



BELIZE

**CO-OPERATIVE SOCIETIES ACT
CHAPTER 313**

REVISED EDITION 2003
SHOWING THE SUBSIDIARY LAWS AS AT 31ST OCTOBER, 2003

This is a revised edition of the Subsidiary Laws, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Substantive Laws of Belize, Revised Edition 2000.

ARRANGEMENT OF SUBSIDIARY LAWS



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This edition contains a consolidation of the following laws-

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CHAPTER 313

CO-OPERATIVE SOCIETIES

CO-OPERATIVE SOCIETIES RULES

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CHAPTER 313**CO-OPERATIVE SOCIETIES****CO-OPERATIVE SOCIETIES RULES***(Section 50)*CAP. 101.
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Short title.

1. These Rules may be cited as the

CO-OPERATIVE SOCIETIES RULES.Register of
Societies.

2. The Registrar shall keep or cause to be kept at his office a register to be called "the Register of Societies" wherein shall be entered particulars relating to the registration of societies and their by-laws.

Original entries.

3. All original entries in the Register of Societies shall be made by, or under the direction of, the Registrar and shall be signed by him.

Alterations, etc.

4. Every alteration, interlineation or erasure in the Register of Societies shall be initialled by the Registrar.

Register to be
open to
inspection.

5. The Register of Societies shall be open to inspection by the public at all reasonable times and free of charge.

Applications for
Registration.

6. (1) Every application for the registration of a society shall be submitted to the Registrar in the form prescribed by him.

(2) Three copies of the by-laws which the society proposes to adopt shall be submitted together with the application.

Registration.

7. Where the Registrar decides to register a proposed society the society and its by-laws shall be registered in the Register of Societies.

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8. Upon the registration of a society the Registrar shall forward to the society, free of charge-
- Documents to be forwarded on registration.
- (a) a certificate of registration;
 - (b) a copy of the by-laws of the society as approved by him and certified under his hand as having been approved by him; and
 - (c) a copy of these Rules and of the Act under which they are made (hereinafter respectively called “these Rules” and “the Act”).
9. When the Registrar refuses to register a society or its by-laws he shall communicate to the society in writing his reasons for doing so.
- Reasons for refusal to be given.
10. 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) the name of the nominee, if any, appointed under rule 18.
11. Every registered society shall keep such accounts and shall use such books as may from time to time be prescribed by the Registrar.
- Books and accounts to be kept.

- Election, etc., of members. 12. The election and admission of members to a registered society, other than original members, shall be in such manner and on such conditions as the by-laws shall prescribe.
- Member may withdraw. 13. A member may withdraw from a registered society by giving Member may written notice to the Secretary, but such withdrawal shall be without prejudice to the provisions of section 29 (1) of the Act.
- Expulsion of member. 14. If a member acts in contravention of these Rules or the by-laws or acts in any way detrimental to the interests of the registered society, such member may be expelled by a vote of two-thirds of the members present at a general meeting upon a charge communicated to him in writing by the committee not less than one week before the meeting. Such expulsion shall, however, be without prejudice to the provisions of section 29 (1) of the Act.
- Loss of qualifications. 15. Any member who loses any of the qualifications for membership prescribed by the Act or these Rules or the by-laws shall cease to be a member of the registered society and the committee shall cause his name to be struck off the Register of Members without prejudice to any liabilities of such person under section 29 (1) of the Act.
- Postponed repayment. 16. In the case of any registered society of limited liability holding deposits or loans from non-members, no member withdrawing, removed or expelled therefrom shall be entitled to a repayment of any money paid by him towards the purchase of shares until after the lapse of two years.
- Limit of members. 17. No registered society shall fix any limit to the number of its members except with the special approval of the Registrar in writing.
- Nominees. 18. (1) Every appointment of a nominee by any member of a registered society for the purposes of section 17 of the Act shall be made in writing signed by the member in the presence of two attesting witnesses.
- (2) No member of a registered society with share capital shall be

entitled to appoint more than one nominee unless that member holds more than one share.

