

CO-OPERATIVE SOCIETIES

SUBSIDIARY LEGISLATION

CO-OPERATIVE SOCIETIES RULES

Order 37 of 1987

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CO-OPERATIVE SOCIETIES RULES

To provide rules for Co-operative Societies.

INTERPRETATION

1. In this Order, unless the context otherwise requires-
"Act" means the Co-operative Societies Act Cap. 152;
"by-laws", "committee", "member", "registered society" and "registrar" shall have the meanings ascribed to them in the Act.

APPLICATIONS FOR REGISTRATION

2. (1) Every application for the registration of a society shall be made to the registrar and shall be in the forms as set out in Schedule 1.
(2) An application made under this rule shall be accompanied by 3 copies of the by-laws which the society proposes to adopt.

REGISTRATION

3. (1) Upon the registration of a society the registrar shall forward to the society, free of charge-
 - (a) a certificate of registration;
 - (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.

APPEAL AGAINST REFUSAL TO REGISTER SOCIETY OR AMENDMENT OF BY-LAWS

4. An appeal to the Minister under section 7 of the Act against the registrar's refusal to register a society or under rule 41 against refusal to register an amendment of by-laws shall be in writing and shall set out the grounds on which the appeal is made.

REGISTER OF CO-OPERATIVE SOCIETIES

5. (1) The registrar shall keep at his office a register to be called "the Register of Co-operative Societies" wherein shall be entered particulars relating to the registration of societies and their by-laws.
(2) All entries in the register shall be made by, or under the direction of the registrar and shall be signed by him.

The register shall be open to inspection by the public at all reasonable times free of charge.

ADDRESS OF SOCIETY

6. The secretary of a registered society shall notify the registrar of any change of address within 14 days of such change.

REGISTER OF MEMBERS AND BOOKS AND ACCOUNTS

7. (1) Every registered society shall keep a register to be called "the Register of Members" wherein shall be entered-
 - (a) the name and address 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;

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- (c) the date on which any member ceased to be member; and
 - (d) the nominee, if any, appointed under rule 9.
- (2) (a) Every registered society shall keep such accounts and records as the registrar may require;
- (b) The registrar may by order in writing direct any registered society to send any return which he may require in such form and within such time as may be specified in the order.

MEMBERSHIP

8. (1) The election and admission of members to a registered society, other than original members, shall be in such manner and on such conditions as the by-laws shall prescribe.
- (2) A member may withdraw from a registered society by giving notification in writing to the secretary:

Provided that such withdrawal shall be without prejudice to section 47 of the Act.

If a member acts in contravention of these rules or the by-laws of the registered society of which he is a member, or acts in any manner which is or may be detrimental to the interests of his 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 no less than 1 week before the meeting. Such expulsion shall be without prejudice to section 47 of the Act.

- (4) Any member who is disqualified for membership 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 of his liabilities under section 47 of the Act.

Any member who withdraws or is removed, or expelled, from any registered society shall be entitled to repayment by the society of any money paid by him towards the purchase of its shares subject to any provisions which may be contained in the by-laws.

- (6) No registered society shall fix any limit to the number of its members.

NOMINEES

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

- (2) No member of a registered society with share capital shall be entitled to appoint more than one nominee unless that member holds more than 1 share.

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

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

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 by-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.

DIVISION OF PROFITS

10. (1) No registered society shall pay a dividend if the rate of interest on loans granted by it to its members exceeds 12 per cent per annum.

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- (2) No registered society shall pay a dividend on share capital exceeding 6 per cent per annum on the capital actually paid up.

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

MAXIMUM LIABILITY

11. (1) Every registered society shall, from time to time, fix at a general meeting the maximum liability it may incur in loans or deposits whether from members or non-members.
- (2) The maximum liability so fixed shall be subject to the approval of the registrar. No registered society shall receive loans or deposits which will make its liability exceed the maximum liability approved for the time being by the registrar.

RIGHTS OF MEMBERSHIP

12. Unless otherwise provided in the by-laws of a registered society a member shall not exercise the rights of membership until he has paid up at least the value of 1 share.

