

THE CO-OPERATIVE SOCIETIES ACT

REGULATIONS
(*under section 52*)

The Co-operative Societies Regulations, 1950

L.N. 92/50
284/57
290/58
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(Made by the Governor in Executive Council on the 2nd day of
October, 1950)

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1. These Regulations may be cited as the Co-operative Societies Regulations, 1950.

2.—(1) The Registrar of Co-operative Societies shall keep or cause to be kept at his office a Register to be called "The Register of Societies" wherein shall be entered particulars relating to the registration of societies and their rules.

(2) All original entries in the Register of Societies shall be made by, or under the direction of, the Registrar and shall be signed by him.

(3) Every alteration, interlineation or erasure in the Register of Societies shall be initialled by the Registrar.

(4) The Register of Societies shall be open to inspection by the public at all reasonable times.

3.—(1) Every application for the registration of a society shall be submitted to the Registrar in the form prescribed by him.

(2) Three copies of the rules which the society proposes to adopt shall be submitted together with the application.

4. Where the Registrar decides to register a proposed society, the society and its rules shall be registered in the Register of Societies.

5. Upon the registration of a society, the Registrar shall forward to the society, free of charge—

- (a) a certificate of registration;
- (b) two copies of the rules of the society as approved by him and certified under his hand as having been approved by him;
- (c) a copy of the Act and of the Regulations.

6. When the Registrar refuses to register a society or its rules he shall record in writing his reasons for doing so.

7. Every registered society shall keep a Register to be called "The Register of Members" wherein shall be entered—

- (a) the name, address and occupation of each member and a statement of the shares, if any, held by him;
- (b) the date on which each member's name was entered in the Register; and
- (c) the date on which any member ceased to be a member.

8. Every registered society shall keep such accounts and shall use such books as may from time to time be prescribed by the Registrar.

9. The election and admission of members to a registered society, other than original members, shall be in such manner and on such conditions as the rules shall prescribe.

10. A member may withdraw from a registered society by giving written notice to the secretary, but such withdrawal shall be without prejudice to section 30 of the Act.

11. If a member acts in contravention of the regulations or rules, or acts in any way detrimental to the interests of the registered society, such member may be expelled by a vote of two-thirds of the members present at a general meeting upon a charge communicated to him in writing by the committee not less than one week before the meeting. Such expulsion shall, however, be without prejudice to section 30 of the Act.

12. Any member who loses any of the qualifications for membership prescribed by the Act or the regulations or the rules, shall cease to be a member of the registered society, and the committee shall cause his name to be struck off the Register of Members without prejudice to any liabilities of such person under section 30 of the Act.

13. No registered society shall fix any limit to the number of its members.

14.—(1) For the purposes of section 19 of the Act the value of any share or interest of a deceased member shall be the sum actually paid for that share or interest by the deceased member, and where the

benefits of group insurance have accrued thereon, the value of such benefits shall be the amount actually received by the society on the account of such deceased member.

(2) 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 sufficient discharge to the registered society.

15.—(1) No dividend or payment on account of profits shall be made by a society registered with unlimited liability until the reserve fund has reached a proportion of not less than one-tenth of the total liabilities of the society.

(2) A bonus based on wages or on the value of the products of a member, or a bonus or rebate on patronage calculated in proportion to the amount of the business done by each member with the registered society may be distributed periodically to the members from surplus funds after the deduction of all expenditure and after making provision for bad and doubtful debts and making allocation to the reserve fund.

16.—(1) Every registered society shall, from time to time fix at a general meeting the maximum liability it may incur in loans or deposits.

(2) No registered society shall receive loans or deposits which will make its liability exceed the limit fixed by the general meeting.

17. The supreme authority in a registered society shall be vested in the general meeting of members at which every member has a right to attend and vote on all questions. Subject to the provisions of section 26 of the Act, each member shall have one vote only which shall be exercised in person and not by proxy.

18. The first meeting of members shall have the same powers as are given to the annual general meeting, and shall be held immediately or not later than two months after the receipt of the certificate of registration of the society.

19. The annual general meeting of members shall be convened by the committee as soon as the report on the audit of the accounts of the registered society by the Registrar or person authorized by him is received by the committee. At least seven days' notice shall be given before any such general meeting is held.

20. A special general meeting of members may be convened at any time by the committee and on receipt of a demand stating the object of the proposed meeting signed by the requisite number of members as provided in the rules of the registered society.

