ANTIGUA AND BARBUDA

STATUTORY INSTRUMENTS

2001, No. 14

The Co-operative Societies Regulations 2001 made by the Minister under section 238 of Co-operative Societies Act 1997 (No. 2 of 1997).

Short title.

1. These Regulations may be cited as the Co-operative Societies Regulations, 2001.

Interpretation.

2. In these Regulations unless the context provides otherwise —

"Act" means the Co-operative Societies Act 1997 (No. 2 of 1997);

"Association" means a group of people organised for some common purpose but without corporate personality;

"Bank" means a bank registered under the Banking Act (Cap. 40);

"Corporation" means a body corporate incorporated under law;

"Document" means a report, return or other document required to be sent to the Registrar pursuant to the Act or these Regulations;

"Form" means a prescribed form as set out in the FIRST SCHEDULE;

"Misconduct" means an offence against the Act, these Regulations or By-Laws;

"Registrar" means the Registrar of Co-operative Societies appointed under section 5 of the Act.

"Society" means a registered primary, secondary or tertiary society.

"Term" means three years;

"Unincorporated Organization" means a body of persons not incorporated under law.

Forms under FIRST SCHEDULE.

3. The forms set out in the FIRST SCHEDULE are to be used for the purposes of the Act and these Regulations.

Fees SECOND SCHEDULE.

4. The fees to be paid under the Act and these Regulations are those set out in the SECOND SCHEDULE.

Filling out of document.

5. (1) Where an item required to be disclosed in a document does not apply, the person preparing the documents shall indicate that fact by placing the words "not applicable" or the abbreviation "N/A" in the space provided in the document.

(2) Where —

(a) any provision required to be set out in a document is too long to be set out in the space provided in the document; or

(b) an agreement or other document is to be incorporated by reference to form part of the document;

then the person preparing the document may incorporate the provision, agreement, or other document as provided in paragraph (3).

(3) A provision, agreement or other document referred to in paragraph (2) may be incorporated by —

(a) setting out the phrase: "The annexed schedule (number) is incorporated in this form" in the space provided on the document; and

(b) annexing the provision, agreement or other document to the main document.

(4) A separate annex is required with respect to each item that is incorporated by reference in a document pursuant to paragraphs (2) and (3).

Dividend rate.

6. For the purposes of sections 3 *(c)* and 123 (1) of the Act, no society shall pay a dividend on its share at a rate that is greater than two percent above the savings rate set by the Eastern Caribbean Central Bank.

Transfer of shares.

7. (1) The Registrar may determine the forms to be used for the transfer of shares.

(2) No transfer of a share shall be registered if made by a member who is indebted to the Society without the approval of the Board.

(3) The transferee of a share has no right against a society until the transferred share is registered and any claim by the society against the transferor is equally void.

Fidelity bond.

8. (1) For the purposes of section 87 of the Act, a security or fidelity bond shall be given by all officers including the President, Vice President, Secretary, Treasurer, Secretary-Treasurer, Manager and any other authorised signing officer, and every employee of the society.

(2) In respect of the Credit Union the amount of security or fidelity bond required is $50,000.00.

(3) In respect of other co-operative societies the minimum amount of the security or fidelity bond is —

(a) $1,000 in the case of a society with sales or revenue not exceeding $25,000 per year;

(b) $2,000 in the case of a society with sales or revenues greater than $25,000 but not exceeding $100,000 per year; and

(c) $5,000 in the case of a society with sales or revenues greater than $100,000 per year.

Annual financial statements and special returns.

9. (1) The comparative financial statements required pursuant to section 124 of the Act must include —

(a) a balance sheet;

(b) a statement of income;

(c) a statement of retained earnings; and

(d) a statement of changes in financial position.

(2) Financial Statements need not be designated by the names set out in sub-paragraphs *(a)* to *(d)* of paragraph (1).

(3) Additional periodic performance returns as required by the Registrar under section 141(3) of the Act, shall also be provided in an accurate and timely manner so that the Department's records are up-to-date and reliable. These may include the PEARLS Monitoring indicators.

Auditor's Report.

10. For the purposes of section 137 of the Act, the Auditor of a society shall indicate in his report whether or not the financial statements contained in his report —

(a) were prepared in accordance with generally accepted accounting principles; and

(b) are presented on a basis consistent with that of the preceding year.

Standard of financial statement and auditor's report.

11. The financial statement referred to in section 124 of the Act and the auditor's report referred to in section 137 of the said Act must, except as otherwise provided by these Regulations, be prepared in accordance with standards approved by generally accepted international auditing standards.

Election of directors and committee members.

12. (1) This Regulation applies for the purposes of sections 50, 56 and 62 of the Act.

(2) Before accepting the nomination of a person, the Chairman of the meeting called to elect directors and committee members shall satisfy himself that the persons to be nominated —

(a) are qualified pursuant to the Act and By-Laws of the society;

(b) have consented to the nomination; and have not been declared ineligible by the Registrar.

(3) Where the number of candidates nominated do not exceed the number of directors or committee members to be elected, the chairman of the meeting called to elect directors and committee members shall declare all the candidates elected.

