Co-operative Societies Regulations

SAINT LUCIA

STATUTORY INSTRUMENT, 1999, No. 90

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Co-operative Societies Regulations

SAINT LUCIA

STATUTORY INSTRUMENT, 1999, No. 90

[ 30th October, 1999 ]

The Minister responsible for Cooperatives, in exercise of the power conferred by section 238 of the Co-operative Societies Act, 1999, makes the following regulations:

Short title

1. These Regulations may be cited as the Cooperative Societies Regulations, 1999.

Definitions

2. In these Regulations,

"bank" means a bank registered under the Banking Act 1991, No. 7;

"former-Act" shall have the same meaning as in section 239 of the Cooperative Societies Act, 1999;

"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;

"society" means a registered primary, secondary or tertiary society as defined in Regulation 21(1) of these Regulations;

"Corporation" means a body corporate incorporated under law;

"unincorporated organisation" means a body of persons not incorporated under law;

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

Forms required, First Schedule

3. The forms set out in the First Schedule are to be used for the purposes of the Act and these Regulations.
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Fees, Second Schedule

4. The fees to be paid under the Act and these Regulations are those fixed 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 document shall indicate that by placing the phrase "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 and to be part of the document;

the person preparing the document may incorporate the provision, agreement or other document.

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

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

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

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

Dividend rate

6. For the purposes of section 3(e) and 123(1) of the Act, no society shall pay a dividend on its shares at a rate that is greater than three 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, and until the transfer of a share is registered no right shall be acquired against
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the society by the transferee nor shall any claim of the society upon the
transferor be affected thereby.

Minimum amount of fidelity bond

8.—(1) For the purposes of section 87 of the Act, a blanket 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 fifty thousand dollars.

(3) In respect of other cooperative societies the minimum amount
of the security or fidelity bond is

(a) $1,000.00 in the case of a society with sales or revenue not
exceeding $25,000.00 per year;

(b) $2,000.00 in the case of a society with sales or revenue greater
than $25,000.00 but not exceeding $100,000.00 per year; and

(c) $5,000.00 in the case of a society with sales or revenues greater
than $100,000.00 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 paragraphs (a) to (d).

(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.

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:
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(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 statements referred to in section 124 of the Act and the auditor’s report referred to in section 137 of the Act must, except as otherwise provided by these Regulations, be prepared in accordance with standards approved by the Institute of Chartered Accountants of Saint Lucia.

Election of directors

12.—(1) This Regulation applies for the purposes of section 50 of the Act.

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

(a) is qualified pursuant to the Act and the By-Laws of the society to be director; and

(b) has consented to the nomination.

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

(4) Subject to subregulation (7), only one ballot is to be taken and the number of candidates equal to the number of directors 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 candidates 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 purposes of these Regulations a term 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 subregulation (7), the chairman of the meeting called to elect directors 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 to be elected on his ballot, his ballot is not to be counted.

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

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

(a) is qualified to be a director; and

(b) consents to the nomination.

Meetings 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 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 subregulation (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, papers 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 the Regulations and Bye-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 Bye-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 depositaries with the relative control accounts in the general ledger;
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(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 accounts, 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 to 68 of the Act and subject to the Act and Bye-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 but not less than once per quarter, whether the provisions of the Act, Regulations, Bye-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;

(iv) in the maintenance of the minutes of meetings of the Board and the 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;
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(g) ensure that the society complies with the provisions of the Act, Regulations and Bye-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 section 28(2) of the Act.

(2) A person appealing the termination of his membership shall state in his written statement required pursuant to subregulation (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 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 on which he receives a completed written statement pursuant to subregulation (1) and inform the appellant, in writing, of the outcome of the appeal within fourteen days after hearing the appeal.

Unclaimed amounts in case of terminated member

18. Where the amount held to the credit of a member whose membership has been terminated —
(a) is less than fifty dollars, the society may add that amount to its income from operations; or
(b) is fifty dollars or more, the society shall place that amount in a special reserve fund.