GENERAL MEETING

13. (1) 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 26 and 27 of the Act each member shall have 1 vote only which shall be exercised in person and not by proxy.
- (2) The first general meeting of members shall have the same powers as are given to the annual general meeting, and shall be held not later than 1 month after the receipt of the certificate of registration of the society.

ANNUAL GENERAL MEETING

14. (1) The annual general meeting of members shall be convened by the committee not later than 1 month after the report on the audit of the accounts of the registered society by the registrar or a person authorised by him is received by the committee. At least 15 days' notice shall be given before any such general meeting is held.
- (2) The functions of the annual general meeting shall be-
- (a) to confirm the minutes of the previous annual general 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 determine the amounts of, and other matters relating to, the dividends or bonus, if any, to be paid out of the profits of the society;
 - (e) to elect members of the committee for the following year;
 - (f) to fix the allowances, if any, of the members of the committee;
 - (g) to consider the estimates of income and expenditure for the ensuing year;
 - (h) to fix the maximum liability which the society may incur in loans and deposits;
 - (i) to hear and decide upon any complaints brought by members aggrieved by a decision of the committee;
 - (j) to transact any other general business.

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SPECIAL GENERAL MEETING

15. (1) A special general meeting of members may be convened by the committee at any time after giving not less than 7 days' notice.
- (2) If required to do so in writing by not less than over one quarter of the members stating the object of the proposed meeting, the chairman of the committee shall convene a special general meeting giving not less than 15 days' notice thereof. The object of the meeting shall be set out in the notice.
- If the chairman of the committee fails within 14 days from the receipt of the requisition mentioned in subrule (2) to give notice of the meeting, the members applying for such a meeting may themselves 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.
- (4) The registrar or a person authorised by him may at any time convene a special general meeting of a registered society for such purpose, in such manner and at such time and place as he may direct.

QUORUM AT GENERAL MEETING

16. (1) Unless otherwise stated in the by-laws, one-third of the total number of members shall form a quorum for the purposes of any annual general meeting:
- Provided that when any special general meeting is convened by the registrar or a person authorised by him under rule 15(4) any members present at such meeting shall, if the registrar in his discretion shall so decide, form a quorum.
- (2) If within 1 hour after the time fixed for any meeting other than a meeting convened by the registrar, or a person authorised by him under rule 15(4), 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 or the members shall be notified in the customary manner within 1 week, and if at the adjourned meeting a quorum is not present within 1 hour from the time appointed for the meeting the members present shall form a quorum.
- Notwithstanding the provision in subrule (2), to adjourn a meeting on account of an insufficient quorum the registrar or a person duly authorised by him in that behalf may, if he is present at the meeting, decide that the meeting shall proceed as if a quorum were present.

CHAIRMAN OF GENERAL MEETING

17. 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:
- Provided that the registrar or a person appointed by him may preside at any meeting convened by himself.

VOTING AT GENERAL MEETING

18. (1) All questions submitted for decision at the general meeting, except where otherwise provided in the rules, or by-laws of a society, shall be decided by a majority of votes, and in the event of an equality of votes the person presiding at the meeting shall have a casting vote.
- (2) (a) A resolution put to the vote at any meeting shall be decided on a show of hands unless voting by call of names or a ballot is demanded by at least five members present and in such case voting by call of names or a ballot, as the case may be, shall be taken.
- (b) In respect of every resolution put to the vote the chairman shall declare whether it has been carried or lost, and whether unanimously or by a particular majority, and an entry to that effect shall be made in the minutes of the meeting.

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MINUTES OF GENERAL MEETING

19. (1) Minutes of every general meeting shall be entered in the minute book by the secretary as soon as possible after the meeting and signed by him. The chairman shall sign the minutes after their adoption at the next meeting.
- (2) The minutes shall contain:
 - (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 fixed for the meeting and the time the meeting commenced;
 - (c) the total number of members on the date on which the meeting was held; and
 - (d) all resolutions passed or decisions made at the meeting.