(4) Subject to paragraph (7), only one ballot is to be taken and the number of candidates equal to the number of directors, or committee members to be elected receiving the highest number of votes are to be declared elected.

(5) Where candidates are to be elected for varying terms, the candidate receiving the highest number of votes cast are to be declared elected for the longest or the longer terms, as the case may be.

(6) For the purpose of these Regulations a term for an elected director, supervisory committee or credit committee member shall not exceed three years.

(7) Where two or more candidates receive an equal number of votes, the members present at the meeting may, by resolution, provide that a second ballot be cast to break the tie.

(8) Where the meeting does not decide to hold a second ballot pursuant to paragraph (7), the chairman of the meeting called to elect directors and committee members shall draw lots, and the candidate whose lot is drawn is to be declared elected.

(9) Where a member votes for more than the number of directors or committee members to be elected on his ballot, his ballot is not to be counted.

(10) Where a registered society submits a By-Law to the Registrar that provides for a method of electing directors or committee members other than at a general meeting of members and the Registrar is satisfied that the By-Law does not contravene paragraphs (4), (5), (6), (7), (8) and (9), the Registrar may approve the By-Law and on and after the date of that approval, the directors or committee members of the society shall be elected in the manner provided in the By-Law.

(11) No society shall include in any By-Law governing the manner of electing its directors and committee members any provision that prohibits its members from nominating as a candidate for election as director and committee member any person who —

(a) is qualified to be a director and committee member; and

(b) consents to the nomination;

provided any such candidate has not been declared ineligible by the Registrar.

(12) (1) For the purposes of these Regulations a person may be declared ineligible by the Registrar —

(a) where misconduct is imputed on the part of such a person;

(b) where such person being a Board or Committee Member, has violated his fiduciary trust; or

(b) where such person is a delinquent borrower.

(2) An aggrieved person may appeal to the Co-operatives Societies Appeals Tribunals within twenty-one days on a decision of the Registrar under sub-paragraph (1) and the Registrar's decision shall stand until a determination by the Co-operatives Societies Appeals Tribunal.

Meeting of Directors.

13. The Directors of a registered society shall hold at least one meeting every month.

Appointment of Secretary and Treasurer.

14. (1) This Regulation applies for the purposes of section 51 of the Act.

(2) The Board of Directors of a society shall —

(a) appoint a secretary and a treasurer to the society and no secretary or treasurer shall hold office for more than two consecutive terms; or

(b) appoint a secretary and a treasurer and unless the secretary and treasurer so appointed are members of the Board, shall have power to fix the remuneration for their service.

(3) No appointment made or remuneration fixed by the Board in accordance with paragraph (2) shall be valid, effective, payable or recoverable unless the appointment and remuneration are approved by the Registrar.

(4) The Registrar shall inform the Board in writing of the approval and remuneration of the Secretary and the Treasurer.

Duties of Secretary and Treasurer.

15. (1) The Secretary of a society shall —

(a) keep the minutes of any meeting of the society or Board;

(b) ensure that all records, books, paper and other documents of the society are kept in a safe place in the office of the Society;

(c) conduct any correspondence on behalf of the Society;

(d) attend all meetings of the Society and the Board and have with him the necessary minutes and record books and correspondence relative to the business of the Society;

(e) issue notices for all meetings of the Board and general membership of the Society in accordance with these Regulations and By-Laws;

(f) sign and execute, jointly with the president, all deeds and conveyances real or personal property, all fixed deposits or share certificates and such other documents as the Board may specify;

(g) review the minutes of all committees of the Society; and

(h) perform such other duties as are prescribed by the By-Laws or authorised by the Board.

(2) The Treasurer of the society shall —

(a) receive all monies due and payable to the Society and issue receipts for the same;

(b) deposit all monies received in the name of the Society in such bank or depository as specified by the Board;

(c) sign all cheques, notes, bills of exchange and other documents necessary to effect the business of the Society;

(d) keep a just and true record of all financial transactions effected by the Society in the books provided for the purpose;

(e) keep charge and control of all cash, securities, books and other documents and vouchers for all payments made and receipts issued on behalf of the Society;

(f) reconcile or cause to be reconciled at least once per month the members' ledger or accounts;

(g) reconcile or cause to be reconciled at least monthly all passbooks or statements received from depositories with the relative control accounts in the general ledger;

(h) keep separate all monies belonging to the Society;

(i) produce a current statement of the society's monies on demand;

(j) prepare the annual statement of account, the balance sheet, the monthly financial statements and any other statements as the Board may request;

(k) make payments as authorised by the Board and obtain receipts for the same; and

(l) perform any other duties as the Board may prescribe.

(3) The duties of the Secretary and Treasurer may be modified or altered in keeping with the allotment of duties assigned by the Board to the Manager and other employees of the society.

Supervisory Committee.

