

CHAPTER 47:02

ARRANGEMENT OF SECTIONS

SECTION

PART I

PRELIMINARY

1. Short title
2. Interpretation

PART II

REGISTRATION

3. Registrar and assistant registrars
4. Societies which may be registered
5. Conditions of registration
6. Application for registration
7. Registration of society
8. Indication of registration
9. Cancellation of registration
10. Amendment of by-laws of a registered society
11. Appeal to the Minister
12. Name of society to be different from others
13. Evidence of registration

PART III

RIGHTS AND LIABILITIES OF MEMBERS

14. Qualification for membership
15. Restriction on shareholding
16. Restriction on membership
17. Member not to exercise rights until due payment made
18. Restriction of membership in more than one society
19. Votes of members
20. Restriction on transfer of shares or interest

PART IV

DUTIES OF REGISTERED SOCIETIES

21. Address of society
22. Copy of the Act, regulations, by-laws, etc., to be open for inspection
23. Audit and annual returns and accounts
24. Qualifications of auditors
25. Estimates and expenditure

SECTION

26. Voluntary amalgamation of societies
27. Transfer of assets and liabilities to another society
28. Voluntary division of a society

PART V

DUTIES AND PRIVILEGES OF SOCIETIES

29. Societies to be bodies corporate
30. By-laws to bind members
31. Contract with members
32. Imposition of fines upon members
33. Charge on produce and certain other materials and articles
34. Charge and set-off in respect of shares or interest of members
35. Share or interest not liable to attachment
36. Liability of past member
37. Liability of estate of deceased member
38. Transfer of interest or death of member
39. Registers and books of societies and copies thereof shall be received in evidence in certain circumstances
40. Restriction on the production of societies books
41. Power to remit or refund revenue

PART VI

PROPERTY AND FUNDS OF REGISTERED SOCIETIES

42. Restrictions on loan
43. Restrictions on borrowing
44. Restrictions on other transactions with non-members
45. Investments of funds
46. Dividend or bonus
47. Reserve and provident fund
48. Distribution of net balance

PART VII

NATIONAL COOPERATIVE EDUCATION FUND

49. Establishment of the Fund
50. Fund Committee
51. Account and Audit
52. Financial Year
53. Disbursement from the Fund
54. Holdings of the Fund

PART VIII

CHARGES BY SOCIETIES

55. Power to charge property
56. Registration of charges
57. Duty of society to register charges created by society
58. Duty of society to register charges existing on property acquired
59. Register of charges
60. Endorsement of certificate of registration on debentures

SECTION

61. Entry of satisfaction
62. Rectification of register of charges
63. Registration of appointment of receiver
64. Copy of instrument creating charge to be kept by society
65. Society's register of charges
66. Right to inspect copies of instruments creating charges and society's register of charges

PART IX

SUPERVISION AND INSPECTION OF AFFAIRS

67. Production of cash and books of society
68. *Ad hoc* committee of inquiry
69. Inspection of books of indebted society
70. Cost of inquiry
71. Recovery of an award under section 70

PART X

DISSOLUTION OF A REGISTERED SOCIETY

72. Cancellation of registration after inquiry or inspection
73. Cancellation for other reasons
74. Winding-up
75. Application of certain provisions of Companies Act
76. Effect of cancellation
77. Copy of order to be filed by Registrar
78. Appointment of liquidator
79. Powers of liquidator
80. Powers of Registrar in liquidation
81. Appeal against an order of a liquidator or the Registrar
82. Closure of liquidation
83. Commission of offence
84. Convicted officers not to be officers of a society
85. Offences

PART XI

SURCHARGE AND ATTACHMENT

86. Powers of Registrar to surcharge officers, etc.
87. Appeal to Minister
88. Attachment of property

PART XII

SETTLEMENT OF DISPUTES

89. Settlement of dispute
90. Protection of arbitrator
91. Appeal to court from decision of the Minister

PART XIII

REGULATIONS

92. Regulations

PART XIV

MISCELLANEOUS PROVISIONS

- 93. Remuneration of officers
- 94. Prohibition of the use of the word "Cooperative"
- 95. Offences and penalties
- 96. Penalty for soliciting violation of contracts
- 97. Application of other laws
- 98. Certain laws not to apply
- 99. Repeal and savings

36 of 1998
G.N. 10/2000

An Act to consolidate the law relating to the constitution and regulation of cooperative societies and for other matters incidental thereto or connected therewith

[1ST APRIL, 2000]

PART I

PRELIMINARY

Short title

1. This Act may be cited as the Cooperative Societies Act.

Interpretation

2. In this Act, unless the context otherwise requires—

“apex society” means a registered society under this Act, the membership of which is restricted to cooperative unions and includes a society established to serve the cooperative movement by providing facilities for banking, insurance and the supply of goods or services;

“bonus” means a share of the surplus of a registered society divided among its members in proportion to the volume of business done with the society by them from which the surplus of the society was derived;

“by-laws” means the registered by-laws made by a society in the exercise of any power conferred by this Act, and includes a registered amendment of such by-laws;

“committee” means the governing body of a registered society to which the management of its affairs is entrusted and includes a Board of Directors;

“Commissioner” means the Commissioner for Cooperative Development and includes the Deputy Commissioner for Cooperative Development and Assistant Commissioner for Cooperative Development when acting for the Commissioner;

“cooperative” means an autonomous association of persons united voluntarily to meet their common economic and social needs in accordance with cooperative principles through a jointly owned and democratically controlled enterprise;

“cooperative principles” means—

- (i) membership of a society is voluntary and open;
- (ii) the management of the society is carried out democratically whereby each member has one vote and there is no voting by proxy;
- (iii) the distribution of surplus is done justly in proportion to the amount of the business contribution of each member;
- (iv) there is payment of limited return on capital;
- (v) there is self-reliance;
- (vi) race, creed, ethnic origins, language or political beliefs are no bar to voluntary membership and membership is open to all who can use the services of the society;

“cooperative union” means a registered society under this Act, the membership of which is restricted to primary societies;

“date of dissolution” means the date on which the Registrar's order canceling the registration of a society takes effect;

“dividend” means share of surplus of a registered society divided among its members in proportion to the share capital held by them;

“member” includes a person or a registered society joining in the application for the registration of a society and a person or registered society admitted to membership after registration in accordance with the by-laws;

“officer” includes a Chairman, Secretary, Treasurer, member of committee, employees, or other person empowered under any regulations made under the provisions of this Act or by-laws of a registered society to give directions in regard to the business of a registered society.

“primary society” means a registered society under this Act, the membership of which consists of individual persons and includes any body of persons and other bodies approved by the Registrar under section 16; of this Act.

“registered society” means a cooperative society registered under this Act;

“Registrar” means the Registrar of cooperative societies appointed under section 3 and includes any person when exercising such powers of the Registrar as may have been conferred upon him under that section;

“secondary society” means a registered society under this Act, the membership of which is restricted to primary societies;

“society with limited liability” means a society the liability of whose members is limited by its by-laws to—

(a) the amount if any unpaid on the shares respectively held by them; or

(b) such amount as the members may each undertake to contribute to the assets of the society in the event of its being wound up;

“society with unlimited liability” means a society not having limited on the liability of its members;

“winding-up” means all proceedings subsequent to the cancellation of the registration of a society.

PART II

REGISTRATION

Registrar and
assistant
registrar

3.—(1) There shall be a Registrar for cooperative societies who shall also be the Commissioner for Cooperative Development for the purposes of this Act.

(2) The Registrar shall be a public officer responsible for providing and administering services required by societies under this Act.

(3) There shall be assistant registrars who shall be assistant commissioners, who shall assist the Registrar in the administration of cooperative societies and the implementation of the provisions of this Act.

Societies
which may be
registered

4. Subject to the provisions of this Act, a society may be registered under this Act with or without limited liability:

Provided that a cooperative union or any apex society shall be registered with limited liability.

Conditions of
registration

5.—(1) No society shall be registered under this Act unless—

(a) in the case of a primary society, it consists of at least ten persons all of whom are qualified for membership of the society under section 14; or

(b) in the case of a secondary society, it consists of at least two registered primary societies among its registered members;

(c) in the case of a tertiary society, it consists of at least two registered secondary societies among its registered members;

(d) in the case of an apex society, it consists of two or more secondary societies.

(2) All cooperative societies registered under this Act shall conform to the cooperative principles.

(3) When for the purposes of this section any question arises as to residence or occupation of land constituting the qualification of any person, that question shall be decided by the Registrar.

6.—(1) For the purpose of registration an application to register registration shall be made to the Registrar.

Application
for
registration

(2) The application shall be signed—

(a) in the case of a primary society, by at least ten persons qualified for membership of the society under section 14; and

(b) in the case of a secondary, tertiary or apex society, by a person duly authorized in that behalf by each registered society, as the case may be, who is a member of that society.

(3) The application shall be accompanied by three copies of the proposed by-laws of the society and the persons by whom or on whose behalf such an application is made shall furnish such information in regard to the society as may be prescribed under regulations made under this Act.

(4) An application for the registration of a society shall be accompanied by such registration fees as may be prescribed by regulations made under this Act.

7.—(1) If the Registrar is satisfied that a society has complied with the provisions of this Act and regulations made thereunder and that its proposed by-laws are not contrary to the provisions of this Act, he shall register the society and its by-laws.

Registration
of Society

(2) The Registrar shall register a society within thirty days from the date the application is submitted failing which the society shall be deemed to have been registered.

8.—(1) A society which is registered under section 7 shall state in legible letters in all its receipts, letter-heads, notices, advertisements or other official publications that it is registered and shall indicate the same on a signboard in a conspicuous position outside any premises or office in which it carries on its business.

Indication of
registration

(2) If a society registered under section 7 contravenes or fails to comply with the provisions of this section that society and any officer or person who purports to act on its behalf commits an offence and shall be liable after conviction to a fine not exceeding K3,000 and in the case of a continuing offence to a further fine not exceeding K500 for each day on which the offence is continued after conviction thereof.

- 9.**—(1) At any time during the period of registration of a society under section 7, the Registrar may, after giving notice in writing to the person responsible for the running of the society, cancel the registration of such society stating reasons for such cancellation and the society shall, from the date of service of the notice, cease to be a registered society.
- (2) The cancellation referred to in subsection (1) shall be Published in the *Gazette*.
- 10.**—(1) Any registered society may, subject to the provisions of this Act, amend its by-laws, including the by-law which declares the name of the society.
- (2) No amendment of the by-laws of a registered society shall be valid until the amendment has been registered under this Act or regulations made under this Act.
- (3) If the Registrar is satisfied that an amendment of the by-laws is not contrary to the provisions of this Act, he shall register the amendment.
- (4) An amendment which changes the name of a registered society shall not affect any right or obligation of the society or any of its members or past members, and any legal proceedings pending may be continued by or against the society.
- (5) When the Registrar registers an amendment of the by-laws of a registered society, he shall issue to the society a copy of the amendment certified by him which shall be conclusive evidence of the fact that the amendment has been fully registered.
- (6) If it appears to the Registrar that an amendment of the by-laws of a society is necessary or desirable in the interest of such society, he may call upon the society, subject to any regulations made under this Act, to make the amendment within such time as he may specify.
- (7) If the society fails to comply with the Registrar's directive, the Registrar may cancel the registration of the Society under section 73 (c).
- (8) With effect from the date of registration of an amendment under this Act, the by-laws shall be binding on the society and its members.
- 11.** From every refusal of the Registrar to register a society or its by-laws or any amendment of its by-laws, an appeal shall lie to the Minister.
- 12.**—(1) No society shall be registered under a name identical to any other existing society, or under any name likely to mislead members of the public as to its identity.

Cancellation of registration

Amendment of by-laws of a registered society

Appeal to the Minister

Name of society to be different from others

(2) The word “cooperative” shall form part of the name of every society registered under this Act, and the word “Limited” shall be the last word in the name of every society with limited liability registered under this Act.

