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The following Act was passed by Parliament on 9 January 2018 and assented to by the President on 6 February 2018:—

REPUBLIC OF SINGAPORE

No. 3 of 2018.

I assent.

HALIMAH YACOB,
President.
6 February 2018.



An Act to amend the Co-operative Societies Act (Chapter 62 of the 2009 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Co-operative Societies (Amendment) Act 2018 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 2

2. Section 2 of the Co-operative Societies Act (called in this Act the principal Act) is amended —

(a) by deleting the word “co-operative” in the definition of “apex organisation” in subsection (1);

(b) by inserting, immediately after the definition of “apex organisation” in subsection (1), the following definition:

“ “Assistant Registrar” means an Assistant Registrar of Co-operative Societies appointed under section 3(1);”;

(c) by inserting, immediately after the definition of “auditor” in subsection (1), the following definition:

“ “authorised person”, in relation to a matter, means a person who is authorised by the Registrar in writing to act on behalf of the Registrar in relation to the matter;”;

(d) by inserting, immediately after the words “governing body” in the definition of “committee of management” in subsection (1), the words “(by whatever name called)”;

(e) by inserting, immediately after the definition of “deposit” in subsection (1), the following definition:

“ “Deputy Registrar” means a Deputy Registrar of Co-operative Societies appointed under section 3(1);”;

(f) by deleting the definition of “dividend” in subsection (1) and substituting the following definition:

“ “dividend” means a portion of the net surplus of a society distributed among the members of the

society in proportion to either or both of the following:

- (a) the paid-up share capital held by the members in the society;
 - (b) the subscription capital held by the members in the society;”;
- (g) by inserting, immediately before the definition of “financial service” in subsection (1), the following definition:
 - “ “electronic form” means the form of an electronic record as defined in section 2(1) of the Electronic Transactions Act (Cap. 88);”;
- (h) by inserting, immediately after the definition of “financial service” in subsection (1), the following definition:
 - “ “hard copy form” means a paper form or similar form capable of being read by a human being without using any other device;”;
- (i) by deleting the definition of “key employee” in subsection (1) and substituting the following definition:
 - “ “key employee” means an individual who holds any of the following appointments, or who purports to act in any of the following capacities, whether or not for reward:
 - (a) a chief executive officer (whether called general manager or otherwise);
 - (b) a chief operating officer;
 - (c) a chief financial officer;
 - (d) a chief investment officer;
 - (e) an appointment analogous to any appointment mentioned in paragraph (a), (b), (c) or (d);”;
- (j) by inserting, immediately after the definition of “officer” in subsection (1), the following definition:

““ordinary share” means an ordinary share issued under section 66A;”;

- (k) by inserting, immediately after the definition of “patronage refund” in subsection (1), the following definition:

““permanent share” means a permanent share issued under section 66B;”;

- (l) by deleting the words “registered society” in the definitions of “primary society” and “secondary society” in subsection (1) and substituting in each case the word “society”;

- (m) by inserting, immediately after the definition of “primary society” in subsection (1), the following definition:

““proposed society” means an association of persons seeking registration as a society;”;

- (n) by deleting the definition of “Registrar” in subsection (1) and substituting the following definition:

““Registrar” means the Registrar of Co-operative Societies appointed under section 3(1), and includes a Deputy Registrar, an Assistant Registrar, or a public officer appointed under section 3(1), exercising such function, duty or power of the Registrar as is delegated to the Deputy Registrar, Assistant Registrar or public officer (as the case may be) under section 3(2);”;

- (o) by deleting the definition of “share” in subsection (1) and substituting the following definition:

““share” means a unit of the share capital or subscription capital of a society;”;

- (p) by inserting, immediately after subsection (2), the following subsections:

“(3) For the purposes of this Act, a society is insolvent if it has insufficient assets to cover its liabilities.

(4) In this Act, where there is a reference to a number of clear days between 2 events, that number of days is exclusive of the days on which those 2 events happen.”.

Amendment of section 3

3. Section 3 of the principal Act is amended —

(a) by deleting subsections (1) and (2) and substituting the following subsections:

“(1) The Minister may appoint a Registrar of Co-operative Societies, one or more Deputy Registrars of Co-operative Societies and Assistant Registrars of Co-operative Societies, and such other public officers as the Minister thinks necessary for the administration of this Act.

(2) The Registrar of Co-operative Societies may, subject to the provisions of this Act and to any general or special directions of the Minister, delegate any of the Registrar’s functions, duties and powers under this Act to a Deputy Registrar, an Assistant Registrar or a public officer appointed under subsection (1), except the power of delegation conferred by this subsection.”; and

(b) by deleting the words “and Assistant Registrars” in the section heading and substituting the word “, etc.”.

Repeal and re-enactment of sections 4 and 5

4. Sections 4 and 5 of the principal Act are repealed and the following sections substituted therefor:

“Characteristics required for registration, etc.

4.—(1) Subject to the provisions of this Act, a proposed society may be registered as a society if —

(a) it has as its object the promotion of the economic interests of its members in accordance with co-operative principles;

- (b) while it has regard to the economic interests of its members in accordance with essential co-operative principles, it has as its object the promotion of the economic interests of the public generally, or of any section of the public; or
 - (c) it is established with the object of facilitating the operations of a society to which either or both of paragraphs (a) and (b) apply.
- (2) Every society must have —
 - (a) the organisational and management structure set out in Part V; or
 - (b) an organisational and management structure providing for both of the following — if the Registrar, when registering that society, considers that it is necessary or desirable for that society, and should be provided for in that society’s by-laws:
 - (i) a governing body to be a board of trustees;
 - (ii) a committee of management to be a board of directors.
- (3) The provisions of Part V apply to a board of directors of a society having an organisational and management structure in subsection (2)(b) as they apply to a committee of management of any other society.

Conditions of registration

5.—(1) A proposed society cannot be registered as a primary society unless it consists of at least 5 persons, each of whom qualifies for membership under section 39(1).

(2) A proposed society cannot be registered as a secondary society unless it consists of 2 or more persons, each being a society or a trade union.”.

Amendment of section 6

5. Section 6 of the principal Act is amended —

- (a) by deleting the words “be registered by” in subsection (1) and substituting the word “have”; and
- (b) by deleting paragraphs (a) and (b) of subsection (2) and substituting the following paragraphs:
 - “(a) as part of its name, the word “co-operative” or “cooperative”, or its equivalent in the Malay, Chinese or Tamil language; and
 - (b) at the end of its name, the word “limited” or its equivalent in the Malay, Chinese or Tamil language.”.

Amendment of section 7

6. Section 7 of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

“(1) Every application for registration —

- (a) must be submitted to the Registrar in the prescribed manner together with the prescribed information; and
- (b) must be signed by the following (called in this Part the applicants):
 - (i) in the case of an application for registration as a proposed primary society, by at least 5 persons, each of whom qualifies for membership under section 39(1);
 - (ii) in the case of an application for registration as a proposed secondary society, by at least 2 persons, each of whom is duly authorised in that behalf by a society or a trade union.”.

Amendment of section 9

7. Section 9 of the principal Act is amended —

(a) by deleting the words “a society” in subsections (1) and (1B) and substituting in each case the words “a proposed society”;

(b) by deleting the words “the society” wherever they appear in subsections (1)(a), (b) and (c), (1A), (1B)(a), (b), (d), (e) and (f) and (1C)(b) and substituting in each case the words “the proposed society”;

(c) by deleting paragraph (c) of subsection (1B) and substituting the following paragraph:

“(c) the proposed by-laws of the proposed society are consistent with the criterion in section 39(3A) for membership in a credit society;”;

(d) by deleting the words “any society” in subsection (1C)(a) and substituting the words “any proposed society”;

(e) by deleting subsection (2) and substituting the following subsections:

“(2) Despite anything in this section, the Registrar must not register a proposed society if the Registrar is satisfied that —

(a) the proposed society is likely to be used for an unlawful purpose or for any purpose prejudicial to public peace, welfare or good order in Singapore; or

(b) it would be contrary to the national security or interest for the proposed society to be registered.

(2A) Where the Registrar refuses to register a proposed society, the Registrar must inform the applicants of this fact.”; and

- (f) by deleting the words “shall lie to the Minister within 2 months from” in subsection (3) and substituting the words “may be made to the Minister within 2 months after”.

New section 9A

8. The principal Act is amended by inserting, immediately after section 9, the following section:

“Modifying of terms and conditions of registration

9A.—(1) The Registrar may at any time modify the terms and conditions of registration of a society imposed under section 9(1C).

(2) The Registrar must, before modifying the terms and conditions of registration, give to the society concerned —

(a) notice in writing of the Registrar’s intention to do so; and

(b) an opportunity to make written representations, within the time specified in the notice (being at least 14 days after the date of service of the notice), as to why the terms and conditions should not be modified.

(3) The Registrar must notify the society in writing of the Registrar’s decision whether to modify the terms and conditions of registration.

(4) Where the Registrar decides to modify the terms and conditions of registration, the written notice in subsection (3) must specify a date (at least 14 days after the date of the notice) when the modification of the terms and conditions is to take effect.

(5) A society that is aggrieved by the Registrar’s decision to modify the terms and conditions of registration may, within 14 days after the decision or such longer period as the Minister may allow in any particular case, appeal in writing to the Minister, whose decision is final.

(6) If a society appeals to the Minister under subsection (5), the decision appealed against does not take effect unless the decision

is confirmed by the Minister, or the appeal is withdrawn or is for any reason dismissed by the Minister.

(7) In this section, “modify”, in relation to the terms and conditions of registration of a society, includes deleting or varying and substituting such a term or condition, and adding a term or condition of registration.”.

Amendment of section 11

9. Section 11 of the principal Act is amended —

- (a) by deleting the words “and a common seal”; and
- (b) by renumbering the section as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

“(2) A society may, but need not, have a common seal.”.

