



ANNO SEXTO DECIMO

ELIZABETHAE SECUNDAE REGINAE

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No. 46 of 1967

**An Act to Consolidate and Amend the Law Relating to  
Societies Employing the Principle of Co-operation  
and for other purposes**

[ASSENTED TO 19TH DECEMBER, 1967]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Assembly of Queensland in Parliament assembled, and by the authority of the same, as follows:—

PART I—PRELIMINARY

1. (1) **Short title.** This Act may be cited as "*The Co-operative and Other Societies Act of 1967.*"

(2) **Commencement of Act.** Except as otherwise expressly provided this Act shall come into operation on a date to be fixed by the Governor in Council by Proclamation published in the *Gazette*.

**2. Division of Act.** This Act is divided into Parts and a Schedule as follows:—

PART I—PRELIMINARY;

PART II—ADMINISTRATION;

PART III—OBJECTS AND POWERS OF SOCIETIES;

*Division 1—Societies Generally;*

*Division 2—Trading Societies;*

*Division 3—Investment Societies;*

*Division 4—Credit Unions;*

*Division 5—Community Settlement Societies;*

*Division 6—Community Advancement Societies;*

*Division 7—Mutual Buying Group Societies;*

*Division 8—Federations and Leagues;*

PART IV—INCORPORATION OF SOCIETIES;

*Division 1—Registration;*

*Division 2—Members and Funds;*

*Division 3—Rights and Duties;*

PART V—RULES;

PART VI—MANAGEMENT;

PART VII—OFFICIAL MANAGEMENT;

PART VIII—WINDING-UP AND CANCELLATION;

PART IX—ADVISORY COUNCIL;

PART X—MISCELLANEOUS;

THE SCHEDULE.

**3. Construction.** This Act shall be read and construed so as not to limit the operation and effect of:—

(a) “*The Primary Producers’ Co-operative Associations Acts, 1923 to 1965*”;

(b) “*The Co-operative Housing Societies Acts, 1958 to 1967*,”

save that the provisions of sections twenty-two and twenty-three of “*The Primary Producers’ Co-operative Associations Acts, 1923 to 1965*” shall not apply to or in respect of a society registered under this Act.

**4. Repeals and savings.** (1) “*The Co-operative Societies Acts, 1946 to 1962*” are repealed. The said Acts are in this Act referred to as the “repealed Acts”.

(2) Without derogating from the provisions of “*The Acts Interpretation Acts, 1954 to 1962*”—

(a) subject to paragraph (b) of this subsection every society formed and registered under the repealed Acts and subsisting at the commencement of this Act shall under and subject to this Act continue to have the same status, operation and effect as it respectively would have had if such Acts had not been repealed;

(b) a society to which paragraph (a) of this subsection refers and which is a credit union shall within the period of six months next succeeding the commencement of this Act, make and forward to the Registrar notice of such change, if any, of its



name, and make and apply to the Registrar to have registered such amendments, if any, of its rules as are in his opinion necessary to bring its name and rules into conformity with the provisions of this Act applicable to a society of the same class or description formed and registered under this Act;

- (c) the members of the Advisory Council holding office pursuant to the provisions of the repealed Acts immediately prior to the commencement of this Act shall be deemed to have been appointed to the Advisory Council under this Act and shall hold office under this Act for the unexpired portion of their term of office existing as at the commencement of this Act;
- (d) the persons who are respectively the President and Vice-President of the Advisory Council immediately prior to the commencement of this Act shall be deemed to have been named as such pursuant to this Act and shall continue as such accordingly;
- (e) the Registrar and any other officer appointed under the repealed Acts and in office immediately before the commencement of this Act shall without further or other appointment be deemed to have been appointed as Registrar or, as the case may be, an officer under this Act and shall as, on and from such commencement be deemed to have been appointed under this Act;
- (f) where the rules of a society to which paragraph (a) of this subsection refers, refer to the governing body of the society as a committee, each such reference shall be read as a Board of Directors and each reference to a member of such a governing body shall be read as a reference to a director;
- (g) a direction given by the Crown Law Officer pursuant to the repealed Acts shall be deemed to have been given pursuant to this Act.

**5. Meaning of terms.** In this Act, unless the context otherwise indicates or requires, the following terms shall have the meanings respectively assigned to them, that is to say:—

- “Board” means the Board of Directors of a society;
- “Companies Acts” means “*The Companies Acts, 1961 to 1964*”;
- “Court” means the Supreme Court of Queensland or a Judge thereof;
- “Crown Law Officer” means the Attorney-General, Minister for Justice or Solicitor-General;
- “Model Rules” means the model rules prescribed pursuant to this Act and in relation to any society means the model rules prescribed for the class of society within which that society falls;
- “Officer” includes director, secretary or other person empowered under the rules to act or give directions in regard to the business or affairs of a society;
- “Part” means Part of this Act;
- “Primary Producers’ Association” means an association registered under “*The Primary Producers’ Co-operative Associations Acts, 1923 to 1965*”;

“Registrar” means the Registrar of Co-operative and Other Societies appointed under this Act, and includes any person for the time being discharging the duties of the office of Registrar;

“Rules” means the rules of a society for the time being in force;

“Society” means a society formed and registered or deemed to be formed and registered, under this Act.

## PART II—ADMINISTRATION

**6. Administration of Act.** This Act shall be administered by the Minister and, subject to the Minister by the Registrar.

**7. (1) Registrar.** Subject to “*The Public Service Acts, 1922 to 1965*,” there may be appointed a Registrar of Co-operative and Other Societies.

The Registrar shall have a seal of office.

**(2) Deputy Registrar, &c.** Subject to “*The Public Service Acts, 1922 to 1965*,” there may be appointed a Deputy Registrar of Co-operative and Other Societies and such inspectors and other officers as are required for the effectual administration of this Act.

The Deputy Registrar shall without further or other appointment be an inspector for the purposes of this Act.

**8. Annual report by Registrar.** (1) As soon as practicable after the completion of each financial year the Registrar shall furnish to the Minister a report of the administration by the Registrar of this Act in respect of that year.

(2) The Minister shall lay a copy of every such report before the Legislative Assembly.

## PART III—OBJECTS AND POWERS OF SOCIETIES

### *Division 1—Societies Generally*

**9. (1) General objects of societies.** A society may be formed for—

(a) rendering services to;

(b) promoting the economic or social interests of,

its members.

**(2) Classes of societies.** Save a society which has been declared to be a mutual buying group society, a society shall fall within one of the following classes:—

(a) a trading society;

(b) an investment society;

(c) a credit union;

(d) a community settlement society;

(e) a community advancement society;

(f) a mutual buying group society;

(g) a federation or league of societies and primary producers' associations.

*Division 2—Trading Societies*

**10. Objects of trading society.** (1) A trading society may be formed for all or any of the following objects:—

- (a) to carry on any business, trade, or industry specified in or authorized by its rules, whether of a wholesale or retail nature;
- (b) to acquire and distribute information as to the markets of the world, and as to co-operative trading in general;
- (c) to establish agencies in this State and elsewhere for the purpose of furthering the objects of the society;
- (d) to do such other things, calculated to promote the economic interests of the members of the society in relation to the objects hereinbefore specified, as may be prescribed.

(2) Without limiting the generality of the expression, the expression “business, trade, or industry” in subsection (1) of this section includes the rendering of services, the buying and selling of, and dealings of any other kind whatsoever with land, the working of mines and quarries, timber-getting, fishing, hunting, any manufacturing industry, the production or distribution of foodstuffs, commodities, chattels, or things whatsoever or both such production and distribution.

**11. Powers of society.** A trading society shall have and may exercise such powers incidental to its objects as are conferred from time to time by its rules and, without limiting the powers which may be so conferred, the rules may confer all or any of the following powers:—

- (a) to raise money on loan for any objects of the society;
- (b) to receive money on deposit;
- (c) to acquire by purchase or otherwise shares in any society, primary producers’ association, company or other body corporate;
- (d) to lend money to any primary producers’ association or company incorporated or registered under the Companies Acts;
- (e) to make advances to its members against products delivered to the society.

*Division 3—Investment Societies*

**12. Objects of investment society.** (1) An investment society may be formed for all or any of the following objects:—

- (a) to acquire shares in or bonds of any society specified in or authorized by the rules of the investment society;
- (b) to acquire shares in or debentures of any incorporated company specified in or authorized by the rules of the investment society;
- (c) to invest in securities authorized by law for the investment of trust funds;
- (d) to do such other things, calculated to promote the mutual benefit and advantage of the members of the society in relation to the objects hereinbefore specified, as may be prescribed.

(2) An investment society shall not acquire shares in any society or incorporated company with unlimited liability.

(3) The expression “incorporated company” as used in this section includes any incorporated company carrying on business in this State whether incorporated in this State or elsewhere.

**13. Powers of society.** (1) An investment society shall have and may exercise such powers, incidental to its objects, as are conferred from time to time by its rules and, without limiting the powers which may be so conferred, the rules may confer all or any of the following powers:—

- (a) to vary any investment made by it;
- (b) to appoint from time to time two or more of its members to be trustees for the society;
- (c) to remove all or any trustees so appointed;
- (d) authorize the trustees to hold shares, debentures or securities on trust for the society.

(2) The trustees for the time being shall comply in every respect with the directions given from time to time by the society in relation to the shares, debentures or securities held by the trustees for the society.

When all the trustees for the time being are removed by the society, such trustees shall execute all such conveyances and documents and do all such things as are in the opinion of the society necessary to vest absolutely in the society all shares, debentures and securities held by such trustees in trust for the society, free from such trusts.

#### *Division 4—Credit Unions*

**14. Objects of credit union.** A credit union may be formed for all or any of the following objects:—

- (a) to receive money on deposit from its members so as to encourage thrift;
- (b) to make loans to its members from a fund kept for that purpose;
- (c) to arrange insurance on behalf of its members.

**15. Powers of credit union.** A credit union shall have and may exercise such powers, incidental to its objects, as are conferred from time to time by its rules and, without limiting the powers which may be so conferred, the rules may confer all or any of the following powers:—

- (a) to raise money on loan for any objects of the society;
- (b) to receive money on deposit;
- (c) to make and enter into arrangements, for the provision of loan protection insurance and life savings insurance.

**16. Business of credit union.** The Schedule to this Act shall govern the members, proceedings and business of credit unions and shall be observed.

#### *Division 5—Community Settlement Societies*

**17. Object of community settlement society.** A community settlement society may be formed for the object of acquiring land in order to settle or retain people thereon, and of providing any community service or benefit.

**18. Powers of society.** A community settlement society shall have and may exercise such powers, incidental to its objects, as are conferred from time to time by its rules and, without limiting the powers which may be so conferred, the rules may confer all or any of the following powers:—

- (a) to prepare land for settlement and do anything thereon or in connexion therewith in order to fit such land for convenient and profitable use and to improve the conditions of rural life;
- (b) to subdivide land, make and maintain private ways, bridges, culverts, and drains, and make, open and dedicate roads;

- (c) to erect and maintain buildings;
- (d) to provide wells, dams, irrigation and flood works;
- (e) to set apart land and buildings for any community service or benefit;
- (f) to sell or let land to its members or to any society, primary producers' association or person;
- (g) to enter into share-farming or other agreements with its members;
- (h) to make or arrange loans to its members for any of the following purposes, that is to say,—
  - (i) purchasing land;
  - (ii) making improvements;
  - (iii) carrying on farming operations;
  - (iv) conserving fodder;
  - (v) procuring agricultural implements and machinery, live stock, fodder, seeds, fruit trees, fertilizer and other farming requisites;
  - (vi) doing anything that may increase agricultural production;
  - (vii) paying any debt or liability incurred by a member in respect of any of the purposes specified in this paragraph (h);
- (i) to provide and carry on any community service including transport and the supply of water, gas and electricity;
- (j) to do anything that a community advancement society may do;
- (k) to issue bonds to the vendor or any other person in respect of, or to finance the purchase of, any land acquired by the society;
- (l) to raise money on loan for any objects of the society;
- (m) to receive money on deposit;
- (n) to acquire by purchase or otherwise shares in any society or primary producers' association;
- (o) to purchase or otherwise acquire goods, and sell products, on behalf of its members;
- (p) to arrange insurance on behalf of its members;
- (q) to do such other things, calculated to promote the economic interests of the members of the society in relation to the objects hereinbefore specified, as may be prescribed.