13.—(1) A certificate of registration signed by the Registrar shall be conclusive evidence that the society mentioned therein is duly registered unless it is proved that the registration of the society has been cancelled. Evidence of registration

(2) If the Registrar is satisfied that a society’s original certificate of registration has been lost or destroyed, he may issue a duplicate certificate.

PART III

RIGHTS AND LIABILITIES OF MEMBERS

14. In order to be qualified for membership of a society, a person, other than a registered society shall— Qualifications for membership

(a) have attained the age of eighteen years; and

(b) be a resident within or in occupation of land within the society’s area of operation as prescribed by the relevant by-laws;

(c) qualify under a common bond as specified by-laws.

15. No member shall hold more than one-fifth of the paid-up share capital of any cooperative society.

16. No company incorporated under the Companies Act, and no unincorporated body of persons, shall be entitled to become a member of a registered society except with the written permission of the Registrar. Restriction on shareholding
Cap. 46:03

17. No member of a registered society shall exercise any of the rights of a member unless and until he has made such payment to the society in respect of membership or has acquired such interest in the society as may be prescribed by any regulations made under this Act or by the by-laws of the society. Member not to exercise rights until due payment made

18.—(1) No person shall be a member of more than one registered society with unlimited liability. Restriction of membership in more than one society

(2) Save with the written consent of the Registrar, no person be a member of more than one registered society having the same or similar objects:

Provided that a person who is a member of a registered society and carries on business on land or at premises outside the area of operation of that registered society, may be a member of a registered society in whose area of operations that land or those premises are situated notwithstanding that its objects are the same as or similar to those of the first mentioned society.

Vote of members **19.** Each member of a registered society shall have one vote only as a member in the affairs of the registered society:

Provided that a registered society, a cooperative union or an apex society which is a member of any registered society shall have as many votes as may be prescribed by the by-laws of such other society, and may, subject to such by-laws, appoint any number of its committee members, not exceeding the number of such votes, to exercise its voting power.

Restriction on shares or interest **20.**—(1) The transfer of the share or interest of a member in the capital of a registered society shall be subject to the conditions as to maximum holding for which provision is made in section 15.

(2) In the case of a society registered with unlimited liability, a member shall not transfer or charge any share held by him, or his interest in the capital of the society or any part thereof, unless—

(a) he has held such share or interest for not less than one year; and

(b) the transfer or charge is made to the society or to a member of the society.

PART IV

DUTIES OF REGISTERED SOCIETIES

Address of societies **21.**—(1) Every registered society shall have a registered address to which notices and communications may be sent and shall send to the Registrar notice of every change thereof within one month of such change.

(2) Every registered society shall display its name and address on a signboard in a conspicuous position outside its place of business.

Copy of the Act, regulations, by-laws, etc., to be open for inspection **22.** Every registered society shall keep a copy of this Act and of the Regulations made thereunder and of its by-laws and a list of members open to inspection by any member, fee of charge, and any other person at a fee to be determined by the Society, at all reasonable times during business hours at the office of the society.

Audit and annual returns and accounts **23.**—(1) It shall be the duty of every registered society to cause its accounts to be audited at least once in every year by an auditor from a list of registered auditors appointed by the annual general meeting and the cost of such audit shall be borne by the society:

Provided that—

(a) no auditor chosen by a registered society to audit its books shall perform that function for more than three consecutive annual audits;

(b) where the registered society is unable to appoint its own auditors, the Registrar may appoint such auditors or carry out the audit at a fee.

(2) Audits, shall be conducted in accordance with generally accepted professional auditing standards and shall include audit of management efficiency.

(3) The auditor shall at all times have access to all books, accounts, papers and securities of a registered society, and every officer of the society shall furnish such information in regard to the transactions and working of the society as the auditor may require.

(4) Every auditor appointed under subsection (1) shall submit a detailed audit report on the financial statements to the committee and a true copy of such financial statements to the Registrar within three months after its financial year and shall include the auditor's opinion on whether or not the business administration of the society has been conducted—

(a) efficiently;

(b) in accordance with cooperative principles and the auditing and accounting provisions of this Act; and

(c) in accordance with its objectives, by-laws and any other decisions made by the annual general meeting.

(5) The audited financial statements referred to in subsection (4) shall be open for inspection by any member of the public upon payment of such fee as may be fixed by the Registrar.

(6) Where a registered society fails to cause its accounts to be audited in accordance with subsections (1), (2) and (4), the committee of that society shall be deemed to have relinquished its office; and the Registrar shall convene a special general meeting to elect a new committee unless the Registrar is satisfied that the failure was due to circumstances beyond the committee's control.

24.—(1) No person shall be appointed or approved as an auditor for the audit of the accounts of a registered society unless that person, or in the case of a firm, is a member of a recognized accounting body.

Qualifications
of auditors

(2) The Minister may, in consultation with the Registrar and by notice published in the *Gazette*, amend the qualifications of auditors specified in this section.

25.—(1) Every committee of a registered society shall cause estimates of the society's income and expenditure of both revenue and capital to be prepared for the coming twelve months at least three months before the end of its financial year. A copy of such estimates shall be sent to the Registrar.

Estimates and
expenditure

(2) If a society contravenes or fails to comply with any provision of this section, every member of that Committee and any officer or person who purports to act on its behalf commits an offence and shall, upon conviction, be liable to a fine not exceeding K3,000 and in the case of a continuing offence to a further fine not exceeding K500 for each day on which the offence is continued.

Voluntary
amalgamation
of societies

26.—(1) Any or more registered societies (hereinafter referred to as the “amalgamating societies”) may, by special resolution with the approval of the Registrar, (in this section referred to as the “preliminary resolution”), resolve to amalgamate as a single society (hereinafter referred to as the “amalgamated society”).

(2) A copy of the preliminary resolution shall be sent to all the members and creditors of each of the societies, and to all other persons whose interest in any of the societies will be affected by the amalgamation.

(3) Any member of any of the societies concerned may, notwithstanding any by-law to the contrary, by notice in writing given to his society at least one month before the date specified as the date of amalgamation, intimate his intention not to become a member of the amalgamated society.

(4) Any creditor of any of the societies concerned may, notwithstanding any agreement to the contrary, by notice in writing given to such society at least one month before the date specified as the date of amalgamation, intimate his intention to demand the payment of any money due to him.

(5) Any other person whose interest will be affected by the amalgamation may, by notice in writing given to the society concerned not less than one month before the date specified as the date of amalgamation, object to the amalgamation unless his claim is satisfied.

(6) Not less than three months after the date of the meeting at which the preliminary resolution is passed, a further special general meeting of each of the societies shall be held to consider the preliminary resolution and any notices received under this section.

(7) At the special general meeting held under subsection (6) of this section, provision shall be made by a further resolution of the society (in this section referred to as the “secondary resolution”) for—

(a) the repayment of the share capital of any member who has given notice under subsection (3);

(b) the satisfaction of any claims by creditors who have given notice under subsection (4); and

(c) the satisfaction of the claims of such other persons who have given notice under subsection (5) of this section as the Registrar determines, or the securing of their claims in such manner as the Registrar directs:

Provided that no member or creditor or other person shall be entitled to such repayment or satisfaction until the preliminary resolution is confirmed as provided in subsection (8).

(8) Each society may, by further resolution passed by a two thirds majority of the members present and voting, confirm the preliminary resolution.

(9) If, within such time as the Registrar considers reasonable, the Registrar is satisfied that the provisions of the secondary resolutions of each of the societies, and the provisions of this section, have been complied with, he may register the amalgamated society and the by-laws of such thereupon—

(a) the registration of all the amalgamating societies shall be cancelled, and the amalgamating societies shall be dissolved;

(b) the registration of the amalgamated society shall be a sufficient conveyance to vest the assets and liabilities of the amalgamating societies in the amalgamated society;

(c) the remaining members of the amalgamating societies shall become members of the amalgamated society and subject to its by-laws in accordance with section 30; and

(d) any creditors of the amalgamating societies or any other persons who have claims against the amalgamating societies, and whose claims were not satisfied in accordance with the secondary resolution, may pursue such claims or causes of action against the amalgamated society.

27.—(1) Any registered society may by a resolution transfer its assets and liabilities to any other society which agrees to accept them.

Transfer of
assets and
liabilities to
another
society

(2) The transfer of liabilities referred to in subsection (1) shall not be made to any society without giving notice in writing of ninety days to the creditors of both or more societies concerned in the transfer of the liabilities.

(3) If a creditor objects to an amalgamation decided upon under section 26 or a transfer of liabilities under this section and gives notice in writing of one month before the date fixed for the amalgamation or transfer of liabilities to the society concerned, the amalgamation or transfer shall not take place until liabilities of the creditor have been satisfied or until an agreement for payment of the liabilities has been made by the society and the creditor.

(4) Any creditor who is not satisfied with the liabilities paid to him or who does not accept to enter into an agreement with the society concerned as provided under subsection (3) may appeal to the Registrar within ninety days from the date of his disagreement with the society.

Voluntary
division of
a society

28.—(1) Any registered society may, with the prior written approval of the Registrar, divide itself into two or more societies in accordance with the procedure laid down by regulations made under this Act.

(2) A division of a society referred to under subsection (1) shall not take place unless—

(a) a general meeting of the members of the society has been called;

(b) each member of the society has had a written notice of at least fifteen days of the meeting; and

(c) a resolution has been passed by a two-thirds majority of the members present at the meeting in support of the division.

(3) A resolution passed under subsection (2) (hereinafter referred to as a “preliminary resolution”) shall contain proposals for the distribution of the assets and liabilities of the divided society among the societies in which it is proposed to be divided and shall prescribe the area of operation of, and specify the members who may constitute each of, the new societies.

(4) a copy of the preliminary resolution shall be sent to all the members of the society and its creditors and any other person whose interests may be affected by the division shall be informed in writing by the society.

(5) Any member of the divided society may notify the society in writing, within three months from the receipt of the preliminary resolution, of his intention not to belong to any of the new societies and any creditor may demand from the society within the said period a repayment of the amount due to him.

(6) Any other person whose interests are affected by the division of the society may submit his claim in writing to the society.

(7) After the period of three months from the sending of the resolution under subsection (4) to the members and creditors of the society, a special general meeting of the society shall be called to consider the preliminary resolution.

(8) A special meeting of the society shall not be held under subsection (7) unless each member of the society has had a notice of fifteen days in writing informing him of the meeting.

(9) If, at the meeting called under subsection (7), a preliminary resolution is confirmed by a two-thirds majority of the members present, either without any change or with such changes, which, in the opinion of the Registrar, are not material, the Registrar may register the new societies and their by-laws and on such registration, the registration of the old society shall be deemed to have been cancelled and the society shall be deemed to be dissolved from the date of the cancellation.

(10) At the special general meeting of the society held under subsection (7), provision shall be made by another resolution for—

(a) the repayment of the share capital of all the members who have given notice under subsection (5);

(b) the satisfaction of the claims of all the creditors who have given notice under subsection (5);

(c) the satisfaction of the claims of any other person who has given notice under subsection (6):

Provided that no member, creditor or any other person shall be entitled to any repayment or satisfaction until the preliminary resolution is confirmed under subsection (9).

(11) The registration of new societies under subsection (9) shall be sufficient to vest the assets and liabilities of the divided society in the new societies in accordance with the provisions of the preliminary resolution.

PART V

DUTIES AND PRIVILEGES OF SOCIETIES

29. A society on registration shall become a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold moveable and immoveable property of every description, to enter into contracts, to institute and defend suits and other legal proceedings and to do all things necessary for the purpose of its constitution.

Societies
to be bodies
corporate

30.—(1) The by-laws of a registered society shall, when registered, bind the society and the members thereof to the same extent as if they were signed by each member, and contain obligations on the part of each member, his heirs, executors, administrators and assignees, to observe all the provisions of the by-laws.

