

CO-OPERATIVE SOCIETIES ACT
(CHAPTER 62)
CO-OPERATIVE SOCIETIES RULES 2009

In exercise of the powers conferred by section 95 of the Co-operative Societies Act, the Minister for Community Development, Youth and Sports hereby makes the following Rules:

PART I
PRELIMINARY

Citation and commencement

1. These Rules may be cited as the Co-operative Societies Rules 2009 and shall come into operation on 1st August 2009.

PART II
REGISTRATION OF SOCIETIES

Forms

2.

—(1) The forms to be submitted to the Registrar under the Act shall be those provided at the Internet website at <http://www.mcys.gov.sg/regcoop> (under “Forms”), and any reference in these Rules to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

(2) Every form used for the purposes of the Act shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Registrar.

(3) Any document required to be submitted to the Registrar under any provision of the Act or these Rules shall be submitted in such form and manner as may be specified in the website referred to in paragraph (1).

Application for registration of society

3.

—(1) Every application for registration of a society under section 7 of the Act shall be submitted to the Registrar —

in Form 1, in the case of a society which proposes to provide any financial service; or (a)

in Form 2, in any other case. (b)

(2) Every application for registration of an amalgamated society under section 74 of the Act shall be submitted to the Registrar —

in Form 3, in the case of an amalgamated society which proposes to provide any financial service; or (a)

in Form 4, in any other case. (b)

Application for conversion from non-credit society to credit society

4. Every application of a non-credit society for the written approval of the Registrar to provide any financial service under section 16A of the Act shall be submitted to the Registrar —

in Form 5, in the case of a society which provides any financial service immediately before 20th October 2008; or (a)

in Form 1, in any other case. (b)

Minimum requirements for registration of credit societies

5.

—(1) For the purposes of sections 9(1B)(e) and 16A(5)(e) of the Act and subject to paragraph (2), the minimum requirements that apply to a society are as follows:

a capital adequacy ratio of not less than 6%; and (a)

a liquidity ratio of not less than 13%,
calculated in such manner as may be determined by the Registrar by notice in writing. (b)

(2) The Registrar may, if he considers it appropriate in the circumstances of a particular society or class of societies and having regard to the risks arising from the activities of the society or class of societies and such other factors as the Registrar considers relevant, vary the capital adequacy ratio or liquidity ratio applicable to that society or class of societies (as the case may be).

PART III

AUDIT OF SOCIETIES

Change of auditors

6.

—(1) A society shall change its auditor at least once every 5 years, either to another auditor from the same auditing firm or company or to another auditor from a different auditing firm or company.

(2) Any society which contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000.

PART IV

PROVISIONS RELATING TO CREDIT SOCIETIES

Independence of committee of management and audit committee

7.

—(1) For the purposes of sections 36(2) and 59(1)(b) of the Act, a member of the audit committee or the committee of management of a credit society shall be considered to be independent of the credit society if he has no management relationship with the credit society or any of its subsidiaries that could interfere, or be reasonably regarded as interfering, with the exercise of the member's independent business judgment with regard to the interests of the credit society.

(2) Without prejudice to paragraph (1), a member of the audit committee or the committee of management of a credit society shall not be considered to be independent of the credit society if he, or any member of his immediate family, is employed by the credit society or any of its subsidiaries.

(3) In this rule, unless the context otherwise requires, a reference to a member of the immediate family of a member of the audit committee or the committee of management of a credit society means the member's spouse, child, adopted child, step-child, parent, step-parent, brother, step-brother, sister or step-sister.

Employment and engagement of services of individuals

7A.

—(1) Except with the written approval of the Registrar, no credit society shall employ or engage the services of a person who has been convicted, whether before, on or after 1st February 2011 and whether in Singapore or elsewhere, of any offence involving fraud or dishonesty —

where the person has been sentenced to imprisonment in respect of the offence, for a period beginning on the date of his conviction and ending on the 15th anniversary of the date of his release from prison; or (a)

(b)

where the person has not been sentenced to imprisonment in respect of the offence, for a period of 15 years beginning on the date of his conviction.

(2) Any credit society which contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 and, in the case of a continuing offence, to a further fine not exceeding \$500 for every day or part thereof during which the offence continues after conviction.

[S 25/2011 wef 01/02/2011]

Restriction on loans and borrowing

8. For the purposes of sections 67(3) and 68(5) of the Act, “immediate family member”, in relation to a member of a credit society, means the member’s spouse, child, adopted child, step-child, parent, step-parent, brother, step-brother, sister or step-sister.

Advertising restrictions

9.