Amendment of section 13

10. Section 13 of the principal Act is amended by deleting subsection (2) and substituting the following subsection:

- “(2) The functions of an apex organisation are as follows:
- (a) to give such assistance and advice in the formation, organisation and operation of societies as will enable the societies to comply with the provisions of this Act and the Rules;
 - (b) to provide, organise and supervise effective centralised services for co-operative education and training, supplies, marketing, banking, transport, accounting, audit, consultancy and such other services as may be necessary for societies;
 - (c) to promote good governance standards in societies;
 - (d) to carry out such other functions or duties as may be conferred on the apex organisation by this Act or the Rules.”.

Amendment of section 16

11. Section 16 of the principal Act is amended —

- (a) by deleting the words “The by-laws” in subsection (1) and substituting the words “Subject to subsection (2), the by-laws and any amendment to the by-laws”; and
- (b) by deleting subsection (2) and substituting the following subsection:

“(2) An amendment of the by-laws of a society that has any of the following effects does not bind anyone who becomes a member of the society before the registration of that amendment under section 15, unless that member consents in writing to that amendment binding that member:

- (a) that amendment requires that member —
 - (i) to take or to subscribe for more shares than the number held by that member immediately before the date of registration of that amendment under section 15; or
 - (ii) to pay upon the shares so held by that member any sum exceeding the amount unpaid upon those shares at that date;
- (b) that amendment increases (in any other way) the liability of that member at any time to contribute to the share, subscription or loan capital of the society;
- (c) that amendment will cause or require any shares of that member (being an institutional member) to be converted into permanent shares.”.

Amendment of section 16A

12. Section 16A of the principal Act is amended —

(a) by deleting the words “without the written approval of the Registrar” in subsection (1);

(b) by deleting subsection (2) and substituting the following subsection:

“(2) A non-credit society that intends to provide any financial service must apply to the Registrar, in such manner as may be prescribed, for the Registrar’s written approval to become a credit society.”;

(c) by deleting subsection (5) and substituting the following subsection:

“(5) The Registrar may grant the written approval if the Registrar is satisfied that all of the following requirements will be met upon the conversion of the non-credit society to a credit society:

(a) the primary object of the society is to provide any financial service;

(b) the provision of the financial service is in the interests of the members of the society;

(c) the by-laws of the society are, or are amended under section 15 to be, consistent with the criterion in section 39(3A) for membership in the society;

(d) there is available sufficient capital for the provision of the financial service by the society;

(e) the society is able to meet such minimum financial or prudential requirements, or such other requirements, as may be prescribed, either generally or specifically;

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- (f) there are available officers who, having regard to their qualifications, experience, reputation, character, financial integrity and reliability, are capable of —
- (i) directing and managing the provision of the financial service by the society; and
 - (ii) keeping the records and accounts of the society.”;
- (d) by deleting the words “his written approval under subsection (1)” in subsection (6) and substituting the words “the written approval”;
- (e) by deleting subsection (7) and substituting the following subsections:
- “(7) Where the Registrar grants written approval for a non-credit society to become a credit society, the Registrar must —
- (a) notify the society in writing that it is registered as a credit society to provide the financial service specified in the notice, starting on a date specified in the notice; and
 - (b) amend the register of societies to show that the society is registered as a credit society to provide that financial service.
- (7A) A non-credit society that is granted written approval to become a credit society —
- (a) must not provide any new service other than a financial service, starting on such date as the Registrar may determine (being a date that may be different from the date mentioned in subsection (7)(a)); but
 - (b) may continue to provide indefinitely any service (not being a financial service) that

was carried on by the society immediately before that date.”; and

(f) by deleting subsections (8) and (9) and substituting the following subsections:

“(8) A non-credit society that is aggrieved by a decision by the Registrar to refuse written approval for the non-credit society to become a credit society may, within 2 months after the date of the decision, appeal in writing to the Minister, whose decision is final.

(9) Any non-credit society that contravenes subsection (1) or (7A)(a) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for each day or part of a day during which the offence continues after conviction.”.

New sections 16BA and 16BB

13. The principal Act is amended by inserting, immediately after section 16B, the following sections:

“Conversion from credit society to non-credit society on application

16BA.—(1) A credit society that intends to stop providing every financial service carried on by the society, and does not intend to provide any new financial service, must apply to the Registrar, in such manner as may be prescribed, for the Registrar’s written approval to become a non-credit society.

(2) An application under subsection (1) must be accompanied —

(a) by the prescribed application fee (if any); and

(b) by such documents and information as the Registrar requires in relation to the application.

(3) The Registrar may grant the written approval if the Registrar is satisfied that all of the following requirements will

be met upon the conversion of the credit society to a non-credit society:

- (a) the object of the society is to provide any service other than any financial service;
- (b) the provision of the service mentioned in paragraph (a) is in the interests of the members of the society;
- (c) there is available sufficient capital for the provision of the service mentioned in paragraph (a) by the society;
- (d) there are available officers who are capable of —
 - (i) directing and managing the provision of the service mentioned in paragraph (a) by the society; and
 - (ii) keeping the records and accounts of the society.

(4) The Registrar must not grant the written approval unless a resolution for the conversion of the credit society to a non-credit society has been passed at a general meeting of the credit society by not less than 75% of the members of the society present and voting.

(5) The Registrar may grant the written approval subject to such terms and conditions as the Registrar thinks fit.

(6) Where the Registrar grants written approval for a credit society to become a non-credit society, the Registrar must notify the society in writing that its registration as a credit society is cancelled, starting on a date specified in the notice.

(7) A credit society that is granted written approval to become a non-credit society —

- (a) must stop doing all of the following things, starting on such date as the Registrar may determine (being a date that may be different from the date mentioned in subsection (6)):
 - (i) make any new loan to any person;
 - (ii) allow any new credit to any person;

- (iii) receive any new deposit from any person; and
- (b) must return, to every person from whom the society had received a deposit in accordance with section 68(2) while the society was a credit society, the deposit made by the person (including any interest accrued on the deposit) within 12 months after the date on which the registration of the society as a credit society is cancelled, or such shorter or longer period as the Registrar may determine in any particular case.

(8) A society that becomes a non-credit society may continue to receive repayments of existing loans made and credit allowed in accordance with section 67 while the society was a credit society.

(9) A credit society that is aggrieved by a decision by the Registrar to refuse written approval for the credit society to become a non-credit society may, within 2 months after the date of the decision, appeal in writing to the Minister, whose decision is final.

(10) Any society that contravenes subsection (7) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for each day or part of a day during which the offence continues after conviction.

Modifying of terms and conditions of written approval

16BB.—(1) The Registrar may modify the terms and conditions of a written approval under section 16A(5) or 16BA(3).

(2) The Registrar must, before modifying the terms and conditions of a written approval under section 16A(5) or 16BA(3), give to the society concerned —

- (a) notice in writing of the Registrar's intention to do so; and
- (b) an opportunity to make written representations, within the time specified in the notice (being at least 14 days

after the date the notice is served on the society), as to why the term or condition should not be modified.

(3) The Registrar must notify the society in writing of the Registrar's decision whether to modify the terms and conditions of a written approval under section 16A(5) or 16BA(3).

(4) Where the Registrar decides to modify the terms and conditions of a written approval under section 16A(5) or 16BA(3), the written notice in subsection (3) must specify a date (at least 14 days after the date of the notice) when the modification is to take effect.

(5) A society that is aggrieved by the Registrar's decision to modify the terms and conditions of a written approval under section 16A(5) or 16BA(3) may, within 14 days after the decision or such longer period as the Minister may allow in any particular case, appeal in writing to the Minister, whose decision is final.

(6) If the society appeals to the Minister under subsection (5), the decision appealed against does not take effect unless the decision is confirmed by the Minister, or the appeal is withdrawn or is for any reason dismissed by the Minister.

(7) In this section, "modify", in relation to the terms and conditions of a written approval under section 16A(5) or 16BA(3), includes deleting or varying and substituting such a term or condition, and adding a term or condition of such a written approval."

Amendment of section 17

14. Section 17 of the principal Act is amended by deleting subsections (2) and (3) and substituting the following subsections:

"(2) The Registrar will register, as the registered address of a society —

- (a) the address declared in the application for registration of the society to be the address of the society; or

(b) if the society changes its address, the new address of which notice is given to the Registrar under subsection (3).

(3) A society must give the Registrar, and every creditor of the society who is not a member of the society, notice of any change of the address of the society within 30 days after the date of the change.”.

Amendment of section 18

15. Section 18 of the principal Act is amended by inserting, immediately after subsection (1), the following subsection:

“(1A) Where a society issues permanent shares to its institutional members, the number of permanent shares held by each institutional member must be recorded in the society’s register of shares.”.

Repeal and re-enactment of section 19

16. Section 19 of the principal Act is repealed and the following section substituted therefor:

“Relevant particulars of officers of society

19.—(1) The Registrar may issue a written direction requiring a society to provide the relevant particulars of any officer of that society specified in the direction, whether that officer was appointed or elected before, on or after the date of commencement of section 16 of the Co-operative Societies (Amendment) Act 2018.

(2) A society must give the Registrar the relevant particulars of each officer mentioned in the direction under subsection (1) within such period (being not less than 30 days) as that direction may specify.

(3) A society must give the Registrar notice of any change to any of the relevant particulars of an officer given under subsection (2) within 30 days after the date of that change.

(4) In this section, “relevant particulars”, in relation to an officer of a society, means —

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- (a) the name of the officer;
 - (b) the occupation of the officer;
 - (c) a residential or business address in Singapore at which —
 - (i) the officer can be located; and
 - (ii) the Registrar may correspond with the officer; and
 - (d) any other particulars of the officer that the Registrar may, by a written direction, require that society to provide.”.

Amendment of section 26

17. Section 26 of the principal Act is amended —

- (a) by deleting subsection (3) and substituting the following subsections:

“(3) Where the committee of management of a society is satisfied that an individual (being a member or a person claiming through a member) lacks capacity to manage the individual’s property and affairs and that it is just and expedient to do so, the society may pay or transfer the individual’s share or interest, or the value of all the moneys due to the individual from the society, to a person whom the committee of management is of the view is the proper party to receive the same on the individual’s behalf.

