

# SAINT LUCIA

STATUTORY INSTRUMENT, 2022, No.

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*Regulation*

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# SAINT LUCIA

STATUTORY INSTRUMENT, 2022, No.

[ ]

In exercise of the power conferred under section 320 of the Co-operative Societies Act, No. of 2021 the Minister responsible for co-operative societies makes these Regulations:

## PRELIMINARY

### Citation

1. These Regulations may be cited as the Co-operative Societies Regulations, 2022.

### Interpretation

2. In these Regulations —

“Act” means the Co-operative Societies Act, No. of 20[ ];

“asset worth” means the total assets of a co-operative society;

“association” means a group of people organized for some common purpose but without corporate personality;

“collateral” means security pledged as a guarantee for the payment of a loan if the member fails to repay;

“document” means a report, return or other document required to be sent to the Registrar under the Act or these Regulations;

“gross income” —

- (a) in the case of a credit union, means interest income from loans and investments, gains and other revenue generated from all sources before expenses and deductions are applied;
- (b) in the case of any other co-operative society, means the total turnover, including receipts from sales, interest income, gains and other revenue less the cost of sales and related costs or direct expenses;

“immediate family” means the spouse, children, including step-children, or issue and dependents of an individual;

“inactive account” means an account established in a co-operative society on which no transaction has been originated by the member for a period not less than twelve consecutive months;

“maximum external borrowing” means the highest level of exposure authorized by the members of a co-operative society to loans, deposits, accrued interest and other payables contracted from external parties including non-members, each at the highest cumulative value;

“minimum capital” means the financial position of a co-operative society whose institutional capital is equal to twelve per cent of its assets and whose membership capital is equal to three per cent of its assets;

“operating expenses” —

- (a) includes expenses incurred in serving members and in maintaining the co-operative society’s physical plant, personnel and related costs, marketing, governance, affiliation, depreciation and other administrative expenses, as defined by accepted prudential standards;
- (b) does not include financial expenses, in a credit union and trading expenses such as, cost of goods sold and direct expenses related to the cost of production in other co-operatives;

“related members” means members of a co-operative society who are dependent on the same source of income or closely connected within the same business enterprise;

“secured loan” means a loan for which the borrower has committed to the credit union collateral funds and property that are of equivalent value to one hundred per cent or more of the value of the loan and that are sufficient, safe and realizable, in order to secure the loan.

**PART I  
DOCUMENTS**

**Completion of a document**

3.—(1) Where an item required by a document does not apply, the person preparing the document must indicate that fact by placing the phrase “not applicable” or the abbreviation “N/A” in the space provided in the document.

(2) A person preparing a document may incorporate a provision, agreement or other document where —

- (a) a provision required to be set out in the document is too long to be set out in the space provided in the document; or
- (b) an agreement or other document is to be incorporated by reference and to be part of the document.

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

- (a) setting out the phrase “Annex (Number) is incorporated in this form” in the space provided on the document; and
- (b) annexing the provision, agreement or other document to the document.

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

**Fee for certificate of amendment of bye-laws**

4. For the purposes of section 9(1)(b) of the Act, the fee for a certificate of amendment of bye-laws is as specified in Schedule 2.

**Form of personal declaration**

5. For the purposes of section 11(2) of the Act, the personal declaration form is as set out in Form 1 of Schedule 1.

**Form of certificate of supervision**

6. For the purposes of section 20 of the Act —
- (a) the certificate of supervision is as set out in Form 2 of Schedule 1;
  - (b) The fee for the certificate of supervision is as specified in Schedule 2.

**PART II****REGISTRATION****Fee for search and reservation of name**

7. For the purposes of —
- (a) section 23(1) of the Act, the fee for a name search is as specified in Schedule 2;
  - (b) section 23(2) of the Act, the fee for reservation of a name is as specified in Schedule 2.

**Application for registration**

8. For the purposes of —
- (a) section 24(1) of the Act, an application for the registration of a co-operative society is as set out in Form 3 of Schedule 1;
  - (b) section 24(3)(b) of the Act, the application fee is as specified in Schedule 2.

**Certificate of registration**

9. A certificate of registration issued under section 31(1)(c) of the Act is as set out in Form 4 of Schedule 1.

**Certificate of continuance**

10. For the purposes of —
- (a) section 35(2) of the Act, a certificate of continuance is as set out in Form 5 of Schedule 1;



- (b) section 35(1) of the Act, the fee for a certificate of continuance is as specified in Schedule 2.

**Register**

**11.**—(1) All entries in the Register shall be made by or under the direction of the Registrar and shall be signed by the Registrar.

(2) The Register shall contain in respect of each co-operative society —

- (a) its name;
- (b) its principal address;
- (c) the address of its place of business operations;
- (d) the address of each branch location;
- (e) the date of its registration;
- (f) the date its bye-laws are adopted by members;
- (g) the date its bye-laws are approved by the Registrar;
- (h) its founding members;
- (i) the date that amendments are made to the bye-laws;
- (j) the date that a name is changed; and
- (k) any other details considered relevant by the Registrar.

(3) A cancellation of the registration of a credit union or other co-operative society by the Registrar shall be noted in the Register within seven days of the cancellation.

(4) An amendment in the Register shall be authorized by the Registrar.

**Restoration of name to the Register**

**12.** For the purposes of section 42(2) of the Act —

- (a) an application for the restoration of a name to the Register is as specified in Form 6 of Schedule 1;
- (b) the fee for restoration of a name to the Register is as specified in Schedule 2.

**Fee for inspection of the Register**

**13.** For the purposes of section 43 of the Act, the fee for inspection of the Register is as specified in Schedule 2.

**Fee for copies or certified copies**

**14.** For the purposes of section 44 of the Act, the fee for copies or certified copies of an entry in the Register, document or other record received by the Registrar is as specified in Schedule 2.

**PART III**  
**CHANGE OF NAME, TRAINING AND RECORDS**

**Form and fee for change of name**

**15.** For the purposes of —

- (a) section 47(2) of the Act, the fee for a change of name is as specified in Schedule 2;
- (b) section 47(3) of the Act, the certificate of change of name is as specified in Form 7 of Schedule 1.

**Compliance by credit union**

**16.** A credit union shall have written policies and procedures sufficient to allow employees to adequately determine—

- (a) the true identity of a member;
- (b) economic activities of a member;
- (c) the origin and destination of a member's transaction;
- (d) whether a member's transaction activity is appropriate; and
- (e) whether a member's account activity is normal, based on past account history and the member's economic activities.

**Training**

**17.** Credit union personnel that have contact with members, shall receive appropriate anti-money laundering training that is on-

going and incorporates a review of all laws, requirements and current developments related to anti-money laundering and counter-terrorism financing.

### **Preservation of records**

**18.**—(1) For the purposes of section 67 of the Act and in order to safeguard continuity of the members' business, a co-operative society shall store duplicate records at an off-site location which has acceptable security and is geographically distant from the co-operative society's office.

(2) If the co-operative society is computerized, the daily transaction files must be copied to a memory device on a daily basis and stored off-site.

(3) A records preservation log book shall be maintained at the co-operative society showing the records stored, where the records were stored, when the records were stored and who sent the records for storage.

(4) Stored records may be in any format which can be used to reconstruct the co-operative society's records.

(5) The original records shall be stored at the co-operative society and a copy of the originals of the most recent month-end records be stored as follows —

- (a) a list of shares, savings or deposit account balances and loan balances, as applicable, for each member' account;
- (b) a financial report which lists the co-operative society's assets, liabilities and equity accounts and outstanding balances;
- (c) a list of the co-operative society's bank and investment accounts, including the account names and numbers, copies or duplicates of titles for fixed assets owned by the co-operative society, copies of external borrowing agreements and payment schedules with outside sources and copies of insurance policies; and
- (d) an updated copy of all loan agreements or instruments that hold members liable for debt repayment to the co-operative society and this information which must reflect when loans are paid off or new loans granted.

