

CO-OPERATIVE SOCIETIES REGULATIONS

S.N. 93, 1964
S.I. 10, 1967

Under Section 51)

(30th July, 1964)

ARRANGEMENT OF REGULATIONS

REGULATION

1. Citation
2. Interpretation
3. Register of societies
4. Registration of societies
5. Fee payable for registration of society
6. Address of society to be registered
7. Register of members, and books and accounts
8. Membership
9. Nominees
10. Division of profits
11. Maximum liability
12. General meetings
13. The committee
14. Secretary
15. Treasurer
16. Employees
17. Security of officers or employees
18. Compulsory by-laws
19. Amendment of by-laws
20. Annual return
21. Audit and Supervision Fund
22. Copies of entries
23. Reserve fund
24. Reference of a dispute to the Registrar for decision
25. Appeal in terms of section 49 of the Act

FIRST SCHEDULE

Application for Registration of a Co-operative Society

SECOND SCHEDULE

Certificate of Registration

THIRD SCHEDULE

Notification of Amendment of By-Laws.

1. These Regulations may be cited as the Co-operative Societies Citation Regulations.

2. In these Regulations Interpretation
"the Act" means the Co-operative Societies Act.

3. The Registrar shall keep or cause to be kept at his office a register Register of societies wherein shall be entered particulars relating to the registration of societies and their by-laws, and which shall be open to inspection by the public at all reasonable times and free of charge.

4. (1) Every application for the registration of a society shall be sub- Registration of societies
mitted to the Registrar, in the form set out in the First Schedule.

Co-operative Societies Regulations

(2) With every application for registration there shall be forwarded to the Registrar three copies in English of the by-laws which the society proposes to adopt.

(3) When the Registrar registers a society he shall forward to it, free of charge

(a) a certificate of registration, issued under his hand, in the form set out in the Second Schedule;

(b) a copy in English of the by-laws of the society as registered by him, duly endorsed and signed by him;

(c) a copy of the Act and of all regulations made thereunder;

(d) and where the Registrar considers it desirable to do so a Tswana translation of the registered by-laws of the Society.

(4) In case of conflict between the copies of the by-laws referred to in paragraphs (b) and (d) of sub-regulation (3) the copy referred to in paragraph (b) of that sub-regulation shall prevail.

5. The fee payable in terms of section 7 (2) of the Act for the registration of a society shall be R2.

6. The Registrar shall enter the address and any change of address of every registered society in the register referred to in regulation 3 and shall notify the society accordingly.

7. (1) Every registered society shall maintain a register of members showing

(a) the name, address and occupation of each member;

(b) the date on which each member's name was entered in the register;

(c) the value of shares held by each member;

(d) the date on which any member ceased to be a member; and

(e) the nominee appointed in accordance with regulation 9.

(2) Every registered society shall keep such accounts and shall use such books as the Registrar may from time to time direct.

8. (1) The election, admission, resignation and expulsion of members of a registered society shall be in such manner and on such conditions as the by-laws shall prescribe.

(2) A member withdrawing, removed or expelled from a society registered with unlimited liability shall, after expiry of the period prescribed in the by-laws, be entitled to repayment without interest of any money paid by him or his predecessor in interest towards the purchase of shares in the said society.

(3) A member withdrawing, removed or expelled from a society registered with limited liability shall not be entitled to demand from that society repayment of any money paid by him towards the purchase of shares therein, but shall be entitled to transfer his shares to any member of the society or to any person approved by the society as a member, subject, however, to the provisions of section 14 of the Act.

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

9. (1) On admission to a registered society each member shall nominate in writing one person to whom his membership and share in the capital of the society may be transferred on his death.

Co-operative Societies Regulations

(2) Any change of a nominee appointed in terms of sub-regulation (1) shall be made in writing and signed by the member in the presence of two attesting witnesses.

(3) Every appointment or change of a nominee shall be recorded in the register of members.

(4) For the purposes of a transfer to a nominee, the value of any share in the capital of the society shall be represented by the sum actually paid for that share by the member.

(5) Where any money is paid to a nominee who is a minor a receipt given either by the minor or by his guardian shall be a sufficient discharge to the registered society making the payment.

10. (1) A society registered with unlimited liability shall not pay any dividend to its shareholders until the Registrar certifies in writing that the reserve fund of such society is sufficient to cover its liabilities. Decision of public

(2) No dividend shall be paid by any registered society while any claim due from the society to a creditor remains unsatisfied.

