

The State Law and Order Restoration Council
The Co-operative Society Law
(The State Law and Order Restoration Council Law No. 9/92)
The 13th Waning Day of Nadaw, 1354 M.E.
(22nd December, 1992)

The State Law and Order Restoration Council hereby enacts the following Law: -

Chapter I
Title and Definition

1. This Law shall be called Co-operative Society Law.

2. The following expressions contained in this Law shall have the meanings given hereunder: -

(a) Society means a Primary Co-operative Society, Co-operative Syndicate, Union of Co-operative Syndicates or Central Cooperative Society registered under this Law;

(b) Member means a person who has joined the Primary Cooperative Society and who has subscribed fully the value of one share to the Society in accordance with the stipulation.

(c) Member Society means a society which has joined another society and which has subscribed a share to such society in accordance with the stipulation;

(d) Representative means a person who has been lawfully delegated to attend the meeting of the society in accordance with the stipulation;

(e) Executive Committee means the executive committee or board of directors formed by the general meeting in order to implement the business of the society;

(f) Staff of the Society means a person appointed and paid out of funds owned by the society;

(g) Share means the value of the share to be subscribed by a member or a member society to the relevant society in accordance with the stipulation;

(h) Investment means money subscribed in accordance with the stipulation by a member, member society, person or organization desirous of carrying out an equity economic enterprise to enable the operation of equity economic enterprise;

(i) Allotment means money appropriated in accordance with the stipulation for use by the Society before distribution of the net profits of the society;

(j) Dividend means money apportioned out of the net profits in accordance with the stipulation for members, member societies, executive committee and staff of the society;

(k) Fund means money apportioned out of the net profits of the society in accordance with the stipulation for the business of the society or for any other purpose;

(l) Saving means money saved at the society by a member or a member society of his/its own volition;

(m) Property means moveable and immoveable property. This expression also includes animals;

(n) Auditor means a person or a body assigned the responsibility of auditing the accounts of the co-operative societies;

(o) Liquidator means a person or a body appointed by the Director General of the Co-operative Department to undertake the responsibility of settling the accounts of a society which is to be liquidated;

(p) Minister means the Minister of the Ministry of Co-operative;

(q) Department means the Co-operative Department;

(r) Director General means the Director General of the Cooperative Department.

Chapter II

Basic Principles of the Society

3. The basic principles of the society are as follows:

(a) to form the society with persons who wish to participate of their own volition;

(b) a member or a representative to have an equal right of one person being able to give one vote and to administer all transactions of the society only according to the wishes of the majority;

(c) to restrict the benefit to be derived for the share subscribed in the society;

(d) to apportion the net profits accrued from the business of the society according to the decision of the members;

(e) to carry out dissemination of co-operative concept and technique;

(f) to ensure effective co-operation among co-operative societies in and outside the country;

(g) to enable the society to be only an organization carrying out economic and social activities of the society;

(h) to raise the standard of living of the members and member societies by working with the objective of the interests of the same~

(i) to enable the members or member societies to become participants in the economic and social activities of the society;

(j) to enable the society to become an organization administering according to the wishes of the majority by combining service and property in the interests of the members, member societies and equity business partners.

Chapter III

Bye-Law of the Society and Formation of the Society

4. Persons wishing to form a society shall draft the bye-law of the society in accordance with the type of business and confirm it at the first general meeting. The bye-law so confirmed may be amended or supplemented by the general meeting.

5. (a) The minimum amount of capital and the number of shares with which the society is formed shall be mentioned in the bye-law of the society;

(b) The number of shares mentioned in the bye-law of the society may be increased, reduced to not less than the minimum amount of capital mentioned in sub-section (a) or cancelled at the general meeting;

(c) Where the number of shares are increased, reduced or cancelled under subsection (b), such decision shall be intimated to the Department within (15) days.

6. The societies are to be formed as follows in accordance with the basic co-operative principles;

(a) primary co-operative society may be formed with at least 5 (five) persons in order to promote collectively the interests of its members;

(b) a co-operative syndicate may be formed with at least 3 (three) primary co-operative societies in order to amalgamate in an equity partnership according to the economic enterprise;

(c) a union of co-operative syndicates consisting of co-operative syndicates may be formed

(d) the Central Co-operative Society may be formed consisting of co-operative syndicates and unions of co-operative syndicates which have already been formed;

(e) if required by an economic enterprise, a co-operative society may be formed separately by splitting up a co-operative society which has already been formed or by amalgamating co-operative societies which have already been formed.