—(1) No person shall advertise, or cause to be advertised, in or using the mass media —

(a)

the address or telephone number of a credit society; or

(b)

an invitation —

(i)

to apply to be a member of a credit society;

(ii)

to borrow from or deposit money with a credit society;

(iii)

to enter into any transaction involving the borrowing of money from, or the provision of any other financial service by, a credit society; or

(iv)

to apply, in any manner as may be specified, to obtain information or advice on any financial service provided or to be provided by a credit society.

(2) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000.

(3) In this rule, unless the context otherwise requires —

“mass media”, in relation to a credit society, means —

(a)

any newspaper, magazine, journal or other periodical that is available to the general public, including an electronic version thereof on the World Wide Web;

(b)

any poster, notice, signboard, circular, handbill, brochure, pamphlet, book or other document displayed in a public place, other than any public place —

(i)

that is immediately outside the registered address of the credit society; or

(ii)

that is within the building in which the registered address of the credit society is located; or

(c)

any public broadcasting service or facsimile service, but does not include the Internet website of the credit society or the apex organisation;

“public place” means any place (open to the air or otherwise) to which the general public have access as of right or by virtue of express or implied permission, whether or not on payment of a fee and whether or not access to the place may be restricted at particular times or for particular purposes.

PART V
CENTRAL CO-OPERATIVE FUND

Central Co-operative Fund Committee

10.

—(1) For the purpose of advising the Minister on the administration of the Central Co-operative Fund, there shall be established a committee which shall be known as the Central Co-operative Fund Committee and which shall consist of a chairman and 4 other members appointed by the Minister.

(2) The Central Co-operative Fund Committee shall keep or cause to be kept proper accounts and other records in respect of the administration of the Central Co-operative Fund and shall do all things necessary to ensure that all payments out of that Fund are correctly made and properly authorised.

(3) The members of the Central Co-operative Fund Committee shall hold office for a term of 3 years and shall, at the end of their term of office, be eligible for reappointment.

(4) The Minister may, at any time, revoke any appointment made by him under paragraph (1) without assigning any reason.

(5) If a vacancy arises for whatever reason in respect of a member of the Central Co-operative Fund Committee appointed during his term of office, the Minister may appoint another person to fill his vacancy until the expiry of his term of office.

(6) A meeting of the Central Co-operative Fund Committee shall be convened by the chairman as often as is necessary but not less frequently than once in every year.

(7) At every meeting of the Central Co-operative Fund Committee, a quorum shall consist of 3 members, and decisions shall be adopted by a simple majority of the votes of all members of the Committee present and voting, except that the chairman shall have a casting vote in the case of an equality of votes.

(8) Subject to paragraph (7), the Central Co-operative Fund Committee shall not be precluded from holding any meeting or acting in any matter merely by reason of any vacancy in its membership.

(9) Subject to the provisions of this Part, the Central Co-operative Fund Committee may adopt its own procedure in relation to Committee meetings.

Administration of Central Co-operative Fund

11.

—(1) Contributions to the Central Co-operative Fund —
shall be made by every society in accordance with section 71 of the Act; and
subject to section 66(1)(g) of the Act, may be made from voluntary donations.

(2) Every withdrawal from the Central Co-operative Fund shall be —
made by cheque signed by any 2 members of the Central Co-operative Fund Committee whom the Committee may from time to time authorise in that behalf, except that in the case of any withdrawal in excess of \$50,000, one of the signatories shall be the chairman; and
supported by the relevant voucher or vouchers certified by any other member of the Central Co-operative Fund Committee who is not a signatory to the cheque referred to in sub-paragraph (a).

(3) The moneys in the Central Co-operative Fund may be deposited in any bank licensed under the Banking Act (Cap. 19) or invested in such manner as the Minister thinks fit.

(4) All investments and properties purchased out of the Central Co-operative Fund shall be vested in the name or names of —

(a)

such society as the Minister may appoint;

(b)

such trustees or trust corporation as the Minister may appoint; or

(c)

such fund manager as the Central Co-operative Fund Committee or the trustees appointed under subparagraph (b) may appoint or the nominee of such fund manager.

(5) The investments and properties vested in the name or names of a society, trustees or a trust corporation referred to in paragraph (4)(a) or (b) shall not be mortgaged or charged by way of security for the repayment of money borrowed, sold, transferred, assigned, leased or otherwise disposed of without the authority of the Minister.

(6) Subject to paragraph (7), the moneys of the Central Co-operative Fund and the income derived from any investment or property purchased out of the Central Co-operative Fund may be used by the Central Co-operative Fund Committee for the purposes specified in section 71(1) of the Act and for any expenditure incurred in the administration of the Central Co-operative Fund.

(7) The total amount of the disbursements from the Central Co-operative Fund made pursuant to paragraph (6) in any financial year shall not exceed \$2 million without the prior approval of the Minister.