(3) No registered society shall pay a dividend to its members exceeding 5 per centum per annum on share capital actually paid up.

(4) The Registrar may by general or special order direct that a registered society shall not pay a dividend or shall pay dividends at a reduced rate so long as it receives loans or deposits from non-members.

11. Every society registered with unlimited liability shall, from time to time, fix in a general meeting the maximum liability it may incur in loans or deposits from non-members. The maximum so fixed shall be subject to the sanction of the Registrar, who may at any time reduce it. No registered society shall receive loans or deposits which will make its liability exceed the limit sanctioned by the Registrar. Maximum liability

12. (1) Every registered society shall from time to time hold general meetings as provided in its by-laws for the disposal of necessary business, including General meetings

- a)* the election, removal or suspension of members of the Committee;
- b)* the consideration of the annual balance sheet and the disposal of accumulated funds;
- c)* the consideration of the audit note and any inspection note made by or on behalf of the Registrar;
- d)* the fixing, in the case of a society registered with unlimited liability, of a maximum liability which it may incur in terms of regulation 11.

(2) Questions before a general meeting shall be decided, unless otherwise specifically provided, by a majority vote of members present. Each member present shall have one vote and no more, irrespective of the number of shares held by him, provided that in case of an equality of votes the Chairman shall have a casting vote. Except as provided in section 24 of the Act, no proxies shall be allowed.

(3) The Registrar may at any time convene and preside over a special general meeting in such manner and at such time and place as he may direct. He may also specify what matters shall be discussed at any such

Co-operative Societies Regulations

meeting. Any such meeting shall have all the powers of a general meeting called in accordance with the by-law of the society concerned.

(4) In the case of a special general meeting referred to in sub-regulation (3), the Registrar shall

- (a) be entitled to direct the meeting to proceed, notwithstanding the absence of a quorum as prescribed in the by-laws of the society concerned; and
- (b) not be entitled to vote except on an equality of votes, in which case he shall have a casting vote.

(5) The Registrar may delegate to any person any or all of the powers conferred on him in sub-regulations (3) and (4).

(6) Where the Registrar or any person to whom a delegation has been made in terms of sub-regulation (5) directs a meeting to proceed in terms of sub-regulation (4) (a) that meeting shall have all the powers of a general meeting called in accordance with the by-laws of the society concerned.

The committee

13. (1) The members of the committee of a registered society shall be elected at an annual general meeting of the society and unless otherwise provided in the by-laws shall, subject to the provisions of sub-regulation (2) (g) hold office until the next annual general meeting.

(2) No member shall be qualified for election to the committee if

- (a) he is under twenty-one years of age; or
- (b) he holds any office of profit under the society, being a society other than a productive industrial or handicraft society one of the objects of which is to provide paid work for its members; or
- (c) he carries on for his private profit any trade or business in which the society is engaged;
- (d) he has been convicted of any offence involving dishonesty or has been imprisoned for six months or more.

(3) A member of the committee shall cease to hold office if

- (a) he ceases to be a shareholder;
- (b) he is declared insolvent;
- (c) he becomes of unsound mind or otherwise infirm;
- (d) he is convicted of any offence involving dishonesty or is imprisoned for six months or more;
- (e) he accepts any office of profit under the society, being a society other than a productive, industrial or handicraft society one of the objects of which is to provide paid work for its members;
- (f) he carries on for his private profit any trade or business in which the society itself is engaged; or
- (g) he is removed by the society in general meeting.

(4) The committee shall exercise all the powers of such society except those reserved for the society in general meeting, and subject to any restrictions laid down by the society in general meeting or in the by-laws.

(5) The duties of the committee shall include the following

Co-operative Societies Regulations

- (a) to comply with the Act and all regulations made thereunder, and with the by-laws of the society;
- (b) to maintain true accurate accounts;
- (c) to keep a true account of the assets and liabilities of the society;
- (d) to keep a correct register of members;
- (e) to lay before the annual general meeting a statement showing the income and expenditure for the year, a profit and loss account and a balance sheet duly certified by the Registrar;
- (f) to scrutinize at every meeting the accounts and bank books of the society and to inspect and check the cash in hand;
- (g) to facilitate the inspection of the accounts and books of the society by any person authorized to see them; and
- (h) in the case of a society making loans, to see that such loans are applied to the approved purposes for which they were advanced.
- (6) In the conduct of the affairs of a registered society the members of the committee shall exercise the prudence and diligence of ordinary men of business and shall be responsible for any loss sustained through any of their acts which are contrary to law, the by-laws of their society or the directions of the society in general meeting.