**PART IV**  
**DUTIES OF PRESIDENT, VICE-PRESIDENT, TREASURER,**  
**SECRETARY AND COMMITTEES**

**Duties of president**

**19.** For the purposes of section 69(6) of the Act, the duties of a president include —

- (a) to project and defend the integrity of the organization as a registered co-operative society;
- (b) to build participation in the affairs of the co-operative society by the members as the owners;
- (c) to preside at meetings of the members and of the board;
- (d) to set the agenda for meetings of the members and of the board;
- (e) to appoint committees and encourage leadership development;
- (f) to promote healthy relationship building, supervise and support the manager's efforts to integrate approved policies into day-to-day operations;
- (g) to promote an enabling climate for accountability, effective communication, performance and professional growth at all levels;
- (h) to represent the co-operative society to its members and other stakeholders;
- (i) to increase shareholder value by managing the relationship between the owners and the decision-makers; and
- (j) to be a role model of good governance and effective leadership for staff and other board members.

**Duties of vice-president**

**20.** Subject to the duties assigned by the board or the bye-laws, in the absence of or disability of the president, for the purposes of section 69(6) of the Act, the vice-president shall exercise the duties of the president under regulation 19.

**Duties of treasurer**

**21.—**(1) For the purposes of section 69(6) of the Act and subject to the duties assigned by the board or the bye-laws, the treasurer has the duty to —

- (a) receive and issue receipts for all monies due and payable to the co-operative society;
- (b) deposit monies received in the name of the co-operative society in a bank or depository as specified by the board;
- (c) sign cheques, notes, bills of exchange and other documents necessary to effect the business of the co-operative society;
- (d) record all transactions effected by the co-operative society in the books provided for that purpose;
- (e) keep charge of documents, books and vouchers for all payments made and receipts issued on behalf of the co-operative society;
- (f) prepare the annual statement of accounts, balance sheet and monthly statements as the board requests;
- (g) keep monies belonging to the co-operative society separate from other monies, and produce the monies at all times when called on by the board or the Registrar or any person it so authorizes, including monies on hand belonging to the co-operative society;
- (h) produce a current statement of the co-operative society's monies on demand;
- (i) make payments as authorized by the board and obtain receipts for those payments;
- (j) make payments as authorized by the board, obtaining the payee's signature in the payment record, and where the payment is made outside the co-operative society's office the treasurer shall obtain from the payee a manuscript receipt and attach it to a separate page of the payment record;

- (k) reconcile at least once per month, the members' ledger or account with the relative general ledger control account;
- (l) reconcile or cause accounts of members and other depositors to be reconciled at least once per month with the relative control accounts in the general ledger;
- (m) confirm members' ledgers with the passbooks or statements at least once per quarter;
- (n) perform other duties as the bye-laws or the board assigns.

(2) The board may authorize the manager or a senior executive officer to perform the duties of the treasurer, including the preparation of financial statement, cash management and the signing of cheques.

#### **Duties of secretary**

**22.**—(1) For the purposes of section 69(6) of the Act and subject to the duties assigned by the board or the bye-laws, the secretary has the duty to —

- (a) attend general meetings of the co-operative society and all meetings of the board and perform the instructions of the board;
- (b) record the minutes of the meetings of the co-operative society or of the board;
- (c) review the minutes of the committees of the co-operative society;
- (d) be responsible for records, books, papers and other documents of the co-operative society;
- (e) ensure that records, books, paper and other documents of the co-operative society are kept in a safe place in the office of the co-operative society;
- (f) issue notices for all meetings of the board and general membership of the co-operative society in accordance with these Regulations and the bye-laws;

- (g) sign and execute, jointly with the president, deeds and conveyances of real or personal property, fixed deposits or share certificates, transfers and redemption of shares and any other documents as the board specifies;
- (h) summon meetings;
- (i) conduct applicable correspondence on behalf of the co-operative society; and
- (j) perform other duties assigned by the bye-laws of the co-operative society or authorized by the board.

(2) The board may authorize the manager or a senior executive officer to perform the duties of the secretary under subregulation (1), including the recording of minutes and the convening of meetings.

#### **Functions of supervisory and compliance committee**

**23.**—(1) For the purposes of section 91(1)(g) of the Act and subject to the bye-laws of a co-operative society, the supervisory and compliance committee has the following functions —

- (a) meet within fourteen days after the first annual general meeting of the co-operative society and within fourteen days after each annual general meeting of the co-operative society to organize for the current year;
- (b) review the policies and operating procedures of the co-operative society and make recommendations to the board and to the credit committee;
- (c) ensure that the annual financial statement, monthly, annual and special returns are filed in compliance with the Act;
- (d) determine periodically and not less than once every three months whether the provisions of the Act, these Regulations, the bye-laws, policies and procedures of the co-operative society, the accepted prudential standards, the Proceeds of Crime Act, Cap. 3.04, the Money Laundering (Prevention) Act, Cap. 12.20 and other related legislation have been complied with in

- the processing of loans, the placing of investments, overdrawing from members' deposit accounts, administration of members' accounts, and the maintenance of minutes of the board and the credit committee;
- (e) receive and investigate any complaints made by members of the co-operative society about the management of the co-operative society;
  - (f) monitor the Register of dormant and inactive accounts and the follow-up activities taken by management to reduce and prevent losses;
  - (g) monitor the management of the co-operative society and review and discuss all reports of the internal and external auditor and the compliance officer;
  - (h) investigate and report any areas of misconduct, where applicable;
  - (i) verify the assets of the co-operative society and monitor whether the assets are properly protected;
  - (j) file a report with the Registrar and summon a special general meeting within ten days notice, where it considers that the board or any of its members is not working in the best interests of the co-operative society; and
  - (k) submit, before the seventh day of each ensuing month, a monthly report to the board signed by at least two committee members.

(2) The board may authorize the compliance officer or other employee to assist the supervisory and compliance committee to perform a function under subregulation (1), including the recording of minutes and the convening of meetings.

(3) An employee assigned by the board to participate in meetings of the supervisory and compliance committee is an *ex-officio* member but does not have the right to vote on any matter.



**Functions of credit committee**

**24.**—(1) For the purposes of section 100(d) of the Act, the functions of the credit committee of a credit union are to —

- (a) make recommendations to the board regarding policies and procedures to be followed by the credit union for approving and granting loans;
- (b) monitor lending, tracking and collection procedures through reports from inspections and examinations conducted by the Registrar from assessments by the credit union's auditor and reports from other officers of the credit union;
- (c) review and record applications for loans, loan extensions and revisions of the terms of loans that are referred to it by the manager or a designated officer of the credit union, having regard to —
  - (i) the name of the applicant,
  - (ii) the amount of the loan applied for or the change in the terms or conditions applied for, and
  - (iii) whether the application was approved, declined or deferred;
- (d) ensure that appropriate policies and procedures are established and implemented by the manager to collect delinquent accounts; and
- (e) review reports that are submitted to it by the manager of the credit union or the assignee of the manager.

(2) The board may authorize the manager, loans manager, loans officer or any other employee to assist the credit committee to perform the functions under subregulation (1), including the processing and approval of loans, recording of minutes and the convening of meetings.

(3) An employee assigned by the board to participate in meetings of the credit committee is an *ex-officio* member but does not have the right to vote on any matter.

**Conduct of meeting for nomination**

**25.—**(1) For the purposes of section 108(3) of the Act, a meeting for the nomination of a director or committee member to be elected to the board or committee of a co-operative society must be conducted as follows —

- (a) before accepting the nomination of a person or persons for election to the board or to a committee, the chairperson of the meeting called for the purpose of elections shall be satisfied that each person nominated —
  - (i) meets the criteria under section 107 of the Act, these Regulations and the bye-laws of the co-operative society to be a director or committee member,
  - (ii) has consented to the nomination, and
  - (iii) has completed or consented to complete the personal declaration form under regulation 5;
- (b) where the number of candidates nominated is the same as or fewer than the number required to be elected at that meeting, the chairperson of the meeting shall declare the candidates nominated to have been elected by acclamation and entitled to hold the positions for which they were nominated;
- (c) where candidates are to be elected for varying terms, the period of service for each elected candidate;
- (d) where two or more candidates receive an equal number of votes, the members present at the meeting may, by resolution, provide that a second ballot be cast to break the tie;
- (e) where the intervention provided under paragraph (d) returns the same result or is not applied, the chairperson of the meeting called to elect directors and committee members shall exercise a casting vote or shall draw lots, and the candidate whose lot is drawn is to be declared elected;
- (f) where a member votes for more than the number of directors or committee members to be elected on a ballot, the ballot shall not be counted.