16. For the purposes of sections 62-68 of the Act and subject to these Regulations and By-Laws, the Supervisory Committee shall —

(a) meet immediately after the first Annual General Meeting and immediately after each Annual Meeting of the Society to organise for the current year;

(b) appraise the policies and operating procedures of the Society and make recommendations to the Board and to the Credit Committee;

(c) attest to the monthly and annual returns filed in compliance with sections 124 and 141 of the Act;

(d) determine periodically and not less than once per quarter whether the provisions of the Act, Regulations, By-Laws and the relevant Policies have been complied with —

(i) in making loans, including loans to officials, business loans and loans to

organisations, associations and corporations;

(ii) in respect of any overdrawing from deposit accounts;

(iii) in the administration of members' accounts; and

(iv) in the maintenance of the minutes of meetings of the Board and Credit Committee.

(e) receive and investigate any complaints made by members of the Society about management of the Society;

(f) monitor the management of the Society;

(g) ensure that the society complies with the provisions of the Act, Regulations and By-Laws; and

(h) verify the assets of the Society and monitor whether the assets are properly protected.

Procedures on appeal of termination of membership.

17. (1) Where a person appeals the termination of his membership to the Registrar pursuant to section 31 of the Act, the person shall submit a written statement of membership to the Registrar within thirty days of the date of —

(a) the members' resolution terminating the person's membership pursuant to section 29 of the Act; or

(b) the members' confirmation of the directors' order terminating the person's membership pursuant to 28 (2) of the Act.

(2) A person appealing the termination of his membership shall state in his written statement required pursuant to paragraph (1) —

(a) any reasons for the termination of his membership of which he has personal knowledge;

(b) the grounds on which his appeal lies; and

(c) any relevant facts or information, in addition to those described in sub-paragraphs (a) and (b), that the Registrar may require.

(3) The Registrar shall hear an appeal pursuant to section 31 of the Act within thirty days after the date that he receives a completed written statement pursuant to paragraph (1) and inform the appellant, in writing, within fourteen days after hearing the appeal of the outcome thereof.

Special reserve fund.

18. Where the amount held to the credit of a member whose membership has been terminated —

(a) is less than fifty dollars ($50), the Society may add that amount to its income from operations; or

(b) is fifty dollars ($50) or more, the Society shall place that amount in a special reserve fund.

Amendment of By-Laws.

19. (1) Where in pursuance of the provisions of sections 10 and 48 of the Act a registered society amends its By-Laws, such amendment shall be made by a resolution of members of the registered society at a general meeting.

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

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

By-Laws of housing society.

20. For the purposes of section 204, a housing society must provide in its By-Laws that —

(a) the Society shall give a copy of the By-Laws and the occupancy agreement to every member;

(b) each member is entitled to have quiet enjoyment of his housing unit;

(c) either the Society or the member is responsible for

(i) the maintenance of the housing unit in a safe, habitable and reasonable state of repair;

(ii) the repair or replacement of fixtures; and

(iii) any damage to the housing unit.

(d) the society and its agents, except in the case of an emergency, are required to give reasonable notice to the member prior to entry of the member's unit;

(e) the society shall give three months notice of any increase in housing charges except where —

(i) the Registrar gives his approval for a shorter notice; or

(ii) the members have unanimously approved the increase at a general meeting.

(f) the society shall give a minimum of thirty days notice to a member of the termination of his membership, except where a member contravenes any By-Laws governing —

(i) ordinary cleanliness of the housing unit after having received written notice of the contravention;

(ii) the use of the premises for prohibited purposes; or

(iii) payment of housing charges; and

(g) there is to be no acceleration of housing charges.

Liquidity.

21. (1) For the purposes of this Regulation —

(a) "liabilities" include any deposits of money made in the Credit Union, any accrued interest on those deposits and any loans taken out by the Credit Union;

(b) "line of credit" means the maximum amount which a Credit Union is entitled to borrow at any given time;

(c) "liquid assets" include East Caribbean currency and deposits of Eastern Caribbean currency made by a Credit Union with a bank or any other institution

that takes deposits, and that the Credit Union is entitled to withdraw on demand as readily marketable securities;

(d) "marketable securities" include treasury bills, government debentures, treasury notes and other securities listed on the Eastern Caribbean securities exchange;

(e) "secondary society" means a registered society which comprises mainly primary societies; and

(f) "tertiary society" means a registered society all of whose members are secondary societies.

(2) A Credit Union shall at all times —

(a) have in its possession liquid assets; and/or

(b) maintain a line of credit,

in an amount sufficient to enable the Society to meet its normal cash flow requirements as estimated by the Society.

(3) A Credit Union shall at all times maintain an account —

(a) with a bank;

(b) with a loan company or trust company incorporated under the Companies Act; or

(c) with a secondary society or a tertiary society whose By-Laws provide for the acceptance of deposits, if the deposits can be repaid on demand.

(4) The account mentioned in paragraph (3) shall be —

(a) in an amount that is not less than ten percent (10%) of the total liabilities of the registered society as shown on the Society's most recent financial statement prepared and submitted in accordance with Regulation 10; and

(b) in the form of demand deposits or deposits redeemable on the notice of the Society.

(5) A Credit Union shall maintain the account described in paragraph (3) separate and apart from any other accounts or funds.

(6) Notwithstanding paragraph (4) *(b)* and subject to paragraph (7), where a Credit Union —

(a) was registered under the former Act, as that Act, existed on the day before the coming into force of these Regulations; and

(b) maintained, on the commencement of the Act, a reserve,

the monies maintained, on the commencement of the Act, in the reserve mentioned in paragraph *(b)* may be used to satisfy requirements of paragraph (4) *(a)*.

