

THE STATUTES OF THE REPUBLIC OF SINGAPORE

**CO-OPERATIVE SOCIETIES ACT
(CHAPTER 62)**

**Act
17 of 1979**

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Co-operative Societies Act

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An Act to make better provision for the registration and control of co-operative societies; to encourage co-operative development by the provision of services to co-operative societies and for matters connected therewith.

[1st January 1980]

PART I

PRELIMINARY

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

Inter-pretation. 2. In this Act, unless the context otherwise requires —
 “allowance” means the remuneration paid to the chairman, secretary or treasurer or other officer of a society in consideration of their voluntary services rendered to the society on a regular basis;
 “apex organisation” means an organisation established to facilitate the operations of all primary and secondary co-operative societies in Singapore;
 “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;
 “Central Co-operative Fund” means the fund established under section 71;
 “committee of management” means the governing body of a society which is responsible for the management of the affairs of the society;

“delegate” means —

- (a) a representative of a certain number of individual members of a primary society in which the general meeting of members is replaced by a meeting of delegates;
- (b) a representative of an institutional member who has been appointed to attend and who is entitled to vote; or
- (c) a representative of a society which is itself a member of another society, the meetings of which the representative has been elected or appointed to attend, and at which he is entitled to vote under the by-laws of that other society;

“dividend” means a portion of the net surplus of a society distributed among the members in proportion to the paid-up share capital or subscription capital held by them in the society;

“honorarium” means a portion of the net surplus of a society distributed among some or all of the members of the committee of management in consideration of their services which would not otherwise be remunerated;

“institutional member” means a society or a trade union;

“member” includes an individual person or institution qualifying for membership in a co-operative society, who or which join in the application for the registration of a society, and an individual person or institution admitted to membership after registration in accordance with this Act, the Rules and the by-laws;

“net surplus” means the remaining portion of the surplus after provisions have been made for the reserve fund and the Central Co-operative Fund;

“officer” includes a chairman, vice-chairman, director, secretary, assistant secretary, treasurer, assistant treasurer, member of committee of management, employee, internal auditor or other person empowered under this Act, the Rules or the by-laws, to give directives in regard to the business of a society or to supervise the business;

- “past officer”, in relation to any obligation imposed under this Act, means a person who at any time before the occurrence of the obligation was, or performed the duties of, an officer;
- “patronage refund” means a portion of the net surplus of a society distributed among its members in proportion to the volume of business done by them with the society from which the surplus of the society was derived;
- “primary society” means a registered society all of whose members are individual persons who, or institutions which, have the qualifications for membership set out in section 39;
- “registered” means registered under this Act;
- “Registrar” means the Registrar of Co-operative Societies and the Assistant Registrars of Co-operative Societies appointed under section 3, and includes a person exercising such powers of the Registrar as may have been conferred upon him under that section;
- “Rules” means rules made under this Act;
- “secondary society” means a registered society all of whose registered members are co-operative societies and trade unions and which has as its object the facilitation of the operations of primary societies;
- “share” includes subscriptions payable by a member under the by-laws of a society;
- “society” means a co-operative society registered under this Act and includes a primary society, secondary society and apex organisation;
- “subscription capital” means a regular obligatory savings deposit (made by members in accordance with the by-laws) which is intended to serve as guarantee capital for loans taken or guaranteed by a member and which may not be withdrawn except for such specific purposes and under such conditions as are laid down in the by-laws or except on a termination of membership;
- “surplus” means the economic results of a society as shown in the audited financial statements of that society after provisions have been made for

depreciation and bad debts but does not include, in the case of an insurance co-operative, that portion of the surplus used for declaration of bonus to policy-holders or retained in the insurance fund;
 “trade union” means a trade union registered under the Trade Unions Act.

Cap. 333.

3.—(1) The Minister may appoint a Registrar of Co-operative Societies, Assistant Registrars of Co-operative Societies and such other officers as he thinks necessary for the administration of this Act.

Appointment of Registrar and Assistant Registrars.

(2) The Registrar may, subject to the provisions of this Act and to any general or special directions of the Minister, delegate any of his functions under this Act to an Assistant Registrar or to a co-operative officer.

(3) The Registrar shall have a seal of such device as may be approved by the Minister.

PART II

FORMATION AND REGISTRATION OF SOCIETIES

- 4.—(1) Subject to the provisions of this Act, a society —
- (a) which has as its object the promotion of the economic interests of its members in accordance with co-operative principles;
 - (b) which, while having regard to the economic interests of its members in accordance with essential co-operative principles, has, as its object, the promotion of the economic interest of the public generally, or any section of the public; or
 - (c) which is a society established with the object of facilitating the operations of a society referred to in paragraphs (a) and (b),

Societies which may be registered.

may be registered as a co-operative society under this Act.

(2) Subject to section 102 (4), every society which is registered under subsection (1) shall have the organisational and management structure laid down in Part V unless the Registrar, on registration of the society, considers that an organisational and management structure in the form referred to in subsection (3) is necessary or desirable for that society and should be so provided for in its by-laws.

(3) The by-laws of a society referred to in subsection (2), or a society to which section 102 (4) applies, may provide for a governing body to be a board of trustees and a committee of management to be a board of directors but, save as aforesaid, the provisions of Part V shall apply to such societies in so far as they are practicable and not inconsistent with their by-laws, and to a board of directors of such societies, as they apply to a committee of management of any other society registered under this Act.

Conditions
of
registration.

5. No society shall be registered under this Act unless —
- (a) in the case of a primary society, it consists of at least 10 persons each of whom is qualified for membership under section 39; and
 - (b) in the case of a secondary society, it consists of two or more societies or trade unions qualifying for membership under section 39.

Name of
society.

- 6.—(1) No society shall be registered by a name which in the opinion of the Registrar is undesirable.
- (2) Every society shall have —
- (a) the word “co-operative” or its equivalent in the Malay, Chinese and Tamil languages as part of its name; and
 - (b) the word “limited” or its equivalent in the Malay, Chinese and Tamil languages at the end of its name.

Application
for
registration.

- 7.—(1) Every application for registration shall be submitted to the Registrar in the form prescribed in the First Schedule together with the information prescribed in the Second Schedule and shall be signed —
- (a) in the case of a proposed primary society, by at least 10 persons all of whom qualify for membership; and
 - (b) in the case of a proposed secondary society, by at least two persons duly authorised in that behalf by at least two societies qualifying for membership.
- (2) The application shall be accompanied by —
- (a) four copies of the proposed by-laws, signed by the applicants; and

- (b) the minutes of the preliminary meeting, signed by all persons present and willing to become members of the proposed society.

8. The Registrar may require applicants to furnish such additional information in regard to the proposed society as he thinks fit, including — Requirements before registration.

- (a) the economic or other need for the formation of the proposed society;
- (b) a statement as regards the viability of the activities of the proposed society;
- (c) the availability of sufficient capital for the commencement of operations; and
- (d) the availability of officers capable of directing and managing the affairs of the proposed society and of keeping such records and accounts of the society as the Registrar may require.

9.—(1) If the Registrar is satisfied that a society has complied with the provisions of this Act, that its proposed by-laws are not contrary to this Act and that the proposed undertaking of the society is likely to be viable, he shall register the society and its by-laws. Registration.

(2) In every case in which the Registrar refuses to register a society, he shall communicate his decision to the applicants.

(3) An appeal against the refusal of the Registrar to register a proposed society shall lie to the Minister within two months from the date of the refusal, and the decision of the Minister shall be final.

10. A certificate of registration signed and sealed 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

PRIVILEGES AND DUTIES OF SOCIETIES

11. A society on registration shall become a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to Societies to be bodies corporate.

hold movable and immovable property, to enter into contracts, to sue and be sued and to do all things necessary for the purposes of its constitution.

Acts of societies not to be invalidated by certain defects.

12. No act of a society or any committee of management or any officer shall be deemed to be invalid by reason only of the existence of any defect in the constitution of the society or of the committee of management or in the appointment or election of an officer or on the ground that the officer was disqualified for his appointment.

Power to federate.

13.—(1) Societies may form secondary societies and an apex organisation.

(2) The apex organisation, when formed and registered, shall provide, organise and supervise effective centralised services for co-operative education and training, supplies, marketing, banking, transport, accounting, audit and such other services as may be necessary for its members.

Power to make by-laws.

14.—(1) A society may, subject to the approval of the Registrar, make any by-laws that are necessary or desirable for the purposes for which the society is established.

(2) The by-laws of every society shall include provisions in respect of matters mentioned in the Third Schedule.

Amendment and registration of by-laws.

15.—(1) A society may, subject to this Act, amend its by-laws.

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

(3) No by-law or amendment to a by-law of a society shall be valid until it has been registered by the Registrar.