Amendment of Bye-Laws

19.—(1) Where in pursuance of sections 10 and 48 of the Act a registered society amends its Bye-Laws, such amendment shall be made by a resolution of members of the registered society at a general meeting.
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(2) Every resolution under subregulation (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 subregulation (1) of this Regulation shall be forwarded to the Registrar together with three copies of the amendment.

Bye-Laws of housing society

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

(a) the society shall give a copy of the Bye-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 or her 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 Bye-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.
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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 Eastern 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, 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, 1996; or
(c) with a secondary society or a tertiary society whose Bye-Laws provide for the acceptance of deposits, if the deposits can be repaid on demand.

(4) The account mentioned in subregulation (3) shall be —
(a) in an amount that is not less than ten percent 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
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(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 subregulation (3) separate and apart from any other accounts or funds.

(6) Notwithstanding subregulation (4)(b) and subject to subregulation (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 moneys maintained, on the commencement of the Act, in the reserve mentioned in paragraph (b) may be used to satisfy the requirements of subregulation (4)(a).

(7) Where —

(a) a credit union specified in subregulation (6) does not otherwise have sufficient moneys on account to satisfy the requirements of subregulation (4)(a); and

(b) any part of the reserve mentioned in subregulation (6) consists of unencumbered securities of the Government

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 subregulation (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 force of these Regulations, sell those securities and use the proceeds of the disposition to purchase deposits in accordance with the requirements of subregulation (3).

(9) Within six months of the coming into force of these Regulations, a credit union shall maintain at least fifty per cent of the amount required by subregulation (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 subregulation (2), the credit union may use the amount in its account required to be maintained by subregulations (3) and (4) to satisfy the requirements of subregulation (2).
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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 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) Subject to sub-sections 115(3), (4) and (5) of the Act, 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
(a) adequate security is provided for the amount of the loan in excess of the value of the shares, deposits, accumulated dividends and interest; and
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(b) the loan is approved by the vote of two-thirds of the other members of the Board, Credit Committee and Supervisory Committee sitting together.

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

(3) No registered society shall lend to any member an amount exceeding —

(a) ten percent of the aggregate of the registered society’s share capital, retained earnings and reserves; or

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

(c) such lesser percentage as is specified in the Bye-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(1) 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:

(a) 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 Loan Officer may require;

(b) no society shall make a loan to an unincorporated organisation;

(c) where a loan under paragraph (b) is contemplated, it shall be made to one or more of the members or officers of the organisation but 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;
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(d) no loan shall be made to a member if it would cause the total indebtedness of the member to the credit union to exceed ten percent of the paid-up capital and deposits of the credit union;

(e) the total of all loans made to associations, organisations or corporations shall not, at any time, exceed twenty-five percent of the total shares and deposits of the credit union;

(f) 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;

(g) 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;

(h) 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;

(i) where a mortgage on land or buildings is taken as security for a loan, the amount loaned shall not exceed seventy-five percent of the market value of the land or buildings;

(j) before such a loan is made, the Credit Committee or loan 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;

(l) the expenses, if any, of any appraiser employed pursuant to paragraph (j) may be borne by the applicant for the loan.

Bad and doubtful loans

27.—(1) When the whole or part of a loan made by a credit union remains unpaid for a period of twenty-four months after the date fixed for repayment in full of the monies loaned and no payment on account of principal has been made after that 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.
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(2) The Board may, with the Registrar's approval, reduce the period of twenty-four months under subregulation (1);

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

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

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

Doubtful loans allowance

28.—(1) When a credit union identifies a loan as a doubtful or uncollectable 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 paragraph (a); and

(ii) any property or other assets acquired in the financial years pursuant to a foreclosure realisation 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
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(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 proceeding.

(2) Notwithstanding subregulation (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 subregulation (1)(b), charge the amount of the allowance as calculated pursuant to subregulation (1)(a) to the reserve required by the Act.