Registered
by-laws to
bind members

(2) No member of a registered society shall contest any suit, claim, action or proceedings between such member and the society or any other member of the society on the ground that any by-laws of the society constitutes a contract in restraint of trade.

Contract with
members

31.—(1) A registered society, having as one of its objects the disposal of any agricultural produce, may contract with its members either in its by-laws or by a separate document, that they shall dispose of all their produce, or of such amounts or descriptions as may be stated therein, to or through the society, and may in contract provide for payment of a specific sum per unit of weight or other measure as liquidated damages for infringement of the contract, and such sum shall be a debt due to the society.

(2) Any such contract as is mentioned in subsection (1) shall create in favour of the society a first charge upon all produce mentioned therein, whether existing or future.

(3) The covenants obligations imposed by any contract as is mentioned in subsection (1) shall run with any assets and shall be binding on all assignees and transferees and any transfer or conveyance of property subject to such contract shall be deemed to operate also as alike transfer or assignment of the contract.

(4) No contract entered into under the provisions of this section shall be contested in any court on the ground that it constitutes a contract in restraint of trade.

Imposition of
fines upon
members

32.—(1) The by-laws of a registered society may subject to the provisions of any regulations made under this Act, provide for the imposition of fines on its members for any infringement of its by-laws but no such fine shall be imposed upon any member until written notice of intention to impose the fine and the reason therefor has been served on him and he has had an opportunity of showing cause against the imposition of the fine, and if he so desires, of being heard with or without witnesses.

(2) Any such fine may be recovered by legal proceedings in a court of law.

(3) The whole or any part of such fine may be set-off against any moneys due to such member in respect of produce delivered by him to the society.

(4) A member shall not be deemed to have infringed the by-laws of a registered society by reason of his having failed to deliver produce to the society if such failure was due to the fact that before becoming a member of the society such member had contracted to deliver such produce to some other person.

(5) It shall be the duty of every person applying for membership of a registered society to disclose to the society particulars of all such contracts as are mentioned in subsection (4).

Charge on
produce and
certain other
materials and
articles

33. Subject to the prior claims of the Government on property of its debtors and of landlords in respect of rent, or any money recoverable as rent, or to any prior charge duly registered under this

Act or under any other law for the time being in force, a registered society shall have a first charge—

(a) upon produce of a member or past member, at any time within two years from the date when seed or fertilizer as advanced, or services were supplied, or money was lent to such member or past members in respect of the unpaid portion of such advance, supplies services on loan;

(b) in respect of the supply of agricultural or industrial implements or machinery, or raw material for manufacturing or building or for the loan of money for the purchase of any of such implements to be supplied or purchased in whole or in part from any such loan or any articles manufactured from raw materials supplied or purchased.

34. A registered society shall have a first charge upon the shares or interest in the capital and on the deposits of a member or past member and upon any dividend, bonus or accumulated funds payable to a member or past member in respect of any debt due from such member or past member to the society, and may set-off any sum credited or payable to such member or past member in or towards payment of any such debt.

Charge and set-off in respect of shares or interest of member

35. Subject to the provisions of section 33, the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order of a court in respect of any debt or liability incurred by such member, and a trustee in bankruptcy under the law relating to bankruptcy for the time being in force shall not be entitled to or have any claim on such share or interest:

Share or interest not liable to attachment

Provided that where a society is dissolved, the property in the shares of any member who has been adjudicated as bankrupt under the provisions of any such law relating to bankruptcy shall vest in the trustee in bankruptcy.

36. The liability of a past member for the debts of a registered society as they existed at the time when he ceased to be a member shall continue for a period of two years from the date of his ceasing to be a member.

Liability of past member

37. The estate of a deceased member shall be liable for a period of one year from the time of his demise for the debts of a registered society as they existed at the time of his death.

Liability of estate of deceased

38.—(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 any regulations made under this Act, or, if there is no person so nominated, to such person as may appear to the committee of the society to be the legal personal representative, of the deceased member or may pay to such nominee or legal

Transfer of interest on death of member

person representative as the case may be, a sum representing the value of such member's share or interest, ascertained in accordance with any regulations made under this Act or the by-laws of the society:

Provided that—

(a) in the case of a society with unlimited liability, such nominee or legal personal 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 in the manner mentioned in this subsection; or

(b) in the case of a society with limited liability, the society shall transfer the share or interest of the deceased member to such nominee or legal personal representative, as the case may be, being qualified in accordance with any regulations made under the provisions of this Act and the by-laws for membership of the society, or, on his application within one month 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 or legal personal representative, as the case may be.

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

Registers and books shall be received in evidence in certain circumstances

39.—(1) Any register or list of members or of shares, which is kept by any registered society shall be *prima facie* evidence of any of the following particulars entered therein—

(a) the date on which the name of any person was entered in such register or listed as a member;

(b) the date on which any such person ceased to be a member.

(2) A copy of any entry in a book of a registered society regularly kept in the course of business shall, if certified in accordance with any regulations made under this Act, be received in any suit or legal proceedings as *prima facie* evidence of the existence of such entry, and shall be admitted as evidence of the matter, transactions and accounts therein accorded in every case where, and to the same extent as the original entry itself is admissible

Restriction on the production of societies books

40. No officer of a registered society shall, in any legal proceedings to which the society is not a party, be compelled to produce any of the society's books the contents of which can be proved under section 39, or to appear as a witness to prove the matter, transactions and accounts therein recorded unless by order of the court made for special cause.

41.—(1) The Minister responsible for finance may, by order published in the *Gazette*, in the case of a registered society or class of registered societies, remit or refund—

Power to remit or refund revenue

(a) any duty or tax which, under any law for the time being in force, may be payable in respect of the accumulated funds of the society or of the dividends or other payments received by members of the society on account of accumulated funds;

(b) the stamp duty with which, under any law for the time being in force, instruments executed by or on behalf of a registered society or by an officer or member and relating to the business of such society or any class of such instruments are respectively chargeable.

(c) any fee payable under any law relating to registration for the time being in force;

(d) the customs and excise duty on any development goods ordered or purchased by a registered society. For purposes of this paragraph “development goods” means agricultural equipment, vehicles and other goods which the Minister responsible for finance may declare to be development goods.

(2) In the case of a division, an amalgamation or transfer of some or all of the assets of a registered society, the Minister responsible for finance shall remit the stamp duty with which, under any law for the time being in force, instruments executed by or on behalf of such society or by its officer or member and relating to the business of such society or any class of such instruments are respectively chargeable.

PART VI

PROPERTY AND FUNDS OF REGISTERED SOCIETIES

42. A registered society shall not make a loan to any other person than a member:

Restrictions on loans

Provided that—

(a) with the general or special sanction of the general meeting, a registered society may make loans to another registered society; and

(b) subject to the prior written approval of a general meeting and subject to such conditions as may be imposed, a registered society may stand surety for a loan to be granted to an employee of the society where such a loan is for the benefit of that society.

43.—(1) A registered society shall receive deposits and loans from persons who are not members only to such extent and under such conditions as the general meeting of members may, from time to time, by resolution, approve.

Restrictions on borrowing

(2) A depositor or lender shall not be required to know whether the resolution has been approved.

(3) For the purposes of this section, credit on current account for a period of more than ninety days and a deposit of money under a hire-purchase agreement shall be deemed to be a loan within the meaning of this section.

Restriction
on other
transactions
with non-
member

44.—(1) Save as provided in section 42 and 43 transactions of a registered society with persons other than members shall be subject to such prohibitions and restrictions, if any, as the general meeting may, from time to time, in writing, direct.

(2) The total value of transactions entered into by a registered society in respect of a particular kind of produce with persons other than members shall not exceed, in any one year, one-half of all transactions entered into by it in respect of that kind of produce.

(3) The net amount of all profits accruing from transactions with persons other than members shall be credited to the society's statutory reserve fund and shall not be available for distribution among members.

Investments
of funds

45. A registered society may invest or deposit its funds only—

(a) in a registered cooperative bank;

(b) in any registered society, company or statutory corporation approved in writing by the Registrar;

(c) in any bank or financial institution incorporated in Malawi;

(d) in and upon such investment and securities as are by law allowed for the investment of trust funds; and

(e) in such other mode as specified by the by-laws of the society and approved by members in a general meeting.

Dividend or
bonus

46.—(1) No registered society shall pay a dividend or bonus or distribute any part of its accumulated funds without the prior approval of the annual general meeting.

(2) No society shall pay a dividend to its members exceeding the maximum rate prescribed by the by-laws of the society.

(3) No society with unlimited liability shall advance money or goods to any member in excess of money or goods deposited by him.

Reserve and
provident
fund

47.—(1) Every society which does or can derive a surplus from its transactions shall maintain a reserve fund.

(2) A society which advances money or goods to any member in excess of money or goods deposited by him shall carry at least one-fourth of the net surplus in each year to the reserve fund.

(3) All societies other than societies referred to in subsection (2) shall carry to the reserve fund such portion of the net surplus in each year as may be prescribed by any regulations made under this Act or by-laws of the registered society.

(4) Every society shall, with the approval of the general meeting, establish a contributory provident fund for payment of pensions to its permanent employees at the time of their retirement.

48. Subject to the provisions of sections 46 and 47 the net balance of each year, with any sum available for distribution from previous years, may be distributed as may be prescribed by any regulations made under this Act or by the by-laws of the registered society.

Distribution
of net
balance

PART VII

NATIONAL COOPERATIVE EDUCATION FUND

49.—(1) There is hereby established a National Cooperative Education Fund (in this Act otherwise referred to as the “Fund”).

Establishment
of the Fund

(2) Every registered society shall contribute one *per centum* per annum of its net profit to the Fund.

50.—(1) The Fund shall be vested in a Fund committee which shall consist of—

Fund
Committee

- (a) a chairman elected from the cooperative movement; and
- (b) three other persons elected from the cooperative movement; and
- (c) the Registrar who shall provide secretarial services.

(2) The Fund committee shall administer the moneys in the Fund and shall—

- (a) prepare an annual budget for the approval of the Minister; and
- (b) submit an annual report on the Fund to the Minister.

(3) Three members of the Fund Committee shall constitute a quorum.

(4) Subject to the approval of the Minister, the Fund Committee shall determine its own procedure.

51.—(1) The Fund Committee shall cause proper books of accounts of the Fund to be kept together with adequate financial and other records relating to the Fund.

Account and
audit

(2) The Fund Committee shall within three months after the end of the financial year have the books of the Fund audited by an auditor appointed by the Fund Committee and approved by the Minister.

Financial year	52. The financial year of the Fund shall be the period of twelve months ending on 30th June in each year.
Disbursement from the Fund	53. The Fund Committee may authorize payment from the Fund for educational costs and any reasonable and necessary expenses arising from the maintenance of the Fund.
Holdings of the Fund	54.— (1) All moneys received on behalf of the Fund shall be paid into a bank account and no moneys shall be withdrawn there from except by means of cheques signed by such persons as are authorized in that behalf by the Fund Committee. (2) Any part of the Fund not immediately required for the purpose of the Fund may be invested as agreed upon by the Fund Committee.

PART VIII

CHARGES BY SOCIETIES

Power to charge property	55.— (1) A registered society may, from time to time, with the consent of the Registrar, charge the whole or any part of its property, if its by-laws expressly empower it to do so and to the extent to which its by-laws empower it to do so. (2) The chargee shall not be required to know whether the consent of the Registrar has been obtained or that the society's by-laws empower the society to charge its property.
Registration of charges	56.— (1) Subject to this Part, every charge to which this section applies created by a registered society shall, so far as any of the society's property is thereby charged, be void against the liquidator and any creditor of the society unless the prescribed particulars of the charge, together with the instrument, if any, by which the charge is created or evidenced, or a copy thereof verified in the prescribed manner, are delivered to the Registrar for registration within thirty days after the date of the creation of the charge or within three months after commencement of this Act, whichever is the later, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a charge so becomes void under this section the money secured thereby shall immediately become payable. (2) this section shall apply to the following charges— <ul style="list-style-type: none"> (a) a charge for the purpose of securing an issue of debentures; (b) a charge created or evidenced by an instrument which, if executed by an individual, would require registration; (c) a charge on immovable property wherever situated; (d) a charge on book debts of the society; and (e) a floating charge on the property of the society.

