby certify that I have this day registered the

as a co-operative society with liability under the above name with its  
address at in accordance with section 7 of the Co-operative Societies Act.

Dated this            day of            , 19    .

*Registrar of Co-operative Societies*

THIRD SCHEDULE

(Rule 50(3))

CERTIFICATE ACCOMPANYING AMENDMENT TO A SOCIETY'S BY-LAWS

We \_\_\_\_\_ (names)

Chairman and Secretary of the \_\_\_\_\_ hereby certify that-

(1) The enclosed amendment of the by-laws was made at a General Meeting held on

(2) That on that date there were \_\_\_\_\_ members of the society of whom \_\_\_\_\_ were present at the meeting.

(3) That \_\_\_\_\_ members voted for the amendment.

(4) That due notice of the meeting and the proposed amendment was issued to all members in accordance with the society's by-laws.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

*Chairman*

*Secretary*

#### FOURTH SCHEDULE

*(Rule 56)*

#### SCHEDULE OF FEES

					\$
For the registration of a society of which no member is a registered society	...	2.00			
For the registration of a society of which a member is a registered society	...	...	...	...	2.00

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## THE CO-OPERATIVE SOCIETIES RULES (EXEMPTION) RULES

LN 26/1979

### (Section 45)

[6th July 1979]

1. These Rules may be cited as the Co-operative Societies Rules (Exemption) Rules. Citation
2. With effect from 1st June 1979 that class of societies specified in the First Schedule are exempted from compliance with those Rules included in the Co-operative Societies Rules as are specified in the first column of the Second Schedule to the extent shown in respect thereof in the second column of that Schedule. Exemptions from Co-operative Societies Rules
3. The Registrar of Co-operative Societies shall make the necessary amendment to the By-laws of any registered society to which these Rules apply on receipt of the appropriate application from the Secretary to that society. Amendment of By-laws

### FIRST SCHEDULE

Co-operative Societies registered or entitled to be registered under section 5 of the Co-operative Societies Act all of whose members are themselves registered societies and bodies corporate (such societies being known as "secondary Co-operatives").

### SECOND SCHEDULE

Rule 19(1)	Extent of exemption dividend on share capital may be increased so as not to exceed ten <i>per centum per annum</i> as capital actually paid up.	Rule 19(1)
26	The By-laws of the society may specify such quorum for general meetings as the members shall determine.	
33	The committee of the society may hold meetings not less frequently than once every three months.	

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## EXEMPTION

### *(Section 47)*

The Solomon Islands Farmers and Producers Co-operative Association Limited is exempted from the requirements of section 5(1) as read with section 20 of the Act for the purposes of registration with effect from 19th January, 1990. LN 10/1990

## EXEMPTIONS

### *(Section 48)*

The provisions of subsection (1) of section 30 of the Act shall not apply to the Emu Harbour Co-operative Society in respect of the net profits made in the financial year ended on 30th September, 1960, or in respect of the net profits of the said Society made in subsequent years. LN 24/1961

Paragraph (1) of rule 19 of the Co-operative Societies Rules shall in its application to the Rafea and Kwalauna Sawmill Co-operative Society Limited be modified by replacing "five" by "twelve".

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