(3A) A payment or transfer cannot be made under subsection (3) where the individual lacks capacity to manage the individual’s property and affairs, and —

- (a) there is in force a lasting power of attorney conferring on a donee authority to make decisions about the individual’s property and affairs (either generally or for the purposes of this Act); or

- (b) a deputy is or is deemed appointed to make decisions on the individual's behalf in relation to the individual's property and affairs (either generally or for the purposes of this Act).";
- (b) by deleting the words "of the deceased member or of the insane member or person claiming through a member" in subsection (4) and substituting the words "of a member mentioned in subsection (1), or of an individual (being a member or a person claiming through a member) mentioned in subsection (3).";
- (c) by inserting, immediately after subsection (5), the following subsection:
- “(6) In this section —
- (a) “deputy”, “donee” and “lasting power of attorney” have the same meanings as in section 2(1) of the Mental Capacity Act (Cap. 177A); and
- (b) an individual lacks capacity in relation to a matter if the individual lacks capacity within the meaning of section 4 of the Mental Capacity Act in relation to that matter.”; and
- (d) by deleting the section heading and substituting the following section heading:
- “Transfer of shares or interest where member dies or lacks capacity”.**

Repeal of section 31

18. Section 31 of the principal Act is repealed.

New sections 32A, 32B and 32C

19. The principal Act is amended by inserting, immediately after section 32, the following sections:

“Documents, etc., to be in English

32A.—(1) Every document that a society is required to furnish or submit to, or lodge with, the Registrar must be in the English language or, if the document or any part of it is not in the English language, be accompanied by an accurate translation in the English language of that document or part.

(2) The committee of management of the society must ensure the accuracy of the translation mentioned in subsection (1).

(3) Where any document or part of a document which a society is required to keep under this Act is not in the English language, the committee of management of the society must —

(a) cause an accurate translation in the English language of that document or part (as the case may be) to be made not later than 30 days after the document is made or received by the society; and

(b) cause the translation to be kept with that document for so long as that document is required under this Act to be kept by the society.

(4) In this section, “document” includes an account, a book or a record.

Keeping of records and documents, etc.

32B.—(1) Every society must keep or cause to be kept every record or document relating to its constitution, general meetings, membership, accounts, financial position or financial affairs, or the meetings of its committee of management, for a period of at least 5 years after the end of the last financial year to which any matter in that record or document relates.

(2) A society may keep any record or document of the society in hard copy form or in electronic form.

(3) A society must ensure that any record or document kept in electronic form is capable of being reproduced in hard copy form.

(4) Where a society keeps any record or document in electronic form, the society must take reasonable precautions —

- (a) to ensure the proper maintenance of the record or document;
- (b) to prevent any falsification of the record or document; and
- (c) to facilitate the discovery of any falsification of a record or document.

Duty to inform Registrar of certain developments, etc.

32C.—(1) Where a credit society becomes aware of any development or circumstance specified in subsection (2), whether occurring before, on or after the date of commencement of section 19 of the Co-operative Societies (Amendment) Act 2018, the credit society must immediately inform the Registrar, in the manner specified by the Registrar, of that development or circumstance.

(2) The developments and circumstances mentioned in subsection (1) are as follows:

- (a) a development or circumstance which is likely to cause the society to become insolvent, to be unable to meet its obligations, to suspend payments to its members or creditors, or to be wound up under section 83, at any time on or after the date of commencement of section 19 of the Co-operative Societies (Amendment) Act 2018;
- (b) a development or circumstance which adversely affects, or is likely to adversely affect, either or both of the following, at any time on or after the date of commencement of section 19 of the Co-operative Societies (Amendment) Act 2018:
 - (i) the interests of all or any of the classes of members of the society;
 - (ii) the reputation of the society;

- (c) the institution or resolution, at any time on or after the date of commencement of section 19 of the Co-operative Societies (Amendment) Act 2018, of any legal proceedings against the society, or against a member of the society in connection with the member's conduct in any matter relating to the society or its affairs.”.

New section 33A

20. The principal Act is amended by inserting, immediately after section 33, the following section:

“Special audit of societies

33A.—(1) The Registrar or an authorised person may at any time conduct a special audit of a society that may cover one or more of the following matters:

- (a) the governance of the society;
- (b) the operations of the society;
- (c) the financial condition of the society;
- (d) the affairs of the society.

(2) The Registrar or authorised person may, for the purpose of conducting the special audit, exercise all or any of the powers in section 77.”.

Amendment of section 34

21. Section 34 of the principal Act is amended —

- (a) by inserting, immediately after subsection (1), the following subsection:

“(1A) The annual report of a society must be prepared in such form and manner, and contain such information, as the Registrar may require.”;

- (b) by deleting the words “shall keep proper accounts and records of its transactions and affairs and” in subsection (2);

(c) by inserting, immediately after subsection (2), the following subsection:

“(2A) The society must —

(a) keep such accounting and other records of its transactions and affairs as will sufficiently —

(i) explain the transactions and financial position of the society; and

(ii) enable the preparation from time to time of true and fair financial statements and any documents required to be attached to the financial statements;

(b) cause the records to be kept in such manner as to enable them to be conveniently and properly audited; and

(c) ensure that the financial statements give a true and fair view of the financial position and performance of the society.”;

(d) by deleting subsection (6) and substituting the following subsection:

“(6) The committee of management of a society must cause to be attached, to the audited financial statements of the society, such report (if any), in such form and manner and containing such information, as the Registrar may require.”; and

(e) by deleting the words “financial transactions and the state of affairs” wherever they appear in subsections (7) and (8)(a) and (c) and substituting in each case the words “financial position and performance”.

Amendment of section 35

22. Section 35 of the principal Act is amended —

- (a) by deleting the words “financial transactions and the state of affairs” in subsection (2)(a) and substituting the words “financial position and performance”; and
- (b) by deleting the word “registered” in subsection (5).

Amendment of section 36

23. Section 36 of the principal Act is amended —

- (a) by deleting subsection (2) and substituting the following subsection:

“(2) The committee of management of a credit society must appoint an audit committee —

- (a) which consists of at least 3 individuals (who may but need not be members of the committee of management), each of whom must be independent of the credit society in the manner prescribed; and
 - (b) with at least one member possessing such qualifications, training or experience as may be prescribed.”;
- (b) by deleting the words “within 3 months of” in subsection (3) and substituting the words “within 3 months after”; and
 - (c) by deleting the words “balance-sheet and income and expenditure statement” wherever they appear in subsection (4)(a)(v) and substituting in each case the words “financial statements”.

Amendment of section 39

24. Section 39 of the principal Act is amended —

- (a) by deleting paragraphs (a) and (b) of subsection (1) and substituting the following paragraphs:

“(a) in the case of an individual, that the individual —

- (i) has attained 16 years of age or, if the society is a school co-operative, has attained 12 years of age;
- (ii) is a citizen of Singapore or is resident in Singapore; and
- (iii) meets such other requirements with regard to residence, employment, profession and other matters as are prescribed by the by-laws of the society; and

(b) in the case of an institution, that it is a society or is a trade union.”; and

(b) by deleting the word “from” in subsection (3C) and substituting the words “on or after”.

Amendment of section 42

25. Section 42 of the principal Act is amended by inserting, immediately after subsection (3), the following subsections:

“(4) Despite subsection (1), where a member lacks capacity to manage the member’s property and affairs —

- (a) if the member had created a lasting power of attorney conferring on a donee authority to make decisions about the member’s property and affairs (either generally or for the purposes of this Act), that donee may vote on behalf of the member; or
- (b) if a deputy has been, or is deemed to have been, appointed to make decisions on the member’s behalf in relation to the member’s property and affairs (either generally or for the purposes of this Act), that deputy may vote on behalf of the member.

(5) In subsection (4) —

- (a) “deputy”, “donee” and “lasting power of attorney” have the same meanings as in section 2(1) of the Mental Capacity Act (Cap. 177A); and
- (b) a member lacks capacity in relation to a matter if the member lacks capacity within the meaning of section 4 of the Mental Capacity Act in relation to that matter.”.

New section 42A

26. The principal Act is amended by inserting, immediately after section 42, the following section:

“Statement of account

42A.—(1) Every credit society must provide to each member of the society, within 6 months after the close of each financial year, a statement of account (in hard copy form or in electronic form, as the society may determine) containing particulars of each financial transaction between that member and the society in that financial year.

(2) In addition, a credit society must, within the prescribed period after receiving a member’s request, provide to the member a statement of account (in hard copy form or in electronic form, as the society may determine) containing particulars of each financial transaction between that member and the society in the 6 months preceding the date of receipt of the member’s request.”.

Repeal and re-enactment of section 43

27. Section 43 of the principal Act is repealed and the following section substituted therefor:

“Restriction on shareholding

43.—(1) Except as provided in subsection (2), a member cannot hold more than 20% of the share capital of a society.

(2) A member may hold more than 20% of the share capital of a society, if the Registrar grants written approval for that society to issue more than 20% of its share capital to that member.

(3) This section does not apply to a member that is a society or a trade union.”.

Amendment of section 53

28. Section 53 of the principal Act is amended —

(a) by deleting subsection (1) and substituting the following subsections:

“(1) Every society must convene an annual general meeting within 6 months after the end of the society’s financial year or such longer period as the Registrar may allow in a particular case.

(1A) Every society —

(a) must provide in its by-laws for an annual general meeting to be convened in accordance with subsection (1) by its committee of management, and to be held as soon as practicable; and

(b) may also provide in its by-laws for other general meetings.”;

(b) by deleting the words “each member or delegate entitled to attend the meeting” in subsection (2) and substituting the words “each member, and each delegate entitled to attend the general meeting,”; and

(c) by inserting, immediately after subsection (2), the following subsection:

“(3) A copy of each of the following documents must be made available to every member, and to every delegate entitled to attend the general meeting, at least 15 clear days, or such longer period as may be provided for in the society’s by-laws, before the date of the meeting:

- (a) the society's annual report, audited financial statements and audit report mentioned in section 34(1), including every document required under this Act to be attached to those reports and statements;
- (b) such other document as the Registrar thinks necessary and directs to be made available.”.