(3) In this Part, "charge" includes a mortgage.

(4) Where a negotiable instrument has been given to secure the payment of any book debts of a registered society, the deposit of the instrument shall, for the purpose of this section, be treated as a charge on those book debts.

(5) The holding of debentures entitling the holder to a charge on immoveable property is not itself an interest in immoveable property for the purposes of this section.

(6) Where a series of debentures containing, or specifying by reference to any other instrument, any charges to the benefit of which the debenture holders of that series are entitled *pari passu* is created by a registered society, it shall for the purpose of this section be sufficient if there are delivered to the Registrar within thirty days after the execution of the deed containing the charges (or, if there is no such deed, after the execution of any debentures of the series), or within three months after the commencement of this Act, whichever is the later, the following particulars—

(a) the total amount secured by the whole series;

(b) the dates of the resolutions authorizing the issue of the series and the date of the covering deed, if any, by which the security is created or defined;

(c) a general description of the property charged; and

(d) the names of the trustees, if any, for the debenture holders, together with the deed containing the charge or a certified copy thereof, or if there is no such deed, one of the debentures of the series:

Provided that, where more than one issue is made of debentures in the series, there shall be sent to the Registrar for registration, within thirty days after the date of each issue or within three months after the commencement of this Act, whichever is the later, particulars of the date and the amount of the issue, but an omission to do so shall not affect the validity of the debentures issued.

57.—(1) It shall be the duty of a registered society to send to the Registrar for registration the particulars of every charge created by it to which section 55 applies, but registration of any such charge may be effected on the application of any person interested therein.

Duty of society to register charges created by society

(2) Where registration is effected on the application of some person other than the registered society, that person shall be entitled to recover from the society the amount of any fees properly paid by him to the Registrar on registration.

(3) If any registered society fails to send to the Registrar within the prescribed time for registration the particulars of any charge created by it to which section 55 applies, then, unless the registration has been effected by some other person within such time, the society and every officer thereof shall be guilty of an offence and liable to a fine not exceeding K3,000 for every day during which the default continues.

Duty of society to register charges existing on property acquired

58.—(1) Where a registered society acquires any property which is subject to a charge to which section 55 would apply if the charge had been created by the society, the society shall cause the prescribed particulars of the charge, together with a certified copy of the instrument, if any, by which the charge was created or evidenced, to be delivered to the Registrar for registration within thirty days after the date on which the acquisition is completed or within three months after the commencement of this Act, whichever is the later.

(2) If default is made in complying with this section, the registered society and every officer thereof shall be guilty of an offence and liable to a fine not exceeding K3,000.

Register of charges

59.—(1) The Registrar shall, with respect to each registered society, keep a register in such form as may be prescribed under this Act of all charges requiring registration under this Part, and shall enter in the register, with respect to every charge, the following particulars—

(a) if the charge is a charge created by the society, the date of its creation, and if the charge was a charge existing on property acquired by the society the date of the acquisition of the property;

(b) the amount secured by the charge;

(c) short particulars of the property charged; and

(d) the persons entitled to the charge;

(2) The Registrar shall issue a certificate under his hand of the registration of any charge registered under this Part, stating the amount secured, and the certificate shall be conclusive evidence that the requirements of this Part as to registration have been complied with.

(3) The register kept in pursuance of this section shall be open to inspection by any person on payment of the prescribed fee.

(4) The Registrar shall keep a chronological index containing the particulars of the charges entered in the register.

60.—(1) Every registered society shall cause every certificate of registration issued under section 59 to be endorsed on the debenture or certificate of debenture stock which is issued by the society, and the payment of which is secured by the charge so registered:

Endorsement
of certificate
of registration
on debenture

Provided that nothing in this subsection shall require a society to cause a certificate of registration of any charge so given to be endorsed on any debenture stock issued by the society before the charge was created.

(2) If any person knowingly and willfully authorizes or permits the delivery of any debenture or certificate of debenture stock which has not endorsed on it the certificate of registration required by sub-section (1), he shall, without prejudice to any other liability, be guilty to an offence and liable on conviction to a fine not exceeding K3,000.

61. The Registrar may, on evidence being given to his satisfaction that the debt for which any registered charge was given has been paid or satisfied, order that a memorandum of satisfaction be entered on the register, and shall, if required, furnish the registered society concerned with a copy thereof.

Entry of
satisfaction

62. The Registrar, on being satisfied that the omission to register a charge within the time required by this Act, or that the omission or mis-statement of any particulars with respect to any such charge or in a memorandum of satisfaction, was accidental or due to inadvertence or some other good cause, or is not of a nature to prejudice the position of creditors or members of the registered society, or that on other grounds it is just to grant relief, may, on the application of the registered society or any person interested, and on such terms and conditions as seem to the Registrar fair, order that the time for registration shall be extended or, as the case may be, that the omission or mis-statement shall be rectified.

Rectification
of register of
charges

63.—(1) If any person obtains an order for the appointment of a receiver or manager of the property of a registered society, or appoints such a receiver or manager under any powers contained in any instrument, he shall, within seven days from the date of the order or of the appointment under the said powers, give written notice of the fact to the Registrar, and the Registrar shall enter the notice in the register of charges.

Registration
of appoint-
ment of
receiver

(2) Where any person appointed receiver or manager of the property of a registered society under the powers contained in any instrument ceases to act as such receiver or manager, he shall, on so ceasing, give written notice of the fact to the Registrar, and the Registrar shall enter the notice in the register of charges.

(3) If any person makes default in complying with the requirements of this section, he shall be guilty of an offence and liable on conviction to a fine not exceeding K3,000 for every day during which the default continues.

Copy of
instrument
creating
charge to be
kept by
society
Society's
register of
charges

64. Every registered society shall cause a copy of every instrument creating a charge which is required by this Part to be registered to be kept at the registered address of the society.

65.—(1) Every registered society shall keep at the registered address of the society a register of charges in which shall be entered all charges specifically affecting property of the society and all floating charges on the property or assets of the society, giving in each case a short description of the property charged, the amount of the charge and the name of the person entitled thereto.

(2) If any officer of a registered society knowingly omits, or permits the omission of any entry required to be made in any register in pursuance of this section, he shall be guilty of an offence and liable on conviction to a fine not exceeding K3,000.

Right to
inspect
copies of
instruments
creating
charges and
society's
register of
charges

66.—(1) The copies of the instruments creating charges which are required by this Part to be registered, and the register of charges kept by the registered society under section 65 shall be open to inspection during business hours by any creditor or member of the society without fee (subject to such reasonable restrictions as the society in general meeting and may impose, so, however, that not less than two hours in each day shall be allowed for inspection), and the register of charges shall also be open to changes inspection by any other person on payment of the prescribed fee.

(2) Any officer of the registered society who refuses to allow inspection of the register of charges or of copies of the instruments creating charges in accordance with subsection (1) or who permits such refusal, shall be guilty of an offence and liable to a fine not exceeding K3,000 for every day during which the refusal or permission continues, and the court may order an immediate inspection of such register or copies.

PART IX

SUPERVISION AND INSPECTION OF AFFAIRS

Production of
cash and
books of
society

67. Any officer, agent, servant or member of a registered society who is required by the Registrar, or any person authorized in writing by the Registrar, so to do shall, at such place and such time as the Registrar may direct, produce all moneys, securities, books, accounts and documents the property of, or relating to the affairs of, such society which are in custody of such officer of such society, agent, servant or member and which are under his control.

68.—(1) The Registrar may hold an inquiry or direct any person authorized by him by order in writing in that behalf to hold an inquiry into the constitution, working and financial conditions of a registered society.

Ad hoc
committee of
inquiry

(2) On receipt of a resolution demanding an inquiry passed by not less than two-thirds of the members present at a general meeting of the society which has been duly advertised, the Registrar shall cause such an inquiry.

(3) during the period of inquiry referred to in subsections (1) and (2), the chief executive and other officers or employees may be suspended from duty by the Registrar if evidence is uncovered showing breach of this Act, regulation, rules or by-laws of the society by any of them to facilitate the smooth holding of the inquiry.

(4) (a) Where the chief executive has been suspended in accordance with subsection (3) a caretaker manager shall be appointed by the Registrar in consultation with the committee.

(b) Such caretaker manager shall remain in office until either the former chief executive is reinstated or a new one is appointed:

Provided, that he shall not stay in that office for more than three months after the report of the committee of inquiry has been submitted.

(5) If during the course of inquiry cause arises to dissolve the committee of the society, the Registrar shall dissolve such a committee and convene within thirty days, a special general meeting to replace such a committee.

(6) All officers and members of the society shall produce such cash, accounts, books, documents and securities of the society and furnish any information in regard to the affairs of the inspected society as the Registrar or such person authorized by the Registrar may require.

69.—(1) The Registrar may, if he thinks fit, on the application of a creditor or a registered society, direct a person authorized by him in writing in that behalf to inspect the books of the society:

Inspection of
books of
indebted
society

Provided that—

(a) the application satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and

(b) the applicant deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

Cost of inquiry

70. Where an inquiry is held under section 68 or an inspection is made under section 69, the Registrar may make an award apportioning the costs or such part of the costs as he may think fit, between the society, the members or creditor demanding an inquiry or inspection, and the officer or former officers of the society.

Recovery of an award under section 70

71. Any award under section 70 may be recovered in any court of competent jurisdiction in the same manner as a judgment of such court.

PART X

DISSOLUTION OF A REGISTERED SOCIETY

Cancellation of registration after inquiry or inspection

72.—(1) If the Registrar, after holding an inquiry under section 68 or after making an inspection under section 69, or on receipt of an application made by two-thirds of the members of a registered society, is of the opinion that the society ought to be dissolved, he may make an order for the cancellation of the registration of society.

(2) Any member of a registered society may, within two months from the date of an order made under subsection (1), appeal from such order to the Minister.

(3) Where no appeal is presented within two months from the making of an order under subsection (1) cancelling the registration of a society, the order shall take effect on the expiry of that period.

Cancellation for other reasons

73.—(1) The Registrar may, on his own motion or after hearing representations from the Society, by order in writing cancel the registration of any society, if satisfied that—

(a) the registration was obtained by fraud or mistake; or

(b) the society exists for illegal purposes; or

(c) the society has willfully, after notice by the Registrar, contravened any of the provisions of this Act, the regulations made thereunder or the by-laws or any direction given by the Registrar;

(d) the society is no longer operating in accordance with cooperative principles; or

(e) the number of members of the society has fallen below the minimum required by this Act; or

(f) the society has not commenced operations or has ceased to operate for one year.

(2) A society shall be liquidated when two-thirds of its share capital has been lost, unless the Registrar is satisfied that the loss will be made good within six months from the date of discovery of the insolvency.

(3) An appeal against an order made under subsection (1) or (2) shall be lodged with the Minister within sixty days from the date of receipt of the order.

(4) Where the Minister hears an appeal from the Registrar pursuant to subsection (3), the Minister may reverse the order, confirm the order or refer the order back to the Registrar.

74.—(1) Where the Registrar, after an inquiry has been held under section 68 is of the opinion that the society ought to be wound up, he may make an order directing it to be wound up and may appoint a liquidator for the purpose and fix his remuneration which shall be paid out of the funds of the society.

Winding-up

(2) Pending the appointment of the liquidator, the assets and liabilities of the society shall vest in the Registrar.

75. Upon the winding-up of any registered society, the Minister may, by notice published in the *Gazette*, declare certain provisions of the Companies Act applicable to the society as if such society was registered under that Act.

Application of certain provisions of Companies Act
Cap. 46:03

76. Where the registration of a society is cancelled, the society shall cease to exist as a corporate body as from the date of cancellation.