(4) No amendment of by-laws shall be registered unless —

(a) not less than 15 days' notice of the proposed amendment has been given to the Registrar; and

(b) a resolution to amend the by-laws is passed either —

(i) by not less than three-quarters of the members present and voting at a general meeting duly summoned; or

- (ii) if a referendum is held, by not less than three-quarters of the votes returned, provided that the voting papers have been sent to all members of the society and that the number of returned votes is not less than one-third of the total membership or 500, whichever is the less, and the returned votes are examined and counted under the supervision of the Registrar.

(5) Four copies of such amendment and resolution shall be submitted to the Registrar accompanied by an application for the registration of the amended by-laws. The application shall be signed by the chairman and two members of the committee of management and shall contain such information as the Registrar may require.

(6) The Registrar shall register a by-law or an amendment to a by-law if he is satisfied that it is not inconsistent with the provisions of this Act or the Rules.

(7) If the Registrar refuses to register a by-law or an amendment to a by-law, he shall record in writing the reasons for his refusal and shall inform the society of his decision.

(8) Where the Registrar refuses to register a by-law or an amendment to a by-law, an appeal shall lie to the Minister within two months of the Registrar informing the society under subsection (7) and the decision of the Minister shall be final.

(9) Where the Registrar registers a by-law or an amendment to a by-law, he shall send a copy of the by-law or the amendment thereto with a certificate of registration to the society.

16.—(1) The by-laws of a society shall, when registered, bind the society and the members thereof to the same extent as if they were signed by each member and contained covenants on the part of each member for himself and his personal representatives to observe all the provisions of the by-laws.

By-laws
to bind
members.

(2) A member of a society shall not, without his consent in writing having been first obtained, be bound by any

amendment of the society's by-laws registered after he became a member, if and so far as that amendment requires him to take or to subscribe for more shares than the number held by him at the date of registration of the amendment, or to pay upon the shares so held any sum exceeding the amount unpaid upon them at that date, or in any other way increases the liability of that member to contribute to the share, subscription or loan capital of the society.

(3) A dispute arising out of the interpretation of a by-law shall be referred to the Registrar for his decision and his decision shall be final.

Address of
society.

17.—(1) Every society shall have an address registered in accordance with this Act to which all notices and communications shall be sent.

(2) The address declared in the application for registration shall be registered as the registered address until changed.

(3) Every change of address shall be notified to the Registrar who will register the new address, and to any non-members who may be creditors of the society.

Register of
members
and shares.

18.—(1) Every society shall maintain a register of members, and where a society issues shares to its members, a register of shares held by each member.

(2) The register of members and shares shall be prima facie evidence of any of the following particulars entered therein:

- (a) the date on which the name of any person was entered in the register as a member;
- (b) the date on which any such person ceased to be a member; and
- (c) the number of shares held by a member.

Registration
of officers
of societies.

19.—(1) The names, occupations and addresses of all officers of every society and any changes thereof shall be notified to the Registrar who shall keep and maintain a register of officers of co-operative societies.

(2) Notice of any change shall be given in writing within 14 days.

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

Copy of this Act, Rules, by-laws and list of members open to inspection.

21.—(1) A 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 handicraft, agriculture, animal husbandry, fisheries or otherwise, may provide in its by-laws or may otherwise contract with its members —

Contracts with members.

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

(b) that a member who is proved or adjudged, in accordance with the provisions of this Act and in such manner as may be prescribed by the by-laws, 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 by-laws.

(2) The validity of a by-law made by a society or a contract entered into under this section shall not be affected by reason only that it constitutes a contract in restraint of trade.

22.—(1) The by-laws may provide for the imposition of fines on its members for any infringement of its by-laws, but no such fine shall be imposed upon any member until a written notice of the intention to impose the fine and the reason therefor has been served on him and he has had an opportunity of being heard or otherwise showing cause why the fine should not be imposed.

Imposition of fines upon members.

(2) No fine exceeding \$50 shall be imposed except with the written approval of the Registrar.

(3) Any such fine shall be recoverable by the society as a debt due to the society.

23.—(1) Subject to any other written law as to priority of debts, where a society has —

Creation of charges in favour of societies.

(a) supplied to a member or past member industrial implements or machinery or materials for manufacture or building, or seeds, fertiliser,

animals, feeding stuffs or agricultural implements;

- (b) rendered services to a member or past member; or
- (c) lent money to a member or past member to enable him to buy those things or to obtain those services,

the society shall have a first charge upon those things or, as the case may be, upon industrial or agricultural produce, animals or articles produced therewith or therefrom or with the aid of the money, except that nothing herein contained shall affect the claim of a bona fide purchaser or transferee without notice.

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

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

24. A society shall have a charge upon the share or interest in the capital and on the deposits of a member or past member or deceased member and upon a dividend or patronage refund payable to a member or past member or to the estate of a deceased member in respect of a debt due to the society from the member or past member or estate, and may set off a sum credited or payable to a member or past member or estate of a deceased member for the payment of any such debt.

Shares or interest not liable to attachment or sale.

25. Subject to section 24, the share or interest of a member in the capital of a society shall not be liable to attachment or sale under any decree or order of a court in respect of a debt or liability incurred by the member, and neither his assignee in insolvency nor a receiver duly appointed shall be entitled to, or have a claim on, that share or interest.

Transfer of shares or interest on death or permanent insanity of a member.

26.—(1) On the death of a member, a society may transfer the share or interest of the deceased member —

- (a) to the person nominated by the member in accordance with section 45;
- (b) if there is no person so nominated, to such person as may appear to the committee of management

of the society to be the legal personal representative of the deceased member; or

- (c) if either of those persons referred to in paragraphs (a) and (b) is not qualified under this Act or under the by-laws of the society for membership, to such other person who is so qualified, to be specified within 6 months after the death of the deceased member by the nominee or legal personal representative, as the case may be.

(2) A society may pay all other moneys due to the deceased member from the society to such nominee or legal personal representative, as the case may be.

(3) Where a member or person claiming through a member of a society is insane, and no committee of his estate or trustee of his property has been duly appointed, the society may, when it is proved to the satisfaction of the committee of management that it is just and expedient to do so, pay or transfer the share or interest of the member or the value of all other moneys due to the member from the society to a person whom they shall judge proper to receive the same on his behalf.

(4) The value of the share or interest of the deceased member or of the insane member or person claiming through a member shall be represented by the sum actually paid by the member to acquire the share or interest unless the by-laws provide the calculation thereof otherwise.

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

27.—(1) A society may receive deposits from or for the benefit of minors and it shall be lawful for a society to pay them the interest which may become due on the deposits. A deposit made by a minor may, together with the interest accrued thereon, be paid to that minor; and a 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 a 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.

Contracts with members of society who are minors.

28. The minority of a person duly admitted as a member of any society shall not preclude that person from executing any instrument or giving a discharge necessary to be given under this Act or the Rules, and shall not be a ground for invalidating or avoiding a contract entered into by any such person with the society, and the contract entered into by that person with the society, whether as principal or as surety, shall be enforceable at law or against that person notwithstanding his minority, except that this section shall not apply to school co-operatives.

Proof of entries in the books of society.

29.—(1) A copy of an entry in a book of a society, regularly kept in the course of business, shall be prima facie evidence in any legal proceedings, civil or criminal, of the existence of the entry and of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

(2) Such copy of an entry in the book of a society shall be certified by a written certificate at the foot of the copy, declaring that it is a true copy of the entry and that the book containing the entry is still in the custody of the society, the certificate being dated and signed by the chairman and the secretary of the society.

(3) No officer of any such society shall, in any legal proceedings to which the society or the liquidator of 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 witness to prove matters, transactions or accounts therein recorded, unless the court for special reasons so directs.

Government assistance.

30.—(1) The Registrar or any co-operative officer shall, at the request of any person interested in the organisation of a proposed society, furnish such information regarding co-operative principles, practices and management as will assist them in determining the feasibility of the society and facilitate registration.

(2) The Registrar or a co-operative officer shall provide, or cause to be provided, such inspection and technical or other information and advice, regarding the affairs of a society as may be necessary to assist its officers and members in complying with the provisions of this Act, and in

achieving the objects and purposes of the society on a co-operative basis.

(3) The Registrar may, upon request and upon an indication of the proposed objects or purposes, prepare such by-laws or amendments to by-laws as may be required for any society or proposed society.

(4) Where an apex organisation has been registered under this Act with objects which include the provision of education and advisory services relating to co-operative enterprises and development, the Registrar may request the apex organisation to furnish information regarding co-operative principles, practices and management referred to under subsection (1), or may arrange with the officers of the apex organisation to provide such technical or other information and advice regarding the management of a society which is a member of the apex organisation as may be necessary to assist the officers and members of the society in achieving its objects and purposes.