Amendment of section 54

29. Section 54 of the principal Act is amended by deleting the words “, where necessary,” in paragraph (g).

Amendment of section 58

30. Section 58 of the principal Act is amended by deleting subsection (1) and substituting the following subsections:

- “(1) The committee of management of a society must —
- (a) endorse the minutes of each general meeting of the society within 60 days after the date on which that general meeting is held; and
 - (b) after the minutes of any general meeting of the society have been considered and confirmed at an annual general meeting of the society, cause those minutes to be entered in the minute book within 30 days after the date on which that annual general meeting is held.
- (1A) The minutes of the general meeting must contain —
- (a) the number of members and delegates present at the meeting;
 - (b) the name of the chairman who presided at the meeting;
 - (c) the time the meeting commenced and ended; and
 - (d) all resolutions and decisions made at the meeting.”.

Amendment of section 59

31. Section 59 of the principal Act is amended —

- (a) by deleting the words “members, which number” in subsection (1) and substituting the words “individuals (each of whom need not be a member of the society), and the members of the committee of management”;
- (b) by deleting the words “be composed of at least a majority of members who shall be” in subsection (1)(b) and substituting the words “comprise at least a majority of individuals who are”;
- (c) by deleting the word “persons” in subsection (2) and substituting the word “individuals”;
- (d) by deleting subsections (5) and (6) and substituting the following subsections:

“(5) For the purposes of this section, a motion for approving an individual’s election, or for nominating an individual for election, must be treated as a motion for the individual’s election.

(6) Where the committee of management of a society appoints an individual as a full-time chief executive officer of the society —

- (a) all or any of the duties of the secretary or treasurer, or both, may be delegated to the chief executive officer; and
 - (b) where all duties of the secretary or treasurer, or both, are so delegated, then despite subsection (1)(a), the society may operate without electing a secretary or a treasurer, or both.”;
- (e) by deleting the word “person” in subsection (7) and substituting the word “individual”;
 - (f) by deleting the word “manager” in subsection (8) and substituting the words “chief executive officer”;

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- (g) by deleting the words “a member of the society” in subsection (10) and substituting the words “an individual (who need not be a member of the society)”; and
- (h) by inserting, immediately after subsection (10), the following subsections:

“(11) Subject to subsection (1), the by-laws of a society may provide for the committee of management of the society to appoint, at any time and whether or not there is any vacancy in the committee, up to 2 individuals (each of whom need not be a member of the society) to serve in the committee until the next general meeting of the society.

(12) Where an individual’s appointment to the committee of management of a society is made under any by-laws mentioned in subsection (11), the appointment must be approved by a majority of all of the existing members of the committee.”.

New sections 59A and 59B

32. The principal Act is amended by inserting, immediately after section 59, the following sections:

“Registrar may appoint individuals to committee of management

59A.—(1) The Registrar may by order in the *Gazette* appoint, at any time and whether or not there is any vacancy in the committee of management of a society, up to 2 individuals (each of whom need not be a member of the society) to serve in the committee until the next general meeting of the society.

(2) The Registrar must, before exercising any power under subsection (1) —

- (a) give to the committee of management of the society a reasonable opportunity to show cause why the Registrar should not exercise that power; and
- (b) consider the representations (if any) of the committee of management.

(3) The allowances of an individual appointed under subsection (1) to serve in the committee of management of a society must be paid out of the society's funds.

(4) Where the Registrar has exercised the Registrar's power under subsection (1) to appoint an individual to serve in the committee of management of a society, the Registrar may, by order in the *Gazette*, do one or more of the following:

- (a) vary or revoke that appointment, on such terms and conditions as the Registrar may specify;
- (b) further exercise the Registrar's power under subsection (1) to appoint another individual;
- (c) add to, vary or revoke any term or condition specified by the Registrar for that appointment.

(5) The Registrar must, before exercising any power under subsection (4) —

- (a) give the affected individual a reasonable opportunity to show cause why the Registrar should not exercise that power; and
- (b) consider the representations (if any) of that individual.

(6) A person aggrieved by any order of the Registrar made under subsection (1) or (4) may, within 2 months after the date of publication of that order in the *Gazette*, appeal in writing to the Minister, whose decision is final.

(7) Unless the Minister directs otherwise in any particular case —

- (a) an appeal under subsection (6) against the Registrar's order does not affect the operation or implementation of the order; and
- (b) the order must be complied with until it is set aside by the Minister.

(8) No liability shall lie personally against any individual appointed under subsection (1) who, acting in good faith and

with reasonable care, does or omits to do anything in the execution or purported execution of this Act.

Officers to be appointed for prescribed societies

59B.—(1) The Rules may require a society or a class of societies —

- (a) to appoint a chief executive officer (whether called general manager or otherwise);
- (b) to appoint a chief operating officer;
- (c) to appoint a chief financial officer, or to engage, for the purposes of discharging the functions of a chief financial officer, a person who is chosen by the society and approved by the Registrar in writing; and
- (d) to appoint a chief investment officer.

(2) The Rules may prescribe the requirements (such as qualifications, training and experience) for appointment to an office in subsection (1)(a), (b), (c) or (d), including different requirements for appointment by different societies and different classes of societies.”.

Amendment of section 60

33. Section 60 of the principal Act is amended —

- (a) by deleting the words “No person shall be” in subsections (1) and (4) and substituting in each case the words “An individual is not”;
- (b) by deleting the word “, if” in subsection (1);
- (c) by deleting paragraphs (a), (b) and (c) of subsection (1) and substituting the following paragraphs:
 - “(a) if he is below —
 - (i) 12 years of age, in the case of a school co-operative society; or
 - (ii) 18 years of age, in any other case;

- (b) except with the Registrar’s written approval, if he is not —

 - (i) a citizen of Singapore; or
 - (ii) subject to subsection (2), resident in Singapore;
- (c) if he is an undischarged bankrupt (whether he was adjudicated bankrupt by a Singapore court or a foreign court having jurisdiction in bankruptcy);”;
- (d) by inserting, immediately before the word “he” in subsection (1)(e) and (f), the word “if”;
- (e) by deleting paragraph (g) of subsection (1) and substituting the following paragraph:

 - “(g) except with the Registrar’s written approval, if he has previously been removed by the Registrar from the committee of management of any society, or suspended by the Registrar, under section 94(1) or 94A(1).”;
- (f) by deleting the word “persons” in subsection (2) and substituting the word “individuals”;
- (g) by deleting the words “a person” in subsection (3) and substituting the words “an individual”;
- (h) by deleting the words “commencing from” in subsection (3)(a) and (b) and substituting in each case the words “starting on”;
- (i) by inserting, immediately after subsection (4), the following subsections:

 - “(5) Where a society is required by the Rules to appoint a chief executive officer, a chief operating officer, a chief financial officer or a chief investment officer —

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- (a) except with the Registrar's written approval, an individual is not eligible to be, or to remain as, the chief executive officer, chief operating officer, chief financial officer or chief investment officer (as the case may be) for the society, if the individual does not satisfy the requirements under section 59B for that office; and
 - (b) the society does not incur any liability for breach of contract by reason only of terminating the contract of service between the society and the individual on the ground that the individual is not eligible to be, or to remain as, the chief executive officer, chief operating officer, chief financial officer or chief investment officer (as the case may be) for the society.

(6) Despite subsection (5), for a period of 3 years starting on the date of commencement of section 33(i) of the Co-operative Societies (Amendment) Act 2018, that subsection does not apply —

- (a) to a chief executive officer, chief operating officer, chief financial officer or chief investment officer who —
 - (i) is appointed before that date by a society; and
 - (ii) is holding that office immediately before that date; or
- (b) to a society the chief executive officer, chief operating officer, chief financial officer or chief investment officer of which —
 - (i) is appointed before that date by the society; and

(ii) is holding that office immediately before that date.

(7) Except with the Registrar's written approval, an individual is not eligible to be re-elected or co-opted as a member of the committee of management of a credit society, if the individual fails to complete such training, or comply with such other requirements, as may be specified in the Rules within such time as may be specified in the Rules.”; and

(j) by deleting the words “of credit society” in the section heading.

Amendment of section 61

34. Section 61 of the principal Act is amended —

- (a) by inserting, immediately after the words “for that year” in subsection (2)(e), the words “, and such other documents as the Registrar may direct”; and
- (b) by deleting the word “manager” wherever it appears in subsection (4) and substituting in each case the words “chief executive officer”.

Amendment of section 62

35. Section 62(4) of the principal Act is amended by deleting the words “Minutes of committee meetings shall be recorded by the secretary in the minute book” and substituting the words “Minutes of every meeting of the committee of management must be recorded by the secretary in the minute book within 60 days after the date on which the meeting is held.”.

Amendment of section 63

36. Section 63 of the principal Act is amended —

- (a) by deleting subsection (4) and substituting the following subsection:

“(4) An officer or agent of a society must not make improper use of either of the following to gain,

directly or indirectly, an advantage for himself or for any other person, or to cause detriment to the society:

(a) his position as an officer or agent of the society;

(b) any information acquired by virtue of that position.”; and

(b) by deleting the word “manager” in subsection (6) and substituting the words “chief executive officer”.

Amendment of section 66

37. Section 66(1) of the principal Act is amended by deleting paragraph (b) and substituting the following paragraphs:

“(b) ordinary shares subscribed and paid up by members;

(ba) permanent shares subscribed and paid up by institutional members;”.

New sections 66A and 66B

38. The principal Act is amended by inserting, immediately after section 66, the following sections:

“Ordinary shares

66A.—(1) A society may issue ordinary shares.

(2) A member of a society must hold the minimum number of ordinary shares of the society specified in the by-laws of the society.

(3) The member may withdraw or transfer the ordinary shares which the member is required to hold under subsection (2) only when the member ceases to be a member of the society.