THE COMMITTEE

20. (1) The committee shall be elected at the annual general meeting, and shall consist of such number of members as the by-laws shall prescribe.
- (2) Unless otherwise stated in the by-laws the quorum for committee meetings shall be half the number of committee members.

Every committee member shall serve until the election of a new committee and shall be eligible for re-election; provided that a special general meeting convened for that purpose may remove from office the committee or any member or members thereof as the case may be, before the expiration of his or their term of office by a majority of three-fourths of the members present who shall proceed at the same meeting to the election of one or more committee members in their stead. The member so elected shall hold office until the election of a new committee at the next annual general meeting.
- (4) Unless otherwise provided in the by-laws the committee shall elect from amongst its members a chairman who shall not hold any other office in the society.

Notwithstanding the provisions of subrule (3), if a member of the committee dies or fails to attend 3 consecutive meetings of the committee without leave of absence or has other disabilities as stated in the by-laws, he shall be deemed to have vacated his office and the committee shall co-opt a member as provided in subrule (6).
- (6) If during the term of office of a committee a vacancy occurs, the committee may co-opt a member of the society to act on the committee until the next general meeting of the society.

FUNCTIONS AND POWERS OF COMMITTEE

21. (1) The committee shall be the executive authority of the society and, subject to the by-laws of the society, it shall manage the affairs of the society; it may bind the society in contract, borrow money on behalf of the society subject to the provisions of rule 11, and may institute, defend, and settle any legal proceedings on behalf of the society.
- (2) The committee shall have the power to write off bad debts subject to the approval of the registrar.

The duties of the committee shall include-

 - (a) meeting at least once a month to-
 - (i) approve the minutes of the previous committee meeting after making such amendments as may be necessary;
 - (ii) review matters arising out of the minutes of the previous meeting;
 - (iii) check the accounts, bank books and cash in hand;
 - (iv) receive and make decisions on reports submitted by officers and employees;
 - (v) consider and decide upon matters which affect the trade and finances of the society including the recovery of loans;
 - (vi) consider any other matters directly or indirectly affecting the society;

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- (b) compliance with the requirements of rule 35;
- (c) preparation and submission to the registrar of an estimate of income and expenditure for the ensuing year;
- (d) making available for inspection by any person entitled to see them the following-
 - (i) the balance sheet or a financial statement and a statement of the profit and loss referred to in rule 35;
 - (ii) the Register of Members; and
 - (iii) a list of officers of the society.
- (4) In the conduct of the affairs of a registered society the members of the committee shall exercise the prudence and diligence of ordinary men of business and shall be jointly and severally responsible for any loss sustained through any of their acts which are contrary to law, the by-laws of the society or the decisions of any general meeting.

MINUTES OF MEETINGS OF COMMITTEE

22. (1) Minutes of committee meetings shall be recorded in the minute book 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.
- (2) Minutes of previous committee meetings shall be approved at the next committee meeting, and shall be signed by the chairman or other presiding member at the meeting.

In the event of any legal proceedings the approved minutes shall be received and admitted as true record of the meeting to which they refer.

SECRETARY

23. The committee shall elect or otherwise appoint a secretary of the society and shall fix the terms and conditions of his service.

DUTIES OF SECRETARY

24. Unless otherwise provided for in the by-laws of a registered society, the duties of the secretary of a registered society shall, subject to rule 25 include-
- (a) the summoning of all meetings of the society and its committee;
 - (b) the attendance at all meetings of the society and its committee and the preparation of the minutes of such meetings;
 - (c) the preparation in a businesslike manner of financial statements and reports to the committee and the recording in a businesslike manner of all transactions and accounts of the society not otherwise provided for;
 - (d) the production of loan applications and a statement showing the loans due and unpaid, for determination by the committee as to the action to be taken in each case;
 - (e) the collection and receipt of all moneys payable to the society and the issue of receipts for such monies from a duplicate book, each receipt being numbered consecutively;
- the payment of all monies owing by the society and the obtaining of a receipt of such payments;
- the keeping in a businesslike manner of such books as may be required by the by-laws of the society and by ordinary business practice showing the receipts and payments of money received and paid under paragraphs (e) and (f);
- (h) the preparation in a businesslike manner of the annual accounts showing the income and expenditure, the profit and loss and the assets and liabilities of the society;