31. Every officer, agent, employee or member of a society who is required by the Registrar, or by a co-operative officer authorised in writing by the Registrar, to do so, shall, at such place and time as the Registrar or the co-operative officer may direct, produce all moneys, securities, books, accounts and documents belonging to or relating to the affairs of the society which are in the custody of the officer, agent, employee or member or which are under his control, and shall furnish such information relating to the affairs of the society as the Registrar or the person authorised by him may require.

Production of moneys and books of societies.

32. Every society shall submit to the Registrar the minutes of meetings and such information, returns and statements as may be called for under section 93 (b) and (c).

Submission of minutes, returns and statements.

33. Every society shall have its books and accounts audited by the Registrar or by some person (referred to in this Act as the auditor) authorised by him by general or special order in writing once at least in every year.

Audit of societies.

34.—(1) A society shall, as soon as practicable but not later than 6 months after the close of each financial year, submit to the Registrar an annual report on its activities during the year together with two certified true copies of the

Annual reports, accounts and financial statements.

audited financial statements of the society and the audit report for that year.

(2) The society shall keep proper accounts and records of its transactions and affairs and shall do all things necessary to ensure that all payments out of its moneys are correctly made and properly authorised and that adequate control is maintained over the assets of, or in custody of, the society and over the expenditure incurred by the society.

(3) The society shall, as soon as practicable but not later than 6 months after the close of the financial year, prepare and submit the financial statements in respect of that year to the auditor who shall audit and report on them.

(4) Notwithstanding subsection (3), the Registrar may, on application by a society, extend the period of 6 months referred to in that subsection, if for any special reason he thinks fit to do so.

Duties of
auditor.

35.—(1) The auditor shall inspect and audit the accounts and other relevant records of the society and shall forthwith draw the attention of the Registrar and the society to any irregularity disclosed by the inspection and audit that is, in the opinion of the auditor, of sufficient importance to justify his so doing. The financial statements submitted by the society after the close of the financial year shall be audited and reported on by the auditor.

(2) The auditor shall report —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the society; and
- (b) such other matters arising from the audit as he considers should be reported.

(3) The auditor shall state in his report whether —

- (a) proper accounting and other records have been kept; and
- (b) the receipt, expenditure and investment of moneys and the acquisition and disposal of assets by the society during the year have been in accordance with the by-laws and the provisions of this Act and the Rules.

(4) The auditor may at any other time report to the Registrar and the society upon any matters arising out of the performance of the audit.

(5) The audit of the accounts of a registered society shall include an examination of and report on overdue debts, if any, and an examination of and report on the valuation of the assets and liabilities of the society.

36. An auditor authorised by the Registrar under section 33 shall have the same powers as are conferred upon the Registrar under section 78. Powers of auditor on audit matters.

37. Every society shall be liable to pay such audit fees as the Registrar may prescribe or approve. Audit fees.

PART IV

RIGHTS AND LIABILITIES OF MEMBERS

38. The persons who sign an application for the registration of a proposed society or a society or trade union on whose behalf the application for the registration of a proposed society is signed shall be deemed to have agreed to become members of the society and, on registration of the society, shall be entered in the register of members. Original members.

39.—(1) The qualifications for membership in a primary society shall be — Qualifications for membership.

- (a) in the case of an individual person, that he —
- (i) shall have attained the age of 18 years and in the case of a school co-operative shall have attained the age of 12 years;
 - (ii) shall be a citizen of Singapore or resident in Singapore; and
 - (iii) meets such other requirements with regard to residence, employment, profession, etc., as prescribed by the by-laws, except that no person shall be admitted to membership who is legally or mentally disabled or who is a bankrupt or against whom a conviction stands for an offence punishable with imprisonment; and
- (b) in the case of an institution, that it is registered as a society under this Act or is a trade union.

(2) Membership in a secondary society shall be restricted to registered co-operative societies and trade unions.

(3) Membership in an apex organisation shall be restricted to primary and secondary societies registered under this Act.

(4) A member who may at any time be found to be disqualified for any of the reasons mentioned in this section shall cease to be a member of the society.

Members not to exercise rights until due payment made.

40. No member of a society shall exercise any of the rights of a member unless he has made such payment to the society in respect of membership, or has acquired such shares or interest in the society, as may be prescribed under this Act or by the by-laws.

Restriction of membership.

41. Except with the consent of the Registrar, no society whose primary object is to grant loans to its members shall admit as a member any person who is already a member of another society with a similar primary object.

Votes of members.

42.—(1) Each individual member of a primary society shall have only one vote in the affairs of the society, irrespective of the number of shares he holds and that vote shall be exercised in person and not by proxy.

(2) Each institutional member of a primary society shall have such number of votes and such voting powers as are provided by the by-laws.

(3) In a secondary society or in the apex organisation, each member shall have as many votes as may be provided by the by-laws of the secondary society or the apex organisation.

Restriction on share-holding.

43. No member, other than a society or trade union, shall hold more than 20% of the share capital of any society.

Restriction on transfer of shares or interest.

44.—(1) The transfer or charge of the share or interest of a member or past member or deceased member in the capital of a society shall be subject to such conditions as to maximum holding as are laid down in section 43.

(2) No member of a society shall transfer any share held by him or his interest in the capital of the society or any part thereof unless —

(a) he has held that share or interest for not less than one year; and

- (b) the transfer or charge is in favour of the society, a member of the society or a person or a trade union whose application for membership has been accepted by the committee of management of the society.

45.—(1) A member of a society may in writing nominate a person in the presence of at least two witnesses, to whom on the death of the member the society may transfer the share or interest. Nomination.

(2) Every society shall keep a register of all persons so nominated.

46.—(1) Notwithstanding the provisions of any by-laws, the liability of a member, present or past, of a society shall extend to the nominal value of any shares held or subscribed for by him. Liability of a member limited by shares or by guarantee.

(2) Where in the by-laws of a society the amount of the liability of a member is expressed to be greater than the nominal value of any shares held or subscribed for by him, then the liability of the member shall extend to such greater amount.

47.—(1) The liability of a past member for the debts of a society, within the limitations of section 46, as they existed on the date on which he ceased to be a member shall not continue for a period of more than two years reckoned from that date. Liability of past member and of the estate of deceased member for debts of society.

(2) The estate of a deceased member, who is not a past member to whom subsection (1) applies, shall not be liable for debts of the society as they existed on the date of his death for a period of more than two years reckoned from the date of his death.

48. A member may withdraw from a society subject to such conditions and by giving to the society such notice as the by-laws may prescribe, except that in the case of a primary society the notice shall not exceed one year and in the case of a secondary society or the apex organisation the notice shall not exceed two years. Right of member to withdraw from society.

49.—(1) A member who contravenes any of the provisions of this Act or the Rules or the by-laws or acts in any way Expulsion of member.

detrimental to the interests of the society may be expelled by a vote of not less than two-thirds of the members present and voting at a general meeting upon a charge of which he is informed in writing by the committee of management at least one week before the meeting.

(2) A society may in its by-laws provide for a different procedure of expulsion of members, but such by-laws shall provide for a reasonable opportunity to be given to a member to be expelled to show cause why he should not be expelled.

PART V

ORGANISATION AND MANAGEMENT OF SOCIETIES

General
meeting.

50. The supreme authority of a society shall be vested in the general meeting of its members, at which every member has a right to attend and to vote.

Meeting of
delegates.

51.—(1) Notwithstanding section 50, if a primary society has more than 3,000 members, the general meeting of members may be replaced by a meeting of delegates, each delegate representing a certain number of individual members. All provisions of this Act referring to general meetings of members shall include a reference to meetings of delegates.

(2) Every individual person who is a member of a society may be eligible for election as a delegate.

(3) The meeting of delegates shall consist of not less than 20 delegates, elected from among the members. The delegates may not vote by proxy.

(4) The society shall make by-laws specifying the method by which the delegates are elected and the number of individual members represented by each delegate and the term of office of the delegates.

(5) The Registrar may, on application by a primary society with less than 3,000 members, allow the society to replace the general meeting of members by a meeting of delegates, if for any special reason he thinks fit to do so.

First
meeting.

52.—(1) Every society shall within 3 months after receipt of the certificate of registration, unless the time is extended by the Registrar, hold a first meeting of its members.

(2) The business of the first meeting shall include the election of officers who shall serve until the first annual general meeting and shall be eligible for re-election.

53.—(1) Every society shall provide in its by-laws for an annual general meeting to be convened by the committee of management and to be held as soon as practicable, but not later than 6 months after the end of the financial year, unless the approval of the Registrar has, within that period of 6 months, been obtained to extend that period, and may also provide for other general meetings.

Annual
general
meeting.

(2) Unless the by-laws otherwise provide, a notice of every general meeting shall be sent to each member or delegate entitled to attend the meeting at least 15 clear days prior to the date of the meeting. The notice shall state the matters for discussion and the resolutions to be proposed and no other subject shall be discussed without the consent of the majority of the members present and voting at the general meeting.

54. The functions of the annual general meeting of a society are —

Functions
of annual
general
meeting.