Effect of cancellation

77. On the making of an order to cancel the registration of a society, a copy of such order shall be placed on the file maintained by the Registrar in respect of the society and another copy shall be published in the *Gazette*.

Copy of order to be filed by Registrar

78. Where the registration of a society is cancelled under section 73 or 74, the Registrar may appoint a liquidator of the society and all the property of the society shall vest in such liquidator with effect from the date of cancellation:

Appointment of liquidator

Provided that if the society is to be wound up voluntarily, the members may appoint a liquidator.

79. A liquidator appointed under section 78 shall, subject to the guidance and control of the Registrar and to any limitation imposed by the Registrar or by an order made under section 80, have the following powers—

Powers of liquidator

(a) to appoint a day, in the manner prescribed by regulations made under this Act, before which the creditor whose claims are not already recorded in the books of the society shall state their claims for admission, or be excluded from any distribution made before they have proved them;

(b) to institute and defend suits and other legal proceedings by and on behalf of the society by his name of office and appear in court as litigant in person on behalf of the society;

(c) to refer disputes to arbitration in the manner prescribed by regulations made under this Act;

(d) to determine from time to time the contributions to be made by the members and past members, and by the estate of deceased members of the society, respectively, to the assets of the society;

(e) to investigate all claims against the society and, subject to the provisions of this Act, decide questions of priority arising between claimants;

(f) to call such meetings of members as may be necessary for the proper conduct of the liquidation;

(g) to sell by public auction the assets of the society;

(h) to carry on the business of the society so far as may be necessary for the proper liquidation of the affairs of the society;

(i) to determine, from time to time, by what persons and in what proportion the costs of the liquidation are to be borne;

(j) to take possession of books, documents and assets of the society;

(k) to arrange for the distribution of the assets of the society in a convenient manner when a scheme of distribution has been approved by the Registrar;

(l) to give such directions in regard to the disposal of the books and documents of the society as may appear to him to be necessary for winding-up the affairs of the society;

(m) to compromise, with the approval of the Registrar, any claim by or against the society; and

(n) to apply to the Registrar for his discharge from the duty of liquidator after completion of the liquidation proceedings.

Powers of
Registrar
in liquidation

80.—(1) A liquidator shall exercise his powers subject to the control and revision by the Registrar.

(2) The Registrar may—

(a) rescind or vary any order made by a liquidator and make whatever new order if required;

(b) remove a liquidator from office for good cause and appoint a new liquidator;

(c) call for all books, documents and assets of the society;

(d) by order in writing, limit the powers of a liquidator under section 79;

(e) require accounts to be rendered to him by the liquidator;

(f) procure the auditing of the liquidator's accounts and to authorize the distribution of the assets of the society;

(g) make an order for the remuneration of the liquidator;

(h) grant a discharge to the liquidator on application by him after completion of the liquidation proceedings;

(i) require any member of a society and any trustee, banker, receiver, agent or officer of the society to pay, deliver, convey, surrender or transfer forthwith, or within such time as he shall direct, to the liquidator any money, property or books and papers in his hands to which the society is *prima facie* entitled;

(j) appoint a special manager of the business of a society whose registration has been cancelled and determine his remuneration and what, if any, security he shall give for the proper performance of his duties; or

(k) refer any subject of dispute between a liquidator and any third party to arbitration if that party shall have consented in writing to be bound by the decision of the arbitrator provided that the decision of an arbitrator on any matter shall be binding upon the parties and shall be enforceable in like manner as an order made by the Registrar under paragraph (a).

81. Any person aggrieved by an order of a liquidator or the Registrar given under section 79 or paragraph (a) of section 80 may appeal against such order to the Minister.

Appeal
against an
order of a
liquidator or
the Registrar

82.—(1) In the liquidation of a society whose registration has been cancelled, the funds, including the reserve fund, shall be applied first to the costs of liquidation including the remuneration of the liquidator, then to the discharge of the liabilities of the society, then to the payment of the share capital and then, if the by-laws of the society so permit, to the payment of a dividend at a rate not exceeding ten *per centum* per annum for any period for which no disposal of the net surplus was made.

Closure of
liquidation

(2) When the liquidation of a society has been closed, the claim of any creditor of that society who has not received what is due to him under the approved scheme of distribution shall be barred by prescription on the expiry of one year from the date of the order cancelling the registration of the society.

(3) Any surplus remaining after the application of the funds to the purposes specified in subsection (1), and any sums unclaimed under subsection (2) shall—

(a) be distributed amongst the members at the time of dissolution or their legal personal representatives in proportion to

the value of the business of each such member with the society during the three years immediately preceding the date of dissolution or, if the society has not existed for such period, during the existence of the society, or if the society has done no business during these three years, then in proportion to the share capital held by them at such date;

(b) if it is impracticable to make a distribution in accordance with paragraph (a) whether through insufficiency of funds or otherwise, be paid, either in whole or as to any residue of a partial distribution, into the Fund.

Commission of
offence

83. If the liquidator of a society whose registration has been cancelled alleges that any offences have been committed, he shall report the facts to the Registrar who shall forward a copy of such report to the Director of Public Prosecutions for the institution of such proceedings as may be necessary.

Convicted
officers not to
be officers of
a society

84.—(1) Any person convicted of an offence under this Part shall not be eligible for appointment as an officer of a registered society or in any way whether directly or indirectly be concerned in or take part in the management of a society for a period of five years from the date he is released from prison or he pays a fine.

(2) Any person acting in contravention of the provisions of subsection (1) commits an offence and shall be liable on conviction to imprisonment for a period not exceeding two years.

Offences

85. Offences under this Part shall be tried by a court having jurisdiction over the place in which the alleged offence was committed.

PART XI

SURCHARGE AND ATTACHMENT

Powers of
Registrar to
surcharge
officers, etc.

86.—(1) Where it appears that any person who has taken part in the organization or management of a registered society or any past or present officer of the society has misapplied or retained or become liable or accountable for any money or property of that society or has been guilty of misfeasance, or breach of trust in relation to the society, the Registrar may, on his own motion or on the application of the liquidator or of any creditor or member, enquire into the conduct of that person and make an order requiring him to repay or restore the money or property or any part thereof with interest at such rate as the Registrar thinks just or to contribute such sum to the assets of the society by way of compensation in regard to the misapplication, retainer, dishonesty or breach of trust as the Registrar thinks just.

(2) Any moneys, including interest, awarded by an order made under subsection (1) to be repaid or contributed to a registered society shall, without prejudice to any other mode of recovery, be a civil debt recoverable summarily in any competent court.

(3) This section shall apply notwithstanding that the act in respect of which the Registrar has made an order under subsection (1) may constitute an offence under any other law for the time being in force.

87. Any person aggrieved by an order of the Registrar made under section 86 may appeal to the Minister. Appeal to Minister

88. Where the Registrar is satisfied that any person, with intent to defraud or delay the execution of any order which may be made against him under section 79 or section 86, or of any decision that may be given in a dispute referred to the arbitrators under the provisions of this Act or any other written law and for the time being in force, is about to dispose of the whole or any part of his property, the Registrar may, unless adequate security is furnished, order the conditional attachment of such property and such attachment shall have the same effect as if made by a competent court. Attachment of property

PART XII

SETTLEMENT OF DISPUTES

89.—(1) If any dispute touching the business of a registered society arises— Settlement of disputes

(a) among the members, past members or person claiming through members, past members and deceased members; or

(b) between a member, past members and persons claiming through a member, past member or deceased member and the society, its committee or nay officer or past officer of the society; or

(c) between the society or its committee and any officer or past officer of the society; or

(d) between the society and any other registered society,

such dispute shall be referred to an arbitrator for decision.

(2) 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 or a deceased member, whether such debt or demand be admitted or not, shall be deemed to be a dispute within the meaning of subsection (1).

(3) The parties to a dispute may agree upon an arbitrator or arbitrators for purposes of deciding the dispute.

(4) Where there is failure of agreement upon an arbitrator or arbitrators, each party shall appoint one arbitrator and the Registrar shall appoint a third arbitrator who will be the chairman to decide the dispute.

(5) If an appointed arbitrator refuses or neglects to act, or is incapable of acting or dies or is removed, the Registrar shall fill the vacancy.

Cap. 6:03

(6) The provisions of the Arbitration Act shall, to the extent that they are not inconsistent with this Act, apply to an arbitration under this Act.

(7) Any party aggrieved by an award made under this section may Appeal to the Registrar within Sixty days from the date of the award.

(8) An arbitrator appointed under the provisions of this section may—

(a) summon witnesses and call for any accounts, books, documents or any information which he considers relevant to the matter in question;

(b) administer an oath or affirmation to any witness giving evidence before him;

(c) refer any point of law to the High Court for its decision; and

(d) amend the terms of the order of reference with the consent of the parties to the dispute.

(9) When the arbitrator has made his award, he shall sign it, and shall give notice to the parties of the making thereof, and of the amount of the fees and charges payable to him in respect of the arbitration and award.

(10) The arbitrator shall, at the request of any party to the arbitration or any person claiming under him, and upon payment of the fees and charges due in respect of the arbitration and award, and of the costs and charges of filing the award, cause the award, or a signed copy of it to be filed in the court and notice of the filing shall be given to the parties by the arbitrator.

(11) Where the arbitrator refers a case to court on a point of law under paragraph (c) of subsection (8), the court shall make its decision and if the decision affects the amount of the award, it shall be increased or reduced, as case may be.

(12) The award of an arbitrator under this section shall, if no appeal is preferred to the Registrar under subsection (7) or if such appeal is abandoned or withdrawn, be final and shall be enforced in the same manner as if the award had been a judgment of a court.

(13) Notwithstanding the provisions of this section, any debt arising out of embezzlement, loss of cash or misappropriation of a registered society's funds shall not be the subject of settlement by arbitration, but shall be referred by the arbitrator to the Director of Public Prosecutions.

(14) The provisions of subsections (1) to (13) shall not apply to a cooperative bank, for the purpose of transacting banking or credit institution business in as far as the matter relates to that business.

90. No matter or thing done by the arbitrator under section 89 shall, if it is done bona fide for the purpose of executing any provisions of the said section, subject the arbitrator to any civil liability. Protection of arbitrator

91.—(1) Any decision of the Minister on an appeal to him from a decision of the arbitrator under section 89, or by virtue of any other provisions of this Act shall be subject to an appeal to a court of law. Appeal to court from decision of the Minister

(2) The Chief Justice may make rules of court regulating the procedure and practice of the hearing of appeals by a court under this section.

PART XIII

REGULATIONS

92.—(1) The Minister may make regulations for the carrying out of the provisions of this Act. Regulations

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may—

(a) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society and the procedure in the matter of such application;

(b) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and the rescission of by-laws, and the conditions to be satisfied prior to such making, alteration or rescission;

(c) prescribe the conditions to be complied with by persons applying for admission or admitted as members and provide for the election and admission of members, and the payment to be made and the interest to be acquired before the exercise of the right of membership;

(d) regulate the manner in which funds may be raised by means of shares or debentures or otherwise;

(e) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;

(f) provide for the appointment, suspension and removal of members of a committee and other officers and for the procedure at meetings of a committee, for the powers to be exercised and the duties to be performed by a committee and other officers;

(g) provide for audit of the accounts and books to be kept by a society and the charges if any to be made for such audit;

(h) provide for the form of the final accounts and the balance sheet to be prepared annually and any other statements and schedules relating thereto;

(i) provide for the establishment of a supervision and audit fund;

(j) provide for the periodical publication of a balance sheet showing the assets and liabilities of a society;

(k) provide for the persons by whom and the form in which copies of entries in books of societies may be certified;

(l) provide for the inspection of documents and registers at the Registrar's office and the fees to be paid therefor and for the issue of copies of such documents or registers;

(m) provide for the formation and maintenance of a register of members and, where the liability of members is limited by shares, of the register of shares;

(n) provide for the resignation and expulsion of members and for the payments, if any, to be made to members who resign or are expelled and for the liabilities of past members;

(o) provide for the mode in which the value of deceased member's interest shall be ascertained and, subject to the provisions of section 38, for the nomination of a person to whom such interest may be paid or transferred;

(p) provide for the mode in which the value of the interest of a member who has become of unsound mind and incapable of managing his affairs shall be ascertained and for the nomination of any person to whom such interest may be paid or transferred;

(q) fix the conditions under which a society may grant loans to its members and the maximum amount of such loans and prescribe the payments to be made and the conditions to be complied with by members applying for loans the period for which the loans may be made and the amount which may be lent to an individual member;

(r) provide for the manner of formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any fund under the control of the society;

(s) prescribe the extent to which a society may limit the number of its members;

(t) prescribe the conditions under which accumulated funds may be distributed to the members of a society with unlimited liabilities, and subject to the provisions of subsection (2) of section 47, prescribe the maximum rate of dividend which may be paid by societies;

(u) prescribe the procedure to be followed in appeals made to the Registrar or the Minister under the provisions of this Act;

(v) prescribe the returns to be submitted by a society to the Registrar and the person by whom and the form in which such returns shall be submitted;

(w) prescribe the fees to be paid on applications, registrations and other acts undertaken by the Registrar or his representative under the provisions of this Act; and

(x) prescribe anything required by this Act to be prescribed.