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the custody of all the books of accounts of the society;

the custody of all cash belonging to the society separate from any other monies in a safe, cash box or other place of society and the payments of such cash at the earliest opportunity into a bank approved by the registrar or in such other manner as the registrar may direct;

- (k) the production of any cash in hand, books of account or other documents to the committee or any person entitled by law to see them;

the conduct in a businesslike manner of the correspondence of the society;

the custody of the register of members of the society and the keeping of such register correct and up-to-date;

- (n) the acceptance of service of any legal documents which are addressed to the society;
- (o) any other duties which the by-laws or the committee of the society shall require him to do.

TREASURER

- 25. The committee may, and if required to do so by the by-laws of the registered society shall, appoint a treasurer from among the members of the society. The duties of the treasurer may include-

- (a) any duties transferred from those of the secretary listed in rule 24 paragraphs (c), (d), (e), (f), (g), (h), (i), (j) and (k);
- (b) any other duties which the by-laws or the committee of the society shall require him to carry out.

REGISTRAR MAY REQUIRE DISCHARGE OF OFFICE HOLDERS

- 26. (1) If the registrar is satisfied that any member of the committee or any officer of a registered society is, by reason of his conduct or otherwise, unfit to hold his office in the society, the registrar may require the society, explaining the reasons for his requisition, to discharge any such person from the office held by him.
- (2) If a requisition is made by the registrar under subrule (1) the committee shall give effect thereto notwithstanding anything to the contrary contained in these Rules or in the by-laws of the society.

APPLICATIONS FOR LOANS

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

APPROVAL OF LOANS

- 28. (1) The committee shall consider at a meeting every application for a loan and if the committee is satisfied with the standing of the applicant, the purpose for which the loan is required, the sufficiency of the security offered and the prospects of advantage to the borrower, by way of increased production or economy or otherwise, it may approve the loan.
- (2) No person, other than members of the committee and secretary and the registrar and his staff, shall be present at any meeting of the committee when an application for a loan is under consideration. 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. If there is a difference of opinion concerning the granting of a loan, the voting shall be taken by ballot. The proceedings with regards to loans at committee meetings shall be kept secret, and any member of the committee or officer of the registered society infringing this rule shall be liable to immediate expulsion or dismissal.

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DOCUMENTS RELATING TO LOANS

29. 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 the purpose for which the loans may be applied and such other terms and conditions as the committee may think fit.

RESTRICTIONS ON LOANS TO DEFAULTERS

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

EXTENSIONS OF TIME

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

MISAPPLICATION OF LOAN

32. Where the committee is satisfied that a member who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the notice under rule 29, the committee may, by notice in writing, demand payment of the loan before the agreed date of payment.

RECOVERY OF LOANS

33. Where-
- (a) a loan or an instalment of a loan has not been paid on the date on which it became due and no extension of time for the payment has been given to the debtor by the committee under rule 31; or
 - (b) the loan becomes immediately repayable under rule 32 or otherwise;
- the committee shall refer the matter to the registrar for action under section 49 of the Act.

MARKETING

34. (1) Every member of the society shall deliver to the society at such time and place as the committee shall direct such goods 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.
- (2) Any member who is held in accordance with the provisions of section 49 of the Act to be in breach of the by-laws or the relevant contract shall pay to the society as liquidated damages such sum which may be assessed in the manner prescribed by the by-laws or by the relevant contract or by the registrar under section 49 of the Act and such sum shall be a debt to the society.

PREPARATION OF ANNUAL ACCOUNTS AND REPORT

35. The committee shall in every year as soon as possible after the close of the financial year of the society but in any case not later than 3 months thereafter prepare or cause to prepare-
- (a) the annual balance sheet as at the date prescribed in the by-laws together with a detailed statement of the profit and loss account or a financial statement in a format prescribed by the registrar; and

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- (b) a report on the year's operations of the registered society to be presented to the annual general meeting;
and forward copies thereof to the registrar; and
- (c) send to the registrar an annual return in a form prescribed by the registrar.