(4) Where a member of a society holds ordinary shares of the society in excess of the minimum number the member is required to hold under subsection (2), the member may withdraw or transfer the excess shares in accordance with this Act and the by-laws of the society.

Permanent shares

66B.—(1) A society may issue permanent shares only to an institutional member.

(2) An institutional member of a society must obtain the written approval of the Registrar to be entitled to subscribe, in accordance with the by-laws of the society, for permanent shares issued by the society, if the institutional member is a credit society.

(3) A permanent share issued by a society to an institutional member of the society —

(a) cannot be withdrawn by that institutional member, and cannot be converted to an ordinary share; but

(b) may, with the approval of the committee of management of the society and in accordance with this Act and the by-laws of the society, be transferred by that institutional member to another institutional member of the society.

(4) A society —

(a) may, with the written approval of the Registrar, buy back a permanent share issued by the society under this section; but

(b) cannot be required to buy back that share.

(5) A society that buys back a permanent share issued by the society under this section may —

(a) hold that share;

(b) with the approval of the committee of management of the society and in accordance with this Act and the by-laws of the society, transfer that share to an institutional member of the society; or

(c) cancel that share.”.

Amendment of section 68

39. Section 68 of the principal Act is amended by deleting subsection (4) and substituting the following subsections:

“(4) Where the society is a credit society —

- (a) the maximum liability determined under subsection (3)(a) is subject to the Registrar’s approval; and
- (b) the Registrar may, at any time, reduce either or both of the maximum liabilities determined under subsection (3)(a) and (b) or impose such conditions (for either or both of those maximum liabilities) as the Registrar thinks necessary.

(4A) The Registrar must, before reducing either or both of the maximum liabilities determined under subsection (3)(a) and (b) or imposing any condition, give the credit society concerned —

- (a) notice in writing of the Registrar’s intention to do so; and
- (b) an opportunity to make written representations, within the time specified in the notice (being at least 14 days after the date of service of the notice), as to why the Registrar should not reduce the maximum liabilities or impose the condition (as the case may be).

(4B) The Registrar must issue the credit society a written notice of the Registrar’s decision whether to reduce either or both of the maximum liabilities determined under subsection (3)(a) and (b) or to impose any condition.

(4C) Where the Registrar decides to reduce either or both of the maximum liabilities determined under subsection (3)(a) and (b) or to impose any condition, the written notice in subsection (4B) must specify a date at least 14 days after the date of the notice upon which the Registrar’s decision or condition is to take effect.

(4D) A credit society which is aggrieved by the Registrar's decision under subsection (4B) may, within 14 days after the date of the decision or such longer period as the Minister may allow in any particular case, appeal in writing to the Minister, whose decision is final.

(4E) If the credit society appeals to the Minister under subsection (4D), the decision appealed against does not take effect unless the decision is confirmed by the Minister, or the appeal is withdrawn or is for any reason dismissed by the Minister.”.

Amendment of section 69

40. Section 69 of the principal Act is amended —

(a) by inserting, immediately after subsection (1), the following subsection:

“(1A) Despite subsection (1), a credit society must invest or deposit its funds in accordance with any restrictions on investment contained in written directions issued by the Registrar.”; and

(b) by inserting, immediately after the words “subsection (1)” in subsection (2), the words “or (1A)”.

Amendment of section 71

41. Section 71 of the principal Act is amended —

(a) by inserting, immediately after “5%” in subsection (2)(a), the words “(or such other rate as may be prescribed in substitution)”;

(b) by inserting, immediately after “20%” in subsection (2)(b), the words “(or such other rate as may be prescribed in substitution)”;

(c) by inserting, immediately after subsection (7), the following subsection:

“(8) The Minister may, by order in the *Gazette* and subject to such conditions as the Minister may specify in the order, remit or refund, wholly or in part, any contribution mentioned in subsection (2)(a) or (b) paid or payable by a particular society or a particular class of societies.”.

Amendment of section 72

42. Section 72 of the principal Act is amended by deleting subsection (2) and substituting the following subsection:

“(2) A society must not pay a dividend on paid-up share capital or subscription capital exceeding —

(a) in any case where that society is a credit society that does not meet any prudential requirement contained in written directions issued by the Registrar — a maximum rate specified in written directions issued by the Registrar to that society; or

(b) in any other case — a maximum rate prescribed in the Rules.”.

Amendment of section 73

43. Section 73 of the principal Act is amended —

(a) by inserting, immediately after subsection (1), the following subsection:

“(1A) A society may distribute in the form of a bonus certificate only a part of its net surplus payable under ordinary shares.”;

(b) by deleting the words “after 5 years from” in subsection (2) and substituting the words “5 years after”; and

(c) by deleting subsections (3) and (4) and substituting the following subsections:

“(3) Where a society distributes a part of its net surplus payable under ordinary shares in the form of a bonus share —

- (a) the bonus share is to take the form of an ordinary share; but
 - (b) a member is entitled to withdraw or transfer a bonus share only 10 years after the date when the bonus share was issued.
- (4) Where a society distributes a part of its net surplus payable under permanent shares in the form of a bonus share issued to an institutional member —
 - (a) the bonus share is to take the form of a permanent share; and
 - (b) the bonus share —
 - (i) cannot be withdrawn by that institutional member, and cannot be converted to an ordinary share; but
 - (ii) may, with the approval of the committee of management of the society and in accordance with this Act and the by-laws of the society, be transferred by that institutional member to another institutional member of the society.
- (5) Despite subsections (2) and (3), a member of a society who is a foreign worker is eligible to receive from the society the value stated on the member's bonus certificate or bonus share if —
 - (a) the member ceases employment in Singapore for any reason, including the completion of the member's contract of service; and
 - (b) the committee of management of the society is satisfied that the member —
 - (i) has left or will soon leave Singapore permanently; and

(ii) has no intention to resume employment in Singapore.

(6) In this section —

“foreign worker” means an individual who is employed in Singapore but is neither a citizen nor a permanent resident of Singapore;

“member” includes a person who has resigned as a member.”.

Repeal and re-enactment of section 77

44. Section 77 of the principal Act is repealed and the following section substituted therefor:

“Power to inspect materials, etc.

77.—(1) The Registrar or an authorised person may, for any of the purposes of this Act or in discharging the Registrar’s functions or duties under this Act, exercise all or any of the following powers in relation to a society:

- (a) at all reasonable times have full and free access to all materials and information belonging or relating to the society;
- (b) require the following persons to produce or furnish any relevant thing, in relation to the society, within such time and in such manner as the Registrar or authorised person may specify:
 - (i) any officer, agent, employee or member of the society;
 - (ii) any other person whom the Registrar or authorised person reasonably believes has possession or custody of the relevant thing.

(2) The Registrar or an authorised person may, for an enforcement purpose, at all reasonable times and without warrant —

- (a) enter and search any of the following premises, if the Registrar reasonably believes that evidence of the commission of an offence under this Act can be found at those premises:
 - (i) any premises of a society;
 - (ii) any other premises at which the Registrar reasonably believes that any relevant thing, in relation to the society, is kept or stored; and
- (b) take any relevant thing, in relation to the society, from those premises, if the Registrar considers it necessary to do so for the purpose of obtaining evidence of an offence under this Act.

(3) For the purposes of subsection (2), an authorised person must act under the supervision of the Registrar, unless the authorised person is a public officer.

(4) The Registrar or authorised person may, without payment —

- (a) inspect, copy or make extracts from any material or information produced or furnished pursuant to a requirement under subsection (1)(b); and
- (b) retain the material or information for such period as the Registrar or authorised person determines to be necessary.

(5) Where any material or information produced or furnished pursuant to a requirement under subsection (1)(b) is kept in electronic form —

- (a) the power of the Registrar or authorised person under subsection (1)(b) includes the power to require a copy of the material or information to be produced or furnished in legible form; and
- (b) subsection (4) applies to any copy of the material or information produced or furnished in legible form.

(6) In this section and sections 79, 80 and 81 —

“computer” has the same meaning as in section 2(1) of the Computer Misuse and Cybersecurity Act (Cap. 50A);

“enforcement purpose” means —

(a) ensuring that this Act, and the terms and conditions imposed or specified by the Registrar under this Act, are being complied with; or

(b) investigating an offence under this Act, or a contravention of this Act;

“material” means any document or record, whether kept in hard copy form or in electronic form, or any computer or other device;

“relevant thing”, in relation to a society, means —

(a) any moneys, securities or other assets belonging or relating to the society; or

(b) any material or information —

(i) belonging or relating to the society; or

(ii) relating to any transaction of the society, or the management of the affairs of the society.”.

Amendment of section 79

45. Section 79 of the principal Act is amended —

(a) by deleting the words “any person authorised by him in writing on his behalf” in subsection (3)(b) and substituting the words “an authorised person”; and

(b) by deleting subsection (4) and substituting the following subsections:

“(4) For the purposes of an inquiry under subsection (1) or (2), the Registrar or authorised person may by notice in writing require any person, whom the Registrar or authorised person reasonably believes is acquainted with any facts or circumstances concerning any matter in the inquiry, to attend at such place and at such reasonable time as the Registrar or authorised person may specify —

- (a) to be examined, to answer any question to the best of the person’s knowledge, information and belief, and to provide a signed statement of the matters on which the person is examined containing a declaration by the person of the truth of the statement; and
- (b) to produce or furnish any material or information in the person’s possession or custody.

(4A) The Registrar or authorised person may, without payment —

- (a) inspect, copy or make extracts from any material or information produced or furnished pursuant to a requirement under subsection (4); and
- (b) retain the material or information for such period as the Registrar or authorised person determines to be necessary.

(4B) Where any material or information is kept in electronic form —

- (a) the power of the Registrar or authorised person under subsection (4)(b) includes the power to require a copy of the material or information to be produced or furnished in legible form; and

- (b) subsection (4A) applies to any copy of the material or information produced or furnished in legible form.”.

