

CO-OPERATIVE SOCIETIES RULES – SECTION 13

(Legal Notices 26 of 1951, 4 of 1960 and 7 of 1996)

1. These rules may be cited as the Co-operative Societies Rules.
2. The Registrar 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 by-laws.
3. 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.
4. Every alteration, interlineation or erasure in the Register of Societies shall be initialled by the Registrar.
5. The Register of Societies shall be open to inspection by the Public at all reasonable times and free of charge.
6. (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 by-laws which the Society proposes to adopt shall be submitted together with the application.
7. Where the Registrar decides to register a proposed society, the society and its by-laws shall be registered in the Register of Societies.
8. Upon the registration of a society the Registrar shall forward to the society, free of charge—
 - (a) a Certificate of Registration,
 - (b) a copy of the by-laws of the society as approved by him and certified under his hand as having been approved by him;
 - (c) a copy of the Ordinance and of the rules.
9. When the Registrar refuses to register a society or its by-laws he shall record in writing his reasons for doing so.
10. 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,
 - (c) the date on which any member ceased to be a member, and
 - (d) the nominee, if any, appointed under rule 18.
11. Every registered society shall keep such accounts and shall use such books as may from time to time be prescribed by the Registrar.
12. 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 by-laws shall prescribe.

13. A member may withdraw from a registered society by giving written notice to the secretary, but such withdrawal shall be without prejudice to section 23 of the Ordinance.

14. If a member acts in contravention of the rules or by-laws 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 23 of the Ordinance.

15. Any member who loses any of the qualifications for membership prescribed by the Ordinance or the rules or the by-laws 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 23 of the Ordinance.

16. In the case of any registered society of limited liability holding deposits or loans from non-members, no member withdrawing, removed or expelled therefrom shall be entitled to a repayment of any money paid by him towards the purchase of shares.

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

18. (1) Every appointment of a nominee by any member of a registered society for the purpose of section 25 of the Ordinance shall be made in writing signed by the member in the presence of two attesting witnesses.

(2) No member of a registered society with share capital shall be entitled to appoint more than one nominee unless that member holds more than one share.

(3) In any case where more than one nominee is appointed by any member the number of shares to be transferred or the exact proportion of the amount available that is to be transferred to each of these nominees shall be specified at the time of the appointment.

(4) Every appointment of a nominee shall be recorded in the Register of Members.

(5) For the purpose of a transfer to a nominee the value of any share or interest shall be represented by the sum actually paid for that share or interest by the member holding it unless the by-laws of the registered society otherwise provide.

(6) 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.

19. (1) On the death of a member, a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with Rule 18 or, if there is no person so nominated, to such person as may appear to the committee to be the heir or legal representative of the deceased member, or may pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws:

Provided that—

- (a)* in the case of a society with unlimited liability such nominee, heir or legal representative, as the case may be, may require payment by the society of the value of the share or interest of the deceased member, ascertained as aforesaid;
- (b)* in the case of a society with limited liability, the society may transfer the share or interest of the deceased member to such nominee, heir or legal representative, as the case may be, being qualified in accordance with the

rules and by-laws for membership of the society, or on his application within six months of the death of the deceased member to any person specified in the application who is so qualified.

(2) A registered society shall pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

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

20. At least one-fourth of the net profits of every registered society, as ascertained by the audit prescribed by section 29 of the Ordinance, shall be carried to a fund to be called “the reserve fund”, which shall be employed as prescribed by the rules. The remainder of such profits and any profits of past years available for distribution may be divided among the members by way of dividend or bonus, or allocated to any funds constituted by the Society, to such extent or under such conditions as may be prescribed by the rules or by-laws:

Provided that—

- (a) in the case of a society with unlimited liability, no distribution of profits shall be made without the general or special order of the Governor;
- (b) no registered society shall pay a dividend on share capital exceeding 3%;
- (c)¹¹ if in any year the amount of the reserved fund is such that in the opinion of the Registrar a transfer to the fund of one-fourth of the net funds would be excessive, such smaller amount as the Registrar may determine may be so transferred.

21. 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. Each member shall have one vote only which shall be exercised in person and not by proxy.

22. 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 one month after the receipt of the certificate of registration of the society.

23. 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 is received by the committee. At least eight (8) days’ notice shall be given before any such general meeting is held: Provided that the Registrar may at any time after the audit of the accounts has been completed convene the annual general meeting which shall proceed as if it had been convened by the committee.

