

CONSOLIDATED TO 30 JUNE 2012

LAWS OF SEYCHELLES

CHAPTER 50

CO-OPERATIVES ACT

[1st February, 1988]

Act 15 of 1987
*SI 15 of 2004

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PART I - ESTABLISHMENT OF CO-OPERATIVES

- 1. This Act may be cited as the Co-operatives Act.
- 2. (1) The Minister may, by Order published in the Gazette, establish a co-operative.
(2) An Order made under subsection (1) shall -
 - (a) set out the name, registered address and the objects of the co-operative;
 - (b) nominate the members of the first management committee of the co-operative and specify the term of office of the committee;
 - (c) specify the maximum number of members who shall constitute the co-operative.
- 3. (1) A co-operative established by an Order under section 2 shall be a body corporate.
*(2) A co-operative shall have power to do all things necessary or convenient to be done in carrying out its objects and may, with the approval of the Minister, borrow money.

Note: The powers vested in the Minister in sections 3(2), 5(2), 6(5),(6),(7), 7(2), 9(1),(2),(3),(4), 10(4) and 12 as far as they apply to the Seychelles Credit Union established under the Co-operatives (Seychelles Credit Union) (Establishment) Order were delegated to the Central Bank of Seychelles with effect from 31 May 2004.

- 4. (1) Any person of or above the age of 18 years shall be eligible for membership of a co-operative.
(2) The members of the management committee of a co-operative nominated in an order made under section 2 shall be the first members of the co-operative.
(3) An application for membership of a co-operative shall be made to the chairman of the management committee of the co-operative.
(4) The management committee of the co-operative may either allow or disallow an application for membership and shall inform the applicant accordingly
(5) Any applicant aggrieved by a decision of the management committee made under subsection (4) may appeal to the Minister against the decision within 15 days after he is informed of the decision.

(6) Any determination of the Minister on an appeal under subsection (5) shall be final and be given effect to by the management committee of the co-operative.

5. (1) The assets of a co-operative shall consist of -

- (a) the immovable property of the co-operative;
- (b) the movable property of the co-operative including any moneys -
 - (i) paid to the co-operative by the Government;
 - (ii) lawfully borrowed by the co-operative;
 - (iii) received by the co-operative in carrying out the objects of the co-operative;
 - (iv) paid as contributions by the members of the co-operative.

*(2) Any moneys received by a co-operative in carrying out the objects of the co-operative may, after any deductions therefrom for any reasonable expenses incurred by the co-operative in carrying out its objects or for any purposes required by this Act or authorised by the management committee of the co-operative in consultation with the Minister, be distributed among the members of the co-operative in accordance with a scheme of distribution prescribed by regulations under section 17.

(3) A member of a co-operative shall have no right or interest in the assets of the co-operative except the right to receive any moneys distributed under subsection (2).

PART II MANAGEMENT COMMITTEE

6. (1) Not less than 15 days before the expiration of the term of office of the first management committee of a co-operative and thereafter not less than 15 days before the expiration of the term of office of each subsequent management committee, the co-operative shall hold a general meeting of the co-operative for the purpose of electing from among its members a management committee.

(2) A management committee elected under subsection (1) shall hold office for a period of one year commencing from the date of the first meeting of the committee which shall be held not later than 15 days after the termination of office of the management committee preceding it.

(3) The quorum for a meeting held under subsection (1) shall not be less than one half the number of members of the co-operative.

(4) The chairman of the management committee of the co-operative for the time being shall summon a meeting of the co-operative for the purposes of subsection (1), shall preside at such meeting and shall, in the event of an equality of votes at any election held at such meeting, have a second or casting vote.

***(5)** Subject to the preceding provisions of this section and subject to the directions of the Minister, the management committee of a co-operative shall determine the procedure to be followed at the meeting held under subsection (1).

(6) The chairman of the management committee shall, within 15 days of the election of the members of that committee held under subsection (1), notify the Minister the names of the members of the management committee elected at that meeting.

(7) Where the chairman of a management committee is absent or is unable to perform the functions of his office, any other member of the management committee nominated by the Minister may perform the functions of the chairman.

7. (1) The chairman of the management committee of a co-operative for the time being shall have supervision over and direction of the day to day management of the co-operative and shall be its chief executive officer.

***(2)** The chairman of the management committee of a co-operative shall, unless otherwise directed by the Minister, submit to the Minister a monthly report of the activities of the co-operative for each month at the end of that month and an annual report of the activities at the end of each year of office

8. (1) The management committee of a co-operative shall meet at least once in every quarter of each year and at such other times as the chairman may determine.

(2) The quorum for a meeting of the management committee shall not be less than one half the number of members of the committee

(3) Subject to the preceding provisions of this section, the management committee of a co-operative shall regulate its own proceedings at any meeting of the committee.

9. *(1) The management committee of a co-operative shall keep, in respect of its term of office, proper accounts of the society and records in relation to the accounts and shall prepare, in respect of its term of office, a statement of accounts in such form as the Minister may direct.

***(2)** The accounts and the statement of accounts kept and prepared under subsection (1) shall be audited by a person appointed by the Minister.

***(3)** The chairman of the management committee shall send to the Minister a copy of the statement of accounts prepared under subsection (1) and a copy of any report on that statement made by the person appointed by the Minister under subsection (2).

***(4)** The Minister may at any time direct that the accounts and the record in relation to the accounts of a co-operative be examined by a person appointed by him and for this purpose the management committee shall grant such person access to the accounts and records.

PART III MISCELLANEOUS

10. (1) There is hereby established a co-operative fund.