ESTIMATE OF INCOME AND EXPENDITURE

36. (1) If so required by the registrar, the secretary shall in consultation with the committee prepare an estimate of income and expenditure for the following year and shall send the same to the registrar for his approval.
- (2) Without prejudice to the generality of the foregoing subrule, every estimate prepared under this rule shall include any proposed expenditure by the society in acquiring land, buildings, motor vehicles, plant and machinery.

No part of the funds of a registered society shall be used for the acquisition of land, buildings, motor vehicles, plant and machinery without prior approval of the general meeting of the society and of the registrar whose approval shall be in writing.

TRANSFER OF SHARES

37. (1) Any share in the capital of the registered society 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 admitted as a member in accordance with 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 1 share, the transferee must acquire the number of shares so required before the transfer can be registered.
- (2) No transfer of a share shall be valid unless and until such transfer has been registered by the secretary on the direction of the committee.
- (3) 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.

AUDIT OF ACCOUNTS

38. The accounts of every registered society shall be audited once at least 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.

STATUTORY RESERVE FUND

39. (1) The statutory reserve fund of a registered society, created in pursuance of the provisions of section 34 of the Act, may-
- (a) be utilised in the business of the registered society; or
 - (b) be applied to meet occasional deficiencies incurred by the registered society; or
 - (c) be invested:
- Provided, however, that the registrar shall have the power at any time to direct any registered society to deal with the reserve fund in any manner specified by him.
- (2) The statutory reserve fund shall be indivisible and no member shall be entitled to claim any specified share in it.

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CO-OPERATIVE DEVELOPMENT FUND

40. (1) There shall be established a fund to be known as the Co-operative Development Fund and every registered society shall, when called upon to do so by the registrar, make annually a contribution to such fund.

(2) The Co-operative Development Fund shall be held and administered by the registrar who shall fix the amount of annual contribution of every registered co-operative society called upon to contribute to the Fund. Such amount shall be subject to a maximum of 1 per cent of the aggregate of all sales or 10 per cent of the net profit, whichever is more, in the financial year preceeding that in which the contribution is required to be made:

Provided, however, that the annual contribution shall not in any case be less than VT1,000.

The Co-operative Development Fund shall be used at the discretion of the registrar for furthering co-operative education, training, research and audit, for assisting co-operative societies and for general development of the co-operative movement in Vanuatu.

(4) The registrar shall report in every year to the Minister responsible for co-operative societies on the operation of the Fund, the income derived from contributions, the expenditure he has approved from the Fund and of the balance in the Fund.

When a co-operative society has been registered with the whole of the Republic of Vanuatu as its area of operations and with objects which are substantially the same as those of the Co-operative Development Fund, the Minister may transfer to that society the balance to the credit of the Fund and any other assets of the Fund together with any or all the powers of the registrar under this rule on such terms and conditions as he deems fit, whereupon the registrar shall cease to exercise such powers as are so transferred.

AMENDMENTS OF BY-LAWS

41. (1) Where a registered society amends its by-laws, the amendment shall be made by a resolution of the members of the registered society at a general meeting.

(2) A resolution referred to in subrule (1) shall not be valid unless it was taken by a majority of not less than three-fourths of the members present at the general meeting at which the resolution was proposed.

(3) A copy of the resolution shall be forwarded to the registrar together with 3 copies of the amendment and a certificate signed by the chairman and the secretary of the meeting with regard to the number of persons present at the meeting and the number which voted in favour of the resolution.

(4) Any such amendment shall not take effect until it has been registered by the registrar.

COPIES OF ENTRIES

42. For the purposes of section 20 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 in the custody of the society: such certificate being dated and signed by the secretary and one member of the committee.