7. A society which has been formed shall be registered at the Department. Only after such registration it has the right to exist as a body corporate.

Chapter IV

Membership, Duties and Rights of a Member and Cessation of Membership

8. A person who possesses the following qualifications has the right to become a member in a primary co-operative society;

(a) a citizen, an associate citizen or a naturalized citizen;

(b) a person who has completed the age of 18 years;

(c) a person who has subscribed fully the value of one share determined under the bye-law of the society.

(d) a person not of an unsound mind.

9. Persons who have completed the age of 12 years may be admitted as an associate member in a primary co-operative society.

10. The duties of a member and an associate member are as follows:

(a) complying with this Law, rules, procedures and bye-laws of the relevant society;

(b) complying with the decisions of the society;

(c) performing the duties and work assigned by the society;

(d) taking custody of the property of the society;

- (e) subscribing the value of the share determined by the society;
- (f) submitting to the set-off by the society of any sum payable to such member or associate member towards payment of any sum payable to the society;
- (g) in the event of liquidation of a society and there are claims to be met, the liabilities of a member or associate member being limited only to the extent of the shares subscribed.

11. (a) The rights of members are as follows: -

- (i) having the right to vote and the right to stand for election in accordance with this Law;
 - (ii) having the right to acquire benefits granted by the society, proportionately and equitably;
 - (iii) having the right to transfer shares in accordance with the stipulations;
 - (iv) having the right to nominate his beneficiary in respect of his benefit from the society;
 - (v) having the right to submit to the general meeting of the society and obtain decision thereof in respect of the transactions of the society, grievance and dissatisfaction over the decision of the Executive Committee and matters in which he wishes to give advice and make proposals?
- (b) Associate members are entitled to acquire rights mentioned in sub-section (a) clause (ii) and (iii).

12. Notwithstanding anything provided in any other existing law:

- (a) in the event of the death of a member, the society shall transfer his benefit to the beneficiary nominated by him under section 11 sub-section (a) clause (iv);
- (b) in the event of the death of a member or associate member before nomination of his beneficiary has been made under section 11 sub-section (a) clause (iv), the society shall transfer all his benefits in the following order of priority: -
 - (i) wife, husband;
 - (ii) children;
 - (iii) grandchild;
 - (iv) brothers and sisters;
 - (v) mother, father;
 - (vi) other persons having a lawful right of inheritance.

13. Membership ceases when any of the following events occur:-

- (a) death;
- (b) cessation of citizenship;
- (c) resignation;
- (d) final transfer of all his shares;

- (e) being of unsound mind;
- (f) dismissal by the resolution of the general meeting of the society;
- (g) permanently becoming a member of a religious order.

Chapter V

Membership of a Member Society and Duties and Rights of a Member Society

14. To enable the societies to operate collectively equity enterprise: -

- (a) a primary co-operative society may join the co-operative syndicate as a member;
- (b) a co-operative syndicate may join the union of co-operative syndicates and the Central Co-operative Society as a member;
- (c) the union of co-operative syndicates may join the Central Cooperative Society as a member;

15. The duties of a member society are as follows:-

- (a) paying the shares and investments prescribed by the society;
- (b) sending representatives to the society;
- (c) participating in the economic enterprises of the society; (d) operating the enterprises prescribed so that there will be economic justification;
- (e) in the event of liquidation of a society and there are claims to be met, the liabilities of a member society being limited only to the extent of the shares subscribed.

16. member society has the right to acquire dividends determined by the society.

Chapter VI

Duties and Powers of a Society and Cessation of a Society

17. The duties of a society are as follows: -

- (a) abiding by the bye-laws of the society;
- (b) carrying out economic and social activities in accordance with the existing laws;
- (c) making provisions to enable the staff of the society to enjoy their rights;
- (d) making arrangements for the executive committee members to receive compensation in the event of being injured at the place of work, while performing the duties of the society;
- (e) making arrangements to apportion annually suitable benefits for persons working for the development of the economic enterprises of the society;

(f) compiling and maintaining inventories, accounts and other statements and records and forwarding the statements and reports to those concerned;

(g) inspection of the accounts of the society by an accountant at least once a year;

(h) submitting to the auditing of its accounts by the Department if it is a society carrying on business by obtaining Government bank loans.

18. The powers of a society are as follows: -

(a) having a common seal and perpetual succession with power to sue and be sued in its own name;

(b) having the power to hold property;

(c) having the power to enter into contracts;

(d) having the power to set-off the share saving, investment and benefits payable by the society towards payment of debts due to the society;

(e) having the power to engage in equity partnership with private individuals;

(f) having the power to obtain the support and assistance of the Government.