24. The functions of the annual general meeting shall be—

- (a) to confirm the minutes of the previous annual general meeting and of any intervening special general meeting;
- (b) to consider the reports of the committee and the balance sheet together with the report on the audit of the accounts of the registered society for the previous year as prepared in accordance with section 29 of the Ordinance;
- (c) to approve the accounts or, if the accounts are not approved, to cause the secretary to notify the Registrar who shall consider the matter and make his decision thereon,

¹¹ Paragraph 20(c) inserted by L.N. 4/1960

and such decision as to the correctness of the accounts shall be final and conclusive;

- (d) to hear and decide upon any complaints brought by members aggrieved by a decision of the committee: provided that notice of such complaints to be brought before the meeting has been given to the secretary at least two days prior to the meeting; and
- (e) to transact any other general business of the registered society.

25. 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 not less than one-fifth of the members of the registered society, if such society is composed of less than one hundred members, or by twenty-five members if such society consists of more than one hundred members, it shall be the duty of the chairman of the committee to convene such a meeting giving eight (8) days' notice. If the chairman of the committee fails to convene a meeting within fourteen (14) days from the receipt of a demand as aforesaid the members applying for such a meeting will have the right to convene the meeting by notice which must contain the object of the proposed meeting and a statement to the effect that the meeting is convened on the failure of the chairman of the committee to convene the meeting demanded:

Provided that the Registrar, or a person authorised by him, may at any time summon a special general meeting of the registered society in such manner and at such time and place as he may direct. He may also direct what matters shall be discussed at the meeting. Such meeting shall have all the powers of a meeting called according to the rules.

26. (1) When a registered society consists of not more than forty members one half of the number of members or ten members, whichever is the less, shall form a quorum for the purpose of the annual general meeting or a special general meeting and when a registered society consists of more than forty members one-fourth of the total number of members of such society shall form a quorum for the purposes of the annual or special general meetings:

Provided that when any meeting is summoned by the Registrar any members present at such a meeting shall be deemed to form a quorum.

(2) If within one hour of the time fixed for any meeting other than a meeting convened by the Registrar, the members present are not sufficient to form a quorum, such meeting shall be considered as dissolved if convened on the demand of members; in all other cases it shall stand adjourned to the same day in the next week at the same time and place and a notice to that effect shall be posted by the secretary within twenty-four (24) hours, and if at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting the members present shall form a quorum.

27. (1) The chairman of the committee or in his absence any other person elected by a majority of those present shall preside at the annual or special general meeting: Provided that the Registrar or a person appointed by him shall preside at any meeting convened by himself or on his demand.

(2) The secretary or in his absence any other person nominated in writing by the chairman shall act as secretary at the meeting. The chairman, if necessary, may nominate other officers to assist at the meeting.

(3) 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.

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

28. Any question submitted to the decision of the members present at a meeting, unless otherwise dealt with in the rules, shall be decided by a majority of votes.

29. (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. In the case of a meeting convened by the Registrar and presided over by him or his representative he or his representative shall not be entitled to vote except on an equality of votes in which case they shall have a casting vote.

(3) In respect of 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.

30. Minutes of the meeting shall be entered in the minute book and signed by the chairman and secretary before the dissolution or adjournment of the meeting 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 present on the day the meeting was held; and
- (d)* all resolutions passed or decisions made at the meeting.

31. (1) The committee shall be elected at a general meeting of the registered society to be held once in every two years convened by the Registrar for the purpose, and its members shall hold office until the election of a new committee and they shall be eligible for re-election:

Provided that a special general meeting convened for the purpose by or on behalf of the Registrar may remove the committee or any members thereof before the expiration of their period of office by a majority of three-fourths of the members present, who shall proceed at the same meeting to the election of others in their stead who shall hold office until the election of a new committee by the next general meeting convened for this purpose by the Registrar.

(2) The committee shall consist of five members and three shall form a quorum.

32. The committee shall elect its own chairman who shall have an ordinary vote and on an equality of votes shall be entitled to a casting vote. In the temporary absence of the chairman the committee shall elect one of its members to perform his duties.

33. (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 rules or by-laws 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 rule 17 hung in a conspicuous place at the registered office of the society.

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

35. At each committee meeting the secretary shall—

- (a) read the minutes of the preceding meeting;
- (b) produce the cash book, detail the entries of receipts and payments made therein since the last meeting and with the treasurer produce the cash in their possession for verification by the committee with the cash book;
- (c) produce a statement showing the loans due and unpaid, for determination by the committee as to the action to be taken in each case;
- (d) produce applications for loans, if any, for determination by the committee in accordance with the priority of receipt; and
- (e) submit any other business for consideration by the committee.