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

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

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

(6) Where any money is paid to a nominee who is a minor, a receipt given either by the minor or by his guardian shall be sufficient discharge to the registered society.

19. (1) Unless otherwise authorised by the Minister under section 34 (3) 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 society's total liabilities.

Division of profits.

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

(3) No registered society shall pay a dividend on share capital exceeding six per cent per annum. Any dividend authorised shall be paid on all shares fully paid-up and in the possession of the same member throughout the previous fiscal year, except that shares which become fully paid-up during the previous fiscal year shall be entitled to a proportionate part of such dividend from the first day of the month following such payment in full,

(4) Subject to the provisions of section 34 (3) of the Act relating to a registered society with unlimited liability 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.

Maximum liability. 20. (1) Every registered society shall, from time to time, fix at a general meeting the maximum liability it may incur in loans or deposits whether from members or non-members.

(2) The maximum so fixed shall be subject to the sanction of the Registrar, who may at any time reduce it. No registered society shall receive loans or deposits which will make its liability exceed the limit sanctioned by the Registrar.

General meeting. 21. The supreme authority in a registered society shall be vested in the general meeting of members at which every member has a right to attend and vote on all questions. Subject to the provisions of sections 24 and 25 of the Act, each member shall have one vote only which shall be exercised in person and not by proxy.

First meeting. 22. The first meeting of members shall have the same powers as are given to the annual general meeting, and shall be held not later than one month after the receipt of the certificate of registration of the society.

Annual general meeting. 23. The annual general meeting of members shall be convened by the committee as soon as the report on the audit of the accounts of the registered society by the Registrar or person authorised by him is received by the committee. At least eight days' notice shall be given by the Secretary before any such general meeting is held:

Provided that the Registrar may at any time after the audit of the accounts has been completed convene the annual general meeting which shall proceed as if it had been convened by the committee.

24. The functions of the annual general meeting shall include-

Function of
annual general
meeting.

- (a) confirmation of the minutes of the previous annual meeting and of any intervening special general meeting;
- (b) consideration of the reports of the committee and the balance sheet together with the report on the audit of the accounts of the registered society for the previous year as prepared by the Registrar or the person authorised by him;
- (c) approval of the accounts or, if the accounts are not approved, causing 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) hearing of and deciding upon any complaints brought by members aggrieved by a decision of the committee:

Provided that notice of such complaints to be brought before the meeting has been given to the Secretary at least two days prior to the meeting; and

- (e) transacting of any other general business of the registered society.

Special general meeting.

25. A special general meeting of members may be convened at any time by the committee; and on receipt of a demand stating the object of the proposed meeting signed by not less than one-fifth of the members of the registered society, if such registered society is composed of less than one hundred members, or by twenty-five members if such registered society consists of more than one hundred members, it shall be the duty of the chairman of the committee to convene such a meeting giving eight days' notice. If 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 of the committee to convene the meeting demanded:

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

Quorum at general meeting.

26. (1) For the purposes of the annual or a special general meeting ten members or ten per cent of the membership, whichever is greater, shall form a quorum:

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

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

appointed for the meeting the members present shall form a quorum.

27. (1) The Chairman of the committee or in his absence any other person elected by a majority of those present shall preside at the annual or special general meeting: Chairman of general meeting.

Provided that the Registrar or a person appointed by him shall preside at any meeting convened by himself or on his demand.

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

(3) The Chairman may by the decision of the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any meeting so adjourned other than the business left unfinished at the meeting from which the adjournment took place.

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

29. (1) At any meeting a resolution put to the vote shall be decided on a show of hands unless voting by call of names or a ballot is demanded by at least five of the members present before the declaration of the result of the show of hands, and in such case voting by call of names or a ballot shall be taken as the case may be. Provisions as to voting.

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

(3) In respect of every resolution put to the vote the Chairman shall declare whether it has been carried or lost, and whether on a show of hands or unanimously or by a particular majority, and an entry to that effect in the minute book shall be conclusive evidence of anything therein.

Minutes of
general meetings.