(7) Where —

(a) a Credit Union described in paragraph (6) does not otherwise have sufficient monies on account to satisfy the requirements of paragraph (4) *(a);* and

(b) any part of the reserve mentioned in paragraph (6) consists of unencumbered securities of the Government of Antigua and Barbuda;

those securities shall mature within five years of the coming into force of these Regulations in order to be eligible to be used to satisfy the requirements of paragraph (4) *(a)*.

(8) Where securities will mature after five years of the coming into force of these Regulations, the Credit Union shall, as soon as practicable after the coming into force of these Regulations, sell those securities and use the proceeds of the disposition to purchase deposits in accordance with the requirements of paragraph (3).

(9) Within six months of the coming into force of these Regulations, a Credit Union shall maintain not less than fifty percent of the amount required by paragraph *(4) (a)* in liquid assets.

(10) Subject to section 119(3) of the Act, where a Credit Union does not have in its possession liquid assets, does not maintain a line of credit or does not do both of those things in an amount

sufficient to enable the Credit Union to meet its normal cash flow requirements as required by paragraph (2), the Credit Union may use the amount in its account required to be maintained by paragraphs (3) and (4) to satisfy the requirements of paragraph (2).

Loan approval.

22. (1) An application for a loan must be made on a form provided by the society and must state —

(a) the purpose for which the loan is required;

(b) the security, if any, offered; and

(c) any other information the Credit Committee or Loans Officer requires.

(2) When a loan application is approved, the Credit Committee or Loans Officer approving the loan shall approve the application in writing and ensure that the application and approval specify with respect to the loan —

(a) the amount approved;

(b) the terms of payment;

(c) the rate of interest;

(d) any security to be held by the Credit Union;

(e) any guarantees to be taken;

(f) any conditions that may be specified by the credit committee or the person approving the loan in addition to those mentioned in sub-paragraphs *(a)* to *(e);* and

(g) the date of the approval.

(3) A loan granted by a Credit Union shall be evidenced by a signed loan agreement between the Credit Union and the applicant.

(4) No member of a Credit Committee or of the Board or Supervisory Committee or any other person who has been authorised to approve loans shall be present at the discussion

of the approval of or approve a loan to himself or any person with whom he has a fiduciary relationship.

Borrowing by director etc.

23. (1) No officer, Director, Credit Committee member, Supervisory Committee member, or employee of a society may borrow from the society an amount in excess of his holdings therein in shares, deposits and accumulated earnings unless approved by the vote of two-thirds of the other members of the Board, Credit Committee and Supervisory Committee sitting together. Minutes of the Joint Committee meeting must be available for inspection at all times.

(2) The Supervisory Committee meeting shall be responsible for the compilation of the Minutes referred to in this subsection.

(3) A meeting referred to in paragraph (1) is not properly constituted unless a quorum of the members of the Credit Committee is present.

(4) No registered society shall lend to any single member or interconnected group an amount exceeding —

(a) ten percent (10%) of the aggregate of the registered society's share capital, retained earnings and reserves;

(b) the aggregate of the members' ordinary deposits and the society's reserves; or

(c) such lesser percentage as is specified in the By-Laws.

Security for loans.

24. The Board of Directors, shall by resolution establish a policy with respect to —

(a) the collateral security or guarantors required for approved loans; and

(b) the manner in which the fair market value of any real property obtained as a security for a loan is to be calculated.

Maximum period for interest on loans.

25. For the purposes of section 199 (l) of the Act interest on loans may be paid at intervals not exceeding one month.

Loan terms and conditions.

26. The terms and conditions upon which each loan shall be granted and repaid shall include the following —

(1) Every application for a loan shall be accompanied by such information about the financial position and income of the borrower as the Credit Committee or Loans Officer may require.

(2) No society shall make a loan to an unincorporated organisation. Where such a loan is contemplated, it shall be made to one or more of the members or officers of the organisation provided, however, that the Society shall, in any such particular case, require such additional security by way of endorsement of the promissory note as may be deemed desirable.

(3) No loan shall be made to a member if it would cause the total indebtedness of the member of the Credit Union to exceed ten percent (10%) of the paid-up capital and deposits of the Credit Union.

(4) The total of all loans made to associations, organisations or corporations shall not, at any time, exceed twenty-five percent (25%) of the total shares and deposits of the Credit Union.

(5) No loan shall be made to a company unless such loan is personally guaranteed by shareholders of the company holding a majority of the shares in value and in voting rights provided that such personal guarantee shall not be required where the loan is guaranteed by an organisation or agency of government approved by the Stabilisation Fund Board.

(6) No loan shall be made by a society to a corporation if a majority of the shares of the corporation are held by the officers and directors of the Credit Union unless the application has been approved by the Registrar in consultation with the League Board.

(7) All transactions in the loan account of a member shall be shown by the necessary entries in a passbook or statement to be delivered to each member.