(2) A co-operative society shall not include in its bye-laws a provision that prohibits a member from nominating a person who—

- (a) is qualified and eligible to be a director or committee member; and
- (b) consents to the nomination.

#### **Form of notice of change**

**26.** For the purposes of section 113(1)(a) of the Act, a notice of change of director or committee member is in the form set out in Form 8 of Schedule 1.

#### **Minimum security or bond**

**27.** For the purposes of section 126(2) of the Act, the minimum amount of the security or bond —

- (a) in the case of a credit union, is —
  - (i) seven thousand five hundred dollars for a co-operative society with an annual gross income that exceeds fifty thousand dollars,
  - (ii) twenty thousand dollars for a co-operative society with an annual gross income that exceeds one hundred thousand dollars,
  - (iii) fifty thousand dollars for a co-operative society with an annual gross income that exceeds five hundred thousand dollars,
  - (iv) seventy-five thousand dollars for a co-operative society with an annual gross income that exceeds seven hundred and fifty thousand dollars, and
  - (v) one hundred thousand dollars for a co-operative society with an annual gross income that exceeds one million dollars;
- (b) in the case of a co-operative society other than a credit union, is —
  - (i) one thousand dollars for a co-operative society with sales or revenue not exceeding twenty-five thousand dollars per year,

- (ii) two thousand dollars for a co-operative society with sales or revenues greater than twenty-five thousand dollars and not exceeding seventy-five thousand dollars per year, and
- (iii) four thousand dollars for a co-operative society with sales or revenues exceeding seventy-five thousand dollars per year.

**Expenses to be reimbursed**

**28.**—(1) For the purposes of section 127(2) of the Act, the expenses that may be reimbursed includes —

- (a) out-of-pocket expenses for supplies or other items used for the co-operative society's business;
- (b) telephone expenses; and
- (c) mileage to and from meetings of the board, the elected committees and where the official is representing the co-operative society.

(2) An honorarium under section 127(4) is payable only from the surplus of the outgoing year after the capital requirements have been met.

(3) The aggregated cost of board and committee activities and undertakings including reimbursements, attendance at meetings and conferences, honoraria, special events, training, local and overseas travel, indemnity and other insurance, affiliation and other governance expenses shall not exceed five per cent of the annual operating expenses, excluding cost of funds, provisions and other financial expenses of a co-operative society.

(4) The treasurer and the management shall ensure that there is full disclosure to the members of the board and committee expenses in each mandatory financial return and in each audited financial statement.

**PART V**  
**REGISTER OF MEMBERS AND MEETINGS**

**Register of members**

**29.** For the purpose of section 129 of the Act, prior to opening a new account or adding a member to an existing account, a co-operative society shall obtain the following information on each member of the co-operative society and maintain an accurate and up-to-date record in its Register of members, which includes —

- (a) the name, date of birth and occupation of the member;
- (b) the residential and work or business address of the member;
- (c) a copy of two valid forms of identification, such as a passport, national identification card or driver's licence that includes a photograph and identification number;
- (d) the social security or national insurance number;
- (e) the number of qualifying and other equity shares held by the member;
- (f) the amounts paid and dates of each share purchase;
- (g) the date when payment was entered into the Register of members;
- (h) the date when the person became a member and his or her account number;
- (i) the nominee of the member and the corresponding entitlements per nominee in keeping with section 130 of the Act;
- (j) the date and reason for cessation of membership; and
- (k) other information considered pertinent by the board.

**Accountability and participation at general meeting**

**30.—(1)** The board of directors, the supervisory and compliance committee and the credit committee are accountable to the general meeting of members.

(2) Subject to section 3(a) of the Act, at a general meeting, each member has a right to attend and to vote on all questions, but the member shall have one vote only which shall be exercised in person.

**Purpose of annual general meeting**

**31.** A co-operative society shall hold an annual general meeting under section 151 of the Act for the following purposes —

- (a) to confirm the minutes of the previous Annual General Meeting or any intervening special meeting;
- (b) to consider the reports from the board, the credit committee and the supervisory and compliance committee;
- (c) to examine the statement of financial position together with the audit of the accounts of the previous year by the auditor;
- (d) to confirm the financial statements, or, if the financial statements are not confirmed, cause the Secretary to notify the Registrar who shall consider the matter and make a final decision as to the correctness of the financial statements is final;
- (e) to present a report and declaration of faithful and loyal performance in governance matters;
- (f) to set the maximum liability which the co-operative society may incur through borrowing from external sources;
- (g) to hear and decide on any complaint brought by a member or members aggrieved by a decision of the board;
- (h) to elect members of the board of directors, the credit committee and the supervisory and compliance committee to serve for the ensuing financial year;
- (i) to appoint auditors for the ensuing financial year; and
- (j) to conduct any other general business of the co-operative society.

**Procedures at meetings**

**32.**—(1) Subject to the bye-laws of a co-operative society —

- (a) the president of a co-operative society or, in his or her absence, the vice-president shall preside as chairperson of an annual general meeting or a special general meeting convened by the board;
- (b) where the president and the vice-president are absent or indisposed, the remaining members of the board shall select any other elected director to chair an annual general meeting or a special general meeting;
- (c) the secretary of the board or in the secretary's absence a person nominated in writing by the chairperson shall act as secretary at the general meeting and the chairperson, if necessary, may nominate other officers to assist at the meeting;
- (d) the chairperson may, by a decision of a general meeting, adjourn the meeting to be reconvened at a subsequent time or different place but no business shall be transacted at any general meeting adjourned other than business that was left unfinished from the meeting which was adjourned; and
- (e) the chairperson shall have the right to order the closure of a discussion and put a matter to a vote.

(2) Where a general meeting is convened by the Registrar under section 153 of the Act, the Registrar shall in writing indicate who presides over that meeting.

**Questions to be decided by majority of votes**

**33.** A question submitted for the decision of the members present at a meeting must be decided by a simple majority of votes.

**Voting at a meeting convened by the Registrar**

**34.**—(1) Where the Registrar convenes a meeting under section 153, the representative of the Registrar is not entitled to vote unless the result of the vote is tied, in which case the Registrar is entitled to and may exercise a casting vote.

(2) Where a resolution is put to the vote —

- (a) the chairperson shall, after the conclusion of voting declare whether the —
  - (i) resolution was passed or not, and
  - (ii) decision was unanimous or passed by a majority; and
- (b) a record of the decision indicated by the declaration of the chairperson shall be made in the minute book and shall be conclusive evidence of the results of that decision.

**PART VI**  
**LOAN AND ACCEPTANCE OF DEPOSITS**

**Application for loan by member**

**35.**—(1) A credit union, or co-operative society may make loans to its members for provident or productive purposes.

(2) An application for a loan from a credit union must be on the standard form provided by the credit union and must state —

- (a) the amount of money required;
- (b) the purpose for which the money is required;
- (c) the period for which the money is required;
- (d) the income and financial position of the applicant;
- (e) the evidence of the applicant's ability to repay;
- (f) the name of the proposed surety or other security which is offered;
- (g) the applicant's permission for the credit union to conduct checks on the applicant's credit worthiness and the validity of a security offered; and



- (h) other information the credit committee requires in keeping with the approved loan policy.

### **Approval of loan**

**36.**—(1) In considering an application for a loan, an authorized officer of a credit union shall satisfy himself or herself as to the —

- (a) credit rating and trustworthiness of the applicant;
- (b) capacity of the applicant for repayment;
- (c) viability of the proposal;
- (d) prospects of increased production or profitability or other advantage for the applicant; and
- (e) adequacy of the security offered.

(2) The approval of a loan application must be in writing and the credit committee or authorized officer approving the loan shall ensure that the approval specifies with respect to the loan —

- (a) the amount approved and date of approval;
- (b) the purpose for which the loan was granted;
- (c) the rate of interest and terms of repayment;
- (d) the project plan or business strategy;
- (e) any security to be held by the credit union;
- (f) the date and amount of the disbursement; and
- (g) any other conditions that may be specified by the credit committee or the loans officer approving the loan.