30. Minutes of the meetings shall be entered in the minute book by the Secretary and shall contain-

- (a) the number and names of the members present at the meeting and the name of the Chairman or of the person who presided at the meeting;
- (b) the time fixed for the meeting and the time the meeting commenced;
- (c) the total number of members on the date on which the meeting was held; and
- (d) all resolutions passed or decisions made at the meeting.

Election of
committee.

31. (1) The committee of a registered society shall consist of seven members.

(2) At the first meeting the committee shall be elected and shall hold office until the election of another committee at the first annual general meeting.

(3) On the election to the committee-

- (a) at the first annual general meeting, of the seven members; and
- (b) at each annual general meeting thereafter, of such

number of members as may be necessary to fill vacancies arising from expiry of term of office or otherwise; the three members receiving the largest number of votes shall hold office for two years and the remainder for one year.

(4) Election to the committee shall be by ballot and an equality of votes shall be decided by the drawing of lots.

(5) A member of the committee ceasing to be such by expiry of term of office or by resignation shall be eligible for re-election.

(6) No member shall be eligible for election to the committee unless he has been nominated in writing by two other members and such nomination has been filed with the Secretary not less than three days before the date fixed for the meeting at which the election is to take place. Immediately upon the receipt of each such nomination the Secretary shall post it on the notice board and notify the member concerned of his nomination.

32. At their first meeting, which shall be held within ten days after their election, or at any subsequent meeting in the event of a vacancy among the officers, the committee shall appoint from its own number a Chairman and a Treasurer and, from its own number or otherwise, a Secretary who shall not by virtue only of his appointment as Secretary be a member of the committee.

Appointment of officers.

33. (1) The committee shall represent the registered society before all competent public authorities and in all dealings and transactions with third persons, with power to institute or defend suits brought in the name of or against the registered society, and in general it shall carry out such duties in the management of the affairs of the registered society as have not been specially assigned by these Rules or the by-laws to general meeting or to any other officer of the registered society.

Duties of committee.

(2) The committee shall always keep a copy of the latest annual balance sheet of the registered society together with the report referred to in rule 23 of these Rules hung in a conspicuous place at the registered office of the society.

Meetings of committee.

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

Procedure at meetings.

35. At each committee meeting the Secretary shall-

- (a) read the minutes of the preceding meeting;
- (b) produce such records relating to the finances of the registered society as the committee may require;
- (c) produce a statement showing the loans overdue for determination by the committee as to the action to be taken in each case;
- (d) produce applications for loans, if any, for determination by the committee; and
- (e) submit any other business for consideration by the committee.

Minutes of meeting.

36. Minutes of committee meetings shall be recorded by the Secretary in the minute book and shall be signed by the Chairman or other presiding member and by the Secretary and shall contain the following particulars-

- (a) the names of the members present and the date of the meetings;

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

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

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

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

(2) Any substitutes elected or appointed under paragraph (1) of this rule shall not hold office beyond the first meeting of the committee following the next annual general meeting.

39. The committee may borrow money on behalf of the registered society to an amount not exceeding such total amount as may have been fixed in accordance with rule 20 of these Rules. Borrowing powers.

40. The committee may, subject to the approval of the Registrar, open a banking account. All cheques shall be signed by two members of the committee and the Secretary: Banking account.

Provided that with the authority in writing of the Registrar previously obtained, cheques may be signed by one member of the committee and the Secretary.

- Employees. 41. The committee may-
- (a) appoint such of the clerks or employees as it considers necessary; and
 - (b) fix the salary, wages or remuneration of every clerk or employee.

RULES 42 - 50 APPLICABLE TO CREDIT SOCIETIES

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

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

(2) No person other than members of the committee and the Secretary and the Registrar and his staff shall be present at any meeting of the committee when an application for a loan is under consideration. A member of the committee who applies for a loan or who is proposed as surety for a loan shall withdraw while the relevant application is being discussed. If there is a difference of opinion concerning the granting of a loan, the voting shall be taken by ballot.