Amendment of section 80

46. Section 80 of the principal Act is amended —

- (a) by deleting the words “direct any person authorised by him by order in writing on his behalf to examine the books” in subsection (1) and substituting the words “direct an authorised person to examine the materials”;
- (b) by deleting paragraph (a) of subsection (1) and substituting the following paragraph:

“(a) proves to the Registrar’s satisfaction that an ascertained sum of money is due to the applicant, and that the applicant has demanded payment of that sum and has not received satisfaction within a reasonable time;”;

- (c) by deleting the word “books” in subsection (2) and substituting the word “materials”;
- (d) by inserting, immediately after subsection (2), the following subsections:

“(3) For the purposes of an examination under this section, the Registrar or authorised person may by notice in writing require any person, whom the Registrar or authorised person reasonably believes is acquainted with any facts or circumstances concerning any matter in the examination, to attend at such place and at such reasonable time as the Registrar or authorised person may specify —

- (a) to be examined, to answer any question to the best of the person's knowledge, information and belief, and to provide a signed statement of the matters on which the person is examined containing a declaration by the person of the truth of the statement; and
 - (b) to produce or furnish any material or information in the person's possession or custody.
- (4) The Registrar or authorised person may, without payment —
 - (a) inspect, copy or make extracts from any material or information produced or furnished pursuant to a requirement under subsection (3); and
 - (b) retain the material or information for such period as the Registrar or authorised person determines to be necessary.
- (5) Where any material or information is kept in electronic form —
 - (a) the power of the Registrar or authorised person under subsection (3)(b) includes the power to require a copy of the material or information to be produced or furnished in legible form; and
 - (b) subsection (4) applies to any copy of the material or information produced or furnished in legible form.”; and
- (e) by deleting the section heading and substituting the following section heading:

“Examination of materials of indebted society on creditor’s application”.

Amendment of section 81

47. Section 81 of the principal Act is amended —

(a) by deleting subsection (1) and substituting the following subsection:

“(1) Where any findings on the working of a society are made in any audit, special audit or inquiry under this Act, or any inspection or examination under this Act of any material, the Registrar may bring those findings to the notice of —

(a) the society; and

(b) if the society is affiliated to a secondary society or an apex organisation, that secondary society or apex organisation.”;

(b) by deleting the words “remedy the defects disclosed in the audit, inquiry or examination of books” in subsection (2) and substituting the words “address the findings made in the audit, special audit, inquiry, inspection or examination”; and

(c) by deleting the words “defects in” in the section heading and substituting the words “findings on”.

Amendment of section 82

48. Section 82 of the principal Act is amended —

(a) by inserting, immediately after the word “Where” in subsection (1), the words “a special audit is conducted under section 33A,”;

(b) by deleting the words “the members or creditor demanding” in subsection (1) and substituting the words “any applicant for”; and

(c) by inserting, immediately after the words “Costs of” in the section heading, the words “special audit,”.

Amendment of section 83

49. Section 83 of the principal Act is amended —

(a) by deleting subsection (2) and substituting the following subsection:

“(2) The Registrar may, on the Registrar’s own initiative, issue an order directing a society to be wound up, if the Registrar is satisfied that —

- (a) the society has ceased working;
- (b) the membership of the society is reduced —
 - (i) in the case of a primary society, to less than 5 persons (each of whom qualifies for membership under section 39); or
 - (ii) in the case of a secondary society, to less than 2 persons, each being a society or a trade union;
- (c) the society has breached any of its terms and conditions of registration mentioned in section 9(1C)(a) or varied or added under section 9A;
- (d) the society has contravened section 16A(1) or 16B(1);
- (e) the society has (whether before, on or after the date of commencement of section 49(a) of the Co-operative Societies (Amendment) Act 2018) failed, for 2 or more consecutive years, to comply with section 34(1);
- (f) the society has failed, for 2 or more consecutive years, to comply with section 53(1);
- (g) the by-laws of the society are insufficient, or are no longer sufficient, to provide for

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- the proper administration and management of the society;
- (h) the society is or has been used for an unlawful purpose or for purposes prejudicial to public peace, welfare or good order in Singapore;
 - (i) it would be contrary to the national security or interest for the society to continue to be registered;
 - (j) the society —
 - (i) is unable to meet its obligations, is insolvent, or suspends payments to its members or creditors; or
 - (ii) informs the Registrar that it is or is likely to become insolvent, or to be unable to meet its obligations, or that it has suspended or is about to suspend payments to its members or creditors;
 - (k) the society does not have any officer who is capable of doing both of the following:
 - (i) directing and managing the affairs of the society;
 - (ii) keeping the records and accounts of the society; or
 - (l) it is not in the interests of the members of the society for the society to continue its operations.”;
- (b) by deleting the word “from” in subsection (4) and substituting the word “after”; and
- (c) by deleting the words “have elapsed from” in subsection (6) and substituting the word “after”.

Amendment of section 89

50. Section 89 of the principal Act is amended —

- (a) by deleting the words “after 2 months from” in subsection (1) and substituting the words “either 2 months after”;
- (b) by deleting the words “from the date” in subsection (1) and substituting the words “starting on the date”;
- (c) by deleting the words “when 2 years have elapsed from” in subsection (2) and substituting the words “2 years after”;
- (d) by inserting, immediately after subsection (3), the following subsection:

“(3A) Despite subsection (3) —

- (a) where the members of a society have approved at a general meeting prior to the winding up of the society that all or any part of the remaining moneys of the society and unclaimed sums (if any) mentioned in that subsection (collectively called the relevant surplus) be applied to one or more charitable purposes or donated to one or more charities; and
- (b) the Registrar has approved that the whole or part of the relevant surplus be applied to all or any of those charitable purposes or donated to all or any of those charities (as the case may be),

the whole or part of the relevant surplus approved by the Registrar is not to be transferred to the Co-operative Societies Liquidation Account, but must be applied or donated in accordance with the Registrar’s approval.”;

- (e) by deleting subsection (4) and substituting the following subsection:

“(4) Any moneys or sums transferred to the Co-operative Societies Liquidation Account may be utilised for all or any of the following purposes as the Minister may from time to time direct:

- (a) for transfer to the Central Co-operative Fund;
 - (b) for the costs of engaging a statutory manager or statutory adviser appointed under section 94(1) or 94A(1), including (but not limited to) the remuneration or fee of the statutory manager or statutory adviser, and any disbursements reasonably incurred in the performance of the duties of the statutory manager or statutory adviser;
 - (c) for the resolution of financial instability in, or an imminent serious threat to the financial stability of, a credit society or a class of credit societies;
 - (d) for the costs of and in relation to the liquidation of a society in a particular case;
 - (e) generally for the furtherance of co-operative principles in such manner as the Minister may determine.”; and
- (f) by inserting, immediately after subsection (5), the following subsection:

“(6) In this section —

“charitable purpose” means a purpose which is exclusively charitable according to the law of Singapore;

“charity” means a charity as defined in section 2(1) of the Charities Act (Cap. 37), whether or not registered under that Act.”.

Amendment of section 90

51. Section 90 of the principal Act is amended —

(a) by deleting subsection (1) and substituting the following subsections:

“(1) The Registrar may, on the Registrar’s own motion, or on the application of the liquidator, or any creditor or member, of a society —

(a) examine the conduct of a person who —

(i) has taken part in the organisation and management of the society, or is a past or present officer of the society; and

(ii) appears, from the course of any relevant proceeding —

(A) to have misapplied, retained or become liable or accountable for any money or property of the society; or

(B) to be guilty of misfeasance or breach of trust in relation to the society; and

(b) make an order requiring that person —

(i) to repay or restore the whole or any part of the money or property, with interest at such rate as the Registrar thinks just; or

(ii) to contribute such sum to the assets of the society by way of compensation for any matter mentioned in paragraph (a)(ii)(A) or (B).

(1A) An order of the Registrar made under subsection (1) is enforceable in the same manner as a judgment of a District Court.”;

(b) by deleting the word “from” in subsection (4) and substituting the word “after”; and

(c) by inserting, immediately after subsection (4), the following subsection:

“(5) In this section, “relevant proceeding” means —

(a) an audit of a society held under this Act (including a special audit under section 33A);

(b) an inquiry held under section 79;

(c) an examination of materials under section 80; or

(d) the winding up of a society.”.

Amendment of section 93

52. Section 93(3) of the principal Act is amended —

(a) by deleting the word “financial” wherever it appears in paragraph (b); and

(b) by deleting the word “or” at the end of paragraph (c), and by inserting immediately thereafter the following paragraphs:

“(ca) with respect to the prudential requirements to be met by a credit society;

(cb) to require a society to engage, for the purposes of preparing the books and accounts of the society in one or more financial years, a person who is chosen by the society and is approved by the Registrar in writing; or”.

Repeal and re-enactment of section 93A

53. Section 93A of the principal Act is repealed and the following section substituted therefor:

“Conversion of credit society to non-credit society, etc., on failure to comply with prudential requirements

93A.—(1) If, in 2 or more consecutive financial years, a credit society fails to comply with any prudential requirement contained in a written direction issued under section 93(2) within the time specified in that direction, the Registrar may —

- (a) by a subsequent written direction issued under section 93(2), order the society to stop receiving any new deposits after the expiry of a period specified in that subsequent written direction; and
- (b) cancel the registration of the society as a credit society.

(2) Where the registration of a society as a credit society is cancelled under subsection (1) —

- (a) the society becomes a non-credit society; and
- (b) the Registrar must notify the society in writing that its registration as a credit society is cancelled, starting on a date specified in the notice.

(3) A society that becomes a non-credit society under this section —

- (a) must stop doing any of the following things, starting on such date as the Registrar may determine (being a date that may be different from the date mentioned in subsection (2)(b)):
 - (i) make any new loan to any person;
 - (ii) allow any new credit to any person;
 - (iii) receive any new deposit from any person; and

(b) must return, to every person from whom the society had received a deposit in accordance with section 68(2) while the society was a credit society, the deposit made by the person (including any interest accrued on the deposit) within 12 months after the date on which the registration of the society as a credit society is cancelled, or such shorter or longer period as the Registrar may determine in any particular case.

(4) A society that becomes a non-credit society may continue to receive repayments of existing loans made and credit allowed in accordance with section 67 while the society was a credit society.