19. A society ceases to be so when any of the following events occur: -

(a) acceptance of the application of the society to cancel its registration;

(b) having its registration cancelled;

(c) cessation of its business under any existing law;

Chapter VII **Finance of the Society**

20. As the society is an organization subsisting on its own finances, the following are included in the capital of the society: -

(a) shares, savings and investments;

(b) profits and funds;

(c) local and foreign grants;

(d) advances;

(e) bank loans and other loans;

(f) other lawful receipts.

21. Expenditures incurred for the work undertaken by the Central Cooperative Society in respect of dissemination of co-operative concept and technique, promotion of co-operative spirit and co-ordination among societies may be recovered proportionately from the societies.

22. The society shall apportion the following funds by a resolution of its general meeting : -

- (a) business expansion fund for the expansion of the economic enterprises of the society;
- (b) social and cultural fund for the promotion of the social and cultural activities;
- (c) general fund for unforeseen losses and expenditures in the business of the society.

23. The society shall determine the following allotments according to the financial year: -

- (a) allotment for depreciation of capital assets;
- (b) allotment for payment of all forms of taxes.

24. The society shall determine the following dividends according to the financial year: -

- (a) dividend on the share;
- (b) dividend on the investment;
- (c) dividend for the executive committee members and staff of the society;
- (d) refund for purchase or sale of goods.

Chapter VIII **Liquidation of the Society**

25. The Director General may liquidate the society when any of the following events occur: -

- (a) the number of members or member societies being less than the prescribed number;
- (b) contravening any provision of this Law
- (c) not operating economic enterprises in accordance with the existing laws;
- (d) inadequacy of capital;
- (e) not being in a position to repay debts due;
- (f) requesting a liquidation to be effected under a resolution of the general meeting;
- (g) occurrence of any other sufficient cause.

26. When the Director General passes an order for the liquidation of a society, he shall appoint a liquidator and determine the duties and powers of the same.

27. Where there is dissatisfaction over the order of the Director General for liquidation, an appeal shall be filed to the Minister within (60) days. The decision of the Minister shall be final and conclusive.

28 (a) After an order to liquidate a society has been passed, no Court shall have any jurisdiction in respect of any matter connected with the liquidation of the society;

(b) No legal proceeding shall be instituted nor any action be taken in any other manner against a society for which a liquidator has been appointed, without the consent of the Director General

29. An order passed by the liquidator of the society shall be deemed as if it were a decree passed by a civil court having jurisdiction. Sums payable under an order of the liquidator also shall be recovered as if they were arrears of land revenue.

30. Before receiving the final report of the liquidator, the Director General may, if necessary investigate and confirm, alter or cancel the order of the liquidator in respect of any proceeding being taken to liquidate the society.

31. The Director General shall pass an order to cancel the registration of a society when he receives the final report of the liquidator.

Chapter IX

Giving Decisions in Disputes

32. The Director General shall form a committee as may be necessary with suitable citizens in order to investigate and submit disputes between societies which are not members societies in a particular society. The Director General shall give a decision on the investigations submitted by the Committee. The decision of the Director General shall be final and conclusive

33. The general meeting shall give a decision in disputes between a society and a member or between a society and a member society in respect of the transactions of a society.

34. The relevant Executive Committee shall give a decision in disputes between members or between member societies in respect of the transactions of a society.

Chapter X

Miscellaneous

35. The provisions of the Myanmar Companies Act shall not apply to societies formed under this Law.

36. As the liabilities of the society are limited, it has the right to use the expression “limited” at the end of the name of such society.

37. Societies established under the Union of Myanmar Co-operative Societies Law, 1970 shall-

(a) be deemed as if they were societies registered under this Law;

(b) be re-constituted in accordance with this Law within the period prescribed.

38. For the purpose of carrying out the provisions of this Law: -

(a) the Ministry of Co-operative may issue rules and procedures as may be necessary, with the approval of the Government;

(b) the Ministry of Co-operative and the Department may issue orders and directives as may be necessary.

39. The following Law and Rules are hereby repeated: -

(a) the Union of Myanmar Co-operative Societies Law, 1970;

(b) the Union of Myanmar Co-operative Societies Rules, 1970;

(c) Rules relating to modes of taking action under the Union of Myanmar Co-operative Societies Law, 1970.

Sd./ Than Shwe
General
Chairman
The State Law and Order Restoration Council