(3) A credit union shall report, at the end of each 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 subregulation (1) or (2) in the 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 subregulation (4) 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 pursuant to this Regulation.

(6) Where a credit union determines that the allowance for doubtful loans required by subregulation (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.

Overdue loans

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

(2) For the purpose of these Regulations “overdue loans” mean personal, mortgage or other types of loans on which the member is in
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default for more than 180 days on a payment of principal or interest according to any agreement he or she has with the credit union.

Investment

30.—(1) Moneys not required for current purposes of the credit union may be deposited or invested in accordance with section 114(1) of the Act.

(2) Section 114(1)(d) shall include shares and debentures in a suitably established Stabilisation Fund.

Use of statutory reserves

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

(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 subregulation (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 paragraphs (a) and (b).

Credit Committee

32.—(1) For the purposes of section 57 of the Act and subject to the Act and the Bye-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 subregulation (2).
(2) The Credit Committee shall keep a record, with respect to each application for a loan or a renewal or extension of a loan considered by it, of

(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 subregulation (3),

(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,

(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 adopt and follow those policies.

Interest on bad and doubtful 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 subregulation (3), a credit union may include in its income a maximum of twenty-four months accrued interest with respect to a loan.

(3) The Registrar may allow a credit union to include in its income accrued interest on loan where the interest has accrued for a period longer than twenty-four 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 Bye-Laws of the society.
Co-operative Societies Regulations

(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 a 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 withdrawals 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 subregulation (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 a non-member.

(2) The maximum fixed by subregulation (1) is subject to the approval of the Registrar.
Co-operative Societies Regulations

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

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

(5) No society shall accept shares or ordinary deposits of more than ten thousand dollars in any one transaction from a member or non-member without an accepted declaration of the source of funds.

Bank account

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 subregulation (1) may be signed by the Treasurer of the society and a director.

(3) Notwithstanding subregulation (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.

Revocation

38. The Cooperative Societies Regulations 1980, No. 72 are revoked.
'operative Societies Regulations

FIRST SCHEDULE

(Regulation 3)

FORM 001
Cooperative Societies Act 1999, No.

To: The Registrar of Cooperative Societies

1. Application for registration of the undermentioned society under the Cooperative Societies Act, 1999 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 bye-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 ________, 199__ and at the date of this application there are ____________ members in the society.

10. Enclosed herewith are three copies of the proposed bye-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 OCCUPATION   ADDRESS     SIGNATURE
   BIRTH

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

   FULL NAME  DATE OF OCCUPATION  ADDRESS  SIGNATURE
   (PLEASE PRINT)
Co-operative Societies Regulations

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

______________________________

______________________________

Dated the ________ day of __________ in the year of Our Lord ____________

______________________________

Secretary
Co-operative Societies Regulations

FORM 002

(Regulation 3)

Cooperative Societies Act 1999, No.

CERTIFICATE OF REGISTRATION

Certified that the application dated ______________ made by ______________

to be registered under section 6 of the Cooperative Societies Act, 1999, No. ____________
as the

__________________________________________________________________________

has been accepted and that the said society has been registered accordingly as No. ____________

subject to the said Act and the Regulations made thereunder.

FORM 003

(Regulation 3)

Cooperative Societies Act 1999, No.

CERTIFICATE OF CHANGE OF NAME

Certified that ____________________ pursuant to a directive given by the Registrar

on the __________ day of __________ 199__ under section 12 of the

Cooperative Societies Act, 1999 has amended its bye-laws and will henceforth be known

as _______________________________ and that the said

amendments have been duly registered.

Dated this __________ day of __________, 199__

Registrar of Cooperative Societies.
Co-operative Societies Regulations

FORM 004 (Regulation 3)

Cooperative Societies Act 1999, No.

CERTIFICATE OF CHANGE OF NAME
(Voluntary Change of Name)

Certified that __________________________ by a resolution passed in accordance with sections 10 and 48 of the Cooperative Societies Act 1999, No. ___ and regulation 19 of the Cooperative Societies Regulations, 199__ as amended by its bye-laws and will henceforth be known as ______________ and that the said amendments have been duly registered.