21. For the purposes of the annual or a special general meeting of a registered society, the quorum shall be—

- (a) in the case of a society consisting of not more than forty members, one-half of the number of the members, or ten members, whichever is the less;
- (b) in the case of a society consisting of more than forty but not more than five hundred members, one quarter of the number of the members, or fifty members, whichever is the less;
- (c) in the case of a society consisting of more than five hundred but not more than one thousand members, one-tenth of the number of the members, or seventy-five members, whichever is the less;
- (d) in the case of a society consisting of more than one thousand members, one hundred members;
- (e) in the case of a society which includes other registered societies among its members notwithstanding the provisions of sub-paragraphs (a), (b), (c), (d) and (f), such number of members as may be prescribed in the rules of that society;
- (f) in the case of a society which provides by its rules for the election of district delegates notwithstanding the provisions of sub-paragraphs (a), (b), (c) and (d), one-half of the number of delegates elected.

22.—(1) The chairman of the committee or in his absence the vice-chairman or in the absence of both any other person elected by a majority of those present shall preside at the annual or special general meeting.

(2) The chairman may, by the decision of the meeting, adjourn the meeting from time to time and from place to place but no business shall be transacted at any meeting so adjourned other than the business left unfinished at the meeting from which the adjournment took place.

(3) The chairman shall have the right to order the closure of a discussion and put the matter to the vote.

23. Any question submitted to the decision of the members present at a meeting shall be decided by a majority of votes.

24.—(1) At any meeting a resolution put to the vote shall be decided on a show of hands unless voting by call of names or a ballot is demanded by at least five of the members present before the declaration of the result of the show of hands, and in such case voting by call of names or a ballot shall be taken, as the case may be.

(2) The chairman shall have an ordinary vote and in case of an equality of votes shall be entitled to a casting vote.

(3) In respect to every resolution put to the vote the chairman shall declare whether it has been carried or lost, and whether on a show of hands or unanimously or by a particular majority, and an entry to that effect in the minute book shall be conclusive evidence of anything therein contained.

25. Minutes of the meetings shall be entered in the minute book and signed by the chairman and secretary and shall contain—

- (a) the number and names of the members present at the meeting and the name of the chairman or of the person who presided at the meeting;
- (b) the time fixed for the meeting and the time the meeting commenced;
- (c) the total number of members on the date on which the meeting was held; and
- (d) all resolutions passed or decisions made at the meeting.

26. The committee shall be elected from amongst the members of the society at the annual general meeting of the registered society in accordance with the rules of the society. The members shall hold office until their successors are elected, and shall be eligible for re-election.

27.—(1) The committee shall represent the registered society before all competent public authorities and in all dealings and transactions with third persons, with power to institute or defend suits brought in the name of or against the society, and in general it shall carry out such duties in the management of the affairs of the registered society as have not been specially assigned by the regulations or the rules, to general meetings, or to any other officer of the society.

(2) The committee shall always keep a copy of the latest annual balance sheet of the registered society together with the report referred to in regulation 19 hung in a conspicuous place at the registered office of the society.

28. The committee shall meet as often as the business of the registered society may require and in any case not less frequently than once in three months. Meetings of the committee shall be summoned by the secretary in writing.

29. Any member of the committee who—

(a) is in receipt of salary or wages from the society; or

(b) without due excuse approved by the committee fails to attend at least three consecutive meetings of the committee,

shall be deemed to have vacated his office which shall thereupon be filled as provided in regulation 30.

30. Vacancies occurring on the committee shall be filled within thirty days by the election of substitutes elected by the remaining members of the committee.

31. The committee may borrow money on behalf of the registered society to an amount not exceeding such total amount as may have been fixed in accordance with regulation 16.

32.—(1) The committee shall appoint a secretary whose duties shall be prescribed by the rules.

(2) The committees may appoint a treasurer and prescribe his duties.

(3) The committee may appoint such other clerks and employees as it considers necessary.

33. The treasurer or, where the secretary is carrying out the duties of the treasurer, the secretary shall be required to give security in such amount as the committee may determine and the Registrar shall approve.

34. The committee may, with the approval of the general meeting, cause bad debts to be written off the books of the registered society.

35. The committee shall in every year and as soon as conveniently possible within such time as the Registrar may direct—

- (a) cause the secretary to prepare and send to the Registrar the yearly balance sheet closed on the last day of the registered society's financial year together with a detailed statement of the profit and loss account; and
- (b) prepare a report on the year's working of the registered society to be presented to the annual general meeting.

36.—(1) Any share may be transferred with the approval of the committee to any other member at the option of the transferor, but if the transferee is not a member, he must be approved of as a member by the committee, or the general meeting according to the rules relating to the admission of members before the transfer can be registered; and if the rules require a member to hold more than one share, the transferee must acquire by the transfer, or by the transfer and allotment, the number so required to be held before the transfer can be registered.

(2) Special transfer forms as prescribed by the Registrar shall be used.

(3) No transfer of a share shall be valid and effective unless and until such transfer has been registered by the secretary on the direction of the committee.