#### *Division 6—Community Advancement Societies*

**19. Objects of community advancement society.** A community advancement society may be formed for the object of providing any community service or benefit.

**20. Powers of society.** A community advancement society shall have and may exercise such powers, incidental to its objects, as are conferred from time to time by its rules and, without limiting the powers which may be so conferred, the rules may confer all or any of the following powers:—

- (a) to provide and carry on any community service including transport and the supply of water, gas and electricity;
- (b) to provide and install plant fittings and requisites in connexion with any community service and to do anything necessary or convenient therefor;

- (c) to provide, maintain, and operate factories, mills, ginneries, silos, drying and packing sheds, cold stores, abattoirs, saleyards, drafting yards, motor garages, and machinery repair shops;
- (d) to undertake farming operations and purchase or otherwise acquire agricultural machinery implements and requisites on behalf of its members;
- (e) to erect dwellings and buildings either on behalf of or for sale or letting to its members;
- (f) to acquire land on which dwellings or buildings are being or have been erected and sell or let such land to its members;
- (g) to sell or let land to its members or to any society or primary producers' association;
- (h) to subdivide land, make and maintain private ways, bridges, culverts, and drains, and make, open and dedicate roads;
- (i) to provide and maintain buildings and grounds for education, recreation, or other community purpose, or operate, maintain or carry on any club, or promote or assist clubs, for any such purpose;
- (j) to promote and carry out any charitable undertaking;
- (k) to raise money on loan for any objects of the society;
- (l) to acquire by purchase or otherwise shares in any society or primary producers' association;
- (m) to do such other things, calculated to improve the conditions of urban or rural life in relation to the objects hereinbefore specified, as may be prescribed.

#### *Division 7—Mutual Buying Group Societies*

**21. (1) Meaning of expression.** In this Division the expression "mutual buying" in relation to a society means the buying by the society of items to meet the subsisting orders of its members and of selling such items to such members to meet whose orders the items were expressly purchased by the society.

**(2) Operation of Division.** This section and section twenty-two of this Act shall come into operation on the first day of January, one thousand nine hundred and sixty-eight, and for the purpose of giving effect to this subsection all relevant provisions of this Act and (without limiting the generality thereof) the following provisions of this Act namely, sections four, five, thirty-four, fifty-three, Part VIII, and section one hundred and sixteen shall be deemed to come into operation on the first day of January, one thousand nine hundred and sixty-eight.

**22. Declaration of society as mutual buying group society.** (1) Where the Registrar is satisfied that the principal business of a society (including a society registered prior to the passing of this Act) is that of mutual buying he may by notice call upon the society to show cause within the time specified in the notice why the society should not be declared a mutual buying group society.

Where the society fails to show cause within the time specified in the notice or within any extension of time which the Registrar may allow, the Registrar may declare the society (in this section referred to as the "declared society") a mutual buying group society.

The Registrar may revoke a declaration made in respect of any society and shall give such directions as are necessary to effect such revocation.

(2) Upon the making of a declaration under subsection (2) of this section the Registrar shall—

- (a) change the name of the declared society appearing in the register by omitting the word “co-operative” and inserting in its stead the words “mutual buying group”;
- (b) notify the declared society of the making of the declaration and the registration of the change in name in accordance with paragraph (a) hereof;
- (c) request the society to advertise the change of name in the form and manner specified in the request;
- (d) request the declared society to surrender the certificate of incorporation of the society.

The Registrar at his discretion shall either note the change in name on the certificate of incorporation or issue a new certificate in the prescribed form and stating the prescribed particulars.

Subsections (6), (7) and (8) of section thirty-four of this Act shall apply in relation to the change of name of a declared society as if the change of name were registered pursuant to subsection (4) of section thirty-four of this Act.

(3) A declared society shall not apply for a change of its name where such application if registered would have the effect of—

- (a) omitting the word “mutual buying group” from;
- (b) inserting the word “co-operative” or any abbreviation thereof in,

its name.

#### *Division 8—Federations and Leagues*

**23. Formation of federations and leagues.** A federation or league may be formed comprising any number of societies and primary producers' associations.

**24. Objects of federations and leagues.** (1) A federation or league may be formed for all or any of the objects for which a component member of such federation or league may be formed, and for all or any of the following objects, that is to say:—

- (a) to supervise the affairs of its component members;
- (b) to render services to and act on behalf of its component members in such manner as may be specified by its rules or as may be prescribed.

(2) Subsection (1) of this section shall be construed so as not to derogate in any way from the rights, duties and obligations of or in relation to a component member conferred or imposed under this Act and from the rights, powers and duties of or in relation to the Minister, the Registrar and other officers or persons appointed under this Act or from the provisions of any Act.

**25. Powers of federations and leagues.** (1) A federation or league shall have and may exercise such powers, incidental to its objects, as are conferred from time to time by its rules and, without limiting the powers which may be so conferred, the rules may confer all or any of the following powers:—

- (a) to exercise powers similar to the powers that may be exercised by a component member thereof;
- (b) to raise money on loan for any objects of the federation or league;

- (c) to receive money on deposit;
- (d) to make advances to its component members.

(2) Where a federation or league raises money on loan for any objects of the federation or league and a guarantee is given by any person in respect of the repayment of the loan the component members of the federation or league or any one or more of them may, jointly with the federation or league, enter into an agreement to indemnify the guarantor against any liability which may arise under or in respect of the guarantee.

#### PART IV—INCORPORATION OF SOCIETIES

##### *Division 1—Registration*

**26. Limited liability.** A society may only be formed with limited liability.

**27. Formation of societies.** (1) Subject to this Act any twenty-five or more persons (which number is in this Part called the “minimum number”) may form a society.

(2) A society shall be formed in the following manner:—

(a) the minimum number of persons shall be present at a meeting called for the purpose of forming the society and at every subsequent and adjourned meeting called or adjourned for that purpose;

(b) at that meeting or at any such subsequent or adjourned meeting there shall be presented—

(i) a written statement in the form prescribed showing the objects of the society, the ways and means proposed to be adopted to finance the society, and the reasons for believing that, when registered, it will be able to carry out its objects successfully;

(ii) a copy of the model rules and any alterations to the model rules which it is proposed to tender to the Registrar;

(c) where the persons present at that meeting or at any such subsequent or adjourned meeting—

(i) approve the alteration of the model rules presented, with or without amendment; and

(ii) sign an application for membership of the society, which application shall state the respective names, addresses and occupations and the number of shares for which each will respectively subscribe,

such persons shall proceed to elect the first directors in accordance with the rules so approved.

**28. Application for registration.** (1) An application for registration of a society shall be made in the prescribed manner within two months after the election of the directors pursuant to section twenty-seven of this Act.

(2) The application shall be accompanied by—

(a) the prescribed fee; ,

(b) a statutory declaration from the chairman and secretary of the meeting as to the compliance with the requirements of section twenty-seven of this Act;



- (c) a copy of the written statement presented to the meeting pursuant to paragraph (b) of subsection (2) of section twenty-seven of this Act signed by the chairman and secretary of the meeting;
- (d) two copies of any proposed alterations to the model rules signed by not less than twenty-five applicants for membership of the society each of whose signatures shall be attested by a witness;
- (e) a list containing the full name and the occupation and address of each director;
- (f) a list containing the full name and the occupation and address of each applicant for membership and the number of shares subscribed for by him; and
- (g) such other particulars as may be prescribed.

**29. Formation of society of two or more societies.** (1) A society may be formed of any two or more societies.

The societies concerned shall prior to making application for registration do and perform all such acts and things as are prescribed.

(2) The application for registration shall be made in the prescribed manner and shall be accompanied by—

- (a) the prescribed fee;
- (b) a statutory declaration from a director and the secretary of each society concerned as to the compliance with the requirements of subsection (1) of this section;
- (c) two copies of any proposed alterations to the model rules signed by a director and the secretary of each society concerned; and
- (d) such other particulars as may be prescribed.

**30. Amalgamation.** (1) Any two or more societies may, by special resolution of all the societies concerned, amalgamate and apply to be registered under this Act as a society, with or without any winding-up or any division of the funds of the societies or any of them.

(2) The application shall be in or to the effect of the form prescribed, and shall be accompanied by—

- (a) the prescribed fee;
- (b) two copies of any proposed alteration to the model rules of the amalgamated society; and
- (c) such other particulars as may be prescribed.

(3) The amalgamation shall not prejudice any right of a creditor of any society which is a party to the amalgamation.

(4) In this section “society” includes a primary producers’ association.

**31. Registration of society.** (1) If the Registrar is satisfied—

- (a) that the society has complied with the provisions of this Act;
  - (b) that there is sufficient reason for the alteration of the model rules in the manner proposed and he approves of the alterations; and
  - (c) that there are reasonable grounds for believing that the society, if registered, will be able to carry out its objects successfully,
- he shall register the society and shall issue a certificate of incorporation in the prescribed form to the effect that the society is registered under this Act on and from the date specified in the certificate.

(2) The statutory declaration mentioned in subsection (2) of section twenty-eight of this Act or subsection (2) of section twenty-nine of this Act may be accepted by the Registrar as sufficient evidence of compliance with the requirements of this Act.

(3) The model rules together with any alterations approved by the Registrar shall be the rules of the society.

(4) The expenses of and incidental to the formation of a society may be paid either out of capital or income.

**32. (1) Certificate of incorporation conclusive.** A certificate of incorporation under this Act shall be conclusive evidence that all the requirements of this Act in respect of registration and matters precedent or incidental thereto have been complied with.

(2) **Effect of incorporation.** From the date of registration specified in the certificate of incorporation the society shall be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and shall be capable in law of suing and being sued in its corporate name and of acquiring, holding, leasing and disposing of property and of doing and suffering all such other things as are necessary for the purposes of its constitution.

**33. Names of societies.** (1) Except with the consent of the Crown Law Officer, a society shall not be registered by a name that, in the opinion of the Registrar is undesirable or is a name, or a name of a kind, that the Crown Law Officer has directed the Registrar not to accept for registration.

(2) The Crown Law Officer shall cause a direction given by him under subsection (1) of this section to be published in the *Gazette*.

(3) Subject to the provisions of subsection (5) of this section and to the provisions of section twenty-two of this Act, the name of a society shall include the word "Co-operative" and shall use the word "Limited" as the last word thereof.

(4) No description of a society shall be deemed inadequate or incorrect by reason of the use of—

(a) the abbreviation "Ltd." in lieu of the word "Limited" contained in the name of a society; or

(b) the word "Limited" in lieu of the abbreviation "Ltd." contained in the name of a society.

(5) A society which is a credit union shall—

(a) not include in its name the word "co-operative" or any abbreviation thereof; and

(b) include in its name the words "credit union" fully and without abbreviation.

**34. Change of name.** (1) A society may by special resolution and with the approval of the Registrar change its name to a name by which the society could be registered without contravention of subsection (1) of section thirty-three of this Act.

(2) If the name of a society is (whether through inadvertence or otherwise and whether originally or by change of name) a name by which the society could not be registered without contravention of subsection (1) of section thirty-three of this Act the society may by special resolution

change its name to a name by which the society could be registered without contravention of that subsection and, if the Registrar so directs, shall so change it within six weeks after the date of direction or such longer period as the Registrar allows unless the Crown Law Officer by written notice annuls such direction, and if the society fails to comply with the direction it shall be guilty of an offence against this Act.