36. Minutes of committee meetings shall be recorded forthwith by the secretary in the minute book and shall be signed by the chairman or other presiding member and by the secretary and shall contain the following particulars—

- (a) the names of the members present and the date of the meeting;
- (b) the name of the chairman or other presiding member; and
- (c) a short statement of all matters discussed and decisions made and a record as to whether each decision was made unanimously or by a majority.

37. Any member of the committee who, without due excuse approved by the committee, fails to attend at three consecutive meetings of the committee shall be deemed to have vacated his office which shall thereupon be filled as provided by rule 38.

38. (1) Vacancies occurring on the committee shall be filled within 8 days by the election of substitutes elected by the remaining members of the committee:

Provided that when such election does not take place the Registrar may appoint the required substitutes.

(2) Any substitutes elected or appointed under subrule (1) shall hold office until the expiration of office of the committee.

39. The committee may borrow money on behalf of the registered society to an amount not exceeding such total amount as may have been fixed by the by-laws of the registered society.

40. The committee may, subject to the approval of the Registrar, open a banking account. All documents in connection with such account shall be signed by two members of the committee and the secretary:

Provided that with the authority of the Registrar previously obtained, such documents may be signed by one member of the committee and the secretary.

41. (1) The committee may—

- (a) appoint such clerks or employees as it considers necessary; and
- (b) fix the salary, wages or remuneration of every such clerk or employee.

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

42. Members who desire to obtain a loan shall submit an application to the committee stating the amount and the purpose for which the loan is required, the term for which it is asked, whether it is desired to repay it by instalments, and the names of the proposed sureties or any other security which is offered.

43. (1) The committee shall consider at a meeting every application for a loan and if the committee is satisfied with the trustworthiness of the applicant the sufficiency of the security offered and the prospects of advantage to the borrower, in the way of increased production or economy or otherwise, it may sanction the loan.

(2) No persons other than members of the committee and the secretary and the Registrar and his staff shall be present at any meeting of the committee when an application for a loan is under consideration. A member of the committee who applies for a loan or who is proposed as surety for a loan must withdraw while the relevant application is being discussed. If there is a difference of opinion concerning the granting of a loan, the voting shall be taken by ballot. The proceedings with regard to loans at committee meetings shall be kept secret, and any member of the committee or officer of the registered society infringing this rule shall be liable to immediate expulsion or dismissal.

44. Loans, when approved by the committee, shall be granted to members who are able to obtain two sureties approved by the committee, or who can give other security to the satisfaction of the committee.

45. (1) No loans shall be made except for a purpose to be approved in each case by the committee.

(2) All loans made shall be applied by the borrowing members to such purpose as the committee has approved.

46. When a loan is sanctioned by the committee, a notice shall be sent to the borrower to that effect and before the amount is advanced the borrower and his sureties shall execute an instrument in writing setting out the terms of repayment of the loan and containing such other terms and conditions as the committee may consider necessary.

47. Where a member—

- (a)** is in default in the repayment of a loan or of an instalment of a loan; and
- (b)** does not satisfy the committee that such default is due to a good cause, such member shall not be entitled to receive another loan from the registered society.

48. If, by reason of sickness or some other cause, a member finds he will be unable to discharge his obligations to the registered society and notifies the secretary in writing before a loan is due, the committee may extend the time fixed for payment on such conditions as it thinks fit.

49. Where the committee is satisfied that a member of the registered society who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application therefor under rule 43, the committee may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.

50. Where—

- (a)** a loan or an instalment of a loan has not been paid on the date on which it became due; and

- (b) no extension for the payment thereof has been given to the debtor by the committee under rule 48, the committee shall take steps for the recovery of the same by referring the matter to the Registrar as prescribed by rule 71 of these rules.

51. (1) Every member of the society shall deliver to the society at such place as the committee shall direct such amount of articles produced or obtained by him as may be prescribed in the by-laws or in the relevant contract to be disposed of by the society.

(2) Any member who is approved or adjudged in accordance with rule 71 of these Rules to be guilty of a breach of the by-laws or the relevant contract as the case may be, shall pay to the society as liquidated damages such sum as may be specifically assessed or ascertained in a manner prescribed by the by-laws or by the relevant contract and such sum shall be deemed to be a debt due to the society.