(8) Where a mortgage on land or buildings is taken as security for a loan, the amount loaned shall not exceed seventy-five percent (75%) of the market value of the land or buildings.

(9) Before such a loan is made, the Credit Committee or loans officer shall require that an appraisal of the market value of the property be made by an appraiser whom they believe to be competent and who is instructed and employed independently of any owner of the property on a form prescribed by the League and approved by the Registrar.

(10) The expenses, if any, of any appraiser employed pursuant to paragraph (9) shall be borne by the applicant for the loan.

Bad debts.

27. (1) When the whole or part of a loan made by a Credit Union remains unpaid for a period of twelve months after the date fixed for repayment in full of the monies loaned and no payment on account of principal has been made after the date, the amount of the principal remaining unpaid, subject to the approval of the Board, shall be charged to and paid from the statutory reserve fund less any money standing to the credit of the borrower on the books of the Credit Union in a share or deposit account and less the market value of any security held by the Credit Union in respect of the loan. The Board may, with the Registrar's approval, reduce the period of twelve months.

(2) Any monies subsequently recovered with respect to such loans shall be paid into the reserve fund.

(3) All interest which has been collected thereon during the current year shall be deducted from the loan before the write off is made.

(4) With the approval of the Board, any collection fees or commissions, or legal charges incurred in the collection of the loan which are not reversible from the debtor may be added to the loan before the write off is made.

Allowance for bad or doubtful debts.

28. (1) When a Credit Union identifies a loan as a doubtful or uncollectible loan, the Credit Union shall immediately allow for the doubtful loan by —

(a) establishing on its books and accounts an allowance for the doubtful loan in an amount equal to the difference between —

(i) the book value of the loan, including any interest due and unpaid and interest accrued; and

(ii) the realisable book value of the loan as estimated by the Credit Union;

(b) reporting on any income statement it prepares, including its annual income statement required pursuant to Regulation 10, as a loss from income an amount as an allowance for doubtful loans equal to the sum

of allowances for all doubtful loans established in accordance with paragraph *(a)*; and

(c) reporting on any balance sheet it prepares, including its annual balance sheet —

(i) the value, as an asset, of its doubtful loans in an amount equal to the value of all of the doubtful loans as stated on its books and accounts less the allowance for the doubtful loan established in accordance with sub-paragraph *(a)*; and

(ii) any property or other assets acquired in the financial year pursuant to a foreclosure realisation;

(iii) proceedings on a loan that was a doubtful loan at an amount not greater than the realisable value of the loan —

(A) as estimated by the Credit Union pursuant to paragraph *(a)* (ii); and

(B) as stated on the books and accounts of the Credit Union before the property or assets were realised pursuant to the foreclosure or other proceedings.

(2) Notwithstanding paragraph (1), a former Act society in respect of the financial year prior to the society's continuance may, instead of charging its allowance for doubtful loans to its income in the manner required by paragraph (1) *(b)*, charge the amount of the allowance as calculated pursuant to paragraph (1) *(a)* to the reserve required by the Act.

(3) A Credit Union shall report, at the end of the financial year, to the Registrar

(a) the number and amount of doubtful loans for which an allowance has been made in accordance with this Regulation in that financial year;

(b) the amount of allowance for doubtful loans made pursuant to paragraph (1) or (2) in that financial year; and

(c) the value of property and other assets recovered in that financial year on doubtful loans.

(4) The Board of directors of a Credit Union shall cause a list of all doubtful loans to be available at the registered office of the Credit Union for any examination required by the Credit Committee, Supervisory Committee and the Auditor of the Credit Union; and the Board shall send a copy of that list to the Registrar.

(5) The list mentioned in paragraph (3) includes, with respect to each doubtful loan —

(a) the name of the borrower;

(b) the amount of the loan; and

(c) the amount of any allowance made pursuant to this Regulation.

(6) Where a Credit Union determines that the allowance for doubtful loans required by paragraph (1) will result in a net loss on its income statement for the financial year, it shall immediately notify the Registrar in writing of that fact.

29. (1) The loss exposure on outstanding loans at the end of the fiscal year, shall be calculated in accordance with the following schedule

Overdue loans.

Duration of Period Of Overdue Loans	*Percentage of Outstanding Loans Balance that is deemed Loss Exposure*
1 — 30 days	0 percent
31 — 59 days	5 percent
60 — 89 days	20 percent
90 — 179 days	40 percent
180 — 269 days	65 percent
270 — 365 days	75 percent
over 365 days	100 percent

(2) For the purpose of these Regulations "overdue loans" means personal, mortgage or other types of loans on which the member is in default for more than 180 days on a payment or payments of principal or interest according to any agreement with the Credit Union.

Investment.

30. Monies not required for current purposes of the Credit Union may be deposited or invested in accordance with section 114 (1) of the Act. Section 114 (1) *(d)* shall include shares and debentures in a suitably established Stabilisation Fund.

Use of statutory reserve.

31. (1) Subject to the approval of the Registrar, a society may use its statutory reserves for the following purposes —

(a) to make good deficiencies created by its operations; and

(b) to recoup losses on its investments.