(3) The proceedings with regard to loans at committee meetings shall be kept secret, and, if in the opinion of a majority of the members of the committee, a member of the committee or officer of the registered society infringes this rule he shall forthwith cease to be a member of the committee or

officer of the registered society or both, as the case may be. This rule shall apply to the Secretary notwithstanding rule 56 (6) of these Rules.

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

45. (1) On the instrument creating liability on the part of a guarantor there shall be specifically stated the maximum amount for which such guarantor is liable. Liability of guarantor.

(2) That portion of a loan for which guarantors are required may be guaranteed by one or more persons each of whom shall be deemed to be severally, and not jointly, liable for an amount not exceeding-

(a) a sum equal to the total amount for which guarantors are required after deduction of any payment made in reduction of the loan; or

(b) the maximum amount specified in accordance with paragraph (1) of this rule, whichever is the less.

(3) The provisions of this rule shall have effect notwithstanding anything contained in the Bills of Exchange Act. CAP. 245.

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

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

47. When a loan is sanctioned by the committee the borrower shall be notified 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 Documents relating to loans.

of the loan and containing such other terms and conditions as the committee may consider necessary.

Restrictions on loans to defaulters.

48. Where a member-

(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,

such member shall not be eligible to receive another loan from the registered society.

Misapplication of loan.

49. Where the committee is satisfied that a member of the registered society who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application therefor under rule 42 of these Rules, the committee may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.

Recovery of loans.

50. Where-

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

(b) no extension for the payment thereof has been given to the debtor by the committee,

the committee shall take steps for the recovery of the same by referring the matter to the Registrar as prescribed in section 48 of the Act.

RULE 51 APPLICABLE TO MARKETING SOCIETIES

51. (1) Every member of the registered society shall deliver to the registered 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 registered society. Marketing.
- (2) Any member who is adjudged, in accordance with the provisions of section 48 of the Act, to be guilty of a breach of the by-laws or the relevant contract as the case may be shall pay to the society as liquidated damages such sum as may be specifically assessed or ascertained in manner prescribed by the by-laws or by the relevant contract and such sum shall be deemed to be a debt due to the registered society.
52. The committee may, with the approval of the Registrar, cause bad debts to be written off the books of the registered society in such manner and at such times as the Registrar may deem fit. Bad debts.
53. The committee shall in every year and as soon as conveniently possible within such time as the Registrar may direct- Preparation of annual accounts and report.
- (a) cause the Secretary to prepare and send to the Registrar the yearly balance sheet closed on the 31st December of the preceding year or any other date that may be specially approved in writing by the Registrar for a particular society, together with a detailed statement of the profit and loss account; and
- (b) prepare a report on the year's working of the registered society to be presented to the annual general meeting.

Transfer of shares.

54. (1) Any share may be transferred with the approval of the committee to any other member at the option of the transferor, but if the transferee is not a member, he must be approved of as a member by the committee, or the general meeting according to the by-laws relating to the admission of members before the transfer may be registered; and if the by-laws require a member to hold more than one share, the transferee must acquire by the transfer, or by the transfer and allotment, the number so required to be held before the transfer may be registered.

(2) Special transfer forms shall be provided by the Registrar.

(3) No transfer of a share shall be valid and effective unless and until such transfer has been registered by the Secretary on the direction of the committee.

(4) No transfer of a share shall be registered if made by a member indebted to the registered society without special order of the committee, and until the transfer of a share is registered no right shall be acquired against the registered society by the transferee, nor shall any claim of the registered society upon the transferor be affected thereby.

Sales of shares of members in default.

55. The committee may, in default of payment by any member indebted to the registered society, apply the sum paid up for the time being on any shares held by such member in or towards the discharge of the debt so due and of any expense in or about the same, and the defaulting member shall cease to have any further claim in respect of such shares.

Secretary.

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

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

(3) No appointment made under paragraph (1) of this rule shall

be valid and effective, and no remuneration fixed thereunder shall be payable or receivable, unless approved by the Registrar. Every such approval shall be communicated in writing by the Registrar to the committee.