(4) No transfer of a share shall be registered if made by a member indebted to the registered society without special order of the committee, and until the transfer of a share is registered no right shall be acquired against the registered society by the transferee, nor shall any claim of the registered society upon the transferor be affected thereby.

37.—(1) The reserve fund of a registered society, created in pursuance of the provisions of section 35 of the Act, shall be indivisible property of the registered society, and may—

- (a) be utilized in the business of the registered society; or
- (b) be applied with the sanction of the Registrar to meet bad debts or losses sustained through extraordinary circumstances over which the society has no control.

(2) The reserve fund shall not otherwise be disturbed except in liquidation.

38. In pursuance of the provisions of section 38 of the Act, the accounts of every registered society shall be audited at least once in every year by some person authorized by the Registrar. Such person shall have access to all the books and accounts of the registered society and shall examine every balance sheet and annual return of the receipts and expenditure, funds and effects of the registered society, and shall verify the same with the accounts and vouchers relating thereto, and shall either sign the same as found by him to be correct, duly vouched and in accordance with the Act or shall specially report to the Registrar in what respects he finds the same incorrect, unvouched, or not in accordance with the Act. The Registrar shall thereupon forward the report of such person to the committee.

39.—(1) There shall be constituted a fund to be known as the Audit and Supervision Fund and every registered society, the accounts of which have been audited by the Registrar, shall, when called upon to do so by the Registrar, make annually a contribution to such fund.

(2) Until such time as a society has been established and registered for the purposes of supervision and audit, such contributions shall be held by the Registrar and administered by him on behalf of the contributing registered societies.

(3) So long as the Registrar administers the fund on behalf of the contributing registered societies, he shall report in every year to the Government in respect to the income derived from contributions, the expenditure he has sanctioned from the fund and the balance in his hands.

(4) As soon as a society for supervision and audit has been established and registered, the fund shall be credited to such society and shall be utilized by such society in accordance with its objects and rules.

(5) Until a society for supervision and audit has been established and registered, 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 ten per cent of the net annual profits of the registered society or of one per cent of the working capital of the registered society and shall not in any case be less than one dollar.

40.—(1) The rules 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 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 manner of raising funds, including the maximum rate of interest on deposits;
- (h) the procedure at general meetings and at the meetings of the committee;
- (i) the duties of the secretary, treasurer and other officers; and
- (j) the manner of the investment of the funds of the society.

(2) If the objects of the proposed society include the creation of funds to be lent to the members, the proposed rules shall, in addition, contain provision in respect of the following matters—

- (a) the conditions on which loans may be made to members, including the rate of interest; and
- (b) the consequences, if any, of default in the payment of any sum due on account of shares.

(3) A proposed society whose primary object is the granting of loans to its members and in which name the words "Credit Union" appear, shall provide for the following conditions in its rules—

- (a) the liability of the members shall be limited by shares;
- (b) a member may withdraw any portion of his share capital not otherwise pledged to the society on demand provided that the committee or other governing body of the society may require notice for a period not exceeding six months;
- (c) in addition to the committee as defined by the Act, two other committees shall be elected annually by the members, one for the granting of loans to members, the other for purposes of audit and supervision:

Provided that no member of the committee for audit and supervision shall be a member of any other committee;

- (d) deposits may be received from members only;
- (e) the rate of interest on loans shall not exceed twelve *per centum* per annum:

Provided, however, that a registered society whose object is to assist or foster Credit Unions and whose membership is composed entirely of Credit Unions themselves shall not be required to provide for or adhere to any of these conditions.

41.—(1) Where, in pursuance of the provisions of subsection (1) of section 11 of the Act, a registered society amends its rules, such amendment shall be made by a resolution of the members of the registered society at a general meeting.

(2) Every resolution under paragraph (1) shall not be valid and effective unless it is taken by a majority of not less than three-fourths of the members present at the general meeting at which the resolution was proposed.

(3) A copy of a resolution under paragraph (1) shall be forwarded to the Registrar together with three copies of the amendment.

42. For the purposes of section 22 of the Act a copy of an entry in the book of the 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 and one member of the committee.

43.—(1) Reference of a dispute to the Registrar under the provisions of subsection (1) of section 50 of the Act may be made—

- (a) by the committee; or
- (b) by the registered society in pursuance of a resolution in that behalf taken in general meeting; or
- (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.

44.—(1) Where, in pursuance of the provisions of subsection (2) of section 50 of the Act, the Registrar refers a dispute to arbitration, such reference shall be embodied in an order of reference under his hand.

(2) Every order of reference under this regulation shall—

- (a) specify the name, surname, place of abode and occupation of the arbitrator or arbitrators;
- (b) set out the dispute and full particulars thereof; and
- (c) limit the time within which the award shall be forwarded by the arbitrator or arbitrators to the Registrar:

Provided that, on good cause shown to his satisfaction, the Registrar may, by a further order, enlarge the time whether before or after the time limited by the order of reference has expired.