14. (1) The Committee of a registered society shall appoint a secretary and, subject to the provisions of sub-regulation (2) and to any scales of salary laid down by the society in general meeting, shall have power to fix the remuneration for his services. Secretary

(2) The secretary, if a member of the committee, shall be unpaid.

(3) The committee may at any time suspend or dismiss the secretary for any failure to perform or irregularity in his duties and in such event shall inform the Registrar immediately.

15. (1) The committee of a registered society may appoint one of its number, not being the Chairman, to be the treasurer of the society and in such case shall set out his duties and his relation to the Secretary of the Society insofar as the care, security and safe custody of the moneys of the society are concerned. Treasurer

(2) The committee may at any time suspend or dismiss the Treasurer for any failure to perform or irregularity in his duties and in such event shall inform the Registrar immediately.

16. (1) The committee of a registered society may — Employees

- (a) appoint such clerks or employees as it considers necessary; and
- (b) fix the salary of every such clerk or employee, subject to any scales of salary laid down by the society in general meeting.

(2) Every clerk or employee appointed under this regulation shall hold office during the pleasure of the committee.

17. A registered society may require any officer or employee thereof, whose duties involve the handling or custody of its funds or property, to give security in such form and amount as it may direct for the honest and diligent performance of his duties. Security of officers or employees

Co-operative Societies Regulations

- Compulsory by-laws** **18.** (1) The by-laws of a proposed society shall contain provision in respect of the following matters:
- (a) the name of the society;
 - (b) the registered address of the society;
 - (c) the objects for which the society was established;
 - (d) the purposes to which the funds of the society may be applied;
 - (e) the qualifications for membership, the terms of admission of members, and the mode of election;
 - (f) the nature and extent of the liability of members;
 - (g) the withdrawal and expulsion of members, and the payments, if any, to be made to such members;
 - (h) the transfer of the share or interest of members;
 - (i) the manner of raising funds, including the maximum rate of interest on deposits;
 - (j) the disposal of accumulated funds;
 - (k) general meetings and the procedure and powers of such meetings;
 - (l) the appointment, suspension and removal of members of the committee and officers, and the powers and duties of the committee and officers;
 - (m) the authorization of an officer or officers to sign documents on behalf of the society.
- (2) If the objects of the proposed society include the creation of funds to be lent to the members, additional by-laws shall be made on the following matters:
- (a) the residence of the members;
 - (b) the conditions on which loans may be made to members, including
 - (i) the rate of interest;
 - (ii) the maximum amount which may be lent to a member;
 - (iii) extension of the term and renewal of loans;
 - (iv) the purpose of loans;
 - (v) security of repayment;
 - (vi) the maximum period for which loans may be made.
- (3) The by-laws of a society registered or about to be registered under the Act, may, subject to the provisions of the Act and these regulations, contain provisions regulating the affairs of such society and the promotion of its stated objects and shall not be limited to the matters enumerated in sub-regulations (1) and (2).
- Amendment of by-laws** **19.** (1) Subject to the provisions of section 10 of the Act and regulation 18 any additions or amendment to the by-laws of a registered society shall only be made by resolution at a general meeting of the society, reasonable notice of which has been given to all members. Such a resolution must receive the votes (which may be in writing) of a clear majority of the total number of members of the society. If written votes are used, voting papers must be sent to all members and the written votes must be examined

Co-operative Societies Regulations

and counted at a general meeting at which there is present a quorum in terms of the by-laws of the society concerned.

(2) Notwithstanding the provisions of subregulation (1) any by-laws and any amendments which have received the previous approval of the Registrar may be adopted by a majority of two-thirds of the members present at a general meeting in respect of which due notice of the intention to discuss such by-laws or amendments has been given.

(3) When any by-law is amended, the society shall send to the Registrar along with any copy thereof, a certificate in the form set out in the Third Schedule signed by the Chairman of the committee and the Secretary of the society to the effect that the provisions of sub-regulations 1 and 2 hereof have been complied with.

(4) The provisions of regulation 4 (2) shall apply, *mutatis mutandis*, to any application by a society for the registration of an amendment to the by-laws of that society.

20. Every registered society shall before the 1st day of July in each year submit to the Registrar an annual return in the form prescribed by the Registrar. Annual return

21. (1) There is hereby constituted a fund to be known as the Audit and Supervision Fund, and every registered society shall, when called upon to do so by the Registrar, make annually a contribution to such fund. Audit and Supervision Fund

(2) Contributions so made shall be held by the Registrar and administered by him on behalf of the contributing registered societies.