(3) The Minister may cause any regulations made under this section to be translated into a language with which such members are acquainted and be made known to such members in a manner customary for the community to which such members belong:

Provided that on any matter of interpretation the English version of the regulations shall prevail.

PART XIV

MISCELLANEOUS PROVISIONS

93.—(1) An officer or member of a registered society shall not receive any remuneration, commission or other payment from the society for services rendered to the society unless the society has, by resolution passed at a general meeting of the society, approved the payment of such remuneration, commission or other payment. Remuneration
of officers

(2) An officer or member of a registered society shall not receive any remuneration, commission or other payment from any person other than the society in respect of any business or transaction entered into by the society:

Provided that in special circumstances the society may, by a resolution passed at a general meeting of the society, consent to such remuneration, salary, commission or other payment being made.

(3) Any officer or member of a registered society who receives any remuneration, salary, commission or other payment in contravention of the provisions of subsection (1) or (2) commits an offence and shall be liable on conviction to a fine not exceeding K10,000 or to imprisonment for a period not exceeding one year or to both such fine and imprisonment and shall, if convicted for contravening the provisions of subsection (1), be ordered to repay the remuneration, salary, commission or other payment received from the society, and default in such payment shall be treated in the same manner as default in paying a fine imposed by a competent court.

(4) Notwithstanding the provisions of subsections (1) and (2), where in the opinion of the Registrar a registered society has improperly paid or consented to the payment to an officer or member of any remuneration, salary, commission or other payment, the Registrar may report the matter to the Minister.

(5) If the Minister is satisfied that such remuneration, salary, commission or other payment has been improperly paid, or payment has been improperly consented to, he may declare that the society shall not, for a period to be stated, pay or consent to the payment to an officer or member of the society of any such remuneration, salary, commission or other payment except with the approval of the Registrar.

(6) Any society which contravenes any such order and any officer or member who is knowingly a party to such contravention commits an offence and shall be liable on conviction, to a fine not exceeding K10,000 or to imprisonment for a period not exceeding one year or to both such fine and imprisonment.

Prohibition of
the use of
the word
"cooperative"

94.—(1) No person other than a registered society shall trade or carry on business under any name or title of which the word "cooperative" is part.

(2) Any person who contravenes the provisions of this section commits an offence and shall be liable on conviction to a fine not exceeding K2,000 for each day on which the offence is continued after conviction.

Offences and
penalties

95.—(1) It shall be an offence under this Act if—

(a) a registered society or an officer or a member thereof fails to do or to allow to be done any act or thing which is required to be done by this Act or by any regulations made under this Act;

(b) a registered society or an officer or member thereof does anything prohibited by this Act or by regulations made under this Act;

(c) a registered society or an officer or member thereof neglects or refuses to do any act or to furnish any information required for the purposes of this Act by the Registrar, or any person duly authorized in that behalf by the Registrar;

(d) a registered society or any officer or member thereof makes a false return or furnishes false information;

(e) any person knowingly or without reasonable excuse disobeys any summons, requisition or lawful order issued under the provisions of this Act, or does not furnish any information lawfully required from him by a person authorized to do so, or which he is required to furnish, under the provisions of this Act;

(f) any person acts or purports to act as an officer of a registered society when not entitled to do so;

(g) a registered society or an officer or member thereof performs any act which requires the consent or approval of the Registrar without having first obtained such consent or approval.

(2) Every society, officer or member of a registered society or other person guilty of an offence under this section shall be liable on conviction, where no other penalty is provided under this Act, to a fine not exceeding K10,000 or to imprisonment for a period not exceeding one year or to both such fine and imprisonment.

96. Any person, firm or company having knowledge or notice of the existence of a contract described in section 31 who solicits or persuades or assists any person to sell or deliver a product or service in violation of that contract commits an offence and shall be liable on conviction to a fine not exceeding K10,000 for each offence and shall in addition be ordered to pay the society concerned such damages as the court may see fit to award.

Penalty for soliciting violation of contracts

97.—(1) Nothing in this Act shall be deemed to relieve any society from any of its obligations under any other written laws governing or regulating its business activities.

Application of other laws

(2) Where such written laws conflict with this Act, this Act shall be construed with such modifications, adaptation and qualifications as are necessary to enable the society to conform to the laws governing or regulating its business activities.

98.—(1) Subject to section 75 of this Act, the provisions of the Companies Act, the Business Names Registration Act and the Labour Relations Act shall not apply to a registered Society.

Certain laws not to apply
Cap. 46:03
Cap. 46:02
No. 16 of 1996

(2) No society registered under this Act shall be deemed to be a trade union.

99.—(1) The Cooperative Societies Act is repealed.

Repeal and savings
Cap. 47:02

(2) Any subsidiary legislation made under the Act repealed by subsection (1) in force immediately before the commencement of this Act—

(a) shall, unless in conflict with this Act, continue in force and be deemed to be subsidiary legislation made under this Act; and

(b) may be replaced, amended or repealed by subsidiary legislation made under this Act.

(3) Any agreement or similar arrangement made pursuant to the provisions of the Act repealed by subsection (1) shall continue in force until terminated in accordance with terms and conditions thereof.

(4) Any society and any by-law of a society registered under the Act repealed by subsection (1) shall be deemed to have been registered under this Act.

(5) Any orders, directions, appointments and other acts lawfully done under the Act repealed by subsection (1) and in force immediately before the commencement of this Act shall be deemed to have been made under the corresponding provisions of this Act and shall continue to have effect accordingly.

SUBSIDIARY LEGISLATION**COOPERATIVE SOCIETIES REGULATIONS****ARRANGEMENT OF REGULATIONS**

REGULATION

1. Citation
2. Register of societies
3. Alterations, etc.
4. Inspection
5. Application
6. Registration
7. Forwarding of papers
8. Refusal of registration
9. Register of members
10. Election of members
11. Withdrawal by members
12. Expulsion of members
13. Loss of qualifications
14. Number of members
15. Nominees
16. Division of profits
17. Maximum liability
18. Supreme authority
19. First meeting
20. Annual general meeting
21. Functions of annual general meeting
22. Special general meeting
23. Quorum at annual or special meeting
24. Chairman of general meeting
25. Voting at general meeting
26. Method of voting
27. Minutes of general meeting
28. Election of committee
29. Chairman of committee
30. Duties of committee
31. Meetings of committee
32. Procedure at meetings of committee
33. Voting at meetings of committee
34. Minutes of meetings of committee
35. Failure to attend meetings of committee
36. Vacancies on committee
37. Borrowing powers
38. Banking Account
39. Employees
40. Application for a loan
41. Approval of a loan
42. Security for a loan

Cooperative Societies Regulations

[Subsidiary]

4. The Register shall be open to inspection by the public at all reasonable times and free of charge. Inspection
- 5.—(1) An application for registration of a society under section 6 of the Act shall be made to the Registrar using Form I in the First Schedule and shall be accompanied by an appraisal in writing of the viability of the society. Application
- (2) Three copies of the by-laws in English or the local language which the society proposes to adopt shall be submitted together with the application.
6. The Registrar shall register a society which meets the prescribed requirements, and its by-laws, in the Register. Registration
7. Upon the registration of a society, the Registrar shall forward to the society— Forwarding of papers
- (a) a certificate of registration in Form II in the First Schedule hereto;
- (b) a copy of the by-laws of the society as approved and certified by him; and
- (c) a copy of the Act and of the Regulations in English, together with an explanatory memorandum in the vernacular, where the Registrar considers it necessary.
8. Where the Registrar refuses to register a proposed society or its by-laws, he shall give the applicant his reasons in writing for such refusal. Refusal of registration
9. Every registered society shall keep a register to be called “the Register of Members” wherein shall be entered— Register of members
- (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) a nominee, if any, appointed under regulation 15.
10. The election and admission of members to a registered society, other than original members, shall be in such a manner and on such conditions as prescribed by the by-laws. Election of members
11. A member may withdraw from a registered society by giving written notice to the secretary of the registered society but such withdrawal shall be without prejudice to section 36 of the Act. Withdrawal by members
- 12.—(1) Any member who acts in contravention of these regulations or the by-laws of the registered society or acts in any way detrimental to the interest of the registered society, may be expelled by a vote of two-thirds of the members present at a general meeting. Expulsion of members

(2) The committee shall send to such a member the charge in writing not less than one week before the meeting.

(3) Any expulsion under these regulations shall be without prejudice to any liabilities of the person under section 36 of the Act.

Loss of
qualification

13. Any member of a registered society who ceases to qualify for membership shall forthwith cease to be a member of such registered society and the committee shall direct the secretary of the registered society to strike his name off the Register of Members.

Number of
members

14. No registered society shall fix a limit to the number of its members.

Nominees

15.—(1) Every member of a registered society may upon admission appoint his nominee.

(2) Every appointment of a nominee by any member of a registered society shall be made in writing and signed by the member in the presence of two attesting witnesses.

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

(4) In any case where more than one nominee is appointed by any Member the number of shares to be transferred to each of these nominees shall be specified at the time of appointment.

(5) Every appointment of a nominee shall be recorded in the Register of members of the registered society.

(6) For the purposes 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 provides otherwise.

(7) 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 society.

(8) Where on the death of a member a nominee does not exist, the society may pay any money due to the deceased member to the personal representative or recognized heirs of that deceased member.

(9) In the event of any person so nominated dying or of the member desiring to cancel any such nomination, the member may nominate in writing another person in the same manner, and necessary alteration shall be made in the Register of Members.

Division of
profits

16.—(1) Unless otherwise authorized under section 46 of the Act, 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 registered society.

Cooperative Societies Regulation

[Subsidiary]

(2) No registered society shall pay a dividend if the rate of interest on loans granted by it to its members exceeds ten *per centum* per annum.

(3) No registered society shall pay a dividend on share capital exceeding five *per centum* per annum on the capital actually paid up.

(4) 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.

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

Maximum liability

(2) The maximum liability fixed under subregulation (1) shall be subject to the approval of the Registrar, who may at any time reduce it.

(3) No registered society shall receive loans or deposits which will make its liability exceed the limit approved by the Registrar.

18.—(1) The supreme authority in a registered society shall be vested in the general meeting, at which every member has the right to attend vote on all questions, unless the by-laws of the society provide for some alternative form of representation.

Supreme authority

(2) Every member shall have one vote which shall be exercised in person and not by proxy.

19. 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.

First meeting

20.—(1) The committee shall convene the annual general meeting on receipt of the report of the audit of the accounts of the registered society from the Registrar or any person authorized by the Registrar in accordance with regulation 59:

Annual general meeting

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 has been convened by the committee.