(3) Notice in writing of any change of name, together with the certificate of incorporation, shall be sent to the Registrar within such time after the passing of the special resolution as is prescribed.

(4) Subject to this section the Registrar shall register the change of name and shall at his discretion either note the change on the certificate of incorporation or issue a new certificate of incorporation in the prescribed form and stating the prescribed particulars.

The Registrar shall not register the change of name of a society which is a credit union where such change if registered would have the effect of—

(a) omitting the words “credit union” from;

(b) inserting the word “co-operative” or any abbreviation thereof in,

its name.

(5) The change of name shall be advertised as prescribed.

(6) The change of name shall not affect the identity of the society or any rights or obligations of the society or of any member or other person, or render defective any legal proceedings by or against the society.

(7) Any legal proceedings that might have been continued or commenced by or against the society by its former name may be continued or commenced by or against it by its new name.

(8) Any reference in any share certificate, mortgage, lien, security, bond, debenture, agreement, contract, deed, or other document, instrument or writing whatsoever to the society by its former name shall, on and from the date of the noting of the change in the certificate of incorporation or, as the case may be, issue of the new certificate of incorporation be read and construed as a reference to the society by its new name.

**35. Appeal.** (1) If the Registrar refuses to register a society as applied for, the applicants for registration may appeal to a Judge of a District Court.

An appeal shall be made in the manner and within the time prescribed.

(2) A Judge may by his decision, according as he deems just confirm the refusal or direct that registration be granted and make any further order, including with respect to costs as he thinks fit and his decision in the appeal shall be final and conclusive and shall be given effect to by the Registrar and all persons concerned.

(3) All such Rules of Court as may be deemed necessary or convenient for regulating the procedure and practice of the District Court for the purpose of giving full effect to this section may be made and the provisions of “*The District Courts Acts, 1958 to 1965*” shall apply and extend in respect of such Rules of Court.

**36. Co-operation with Primary Producers' Associations.** (1) A primary producers' association may become a member of any society registered or proposed to be registered under this Act for objects which include one or more of the objects for which such association was formed.

(2) A society registered under this Act may become a member of any primary producers' association formed or proposed to be formed for objects which include any one or more of the objects for which such society was formed.

(3) Any one or more primary producers' associations and any one or more societies may, by special resolution of both or all of them, apply to be registered under this Act as a society for such objects as are objects for which any society may be registered under this Act and any primary producers' association may be registered under "*The Primary Producers' Co-operative Associations Acts, 1923 to 1965*" (or under any Act hereafter passed in amendment of or substitution for such Acts) and for all or any of the objects set out in this Act.

**37. Conversion of company into society.** (1) A company registered or incorporated under the Companies Acts may, by a special resolution, determine to convert itself into a society, and for this purpose, in any case where the nominal value of its shares held by any member other than a society exceeds two thousand dollars, may by such resolution provide for the conversion of the excess of such share capital over two thousand dollars into a transferable loan stock, bearing such rate of interest as may thereby be fixed, and repayable on such conditions only as are in such resolution determined.

(2) A resolution for the conversion of a company into a society shall be accompanied by two copies of any proposed alterations to the model rules of the society therein referred to, and shall appoint twenty-five persons, members of the company, who, together with the secretary, shall sign such alterations, and who may either be authorized to accept any alterations made by the Registrar therein without further consulting the company, or may be required to lay all such alterations before the company in general meeting for acceptance, as the resolution may direct.

(3) Two copies of the special resolution for conversion of the company into a society shall together with any proposed alteration to the model rules be sent to the Registrar, who, upon the registration of the society, shall give to it, in addition to the certificate of incorporation, a certificate similarly sealed or signed that the rules of the society referred to in the resolution have been registered, but in the registered name of the company as a society the word "company" shall not be used.

(4) A copy of the resolution for the conversion of the company into a society under the seal of the company, together with the certificate so issued by the Registrar, shall be sent for registration to the office of the Registrar of Companies, and upon the registration of such resolution and certificate the conversion shall take effect.

(5) Upon the conversion of a company into a society the registration of the company under the Companies Acts shall become void, and shall be cancelled by the Registrar of Companies.

The registration of a company as a society shall not affect any right or claim for the time being subsisting against the company, or any penalty for the time being incurred by such company.

For the purpose of enforcing any such right, claim, or penalty the company may be sued and proceeded against in the same manner as if it had not become registered as a society.

Every such right or claim, and the liability to such penalty, shall have priority as against the property of such society over all other rights or claims against or liabilities of the society.

(6) If any security issued or granted by a company is not satisfied upon the date upon which such company is registered under this Act as a society, such security shall—

- (a) be deemed to be a security for the unsatisfied amount secured thereby issued or granted by the society formed by such company upon the date upon which it was registered as such society; and
- (b) subject to paragraph (c) of this subsection, have the same force and effect as it would have if it were issued or granted by the society formed by such company under and in accordance with the provisions of this Act; and
- (c) (if required to be registered in accordance with the provisions of this Act) be registered by the society formed by such company under and in accordance with such provisions.

In this subsection and in subsection (4) of section thirty-eight of this Act "security" includes a mortgage, encumbrance, charge, lien, bond, debenture, debenture stock, floating charge, bill of sale or other written instrument duly issued or granted as or by way of security.

**38. Conversion of society into company.** (1) A society may by special resolution determine to convert itself into a company under the Companies Acts, or to amalgamate with any such company.

(2) If a special resolution for converting a society into a company contains the particulars by the Companies Acts required to be contained in the memorandum of association of a company, and a copy thereof has been registered at the office of the Registrar of Companies, a copy of such resolution under the seal or stamp of the said office shall have the same effect as a memorandum of association duly signed and attested under the Companies Acts.

(3) If a society is registered as, or amalgamates with a company, the registration of such society under this Act shall thereupon become void, and the same shall be cancelled by the Registrar.

The registration of a society as a company shall not affect any right or claim for the time being subsisting against such society, or any penalty for the time being incurred by such society.

For the purpose of enforcing any such right, claim, or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company.

Every such right or claim, or the liability to such penalty, shall have priority, as against the property of such company, over all other rights or claims against or liabilities of the company.

Upon the registration of a society as a company, that company shall send to the Registrar a certified copy of the certificate of incorporation thereof given by the Registrar of Companies.

(4) Every security issued or granted by a society and registered under this Act and not satisfied upon the date upon which such society is registered under the Companies Acts as a company shall, subject to such lastmentioned Act,—

- (a) be deemed to be a security for the unsatisfied amount secured thereby issued or granted by the company formed by such society on the date upon which it was registered as such company; and
- (b) subject to paragraph (c) of this subsection, have the same force and effect as it would have if it were issued or granted by the company formed by such society upon such date; and
- (c) (if required to be registered in accordance with the provisions of the Companies Acts) be registered by the company formed by such society under and in accordance with such provisions.

#### *Division 2—Members and Funds*

**39. Members.** (1) The members of a society which is formed under this Act shall be the persons who sign the application for membership on the formation of the society, and any other persons who are admitted to membership in accordance with this Act and the rules of the society.

(2) (a) Unless otherwise provided by the rules, any person who is of the age of eighteen years and over shall subject to this Act be eligible to be a member of a society.

(b) Notwithstanding anything contained in paragraph (a) of this subsection a person who is an infant shall not be competent to vote at the meeting for the formation of the society or to be elected or appointed an officer of the society.

(3) An infant who is a member of a society may execute all instruments and give all necessary acquittances (which instruments and acquittances shall be binding and sufficient in law for all purposes):

Provided that the application for membership of a society shall not be signed by any person who is an infant unless and until that application shall have been signed by not less than twenty-five persons who are not infants.

(4) A member of a society shall not at any time be entitled on any ground relating to his infancy or former infancy to avoid any of his obligations or liabilities as a member of the society or under any security given by him to the society.

(5) The members of a society formed of two or more societies shall be the component societies which formed such society and any other society which is admitted to membership in accordance with its rules.

(6) The members of a company which is registered as a society under this Act shall be the persons who at the date of the registration were members of the company, and any other persons who are admitted to membership in accordance with the rules of the society.

(7) When a society appoints any member to represent the society in respect of any share held by it in any other society, the person so appointed shall during the continuance of his appointment be deemed to be a member of that society and as holding the share for all purposes except—

- (a) the liability in respect of the share;
- (b) the transfer thereof;
- (c) the giving of receipts for any dividend thereon.

(8) No rights of membership shall be exercised unless or until the member has made such payment to the society in respect of membership or acquired such share or interest as may be provided in the rules of the society.

**40. Cessation of membership.** (1) A person shall cease to be a member of a society in any of the following circumstances:—

- (a) where his share is or, where more than one share is held, all such shares, are transferred to another person or persons in accordance with the rules of the society and the transferee or transferees is or are registered in his place;
- (b) where his share is or, where more than one share is held, all such shares, are forfeited in accordance with the rules of the society;
- (c) where his share is or, where more than one share is held, all such shares, are sold by the society under a power conferred by the rules of the society and the purchaser or purchasers is or are registered in his place;
- (d) where he becomes bankrupt or insolvent under any law relating to bankruptcy or insolvency and the trustee or assignee disclaims in accordance with the provisions of such law;
- (e) on death: Provided that the estate of the deceased person shall remain liable and his executor or administrator shall be, and may be registered as, the holder of the share or shares as such executor or administrator (whether eligible to be a member of the society or not) until some eligible person is registered as the holder of the share or shares by transfer from the executor or administrator or until the share or shares are withdrawn or discharged in accordance with this Act and the rules of the society: While any such executor or administrator is so registered he shall be deemed to be and shall have the rights and obligations of a member of the society for all purposes;
- (f) where his share, or, where more than one share is held, all such shares are purchased by the society in accordance with the provisions of this Act;
- (g) where he ceases to be a member in accordance with the rules of the society;
- (h) where the amount paid up on his share or, where more than one share is held, each such share is repaid to him in accordance with the rules of the society;
- (i) where the contract of membership is rescinded on the ground of misrepresentation or mistake.

(2) Where a share or shares is or are held by the executor or administrator of a deceased member, the board may in its discretion by notice in writing to the executor or administrator call upon him to transfer the shares to an eligible person or to withdraw or discharge the shares within six months after receipt of the notice or within such further time as the board may in any particular case allow, and unless the share or shares is or are so transferred, withdrawn or discharged they may at the discretion of the board be forfeited and dealt with as forfeited shares in accordance with this Act and the rules of the society.



**41. Liability of members.** Each member shall be liable to the society for the amount unpaid on the shares held by him, together with any charges and other moneys payable by him to the society as prescribed by this Act or the rules of the society.

**42. Capital.** (1) The capital of a society shall vary in amount according to the nominal value of shares from time to time subscribed.

(2) The capital shall be divided into shares of a fixed amount or amounts which shall be specified in the rules.

(3) Except as otherwise provided in this section, the shares shall be of one class all ranking equally.

(4) The shares may be classified as shares with and shares without a contingent liability attached thereto, and each class of shares shall have such rights as may be specified in the rules of the society.

Shares with a contingent liability attached thereto may be issued with such maximum amount of the contingent liability and upon such conditions as may be specified in the rules of the society.

(5) No share shall be allotted unless one-tenth of the nominal value thereof has been paid.

Any balance unpaid in respect of shares at the time of allotment shall be paid by periodic subscriptions or in such manner as may be specified in the rules of the society.