- (a) to consider and confirm the minutes of the last annual general meeting and of any other intervening general meeting;
- (b) to consider the auditor's report, the reports of the committee of management and any report made by the Registrar or his representative;
- (c) to approve the financial statements;
- (d) to consider and resolve the manner in which any available net surplus shall be distributed or invested subject to the provisions of this Act and the by-laws;
- (e) to consider and adopt any amendments to the by-laws;
- (f) to elect members of the committee of management;
- (g) to appoint, where necessary, the auditors of the society;
- (h) to consider and determine the maximum amount the society may borrow; and
- (i) to transact any other general business of the society of which due notice has been given to members.

Extra-ordinary general meeting.

55.—(1) An extraordinary general meeting of a society may be convened at any time by the committee of management of the society, except that at least 7 clear days', and in the case of a proposed amendment to by-laws at least 15 clear days', written notice of the meeting and of the subjects on the agenda for discussion have been sent to each member or delegate, as the case may be, or given as provided in the by-laws.

(2) An extraordinary general meeting of a society shall be convened by the committee of management on receipt of a requisition for such a meeting signed by at least 20% or 100 of the members or delegates of the society, whichever is the less, stating the objects of the meeting.

(3) If the committee of management fails to convene a meeting in accordance with subsection (2) within one month of receiving the requisition for the meeting, the members making the requisition shall have power to convene the meeting themselves by notice to all members of the society stating the objects of the meeting and the fact that the committee of management has failed to convene the meeting.

(4) The Registrar or his representative may at any time convene a special general meeting of a society and may also direct what matters shall be discussed at the meeting.

Quorum at general meeting.

56.—(1) No business shall be transacted at any general meeting unless a quorum of members or delegates is present. The quorum necessary for such transaction shall be 20% or 50 of all members or delegates qualified to vote, whichever is the less.

(2) If, within 30 minutes after the time fixed for a general meeting, the members or delegates present are not sufficient to form a quorum, the meeting shall be considered as dissolved if convened on the requisition of the members or delegates; in all other cases it shall be postponed to a date at least 7 days and not more than 14 days later, at the same time and place, and the business to be transacted at the postponed meeting shall be the same as, and no other than, that proposed for the original date of the meeting; and if at the postponed meeting a quorum is not present within 30 minutes from the time fixed for the meeting, the members or delegates present shall form a quorum, except that a

general meeting with such reduced quorum shall not have the power to amend the by-laws and that any resolution passed at the meeting shall not be valid unless it is passed with a majority of two-thirds of the members or delegates present.

57.—(1) Subject to this Act or in the by-laws, a question referred to the members or delegates present at a general meeting shall be decided by a majority of votes. Voting at general meeting.

(2) In the case of an equality of votes, the motion shall be held to be lost. The chairman shall have no casting vote.

(3) In the case of election of officers, voting shall be by secret ballot.

(4) Where it is provided in this Act or in the by-laws that a resolution shall be passed by not less than a prescribed majority of the members present and voting at a general meeting and where the members consist of individual persons and institutions with different voting powers as laid down in the by-laws, the resolution shall be deemed to be passed if not less than the prescribed majority of the total number of votes at the disposal of the members are cast in favour of the resolution.

58.—(1) Minutes of the general meeting shall be entered in the minute book and shall contain — Minutes of general meeting.

(a) the number of members or delegates present at the meeting and the name of the chairman who presided;

(b) the time the meeting commenced and ended; and

(c) all resolutions and decisions made at the meeting.

(2) The minutes of each meeting shall be read or shall be taken as read if previously circulated at the next meeting and, if confirmed or after amendment, signed by the chairman of that meeting and the secretary, and when so signed shall be evidence of anything contained therein.

59.—(1) Every society shall have a committee of management consisting of not less than 5 and not more than 30 members which number shall include the chairman, vice-chairman, secretary and treasurer, who shall be elected by the members of the committee of management from Constitution of committee of management.

among themselves, except that the committee of management may be empowered under the by-laws to appoint a secretary and a treasurer or a secretary or a treasurer from among the employees of the society who, in that case, shall not be a member of the committee of management but shall have the right and the duty to attend all meetings of the committee of management.

(2) The election, appointment, term of office, suspension or removal of the members of the committee of management shall be as provided under the by-laws of the society.

(3) If, during the term of office of a committee of management, a vacancy occurs in the committee, the committee may, and if the number of members falls below 5 shall, co-opt a member of the society to serve on the committee of management until the next general meeting of the society.

Eligibility
for membership
of committee
of management.

60. No person shall be eligible for membership of the committee of management of a society or remain a member of the committee if —

- (a) he is under 21 years of age, except in the case of a school co-operative society;
- (b) he is not a citizen of Singapore except with the approval of the Registrar;
- (c) he is an undischarged bankrupt;
- (d) he has been convicted of an offence involving dishonesty or moral turpitude and has been sentenced to imprisonment;
- (e) he has been convicted of an offence under this Act;
- (f) he has been dismissed as an employee of a society;
or
- (g) he has been found to have previously misused or mismanaged the funds of a society.

Functions
of committee
of management.

61.—(1) The committee of management shall represent the society before all competent public authorities and in all dealings and transactions with third persons, with power to institute or defend suits brought in the name of or against the society and, in general, direct and supervise the business and property of the society and shall exercise all the necessary powers to ensure the full and proper

administration and management of the affairs of the society, except those powers reserved for the general meeting of members and subject to any restrictions duly laid down in a general meeting or in the by-laws.

(2) Without limiting the generality of subsection (1), the functions of the committee of management are —

- (a) to consider and approve or reject applications for membership of the society;
- (b) to call for and regularly examine reports from persons employed by the society which will disclose the true position of the society, its operations and financial conditions;
- (c) to appoint sub-committees;
- (d) to keep members informed of the progress of the society and encourage interest and a sense of ownership on the part of the members;
- (e) to prepare and present to the annual general meeting of the society a proposal for the distribution of any net surplus accrued during the preceding financial year, in accordance with this Act and the by-laws;
- (f) to make a report to the annual general meeting of the work of the committee of management during the preceding financial year with such recommendations as it considers necessary to maintain or improve the services provided by the society to its members; and
- (g) to consider and take immediate action on matters reported by the Registrar or the auditor.

(3) A full and correct record shall be kept of all proceedings of the committee of management in carrying out its duties, and the records shall be available for inspection by the Registrar and by the auditor.

(4) The committee of management may appoint, on such terms and conditions as it thinks fit, a manager to administer and manage the affairs of the society and may employ such other persons as the committee considers necessary to assist the manager in the discharge of his duties.

62.—(1) The committee shall meet as often as the business of the society may require and in any case not less frequently than once in every 3 months.

Meetings of
committee
of manage-
ment.

(2) The quorum for a meeting of the committee of management shall be half of the number of its members.

(3) Decisions shall be taken on a simple majority of votes and the chairman shall have no casting vote.

(4) Minutes of committee meetings shall be recorded by the secretary in the minute book and shall include —

- (a) the number and names of those present;
- (b) the name of the chairman of the meeting; and
- (c) a brief record of business done and decisions taken including whether each decision was taken unanimously or by a majority.

Liability
of members
of com-
mittee of
management.

63.—(1) In the conduct of the affairs of a society, the members of the committee of management shall exercise the prudence and diligence of ordinary men of business and shall be jointly and severally liable for any loss sustained through failure to exercise such prudence and diligence or through any act which is contrary to the provisions of this Act or the Rules, the by-laws or the directions of a general meeting.

(2) Where the committee of management has appointed a person as a manager to administer and manage the affairs of the society, the appointment shall not absolve the committee from its responsibility for the proper direction of the affairs of the society.

Restrictions
relating to
honoraria,
etc., of
members of
committee
of manage-
ment.

64.—(1) A member of a committee of management may receive an honorarium or, if he is an honorary secretary or treasurer, an allowance from the society, provided that the payment of an honorarium or allowance has to be authorised by a resolution to that effect passed by a general meeting of the society, and the amount of the honorarium and allowance shall not exceed a sum to be fixed from time to time by the Registrar.

(2) An officer who is in receipt of an allowance shall not be entitled to receive an honorarium as a member of the committee of management.

Officers of
society.

65.—(1) Every society shall have a chairman and a vice-chairman elected by the committee of management from among its members.

(2) The committee of management shall elect a secretary and a treasurer from among its members, except that where a committee of management appoints a person as a full-time manager, all or any duties of the secretary or treasurer, or both may be delegated to the manager and where all duties of the secretary or treasurer, or both are so delegated the society may operate without electing a secretary or a treasurer, or both.

(3) The offices of secretary and treasurer may be held by one and the same person.

(4) The duties of the chairman, secretary, treasurer and manager shall be as provided in the Rules and the by-laws.

PART VI

PROPERTY AND FUNDS OF SOCIETIES

66.—(1) The capital of a society shall be raised by all or any of the following means: Capital.