(5) A society that is aggrieved by any decision of the Registrar under subsection (1) may, within 2 months after the date of the Registrar's decision, appeal in writing to the Minister, whose decision is final.

(6) Any society that contravenes subsection (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for each day or part of a day during which the offence continues after conviction.”.

Repeal and re-enactment of section 94 and new section 94A

54. Section 94 of the principal Act is repealed and the following sections substituted therefor:

“Powers of Registrar where committee of management of society not performing duties properly, etc.

94.—(1) If the Registrar is satisfied, after due inquiry by a person appointed by the Registrar or for any other reason, that the committee of management of a society, or any member of that committee, is not performing the duties of that committee or member (as the case may be) properly at any time on or after the date of commencement of section 54 of the Co-operative Societies (Amendment) Act 2018, or that there has been any misconduct or mismanagement in the administration of a society

at any time on or after that date, the Registrar may by order in the *Gazette* do one or more of the following:

- (a) suspend all or any of the activities of the society, for such period as the Registrar may specify;
- (b) in any case where the Registrar is satisfied that the committee of management of the society is not performing its duties properly, or that there has been misconduct or mismanagement in the administration of the society —
 - (i) remove the committee of management of the society; and
 - (ii) order that the affairs and property of the society be managed and administered by a committee of not less than 3 individuals, all of whom are appointed by the Registrar, on such terms and conditions and for such period as the Registrar may specify;
- (c) in any case where the Registrar is satisfied that the committee of management of the society is not performing its duties properly, or that there has been misconduct or mismanagement in the administration of the society —
 - (i) remove the committee of management of the society; and
 - (ii) appoint one or more individuals as statutory manager, on such terms and conditions and for such period as the Registrar may specify, to manage and administer the affairs and property of the society;
- (d) remove one or more members of the committee of management of the society;
- (e) appoint one or more individuals as statutory adviser, on such terms and conditions and for such period as the Registrar may specify, to advise the society on the

proper management of such of its affairs and property as the Registrar may determine;

- (f) appoint such number of additional individuals to the committee of management of the society as the Registrar considers necessary for the proper management of the society, on such terms and conditions and for such period as the Registrar may specify;
- (g) suspend, for a period not exceeding 24 months, any member of the committee of management of the society.

(2) Where subsection (1) applies, the Registrar may, in addition to the powers under that subsection, order the society to take such action (including refraining from doing any act) within such period as may be specified in the order, being action which the Registrar considers necessary or desirable —

- (a) to ensure the proper performance of duties by the committee of management or by each member of that committee who has failed to perform that member's duties properly (as the case may be); or
- (b) to remedy the misconduct or mismanagement in the administration of the society.

(3) The Registrar must, before exercising any power under subsection (1) or (2) —

- (a) give to the committee of management of the society or the affected member of the committee (as the case may be) a reasonable opportunity to show cause why the Registrar should not exercise that power; and
- (b) consider the representations (if any) of the committee of management or that member (as the case may be).

(4) The allowances of an individual appointed to a committee of management under subsection (1), and the remuneration or fee of a statutory manager or statutory adviser appointed under that subsection, are to be paid out of the society's funds or borne by

such person (including, in the case of the remuneration or fee of a statutory manager or statutory adviser, the Co-operative Societies Liquidation Account) as the Registrar determines.

(5) Subject to the general direction and control of the Registrar, a committee appointed under subsection (1)(b) or statutory manager appointed under subsection (1)(c) for a society has all the duties and powers of the committee of management of the society.

(6) The committee appointed under subsection (1)(b), and every statutory manager appointed under subsection (1)(c), must arrange, before the date on which the appointment ends, for the election of a new committee of management in accordance with the by-laws of the society.

(7) Where the Registrar appoints 2 or more individuals as statutory manager of a society, the Registrar must specify, in the terms and conditions of the appointment, which of the duties, functions and powers of the statutory manager —

- (a) may be discharged or exercised jointly and severally;
- (b) must be discharged or exercised jointly; and
- (c) must be discharged or exercised by one or more specified individuals.

(8) Where the Registrar has exercised the Registrar's power under subsection (1) to appoint a statutory manager, a statutory adviser or any other individual, the Registrar may, by order in the *Gazette*, do one or more of the following:

- (a) vary or revoke that appointment, on such terms and conditions as the Registrar may specify;
- (b) further exercise the Registrar's power under subsection (1) to appoint another statutory manager, statutory adviser or individual;
- (c) add to, vary or revoke any term or condition specified by the Registrar for that appointment.

(9) The Registrar must, before exercising any power under subsection (8) —

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- (a) give the affected statutory manager, statutory adviser or individual (as the case may be) a reasonable opportunity to show cause why the Registrar should not exercise that power; and
 - (b) consider the representations (if any) of that statutory manager, statutory adviser or individual (as the case may be).

(10) However, subsections (3) and (9) do not apply if the Registrar considers, in the circumstances of a particular case, that it is necessary to immediately exercise a power under subsection (1) or (2) and a power under subsection (8), respectively, in order to protect the interests of the members, or to protect the property, of the society.

(11) Where pursuant to subsection (10) the Registrar immediately exercises a power under subsection (1), (2) or (8), the committee of management of the society or the affected person (as the case may be) may, within one month after the Registrar makes the order under subsection (1), (2) or (8), apply to the Registrar to review that order.

(12) The Registrar may, on reviewing an order under subsection (11) —

- (a) confirm the order;
- (b) vary the order; or
- (c) rescind the order.

(13) A person aggrieved by any order of the Registrar made under subsection (1), (2) or (8), or by any variation of that order under subsection (12), may appeal in writing to the Minister —

- (a) in the case of an order made under subsection (1) after the Registrar complied with subsection (3) — within 2 months after the date of publication of that order in the *Gazette*;
- (b) in the case of an order made under subsection (2) after the Registrar complied with subsection (3) — within 2 months after the date of that order;

- (c) in the case of an order made under subsection (8) after the Registrar complied with subsection (9) — within 2 months after the date of publication of that order in the *Gazette*; or
- (d) in the case of an order made under subsection (1), (2) or (8) when, pursuant to subsection (10), the Registrar immediately exercised the power under subsection (1), (2) or (8) (as the case may be), or in the case of any variation of that order under subsection (12) — within 2 months after the date on which that order is confirmed or varied (as the case may be) under subsection (12).

(14) The decision of the Minister on an appeal under subsection (13) is final.

(15) Unless the Registrar directs otherwise in any particular case —

- (a) a review under subsection (11) of the Registrar's order does not affect the operation or implementation of the order; and
- (b) the order must be complied with until it is rescinded by the Registrar.

(16) Unless the Minister directs otherwise in any particular case —

- (a) an appeal under subsection (13) against the Registrar's order does not affect the operation or implementation of the order; and
- (b) the order must be complied with until it is set aside by the Minister.

(17) No liability shall lie personally against any statutory manager, statutory adviser or individual appointed under subsection (1) who, acting in good faith and with reasonable care, does or omits to do anything in the execution or purported execution of this Act.

Powers of Registrar to protect interests of members or property of society

94A.—(1) If the Registrar is satisfied, after due inquiry by a person appointed by the Registrar or for any other reason, that it is necessary or desirable to protect the interests of the members, or to protect the property, of a society, the Registrar may by order in the *Gazette* do one or more of the following:

- (a) suspend all or any of the activities of the society, for such period as the Registrar may specify;
- (b) remove the committee of management of the society, and appoint one or more individuals as statutory manager, on such terms and conditions and for such period as the Registrar may specify, to manage and administer the affairs and property of the society;
- (c) appoint one or more individuals as statutory adviser, on such terms and conditions and for such period as the Registrar may specify, to advise the society on the proper management of such of its affairs and property as the Registrar may determine;
- (d) appoint such number of additional individuals to the committee of management of the society as the Registrar considers necessary for the proper administration of the society, on such terms and conditions and for such period as the Registrar may specify;
- (e) suspend, for a period not exceeding 24 months, any officer or employee of the society, and provide for arrangements during the period of suspension of that officer or employee (such as for the execution of any instrument, or the carrying out of any act, on behalf of that officer or employee);
- (f) prohibit the society from parting with the property without the Registrar's approval.

(2) Where subsection (1) applies, the Registrar may, in addition to the powers under that subsection, order the society to take such action (including refraining from doing any act) within such period as may be specified in the order, being action which the Registrar considers necessary or desirable to protect the interests of the members, or to protect the property, of the society.

(3) The Registrar must, before exercising any power under subsection (1) or (2) —

- (a) give to the committee of management of the society or the affected officer or employee (as the case may be) a reasonable opportunity to show cause why the Registrar should not exercise that power; and
- (b) consider the objections (if any) of the committee of management or that officer or employee (as the case may be).

(4) The allowances of an individual appointed to a committee of management under subsection (1), and the remuneration or fee of a statutory manager or statutory adviser appointed under that subsection, are to be paid out of the society's funds or borne by such person (including, in the case of the remuneration or fee of a statutory manager or statutory adviser, the Co-operative Societies Liquidation Account) as the Registrar determines.

(5) Subject to the general direction and control of the Registrar, a statutory manager appointed under subsection (1)(b) for a society has all the duties and powers of the committee of management of the society.

(6) Every statutory manager appointed under subsection (1)(b) must arrange, before the date on which the appointment ends, for the election of a new committee of management in accordance with the by-laws of the society.

(7) Where the Registrar appoints 2 or more individuals as statutory manager of a society, the Registrar must specify, in the terms and conditions of the appointment, which of the duties, functions and powers of the statutory manager —

- (a) may be discharged or exercised jointly and severally;

- (b) must be discharged or exercised jointly; and
- (c) must be discharged or exercised by one or more specified individuals.

(8) Where the Registrar has exercised the Registrar's power under subsection (1) to appoint a statutory manager, a statutory adviser or any other individual, the Registrar may, by order in the *Gazette*, do one or more of the following:

- (a) vary or revoke that appointment, on such terms and conditions as the Registrar may specify;
- (b) further exercise the Registrar's power under subsection (1) to appoint another statutory manager, statutory adviser or individual;
- (c) add to, vary or revoke any term or condition specified by the Registrar for that appointment.