(6) A member who is a natural person shall not hold shares of a nominal value greater than two thousand dollars or such less nominal value as may be specified in the rules:

Provided that where the Governor in Council (having regard to the objects for which a society has been or is proposed to be formed) is satisfied that members of that society who are natural persons should be permitted to hold shares therein of a greater nominal value than two thousand dollars the Governor in Council as he thinks fit may by Order in Council declare that a natural person may hold shares in that society either of an unlimited nominal value or of a specified nominal value (being greater in value than two thousand dollars) and any member who is a natural person may thereupon hold shares in the society of a nominal value according to such declaration.

(7) A member shall subscribe for such minimum number of shares as may be prescribed by the rules, and the minimum number may be prescribed with reference to the use made by him of the society or in any manner specified in the rules.

(8) Any dividend, bonus or rebate to a member shall be applied to paying off any subscriptions or calls on shares which may at the time when the dividend, bonus, or rebate becomes payable or allowable be due by him and unpaid.

(9) A share may be held by two or more persons jointly, and, in such case, notices shall be given to each joint holder.

(10) A share may not be sold or transferred without the consent of the board.

(11) The shares of a society shall not be quoted for sale or purchase at any stock exchange or in any other public manner whatever.

**43. Purchase of shares.** (1) Subject to this section a society may, if authorized by its rules, purchase any share of a member in the society.



(2) A society shall not in any year purchase any share (in this section called "the firstmentioned share") of a member where—

(a) the paid up value of the firstmentioned share; or

(b) (where another share or shares have been purchased by the society from members in that year) the aggregate of—

(i) the paid up value of that share or shares; and

(ii) the paid up value of the firstmentioned share,

exceeds one-twentieth of the paid up capital of the society.

**44. Cancellation and re-issue of shares.** A society may cancel or sell and re-issue any share purchased by or forfeited to the society in accordance with the provisions of this Act or its rules.

**45. Charge and set-off of any society.** A society shall have a charge upon the share or interest in the capital and on the credit balance of a member or past member and upon any dividend, bonus or rebate payable to a member or past member in respect of any debt due from the member or past member to the society, and may set off any sum credited or payable to a member or past member in or towards payment of the debt.

**46. Expulsion of member.** (1) Where a member has been expelled from a society in accordance with the rules of the society, the society shall repay to the member the amount paid up on the shares held by him at the date of his expulsion, less any amount owing by the member to the society at the date of his expulsion under the rules of the society or any contract or otherwise.

(2) Where the balance sheet of the society last issued before the date of expulsion of any member of the society disclosed a loss or deficiency there shall be deducted from the capital to be repaid to the member an amount that bears to the amount of such loss or deficiency the same proportion as the number of shares held by such member bore to the total number of shares held by all members of the society as at the date of the expulsion of such member.

(3) Payment of any amount due to a member pursuant to this section shall be made at such time as may be determined by the board of the society but not later than twelve months after the date of expulsion. The shares in respect of which the capital has been so repaid shall be cancelled.

**47. Limit of dividends.** The maximum amount which may be paid to a member by way of dividend in respect of any share held by him shall be a rate per centum per annum on the amount paid up on the share equivalent to the Commonwealth loan interest plus two per centum per annum.

In this section the expression "Commonwealth loan interest" means the highest annual rate of interest per annum payable in respect of the issue last preceding the determination of the amount of the dividend of a cash or conversion loan issued by the Commonwealth.

**48. Capital Reserve Fund.** (1) A society shall transfer five per centum of the surplus arising in any year from the business of a society to a capital reserve fund.

(2) Except in the event of a winding-up the capital reserve fund shall not be distributed amongst the members of the society.

(3) The capital reserve fund may be used by the society for any purpose for which the capital of the society may be used.

**49. Distribution of surplus.** (1) Subject to section forty-eight of this Act, a society may, if authorized by its rules from its surplus arising in any year from the business of the society—

- (a) pay to each member an amount by way of dividend in respect of the shares held by him;
- (b) pay or credit to each member an amount by way of bonus or rebate on the basis of business completed by him with the society;
- (c) pay an amount to be applied in paying up unissued shares of the society to be issued to a member as fully paid shares by way of bonus on the basis of business completed by him with the society;
- (d) credit to any person who is not a member but is qualified to be a member, an amount by way of bonus or rebate on the basis of business completed by him with the society;
- (e) pay or credit to any employee an amount by way of bonus in proportion to his salary or wages.

(2) Subject to section forty-eight of this Act where the whole or a part of the surplus arising in any year from the business of a society is derived from any class, department or section of such business, the society may if authorized by its rules pay from such whole or part of its surplus to any member or to any person who is not a member but who is qualified to be a member an amount by way of bonus or rebate on the basis of business completed by him with the society in relation to such class, department or section of its business.

(3) A bonus or rebate shall only be credited to an employee or person who is not a member, until the amount credited is equal to the nominal value of the minimum number of shares for which a member is required by the rules to subscribe whereupon the society on receiving an application for membership in accordance with the rules shall apply such amount in and towards payment for such minimum number of shares to be issued to such employee or person.

(4) This section shall not be construed so as to prevent the payment of a bonus to an employee in accordance with the terms of his employment.

(5) A society may if authorized by its rules retain the amount of any dividend, bonus or rebate payable to a member, in which event such amount shall be deemed to be a loan by the member to the society.

Such a loan shall be credited to a fund to be called the "Members Loan Fund" and such fund shall at any time be applicable to any purpose to which the capital of the society is applicable.

Any rule or rules authorizing a society to act pursuant to this subsection shall make provision satisfactory to the Registrar with respect to the rights of members in relation to such loans including the period and manner of redemption thereof.

(6) In this section the term "surplus" means the surplus after making proper allowance for depreciation in value of the property of the society and for contingent liability for loss.

**50. Dealing between society and members.** (1) A society may, if authorized by its rules, make a contract with a member requiring him to have any specified dealings with the society for a fixed period, and in

particular requiring him to sell products through or to the society or to obtain supplies or services through or from the society, with provision for the payment by him to the society of specified sums by way of damages for the breach of any term of the contract.

A sum so specified in such a contract shall not be held to be unreasonable or extravagant but shall be deemed to be by way of liquidated damages and the parties to the contract shall be deemed to have intended accordingly.

(2) Any payment due by a member to the society as a result of the breach by that member of a term of the contract shall be a debt due from the member to the society for the purposes of section forty-five of this Act.

(3) A contract made pursuant to this section shall not be invalid by reason of its being or tending to be in restraint of trade.

(4) In this section the term "member" includes, unless the rules otherwise provide, a person who applies to be and is qualified to be a member.

#### *Division 3—Rights and Duties*

**51. Registered office.** Every society shall have a registered office, the address of which shall be notified to the Registrar when application is made for the registration of the society.

A society shall notify the Registrar in the prescribed manner every change in the address of the registered office within fourteen days after such change has occurred.

**52. (1) Publication of name of society.** Every society shall—

- (a) paint or affix, and keep painted or affixed, its registered name on the outside of every office or place in which the business of the society is carried on, in a conspicuous position in letters easily legible;
- (b) have its registered name inscribed in legible characters on its seal; and
- (c) have its registered name stated in legible characters in all notices, advertisements, and other official publications of the society and in all bills of exchange, cheques, promissory notes, endorsements, orders for money or goods, waybills, invoices, receipts, and documents used in the business of the society.

(2) **Service of documents on society.** A document may be served on a society by leaving it at the registered office of the society with some person apparently in the service or employment of the society or by sending it by prepaid registered post addressed to the society at its registered office.

**53. Society using other than registered name.** (1) If a society in any manner uses any name other than its registered name, it shall be guilty of an offence and shall be liable to a penalty not exceeding ten dollars for each day during which the offence continues.

(2) If an officer of a society or a person on its behalf—

- (a) issues or authorizes the issue of any notice, advertisement or other official publication of the society; or

(b) signs or authorizes to be signed on behalf of the society any bill of exchange, cheque, promissory note, endorsement, order for money or goods, waybill, invoice, receipt or document used in the business of the society;

(c) uses any seal purporting to be the seal of the society,

wherein the name of the society does not appear in legible characters, he shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars.

**54. Registers and accounts.** (1) A society shall keep—

(a) a register of the directors, members and shares;

(b) a register of any loans raised and securities given by the society;

(c) a register of any advances made or guaranteed by the society and of any securities taken by the society;

(d) such other registers as from time to time prescribed; and

(e) such accounts as from time to time prescribed.

(2) The registers and accounts required to be kept by a society shall be kept in the manner and shall contain the particulars as prescribed.

(3) No notice of any trust, expressed, implied or constructive shall be entered in any register or be received by the society.

**55. Inspection by members, &c., of registers, &c.** (1) A society shall have at its office and open at all reasonable hours to inspection by any member without fee—

(a) a copy of this Act and the regulations;

(b) a copy of the rules of the society;

(c) a copy of the last audited balance sheet and profit and loss accounts, together with the report of the auditor;

(d) the register of directors, members and shares; and

(e) the register of loans raised and securities given by the society.

(2) A member may inspect his own account in the books of the society at any reasonable time on payment of a fee not exceeding twenty cents.

**56. Returns.** (1) A society shall, within fourteen days after any change in the membership of the board or in the office of secretary, lodge with, or send by prepaid registered post to, the Registrar information of the change.

(2) A society shall in each year, within three months after the close of its financial year or within such further time as the Registrar may authorize (the Registrar being hereby empowered in any case to so authorize notwithstanding that the period of three months has expired) lodge with, or send by prepaid registered post to, the Registrar the following returns, that is to say:—

(a) a list of the directors for the period then current;

(b) statements, certified by the auditor, of the trading account, profit and loss account, reserve account and balance sheet of the society for and at the close of that financial year: and

(c) such other returns as are prescribed.

(3) Any reference anywhere in this Act to the “final accounts” of a society shall refer to the statements specified in paragraph (b) of subsection (2) of this section last certified by the auditor.

(4) A society shall, when so required by notice in writing by the Registrar, furnish to the Registrar within the time specified in that behalf in the notice—

- (a) a full list in the prescribed form of all of its members as at the end of the financial year then last past; or
- (b) such other particulars with respect to the membership of the society as are specified in the notice.

**57. Borrowing powers.** Where a society is expressly authorized by its rules to raise money on loan the society may raise the money in such manner as it thinks fit.

Without limiting in any way the manner in which the society may so raise money, money may be raised by legal or equitable mortgage charged upon the undertaking of the society or upon all or any part of the property and rights (both present and future) of the society including its uncalled or unpaid capital, subscriptions, loan payments and other moneys, or by the issue of bonds.

**58. Loans and deposits.** (1) Where a society is authorized by its rules to raise money on loan or to receive money on deposit the society may subject to this section raise loans or receive deposits at interest from its members or other persons to be applied to the purposes of the society.

(2) A society shall not raise money on loan where it would at any one time have on loan more than the aggregate amount specified in its rules.

Where a society does not in its rules specify an amount in the aggregate the society shall not raise money on loan where it would at any one time have on loan an aggregate amount exceeding two thousand dollars.

(3) A society shall not accept money on deposit except upon the terms that not less than one month's notice may be required by the board before repayment.

(4) Every deposit book and every acknowledgement or security of any kind given by a society for a loan or deposit shall have printed or written therein or thereon a statement that the society is only entitled to receive loans or deposits subject to this section and every deposit book or other form of acknowledgement of a deposit shall have printed or written therein or thereon a statement that the society is not entitled to accept money on deposit except upon the term that not less than one month's notice may be required by the board before repayment.

(5) No member or other person lending money to or depositing money with a society shall be bound to see to the application thereof or be in any way affected or prejudiced by the fact that such society, in borrowing such money or receiving such deposit, has contravened the provisions of this or any other section of this Act or the rules of the society.

**59. Application of Companies Acts in relation to shares, &c.**

(1) The provisions of Part IV (other than Divisions 2 and 3) of the Companies Acts shall with all necessary adaptations and with such modifications as may be prescribed extend to a society other than a credit union.