(3) A loan granted by a credit union must be evidenced by a loan agreement signed between the credit union and the borrower.

(4) A director, committee member or employee shall not act as co-maker, guarantor or endorser of a loan for another director, committee member or employee where both directors, committee members or employees are principal stakeholders of the same limited company or partnership.

(5) A loan shall not be made to another credit union or co-operative society if a majority of the shares of the co-operative society are held by the directors and officers of the credit union, unless the application has been reviewed by the supervisory and compliance committee.

(6) A loan shall not be made to an officer, director, member of the credit committee, member of the supervisory and compliance committee, or employee in excess of the value of his or her holdings in shares, deposits and accumulated earnings, unless adequate security is provided and approved by the vote of two-thirds of the other members of the board, credit committee and supervisory and compliance committee.

(7) A person other than the elected of the credit committee and the *ex-officio* members must not be present at a meeting of the credit committee when an application for a loan is under consideration.

(8) Employees or members of the board of directors, the supervisory and compliance or the credit committee who apply for a loan or who have a fiduciary relationship with a borrower shall withdraw while the relevant application is being discussed.

(9) If there is a difference of opinion among members of the credit committee concerning the granting of a loan, the voting shall be by ballot.

(10) The proceedings with regard to loans at any credit committee meeting shall not be disclosed without prior authorization from the chairman of the credit committee, and any member of the credit committee or officer or employee of the credit union who contravenes this regulation is liable to immediate expulsion from the credit union.

(11) A meeting referred to under this regulation is not properly constituted unless a quorum of the members of the credit committee is present.

### **Interest on loans**

**37.—(1)** A credit union may charge fixed or variable interest rates on loans.

(2) Loan interest rates may be recommended by management but shall be approved by the board.

(3) Interest must be calculated on the outstanding loan balance as of the due date for the principal repayment or as otherwise determined.

(4) Interest on loans may be paid on intervals as determined by the credit union but not exceeding one month.

(5) In keeping with the International Financial Reporting Standards, a credit union must include in its income a maximum of ninety days accrued interest with respect to a delinquent loan.

(6) Interest payments are not to be included in the credit union's income where interest payments are not made with respect to a delinquent loan.

(7) Where a loan is being restructured, a credit union shall include accrued interest to the principal for no more than twelve months.

#### **Collateral security and portfolio controls**

**38.**—(1) A loan, when approved by the credit union, may be granted to a member who is able to obtain at least one approved surety, or who can give other suitable security, excluding qualifying shares, to the satisfaction of the credit union.

(2) All unsecured loans made by a credit union to its members shall not at any time exceed fifteen per cent of the number or value of its total loans outstanding and no member shall be granted more than one unsecured loan at any time.

(3) The value of all loans made by a credit union to other co-operative societies and other legal persons must not at any time exceed twenty-five per cent of the total loans outstanding of the credit union.

(4) Where a mortgage on a property is taken by a credit union as security for a loan, the amount loaned shall not exceed eighty per cent of the market value of the property and the remaining twenty per cent may be secured by liquid investments and other collateral security provided from the borrower.

(5) Before a mortgage under subregulation (4) is approved, the credit committee or loans officer of a credit union shall require that an appraisal of the market value of the property be made by an appraiser who is known by the credit union to be competent and who is instructed and employed independently of any owner of the property.

(6) The expenses, if any, of the appraiser employed pursuant to subregulation (5) shall be paid by the applicant for the loan.

(7) Subject to the annual risk profile of a credit union assessed by the Registrar, the value of all mortgage-backed loans made by a credit union shall not exceed the limit established by the Registrar.

#### **Loan documents and other conditions**

**39.**—(1) Before the proceeds of a loan are disbursed, the borrower and the borrower's sureties shall execute the loan agreement with the terms of repayment of the loan, and terms and conditions as the credit committee considers necessary.

(2) A loan must not be made except for a purpose approved by the board in the loan policy.

(3) The borrower shall give an undertaking in the loan agreement to apply the proceeds of the loan to the purpose for which the loan was granted.

(4) A charge required to be executed under section 186(1) of the Act pursuant to the terms of a loan is set out in Form 9 of Schedule 1.

(5) A borrower may repay his or her loan prior to maturity in whole or in part on a day when the credit union is open for business.

(6) A transaction in the loan account of a member of a credit union must be shown by the necessary entries in a passbook or statement to be delivered to each member.

#### **Loan fees and penalties**

**40.**—(1) Loan fees may be charged to recover the direct cost associated with the granting of a loan.

(2) A credit union may assess penalties for late loan payments whether the payment consists of interest, principal, or both and may assess a penalty the date after the loan payment is missed or after a specified amount of time as set out in the loan policy of the credit union's loan policy.

(3) A director, officer or employee of a credit union or their immediate family shall not receive directly or indirectly any commission, fee or other compensation in connection with any loan made by the credit union.

(4) This regulation does not prohibit payment by the credit union of a salary to employees for performing duties.

(5) In this regulation, "compensation" includes non-monetary terms.

#### **Extension and recovery of loan**

**41.**—(1) Where, by reason of sickness or for some other justifiable cause, a member of a credit union is unable to discharge the member's obligations to the society in respect of a loan made to the member and notifies the manager of the society in writing of the member's inability before the period fixed for repayment of the loan or the payment of any instalment, the credit committee may extend the period fixed for repayment of the instalment, on any conditions determined in keeping with the approved loan policy.

(2) Where a loan or an instalment of a loan from a credit union has not been paid on the date on which it became due, and no extension for the payment has been given to the borrower by the committee, the credit union shall take immediate steps for the recovery of the loan and may take whatever remedies are available under the loan agreement and by law.

#### **Misapplied, delinquent and doubtful loans**

**42.**—(1) Where the credit committee of a credit union is satisfied that a member who has obtained a loan has applied the proceeds to a purpose other than the purpose for which the loan was approved, the credit committee may, by notice in writing to the borrower, demand full payment of the loan before the agreed date of payment.

(2) A loan is considered to be in arrears and is classified as delinquent where the payment made is less than a full payment as per the loan agreement and becomes payable at least one day after the loan payment date.

(3) A member of a credit union shall not be granted another loan until the member has repaid the existing loan where the member —

- (a) is in default of payment of a loan or of an instalment of a loan; and
- (b) does not satisfy the credit committee that the default is due to a justifiable cause.

(4) When reporting delinquency, the entire outstanding loan balance that remains payable for more than thirty days will be reported as delinquent and not only the amount of the periodic payment in arrears.

(5) If the loan balance remains outstanding after the loan maturity date, the number of months in arrears increases for each month the balance remains past due.

(6) Delinquent loans that have been restructured should continue to be considered as delinquent and monitored separately, until the borrower has achieved six consecutive timely payments, at which time the loan is considered as non-delinquent.

(7) When a loan is classified as doubtful, the credit union shall not provide any additional funds to the borrower, for the current loan or in the form of a new loan, but may restructure the existing loan to facilitate new repayment terms.

(8) Loans that are classified as delinquent for more than three hundred and sixty-five days are classified as doubtful.

(9) A loan which remains unpaid in whole or in part beyond the period fixed for repayment in full of the monies loaned may be classified as past due.

#### **Loan loss provisioning, charge-offs and reporting**

**43.—**(1) A credit union shall establish and maintain general and specific loan loss provisions for all loans which are classified as non-performing or doubtful as follows —

- (a) any loans that are delinquent ninety days to three hundred and sixty-five days, where the collection of the principal is unlikely, will be classified as non-performing and a loan loss provision of thirty-five per cent of such loans must be maintained; and
- (b) any loans that are delinquent greater than three hundred and sixty-five days or where the collection of the principal is highly unlikely will be classified as doubtful and a loan loss provision of one hundred per cent of such loans must be maintained.

(2) A credit union shall establish and maintain general loan loss provisions for unreviewed performing loans which represent at least two per cent of the value of the gross loan portfolio.

(3) The board is responsible for ensuring the adequacy of the provisions for loan loss account.

(4) Subject to subsection (5), at least semi-annually, a credit union shall perform an individual analysis of all loans classified as doubtful to determine the specific provision required for each loan, based on the difference between the value or the collateral held and the balance of the principal outstanding.