(2) The co-operative fund shall consist of such moneys -

- (a) paid into the fund by the Government;
 - (b) paid into the fund by each co-operative as contributions, in accordance with regulations made under section 17, out of moneys received by the co-operative in carrying out its objects;
 - (c) paid into the fund by any other person either in or outside Seychelles.
- (3) Moneys of the fund may be applied -
- (a) for the grant of loans to a co-operative;
 - (b) for such other purposes as the Minister may determine.

*** (4)** Any moneys of the fund not immediately required for the purposes of subsection (3) may be invested in such manner as the Minister, in consultation with the Minister responsible for finance, may determine.

(5) The fund shall be under the control and management of the accounting officer of the Ministry responsible for co-operatives who shall cause the accounts and record of accounts of the fund to be kept and prepared and shall cause them to be audited by the Auditor-General.

11. (1) The Government may, at the request of a co-operative and in consultation with the Minister –

- (a) permit, subject to such terms and conditions as the Government may impose, the use and occupation of any land of the Republic, including any buildings and other improvements thereon, by the co-operative for the purpose of carrying out its objects;
- (b) make payments of money to the co-operative subject to such terms and conditions in relation to repayment of the moneys by the co-operative.

(2) Any property permitted to be used and occupied by a co-operative under subsection (1) (a) shall not form part of the assets of the co-operative and, in the event of a dissolution of the co-operative, the Government shall not be liable to pay any compensation to the co-operative for any improvements made on the property by the co-operative.

***12.** The Minister may give to a co-operative directions in writing to be followed by the co-operative in carrying out its objects and the management committee of the co-operative shall comply with those directions.

13. (1) Any share of the moneys of a co-operative due to a member under section 5(2) and not paid to him prior to his death may be paid to any person nominated by that member and, if no person has been nominated by him, to his spouse, if living or, if the spouse is not living, to such other member or members of his family as may be determined by the management committee.

(2) If a member does not leave surviving him a spouse or any other member of his family, the shares of moneys due to him shall form part of the assets of the co-operative of which he was a member at the time of his death.

(3) In this section -

- (a) "spouse" includes a co-habitee living with the member at the time of his death; and
- (b) "family" includes children, father, mother, brothers and sisters of the member.

14. (1) Any dispute touching the activities of a co-operative arising among the members of the co-operative, its past members and persons claiming through the members, past members or deceased members shall be referred to the management committee of the co- operative for determination.

(2) Any member of the management committee who has a direct interest in any matter connected with any dispute under subsection (1) shall not take part in any deliberation of the committee in respect of that matter.

(3) Any person aggrieved by a decision of the management committee in a dispute determined by the committee may appeal to the Minister against the decision within 15 days after the decision is communicated to such person and the decision of the Minister on such appeal shall be final.

(4) Where more than one half of the members of the management committee is disqualified under subsection (2) in taking part in any deliberation in connection with the dispute under subsection (1), the dispute shall be referred by the committee to the Minister for determination whose decision on the matter shall be final.

(5) Any decision of the management committee on any dispute, subject to any decision by the Minister on an appeal made under subsection (3), or any decision of the Minister on any such dispute, shall be binding on all the parties concerned in the dispute.

15. (1) Where the management committee of a co-operative is of opinion that any member of the co-operative is acting in a manner -

- (a) contrary to the objects of the co-operative; or
- (b) prejudicial to the interests of other members of the co-operative,

the committee may, after giving the member an opportunity of being heard, remove him from the membership of the co-operative.

(2) Any member aggrieved by a decision of the management committee under subsection (1) to remove him from membership of the co-operative may appeal against the decision to the Minister within 15 days after the decision is communicated to him and the decision of the Minister on such appeal shall be final.

(3) Where a member is removed from membership of a co-operative he shall-

- (a) cease to be a member of the co-operstive with effect from the date of removal;

- (b) forfeit all rights to any share of the moneys due and payable to him under section 5(2).

16. (1) Where the Minister is of opinion that -

- (a) a co-operative is carrying on its activities in a manner contrary to its objects or prejudicial to the interests of its members; or
- (b) for any other cause, the Minister considers reasonable, it becomes necessary to do so, he may -
 - (i) dissolve the management committee of the co-operative and nominate a new management committee from among its members for such term as he may determine; or
 - (ii) by order, published in the Gazette, dissolve the co-operative and appoint a liquidator for the purpose of discharging, subject to the directions of the Minister, any liabilities of the co-operative and for the purpose of distributing the assets remaining thereafter among the members constituting the co-operative at the time of its dissolution.

(2) In exercise of his powers under subsection (1) (ii) the liquidator of a co-operative may, with the permission of the Minister, sell any or all the assets of the co-operative

(3) Where a new management committee of a co-operative is nominated by the Minister under subsection (1)(i), the Minister may extend its term of office and the co-operative shall have no right to elect a management committee under section 6(1) except at a general meeting summoned for the purpose not less than 15 days before the expiration of the term of office, or the extended term of office, of the committee.

17. (1) The Minister may make regulations for carrying into effect the purposes and provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the regulations may provide for -

- (a) a scheme of distribution among the members of a co-operative or class of co-operatives of moneys received by the co-operative in carrying out its objects;
- (b) contributions to be made by a co-operative to the co-operative fund;
- (c) such other matters required or necessary for the efficient management and control of co-operatives and their activities.

18. Notwithstanding the repeal of the Co-operative Societies Act by this Act, any co-operative society registered under that Act shall, unless reconstituted by any order made under section 2 of this Act or dissolved, be deemed to be a co-operative established under this Act and, notwithstanding anything in the by-laws of that society, the provisions of this Act shall apply to that co-operative.

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