(2) The provisions of Part IV (other than Divisions 1, 2 and 3) of the Companies Acts shall with all necessary adaptations and with such modifications as may be prescribed extend to a society which is a credit union.

(3) For the purpose of any such extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the Registrar appointed under this Act.

**60. Investment.** (1) A society may, if authorized by its rules, invest any of its funds—

(a) in such manner as a trustee may invest funds in his hands pursuant to “*The Trustees and Executors Act of 1897*” (as subsequently amended);

(b) in the shares or on the security of—

(i) any society or primary producers’ association;

(ii) a registered building society;

(iii) a company registered under the Companies Acts or incorporated by Act of Parliament or by charter, with limited liability;

(c) in any other manner from time to time prescribed.

(2) A society may if authorized by its rules make advances to members on the security of property.

(3) Any property to which a society may become absolutely entitled by foreclosure, surrender, or other extinguishment of the right of redemption shall as soon afterwards as may be reasonably and conveniently practicable (regard being had to its fair market value) be sold or converted into money.

**61. Prohibition of sale of property.** (1) A society may by its rules prohibit its directors from selling or otherwise disposing of or its members by resolution, whether an ordinary or a special resolution, from authorizing, justifying or excusing the sale or disposal otherwise of (except, in the case of either the directors or members, in respect of amalgamation with a society or primary producers’ association) its business or any part, of or exceeding in value an amount specified in the rules; or any of its assets of or exceeding in value an amount specified in the rules (but not including any primary produce or other thing ordinarily sold or otherwise disposed of by the society in the course of its business) unless and until its members have by postal ballot approved of such sale or disposal.

(2) The rules may provide for, regulate and control the holding of such a postal ballot, and may require the approval of the members to be given by a specified majority, greater than a simple majority, of the members voting, or by not less than a specified number of votes, but unless the rules otherwise require the decision shall be by simple majority of the members voting.

**62. Contracts by society.** (1) Contracts on behalf of a society may be made, varied or discharged as provided in this section.

(2) Any contract which, if made between private persons, would be by law required to be in writing and under seal, may be made on behalf of the society in writing under the common seal of the society, and the contract may in the same manner be varied or discharged.

(3) Any contract which, if made between private persons, would be by law required to be in writing and signed by the party to be charged therewith, may be made on behalf of the society in writing, signed by any person acting under the express or implied authority of the society, and the contract may in the same manner be varied or discharged.

(4) Any contract which, if made between private persons, would by law be valid, although made by parol only and not reduced into writing may be made by parol on behalf of the society by any person acting under the express or implied authority of the society, and the contract may in the same way be varied or discharged.

(5) Any contract made according to the provisions of this section shall be effectual in law and shall be binding upon the society and all other parties thereto.

**63. Special resolution.** (1) For the purposes of this Act a special resolution shall mean a resolution which is passed by a majority of not less than three-fourths of such members of the society as, being entitled so to do, vote in person or, where proxies are allowed, by proxy, at any general meeting of which not less than twenty-one days' notice, specifying the intention to propose the resolution as a special resolution has been duly given according to the rules.

(2) At any meeting mentioned in this section, unless a poll is demanded, a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

(3) A copy of the special resolution, signed by the chairman of the meeting and countersigned by the secretary, shall be sent to the Registrar within fourteen days of the passing of the special resolution and registered by him and until the copy is so registered the special resolution shall not take effect.

(4) A certificate of registration of any special resolution or of any alteration of the rules of a society given by the Registrar shall, in favour of any person lending money to the society on the faith of such certificate, or in favour of any guarantor of any such loan, be conclusive evidence that such resolution was duly passed or as the case may be such alteration in the rules was duly made.

**64. Charges by a society.** (1) A society shall furnish to any person intending to become a member a list of the charges payable under the rules by a member to the society.

(2) A person who becomes a member of the society shall be liable to pay only the charges mentioned in the list and any charges which may be imposed by any subsequent alteration of the rules.

(3) Subject to this Act, the charges payable under the rules may be altered by special resolution.

**65. Fines.** (1) A society may impose a fine on a member for any infringement of its rules, provided that a fine exceeding five dollars shall not be imposed until written notice of intention to impose the fine and of the reasons therefor has been transmitted to the member, and he has had an opportunity of—

(a) appearing before the Board in person with or without witnesses; or

(b) sending to the Board a written statement,  
for the purpose of showing cause against the imposition of the fine.

(2) A fine imposed on a member shall be a debt due from the member to the society for the purposes of section forty-six of this Act.



## PART V—RULES

**66. Model rules.** (1) Model rules shall be prescribed for each class of society.

(2) No alteration of the model rules shall apply to any society which is registered before the regulations prescribing the alteration comes into operation, unless the society by special resolution adopts the alteration in its rules.

(3) A society registered under the repealed Acts may adopt the model rules.

**67. Subject matter of rules.** (1) The model rules shall be divided into paragraphs numbered consecutively and shall set forth each and every matter which this Act requires to be contained therein.

(2) The rules of a society shall set forth—

- (i) the name of the society;
- (ii) where the office of the society is to be situated;
- (iii) the objects of the society;
- (iv) the manner in which the capital of the society is to be raised;
- (v) the nominal value of each share in the society;
- (vi) the maximum proportion of the shares which may be held by a member, not exceeding the proportion prescribed by this Act;
- (vii) whether the shares are to be of one or more classes within the limits allowed by this Act, and if so, what rights each class is to have;
- (viii) the amount of the contingent liability, if any attaching to shares;
- (ix) the terms upon which shares, including any shares with contingent liability attached, are to be issued;
- (x) the periodic subscriptions by which or the manner in which shares are to be paid for and the penalties for late payment;
- (xi) the minimum number of shares or of each class of shares to be subscribed for by a member;
- (xii) the manner in which shares may be transferred;
- (xiii) the manner in which the funds of the society are to be managed, and in particular, the mode of drawing and signing cheques, drafts, bills of exchange, promissory notes and other documents for and on behalf of the society;
- (xiv) the purposes to which the funds of the society are to be applied, and the manner in which they are to be invested;
- (xv) in the case of any society which is authorized to make an advance, the manner in which an application for an advance is to be made, the conditions with which an applicant is to comply, the manner in which an advance is to be made and repaid, the deduction if any for premium, the condition upon which a borrower may redeem the amount due from him before the expiration of the period for which the advance is made and the terms upon which a security may be redeemed;
- (xvi) the manner in which any gain or surplus which may result from the transactions of the society is to be distributed amongst members;



- (xvii) the manner in which any loss which may result from the transactions of the society is to be provided for;
- (xviii) the mode and conditions of admission to membership, and the payment to be made or the share or interest to be acquired before the exercise of the rights of membership;
- (xix) the rights and liabilities of members;
- (xx) the manner in which the value of shares is to be ascertained for repayment;
- (xxi) the circumstances in which members may be expelled, and the rights and liabilities of expelled members;
- (xxii) the number of directors, the qualification of directors, and the manner of electing, remunerating and removing directors and filling a vacancy, whether directors are to be elected annually or half-yearly, the period for which directors are to hold office, and whether directors are to retire by rotation or otherwise;
- (xxiii) the powers and duties of the board, the requisite notice of meetings, the quorum for meetings, and the procedure at meetings of the board;
- (xxiv) the intervals between general meetings of the society, the manner of calling general and special meetings, the requisite notices of meetings, and the quorum for meetings, of the society;
- (xxv) the procedure at meetings of the society, including the rights of members in voting thereat, and the manner of voting;
- (xxvi) the manner of appointing, remunerating and removing officers of the society (other than directors), the powers and duties of such officers, and the security to be given by any such officer having the receipt or charge of any moneys belonging to the society;
- (xxvii) whether the accounts of the society are to be audited annually or more frequently;
- (xxviii) the manner of appointing, remunerating and removing auditors, the powers and duties of auditors, and in particular their powers and duties with respect to the inspection of securities belonging to the society;
- (xxix) provision for the custody of securities belonging to the society;
- (xxx) the charges, including any charges on admission or for management expenses or otherwise, which are to be payable by a member to the society;
- (xxxi) the circumstances in which fines and forfeitures may be imposed on members of the society, and the amount of the fines not exceeding the maximum prescribed;
- (xxxii) whether disputes between the society and any of its members, or any person, claiming by or through any member, under the rules, are to be settled by reference to arbitration or how otherwise;
- (xxxiii) the manner of altering and rescinding the rules, and of making additional rules;
- (xxxiv) provision for the custody and use of the seal of the society;
- (xxxv) the manner in which the society may be wound up;
- (xxxvi) such other matters as may be prescribed.

(3) The model rules for an investment society shall, in addition to the matters mentioned in subsection (2) of this section, set forth—

- (a) the manner in which the value of shares is to be ascertained for repayment, or for allotment of shares, debentures or securities belonging to the society in satisfaction or on account of shares;
- (b) the manner in which the value of shares, debentures or securities belonging to the society is to be ascertained for allotment in satisfaction or on account of shares;
- (c) the manner in which the amount, if any, by which the value of shares debentures or securities allotted in satisfaction or on account of the shares of a member exceeds the value of those shares, together with interest at a specified rate on such amount, is to be secured to the society.

(4) Any person shall be entitled to obtain from a society a copy of its rules on payment of a sum not exceeding the sum prescribed or where there is no sum prescribed, the sum of fifty cents.

**68. Member and society bound by rules.** The rules of a society shall bind the society and all members thereof and all persons claiming through them respectively to the same extent as if each member had subscribed his name and affixed his seal thereto, and there were contained in the rules a covenant on the part of each member and his legal representatives to observe all the provisions of the rules, subject to the provisions of this Act.

**69. When member not bound by amendment.** A member shall not be bound by an amendment of a rule of a society made after the date upon which he became a member if and so far as such amendment requires him to take or subscribe for more shares than the number held by him at the date on which the amendment is made or which in any way increases his liability as at that date to contribute to the share capital of the society unless the member has agreed in writing, whether before or after the amendment is made, to be bound by such amendment.

**70. Alteration of rules.** (1) Subject to subsection (7) of this section the rules of a society shall not be altered unless the alteration has been approved by a special resolution.

(2) The society shall within the prescribed time and in the prescribed manner and on payment of the prescribed fee apply to the Registrar to have the alteration registered.

(3) If the Registrar is satisfied that—

- (a) in respect of a society registered under the repealed Acts which has not adopted the model rules, the alteration is not contrary to this Act and is such as may reasonably be approved by him and that there is no reasonable cause why the alteration should not be registered;
- (b) in respect of any other society, that there is sufficient reason for the alteration of the model rules in the manner proposed and he approves of the alterations,

the Registrar shall register and certify the alteration as prescribed.

Until the alteration is so registered and certified the alteration shall not take effect.

(4) The rules of the society shall be read subject to any alteration so registered and certified.

(5) The Registrar may require the revision or alteration of any rule or proposed alteration of a rule, whether registered or submitted for registration, which in his opinion contains provisions not in conformity with this Act.

(6) For the purposes of this Act, alteration of the rules includes addition to and rescission of a rule.

(7) Upon a change in name being registered pursuant to this Act, the Registrar shall alter the rule containing the name of the society in accordance with such change and the rules of the society shall to that extent be altered accordingly.

#### PART VI—MANAGEMENT

**71. (1) Board of directors.** Subject to this Act and the rules of the society, the business and operations of a society shall be controlled by a board of Directors.

(2) Every director acting in the business or operations of the society pursuant to the rules or to a resolution duly passed by the board shall be deemed to be the agent of the society for all purposes within the objects of the society.

(3) **Validity of acts of directors.** The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification.

**72. Election of directors.** The directors shall be elected at a general meeting of the society in accordance with the rules of the society:

Provided that the first directors shall be elected at the meeting for the formation of the society.