REFERENCE OF DISPUTES TO REGISTRAR

43. (1) Reference of a dispute to the registrar for decision under the provisions of section 51 of the Act may be made-

(a) by the committee; or

(b) by the registered society in pursuance of a resolution in that behalf taken in general meeting; or

(c) by any party to the dispute; or

(d) where the dispute concerns a member of the committee and the registered society, by any member of the society.

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

DETERMINATION OF DISPUTES

44. Determination of disputes under section 51 of the Act shall be carried out in accordance with the provisions and procedures set out in Schedule 3.

APPEAL

45. Every appeal to the registrar under section 51 of the Act from the award of an arbitrator shall be made within 30 days from the date of such award by a written statement setting out the grounds of appeal.

POWER TO RAISE FUNDS

46. A registered society may raise capital-
- (a) by the issue of shares to members;
 - (b) by loans and deposits from members and non-members subject to rule 11 and;
 - (c) by other lawful means:
- Provided, however, that any issue of debentures or the encumbering of the assets of the society by mortgage or otherwise shall require the prior written approval of the registrar.

TRANSACTIONS WITH NON-MEMBERS

47. The registrar may prohibit or restrict transactions of any registered society with persons other than members.

FEES

48. The fees specified in Schedule 2 shall be payable for the matters to which they relate.

CO-OPERATIVE SOCIETIES

[CAP. 152]

[Subsidiary]

SCHEDULE I

Form A

(rule 2)

APPLICATION FOR REGISTRATION

of a society of which no member is a registered society.

To the Registrar of Co-operative Societies:

We **the undersigned persons who are** of the age of not less than 18 years apply under section 5(2)(a) of the Co-operative Societies Act, Cap. 152 for the registration of

.....~name . of society)

which is a society of which no member is a registered society. We annex herewith 3 copies of the proposed by-laws of the society and a receipt for the payment of the prescribed fees.

Name

Age

Signature

1.

2.

3.

4.

5.

6.

7.

Date:

Address:

CAP. 152.]

CO-OPERATIVE SOCIETIES

[Subsidiary]

Form B

APPLICATION FOR REGISTRATION

of a society of which all members are registered societies.

To the Registrar of Co-operative Societies.

We, being persons duly authorised by registered co-operative societies, apply in accordance with section 5(2)(b) of the Co-operative Societies Act, Cap. 152 for the registration of

.....~name . of society)

which is a society of which all members are registered societies. We annex herewith 3 copies of the proposed by-laws of the society and a receipt for the payment of the prescribed fees.

*Name of authorising
society*

*Name of person
authorised*

*Signature of authorised
person*

.....

Date:

Address:

Note: Letters of authority from each authorising society should be annexed.

CO-OPERATIVE SOCIETIES

[CAP. 152.

[Subsidiary]

Form C

APPLICATION FOR REGISTRATION

of a society of which the membership consists of 1 or more registered societies and other members.

To the Registrar of Co-operative Societies.

We, being persons duly authorised by registered co-operative societies and other members of the age of not less than 18 years, apply under section 5(2)(c) of the Co-operative Societies Act, Cap. 152 for the registration of

.....name of society)

which is a society of which the membership consists of 1 or more registered societies and other members. We annex herewith 3 copies of the proposed by-laws of the society and a receipt for the payment of the prescribed fees.

*Name of authorising
society*

*Name of authorised
person*

*Signature of authorised
person*

Name of other member

Age

Signature

.....

.....

.....

.....

.....

.....

.....

Date:

Address:

Note: Letters of authority from each authorising society should be annexed.

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[Subsidiary]

CO-OPERATIVE SOCIETIES

SCHEDULE 2

(rule 48)

FEES

- | | | |
|----|---|---------|
| 1. | For the registration of a society of which no member is a registered society using Form A of Schedule 1. | VT400 |
| 2. | For the registration of a society of which all members are registered societies using Form B of Schedule 1. | VT2,000 |
| 3. | For the registration of a society of which the membership consists of 1 or more registered societies and other members, using Form C of Schedule 1. | VT2,400 |

CO-OPERATIVE SOCIETIES[CAP. 152]

[Subsidiary]

SCHEDULE 3

(rule 44)

PROVISIONS AND PROCEDURES FOR THE DETERMINATION OF DISPUTES

1. (1) Where, in pursuance of the provisions of section 51 of the Act, the registrar decides to refer a dispute to an arbitrator, such decision shall be embodied in an order of reference under his hand.
- (2) Every such order of reference shall-
 - (a) specify the name, place of abode and occupation of the arbitrator;
 - (b) set out the dispute and full particulars thereof or annex the original or a duplicate of the reference to the registrar; 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.