(2) At least fifteen days notice shall be given before any annual general meeting is held.

[Subsidiary]

Cooperative Societies Regulations

Functions of
annual general
meeting

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

(a) to confirm the minutes of the previous annual general meeting and of any special general meeting;

(b) to consider the reports of the committee and the balance sheet together with the report of the audit of the accounts of the registered society for the previous year;

(c) to approve the accounts or if the accounts are not approved, cause to the secretary to notify the registrar who shall consider the matter and make his decision thereon, 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; and

(e) to transact any other general business of the registered society.

Special
general
meeting

22.—(1) A special general meeting may be convened at any time by the committee on receipt of a demand stating the object of the proposed meeting signed or attested by one fourth of the persons who are members of the registered society.

(2) It shall be the duty of the chairman of the committee to convene such a meeting giving eight days notice.

(3) Where the chairman of the committee fails to convene a meeting within fourteen days from the receipt of a demand as aforesaid, the members applying for such a meeting shall have the right to convene the meeting by notice which shall contain the object of the proposed meeting and a statement to the effect that the meeting is convened on the failure of the chairman to convene the meeting.

(4) Notwithstanding the provisions of subregulations (1), (2) and (3), the Registrar or a person authorized by him may at any time—

(a) summon a special general meeting of the registered society in such manner and at such time and place as he may direct; and

(b) direct what matters shall be discussed at the meeting, and such meeting shall have all the powers of a meeting called according to these regulations.

Quorum at
general
meeting

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

Provided that—

(a) When any meeting is summoned by the Registrar, any members present at such meeting shall be deemed to form a quorum;

(b) in the case of a society of which a registered society is a member or of which there are branches, the quorum at an annual general meeting of the society shall be as provided for in the by-laws of the society.

(2) If within one hour after the time fixed for a general 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 hours, and if at the subsequent meeting a quorum is still not formed, the members present shall form a quorum.

24.—(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.

Chairman
of the
general
meeting

(2)—(a) the secretary of the committee or in his absence any other person nominated in writing by the chairman of the committee shall act as secretary at the meeting; and

(b) the chairman of the committee, if necessary, may nominate other officers to assist at the meeting.

(3) The chairman may by the decision of the meeting adjourn the meeting to a different time and place but no other business shall be transacted at such a meeting other than the business left unfinished at the preceding meeting.

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

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

Voting at
general
meetings

26.—(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 the 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.

Method of
voting

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

[Subsidiary]

Cooperative Societies Regulations

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 he shall have a casting vote.

(3) In respect of every resolution put to the vote—

(a) the chairman shall declare whether it has been carried or lost, whether on a show of hands, by call of names or by ballot and whether unanimously by a particular majority; and

(b) an entry to that effect in the minute book shall be conclusive evidence of anything therein contained.

Minutes of
general
meeting

27. Minutes of the meetings shall be entered in the minute book and signed for by the chairman and secretary and shall contain the following particulars—

(a) the number of the members present at the meeting and the name of the chairman or the person who presided over the meeting;

(b) 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.

Election of
committee

28.—(1) The committee shall be elected at the first meeting of the registered society and, subject to regulation 35, its members shall hold office until the election of a new committee and they shall be eligible for re-election.

(2) The committee shall consist of such number of members as may be provided in the by-laws of the registered society, which shall also specify the tenure and what number of members shall constitute a quorum.

Chairman of
committee

29.—(1) The committee shall elect its own chairman, who shall have a deliberative vote and on an equality of votes shall be entitled to a casting vote.

(2) In the temporary absence of the chairman, the committee shall elect one of their number to perform the chairman's duties.

Duties of
committee

30.—(1) The committee shall have the following functions and powers—

(a) represent the registered society before all competent public authorities and in all dealings and transactions with third persons;

(b) institute or defend suits brought in the name of or against the registered society; and

(c) generally carry out such functions in the management of the affairs of the registered society as have not been specially

Cooperative Societies Regulations

[Subsidiary]

assigned by these Regulations or the by-laws of the registered society to general meetings or to an officer of the registered society.

(2) The committee shall always keep a copy of the latest annual balance sheet of the registered society together with latest audit report of the registered society for inspection during office hours by any member of the registered society.

31.—(1) 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 committee

(2) The meetings of the committee shall be summoned by the secretary in writing.

32. At each committee meeting, the secretary shall—

Procedure at meetings of committee

(a) read the minutes of the preceding meeting;

(b) produce the cash book, details of the entries of receipts and payments made since the last meeting;

(c) together with the treasurer, produce cash in their possession for verification by the committee;

(d) produce a statement showing the loans due and unpaid, for determination by the committee as to what action to be taken in each case;

(e) produce applications for loans, if any, for determination by the committee in accordance with the priority of receipt; and

(f) submit any other business for consideration by the committee.

33. Any question submitted to the committee for its decision shall be decided at a meeting by a majority of votes of those members present at the meeting.

Voting at meetings of committee

34. Minutes of committee meetings shall be recorded by the secretary in the minute book and shall be signed by the chairman or the person who presided over the meeting and by the secretary and shall contain the following particulars.

Minutes of meetings of committee

(a) the name of the chairman or the person who presided over the meeting;

(b) the names of the members present and the date of the meeting; and

(c) a summary of all matters discussed and decisions made and a record as to whether each decision was made unanimously or by a majority.

[Subsidiary]

Cooperative Societies Regulations

Failure to attend meetings of committee

35. Any member of the committee who has had notice and without good reason in the opinion of 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 by regulation 36.

Vacancies on committee

36.—(1) The remaining members of the committee shall fill vacancies occurring on the committee within thirty days by election.

(2) Any member elected under subregulation (1) shall hold office until the expiration of the term of office of the committee member who has vacated.

Borrowing powers

37. 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 17.

Banking account

38.—(1) The committee may open a banking account.

(2) All cheques shall be signed by two members of the committee and the treasurer.

Employees

39. The committee may—

(a) appoint such employees as it considers necessary; and

(b) fix the salaries, wages or remuneration of every employee, subject to any scales laid down by a resolution the members in a general meeting.

Application for a loan

40. Members who desire to obtain a loan from a registered society shall—

(a) submit an application to the committee stating the amount and the purpose for which the loan is required;

(b) the term for which it is asked;

(c) whether it shall be repaid by instalments; and

(d) the names of the proposed sureties or any other security which is offered.

Approval of a loan

41.—(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 approve the loan.

(2) No person other than members of the committee and the secretary shall be present at any meeting of the committee when an application for a loan is under consideration.

(3) A member of the committee who applies for a loan or who is proposed as a surety for a loan shall withdraw while the relevant application is being discussed.

Cooperative Societies Regulation

[Subsidiary]

(4) Where there is a difference of opinion concerning the approval of a loan, the matter shall be put to vote by ballot.

(5) The proceedings with regard to loans at a committee meeting shall be kept secret, and any member of the committee or officer of the registered society who infringes this regulation shall be liable to immediate expulsion.

42. Loans approved by the committee shall only be granted to members who are able to obtain two sureties or who can give other security approved by the committee. Security for loans

43.—(1) No loan shall be granted except for a purpose approved in each case by the committee. Purpose of loans

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

44. When a loan is approved 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. Documents relating to loans

45. A member who—

(a) is in default in the payment 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,

shall not be entitled to receive another loan from the registered society. Restrictions on loans to defaulters

46. Where by reason of any reasonable cause, a member is 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. Extension of a loan

47. Where the committee is satisfied that a member of the registered society who obtained a loan has applied the proceeds thereof to a purpose other than the purpose which was stated in the application thereof, the committee may, by notice in writing to such a member, demand payment of the loan before the agreed date of payment. Mis-application of a loan

48. The committee shall take steps to recover a loan by referring the matter to the Registrar as provided under section 89 (2) of the Act where— Recovery of loans

(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 repayment thereof has been given to the debtor by the committee under regulation 46.

[Subsidiary]

Cooperative Societies Regulations

Suspension and
resumption of
loans

49. Where the Registrar is of the opinion that the manner in which loans are being made by credit societies as disclosed by an examination or investigation under the Act, or that the amount of loans being made threaten the financial stability of the credit societies and interest of its members, he may—

(a) by written notice sent or delivered to the chairman and treasurer or the manager of the registered society, as the case may be, order the suspension of loaning operations during such period as he may prescribe;

(b) appoint an officer of a credit society or some other competent person as an administrator to collect loans in arrears, place other loans outstanding in a condition to ensure repayment and take charge of other operations of the credit society; and

(c) permit the resumption of loan operations after the financial position of the credit society has been restored to a satisfactory basis, under the direction of its own officer or subject to assistance from such special directors or other special officers as he may appoint.

Marketing

50.—(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 section 89 of the Act to be guilty of a breach of the by-laws or a contract, as the case may be, shall pay to the registered society as liquidated damages such sums as may be specifically assessed or ascertained in a manner prescribed by the by-laws or by the relevant contracts and such sum shall be deemed to be a debt due to the registered society.

Bad debts

51. The committee may, with the approval of the Registrar, cause bad debts to be written off the books of the registered society.

Preparation of
annual
accounts and
report

52. 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 accounts and the yearly balance sheet closed on the last working day of the report preceding year together with a detailed statement of the profit and loss account; and

(b) prepare a report on the year's activities of the registered society to be presented to the annual general meeting.

Duties of
manager

53. Where the committee appoints a manager to manage the business and the property of a registered society, the duties of the secretary or treasurer, may be modified or altered in accordance with allotment of such duties as may be assigned by the committee to the manager and other officers.

Cooperative Societies Regulations

[Subsidiary]

54.—(1) The committee shall appoint a secretary to the registered society who may be either a member of the committee or a paid employee of the registered society: Appointment of officers

Provided that where the secretary is a paid employee of the Registered society, he shall not become a voting member of the Committee.

(2) The committee may, if it thinks fit, require the secretary or any other officer, on appointment, to give such security as it may determine.

55. The duties of a secretary of a registered society shall be as specified in the by-laws of the society. Duties of a secretary

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

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

58. The duties of the treasurer shall be—

Duties of treasurer

(a) to receive from the secretary money collected by the secretary on behalf of the registered society, and to give the secretary a receipt;

(b) to advance money to the secretary necessary for the affairs of the registered society and obtain from the secretary a receipt;

(c) to deposit in the account of the registered society in its bank any amount not immediately required as determined by the committee;

(d) to keep separate the money belonging to the registered society and on no account to mix it with any other money;

(e) to produce at all times when called upon by the committee, the Registrar or any person authorized by the Registrar, the money in his possession which belongs to the registered society; and

(f) to keep a record of the money received by him from the secretary and of the money paid to the secretary.

59.—(1) Every registered society shall keep accounts in such a manner as may from time to time be prescribed by the Registrar. Audit of accounts

(2) Every registered society shall cause its accounts to be audited by an auditor authorized by the Registrar at least once in every year.

(3) The auditor shall—

(a) have access to all the books and accounts of the registered society;

[Subsidiary]

Cooperative Societies Regulations

(b) examine every balance sheet and annual return of the receipts and expenditures, funds, and other effects of the registered society, and verify the balance sheet and annual return of receipts and expenditures with the accounts and vouchers relating thereto; and

(c) either—

(i) sign the balance sheet and annual return of receipts and expenditures as found by him to be correct, duly vouched for and report to the Registrar accordingly; or

(ii) report to the Registrar in what respects he finds the same incorrect, unvouched for or not in accordance with the Act.

(3) The Registrar shall thereupon forward the report of the auditor to the committee.

Audit and
supervision
fund

60.—(1) There shall be constituted a fund to be known as the Audit and Supervision fund (“the Fund”) and every registered society shall, when called upon to do so by the Registrar, make an annual contribution to the Fund at a rate and in a manner as determined by the Minister by notice published in the *Gazette*.

(2) The fund shall be held and administered by the Registrar for the benefit of the contributing registered societies, and he shall make such payments from the Fund as he shall deem necessary.