**73. Meetings of board.** Meetings of the board shall be held so often as may be necessary for properly conducting the business and operations of the society, but shall be held at least once in every two calendar months, and a quorum of a meeting of the board shall be prescribed by the rules of the society but shall not in any case be less than half the number of directors.

**74. Chairman and tenure of directors.** (1) The chairman of the Board shall be elected by the Board in accordance with the rules of the society, and shall hold office and retire, and may be removed from office, as prescribed by the rules of the society.

(2) The directors shall hold office and retire, and may be removed from office as prescribed by the rules of the society.

**75. Removal from office, &c.** (1) The office of a director shall be vacated in such circumstances, if any, as may be prescribed by the rules of the society, and in any of the following circumstances, that is to say:—

- (a) if he becomes bankrupt or insolvent or assigns his estate for the benefit of or compounds with his creditors;
- (b) if he becomes mentally ill within the meaning of "*The Mental Health Acts, 1962 to 1964*";

- (c) if he is convicted of any offence under this Act, or if he is convicted of any indictable offence or of any offence punishable on summary conviction for which he is sentenced to imprisonment otherwise than in default of payment of a fine;
- (d) if he absents himself from three consecutive ordinary meetings of the board without its leave;
- (e) if he does not within two months after any subscriptions and charges become due by him to the society on account of his membership, pay the same;
- (f) if he ceases to be a member of the society;
- (g) if by notice in writing to the board he resigns his office;
- (h) if he is removed from office by resolution of a general meeting of the society;
- (i) (subject to subsection (2) of this section) if he has, or his spouse living with him has, or is partner of, or in the employment of, or the employer of any other person who has a direct or indirect pecuniary interest in any agreement with the society otherwise than as a member of, and in common with the other members of a company or corporate body consisting of more than twenty persons.

(2) The provisions of paragraph (i) of subsection (1) of this section shall not extend or apply to any loan to the director, or other person referred to in that paragraph, as the case may be, made or guaranteed by the society in accordance with a special resolution, or to any purchase by the director or such other person from the society in accordance with a special resolution, or to any of the following dealings, if made in good faith, in the ordinary course of business of the society, and on such terms as are usual and proper in similar dealings between the society and its members, that is to say:—

- (a) a purchase of any goods by the director, or such other person, from the society;
- (b) a sale of any agricultural products or live stock by the director, or such other person, to the society;
- (c) a loan, whether by deposit or otherwise, by the director, or such other person to the society;
- (d) any loan made to a society and in which a directors' or such other persons' pecuniary interest consists in his having guaranteed or joined in guaranteeing the repayment of the loan or any part thereof;
- (e) any other dealing between the society and a director, or any such other person, which under its objects the society may have with its members;
- (f) such other dealings as may be prescribed.

(3) A director shall not vote upon any question in which he or any other person referred to in paragraph (i) of subsection (1) of this section has any direct or indirect pecuniary interest otherwise than as a member and in common with the other members of the society, and if he votes his vote shall not be counted.

This subsection shall not extend or apply to a vote in connexion with any dealing referred to in paragraph (a), (b), (c), (d), (e) or (f) of subsection (2) of this section.

(4) Any vacancy occurring on the board shall be filled as prescribed by the rules of the society.

**76. Age limit for directors.** (1) Subject to the provisions of this section no person of or over the age of seventy-two years shall be appointed a director of a society.

(2) The office of a director of a society shall become vacant at the conclusion of the annual general meeting commencing next after he attains the age of seventy-two years or if he has attained the age of seventy-two years before the commencement of this Act at the conclusion of the annual general meeting commencing next after the commencement of this Act.

(3) Any act done by a person as director shall be valid notwithstanding that it is afterwards discovered that his appointment had terminated by reason of subsection (2) of this section.

(4) Where the office of a director has become vacant by reason of subsection (2) of this section no provision for the automatic re-appointment of retiring directors in default of another appointment shall apply in relation to that director.

(5) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.

(6) Notwithstanding anything in this section a person of or over the age of seventy-two years may by a special resolution be appointed or reappointed as a director of that society to hold office until the next annual general meeting of the society or be authorized to continue in office as a director until the next annual general meeting of the society.

(7) Nothing in this section shall limit or affect the operation of any provision of the rules of a society preventing any person from being appointed a director or requiring any director to vacate his office at any age less than seventy-two years.

**77. Power to restrain certain persons from managing societies.**

(1) Where a person is convicted whether within or without the State—

(a) on indictment of any offence in connection with the promotion or management of a corporation;

(b) of any offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more; or

(c) of any offence under section eighty-one of this Act or under section one hundred and twenty-four or section three hundred and three of the Companies Acts or in respect of a conviction without the State, under any provision corresponding to such sections,

and that person, within a period of five years after his conviction or, if he is sentenced to imprisonment, after his release from prison, without the leave of the Court is a director of or is in any way whether directly or indirectly concerned or takes part in the management of a society he shall be guilty of an offence against this Act and liable to a penalty of not more than four hundred dollars or imprisonment for a term not exceeding six months or to both such penalty and imprisonment.

(2) A person intending to apply for the leave of the Court under this section shall give to the Crown Law Officer not less than ten days' notice of his intention so to apply.

(3) On the hearing of any application under this section the Crown Law Officer may be represented at the hearing of and may oppose the granting of the application.

**78. Acting as director after office vacated.** Any person who knowingly continues to exercise the powers of a director of a society after his office as director has been vacated and any director of a society who knowingly permits or suffers any such person to exercise the powers of a director shall be guilty of an offence against this Act and liable to a penalty of not more than two hundred dollars and, in addition, to a penalty of not more than ten dollars for every day during which the offence is continued.

**79. Director's fees.** A director may be paid such fees as are fixed by a general meeting of the society.

**80. Secretary and other officers.** (1) **Secretary.** A society shall appoint a secretary who shall be a natural person and who ordinarily resides in the State.

(2) Anything required or authorized to be done by or in relation to the secretary may, if the office is vacant or for any other reason the secretary is not capable of acting, be done by or in relation to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or in relation to any officer of the society authorized generally or specially in that behalf by the directors.

(3) A provision requiring or authorizing a thing to be done by or in relation to a director and the secretary shall not be satisfied by its being done by or in relation to the same person acting both as director and as, or in place of, the secretary.

(4) **Other officers.** A society may appoint such other officers and employees as it considers necessary for the effectual carrying on of its business.

**81. As to the duty and liability of officers.** (1) A director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office.

(2) An officer of a society shall not make use of any information acquired by virtue of his position as an officer to gain directly or indirectly an improper advantage for himself or to cause detriment to the society.

(3) An officer who commits a breach of any of the provisions of this section shall be—

(a) liable to the society for any profit made by him or for any damage suffered by the society as a result of the breach of any of those provisions; and

(b) guilty of an offence against this Act and liable to a penalty not exceeding one thousand dollars.

(4) This section is in addition to and not in derogation of any other enactment or rule of law relating to the duty or liability of directors or officers of a society.

**82. Annual and special meetings.** (1) A general meeting of the society shall be held once at least in every period of twelve months, within three months after the close of the society's financial year (or within such further time as the Registrar at his discretion may allow) and shall be called the annual general meeting.

(2) Special meetings of the society shall be held or may be called as prescribed by the rules of the society.

(3) At any meeting of the society no item of business shall be transacted unless a quorum of members entitled under the rules to vote is present during the time when the meeting is considering that item. The quorum shall be as prescribed by the rules of the society but shall not in any case be less than—

(a) in the case of a society, the number of members whereof for the time being is thirty members or less—fifty per centum of such members;

(b) in the case of a society, the number of members whereof for the time being is greater than thirty but less than three hundred—fifteen; and

(c) in the case of a society, the number of members whereof for the time being is three hundred at least—thirty.

**83. Voting by members.** (1) Except as is otherwise provided in this Act or by the rules of the society, every question for decision by a meeting of the society shall be determined by a majority of the members present in person thereat who are entitled under the rules to vote, and unless a poll is demanded by at least five such members the question shall be determined on a show of hands.

(2) Every member of a society entitled under the rules to vote shall, irrespective of the number of shares held by him, have one vote.

(3) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to an additional or casting vote.

**84. Minutes of meeting.** (1) Every society shall record in books kept for the purpose minutes of every meeting of members of the society, of the board, and of every committee kept pursuant to the rules.

(2) The minutes of the business transacted at a meeting of a society, or of the board, or of any committee shall be confirmed and when signed by the chairman at a subsequent meeting, shall be *prima facie* evidence that the business as therein recorded was transacted at the meeting and that the meeting was duly convened and held.

(3) An entry in the minutes of a meeting of a society to the effect that a resolution was carried, or was lost, shall be *prima facie* evidence of the fact without proof of the number or proportion of votes recorded for or against the resolution.

**85. Financial year.** (1) The financial year of a society shall end on such day in each calendar year as is provided for by the rules.

(2) The first financial year of a society may extend with the approval of the Registrar from the date of its registration to a date not later than eighteen months from the date of its registration.



(3) Upon an alteration of the rules of a society altering its financial year, the alteration may provide either that the financial year current at the date of alteration shall be extended for a period not exceeding six months or that the financial year next following the financial year that is then current shall be a period exceeding twelve months but not exceeding eighteen months.

**86. Audit.** (1) The accounts of a society shall be audited annually or more frequently as may be prescribed by the rules.

(2) An auditor shall be a person registered as a public accountant under "*The Public Accountants Registration Acts, 1946 to 1963*," or approved by the Registrar, but an officer or servant of the society shall not be capable of being appointed its auditor.

A person shall not be capable of being appointed auditor of a society at a meeting of the society unless he held office as auditor of the society immediately before the meeting or notice of his nomination as auditor was given to the society by a member of the society not less than fourteen days before the meeting.

Where notice of nomination of a person as an auditor of a society is received by the society, the society shall, not less than seven days before the meeting concerned, send a copy of the notice to—

- (a) the person nominated;
- (b) each auditor (if any) of the society;
- (c) each person entitled to receive notice of that meeting of the society.

**87. Duties of auditors.** (1) Every auditor shall make a report to the members on the accounts examined by him and on the register of members and other records which the society is required to keep by law or by its rules, and on every balance-sheet and every profit and loss account laid before the society in general meeting during his tenure of office, and shall state in the report whether, in his opinion,—

- (a) the balance-sheet and profit and loss account are properly drawn up in accordance with the provisions of this Act and so as to give a true and fair view of the state of the society's affairs; and
  - (b) the register of members and other records which the society is required to keep by or under this Act or by its rules, have been properly kept in accordance with the Act and rules.
- (2) Every auditor shall state in his report—
- (a) if he has not obtained all the information and explanations that he required;
  - (b) if, in his opinion, proper books of account have been kept by the society;
  - (c) if, in his opinion, the returns as submitted from branches not visited by the auditor are inadequate;
  - (d) if, in his opinion, the society's balance-sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;



- (e) if, in his opinion, and to the best of his information and according to the explanation given to him, the said accounts give the information required by or under this Act in the manner so required and give a true and fair view—
  - (i) in the case of the balance-sheet, of the state of the society's affairs as at the end of the financial year; and
  - (ii) in the case of the profit and loss account, of the profit or loss for its financial year;
- (f) if, in his opinion, the register of members and other records which the society is required to keep by or under this Act or by its rules have been properly kept;
- (g) if, in his opinion, the rules relating to the administration of the funds of the society have been observed.

(3) Every auditor shall have a right of access at all times to the books, accounts, vouchers, securities and documents of the society, and shall be entitled to require from the directors and other officers of the society such information and explanation as he thinks necessary for the performance of the audit.

(4) The auditors of a society shall be entitled to attend any general meeting of the society and to receive all notices of and other communications relating to any general meeting which any member of the society is entitled to receive and to be heard at any general meeting which they attend on any part of the business of the meeting which concerns them as auditors.