(3) Where the Registrar refers a dispute to more than one arbitrator, such reference shall be to three arbitrators, of whom one shall be nominated by each of the parties to the dispute and the third shall be nominated by the Registrar and shall act as chairman.

(4) Where, under paragraph (3), reference is made to three arbitrators, the following provisions shall have effect—

- (a) if any party to the dispute fails to nominate an arbitrator within such time as the Registrar may specify, the Registrar may make the nomination himself;
- (b) if an arbitrator nominated by one of the parties to the dispute dies, or refuses or neglects to act, or by absence or otherwise becomes incapable of acting, the Registrar shall call upon the party concerned to nominate a new arbitrator within such time as the Registrar may specify, and if no new arbitrator is nominated accordingly, the Registrar may nominate one himself;
- (c) if the arbitrator who dies or refuses or neglects to act or becomes incapable of acting was nominated by the Registrar a new arbitrator shall be nominated in his place by the Registrar; and
- (d) the opinion of the majority of the arbitrators shall prevail.

45.—(1) The proceedings before the arbitrator or arbitrators shall as nearly as possible be conducted in the same way as proceedings before a court of law and in particular the following provisions shall have effect in respect thereof—

- (a) notice of the time and place at which the proceedings are to be held shall be given to the parties to the dispute and such notice shall be a ten days' notice;
- (b) a record of the evidence adduced before the arbitrator or arbitrators shall be made, dated and signed by the arbitrator or arbitrators;
- (c) documents produced as exhibits before the arbitrator or arbitrators shall be marked, dated and initialled by the arbitrator or arbitrators and shall be attached to the file of the proceedings; and
- (d) in the absence of any party duly notified to attend, the dispute may be decided by the arbitrator or arbitrators *ex parte*.

(2) The award of the arbitrator or arbitrators shall—

- (a) be in writing;
- (b) be dated and signed by the arbitrator or arbitrators; and
- (c) state the amount of the costs and expenses of the arbitration, if any, and by which party or parties to the dispute the same are to be paid.

(3) Upon the completion of the proceedings the arbitrator or arbitrators shall forward to the Registrar—

- (a) the file of the proceedings; and
- (b) the award.

46. Every appeal to the Registrar under subsection (3) of section 50 of the Act shall—

- (a) be in writing;
- (b) state the grounds of appeal; and
- (c) be lodged with the Registrar not later than fourteen days from the date of the award.

47.—(1) The tribunal for the purposes of subsection (3) of section 7, subsection (3) of section 11 and subsection (2) of section 41 of the Act shall consist of a legally qualified person as chairman and two other persons all of whom shall be nominated by the Minister.

(2) The members of the tribunal shall hold office for two years and shall be eligible for reappointment.

(3) The procedure to be observed in connection with appeals to the tribunal shall be *mutatis mutandis* the procedure laid down in regulation 45.

(4) A copy of the notice of appeal stating the grounds of appeal shall be sent by the appellants to the Registrar at the time of the making of the appeal.

48. Every registered society shall submit to the Registrar, such returns, at such time, and in such form, as may from time to time be prescribed by the Registrar.

49.—(1) Where a member of the registered society has become of unsound mind, incapable of managing himself or his affairs and no committee of his estate or trustee of his property have been appointed, the society may, subject to the provisions of regulation 36, and of section 28 of the Act—

- (a) transfer the share or interest of such member to the Administrator-General for Jamaica in trust for such member; or
- (b) the society may pay a sum representing the value of the member's share or interest to the Administrator-General:

Provided that, if the value of such share or interest does not exceed two hundred dollars, the committee of the society may, subject to any conditions they think fit, pay the whole or any portion of such sum to the person who appears to them to have the care of such member or the management of his affairs.

(2) All transfers and payments made by a registered society in accordance with the provisions of this regulation shall be valid and effectual against any demand made upon the society by any other person.

50. The fees specified in the Schedule shall be payable for the Schedule matters to which they relate.

THE CO-OPERATIVE SOCIETIES REGULATIONS, 1950

SCHEDULE OF FEES

(Regulation 50)

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|--|-----|-------|-----|-----|
| (1) For registration of a society and its rules under subsection (4) of section 6 of the Act | ... | ... | ... | 25c |
| (2) For registration of an amendment of the rules of a society | ... | | | 10c |
| (3) For every inspection on the same day of documents whether one or more in the custody of the Registrar and relating to one and the same society: Provided that the Registrar may, in his discretion, waive this fee | ... | ... | ... | 10c |
| (4) For every copy or extract of any document in the custody of the Registrar, for every 120 words or part thereof | ... | | | 5c |