(9) The Registrar must, before exercising any power under subsection (8) —

- (a) give the affected statutory manager, statutory adviser or individual (as the case may be) a reasonable opportunity to show cause why the Registrar should not exercise that power; and
- (b) consider the representations (if any) of that statutory manager, statutory adviser or individual (as the case may be).

(10) However, subsections (3) and (9) do not apply if the Registrar considers, in the circumstances of a particular case, that it is necessary to immediately exercise a power under subsection (1) or (2) and a power under subsection (8), respectively, in order to protect the interests of the members, or to protect the property, of the society.

(11) Where pursuant to subsection (10) the Registrar immediately exercises a power under subsection (1), (2) or (8), the committee of management of the society or the affected person (as the case may be) may, within one month after the

Registrar makes an order under subsection (1), (2) or (8), apply to the Registrar to review that order.

(12) The Registrar may, on reviewing an order under subsection (11) —

- (a) confirm the order;
- (b) vary the order; or
- (c) rescind the order.

(13) A person aggrieved by any order of the Registrar made under subsection (1), (2) or (8), or by any variation of that order under subsection (12), may appeal in writing to the Minister —

- (a) in the case of an order made under subsection (1) after the Registrar complied with subsection (3) — within 2 months after the date of publication of that order in the *Gazette*;
- (b) in the case of an order made under subsection (2) after the Registrar complied with subsection (3) — within 2 months after the date of that order;
- (c) in the case of an order made under subsection (8) after the Registrar complied with subsection (9) — within 2 months after the date of publication of that order in the *Gazette*; or
- (d) in the case of an order made under subsection (1), (2) or (8) when, pursuant to subsection (10), the Registrar immediately exercised the power under subsection (1), (2) or (8) (as the case may be), or in the case of any variation of that order under subsection (12) — within 2 months after the date on which that order is confirmed or varied (as the case may be) under subsection (12).

(14) The decision of the Minister on an appeal under subsection (13) is final.

(15) Unless the Registrar directs otherwise in any particular case —

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- (a) a review under subsection (11) of the Registrar's order does not affect the operation or implementation of the order; and
 - (b) the order must be complied with until it is rescinded by the Registrar.
- (16) Unless the Minister directs otherwise in any particular case —
- (a) an appeal under subsection (13) against the Registrar's order does not affect the operation or implementation of the order; and
 - (b) the order must be complied with until it is set aside by the Minister.
- (17) No liability shall lie personally against any statutory manager, statutory adviser or individual appointed under subsection (1) who, acting in good faith and with reasonable care, does or omits to do anything in the execution or purported execution of this Act.”.

Amendment of section 95

55. Section 95(2) of the principal Act is amended —

- (a) by deleting the words “books and accounts” in paragraph (b) and substituting the words “books, accounts and other documents”;
- (b) by inserting, immediately after paragraph (c), the following paragraph:
 - “(ca) the conduct of a special audit of a society;”;
- (c) by inserting, immediately after paragraph (d), the following paragraph:
 - “(da) the making and collection of contributions to the Central Co-operative Fund and the Singapore Labour Foundation, including the payment of any shortfall in contributions paid, the imposition of a prescribed penalty for late payment of

contributions, the waiver, refund or remission (whether wholly or in part) of any penalty, and the appointment of agents to collect contributions and late payment penalties;” and

(d) by deleting paragraph (g) and substituting the following paragraph:

“(g) any officer of a society who may be required to undergo such training, or comply with such other requirements, as the Registrar may specify, and any matter relating to such training or such other requirements;”.

Amendment of section 96

56. Section 96 of the principal Act is amended by inserting, immediately after the words “by special order”, the words “in the *Gazette*”.

Amendment of section 97

57. Section 97 of the principal Act is amended —

- (a) by inserting, immediately after the words “by general or special order”, the words “in the *Gazette* and subject to such conditions (if any) as the Minister may impose”; and
- (b) by deleting the words “with effect from” and substituting the words “starting on”.

Repeal and re-enactment of section 97A

58. Section 97A of the principal Act is repealed and the following section substituted therefor:

“General exemption

97A. Despite anything in this Act, the Minister may, by order in the *Gazette* and subject to such conditions (if any) as the Minister may impose, exempt any person or class of persons from any of the provisions of this Act or the Rules.”.

Amendment of section 97B

59. Section 97B(2) of the principal Act is amended by inserting, immediately after the words “make such”, the words “saving, transitional.”.

New section 97C

60. The principal Act is amended by inserting, immediately after section 97B, the following section:

“Power to freeze bank accounts

97C.—(1) Where the Minister is satisfied that it is necessary to prevent the loss or misuse of the funds of a society, the Minister may, by order, direct a financial institution not to do either of the following for a specified period not exceeding 3 months:

(a) pay any money out of the account of the society;

(b) pay any cheque drawn on the account of the society.

(2) A financial institution that complies with an order of the Minister under subsection (1) is not liable to any other person in respect of a payment prohibited by the order.

(3) Any financial institution that contravenes an order of the Minister under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000.

(4) In this section, “financial institution” means —

(a) a bank licensed under the Banking Act (Cap. 19);

(b) a finance company licensed under the Finance Companies Act (Cap. 108); or

(c) a society (other than the society mentioned in subsection (1)) that is a credit society.”.

Amendment of section 98

61. Section 98(1) of the principal Act is amended by deleting the word “registered”.

Amendment of section 100

62. Section 100(1) of the principal Act is amended —

- (a) by inserting, immediately after the words “or any officer or member thereof,” in paragraph (a), the words “or any other person,”;
- (b) by inserting, immediately after paragraph (b), the following paragraph:

“(ba) a person (called in this paragraph the provider) provides or furnishes, or causes to be provided or furnished, to the Registrar or a person duly authorised by the Registrar, any return, declaration, document or information that the provider knows, or is reckless as to whether, is false or misleading;”;

- (c) by deleting the word “or” at the end of paragraph (f); and
- (d) by deleting the full-stop at the end of paragraph (g) and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:

“(h) a person, without reasonable excuse, hinders, delays or obstructs the Registrar, or a person duly authorised by the Registrar, in the exercise of the Registrar’s powers or the discharge of the Registrar’s duties under this Act, or interferes with the exercise or discharge of the Registrar’s powers or duties.”.

New sections 100AA and 100AB

63. The principal Act is amended by inserting, immediately after section 100A, the following sections:

“Wilful falsification of book, etc., of society

100AA. Any person who does any of the following shall be guilty of an offence and shall be liable on conviction to a fine not

exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both:

- (a) wilfully make, or cause to be made, a false entry in any book, record or other document of a society;
- (b) wilfully omit, or cause to be omitted, an entry in any book, record or other document of a society;
- (c) wilfully remove, conceal or destroy an entry in any book, record or other document of a society;
- (d) wilfully make, or cause to be made, an alteration, to an entry in any book, record or other document of a society, which causes the entry to be false or misleading in a material particular.

Unlawful alteration, suppression, etc., of documents

100AB. A person shall be guilty of an offence, and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both, if the person intentionally alters, suppresses, conceals or destroys any document, information or property that the person is required, by or under this Act or the Rules, to produce or furnish to —

- (a) the Minister;
- (b) the Registrar; or
- (c) a person duly authorised by the Minister or Registrar to act on behalf of the Minister or Registrar (as the case may be).”.

New section 100BA

64. The principal Act is amended by inserting, immediately after section 100B, the following section:

“False or misleading statement or information to induce person to join society, etc.

100BA. Any member or officer of a society shall be guilty of an offence, and shall be liable on conviction to a fine not

exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both, if that member or officer —

- (a) makes or disseminates any statement that is false or misleading in a material particular, with the intention of inducing another person —
 - (i) to become a member of the society; or
 - (ii) to enter into any contract, transaction or arrangement with the society for the benefit of the society or its members; and
- (b) at the time the statement is made or disseminated, knows that, or is reckless as to whether, the statement is false or misleading in a material particular.”.

Amendment of Schedule

65. The Schedule to the principal Act is amended —

- (a) by inserting, immediately after item 8, the following item:
 - “8A. The minimum number of ordinary shares of the society that a member of the society must hold.”; and
- (b) by deleting the word “manager” in item 21 and substituting the words “chief executive officer”.

Miscellaneous amendments

66. The principal Act is amended —

- (a) by deleting the words “on and from” in section 10(1)(a) and substituting the words “starting on”;
- (b) by deleting the words “shall lie to the Minister within 2 months of the Registrar informing the society” in section 15(8) and substituting the words “may be made to the Minister within 2 months after the Registrar informs the society of the Registrar’s decision”;
- (c) by deleting the words “within 2 months of” in section 16C(3) and substituting the words “within 2 months after”;

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- (d) by deleting the words “reckoned from” in section 47(1) and (2) and substituting in each case the word “after”;
 - (e) by deleting the words “within one month of” in section 55(3) and substituting the words “within one month after”;
 - (f) by deleting the words “within 30 days of” in sections 65A(3), 84(2) and (3) and 91(4) and substituting in each case the words “within 30 days after”; and
 - (g) by deleting the words “no appeal shall lie to a civil court from” in section 87 and substituting the words “an appeal cannot be made to a civil court against”.

Saving and transitional provisions

67.—(1) For a period of 3 years starting on the date of commencement of section 23(a), that provision does not apply to an audit committee appointed before that date by the committee of management of a credit society, and section 36(2) of the principal Act as in force immediately before that date continues to apply to such an audit committee during that period.

(2) Despite section 35, section 62(4) of the principal Act as in force immediately before the date of commencement of section 35 continues to apply to the minutes of a meeting of a committee of management that is held before that date.

(3) Despite section 54, section 94 of the principal Act as in force immediately before the date of commencement of section 54 continues to apply to the committee of management of a society in respect of the performance of its duties before that date.

(4) For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by rules, prescribe such additional provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.