(5) A copy of the balance-sheet and profit and loss account duly audited, together with a copy of the auditor's report to the members of the society, shall be transmitted by the society to each member with the notice of the annual general meeting, or in the alternative, if the rules of the society so provide the notice of the annual general meeting may include a notice that the balance-sheet and profit and loss account and auditor's report may be inspected by members at the office of the society for such period before the meeting as may be prescribed by the rules.

(6) Any director or officer of a society who refuses or fails without lawful excuse to allow any auditor access to any books, accounts, vouchers, securities and documents of the society in his custody or power or to give any information possessed by him as and when required or who otherwise hinders, obstructs or delays an auditor in the performance of his duties or the exercise of his powers shall be guilty of an offence against this Act.

(7) Every auditor shall, within seven days after furnishing the society with a report pursuant to subsection (1) of this section, forward or lodge with the Registrar a copy of such report.

**88. Auditor-General may audit accounts.** The Minister may at any time require and authorize the Auditor-General to audit the accounts of any society and, when so required and authorized, the Auditor-General shall have in respect of such accounts all the powers conferred on him by any law relating to the audit of public accounts, and shall at the completion of any such audit report thereon to the Minister.

**89. Officer to give security.** Every officer having the receipt or charge of money of the society shall give security as prescribed for rendering a just and true account of all moneys received and paid by him for the society, and for payment of all money due from him to the society.

PART VII—OFFICIAL MANAGEMENT

**90. Official management.** The provisions of Part IX of the Companies Act shall, with all necessary adaptations and with such modifications as may be prescribed, extend to a society.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the Registrar appointed under this Act.

PART VIII—WINDING-UP AND CANCELLATION

**91. Methods of winding-up.** A society may be wound up voluntarily or by or subject to the supervision of the Court or upon a certificate of the Registrar.

**92. Winding-up voluntarily or subject to Court.** (1) In the case of a winding-up either voluntarily or by or subject to the supervision of the Court, the society may be wound up in the same manner and in the same circumstances in which a company formed or registered under the Companies Acts may be wound up and the provisions of those Acts relating to such a winding-up shall apply to and in respect of the winding-up of the society with and subject to all necessary adaptations and in particular so that—

- (a) any reference in those Acts to a special resolution shall be deemed to be a reference to a special resolution as defined in this Act; and
- (b) any reference in those Acts to the “Registrar of Companies” or the “Registrar” shall be deemed to be a reference to the Registrar appointed under this Act.

(2) Where a society is being wound up voluntarily and a vacancy occurs in the office of liquidator which in the opinion of the Registrar is unlikely to be filled in the manner provided in the Companies Acts, the Registrar may appoint a person to be liquidator.

**93. Winding-up on certificate of Registrar.** (1) In the case of a winding-up upon a certificate of the Registrar the society may be wound up if the Registrar certifies that any of the following events has occurred, that is to say:—

- (a) that the number of members is—
  - (i) in the case of a society formed and registered under the repealed Acts, reduced to less than seven members;
  - (ii) in the case of a society formed and registered under this Act, reduced to less than twenty-five members; or
  - (iii) in the case of a federation or league, reduced to less than two;
- (b) that the society has not commenced business within a year of registration or has suspended business for a period of more than six months;
- (c) that the period, if any, fixed for the duration of the society by its rules has expired;
- (d) that an event (to be specified in the certificate) has occurred upon the occurrence of which this Act or the rules provide that the society is to be wound up;

- (e) that the registration of the society has been obtained by mistake or fraud;
  - (f) that the society exists for an illegal purpose;
  - (g) that the society has wilfully and after notice from the Registrar violated the provisions of this Act or of the rules of the society;
  - (h) that there are, and have been for a period of one month immediately before the date of the certificate, insufficient directors of the society to constitute a quorum as provided by the rules of the society;
  - (i) that, as a result of an inquiry pursuant to the provisions of this Act into the affairs of a society or the working and financial provisions of a society, it is in the interests of members or creditors of the society that the society be wound up.
- (2) The Registrar shall not so certify unless—
- (a) the event has been proved to his satisfaction; and
  - (b) in the case of any of the events referred to in paragraphs (e), (f), (g), (h) and (i) of subsection (1) of this section, the Minister consents to the issue of the certificate by the Registrar.
- (3) Where the Registrar so certifies, he may appoint a person to be the liquidator of the society, and the liquidator shall give such security and be entitled to receive such fees as are prescribed.

The liquidator shall, within ten days after his appointment, give notice thereof by advertisement in the *Gazette*, and in a newspaper circulating in the district in which the office of the society is registered.

(4) Where the Registrar has so certified and a liquidator has been appointed the provisions of the Companies Acts relating to a members' voluntary winding-up of a company formed or registered under those Acts shall apply to and with respect to the winding-up of the society with and subject to all necessary adaptations including the adaptations referred to in subsection (1) of section ninety-two of this Act:

Provided that—

- (a) any vacancy occurring in the office of liquidator shall be filled by the appointment by the Registrar; and
- (b) the winding-up shall be deemed to commence at the date of the certificate of the Registrar.

**94. Liability, &c., of members on winding-up.** (1) In a winding-up of a society the provisions of the Companies Acts shall be applied subject to this section.

(2) No contribution shall be required from any member of the society exceeding the amount, if any, on the shares in respect of which he is liable as a past or present member, together with any charges payable by him to the society in accordance with the rules.

(3) Any sum due to a member of a society in his capacity as a member by way of dividends, profits or otherwise shall be deemed not to be a debt of the society payable to the member in a case of competition between himself and any other creditor not being a member to whom any sum within such description is due, but any such sum may be taken into account for the purpose of the final adjustment of the rights of contributors amongst themselves.

**95. Dissolution and cancellation.** (1) A society shall not be dissolved nor the registration of the society cancelled until—

- (a) an account made up and signed by the liquidator showing the assets and liabilities of the society at the commencement of the winding-up and the mode in which those assets and liabilities have been applied and discharged; and
- (b) a certificate signed by the liquidator, or by the secretary or some other officer of the society approved by the Registrar that all property vested in the society has been duly conveyed or transferred by the society to the persons entitled,

have been lodged with, or sent by prepaid registered post to the Registrar.

(2) As soon as is practicable after the society is dissolved, the Registrar shall register the dissolution and cancel the registration of the society.

**96. Application of provisions relating to defunct societies and avoiding dissolution, &c.** Without derogating from the generality of the provisions of sections ninety-two and ninety-four of this Act the provisions of subdivision (5) of division 4 of Part X of the Companies Acts shall apply to and with respect to societies registered under this Act with and subject to all necessary adaptations including the adaptations referred to in subsection (1) of section ninety-two of this Act.

#### PART IX—ADVISORY COUNCIL

**97. Constitution of Council.** (1) There shall be an Advisory Council (in this Act called the “Council”) consisting of not less than five nor more than nine members as determined from time to time by the Governor in Council.

The members of the Council other than the *ex officio* member shall be appointed from time to time by the Governor in Council by notification published in the *Gazette*.

At any time when the total number of the members of the Council is less than nine the Governor in Council may appoint as aforesaid an additional member or members thereof but not so as to increase to more than nine the total membership of the Council at any one and the same time.

(2) The Council shall comprise—

- (a) the Registrar *ex officio*; and
- (b) persons representative of co-operation in Queensland.

In order to appoint persons representative of co-operation in Queensland the Governor in Council shall invite nominations from—

- (a) the association known as the Co-operative Federation of Queensland; and
- (b) such bodies and associations representative of individual classes of societies as the Governor in Council thinks fit.

(3) If a body or association invited by the Governor in Council to nominate a person or persons to be a member or members of the Council fails or refuses to appoint a sufficient number of such persons by a date determined by the Minister, the Governor in Council may appoint a sufficient number of persons who shall be deemed to have been nominated by the body or association who should have appointed him or them.

(4) The two persons named as such in the notification of their appointment shall be respectively the President and Vice-President of the Council.

In the event of a vacancy occurring in the office of President or Vice-President the Governor in Council may designate a member of the Council to be the President or as the case may be, Vice-President.

(5) The members of the Council other than the *ex officio* member shall, subject to this Act, hold their respective offices for such period as may be prescribed.

**98. Functions of Council.** The general function of the Council shall be to take all such steps and to do all such things as in its opinion are desirable in the public interest and as will promote and encourage co-operation and assist both in the formation of new societies and in the improvement and development of existing societies.

In particular, the Council—

- (a) shall, with respect to the formation of new societies, advise upon matters appertaining to finance, business methods, procedure, management, staffing, and all such other matters as are associated with the formation and development of the new society in question;
- (b) may convene or attend meetings of the public at any place or locality for the purpose of disseminating at the meeting in question information respecting co-operation or any form thereof or for the purpose of advocating at that meeting the formation of any form of society; and
- (c) may prepare and disseminate all such information as will in its opinion be calculated to inform and educate the public with respect to co-operation or any form of co-operation and ways and means of forming, establishing and carrying on societies or any form of societies.

**99. Costs of Council.** The costs of the Council and of the carrying out by it of its functions shall be paid from moneys appropriated by Parliament for that purpose.

The Council shall not incur any costs for the payment of which Parliament has not appropriated moneys.

#### PART X—MISCELLANEOUS

**100. Power of Registrar to require evidence.** (1) On any application for registration of a society or of any rule or document under this Act the Registrar may require from the applicant such information and evidence as is reasonable in order to show that the application should be granted.

(2) The Registrar may require from any society such information and evidence as is reasonable in order to show that the society is *bona fide* carrying on business in accordance with the provisions of this Act.

(3) The Registrar may require from a society such evidence as he thinks proper of all matters required to be done and of the particulars in any document required to be lodged with, or delivered or sent to, him under this Act.

**101. Inspection of books.** (1) The Registrar or any inspector may inspect, or, with the approval of the Minister, any officer of the Public Service of Queensland or any accountant may inspect any minutes, registers, books and documents of any society.

(2) The Registrar, inspector or any person so approved may require any director or officer of the society to produce to him all the minutes, registers, books and documents of the society, and any person so required who, without reasonable excuse, fails in any respect to comply with the requirement shall be guilty of an offence against this Act and liable to a penalty of not more than two hundred dollars.

(3) Any bank in which a society keeps an account shall, when so required in writing by the Registrar, furnish to the Registrar a statement of such account and any other particulars required by the Registrar to be so furnished and no bank shall incur any liability whether in respect of any breach of trust or otherwise, by reason only of the furnishing of any statement or particulars pursuant to this section.

**102. Special meeting and inquiry on application of board or members.**

(1) The Registrar shall on the application of a majority of the Board or of not less than one-tenth of the members of any society—

- (a) call a special general meeting of the society; or
- (b) hold an inquiry into the affairs of the society.

(2) The application shall be supported by such evidence as the Registrar directs for the purpose of showing that the applicants have good reason for requiring the meeting or inquiry, and that the application is made *bona fide*.

(3) Such notice of the application shall be given to the society as the Registrar directs.

(4) The applicants shall give such security for the expenses of the meeting or inquiry as the Registrar directs.

(5) The Registrar may direct at what time and place any such meeting is to be held and what matters are to be discussed and determined at the meeting, and shall give such notice to members of the holding of such meeting as he deems fit notwithstanding any provision in the rules of the society as to the giving of such notice.

(6) The meeting shall have all the powers of a meeting called in accordance with the rules of the society, and shall have power to appoint its own chairman, notwithstanding any rule of the society to the contrary.

(7) The Registrar may appoint an inspector to hold any such inquiry.

(8) All expenses of and incidental to the meeting or inquiry shall be defrayed by the applicants or out of the funds of the society or by any officer or member or former officer or member of the society as the Registrar directs, or in any two or more of such ways in such proportions as the Registrar directs, and any amount thereof not paid as directed by the Registrar may be recovered by him by action as for a debt in any court of competent jurisdiction.