(2) When the Registrar receives a request for approval pursuant to paragraph (1) he may —

(a) exempt the Society from compliance with Regulation 28 (1) *(a)* for any period of time that he considers appropriate;

(b) restrict the purposes for which the Society may use its statutory reserves; or

(c) do all or a combination of the things mentioned in sub-paragraphs *(a)* and *(b)*.

Policies and procedures for loans.

32. (1) For the purposes of section 57 of the Act and subject to these Regulations and the By-Laws, the Credit Committee of a Credit Union shall —

(a) recommend to the Board policies and procedures to be followed by the Credit Union for approving and granting loans made by the Credit Union;

(b) monitor, through reports from the Credit Union's auditor and other officers of the Credit Union, loans procedures used by the Credit Union;

(c) review all applications for loans, loan extensions and revisions of the terms of loans that are referred to it by the Board or an officer of the Credit Union; and

(d) review reports of officers of the Credit Union that are submitted to it pursuant to paragraph (2).

(2) The Credit Committee shall keep a record of, with respect to each application for a loan or a renewal or extension of a loan considered by it -

(a) the name of the applicant;

(b) the amount of the loan applied for or the change in the terms or conditions applied for; and

(c) whether the application was approved, declined or deferred.

(3) Where, in the opinion of the Registrar, the policies of the Credit Union are not sufficient to protect the deposits of the Credit Union's members, the Registrar may, in writing, direct the Credit Union to take measures to protect those deposits.

(4) Where —

(a) the Registrar has sent a written directive pursuant to paragraph (3); and

(b) the Credit Union fails to take measures that protect the deposits of the Credit Union's members, or the measures taken are, in the opinion of the Registrar, insufficient; or

(c) the Registrar is of the opinion that the Credit Union has not sufficiently protected the deposits of its members;

the Registrar may direct the Credit Union to adopt and follow any policies that the Registrar may impose and the Credit Union shall adopt and follow those policies and the Board of Directors of the Credit Union shall ensure that the Credit Union does adopt and follow those policies. These policies shall include the Prudential and Minimum Operational Standards.

Interest on loans.

33. (1) For the purposes of section 199 (2) of the Act, no interest payments are to be included in the Credit Union's income where the interest payment is with respect to a doubtful loan for which an allowance has been made pursuant to Regulation 28.

(2) Subject to paragraph (3), a Credit Union may include in its income a maximum of twelve months accrued interest with respect to a loan.

(3) The Registrar may allow a Credit Union to include in its income accrued interest on loans where the interest has accrued for a period longer than twelve months.

Deposits.

34. (1) Subject to this regulation the terms and conditions for the receipt of deposits by a registered society shall be set out in the By-Laws of the Society.

(2) No Credit Union shall establish and operate, without the approval of the Registrar, deposit accounts that permit funds in the account to be withdrawn or transferred by the depositor by means of —

(a) a cheque;

(b) another bill of exchange; or

(c) any other negotiable instrument,

that allows the holder of the negotiable instrument to have payment on demand made to him from funds in the deposit.

(3) No Credit Union shall, without the approval of the Registrar, accept funds on deposits for a term that is stipulated in any agreement between the Credit Union and the depositor to be longer than five years.

(4) Where a Credit Union accepts deposits for a term that is stipulated in an agreement between the Credit Union and the depositor, the Credit Union shall provide a receipt to the depositor showing —

(a) the terms and conditions pursuant to which the funds are deposited by the depositor and accepted by the Credit Union;

(b) the date on which the deposit matures;

(c) the rate of interest to be paid by the Credit Union on funds deposited;

(d) the time when interest is to be paid by the Credit Union; and

(e) any conditions that the Board has stipulated for withdrawal of funds by the depositor prior to the date the deposit matures.

(5) Where a person has deposited funds in an account with the Credit Union, the person is entitled to receive and the Credit Union shall provide a statement showing the transactions conducted by the person involving the person's account, the balance of funds in the account and any other information that the Credit Union considers important.

(6) The Board may, in consultation with the Registrar, determine the form in which the statements required pursuant to paragraph (4) are given.

Maximum liability on deposits and loans.

35. (1) In pursuance of section 117 of the Act every registered society shall from time to time fix, at a General Meeting, the maximum liability the society may incur in loans or deposits from a member or non-member.

(2) The maximum liability fixed by paragraph (1) is subject to the approval of the Registrar.

(3) No registered society shall exceed the maximum liability approved by the Registrar pursuant to paragraph (2).

(4) The Registrar may, at any time, review the maximum liability approved pursuant to paragraph (2) and vary that maximum.

(5) No Society shall accept shares or ordinary deposits of not more than ten thousand dollars ($10,000) in any one (1) transaction from a member or non-member without an accepted declaration of the source of Funds.

Bank accounts.

36. (1) The Directors of a registered society may open and maintain an account at any bank.

(2) Cheques drawn on an account mentioned in paragraph (1) may be signed by the Treasurer of the Society and a Director.

(3) Without affecting paragraph (2) the Board may authorise the manager or another senior employee to perform any of the duties of the Treasurer, including the signing of cheques.

Branches.

37. (1) In this Regulation, "branch" means any office of a Credit Union where the Credit Union proposes to carry on business, including accepting deposits and operating a chequing service, separate and apart from its Head Office.