(5) Collateral for a doubtful loan that is greater than three hundred and sixty-five days may be —

- (a) a cash collateral withdrawable shares and deposits that have a right of set-off; or
- (b) a hypothec obligation, mortgage debenture, other instruments of charge or bill of sale that has an executed sale agreement of no more than twelve months;
- (c) eighty per cent of the value of the security under regulation 38, where the credit union has instituted legal proceedings.

(6) Where the provisions based on subregulation (1)(a) and (b) is higher than that determined under the International Financial Reporting Standards, a credit union shall compute the difference.

(7) The difference under subregulation (6) must be calculated and a loan loss reserve provision be established from an appropriation from retained earnings or other distributable reserves.

(8) The reserve established under subregulation (7) must not be distributed without the prior approval of the Registrar.

#### **Provisioning for other asset losses**

**44.**—(1) A credit union shall regularly review the assets and make necessary provisions in accordance with the International Financial Reporting Standards if the credit union has assets apart from loans, such as deposits in other credit unions or financial institutions, financial instruments and sundry debtors that are subject to loss or diminution in value.

(2) Provisions under subsection (1) includes provisions when an expected loss of an asset occurs or when the recoverable amount of the asset is less than its carrying value.

#### **Acceptance of deposits**

**45.**—(1) A credit union shall not, without the approval of the Registrar, accept funds on deposits for a term that is stipulated in an agreement between the credit union and the depositor to be longer than five years.

(2) Deposits may be withdrawn by cheque or cash on any day that the credit union is open for business, but the board of directors may at any time require the depositor to give up to sixty days notice in writing of the depositor's intention to withdraw the whole or any part of the deposits.

(3) Interest on deposits will be calculated and become payable by a credit union on the first day of the month following such deposits, provided that amounts deposited on the first day of any month shall be placed on interest from that date.

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

- (a) the terms and conditions subject to which the funds are deposited by the depositor and accepted by the credit union;



- (b) the date on which the deposit matures;
- (c) the rate of interest to be paid by the credit union on the funds deposited;
- (d) the time when interest is to be paid by the credit union; and
- (e) any conditions that the board has stipulated for withdrawal of funds by the depositor prior to the date the deposit matures, and in cases where no withdrawal of funds is permitted it should be so stated on the receipt.

(5) Where a person has deposited funds in an account with a credit union, the credit union shall provide the person with a passbook or statement showing the transactions conducted by the person involving the account and the balance of funds in the account.

(6) Where a credit union accepts a deposit from a person who is not a member, the deposit must not be held for a period greater than one year unless the person becomes a paid-up member of the credit union.

(7) The maximum amount of deposits which may be held by any one member or non-member must not exceed twenty per cent of the total deposits held by a credit union, except in the case of a Registered society and in such case the Registrar shall be satisfied that the size, structure and terms of the deposit will not be detrimental to the financial stability of either the depositing co-operative society or the accepting credit union.

(8) The board may, after consultation with the Registrar, determine the forms in which the receipts and statements required under subregulations (4) and (5) are given.

## **PART VII INVESTMENT OF FUNDS AND SHARES**

### **Policy for investment of funds**

**46.**—(1) Written investment policies under section 197(1) of the Act must address —

- (a) the purpose and objectives of the investment activities;

- (b) the types of investments that can be made;
- (c) who has authority to make the investments and the extent of this authority;
- (d) the need for adequate investment diversification across investment types or entities.

(2) An investment to be purchased with the intention to hold to maturity; the portfolio must not be used to trade securities for profit and placing the co-operative society's capital at risk.

(3) An investment must not be made with a director, officer, employee, immediate family member or related member of a co-operative society and a director, officer, employee, immediate family member or related member shall not receive anything of value from an investment.

(4) An investment transaction must be conducted transparently.

#### **Issue of members' shares**

**47.—**(1) A co-operative society shall define in its bye-laws the minimum level of —

- (a) qualifying shares for its membership; and
- (b) shares purchased by each director and each member of the credit and supervisory and compliance committees and where that minimum is set, no elected officer shall hold less than one thousand dollars in the case of a credit union and less than five hundred dollars in the case of any other type of co-operative society, in fully paid shares within three months of assuming such office.

(2) A co-operative society shall not set an upper limit to the number of its members or its shares and shall encourage all directors, committee members, the manager and senior executive officers to lead the members by example, through regular increases in their purchase of shares in the co-operative society.

(3) The board and management of a co-operative society shall do all in its powers to encourage members to purchase an adequate number of shares in order to safeguard the co-operative society's

capital base.

(4) A co-operative society shall issue a share certificate in the form approved by the board.

#### **Form of transfer of shares**

**48.** For the purposes of section 212(4) of the Act, a transfer of shares is effected in the form set out as Form 10 of Schedule 1.

### **PART VIII AUDIT, ANNUAL, QUARTERLY, MONTHLY AND SPECIAL RETURNS**

#### **Fee for audit report**

**49.** For the purposes of section 232(3) of the Act, the fee on submission of an audit report is as specified in Schedule 2.

#### **Statement of financial position and comprehensive income**

**50.** For the purposes of section 233(1)(b) of the Act, a co-operative society shall provide the Registrar with a copy of a statement of financial position and a statement of comprehensive income.

#### **Monthly or quarterly return for financial co-operative society**

**51.** In the case of credit unions, the monthly or quarterly return must include the prudential standards set out in Schedule 4.

#### **Monthly or quarterly return for non-financial co-operative society**

**52.** In the case of all other co-operatives, the monthly or quarterly return shall include the Report set out in Schedule 5.

#### **Fee for filing monthly, quarterly, annual and special return**

**53.** For the purposes of section 233 of the Act, the fee for filing a monthly, quarterly, annual and special return is as specified in Schedule 2.

**Examination of returns**

**54.** For the purposes of section 233(7) of the Act, the Registrar in examining the returns, shall be satisfied with the performance of a co-operative society with regards to —

- (a) profitability on the basis of average income at least being ten per cent of average total assets, and operating expenses not exceeding five per cent of average total assets;
- (b) the extent of board and committee expenses in relation to the maximum set in regulation 33(5);
- (c) the extent to which collections in a credit union have reached or exceeded the minimum loan recovery rate of eighty-five per cent;
- (d) compliance with the capital adequacy requirements, relative to credit and investment exposures;
- (e) the composition of its assets, liabilities and equity accounts, cognizant of off-balance sheet obligations;
- (f) detailed information on asset quality, including the value and number of non-performing and restructured loans and the level of specific provisioning in relation to such loans;
- (g) the gravity of financial, operational and business risks;
- (h) information on the institution's systems for managing its business risks, including information on the nature of its internal control systems, internal audit arrangements, and any other arrangements it has for an external review of the adequacy of its risk management systems and internal controls; and
- (i) any other matter that in the opinion of the Registrar is relevant to the performance of the Registrar responsibilities under the Act and these Regulations.

**PART IX  
RECONSTRUCTION**

**Notification of transfer of assets**

**55.**—(1) For the purposes of section 238(6) of the Act, a co-operative society shall notify each member of the co-operative society and the auditor of the co-operative society by a written notice.

(2) A notice under subregulation (1) must —

- (a) contain the following matters —
  - (i) the financial position of each co-operative society concerned as appearing from the most recent unaudited monthly statements,
  - (ii) details of any payments proposed to be made to members of each co-operative society concerned in consideration of the proposed transfer,
  - (iii) any changes to be made, in connection with the transfer,
  - (iv) the terms governing outstanding loans,
  - (v) the details of the arrangements proposed in relation to employees of each co-operative society, and
  - (vi) any other matter which the Registrar requires in the case of a particular amalgamation or transfer;
- (b) be accompanied with a copy of the audited annual accounts for the most recent financial year where the co-operative society proposes —
  - (i) to transfer its assets, liabilities and other engagements to another co-operative society, or
  - (ii) to undertake to fulfil the engagements of another co-operative society.

**Time for sending notice**

**56.** The notice under regulation 55(1) must be sent to the members so that the members are notified before the date of receipt of the notice of any resolution which favours the transfer and that resolution is to be moved at a general meeting of the co-operative society and, not be sent until it has been approved by the —

- (a) supervisory and compliance committee;
- (b) board; and
- (c) Registrar.