- (a) entrance fees which shall not be refundable except in cases where an application for membership has been rejected;
- (b) shares subscribed and paid up by members, of which a minimum number prescribed in the by-laws shall only be withdrawable after termination of membership, while shares subscribed in excess of this minimum contribution may be withdrawable and transferable, or either withdrawable or transferable, subject to the provisions of this Act and to any limitation laid down in the by-laws;
- (c) in the case of societies which have as their object the promoting of thrift among their members and the creating of a source of credit for their members, subscription capital;
- (d) voluntary savings deposits from members which shall be withdrawable subject to conditions laid down in the by-laws;
- (e) deposits or loans from non-members subject to such restrictions as are laid down in this Act and in the by-laws;
- (f) surplus carried to the reserve fund which shall be indivisible social capital of the society; and

(g) donations made by third persons except that no donations from any foreign source, whether offered directly or otherwise, shall be received by a society without the prior approval of the Registrar.

(2) The issue of bonds or debentures by a society shall be subject to the approval of the Registrar.

Restrictions
on loans.

67.—(1) A society shall not make a loan or allow any credit to any person other than a member, except that, with the written consent of the Registrar, a society may make loans to another society.

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

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

Cap. 19.
Cap. 142.

(4) This section shall not apply to a society that is required to lend its funds or grant credit facilities in accordance with the Banking Act, the Insurance Act or any other written law that controls the lending activities or granting of credit facilities by the society.

Restrictions
on
borrowing.

68.—(1) A society may receive deposits and loans from persons who are not members only to such extent and under such conditions as may be prescribed by its by-laws. For the purpose of this section, deposit of money under a hire-purchase agreement shall be deemed to be a loan.

(2) A society which under its by-laws has power to borrow money shall determine from time to time at a general meeting, the maximum liability which it may incur in loans or deposits from members and non-members and shall notify the Registrar of the maximum so fixed.

(3) The maximum so fixed shall be subject to the approval of the Registrar who may, at any time, reduce the maximum or impose such conditions as he thinks necessary and his decision shall be final.

- 69.**—(1) A society may invest or deposit its funds — Investment
of funds.
- (a) in the Post Office Savings Bank;
 - (b) in such investments and securities as are for the time being authorised for the investment of trust funds;
 - (c) with any bank registered under the Banking Act; Cap. 19.
 - (d) in the shares of any other society approved for this purpose by the Registrar;
 - (e) in the purchase or leasing of land or buildings or in the construction of buildings necessary for the conduct of its business and the welfare of the co-operative movement, with the previous sanction of the Registrar; or
 - (f) in such other manner as may be approved in writing by the Registrar, either generally or in any particular case.

(2) This section shall not apply to a society that is required to invest or deposit its funds in accordance with the Banking Act, the Insurance Act or any other written law that controls the investment or deposit activities of the society. Cap. 142.

70.—(1) Every society which derives a surplus from its transactions shall maintain a reserve fund which shall be used in such manner as may be prescribed in the Rules. Reserve
Fund.

(2) The reserve fund shall be kept in the form of liquid assets.

(3) Every society shall pay into the reserve fund at least 20% of the surplus resulting from the operations of the society during the financial year, provided that when the reserve fund has reached an amount that is equal to 10% of its paid-up share capital or subscription capital, the society may carry 5% of its surplus to the reserve fund.

(4) The reserve fund shall be indivisible and no member shall be entitled to claim a specific share of it.

(5) The requirement of this section in relation to the maintenance of a reserve fund by a society shall not apply to a society that is required to maintain a reserve fund, or any fund by whatever name called having a purpose similar to a

Cap. 19.
Cap. 142.

reserve fund pursuant to the Banking Act, the Insurance Act or any other written law.

Central
Co-operative
Fund.

71.—(1) There shall be established a fund to be known as the Central Co-operative Fund to which every society shall contribute 5% of the surplus resulting from the operations of the society during the preceding financial year except that the Minister may specify, from time to time in any particular case, the maximum amount not exceeding 5% of the surplus that a society is liable to contribute.

(2) Notwithstanding subsection (1), the Minister may at any time reduce the percentage of the surplus that every society is liable to contribute to the Central Co-operative Fund so long as the difference between the reduced percentage and the amount that the society would have been liable to contribute under subsection (1) shall be carried to the reserve fund.

(3) The requirement to transfer the difference referred to in subsection (2) shall not apply to a society that is required to maintain a reserve fund or any fund by whatever name called having a purpose similar to a reserve fund pursuant to the Banking Act, the Insurance Act or any other written law.

(4) The Central Co-operative Fund shall be used to further co-operative education, training, research, audit and for the general development of the co-operative movement in Singapore.

(5) The Central Co-operative Fund shall be administered as a trust fund in such a manner as the Minister may prescribe in the Rules.

Distribution
of net
surplus.

72.—(1) The remainder of the surplus resulting from the operations of the society during the preceding financial year after contributions made to the reserve fund and to the Central Co-operative Fund in accordance with sections 70 and 71 respectively may be divided among the members by way of dividend or patronage refund or by way of honoraria to officers of the society, or allocated to any other funds constituted by the society to such extent and under such conditions as may be prescribed under this Act or in the by-laws.

(2) No society shall pay a dividend on paid-up share capital or subscription capital exceeding a maximum rate to be determined by the Minister from time to time in the Rules.

(3) A society may apply an amount not exceeding 10% of the annual net surplus for a charitable purpose.

73.—(1) A society may distribute a part of its net surplus among its members in the form of bonus certificates or bonus shares. Bonus certificates and bonus shares.

(2) In the case of bonus certificates, the members holding the certificates shall only be entitled to claim payment out of the society's funds after 5 years from the date when the bonus certificates were issued. No interest or dividend shall be paid on the bonus certificates.

(3) In the case of bonus shares, shares shall be issued to members who shall be entitled to withdraw or transfer the shares only after 10 years from the date when the bonus shares were issued.

(4) The reference to a "member" in subsections (2) and (3) shall include a person who has resigned as a member.

PART VII

AMALGAMATION AND TRANSFER

74.—(1) Any two or more societies may, at extraordinary general meetings specially called for the purpose after due notice, resolve to amalgamate into one society. Amalgamation of societies.

(2) The resolution to amalgamate into one society shall be passed at the extraordinary general meetings by not less than three-quarters of the members present and voting.

(3) Whenever an amalgamation involves the transfer of liabilities by one society to another society, 3 months' notice of the amalgamation shall be given to all creditors of the amalgamating societies.

(4) Creditors of any of the amalgamating societies shall be entitled to a refund of any sum due to them if they make a written demand to this effect at least one month before the date fixed for the amalgamation, but if the amalgamating societies can obtain the prior agreement in writing of not less than three-quarters in value of the creditors not to make

a demand for such a refund, then, in that event, the agreement shall be binding on all the creditors.

(5) A member of the amalgamating societies may, notwithstanding any by-law to the contrary, by notice in writing given to his society at least one month before the date specified as the date of amalgamation declare his intention not to become a member of the amalgamated society.

(6) If the Registrar is satisfied that —

- (a) the proposed amalgamation is not against the interests of the members of the societies proposing the amalgamation;
- (b) the proposed by-laws of the proposed amalgamated society are in accordance with the provisions of this Act; and
- (c) all requirements laid down in subsections (1), (2) and (3) have been complied with,

he shall register the amalgamated society and its by-laws and thereupon —

- (i) the registration of all the amalgamating societies shall be cancelled, and the amalgamating societies shall be dissolved;
- (ii) the registration of the amalgamated society shall be a sufficient conveyance to vest the assets and liabilities of the amalgamating societies in the amalgamated society;
- (iii) the remaining members of the amalgamating societies shall become members of the amalgamated society subject to its by-laws; and
- (iv) the creditors of the amalgamating societies or any other persons who have claims against the amalgamating societies, and whose claims were not satisfied before the registration of the amalgamated society may pursue their claims or causes of action against the amalgamated society.

Transfer of
societies.

75.—(1) A society may at any extraordinary general meeting specially called for the purpose after due notice, resolve to transfer its assets and liabilities to another society which is prepared to accept them (referred to in this Act as the receiving society).

(2) The resolution to transfer the assets and liabilities to a receiving society has to be passed at the extraordinary general meeting of the transferring society by not less than 75% of the members present and voting.

(3) Wherever the transfer of assets and liabilities involves the transfer of liabilities by the transferring society to the receiving society, 3 months' notice of the transfer shall be given to all creditors of the transferring society.

(4) Creditors of the transferring society shall be entitled to a refund of any sum due to them if they make a written demand to this effect at least one month before the date fixed for the transfer.

(5) A member of the transferring society may, notwithstanding any by-law to the contrary, by notice in writing given to his society at least one month before the date specified as the date of transfer declare his intention not to become a member of the receiving society.