(3) The Registrar shall report every year to the Minister in respect of the income derived from contributions, the expenditure he made from the Fund, and the balance.

By-laws

61.—(1) A registered society shall make by-laws in respect of the following matters—

(a) its name;

(b) its registered office and postal address;

(c) the area to which its operations and membership shall be confined;

(d) the objects of the society;

(e) the purpose for which its funds may be applied;

(f) the disposal of its accumulated funds;

(g) the qualifications for membership, the terms of admission of members, and the mode of their admission;

(h) the withdrawal and expulsion of a member and the payment, if any to be made to such a member and time within which such payment shall be made;

(i) the rights, liabilities and obligations of members;

(j) the transfer of shares or interest thereof of members;

Cooperative Societies Regulations

[Subsidiary]

(k) the manner of raising funds, including the maximum rate of interests on deposit;

(l) its committee meetings, the procedure and quorum at such meetings, the powers of such meetings and representation and voting at such meetings;

(m) the appointment, suspension and removal of members of the committee and officers;

(n) powers and duties of the committee and officers;

(o) the period of its financial year;

(p) the authorization of the officers to sign on its behalf; and

(q) the settlement of disputes.

(2) Where the objects of the society include the creation of funds to be lent or advanced to its members, the by-laws shall also be made in respect of the conditions on which loans or advances may be made to its members including—

(a) the rate of interest;

(b) maximum amount which will be lent to a member;

(c) extension, renewal and recovery of loans;

(d) the period and purpose of the loans;

(e) security for loans; and

(f) the consequence of default in the repayment of any sums due.

62.—(1) Where a registered society intends to amend its by-laws, the proposed amendment shall only be made—

Amendment
of by-laws

(a) where the members of the society were given notice of the amendment of at least 15 clear days; and

(b) by a resolution of the members at a general meeting.

(2) a resolution under paragraph (b) of subregulation (1) shall not be valid and effective unless—

(a) in the case of the registered society with unlimited liability, half of the members of the society are present at the meeting and three quarters of them vote in favour of the resolution; or

(b) in the case of a registered society with limited liability, a majority of members present at the meeting vote in favour of the resolution;

(3) Notwithstanding subregulations (1) and (2) above, where an amendment has received prior approval of the Registrar, such amendment may be adopted by a two-thirds majority of the members present and voting at the meeting.

[Subsidiary]

Cooperative Societies Regulations

(4) An amendment sent to the Registrar shall be accompanied by a certificate in Form IV in the First Schedule to these Regulations together with a copy of the amendment in quadruplicate.

(5) The Registrar may by a written notice, call upon a registered society to make such amendments to its by-laws as he considers necessary or desirable in its own interest, within a period not exceeding two months from the date of the notice.

(6) The notice shall state the exact amendment which the society shall make.

(7) Where the registered society fails to make the amendment under subregulations (5) and (6) within the specified period, the Registrar may, after considering any objection put forward by the society in writing not later than fourteen days after the expiry of the specified period, proceed to make and register the amendment.

Copies of entries

63.—(1) A copy of an entry in the book of a registered society may be certified on the copy, by declaring that it is a true copy of such entry and that the book containing the entry is still in the custody of the registered society.

(2) A declaration made under subregulation (1) shall be dated and signed by the secretary and one member of the committee.

Reference of dispute to the Registrar for decision

64.—(1) The following may refer a dispute to the Registrar for his decision—

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

(2) Where a matter is being referred to the Registrar, it 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.

Reference to arbitration by the Registrar

65.—(1) Where the Registrar decides to refer a dispute to arbitration, he shall make an order of reference.

(2) Every order of reference 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) limited the time within which the award shall be forwarded by the arbitrator or arbitrators to the Registrar.

Cooperative Societies Regulations

[Subsidiary]

(3) Where the Registrar decides to refer a dispute to more than one arbitrator, such reference shall be made to three arbitrators, each party to the dispute shall nominate one arbitrator and the third arbitrator shall be nominated by the Registrar and shall act as chairman.

(4) Where reference is made to three arbitrators, the following provisions shall apply—

(a) if a 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; and

(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.

66.—(1) The proceedings before an 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 provision shall apply—

Proceedings
before an
arbitrator or
arbitrator

(a) the Registrar shall give at least ten days notice in writing to the parties in respect of the time and venue of the proceedings;

(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 initialed 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 arbitrators *ex parte*.

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

(a) in the case of three arbitrators, be reached by a majority;

(b) be in writing;

(c) be dated and signed by the arbitrator or arbitrators; and

(d) state the amount of the costs and expenses of the arbitration, if any, and by which party or parties to the dispute the costs and expenses are to be paid.

[Subsidiary]

Cooperative Societies Regulations

(3) Upon the completion of the proceedings, the arbitrator or arbitrators, shall forward to the Registrar, the file of the proceedings and the award.

Proceedings
before the
Registrar

67. Where the Registrar exercises the power of deciding a dispute himself, the proceedings before him in relation thereto shall, as nearly as possible, be conducted in the same way as proceedings before a court of law and regulation 66 shall apply, *mutatis mutandis*, to such proceedings.

Control of
registered
society by the
Registrar

68.—(1) Where it appears to the Registrar that the committee of a registered society is unable to properly discharge its duties, or is unable to adequately safeguard the property and business interests of its members, he may assume control of such society and may exercise all or any of the powers and perform all or any of the functions of the committee of such society until such a time as he is satisfied that such committee is able to resume proper control of such society.

(2) Where the Registrar, assumes control of a registered society, the committee of such society may thereupon cease to exercise all or any of its powers or any of its functions.

(3) Whenever the Registrar assumes control of a registered society, he shall record such fact in writing and shall make a similar record when the control of such society is resumed by its committee

(4) The Registrar shall submit a report to the members of a registered society on his management of such society at the first available opportunity and at such times thereafter as are required by the Act.

Restriction of
the taking of
legal and other
proceedings
against
Registrar

69.—(1) No action, suit, or other legal proceedings whatsoever, whether civil or criminal, shall be instituted against the Registrar and no claim to compensation or indemnity shall be entertained regarding any act, matter or thing done or purported to be done, in good faith by the Registrar under these Regulations.

(2) Subregulation (1) shall not prevent the institution of any proceedings, whether civil or criminal, by or on behalf of the Government or of the Registrar.

Fees and Forms

70. The fees specified in the Second Schedule shall be payable for the matters to which they relate, and the forms set out in the Third Schedule and such particulars contained in those forms and not particularly prescribed by the act are hereby prescribed as particulars required under the Act.

FIRST SCHEDULE

FORMS

FORM I

THE COOPERATIVE SOCIETIES ACT

(CAP. 47:02)

reg. 5 (1)

APPLICATION FOR REGISTRATION OF A COOPERATIVE SOCIETY

1. We, the undersigned,
.....
.....
.....
.....
.....
.....

(insert name, address and occupation of at least ten persons, or at least two officers of each society if application is made by registered cooperative societies) desire to form a cooperative society under the Cooperative Societies Act, and hereby apply for registration.

2. The name of the proposed society is (insert proposed name)

3. The registered office of the society is to be at (insert proposed address)
and its postal address will be

4. Enclosed are three copies of the proposed by-laws which specify the objects of the society.

5. These proposed by-laws were approved by persons willing to become members, at a general meeting held aton
.....,

6.persons, including the undersigned, are now willing to become members and have made the payment necessary for admission to membership as prescribed in the enclosed by-laws.

7. The registration fee is enclosed.

8. We, the undersigned, have consented to direct the affairs of the proposed society as required by regulation 29 (1) of the Cooperative Societies Regulations, until our successors are elected at the first annual general meeting held after registration of the society.

Dated at the day of

[Subsidiary] Cooperative Societies Regulations

Witness
.....
.....

Certified correct
Acting Chairman
Acting Secretary
Acting Treasurer

FOR USE OF REGISTRAR ONLY

- 1. Application for registration approved
.....
- 2. Approval deferred pending receipt of further information.....
- 3. Application refused with reasons therefore given to the Minister and to the applicants, and registration fee refunded (regulations 8).....

FORM II

GOVERNMENT OF MALAWI
COOPERATIVE SOCIETIES ACT
(CAP. 47:02)

CERTIFICATE OF REGISTRATION

reg. 7

This is to certify that

I have today the
registered the Cooperative
Society Limited as a Cooperative Society with limited liability under the provisions of
the Cooperative Societies Act (Cap. 47:02), of the Laws of Malawi.

.....
Registrar of Cooperative
Societies

THE COOPERATIVE SOCIETIES ACT

reg. 52

(CAP. 47:02)

ANNUAL RETURN FOR THE YEAR.....

(To be submitted within four months of the end of the financial year)

- 1. Name of the registered society
- 2. Registered number
- 3. Date of registration
- 4. Registered address
- 5. Type of society
- 6. The liability of the members is—
 - (i) limited to the nominal value of each share held;
 - (ii) limited to times the nominal value of each share held;
 - (iii) unlimited.
- 7. The number of members of the society is
- 8. The number of shares issued is
- 9. The nominal value of one share is MK
- 10. The maximum liability which the society may incur in loans or deposits is MK.....
- 11. The total indebtedness of the society secured by registered charges is MK.....
- 12. The date the annual general meeting was held
- 13. Particulars of officers for the financial year fromto
..... are as follows—

<i>Title of office</i>	<i>Name of Holder</i>
Chairman
Vice-Chairman
Secretary
Committee members

14. A certified true copy of the audited accounts and balance sheet is filed herewith.

Dated this Day of

(Signed)
Secretary

THE COOPERATIVE SOCIETIES ACT

(CAP. 47:02)

CERTIFICATE OF AMENDMENT OF BY-LAWS

reg. 62

We

Chairman and secretary of

Cooperative Society Limited hereby certify—

- (1) that the enclosed amendment of the by-laws was made at a general meeting held on,
- (2) that on that date there were members of the society of whom were present at the meeting;
- (3) that members voted for the amendment;
- (4) that proper notice of the meeting and the proposed amendment were given to all members of the society;
- (5) that a voting paper was duly issued to every member;
- (6) that the amendment has received the prior approval of the Registrar.

.....
Chairman

.....
Secretary

.....
Treasurer

Date

SECOND SCHEDULE
FEES

reg. 70

	K	t
1. On registration of society	250	00
2. On registration of union	500	00
3. On registration of federation	1,000	00
4. On inspection of by-laws by Registrar	100	00
5. On registration of an amendment	150	00
6. Replacement of lost certificate	100	00

THIRD SCHEDULE
GENERAL FORMS

FORM A

THE COOPERATIVE SOCIETIES ACT

(CAP. 47:02)

reg. 70

PARTICULARS OF CHARGE CREATED BY A REGISTERED SOCIETY

To: The Registrar of Cooperative Societies
P.O. Box 30366
Lilongwe 3

Name of registered society

Registered number

Date and description of the instrument creating or evidencing the mortgage or charge
.....

Amount secured by the mortgage or charge MK

Short particulars of the property mortgaged or charged—
.....
.....

Land Registry particulars—
.....
.....

Names, addresses and description of the mortgages or persons entitled to the charge—
.....
.....
.....

Dated this day of

.....
Secretary

THE COOPERATIVE SOCIETIES ACT

(CAP. 47:02)

REGISTER OF CHARGES

reg. 70

Name of registered society

Registered number

Date of charge

Date of acquisition of property

Amount secured by charge

Particulars of property charged

Person entitled to charge

Date of resolutions authorizing issue of series of debentures—
.....

Date of registration

Memorandum of satisfaction

Registration of notice of appointment of receiver or manager—
.....

Remarks

.....

.....

.....

.....

.....

.....

THE COOPERATIVE SOCIETIES ACT

(CAP. 47:02)

s. 59

CHRONOLOGICAL INDEX OF CHARGES

Serial No.

Register of Charges folio number

Date of charge

Amount of charge

Particulars of charge

Person entitled to charge

Name of society creating the charge

.....

Date of registration

Remarks

.....

.....