**Objections**

**57.** Where a creditor objects in writing to a matter contained in a notice under regulation 55, a claim made by the creditor against the co-operative society must be satisfied first.

**PART X****FORMS AND FEES FOR DISSOLUTION AND REVIVAL****Form and fee for certificate of dissolution**

**58.** For the purposes of section 247(4)(a) of the Act —

- (a) a certificate of dissolution is as set out in Form 11 of Schedule 1;
- (b) the fee for a certificate of dissolution is as specified in Schedule 2.

**Form and fee for certificate of revival**

**59.** For the purposes of section 263(2) of the Act —

- (a) a certificate of revival is as set out in Form 12 in Schedule 1;
- (b) the fee for a certificate of revival is as specified in Schedule 2.

**PART XI  
ARBITRATION**

**Appointment of arbitrator**

**60.**—(1) Where under section 294(4) of the Act, the Registrar appoints an arbitrator, the appointment must be embodied in an order signed by an officer authorized by the Registrar.

(2) An order under subregulation (1) must —

- (a) specify the name, address and occupation of the arbitrator or arbitrators;
- (b) set out the full particulars of the dispute; and
- (c) specify the time within which the award shall be forwarded by the arbitrator to the Registrar.

(3) Where good cause is shown to the Registrar's satisfaction, the Registrar may by a further order extend the time whether before or after the time limited by the order has expired.

(4) The Registrar may appoint more than one arbitrator, not exceeding three arbitrators, of whom one must be nominated by each of the parties to the dispute and the third must be nominated by the Registrar who shall act as the chairperson.

(5) Where there is more than one party on any side, the Registrar shall determine which party is the principal party and that party may nominate an arbitrator.

(6) Where under subregulation (3), three arbitrators are appointed —

- (a) if a party to the dispute fails to nominate an arbitrator within the time the Registrar specifies, the Registrar may make the nomination;
- (b) if an arbitrator nominated by one of the parties to the dispute dies, or refuses or neglects to act, or by absence or otherwise becomes incapable of acting, the Registrar shall call on the party concerned to nominate a new arbitrator within the time the Registrar specifies, and if a new arbitrator is not nominated, the Registrar may nominate

a new arbitrator;

- (c) if an arbitrator who dies, refuses or neglects to act, or becomes incapable of acting, was nominated by the Registrar, a new arbitrator shall be nominated by the Registrar; and
- (d) the opinion of the majority of the arbitrators shall prevail.

#### **Proceedings before the arbitrator**

**61.—**(1) The proceedings before the arbitrator or arbitrators must be conducted in the same way as proceedings before a court of law, and —

- (a) written notice of the time and place at which the proceedings are to be held shall be served on the parties to the dispute, at least ten days before the date of the hearing;
- (b) a record of the evidence adduced before the arbitrator or arbitrators shall be made, dated and signed by the arbitrator or arbitrators;
- (c) every party to a dispute shall be entitled to appear at the arbitration hearing and may be represented by an attorney-at-law or any other person who in the opinion of the arbitrator or arbitrators is competent to assist the party in the presentation of the party's case;
- (d) documents produced as exhibits before the arbitrator or arbitrators shall be marked, dated and initialed by the arbitrator or arbitrators and shall be attached to the record of the proceedings; and
- (e) where a party is served and the party fails to attend at the hearing, the dispute may be heard and determined by the arbitrator or arbitrators in the absence of the party.

(2) An award of the arbitrator or arbitrators must —

- (a) be in writing;
- (b) be dated and signed by the arbitrator or arbitrators; and
- (c) state the amount of the costs and expenses of the arbitration,



if any, and by which party to the dispute the costs and expenses are to be paid.

(3) On the completion of the proceedings, the arbitrator or arbitrators shall forward to the Registrar —

- (a) the record of the proceedings; and
- (b) the award as set out in Form 13 of Schedule 1.

### **Proceedings before the Registrar**

**62.** Where, under section 294(4) of the Act, the Registrar decides a dispute by himself or herself, the proceedings must, where possible, be conducted in the same way as proceedings before a court of law and the provisions of regulation 61 apply to the proceedings.

## **PART XII PROCEDURE OF THE APPEALS TRIBUNAL**

### **Initial procedure**

**63.—**(1) An appeal to the Appeals Tribunal must be by notice in writing, and sent or delivered to the Chairperson of the Tribunal.

(2) On receipt of a notice of appeal, the Chairperson shall send a copy of the notice to the other members of the Appeals Tribunal.

(3) The Chairperson of the Appeals Tribunal may appoint a secretary and such other officers as he or she thinks fit for the purposes of the appeal.

### **Statements to be provided**

**64.—**(1) The appellant shall, within fourteen days of the lodging of the notice of appeal, provide to the Chairperson of the Appeals Tribunal a written statement setting out the facts and grounds on which the appeal is based and a copy of such statement shall be forwarded by the chairperson of the Appeals Tribunal to the Registrar and, if the appeal is against a decision of an arbitrator, to the arbitrator, and, if the appellant is not a co-operative society, to the co-operative society of which the appellant is a member, and if the appeal is against the decision of the Registrar or an arbitrator in a dispute, to any other

party to the dispute.

(2) A person or co-operative society to whom a copy of the appellant's statement has been provided shall, within fourteen days of the receipt by him or her of the statement, submit to the chairperson of the Appeals Tribunal a written response to the statement, and a copy of such response shall be sent by the chairperson of the Appeals Tribunal to the appellant and to any other person interested in the appeal of whom he or she has notice.

(3) The Chairperson shall send copies of all statements and responses to the other members of the Appeals Tribunal as soon as he or she receives the statements and responses.

#### **Further particulars**

**65.** On application by a person interested in the appeal to whom a copy of the written statement of the appellant or of the response has been sent, or in any case where the chairperson of the Appeals Tribunal considers it necessary to do so for the proper resolution of the appeal, the chairperson may require the appellant or any other person to provide him or her with further particulars in writing within such time as the chairperson directs and the chairperson, on receipt of the particulars shall provide copies of the particulars to the other interested parties and to the other members of the Appeals Tribunal.

#### **Notice of hearing**

**66.** The Chairperson of the Appeals Tribunal shall, in consultation with the other members of the Appeals Tribunal, fix a date and place for the hearing of the appeal and shall give not less than seven days notice to the appellant, the Registrar and any other interested party.

#### **Procedure at hearing**

**67.—(1)** At a hearing before the Appeals Tribunal, the appellant, the Registrar and any other interested party shall be entitled to appear and to be heard and represented by an attorney-at-law or, in the case of the Registrar, by a member of the Registrar's staff.

(2) The Appeals Tribunal may admit any duly authenticated written statement or other material as *prima facie* evidence of any

fact or facts in any case in which it thinks it just and proper so to do.

(3) The Appeals Tribunal may, if it thinks fit, call for such documents and examine such witnesses as appear to it likely to afford evidence relevant and material to the enquiry.

(4) The Appeals Tribunal may require any party to the enquiry or any witness in the proceedings to give evidence on oath and, for that purpose, the chairperson of the Appeals Tribunal shall have power to administer an oath.

(5) Where, after notice of a hearing has been duly given, the appellant, the Registrar or any other interested party fails to appear at the hearing, the Appeals Tribunal may proceed with its enquiry into the appeal notwithstanding the absence of all or any of them, or may give such directions with a view to the determination of the appeal as the Appeals Tribunal thinks just and proper.

(6) Proceedings of the Appeals Tribunal must be held in public.

#### **Decision of Appeals Tribunal**

**68.**—(1) The decision on any matter of the majority of the Appeals Tribunal shall be the decision of the Appeals Tribunal, and the decision of the Appeals Tribunal shall be recorded in writing and signed by the chairperson of the Appeals Tribunal, who may correct in any decision any clerical mistake or error arising from an accidental slip or omission.

(2) A copy of the decision, signed under subregulation (1), shall be sent by the chairperson of the Appeals Tribunal, as soon as may be practicable, to the appellant, the Registrar and any other interested party.

(3) The Appeals Tribunal may, on the application of any person, award costs to any party to an appeal in such amount as the Appeals Tribunal shall assess at the hearing.