(2) Credit Unions may open a branch for servicing their members, having first obtained the Registrar's approval in writing.

Commencement. **38.** These Regulations come into force on the 2nd day of January, 2000.

CO-OPERATIVE SOCIETIES REGULATIONS 2001

FIRST SCHEDULE

(Regulation 3)

FORM 001

The Co-operative Societies Act
(No. 2 of 1997)

APPLICATION FOR REGISTRATION

(The particulars of this form must be completed in CAPITAL LETTERS)

To: The Registrar of Co-operative Societies

1. Application for registration of the under-mentioned society under the Co-operative Societies Act, No. 2 of 1997 is hereby made by the persons whose names and signatures appear hereunder.

2. The name of the Society is: .....

3. The registered address of the Society is: .....

.....

4. The area of operation of the Society is: .....

.....

5. The objects of the Society are as stated in the by-laws.

6. The membership fee is: .....

7. The financial year will terminate on the.....day of..... in each year.

8. The liability of the members for the debts of the society is limited/unlimited.

9. The Society was established on.....day of.....20.....

and at the date of this application there are.....members in the society.

10. Enclosed herewith are three copies of the proposed by-laws of the society.

11. The amount of $.....is enclosed, being the fee for registration.

12. Particulars relating to the applicants are as follows:

FULL NAME	DATE OF BIRTH	OCCUPATION	ADDRESS	SIGNATURE
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

13. The following persons have been appointed and have consented to act as provisional directors:

Full Name (Please Print)	Date of Birth	Occupation	Address	Signature

14. The full name and address of the Secretary are as follows:

.....

.....

.....

Dated the.....day of.....in the year of our Lord, 20.....

.....

Secretary

.....

FORM 002

(Regulation 3)

The Co-operative Societies Act
(No. 2 of 1997)

CERTIFICATE OF REGISTRATION

Certified that the application date.....
made by.....
to be registered under section 6 of the Co-operative Societies Act, 1997 (No. 2 of 1997) as the.....
has been accepted and that the said society has been registered accordingly as No.....subject to the provisions of the said Act and the Regulations made thereunder.

Dated this.....day of....., 20.....

.....
Registrar of Co-operative Societies.

FORM 003

(Regulation 3)

The Co-operative Societies Act
(No. 2 of 1997)

CERTIFICATE OF CHANGE OF NAME

Certified that.....pursuant to a directive given by the Registrar on the.....day of .....20.....under section 12 of the Co-operative Societies Act, has amended its by-laws and will hence forth be known as.....
and that the said amendments have been duly registered.

Dated this.....day of....., 20.....

.....
Registrar of Co-operatives Societies.

FORM 004

(Regulation 3)

The Co-operative Societies Act
(No. 2 of 1997)
CERTIFICATE OF CHANGE OF NAME
(Voluntary Change of Name)

Certified that.....by a resolution passed in accordance with sections 10 and 48 of the Co-operative Societies Act, No. 2 of 1997 and Regulation 19 of the Co-operative Societies Regulations, 2001 has amended its by-laws and will henceforth be known as..... and that the said amendments have been duly registered.

Dated this.....day of....., 20.....

.....
Registrar of Co-operative Societies.

FORM 005

(Regulation 3)

The Co-operative Societies Act
(No. 2 of 1997)
NOTICE OF CHANGE OF DIRECTORS

Name of Society: .....
Registration No: .....
On the.....day of....., 20....., the following persons ceased to be directors of the above-named society:

FULL NAME	DATE OF BIRTH	OCCUPATION	ADDRESS	SIGNATURE
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

On the.....day of....., 20....., the following persons ceased to be directors of the society:

FULL NAME	DATE OF BIRTH	OCCUPATION	ADDRESS	SIGNATURE
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

The directors of the society are:

FULL NAME	DATE OF BIRTH	OCCUPATION	ADDRESS	SIGNATURE
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

Certified correct this.....day of....., 20.....

....

Signature *Officer*

FORM 006

(Regulation 24)

The Co-operative Societies Act

(No. 2 of 1997)

(Sections 102, 103, 106)

INSTRUMENT OF CHARGE

I .....

of.....

hereinafter called "the Borrower"), being owner of the property described in the Schedule hereto, and being a member of the.....

(hereinafter called "the Society"), in consideration of the sum of.....

.....dollars lent to me this day by the Society, the receipt whereof is hereby acknowledged, I do hereby create a charge on the property described in the Schedule hereto, in favour of the Society as security for the repayment of the Society of the said sum of.....dollars together with interest thereon at the rate of.....percent a year, by.....instalments of.....dollars as from the.....day of....., 20.....

Now these presents witness that in consideration of the sum lent to the Borrower as aforesaid the Borrower hereby agrees that the charge hereby created is subject to the following covenants and conditions, that is to say:

(1) That he will repay the principal together with interest thereon on the .....day of....., 20.....

(2) That he will not, at any time while any monies remain owing hereunder, do or allow to be done any act whereby the property may become prejudicially affected.