52. The committee may with the approval of the Registrar cause bad debts to be written off the books of the registered society in such manner and at such times as the Registrar may deem fit.

53.¹² 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 preceding 31st March 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.

54. (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 by-laws relating to the admission of members, before the transfer can be registered; and if the by-laws 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 shall be provided by the Registrar.

(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.

55. The committee may in default of payment by any member indebted to the registered society to an amount not less than three-fourths of the sum paid up for the time being on any transferable share held by him, sell, transfer and register in the books of the registered society such share to any person entitled to hold the same under the rules or by-laws for the best price obtainable therefor and apply the proceeds in or towards the discharge of the debt so due and of any expense incurred in or about the same, paying over the balance (if any) to the member, without being responsible for any loss occasioned thereby, and the defaulting member shall cease to have any further claim in respect of such share.

¹² Paragraph 53 amended by L.N. 7/1996

56. (1) The committee shall appoint a secretary and, unless the person so appointed is a member of the committee, shall have power to fix the remuneration for his services.

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

(3) No appointment made under subrule (1) shall be valid and effective and no remuneration fixed thereunder shall be payable or recoverable unless approved by the Registrar. Every such approval shall be communicated in writing by the Registrar to the committee.

(4) In the event of failure on the part of the committee to appoint a secretary, the Registrar shall appoint a secretary and unless the person so appointed is a member of the committee, the Registrar shall fix his remuneration. Every appointment made by the Registrar under this subrule shall be valid and effective, and every remuneration fixed by the Registrar shall be payable and recoverable as if made or fixed by the committee.

(5) The secretary shall occupy his office until his services are determined by one month's notice in writing given by the committee:

Provided that no determination as aforesaid shall be valid and effective, until the approval in writing of the Registrar has been obtained therefor.

(6) The Secretary may resign his office by giving one month's notice to the committee in writing.

(7) On the occurrence of a vacancy in the office of secretary, the provisions of this rule shall apply, *mutatis mutandis*, to the filling of such vacancy.

57. The remuneration of the secretary (if any) shall be paid from the funds of the registered society monthly in arrear.

58. (1) The secretary may be required to give security in such amount as the committee may determine.

(2) Every such security and the amount thereof shall be subject to the approval of the Registrar to be signified in writing to the committee.

59. (1) The committee may at any time suspend the secretary for an irregularity in the performance of his duties.

(2) Such suspension shall be reported forthwith to the Registrar who shall approve or disallow the same and shall communicate his decision to the secretary and the committee in writing, and on notification of his approval of the suspension the services of the secretary shall be determined without further notice.

(3) In the event of the suspension of the secretary the committee shall forthwith appoint a substitute to hold office during the period of such suspension and shall report the name of such substitute to the Registrar.

60. (1) The secretary shall not absent himself from duty save with the permission of the committee previously obtained.

(2) During the absence of the secretary, the committee shall appoint a temporary secretary and shall report the appointment to the Registrar.

(3) In case the secretary desires to be absent from duty for more than one month at any one time, the committee shall, before granting permission for such absence, obtain the permission of the Registrar therefor.

61. (1) The duties of the secretary shall be—

- (a) to attend all meetings of the registered society and of the committee and to carry out all the instructions of the committee;
- (b) to be present at the office during the hours of business as fixed from time to time by the committee;
- (c) to record the whole of the transactions of the registered society in the books provided for that purpose; to conduct correspondence on behalf of the registered society; to prepare the annual statement of accounts and balance sheet and to have charge of the documents, books and vouchers for payments and receipts on behalf of the registered society;
- (d) to receive all applications for loans and bring the same before the committee; to prepare receipts and other documents in the form prescribed for signature by borrowers prior to their taking the loans sanctioned; and with the authority of the committee to supply information about the registered society which may be applied for by members;
- (e) to receive all moneys due or payable to the registered society and issue receipts to the payer of same from a counterfoil receipt book supplied to the registered society for the purpose by the Registrar, obtaining at the same time the signature of the person making the payment on the counterfoil;
- (f) to deposit with the treasurer from moneys collected by him on behalf of the registered society all sums in excess of an amount to be fixed from time to time by the committee and to obtain from him a receipt on a form to be taken from the prescribed counterfoil book;
- (g) to keep separate all moneys belonging to the registered society and on no account to mix them with any other moneys; and to produce at all times when called upon to the committee or the Registrar or any person authorised by him all moneys in his hand belonging to the registered society;
- (h) to make payments as authorised by the committee, obtaining the payee's signature in the payment book prescribed by the Registrar:
 - Provided that if the payment is made outside the registered society's office the secretary shall, in every instance, obtain from the payee a manuscript receipt and attach it to a separate page of the payment book;
- (i) to issue a receipt on a form to be taken from the prescribed counterfoil book when receiving money from the treasurer; and
- (j) to summon meetings as provided in the rules.