(3) The Registrar shall report in every year to the Minister in respect of the income derived from contributions, the expenditure he has sanctioned from the fund and the balance in his hands.

(4) The Registrar shall fix the amount of the annual contribution to the fund of every registered society called upon to contribute to the fund. The amount of every such annual contribution shall be subject to a maximum of either 10 per centum (10%) of the net annual profits of the registered society or of 1 per centum (1%) of the gross annual turnover of the registered society and shall not in any case be less than R1.

22. For the purposes of section 19 of the Act a copy of an entry in the book of a society may be certified by a certificate written at the foot of such copy, declaring that it is a true copy of such entry and that the book containing the entry is still in the custody of the society; such certificate being dated and signed by the secretary of the society and one member of the committee. Copies of entries

23. (1) The reserve fund shall be indivisible and no member shall be entitled to claim any specified share in it. Reserve fund

(2) The reserve fund of a registered society

(a) may, with the sanction of the Registrar, be utilized in the business of the society or for capital expenditure; and

(b) on the liquidation of a society, shall be applied to discharging the liabilities of the society and the repayment of the share capital.

(3) In sanctioning the utilization or application of the reserve fund under sub-regulation (2) (a) the Registrar may impose such terms and conditions as he may consider necessary.

Co-operative Societies Regulations

Reference of a dispute to the Registrar for decision

24. (1) Reference of a dispute to the Registrar for decision under the provisions of section 49 (1) of the Act may be made

- (a) by the committee;
- (b) by the registered society in pursuance of a resolution in that behalf taken in general meeting;
- (c) by any party to the dispute; or
- (d) where the dispute concerns a member of the committee and the registered society, by any member of the registered society.

(2) Every reference under this regulation shall be made by a statement in writing addressed to the Registrar. Such statement shall

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

Appeal in terms of section 49 of the Act

25. Any party appealing to the Registrar in terms of section 49 (3) of the Act shall do so within one month of the date of notification of the award which is the subject of the appeal and in his notice of appeal shall specify the grounds on which he is appealing.

FIRST SCHEDULE

BOTSWANA

CO-OPERATIVE SOCIETIES ACT [CHAPTER 42:03]

APPLICATION FOR REGISTRATION OF A CO-OPERATIVE SOCIETY

(Section 6 and Regulation 4)

To be completed by the Applicants

We, the undersigned, hereby apply for the registration of a Co-operative Society. (Enter name of type of Society, e.g. Marketing, Consumers, etc.) The proposed full name of the Society is:

.....

The proposed area of operation is:

.....

We request that the Society have limited/unlimited liability.

(Delete whichever is not applicable)

We request that we be given instructions as to the powers, duties, responsibilities and organization of a Co-operative Society and be advised as to the drafting of the by-laws of our proposed Society. (This sentence may be deleted.)

Co-operative Societies Regulations

We certify that the undersigned persons, being the applicants, are all over the age of 18 years, and are resident within, or in occupation of land within, the Society's proposed area of operation:

<i>Names in Block Capitals</i>	<i>Resident at</i>	<i>Signature</i>
.....
.....
.....

extra names may be added on attached sheet

SECOND SCHEDULE

BOTSWANA

CO-OPERATIVE SOCIETIES ACT [CHAPTER 42:03]

CERTIFICATE OF REGISTRATION

Section 4 and Regulation 4

I hereby certify that I have this day registered the

as a Co-operative society with

liability and with address at

.....in accordance with section 4 of the Co-operative Societies Act, (Chapter 42:03) and regulation 4 of the Co-operative Societies Regulations, 1964.

Registration No.

Given under my hand at

this..... day of.....

Co-operative Societies Regulations

THIRD SCHEDULE

BOTSWANA

CO-OPERATIVE SOCIETIES ACT, CHAPTER 42:03

NOTIFICATION OF AMENDMENT OF BY-LAWS

Regulation 19 (3)

We, Chairman
and Secretary of the
hereby certify that

- (1) the attached amendment of the by-laws of the Society was made
at a General Meeting held on
- (2) that on that date there were members
of the society of whom were present
at the meeting;
- (3) that members voted for the amendment;
- (4) that notice of the meeting and of the proposed amendment *and
a voting paper³ was issued to all members of the society on
..... by letter messenger or
as the case may be.

.....
Chairman

.....
Secretary

Date

*To be deleted in all cases except those in which voting papers have been used by a society of limited liability.