**103. Inquiry by Registrar or inspector.** (1) The Registrar may without any application hold an inquiry or appoint an inspector to hold an inquiry into the affairs of any society.

(2) Upon the completion of any inquiry under this section or the last preceding section the Registrar may if he thinks fit call a special general meeting of the society.

(3) The provisions of subsections (5), (6) and (8) of section one hundred and two of this Act shall so far as applicable apply to and with respect to any such meeting.

**104. Powers of Registrar, &c., on inquiry.** In holding any inquiry in accordance with this Act the Registrar or inspector concerned shall have and may exercise all the powers, authorities, protection and jurisdiction of a Commission under "*The Commissions of Inquiry Acts, 1950 to 1954*," except such as are limited to a chairman of such a Commission who is a Judge of the Supreme Court.

**105. Inspection of documents at registry.** Any person may on payment of the prescribed fee—

- (a) inspect at the office of the Registrar the rules of and the documents relating to the registration of any society;
- (b) obtain from the Registrar a certificate of the registration of any society and a certified copy of the rules or of any part of the rules of any society;
- (c) with the permission of the Registrar, inspect at his office and obtain from him a certified copy of any other registered document, or of any part thereof;
- (d) inspect at the office of the Registrar any final accounts of any society;
- (e) inspect at the office of the Registrar any list of the directors of any society.

**106. Certificates, &c.** (1) Every certificate of incorporation or other official document relating to a society signed by or bearing the seal of the Registrar shall be received in evidence without further proof.

(2) Any thing purporting to be a duplicate original or copy of a certificate of incorporation of a society and certified as such by the Registrar shall be received in evidence as if it were the original certificate.

(3) Judicial notice shall be taken of the signature and seal of any person who holds or has held the office of Registrar, if the signature or seal purports to be attached to any certificate or other official document.

(4) The provisions of this section shall extend to any copy of the rules of a society certified by the Registrar to be a true copy of its registered rules.

**107. Rules.** A copy of the rules of a society purporting to be certified by the secretary of the society to be a true copy of its registered rules shall be *prima facie* evidence of the rules.

**108. Register.** The register of directors, members and shares of a society shall be *prima facie* evidence of the particulars directed or authorized by or under this Act to be inserted therein, and a copy of any entry in that register shall, if certified by the Registrar to be a true copy of the entry in question, be *prima facie* evidence of the particulars to which the entry relates.

**109. Entries in books.** A copy of any entry in a book of a society regularly kept in the course of business shall, if certified by statutory declaration of the secretary to be a true copy of the entry, be received in evidence in any case where and to the same extent as the original entry itself is admissible.

**110. Saving.** The foregoing provisions of this Part shall be read and construed as in aid of and not in derogation from any other Act or law relating to evidence, judicial notice, or the proof of documents.



**111. False copies of rules.** If any person gives to any member of a society or to any person intending or applying to become a member of a society, a copy of any rules or any alterations of the same other than those which have been duly registered representing that the same are binding on the members of the society, or if any person makes any alteration in any of the rules of the society after they have been registered, and circulates the same representing that they have been duly registered, when they have not been so registered, he shall, without prejudice to proceedings for any other offence for which he may be liable, be guilty of an offence against this Act and liable to a penalty of not more than two hundred dollars.

**112. False entries.** If any person wilfully makes, orders, or allows to be made any entry or erasure in, or omission from, any balance-sheet or account of a society or any book, register, return or document required to be kept, lodged, sent, delivered, or produced for any purpose of this Act, with intent to falsify the same, or to evade any of the provisions of this Act, he shall, without prejudice to proceedings for any other offence for which he may be liable, be guilty of an offence against this Act and liable to a penalty of not more than two hundred dollars.

**113. Imposition and misapplication of moneys, &c.** If any person, by false representation or imposition, obtains possession of any property of a society, or having the same in his possession, withholds or misapplies the same or wilfully applies any part thereof to purposes other than those specified or authorized by the rules of the society or by this Act, he shall, without prejudice to proceedings for any other offence for which he may be liable, be guilty of an offence and liable to a penalty of not more than two hundred dollars.

**114. Failure to comply with lawful requirements, &c.** Every person who—

- (a) being required under this Act to supply any information, produce any record, or lodge any return, fails, without reasonable excuse the proof whereof shall lie upon him, to supply that information, produce that record, or lodge that return, as the case may be, in accordance with that requirement;
- (b) being required under this Act to answer any question, fails without reasonable excuse the proof whereof shall lie upon him to answer that question or gives an answer which he knows to be false;
- (c) assaults, resists, or obstructs any person in the exercise of his powers or in the discharge of his duties under this Act, or attempts so to do,

shall be guilty of an offence against this Act and liable to a penalty not exceeding three hundred dollars.

**115. Liability for offences by corporations, &c.** (1) Except where otherwise expressly provided in this Act, where a society or other corporate body offends against this Act each and every one of the following persons shall be deemed to have committed the offence, and shall be liable to be proceeded against and punished accordingly, namely:—

- (a) the managing director, manager, or other governing officer, by whatever name called, and every member of the governing body, by whatever name called, thereof; and

- (b) every person who in Queensland manages or acts or takes part in the management, administration, or government of the business in Queensland of the society or other corporate body.

This subsection applies so as not to limit or affect howsoever the liability of a society or other corporate body to be proceeded against and punished for an offence against this Act committed by it.

(2) Except where otherwise expressly provided in this Act, where any member of an unincorporated body or association of persons commits an offence against this Act, the other member or members, as the case requires, of that body or association shall be deemed to have also committed the offence and shall be liable to be proceeded against and punished accordingly.

(3) No person who is proceeded against pursuant to this section shall be convicted if the court is satisfied that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to all the circumstances.

**116. Penalty provisions.** (1) Any person who contravenes or fails to comply with any provision of this Act commits an offence against this Act and is liable, if a specific penalty is not prescribed for that offence, to a penalty of two hundred dollars.

A prosecution for an offence against this Act shall be taken by way of summary proceedings under "*The Justices Acts, 1886 to 1965.*"

(2) Nothing in this Act contained shall render any person compellable to answer any question incriminating or tending to incriminate himself.

**117. Limitation of liability.** No act, matter, thing, recommendation or decision done or made in good faith by—

- (a) the Minister;
- (b) the Council;
- (c) any officer of the Public Service,

for the purpose of carrying out or giving effect to this Act, shall subject them or any of them or the Crown to any action, liability, claim or demand.

No provision of this section shall authorize, justify or excuse an act or omission which is an offence against this Act.

**118. Regulations.** (1) The Governor in Council may from time to time make regulations, not inconsistent with this Act, providing for all or any purposes, whether general or to meet particular cases, as are convenient for the administration of this Act or as are necessary or expedient for carrying out the objects and purposes of this Act.

(2) Without limiting the generality of the provisions of subsection (1) of this section, regulations may be made for or in respect of all or any of the following purposes, matters, and things, that is to say:—

- (a) providing for a registry;
- (b) providing for, regulating and controlling the procedure for the doing of any act required by this Act to be done;
- (c) prescribing the forms to be used for the purposes of this Act;
- (d) prescribing the duties of the Registrar under this Act;
- (e) providing for and prescribing charges and fees to be paid under or for the purposes of this Act and the purposes for which the same shall be payable;

- (f) providing for the creation of offences for contravention of or non-compliance with a regulation and prescribing penalties therefor not exceeding in any case one hundred dollars;
  - (g) providing for times and places of meetings of the Council, and the voting, quorum, and the regulation of the business and procedure at such meetings;
  - (h) providing for the filling of casual vacancies in the membership of the Council and for the appointment of a person to act temporarily in the room of any member during the absence of that member;
  - (i) providing for disqualifications from membership of the Council and the removal from office of any member who may become subject to any prescribed disqualification;
  - (j) providing for fees and allowances payable to members of the Council; and
  - (k) prescribing all other matters which, by this Act, are required or permitted to be prescribed and in respect of which no other method of so prescribing is specified.
- (3) Regulations may be made on the passing of this Act.
- (4) When a regulation made pursuant to this Act is inconsistent with a rule of a society or any part thereof such regulation shall prevail and, to the extent of such inconsistency, the rule or, as the case may be, part shall be of no force and effect.
- (5) The power to make any regulation under this Act shall include power to make that regulation so that it may be of general or specially limited application according to time, place, purposes, class, or circumstances, or otherwise as is prescribed, and so that any regulation of specially limited application may or may not differ from any other regulation of specially limited application with respect to persons, matters, or things included in any class thereof.

**119. Publication of Orders in Council, &c.** (1) Every Order in Council and regulation made or purporting to be made under this Act shall—

- (a) be published in the *Gazette*;
  - (b) upon its publication in the *Gazette*, be judicially noticed and such publication shall be conclusive evidence of the matters contained therein;
  - (c) take effect from the date of such publication unless, in the case of any regulation a later date is specified in that or any other regulation for its commencement when in such event it shall take effect from that later date; and
  - (d) be laid before the Legislative Assembly within fourteen sitting days after such publication, if the Legislative Assembly is in session, and if not, then within fourteen sitting days after the commencement of the next session.
- (2) If the Legislative Assembly passes a resolution of which notice has been given at any time within fourteen sitting days after any such Order in Council or regulation has been laid before it disallowing the same or part thereof, that Order in Council, regulation or part thereof shall thereupon cease to have any effect, but without prejudice to the validity of anything done in the meantime or to the making of a further Order in Council or regulation.

[Section 16]

## THE SCHEDULE

### RELATING TO THE MEMBERS, PROCEEDINGS AND BUSINESS OF A CREDIT UNION

**1. Loans to members.** A credit union shall not make a loan unless the member to whom the loan is made—

(a) resides within such district; or

(b) is within such class,

as may be specified in the rules of the credit union.

The Registrar shall not approve of a rule containing such a specification unless he first approves of such specification.

**2. Application for loan.** A loan shall not be made unless a member has furnished to the Board a statutory declaration setting out whether or not he is a member of any other credit union and if he is a member of any other credit union particulars of any moneys owing by him.

**3. Particulars, &c., in application.** (1) A member desiring a loan shall make application to the credit union in the manner provided by the rules of the credit union and such application shall state—

(a) the amount required and the purpose for which it is to be used;

(b) the term for which the loan is required as provided in the rules of the credit union;

(c) such other particulars as the rules of the credit union may require.

(2) The Board may approve the application in whole or in part and on such terms as it thinks fit including—

(a) repayment to be guaranteed by another member or other members;

(b) the giving of security.

(3) The member shall be notified in writing of the Board's decision and if acceptable to him he shall endorse his acceptance on such notification and return it to the credit union.

(4) Before any moneys are advanced the Board may require the member to sign a promissory note or promissory notes for the amount of the moneys to be advanced.

**4. Extension of time for repayment.** If the member is unable to repay the loan in full on or before the agreed date the Board may (whether or not the agreed date has expired) grant an extension of the time for repayment.

The application by a member for an extension of time for repayment shall be made in the manner prescribed in the rules of the credit union and shall be kept distinct from any new application made by the member but in all other respects the provisions of this Act and the rules of the credit union relating to applications and the rights and liabilities arising thereunder shall be applicable to such extension of time.

**5. Maximum amount borrowed.** The total amount owing by the borrower in respect of any loans made by the credit union shall not exceed such sum as may be specified in the rules of the credit union.

The Registrar shall not approve of a rule containing such a specification unless he first approves of such specification.

**6. Application, &c., subject to Act.** Every form of application for a loan and every acknowledgment or security of any kind given by the borrower for a loan from the credit union shall have printed therein or thereon a statement that the borrower is subject to the liabilities and restrictions imposed by this Schedule and by the rules of the credit union.