(2)¹³ The duties of the secretary set out in subrule (1) may be exercised by him in person or by an employee subordinate to him acting under and in accordance with his general or special instruction.

62. The committee shall appoint one of the members of the committee not being the chairman, to be the treasurer.

63. The treasurer may be required to give security for such amount as may be determined by and to the satisfaction of the committee.

64. The duties of the treasurer shall be—

- (a) to receive from the secretary as provided in rule 61(f) moneys collected by the latter on behalf of the registered society, furnishing him with a receipt on a form

¹³ Paragraph 61(2) inserted by L.N. 7/1996

- taken from the counterfoil book supplied for the purpose by the Registrar and obtaining at the same time the signature of the secretary on the counterfoil;
- (b) to advance money to the secretary for payments and obtain from him a receipt from the prescribed counterfoil book;
 - (c) to place to the account of the registered society in the Government Savings Bank any amount in his hands in excess of the amount fixed from time to time by the committee;
 - (d) to keep separate all moneys belonging to the registered society and on no account to mix them with any other moneys; and produce at all times, when called upon, to the committee, the Registrar or any person authorised by him, all moneys in his hands belonging to the registered society; and
 - (e) to keep a record on the prescribed form of all moneys received by him from the secretary and of all moneys paid to the secretary.

65. If in any society, in the opinion of the Registrar, any member of the committee or other officer is unfit for the discharge of his duties, the society shall on the requirement of the Registrar dismiss him.

66. (1) The reserve fund of a registered society, created in pursuance of the provisions of rule 20 may, with the sanction of the Registrar—

- (a) be utilised in the business of the society; or
- (b) be applied to meet occasional deficiencies incurred by the society.

(2) In sanctioning the utilisation or application of the reserve fund under subrule (1), the Registrar may impose such terms and conditions as he may deem fit.

67. In pursuance of section 29 of the Ordinance the accounts of every registered society shall be audited at least once in every year by the auditor engaged for that purpose. The auditor 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, fund 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 Ordinance, and shall report to the Registrar accordingly; or shall specially report to the Registrar in what respects he finds the same incorrect, unvouched or not in accordance with the Ordinance. The Registrar shall thereupon forward the report to the committee.

68. (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 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; and
- (g) the manner of raising funds, including the maximum rate of interest on deposits.

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

- (a) the occupation or residence of the members;

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

69. (1) Where in pursuance of the provisions of section 14 of the Ordinance, a registered society amends its by-laws, such amendments shall be made by a resolution of the members at a general meeting.

(2) Every resolution under subrule (1) shall not be valid and effective unless it was 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 subrule (1) shall be forwarded to the Registrar together with three copies of the amendment.

70. For the purposes of section 34 of the Ordinance 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 and one member of the committee.

- 71. (1)** If any dispute touching the business of a registered society arises—
- (a) among members, past members, and persons claiming through members, past members and deceased members; or
 - (b) between a member, past member, or person claiming through a member, past member and deceased member and the society, its committee or any officer of the society; or
 - (c) between the society or its committee and any officer of the society; or
 - (d) between the society and any other registered society,

such dispute shall be referred to the Registrar for decision upon payment of such fee as the Governor may from time to time prescribe. A claim by a registered society for any debt or demand due to it from a member, past member or the nominee, heir or legal representative of a deceased member shall be deemed to be a dispute touching the business of the society within the meaning of this subrule.

(2) The Registrar may, on receipt of a reference under subrule (1)—

- (a) decide the dispute himself; or
- (b) refer it for disposal to an arbitrator or arbitrators.

(3) Any party aggrieved by the award of the arbitrator or arbitrators may appeal therefrom to the Registrar within such period and in such manner as may be prescribed by the Registrar.

(4) A decision of the Registrar under subrule (2) or on appeal under subrule (3) shall be final and shall not be called in question in any civil court.

(5) The award of the arbitrator or arbitrators under subrule (2) shall, if no appeal is preferred to the Registrar under subrule (3), or if any such appeal is abandoned or withdrawn, be final and shall not be called in question in any civil court and shall be enforced in the same manner as if the award had been a judgment of a civil court.