

CHIT FUNDS ACT 1971  
(SECTION 32(2))

CHIT FUNDS (WITHDRAWALS) REGULATIONS 1972

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation
  2. Defaulting subscriber
  3. Penalty of 12%
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[10 March 1972]

**Citation**

1. These Regulations are the Chit Funds (Withdrawals) Regulations 1972.

**Defaulting subscriber**

2. Where default in the payment of any contribution is made by a subscriber who has not purchased a chit fund amount, the chit fund company must refund to the defaulting subscriber the actual amount of any earlier contributions paid by him or her within one month after the subscriber has submitted his or her written notice of withdrawal or his or her name has been removed from the register of subscribers kept under section 37 of the Act.

**Penalty of 12%**

3. The chit fund company is entitled to deduct as a penalty an amount not exceeding 12% of the total aggregate of the earlier contributions paid by the defaulting subscriber.

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