(3) That he is entitled to retain possession and use of the property unless he makes default

(a) in the payment of any instalment or of the principal or interest thereon; or

(b) in the observance or performance of any covenant or condition herein expressed in which case the Society may immediately upon such default or at anytime thereafter, through an agent authorised by the Society in that behalf

(i) seize and take possession of the property or any part thereof; and

(ii) sell the property so seized and taken possession of either at auction or by private treaty and in either case the property may be sold separately or together or in lots or for a lump sum payment or for payment by instalments as the Society may deem expedient.

(4) That upon a sale of the property or of any part thereof by the Society the following provisions shall have effect, that is to say:

(a) the proceeds of sale shall be applied in accordance with sections 102 and 106 of the Co-operative Societies Act;

(b) no purchaser of such property shall be bound to inquire as to the propriety or regularity of the sale or shall be affected by any impropriety or irregularity of or at such sale;

(c) the Society shall not be answerable to the Borrower in damages or other-wise for any loss occasioned to the Borrower by the sale or for any act, neglect or default of the Society or of its authorised agent.

THE SCHEDULE

.....

.....

.....

.....

(Add additional sheet if space allotted is too small)

Executed in quintuplicate at.....

this.....day of....., 20.....

.....

Signature of Borrowing Member.

Signed in our presence by the said

.....who is personally known to us.

.....

President/Chairman.

.....

Secretary.

of the.....

NOTE: To be signed in quintuplicate in accordance with section 103 (1) of the Co-operative Societies Act.

FORM 007

The Co-operative Societies Act
(No. 2 of 1997)

DETERMINATION AND ORDER
IN THE MATTER OF A DISPUTE
BETWEEN

.....*(Complainant)*

AND

.....*(Respondent)*

referred to me pursuant to section 187 of the Co-operative Societies Act

I, ...Registrar of Co-operatives,

do order and determine as follows:

(1) .....

.....

(2) .....

.....

(3) The cost and expenses of hearing and determining the dispute are

$.....

(4) I direct that costs and expenses in the amount of.....

be paid by.....to.....

Given under my hand this.....day of.....20.....

.....

Registrar of Co-operatives.

NOTE: This Form is to be adapted in the case of an arbitrator or arbitrators under section 187.

FORM 008

(Regulation 3)

The Co-operative Societies Act
(No. 2 of 1997)

CERTIFICATE OF DISSOLUTION
Section 158

Name of Society: .....

Registration No: .....

I hereby certify that the above-named Society, was this day dissolved pursuant to section 158 of the Co-operative Societies Act, 1997.

Given under my hand this.....day of....., 20.....

.....

Registrar of Co-operative Societies.

FORM 009

(Regulation 3)

The Co-operative Societies Act
(No. 2 of 1997)

CERTIFICATE OF REVIVAL
Section 163

Name of Society: .....

Registration No: .....

I hereby certify that the above-named Society, has been revived pursuant to section 163 of the Co-operative Societies Act, 1997.

Given under my hand this.....day of....., 20.....

.....
Registrar of Co-operative Societies.

FORM 10

(Regulation 3)

The Co-operative Societies Act
(No. 2 of 1997)

CERTIFICATE OF CONTINUANCE
Section 241

Name of Society: .....

Registration No: .....

I hereby certify that the above-named Society, is this day continued as a registered society pursuant to section 241 of the Co-operative Societies Act, 1997.

Given under my hand this.....day of....., 20.....

.....
Registrar of Co-operative Societies.

SECOND SCHEDULE

(Regulation 4)

FEES PAYABLE

ITEM		*FEE* $
1.	For application for registration by a Co-operative Society, other than a Junior Co-operative	25.00
2.	For a Certificate of Registration	
	(a) for a Credit Union	300.00
	(b) for any other registered society, other than a Junior Co-operative Society	100.00
3.	For reservation of name	25.00
4.	For change of name	25.00
5.	For search	5.00
6.	For restoring society's name to register:	
	(a) Credit Union	100.00
	(b) the Co-operative Society	75.00
7.	For the filing of the annual and special returns:	
	(a) on the day that it is due	No fee
	(b) for each day after the date that it is due to be filed, a special filing fee of	5.00
	to a maximum of	200.00
8.	For a certificate of continuance	25.00
9.	For a certificate of amendment of by-laws	25.00
10.	For a certificate of revival	25.00
11.	For a certificate of dissolution	25.00

ITEM		*FEE* $
12.	For an examination of any document.....	10.00
13.	For photocopies of any document:	
	(a) for the first page.....	2.00
	(b) for each additional page.....	1.00
14.	For certification of any document:	
	(a) for the first page.....	2.00
	(b) for each additional page.....	1.00
15.	For a notice that is required to be published in the *Gazette*	the cost of placing of the notice in the *Gazette*
16.	For any certificate other than certificate of dissolution or certificate for which a fee is not.....	25.00
17.	For filing any document unrelated to anything for which a fee is not provided.....	10.00

NOTE: The fees (other than those referred to in paragraphs I and 2) payable in respect of a Junior Co-operative Society shall be 20% of the fees payable by a registered society, other than a Credit Union.

Made this 16th day of a May, 2001.

Steadroy C.O. Benjamin,
Minister responsible for Co-operative Societies.

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