(6) Where the Registrar is satisfied that —

- (a) the proposed transfer is not against the interests of members of the transferring society; and
- (b) all requirements laid down in subsections (1), (2) and (3) are complied with,

he may approve the transfer and thereupon —

- (i) the registration of the transferring society shall be cancelled and the transferring society shall be dissolved;
- (ii) the approved resolution in accordance with subsection (2) shall be a sufficient conveyance to vest the assets and liabilities of the transferring society in the receiving society;
- (iii) the remaining members of the transferring society shall become members of the receiving society, subject to its by-laws; and
- (iv) the creditors of the transferring society or any other person, who have claims against the transferring society and whose claims were not satisfied before the approval of transfer by the Registrar, may pursue their claims or course of action against the receiving society.

PART VIII

DUTIES AND POWERS OF REGISTRAR

Assistance
in organisa-
tion of
co-operatives
and technical
advice.

76.—(1) The Registrar shall provide the services of co-operative officers to give such assistance and technical advice in the formation, organisation and operation of societies as will enable them to comply with the provisions of this Act.

(2) The Registrar may delegate his functions referred to in subsection (1), partly or totally, to a co-operative apex organisation.

(3) Where the Registrar is satisfied that a substantial number of members of a society are unacquainted with the English language, he shall cause the society to translate its by-laws into a language with which its members are acquainted, except that on any matter of interpretation the English version of the by-laws shall prevail.

Power of
Registrar
to inspect
books of
societies.

77. The Registrar, or any person authorised by him in writing on his behalf, shall at all reasonable times have access to all books, accounts, papers and securities of a society and every officer, agent, employee or member of the society shall furnish such information in regard to the transactions and working of the society as the person making the inspection may require.

Power of
Registrar
to audit
accounts of
societies.

78.—(1) The Registrar shall audit or cause to be audited the accounts of every society in accordance with sections 33 and 35.

(2) The Registrar or the auditor approved by him under section 33 or a person authorised by such auditor shall have power —

- (a) to have at all reasonable times free access to all accounting and other records relating directly or indirectly to financial transactions of the society;
- (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 its officer, agent, employee or member in possession of the book, document, cash or securities;
- (c) to require an officer, agent, employee or member of the society to furnish any material

- information in regard to any transactions of the society or the management of its affairs; and
- (d) to make copies of or extracts from accounting and other records.

(3) The Registrar shall delegate the exercise of his power to audit societies, partly or totally, to a co-operative apex organisation, as soon as the apex organisation has established an audit section and employs competent staff to take over this function.

(4) Where the exercise of the audit function has been delegated to a co-operative apex organisation, the Registrar shall supervise the audit carried out by the audit section of the co-operative apex organisation and shall have power to do all things necessary to ensure that the audit is effectively conducted and in accordance with the provisions of this Act.

79.—(1) The Registrar may, on his own motion, and shall, on the application of a majority of the committee of management or of one-third of the members or 500 members of a society, whichever is the less, hold an inquiry or direct any person authorised by him by order in writing on his behalf to hold an inquiry into the constitution, working and financial condition of a society; and all officers, employees and members of the society shall produce such books, accounts, papers and securities of the society and shall furnish such information in regard to the affairs of the society as the Registrar or the person authorised by him may require.

Inquiry by Registrar.

(2) The Registrar shall communicate the results of the inquiry to the society into whose affairs the inquiry has been made.

80.—(1) The Registrar shall, on the application of a creditor of the society, examine or direct any person authorised by him by order in writing on his behalf to examine the books of the society, if the applicant —

Examination of books of indebted society.

- (a) proves to his satisfaction 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, if this is considered necessary, such sum as security for the costs of the proposed examination as the Registrar may require.

(2) The Registrar shall communicate the results of the examination to the creditor and to the society the books of which were examined.

Communi-
cation of
defects in
the working
of societies.

81.—(1) If an audit, inquiry or examination of books made under this Act discloses any defects in the working of a society, the Registrar may bring the defects to the notice of the society and if the society is affiliated to a secondary society or apex organisation, also to the notice of that other society.

(2) The Registrar may make an order directing the society or its officer to take such action as may be specified in the order within the time mentioned therein to remedy the defects disclosed in the audit, inquiry or examination of books.

Costs of
inquiry and
examination.

82.—(1) Where an inquiry is held under section 79 or an examination is made under section 80, the Registrar may, by certificate under his hand, make an award apportioning the costs, or such part of the costs, as he may think right, between the society, the members or creditor demanding the inquiry or examination and the officers or past officers of the society; and the decision of the Registrar shall be final.

(2) A sum awarded by way of costs under subsection (1) shall be a civil debt recoverable summarily on production of the certificate referred to in that subsection.

Dissolution
of societies.

83.—(1) If the Registrar, after holding an inquiry under section 79 or after making an examination under section 80 or on receipt of an application made by 75% of the members of a society present and voting at an extraordinary general meeting convened for the purpose, is of the opinion that the society ought to be wound up, he may issue an order directing it to be wound up.

(2) The Registrar may, of his own motion, make a winding-up order in respect of a society which has ceased working or the membership of which is reduced to less than the minimum membership prescribed in section 5.

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

(4) A member of a society may, within two months from the date of a winding-up order under subsection (1) or (2),

appeal in writing against the order to the Minister and the decision of the Minister shall be final.

(5) When making a winding-up order under subsection (1) or (2), the Registrar may appoint a liquidator for this purpose and fix his remuneration.

(6) A liquidator shall not wind up a society until any appeal instituted under subsection (4) has been determined or until two months have elapsed from the date of the winding-up order, as the case may be.

84.—(1) Subject to any order made by the Registrar under section 85, a liquidator appointed by the Registrar shall have power to — Powers of liquidator.

- (a) take immediate possession of all assets belonging to the society and of all books, records and other documents pertaining to the business thereof;
- (b) carry on the business of the society so far as may be necessary for winding up beneficially, except that he shall not for this purpose be entitled to issue any loan;
- (c) fix by notice published in the *Gazette* a day before which creditors shall state their claims for admission or be excluded from any distribution made before they have proved them;
- (d) refer a dispute to arbitration and institute and defend suits and other legal proceedings on behalf of the society by his name or office;
- (e) give such directions in regard to the collection and realisation of assets as may be necessary in the course of winding up the society;
- (f) investigate all claims against the society and, subject to the provisions of this Act, decide by order questions of priority arising between claimants;
- (g) pay claims against the society (including interest payable up to the date of the winding-up order) according to the respective priorities, if any, in full or to such extent as the assets of the society permit;
- (h) compromise any claim by or against the society, provided that the approval of the Registrar has first been obtained;

- (i) call such meetings of members as may be necessary for the proper conduct of the liquidation, giving not less than 15 clear days' notice of every such meeting;
- (j) decide by order subject to any by-law limiting the liability of members and subject to sections 46 and 47 the contributions to be made by members, past members or by the estates of deceased members of the society to its assets;
- (k) 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; and
- (l) order by what persons and in what proportions the costs of the liquidation are to be borne.

(2) Any person aggrieved by any order of the liquidator made under subsection (1) (f), (j) or (l) may appeal in writing to the Registrar within 30 days of the date of the order.

(3) A person aggrieved by a decision of the Registrar under subsection (2) may appeal in writing to the Minister within 30 days of the decision and the decision of the Minister shall be final and conclusive.

(4) A liquidator shall deposit the funds and other assets of a dissolved society which are collected by him or which come into his possession as liquidator in such manner and in such place as may from time to time be determined by the Registrar.

(5) A liquidator shall, once in every 3 months, submit to the Registrar a report stating the progress made in winding up the affairs of the society, and shall, on completion of the liquidation proceedings, submit a final report and hand over to the Registrar all books, registers and accounts relating to the proceedings kept by him.

(6) A 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 means and, so far as may be, in the same manner as is provided in the case of a District Court.

85. A liquidator shall exercise his powers subject to the control and supervision of the Registrar, who may — Powers of Registrar to control liquidation.

- (a) rescind or vary an 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 84;
- (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, which remuneration shall be included in the costs of liquidation and shall be payable out of the assets in priority to all other claims; and
- (h) refer any subject of dispute between a liquidator and a third party to arbitration if that party has consented in writing to be bound by the decision of the arbitrator.

86.—(1) The award of an arbitrator on a matter referred to him under section 85 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 84 or 85 shall be enforced by any District Court in like manner as a decree of that Court.

87. Subject to this Act, no civil court shall have any jurisdiction in respect of a matter concerned with the dissolution of a society under this Act, and no appeal shall lie to a civil court from an order of the liquidator. Limitation of jurisdiction of civil court.

88. Upon winding up of a society, the assets, including the reserve fund, shall be applied first to the costs of liquidation, then to the discharge of the liabilities of the society, then to the payment of the share capital or Disposal of assets on liquidation.

subscription capital, and then, provided that the by-laws permit, to the payment of a dividend or patronage refund at a rate not exceeding that laid down in the Rules or in the by-laws for any period during which no dividend or patronage refund was in fact paid.