Dated this _______________ day of ________________, 199__

Registrar of Cooperatives Societies
Co-operative Societies Regulations

FORM 005

Cooperative Societies Act 1999, No.

NOTICE OF CHANGE OF DIRECTOR

Name of Society:
Registration No:

On the ___________ day of __________, 199__, the following persons ceased to be directors of the above-named society:

<table>
<thead>
<tr>
<th>FULL NAME</th>
<th>DATE OF BIRTH</th>
<th>OCCUPATION</th>
<th>ADDRESS</th>
<th>SIGNATURE</th>
</tr>
</thead>
</table>

On the ___________ day of __________, 199__, the following person(s) ceased to be director(s) of the society:

<table>
<thead>
<tr>
<th>FULL NAME</th>
<th>DATE OF BIRTH</th>
<th>OCCUPATION</th>
<th>ADDRESS</th>
<th>SIGNATURE</th>
</tr>
</thead>
</table>

The directors of the society are:

<table>
<thead>
<tr>
<th>FULL NAME</th>
<th>DATE OF BIRTH</th>
<th>OCCUPATION</th>
<th>ADDRESS</th>
<th>SIGNATURE</th>
</tr>
</thead>
</table>

Certified correct this ___________ day of ____________, 199__

___________________________  ________________________
Signature                      Officer
Co-operative Societies Regulations

FORM 006

Cooperative Societies Act 1999, No.

INSTRUMENT OF CHARGE

1, ______________________________________ of _______________________________*

______________________________ hereinafter called ("the borrower"), being owner of the
hereinafter called ("the Society"), in consideration of the sum of _______________________
______________________________ dollars lent to me this day by the Society, the
receipt of which is hereby acknowledged, I do hereby create a charge on the property
described in the Schedule attached, in favour of the Society as security for the repayment
to the Society of the said sum of ________________________________ dollars

___

interest thereon at the rate of ____________________ per cent a year, by

_________________________ instalments of ____________________________ dollars as from

_________________________ day of ____________________, 19__.

Now these presents witness that in consideration of the sum lent to the borrower as

(1) That he will repay the principal together with interest thereon on the _____
day of ____________________, 19__.

(2) That he will not, at any time while any moneys 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 any time 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.
Co-operative Societies Regulations

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
provision shall have effect:

(a) the proceeds of sale shall be applied in accordance with sections 102 and
106 of the Cooperative Societies Act, 1999;

(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 otherwise
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.

SCHEDULE

(Add additional sheet if space allotted is too small)

Executed in quintuplicate at

this ___________ day of _______________ 1999.

________________________
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
Cooperative Societies Act, 1999.
Co-operative Societies Regulations

FORM 007

DETERMINATION AND ORDER

IN THE MATTER OF A DISPUTE BETWEEN

.............................................................................. (Complainant)

AND

.............................................................................. (Respondent)

referred to me pursuant to section 187 of the Cooperative Societies Act, 1999

I, .................................................................. Registrar of Cooperatives, do order

and determine as follow:

(1) ........................................................................

........................................................................

........................................................................

(2) ........................................................................

(3) The costs 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 ______________, 199__.

Registrar of Cooperatives

NOTE: This Form is to be adapted in the case of an award by an arbitrator or arbitrators
under section 187.
Co-operative Societies Regulations

FORM 008

Cooperative Societies Act 1999, No.

CERTIFICATE OF DISSOLUTION

Name of Society: ____________________________________________________________

Registration No:

I hereby certify that the above-named Society, was this day dissolved pursuant to section _____ of the Cooperative Societies Act, 1999.

Given under my hand this ____________ day of _________________, 199__.

Registrar of Cooperative Societies

FORM 009

Cooperative Societies Act 1999, No.