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

(5) The Secretary shall-

- (a) keep a correct record of all meetings of the registered society and of the committee, conduct correspondence on behalf of the registered society, and carry out such other duties as may be assigned to him by the committee;
- (b) be present at the office of the registered society during the hours of business as fixed from time to time by the committee;
- (c) record the whole of the financial transactions of the registered society in the books provided for that purpose; prepare the annual statement of accounts and balance sheet; have charge of documents, books and vouchers for payments and receipts on behalf of the registered society;
- (d) receive all monies due or payable to the registered society and issue receipts to the payer for same, make payments as authorised by the committee, obtaining the payee's signature for same;

- (e) receive all applications for loans and bring them before the committee; prepare receipts and other documents, in the form prescribed, for signature by borrowers prior to their taking the loan sanctioned;
- (f) from monies collected by him on behalf of the registered society, deposit with the Treasurer all sums in excess of an amount to be fixed from time to time by the committee and obtain from him a receipt for same; and
- (g) issue a receipt when receiving money from the Treasurer:

Provided that the by-laws of a registered society may provide that any or all of the duties imposed upon the Secretary under subparagraphs (c), (d) and (e) of this paragraph may be assigned to the Treasurer.

(6) Subject to the provisions of rules 43 (3) and 58 of these Rules the services of the Secretary, where he is not a member of the committee, may be determined by one month's notice or on payment of one month's remuneration in lieu of such notice.

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

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

Payment of
Secretary.

57. The remuneration of the Secretary, if any, shall be paid from the funds of the registered society monthly in arrear.

58. (1) The committee may at any time suspend the Secretary for any irregularity in the performance of his duties and shall, if the Secretary so requests, refer the matter forthwith to the Registrar who shall approve or disallow the suspension and communicate his decision in writing to the Secretary and to the committee. On notification of the Registrar's approval of the suspension the services of the Secretary shall be determined without further notice.

Suspension of Secretary.

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

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

Temporary absence of Secretary.

(2) During the absence of the Secretary, the committee shall appoint a temporary Secretary.

60. (1) The committee shall appoint one of the members of the committee, other than the Chairman, to be the Treasurer.

Treasurer.

(2) The Treasurer shall-

(a) receive from the Secretary as provided in rule 56 (5) (g) of these Rules monies collected by the latter on behalf of the registered society and furnish him with a receipt;

(b) advance money to the Secretary for payments and obtain from him a receipt;

(c) place to the account of the registered society in such bank as may be approved by the Registrar any amount in his hands in excess of the amount fixed from time to time by the committee;

- (d) keep a record of all monies received by him from the Secretary and of all monies paid to the Secretary;
- (e) carry out such duties relating to the financial affairs of the registered society as may be assigned to him by the committee or by the by-laws.
- Security bonds. 61. (1) The person or persons having custody of the funds and of the securities of the registered society shall give security for such amount as may be determined by, and to the satisfaction of, the committee.
- (2) Every such security and the amount thereof shall be subject to the approval of the Registrar to be signified in writing to the committee.
- Reserve fund. 62. (1) The reserve fund of a registered society, created in pursuance of the provisions of section 34 (1) of the Act, may, with the sanction of the Registrar-
- (a) be utilised in the business of the registered society; or
- (b) be applied to meet occasional deficiencies incurred by the registered society.
- (2) In sanctioning the utilisation or application of the reserve fund under paragraph (1) of this rule, the Registrar may impose such terms and conditions as he may deem fit.
- Audit of accounts. 63. (1) In pursuance of the provisions of section 35 of the Act, the accounts of every registered society shall be audited once at least in every year by some person authorised by the Registrar. Such person shall have access to all the books and accounts of the registered society and shall examine every balance sheet and annual return of the receipts and expenditure, funds

and effects of the registered society, and shall verify the same with the accounts and vouchers relating thereto, and shall either sign the same as found by him to be correct, duly vouched and in accordance with the Act, and shall report to the Registrar accordingly, or shall specially report to the Registrar in what respects he finds the same incorrect, unvouched or not in accordance with the Act. The Registrar shall thereupon forward the report of such person to the committee.