(8) As soon as practicable after the close of each financial year, the Central Co-operative Fund Committee shall submit to the Minister through the Registrar an annual report on the application of the Central Co-operative Fund.

(9) The Central Co-operative Fund Committee shall, whenever required by the Registrar to do so, furnish the Registrar with such information relating to the administration and application of the Central Co-operative Fund as the Registrar may require.

Audit of Central Co-operative Fund

12.

—(1) The accounts of the Central Co-operative Fund shall be audited by an auditor (referred to in this rule as the auditor) appointed by the Central Co-operative Fund Committee.

(2) The audit fees shall be paid out from the Central Co-operative Fund.

(3) As soon as practicable after the close of each financial year, the Central Co-operative Fund Committee shall prepare or cause to be prepared and submit the financial statements in respect of that year to the auditor who shall audit and report on them.

(4) The auditor shall inspect and audit the accounts and other relevant records in respect of the Central Co-operative Fund and shall immediately draw the attention of the Central Co-operative Fund Committee to any irregularity disclosed by the inspection and audit that is, in the opinion of the auditor, of sufficient importance to justify his so doing.

(5) The auditor shall report —

(a)

whether the financial statements give a true and fair view of the financial transactions and the state of affairs of the Central Co-operative Fund; and

(b)

such other matters arising from the audit as he considers should be reported.

(6) The auditor shall state in his report whether —

(a)

proper accounting and other records have been kept; and

(b)

the receipt, expenditure and investment of moneys in respect of the Central Co-operative Fund have been in accordance with the provisions of the Act and these Rules.

(7) The auditor may at any other time report to the Central Co-operative Fund Committee upon any matter arising out of the performance of the audit.

(8) The auditor shall at all reasonable times have full and free access to all accounting and other records relating to the financial transactions of the Central Co-operative Fund.

(9) After the close of each financial year, the chairman of the Central Co-operative Fund Committee shall, as soon as the accounts have been audited, cause a copy of the statements of

accounts to be submitted to the Minister through the Registrar together with a copy of any report made by the auditor on the accounts.

PART VI
MISCELLANEOUS

Dividend

13. For the purposes of section 72(2) of the Act, no society shall pay a dividend on paid-up share capital or subscription capital exceeding 10% per annum without the written approval of the Minister.

Duties of officers of societies

14.

—(1) Except as otherwise provided in the by-laws of a society —

(a)

the chairman of the society shall preside at all general meetings of the society and at all meetings of the committee of management; and

(b)

in the absence of the chairman, the vice-chairman or, in the absence of both the chairman and the vice-chairman, any other person elected by a majority of the members present at the meeting shall preside at the meeting.

(2) The duties of the secretary of a society shall include the following:

(a)

to maintain, correctly and up-to-date, all the records, papers and registers of the society;

(b)

to keep an inventory of the property belonging to the society;

(c)

to sign on behalf of the committee of management and conduct its correspondence;

(d)

to summon and attend all general meetings of the society and all meetings of the committee of management and to record the proceedings of such meetings in a minute-book; and

(e)

to conduct the ordinary business of the society and perform all the duties entrusted to him by the committee of management.

(3) The duties of the treasurer of a society shall include the following:

(a)

to take charge of all financial transactions of the society, including all moneys received by the society from a bank, members or other persons and to make disbursements in accordance with the directions of the committee of management;

(b)

to prepare or cause to be prepared all the receipts, vouchers and documents required by the by-laws or called for by the committee of management; and

(c)

to be responsible for the proper and punctual keeping of all the accounts and books of accounts of the society.

(4) The duties of the manager of a society shall include the following:

(a)

to manage the business and property of the society;

(b)

to attend all general meetings of the society and all meetings of the committee of management, and to carry out all the instructions of the committee of management; and

(c)

to record or cause to be recorded the whole of the transactions of the society in the books of the society.

(5) Where the committee of management of a society appoints a person as a manager of the society, the duties of the secretary or the treasurer of the society may be modified or altered by the committee of management, taking into account the duties assigned by the committee of management to the manager.

Revocation

15. The Co-operative Societies Rules (R 1) are revoked.

Savings

16. Notwithstanding the revocation of the Co-operative Societies Rules, the Central Co-operative Fund Committee established under rule 4 of the revoked Rules before 1st August 2009 and existing immediately before that date shall continue in existence as if it had been established under rule 10 of these Rules.

Made this 23rd day of July 2009.

NIAM CHIANG MENG
Permanent Secretary,
Ministry of Community Development,
Youth and Sports,
Singapore.

[MCYS 76-13-04; AG/LEG/SL/62/2005/2 Vol. 1]