#### **General provision as to procedure**

**69.** Except as otherwise expressly provided under these Regulations, the procedure at a hearing before the Appeals Tribunal are as the Appeals Tribunal determines.

**Proof of decisions of the Appeals Tribunal**

**70.** The production in any proceedings in any Court of a document purporting to be certified by the secretary as a copy of a decision of the Appeals Tribunal is, unless the contrary is proved, sufficient evidence of the document and the facts stated.

**PART XIII  
MISCELLANEOUS****Sale of repossessed assets**

**71.—**(1) Collateral and other repossessed assets may be sold to an employee or an elected official of the co-operative society or their immediate family members only in keeping with the specific policy and procedures documented and approved by the board.

(2) Where a co-operative society acquires for itself property repossessed from a member, such circumstances must be in keeping with the specific policy and procedures documented and approved by the board.

**Maximum external borrowing**

**72.—**(1) A co-operative society may fix by resolution at the annual general meeting the maximum liability the board can incur through borrowing from external sources in a given year.

(2) Such loans shall be contracted on such security and on such terms of repayment as the board directors deems fit.

(3) The total amount approved under subregulation (1) shall include deposits from non-members and shall not at any time exceed the equivalent of fifteen per cent of total assets, but within the following limits on external borrowing with terms both short, less than one year, and long, more than one year, no more than —

- (a) five per cent of total assets for co-operative societies with net institutional capital of eight per cent or more;
- (b) ten per cent of total assets for co-operative societies with

net institutional capital of ten per cent or more; and

- (c) fifteen per cent of total assets for co-operative societies with net institutional capital of twelve per cent or more.

### **Statutory and other reserves**

**73.**—(1) Membership entrance fees required under section 28(1) of the Act, all transfer fees required under section 141 of the Act, any sums received by a co-operative society by virtue of sections 103(5), 178(2) and 182 (1) and (4) of the Act and not less than twenty per cent of the net surplus of each financial year shall be set aside as the statutory reserve.

(2) The statutory reserve of a co-operative society shall be kept in liquid form in any applicable short-term instrument and shall be always identifiable in the accounts of the co-operative society.

(3) In approving the utilization or application of the statutory reserve of a co-operative society under section 179(2) of the Act, the Registrar may impose any exemptions, restrictions, terms and conditions as the Registrar may consider appropriate to ensure the co-operative society meets the minimum capital required in subregulation (2).

(4) The statutory reserve of a co-operative society shall not constitute a part of its liquidity fund.

(5) The statutory reserve shall not be applied for distribution to members by way of dividend, patronage rebate, bonus or any other variation of same, except on liquidation of the co-operative society.

(6) The board of directors of every co-operative society may authorize the establishment of any additional reserves which it considers necessary to protect the interest of the members.

### **Liquidity**

**74.**—(1) A co-operative society shall at all times —

- (a) have in its possession liquid assets;
- (b) maintain a line of credit, in an amount sufficient to enable the co-operative society to meet its normal cash

flow requirements as estimated by the co-operative society, including withdrawals and disbursements in the case of a credit union; or

- (c) perform both of the actions mentioned under paragraphs (a) and (b).

(2) A credit union shall maintain at all times an account known as its liquidity reserve with a —

- (a) bank; or
- (b) central credit union or central co-operative society whose bye-laws provide for the acceptance of deposits, if the deposits can be repaid on demand.

(3) The liquidity reserve mentioned in subregulation (2) shall be —

- (a) calculated in an amount that is not less than fifteen per cent or such higher rates as the Registrar may specify for all such credit unions, of the members' total unencumbered deposits, current borrowings and short term liabilities as shown on the credit union's most recent audited financial statement prepared and submitted in accordance with these Regulations; and
- (b) kept in the form of demand deposits or deposits withdrawable on the notice of the co-operative society.

(4) A credit union shall maintain the account described in subregulation (2) separate and apart from the statutory and other capital reserves, and from any other accounts or funds.

(5) Where a credit union does not otherwise have sufficient monies on account to satisfy the requirements of subregulation (3) (a), and any part of the statutory reserve or liquidity reserve consists of unencumbered securities of the Government, those securities shall mature within five years of the coming into force of these Regulations in order to be eligible to be used to satisfy the requirements of subregulation (3)(a).

(6) Where securities held by a credit union mature after five years of the coming into force of these Regulations and the credit

union does not otherwise have sufficient monies on account to satisfy the requirements of subregulation (3)(a), the credit union shall as soon as possible after the coming into force of these Regulations sell those securities and use the proceeds of the disposition in satisfying the requirements of subregulation (3)(a).

(7) Within twelve months of the coming into force of these Regulations, a credit union shall maintain not less than fifty per cent of the amount required by subregulation (3) in liquid assets and at the end of two subsequent years shall maintain the full amount required by subregulation (4) in liquid assets.

(8) Subject to section 180 of the Act, where a credit union does not have in its possession liquid assets, does not maintain a line of credit in an amount sufficient to enable it to meet its normal cash flow requirements as required by subregulation (1), it may use the funds in its account required to be maintained by subregulation (3) to satisfy the requirements of subregulation (1).

### **Regulation and supervision**

**75.—**(1) In the exercise of the powers and duties of regulation and supervision conferred by sections 7, 8, 22, 23 and 215(4) of the Act, the Registrar may —

- (a) by notice in writing served on a co-operative society, require the co-operative society to provide the Registrar, at times, intervals or periods as may be specified, with information as the Registrar reasonably requires for the performance of the functions of the Registrar under the Act; and
- (b) require a co-operative society to provide a report, in the form as may be specified in the notice in (a) by the co-operative society's auditor or by the manager or a senior executive officer or an accountant or other person with relevant professional skill on any aspect of any matter about which the Registrar has requested the report or information.

(2) The person appointed by a co-operative society to make the

report required under section 215(4) of the Act shall immediately give written notice to the Registrar of any matter in relation to the co-operative society of which the Registrar becomes aware and which is likely to be of material significance for the discharge of the Registrar's duties and functions under the Act and these Regulations.

**Revocation**

**76.** The Co-operative Societies Regulations, Cap. 12.06 are revoked.



**SCHEDULE 1****FORMS****FORM 1**

(Regulation 5)

**PERSONAL DECLARATION  
CO-OPERATIVE SOCIETIES ACT: SECTION 11(2)**

**Please forward this form once completed with any supporting material to the office of the Registrar:**

<b>LEGAL NAME OF REGISTRAR:</b>	
<b>ADDRESS:</b>	<b>COUNTRY:</b>
<b>EMAIL:</b>	<b>WEBSITE:</b>
<b>TEL:</b>	<b>FAX:</b>
<b>TEL:</b>	<b>MOBILE:</b>

**SECTION 1. INSTRUCTIONS FOR COMPLETING FORM 1 of SCHEDULE 1: PERSONAL DECLARATION BY DIRECTOR, COMMITTEE MEMBER, MANAGER OR OTHER OFFICER OF A CREDIT UNION.**

1. This form must be completed by directors, committee members, managerial staff and other staff holding significant positions of power and responsibility for the activities of the credit union under the Co-operative Societies Act, No. [ ] of [20 ].
2. This application must be submitted with all supporting documentation listed at the end of the form and may be downloaded from the Regulatory Authority's website and completed online or printed and completed with the use of a word processor or by hand in BLACK INK and BLOCK CAPITALS.
3. Any information provided on additional sheets must be signed and dated.
4. Where there is a question which is not applicable, please write "N/A" beside the question.
5. All dates must be completed in the format: Day/Month/Year.
6. Questions left unanswered or which do not disclose all information will affect the Registrar's assessment and will significantly delay processing the document, which may be deemed "incomplete".
7. In accordance with Section 15 and 68 of the Act, only an individual can be a director, officer or manager of a registered co-operative society.
8. In keeping with regulations 30, 32 and 34, therefore, this form places the burden on the incumbent official to knowingly attest to their own fitness and probity to become or to remain a trusted official of a financial co-operative.
9. In accordance with Sections 53, 117 and 250, a person commits an offence if the person makes any representation that proves to be false or if the person fails to notify the Registrar accurately or on time.

11. Date of Application:

12. In connection with the co-operative credit union named below, I/thereby make representation and supply information about myself as hereunder set forth.