Cancellation
of
registration.

89.—(1) When the affairs of a society, in respect of which a liquidator has been appointed, have been wound up or, where no liquidator has been appointed, after two months from the making of a winding-up order under section 83 by the Registrar or after confirmation of the order on appeal, the Registrar shall make an order cancelling the registration of the society and the society shall be dissolved and shall cease to exist as a body corporate from the date of the order.

(2) The claim of a creditor or a member of the society who has not received what is due to him under the approved scheme of distribution shall be proscribed when two years have elapsed from the date of cancellation of registration, and a notice of closure of liquidation and cancellation of registration shall be published in the *Gazette*.

(3) Any moneys remaining after the application of the funds to the purposes specified in section 88 and any sums unclaimed after two years under subsection (2) shall not be divided among the members, except in the case of the liquidation of a secondary society or a co-operative apex organisation, but shall be carried to the Co-operative Societies Liquidation Account kept by the Registrar.

(4) A sum carried to the Co-operative Societies Liquidation Account shall be kept in this Account for at least two years. Out of the Co-operative Societies Liquidation Account such sums may be transferred to the Central Co-operative Fund, or applied generally for the furtherance of co-operative principles in such manner, as the Minister may determine from time to time.

(5) The interest accruing in respect of any sum carried to the Co-operative Societies Liquidation Account in accordance with subsection (3) may be applied for such of the purposes specified in subsection (4) as the Minister may from time to time direct.

90.—(1) Where in the course of an audit of a society held under section 78, or in the course of an inquiry into the affairs of a society held under section 79, or in the case of an examination of books under section 80, or in the course of the winding up of a society it appears that a person who has taken part in the organisation and management of the society or any past or present officer of the society has misapplied or retained or become liable or accountable for any money or property of the society or has been guilty of misfeasance or breach of trust in relation to the society, the Registrar may, on his own motion, or on application of the liquidator or any creditor or contributor, examine the conduct of that person and make an order requiring him to repay or restore the money or property or any part thereof with interest at such rate as the Registrar thinks just or to contribute such sum to the assets of the society by way of compensation in regard to the misapplication, retainer, misfeasance, dishonesty or breach of trust and the order shall be enforced in the same manner as if the order had been a judgment of a District Court.

Surcharge
and
attachment.

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

(3) Where the Registrar is satisfied that a person with intent to delay the execution of any order or award which may be made against him under subsection (1) and section 85 —

(a) is about to dispose of the whole or any part of his property; or

(b) is about to remove the whole or any part of his property out of Singapore,

the Registrar may, unless adequate security is furnished, direct the interim attachment of that property or such part thereof as he thinks necessary and the attachment shall have the same effect as if it has been made by a District Court.

(4) A person aggrieved by an order of the Registrar made under subsection (1) or (3) may appeal to the Minister within two months from the date of the order and the decision of the Minister shall be final and conclusive.

91.—(1) If a dispute concerning the constitution, election of officers, conduct of general meetings, management or business of a society arises —

Settlement
of disputes.

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

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

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

(d) between the society and any other society,

the dispute shall be referred to the Registrar for decision in accordance with subsection (3).

(2) Without prejudice to the generality of subsection (1)—

(a) a claim by a society for a debt or demand due to it from a member, past member or the nominee or legal personal representative of a deceased member, whether the debt or demand is admitted or not; and

(b) a claim by a member who was guarantor of a loan against the member whose loan he guaranteed, resulting from the repayment by the guarantor of the loan to the society, for the repayment of the amount by the borrower to the guarantor,

shall be deemed to be disputes concerning the business of the society within the meaning of subsection (1).

(3) The Registrar shall, on receipt of a reference under subsection (1), have regard to the nature and complexity of the dispute, and decide whether —

(a) to settle the dispute himself; or

(b) to recommend to the parties to the dispute to refer it to arbitration in the same manner and subject to the same terms that an aggrieved party under subsection (4) may refer a dispute to arbitration.

(4) Where the Registrar decides to settle the dispute himself and gives a decision thereon which aggrieves a party to the dispute, that party may, within 30 days of the date of the Registrar's decision, refer the dispute to arbitration by a referee appointed by the Chief Justice, who shall not be an official of any Government department.

Cap. 10.

(5) The relevant provisions of the Arbitration Act shall apply to any dispute referred to arbitration under subsections (3) and (4).

(6) Where a dispute has not been referred to arbitration pursuant to subsection (4), the decision of the Registrar that

settles the dispute under subsection (3) (a) shall, on the application of the party in whose favour it is given, be enforced by any court which would have jurisdiction in civil suits between the parties to the dispute in the same manner as if the decision had been the decision of a District Court.

92.—(1) Notwithstanding anything in section 91, the Registrar at any time when proceeding to a decision under this Act, or the Minister at any time when an appeal has been referred to him against a decision of the Registrar under this Act, may refer any question of law arising out of the decision for the opinion of the High Court.

Case stated
on question
of law.

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

93. The Registrar shall have power to —

- (a) prescribe the accounts and books to be kept by a society;
- (b) prescribe the returns to be submitted by a society to the Registrar and the form in which the returns shall be submitted;
- (c) prescribe any form to be used for any purpose under this Act;
- (d) reduce the maximum limit of borrowing from members and non-members, fixed by a society under section 68 (2), and to impose such conditions as he may consider necessary;
- (e) attend, personally or by his representative, general meetings and committee meetings of a society and to require every society to send to him, at the proper time, notice and agenda of every meeting, and all minutes and communications in respect thereof;
- (f) convene extraordinary general meetings in accordance with the provisions of this Act;
- (g) prescribe the audit fees to be paid by a society provided that, where the audit is carried out by the co-operative apex organisation or by a certified accountant, the audit fee shall be subject to the approval of the Registrar;

Miscel-
laneous
powers of
Registrar.

- (h) rescind a resolution or action of an officer or a committee of management or of a general meeting of a society which, in his opinion, is outside the objects of the society as defined in the by-laws; and
- (i) freeze the bank account of a society when it is proved to the satisfaction of the Registrar that such a measure is necessary to prevent losses or misuse of funds.

Extra-ordinary powers of Registrar.

94.—(1) If the Registrar is satisfied, after due inquiry by a person appointed by him, that the committee of management of a society is not performing its duties properly, he may by order published in the *Gazette* —

- (a) suspend all or any of the activities of the society, for such period as he shall specify; or
- (b) remove the committee of management of the society and order that the affairs of the society be managed and administered by a committee of not less than two persons and a manager, all appointed by him, for a period not exceeding one year. The Registrar may extend this period for a further year, if he thinks fit. Allowances of the committee and the salary of the manager shall be paid out of the society's funds,

except that the Registrar shall use the extraordinary powers only after giving an opportunity to the committee of management to show cause why action should not be taken to suspend the activities of the society or to remove the committee of management and after considering the objections of the committee of management.

(2) The persons appointed under subsection (1) (b) shall, prior to the date on which their appointment ceases to have effect, arrange for the election of a new committee of management in accordance with the by-laws.

(3) An appeal shall lie to the Minister from an order made by the Registrar under subsection (1) within two months of the date of the publication in the *Gazette* of the order appealed against and the decision of the Minister shall be final and shall not be subject to review in any court.

(4) Subject to the general direction and control of the Registrar, a person appointed under subsection (1) (b) to

assume the functions of the committee of management of a society shall have all the powers and duties of a duly constituted committee of management of the society.

PART IX

MISCELLANEOUS

95.—(1) The Minister may make rules for the purpose of carrying out and giving effect to the provisions of this Act.

Power of Minister to make rules.

(2) In particular, but without prejudice to the generality of the power conferred under subsection (1), such rules may —

- (a) provide for the administration and use of the Central Co-operative Fund and of the Co-operative Societies Liquidation Account; and
- (b) prescribe the maximum rate of dividend on share capital or subscription capital which may be paid by societies.

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

Special power of Minister to grant exemption from requirements as to registration.

97. The Minister may, by general or special order, exempt a society or class of societies from any of the provisions of this Act or the Rules, or may direct that those provisions shall apply to a 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 this Act.

98.—(1) All sums, due from a society or from an officer or past 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 any written law for the time being in force.

Recovery of sums due to Government.

(2) Sums due from a society to the Government and recoverable under subsection (1) may be recovered first, from the property of the society and, secondly, from the members subject to the limit of their liability.

Prohibition on the use of the word "Co-operative".

99.—(1) No person other than a society shall trade or carry on business under a name or title of which the word "Co-operative" or its equivalent in another language is part, without the sanction of the Registrar, except that nothing in this section shall apply to the use by any person or his successor in interest of a name or title under which he traded or carried on business at the date of the commencement of this Act.