Where an arbitrator appointed by the registrar dies or refuses or neglects to act as arbitrator or becomes incapable of acting as such by reason of illness or otherwise, the registrar shall appoint another person as arbitrator in place of the person so dying or refusing or neglecting to act or becoming incapable by reason of illness or otherwise of acting as arbitrator.

2. The registrar may direct that the whole or any portion of the expenses which are likely to be incurred in determining the dispute be paid in advance as a deposit by the party in the position of the plaintiff. Such deposit shall be refunded less any costs recoverable from him.
3. Where a dispute concerning a sum of money payable by a committee member or other officer is referred to the registrar by any member of the registered society such member shall have the power to act on behalf of the society in execution proceedings and shall be entitled to payment by the society of any reasonable expenses incurred by him in that connection.
4. The proceedings before the arbitrator or before the registrar where he exercises the power of deciding a dispute himself, shall, as nearly as possible, be conducted in the same manner as proceedings before a court of law provided that no legal practitioner shall be allowed to represent either party. In particular the following provisions shall have effect in respect thereof-
 - (a) notice of the time and place at which the proceedings are to be held shall be given to the parties to the dispute, and such notice shall be not less than 10 days';
 - (b) in all such proceedings an arbitrator or the registrar shall have the power-
 - (i) to administer oaths;
 - (ii) to require the attendance of the parties and witnesses and to require the production of all necessary books and documents by a summons delivered orally or sent by hand or through the post under registered cover or through the nearest civil court having jurisdiction in the area in which the society carries on business; and
 - (iii) to order that the costs incurred in determining the dispute be paid out of the funds of the society or by such party or parties to the dispute as the arbitrator or registrar may think fit, and to include such costs in the award;

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[Subsidiary]

- (c) the registrar or the arbitrator shall hear the evidence of the parties to the dispute and their witnesses who attend, and upon that evidence and after consideration of any documentary evidence produced by either party shall give the decision or award, in accordance with justice, equity and good conscience;
 - (d) the award of the arbitrator or the registrar shall be in writing, dated and signed by the arbitrator or the registrar, as the case may be, and announced to the parties present;
 - (e) where any party to the dispute who is summoned does not attend, the dispute may be decided ex parte;
the award shall include the costs of the arbitration, if any, and shall state by which party or parties to the dispute they are to be paid;
a record of the evidence adduced before the arbitrator or the registrar shall be made, dated and signed by the arbitrator or the registrar, as the case may be;
 - (h) documents produced as exhibits shall be marked, dated and initialled by the arbitrator or the registrar, as the case may be, and shall be attached to the file of proceedings;
2 originals of the award shall be prepared and signed by the arbitrator or the registrar, as the case may be, and together with the proceedings, filed on record in the registrar's office;
1 original of the award shall be available for the purpose of execution proceedings to the party in whose favour the award has been made and a copy may be made available on request to the other party.
5. Every appeal against the award of an arbitrator shall be forwarded to the registrar with a sum of money computed according to a scale prescribed for the purpose by the registrar to be held in deposit pending the determination of the appeal. The sum so deposited shall be returned to the appellant after the disposal of the appeal unless the registrar is of the opinion that the appellant had no reasonable grounds to appeal in which case the sum so deposited shall be credited to the Co-operative Development Fund.
6. Where an appeal is made to the registrar the appellant shall forward a copy of the appeal to the other party.
7. The registrar shall give a hearing in person to the appellant. His decision in the appeal shall be communicated to both parties to the dispute and filed in the registrar's office.