CERTIFICATE OF REVIVAL

Name of Society: ____________________________________________________________

Registration No: __________________________________________________________

I hereby certify that the above-named Society, has been revived pursuant to section _____ of the Cooperative Societies Act, 1999.

Given under my hand this ____________ day of _________________, 199__.

Registrar of Cooperative Societies
Co-operative Societies Regulations

FORM 10

(Regulation 3)

Cooperative Societies Act 1999, No.

CERTIFICATE OF CONTINUANCE

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 Cooperative Societies Act, 1999.

Given under my hand this __________ day of ________________, 199__.

__________________________
Registrar of Cooperative Societies
Co-operative Societies Regulations

SECOND SCHEDULE

(Regulation 4)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. For application for registration by a Cooperative Society, other than a Junior Cooperative</td>
<td>$25.00</td>
</tr>
<tr>
<td>2. For a Certificate of Registration:</td>
<td></td>
</tr>
<tr>
<td>(a) for a credit union</td>
<td>$300.00</td>
</tr>
<tr>
<td>(b) for any other registered society, other than a Junior Cooperative Society</td>
<td>$100.00</td>
</tr>
<tr>
<td>3. For reservation of name</td>
<td>$25.00</td>
</tr>
<tr>
<td>4. For change of name</td>
<td>$25.00</td>
</tr>
<tr>
<td>5. For search</td>
<td>$5.00</td>
</tr>
<tr>
<td>6. For restoring society's name to register:</td>
<td></td>
</tr>
<tr>
<td>(a) Credit Union</td>
<td>$100.00</td>
</tr>
<tr>
<td>(b) Other Cooperative Society</td>
<td>$75.00</td>
</tr>
<tr>
<td>7. For the filing of the annual and special returns:</td>
<td></td>
</tr>
<tr>
<td>(a) on the day that it is due</td>
<td>No fee</td>
</tr>
<tr>
<td>(b) for each day after the date it is due to be filed, a special filing fee of to a maximum of</td>
<td>$200.00</td>
</tr>
<tr>
<td>8. For a certificate of continuance</td>
<td>$25.00</td>
</tr>
<tr>
<td>9. For a certificate of amendment of bye-laws</td>
<td>$25.00</td>
</tr>
<tr>
<td>10. For a certificate of revival</td>
<td>$25.00</td>
</tr>
<tr>
<td>11. For a certificate of dissolution</td>
<td>$25.00</td>
</tr>
<tr>
<td>12. For an examination of any document</td>
<td>$100.00</td>
</tr>
<tr>
<td>13. For photocopies of any document:</td>
<td></td>
</tr>
<tr>
<td>(a) for the first page</td>
<td>$2.00</td>
</tr>
<tr>
<td>(b) for each additional page</td>
<td>$1.00</td>
</tr>
</tbody>
</table>
Co-operative Societies Regulations

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 the notice in the Gazette

16. For any certificate other than certificate of dissolution or certificate for which a fee is not provided \[...\] \[...\] \[...\] \[...\] \[25.00\]

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 1 and 2) payable in respect of a Junior Cooperative Society shall be 20% of the fees payable by a registered society, other than a credit union.
Co-operative Societies Regulations

THIRD SCHEDULE

(Regulation 29 (1))

<table>
<thead>
<tr>
<th>Duration of Period of overdue Loans</th>
<th>Percentage of Outstanding Loans Balance that is deemed Loss exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months but less than 9 months</td>
<td>25 percent</td>
</tr>
<tr>
<td>9 months but less than 12 months</td>
<td>35 percent</td>
</tr>
<tr>
<td>12 months but less than 18 months</td>
<td>50 percent</td>
</tr>
<tr>
<td>18 months but less than 24 months</td>
<td>75 percent</td>
</tr>
<tr>
<td>24 months or more</td>
<td>100 percent</td>
</tr>
</tbody>
</table>

Made, this 29th day of October, 1999.

DAMIAN EISENHOWER GREAVES,
Minister for Community Development, Culture, Local Government and Co-operatives.