(2) Any expense incurred in carrying out the requirements of this rule shall, where required by the Registrar, be paid by the registered society.

64. (1) The by-laws of a proposed society shall contain provision in respect of the following matters- By-laws.

- (a) the name of the society;
- (b) the registered address of the society;
- (c) the objects for which the society was established;
- (d) the purposes to which the funds may be applied;
- (e) the qualifications for membership, the terms of admission of members, and the mode of election;
- (f) the nature and extent of the liability of members;
and
- (g) the manner of raising funds, including the maximum rate of interest on deposits.

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

- (a) the occupation or residence of the members;
- (b) the conditions on which loans may be made to members, including-
- (i) the rate of interest; and
- (ii) the maximum amount which may be lent to a member; and
- (c) the consequences, if any, of default in the payment of any sum due on account of shares.
- Amendment of by-laws. 65. (1) Amendment of the by-laws of a registered society, under section 10 of the Act, shall be by resolution at an annual or special general meeting and shall be approved by not less than three-fourths of the members present and eligible to vote.
- (2) A copy of a resolution passed under paragraph (1) of this rule, together with three copies of the proposed amendment, shall be forwarded to the Registrar.
- Copies of entries. 66. For the purposes of section 20 of the Act a copy of an entry in the book of a registered society may be certified by a certificate written at the foot of such copy, declaring that it is a true copy of such entry, and that the book containing the entry is still in the custody of the registered society. Such certificate shall be dated and signed by the Secretary and one member of the committee.
- Reference of a dispute to the Registrar for decision. 67. (1) Reference of a dispute to the Registrar for decision under the provisions of section 48 (1) of the Act may be made -
- (a) by the committee; or

- (b) by the registered society in pursuance of a resolution taken in general meeting; or
- (c) by any party to the dispute.

(2) Every reference under this rule shall be made by a statement in writing addressed to the Registrar. Such statement 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.

68. (1) Where, in pursuance of the provisions of section 48 (3) (b) of the Act, the Registrar decides to refer a dispute to arbitration, such decision shall be embodied in an order of reference under his hand.

Reference to arbitration by the Registrar.

(2) Every order of reference under this rule 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) limit the time within which the award shall be forwarded by the arbitrator or arbitrators to the Registrar:

Provided that, on good cause shown to his satisfaction, the Registrar may by a further order enlarge the time whether before or after the time limited by the order of reference has

expired.

(3) Where the Registrar decides to refer a dispute to more than one arbitrator, such reference shall be to three arbitrators, of whom one shall be nominated by each of the parties to the dispute and the third shall be nominated by the Registrar and shall act as Chairman.

(4) Where under paragraph (3) of this rule reference is made to three arbitrators, the following provisions shall have effect-

- (a) if any 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;
- (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 this place by the Registrar; and
- (d) the opinion of the majority of the arbitrators shall prevail.

69. (1) The proceedings before the 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 provisions shall have effect in respect thereof-

Proceedings
before the
arbitrator or
arbitrators.

- (a) notice of the time and place at which the proceedings are to be held shall be given to the parties to the dispute, and such notice shall be a ten days' notice;
- (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 initialled by the arbitrator or arbitrators and shall be attached to the file of the proceedings; and
- (d) in the absence of any party notified to attend, the dispute may be decided by the arbitrator or arbitrators *ex parte*.

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

- (a) be in writing;
- (b) be dated and signed by the arbitrator or arbitrators, and
- (c) state the amount of the costs and expenses of the arbitration, if any, and by which party or parties to the dispute the same are to be paid.

(3) Upon the completion of the proceedings, the arbitrator or arbitrators shall forward to the Registrar-

(a) the file of the proceedings; and

(b) the award.

Proceedings
before the
Registrar.

70. Where, in pursuance of the provisions of section 48 (3) (a) of the Act, 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 the provisions of rule 69 of these Rules shall apply *mutatis mutandis* to such proceedings.