(2) Every person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$500 and in the case of a continuing offence to a further fine of \$50 for every day during which the offence continues after conviction.

Penalty for non-compliance with this Act.

100.—(1) It shall be an offence if —

- (a) a society or an officer or a member thereof wilfully neglects or refuses to do an act or furnish information required for the purposes of this Act by the Minister, the Registrar or a person duly authorised in that behalf by the Minister or Registrar, as the case may be;
- (b) a society or an officer or a member thereof wilfully makes a false return or furnishes false information;
- (c) a person wilfully or without reasonable excuse disobeys any summons, requisition or lawful written order issued under the provisions of this Act or does not furnish information lawfully required from him by a person authorised to do so under the provisions of this Act;
- (d) a person acts or purports to act as a member of a committee of management when not entitled to do so;
- (e) a society or an officer or a member thereof wilfully performs any act which requires the consent or approval of the Registrar without first having obtained the consent or approval;
- (f) a society or an officer or a member thereof wilfully neglects or refuses to do an act or thing which is required by or under this Act to be done; or
- (g) a society or an officer or a member thereof wilfully does or causes to be done an act or thing prohibited by this Act.

(2) Every society, officer or member of a society or other person guilty of an offence under this section shall be liable on conviction to a fine not exceeding \$1,000 and in the case of a continuing offence to a fine of \$50 for every day during which the offence continues after conviction.

101. The provisions of the Companies Act and the Societies Act shall not apply to societies registered under this Act.

Certain Acts not to apply. Cap. 50. Cap. 311.

102.—(1) A society which was immediately before the commencement of this Act registered under the Co-operative Societies Act repealed by this Act shall be deemed to be a society registered under this Act.

Saving. 1970 Ed. Cap. 186.

(2) Societies registered or deemed to be registered under the Co-operative Societies Act repealed by this Act shall, subject to subsection (3), adopt their by-laws in conformity with this Act not later than two years after the commencement of this Act.

(3) A society that is registered under the Co-operative Societies Act repealed by this Act shall not be bound to adopt its by-laws in conformity with Part V if its by-laws provide for a different organisational and management structure from that laid down in Part V.

FIRST SCHEDULE

Section 7.

THE CO-OPERATIVE SOCIETIES ACT

(CHAPTER 62)

APPLICATION FOR REGISTRATION OF A CO-OPERATIVE SOCIETY

1. We, the undersigned,

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(Insert name, age, nationality, address and occupation of at least 10 persons, or of at least two persons duly authorised in this behalf of each society or trade union if the application is made by societies or trade unions)

desire to form a co-operative society under the Co-operative Societies Act and hereby apply for registration.

SECOND SCHEDULE

Section 7.

THE CO-OPERATIVE SOCIETIES ACT

(CHAPTER 62)

ADDITIONAL INFORMATION THAT MAY BE REQUIRED TO ACCOMPANY AN APPLICATION FOR REGISTRATION OF AN APPLICATION TO REGISTER A CO-OPERATIVE SOCIETY.

In order that more information and advisory assistance may be given to those who desire to organise a co-operative society, and to determine whether organisation and registration appear economically or otherwise advisable, the following information is required where applicable:

1. Location of proposed society

Give location and approximate site of area in which the proposed society will provide services to members (if other societies are to be members, give their names and location).

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.....

2. Kind of co-operative society required

Describe briefly the main purpose for which the society is to be organised.

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.....
.....

3. Reasons

Give detailed reasons for forming the society.

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.....

4. Source of membership support

Describe briefly the main occupation or employment, or residential area, or other bond of association or occupation of the people expected to become members.

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.....
.....

5. Attitude towards community projects

Do the people referred to in item 4 work well together in voluntary projects to benefit the community or area in which they live, or the occupational, employment or other group to which they belong?

.....
.....
.....

SECOND SCHEDULE — *continued*

6. *Expected membership*

(a) Number of persons ready to join now.

.....
(b) Estimated number of persons expected to join within the first year of operation.
.....

7. *Leadership*

Are there persons in the group desiring to organise who are prepared to give gratuitous services to start the society and to assist in its operations?
(List a few of them).

.....
.....
.....

8. *Officers*

Are the persons mentioned in item 7 prepared to act as members of the committee of management and do they understand what their duties will be?

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.....
.....

9. *Management*

If the society is registered, will the services of a competent manager (or secretary, treasurer or secretary-treasurer) be available?

.....
.....
.....

(a) Name

.....

(b) Experience and training

.....
.....
.....

(c) Will he be able to keep or supervise the keeping of accurate books or records?

.....

10. *Financial participation by members*

(a) Will members provide share capital or other funds to start the society and continue to give it financial support after operations commence?

.....

(b) Value of each share

..... dollars.

SECOND SCHEDULE — continued

Total expected to be paid on shares and/or subscriptions when operations commence

..... dollars.

(c) Total paid-up membership fees expected when operations commence

..... dollars.

Total entrance fees to be paid when operations commence

..... dollars.

(d) From what source of income will members provide the capital required? (e.g. salaries, wages, business, etc.)

.....

11. Educational meetings

Have educational meetings been held to discuss the proposed society, its operations and its benefits to members if they support it?

.....

.....

.....

(a) If so, how many?

.....

(b) Average number of attendants

.....

(c) Speakers

.....

.....

12. Discussion groups

Have study and discussion groups been organised to involve and inform people who wish to become members?

.....

.....

.....

(a) If so, how many?

.....

(b) How long have they been in operation?

.....

(c) Have model by-laws been discussed?

.....

(d) Discussion group leaders

.....

SECOND SCHEDULE — continued

13. Office space

If office space, a building or equipment is required for the purposes of the society, how will this be obtained and financed?

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.....

14. Planning and technical advice

Has advice been obtained on whether planning of the proposed society seems adequate and whether it has reasonable prospects of success if the members give it their support?

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.....

If so, give the source of such advice

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.....
.....

15. Consultation with co-operative officer

Has a co-operative officer been consulted on the need for the proposed society and necessary preparations for organisation? (Give details.)

.....
.....
.....

Signature

Postal address

.....
.....

THIRD SCHEDULE

Section 14 (2).

THE CO-OPERATIVE SOCIETIES ACT

(CHAPTER 62)

MATTERS REQUIRED TO BE IN THE BY-LAWS OF A CO-OPERATIVE SOCIETY.

Every society registered under section 4 (1) of the Act shall have by-laws in respect of the following matters:

1. The name of the society.
2. The place and postal address of its registered office.
3. The objects of the society.
4. The geographical area of operation of the society.
5. The purposes to which the society's funds may be applied.

THIRD SCHEDULE — *continued*

6. The value of each share, if the society is formed with share capital, or the minimum amount of monthly subscriptions.
7. The qualifications for membership, the terms of admission of members, the entrance or affiliation fees, if any, payable, and the mode of admission.
8. The manner of raising share capital, if any, and other funds and the terms of withdrawal or transfer of shares and/or subscription capital.
9. The rights and obligations of members and the extent of the liability of members for debts of the society.
10. The conditions on which a member may withdraw from membership.
11. The mode of summoning and conducting meetings, and the rights of voting.
12. The powers and duties of general meetings and committee of management or board of directors.
13. The mode of election, appointment, term of office, suspension and removal of the committee of management or board of directors and officers of the society.
14. The authorisation of an officer or officers to sign documents and to use the seal on behalf of the society.
15. The method of constituting, operating and allocating the reserve fund and the amount or method of fixing the amount to be contributed thereto.
16. The disposal of the annual net surplus.
17. The honoraria or allowances, if any, to be paid to officers of the society.
18. Unless the Registrar otherwise determines, in the case of a society, the objects of which include the creation of funds to be lent to the members, additional by-laws in respect of the following matters:
 - (a) the conditions on which loans may be made to members, including —
 - (i) the maximum rate of interest;
 - (ii) the maximum period allowed for the repayment of a loan;
 - (iii) the extension of the term and renewal of a loan;
 - (iv) the purposes for which a loan may be granted; and
 - (v) the security required for repayment;
 - (b) the consequences of default in payment of any sum due on account of shares, subscriptions, deposits or loans and the consequences of failure to use a loan for the purpose for which it was granted;
 - (c) the occupation or residence of persons who may become members; and
 - (d) the conditions on which loans and deposits may be received from members and non-members and the extent to which the society may borrow from members and non-members.
19. In the case of a secondary society or apex organisation, the method of representation of members at general meetings, the removal of delegates and the manner of voting of delegates.

THIRD SCHEDULE — *continued*

20. In the case of a primary society where the general meeting of members is replaced by a meeting of delegates, the method of electing delegates and their deputies, the number of individual members to be represented by each delegate, and the conditions for the eligibility of the delegates and their terms of office.

21. The duties of the chairman, secretary, treasurer and manager of a society.

22. By-laws in respect of any other matters incidental to the management of the society's business.