Name of Credit Union:

**SECTION II. DECLARANT'S CONTACT INFORMATION**

23. Declarant's Legal Name & Alias:		<input type="checkbox"/> Copy of two (2) valid national photo identification documents.	
Home Number:		Mobile Number:	
E-mail Address:		Work Number:	
Work Address:		Occupation:	

**SECTION III. DECLARANT'S PARTICULARS**

24. Have you ever had your name changed?		<input type="checkbox"/> Yes (Give reason for the change)		<input type="checkbox"/> No	
25. Previous names used:					
26. Date of change:				Place of change:	
27. Gender:				<input type="checkbox"/> Male <input type="checkbox"/> Female	
28. Date of birth:				Place of birth:	
29. Civil Status:		<input type="checkbox"/> NS#		<input type="checkbox"/> National ID#	
				<input type="checkbox"/> Passport Biological Page attached	
30. Marital Status:		<input type="checkbox"/> Single		<input type="checkbox"/> Married	
				<input type="checkbox"/> Separated <input type="checkbox"/> Divorced	
31. List your residence for the last five (5) years (including current address):				<input type="checkbox"/> Proof of current address attached	
Address (1):		Start Date:		End Date:	
Address (2):		Start Date:		End Date:	
Address (3):		Start Date:		End Date:	

**SECTION IV. RELATIONSHIP WITH CREDIT UNION**

32. Indicate below your relationship with the credit union (more than one item may be selected).

<input type="checkbox"/> Director	<input type="checkbox"/> Committee Member	<input type="checkbox"/> Manager or a Senior Executive Officer
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33. When were you elected/appointed to the current position:

Date	Month	Year
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**SECTION V. EDUCATION/PROFESSIONAL DESIGNATION/EMPLOYMENT**34. Education: Name of Institution, Address, Degree, Diploma (e.g. AA, BA, MBA, LLB; CAT, CAMS, ACCA, CMA, CPA, CGA, CFA) & Date awarded:  (Qualifications attached – academic & professional)

Institution (I):			
Address:			
Business Number:		E-mail Address:	
Certificate/Degree Awarded:		Date Awarded:	

35. List membership in professional societies and associations (e.g. CreditNetwork):  (Membership info attached)

Institution (I):			
Address:			
Business Number:		E-mail Address:	
Membership Number/Year:		Membership Status:	

36. During the last ten (10) years, have you ever been refused entry to a profession or vocation? Or has any such business or trade license held by you ever been suspended or revoked?

<input type="checkbox"/> Yes (Give details)	<input type="checkbox"/> No

37. Name of last or current employer:  (Resume attached)  (Employment Reference attached)

Employer Name:			
Address:			

Business Number:		Fax Number:	
Title/Position:		Type of Business:	
Employed From:		Employed To:	
Reason for Leaving:	<input type="checkbox"/> Resignation	<input type="checkbox"/> End of Contract	<input type="checkbox"/> Retiree
		<input type="checkbox"/> Dismissed	<input type="checkbox"/> Other
38. Have you ever been suspended, asked to resign or dismissed from any office of employment or barred from entry to any profession or occupation?			
			<input type="checkbox"/> Yes (give details) <input type="checkbox"/> No

**SECTION VI. RELATED OR OTHER INTERESTS**

39. Are you a director or part of the management of any company, partnership, corporate body, co-operative or any other business organization engaged in deposit taking and/or other financial services?

Yes (give details)  No

40. Have you been a director or part of the management of a deposit taking institution, credit institution, other financial service provider, other company or corporation other than those stated in the previous question?

Yes (give details)  No

41. Have you ever been a director, officer, trustee, investment committee member, key employee or controlling stockholder of any local, regional or international financial service entity and while you occupied any position or capacity with it:

a) it has experienced suspension of the board of directors?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b) it has been placed under administrative supervision or in receivership?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c) it has been placed in liquidation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d) it has entered into a composition with its creditors?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e) its business had been adjudged to have been conducted imprudently or fraudulently?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
f) it failed to meet the solvency requirements prescribed by law?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
g) it has been wound up by a court?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

42. Have you ever been a director or been directly involved in the management or conduct of affairs of any co-operative society which has gone into liquidation, whilst you were, or within one year of you being a director, or is concerned?

	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
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**SECTION VII REPUTATION AND CHARACTER**

<input type="checkbox"/> (Police Certificate attached)	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>

43. Are any criminal charges pending against you?	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
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44. Are you the subject of any regulatory investigation, current or pending?	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
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45. Has there been any adverse finding or settlement against you in civil proceedings?	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
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46. Have you ever been charged or convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or postponed for conviction in respect of any felony, or a misdemeanour involving embezzlement, theft, larceny or fraud, or a violation of any corporate securities statute or any international financial services statute, money laundering statute? Or have you been the subject of any disciplinary proceeding of any governmental or state regulatory agency?	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
--	---	-----------------------------

	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
--	---	-----------------------------

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47. Have you ever been disqualified or suspended from serving as a director, committee member or employee in the formation or management of a co-operative society, a building society, a registered company or an NGO?	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
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	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
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48. Have you in the connection with the formation or management of a body corporate, partnership or unincorporated institution been adjudged by a court civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof?		
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	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No

**SECTION VIII OWNERSHIP INFORMATION**

49. Shares owned in the credit union:	Number: <input type="text"/>	Value: \$ <input type="text"/>
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50. Percentage (%) of ownership in the credit union:	<input type="text"/>
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51. Are any of your shares in the co-operative pledged or mortgaged in any way?	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No

52. Do you (in your capacity or through any entity controlled by you) have outstanding debt of any amount ninety (90) or more days in arrears?	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No
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Form:	Amount:	Source:	Maturity Date:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

53. Have you ever (i) been adjudged by a court, (ii) had your estate sequestrated, (iii) entered into any compromise with creditors, (iv) had a receiving order placed against you, (v) or been the subject of bankruptcy proceedings? Or are you aware of any such proceedings current or pending?	<input type="checkbox"/> Yes (give details)	<input type="checkbox"/> No

**SECTION IX. DECLARATION**

**DECLARATION:** This declaration must be signed by the Declarant.

Declarant's Full Legal Name:	<input type="text"/>
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Declarant's Proposed Title/Position in the credit union:	<input type="text"/>
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Signature:	<input type="text"/>	Date:	<input type="text"/>
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**NOTARY PUBLIC DETAILS:**

The above person appeared before me and is personally known to me, being duly sworn, and executed the above statement and that the statement and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn before me this  day of  Year

(Notary Public or Public Commissioner for Oaths for documents executed in the jurisdiction)

### SECTION X. DOCUMENTATION CHECKLIST WHICH FORMS PART OF THIS APPLICATION

Documents	Notes	Attached
1. Identification	Provide one (1) certified copy of either your social security card, driver's license, voter's registration card or other accepted but valid form of identification, with photograph.	<input type="checkbox"/>
1. Citizenship	Attach a certified copy of the biographical passport page from your passport. The document must show the page with the photograph of the incumbent and must be certified by a notiable certifier, who has known the incumbent for at least two (2) years.	<input type="checkbox"/>
10. Residential Address	Provide proof of residential address by providing a certified copy of a current utility bill or other such proof of residential address.	<input type="checkbox"/>
11. Academic Qualifications	Certified proof of stated higher academic qualifications such as copies of Masters, Bachelor degree, etc.	<input type="checkbox"/>
11. Professional Qualifications	Certified proof of stated professional qualifications e.g. CAMS, CFE, CPA, ACCA, CGA, CPE, CFA etc.	<input type="checkbox"/>
11. Membership Information	Certified proof of stated membership to professional bodies.	<input type="checkbox"/>
14. Curriculum Vitae	A concise and up-to-date Biographical Resume listing current and previous employment history, organizational/community services and educational information (max 3 pages).	<input type="checkbox"/>

### SECTION XI. ADMINISTRATION - FOR REGISTRAR/SUPERVISOR'S OFFICE USE ONLY

Received by (employee's name)  Date:

Decision taken by the Regulatory Authority:  Date:



**FORM 2**

(Regulation 6)

**CERTIFICATE OF SUPERVISION**

Co-operative Societies Act: Section 20 (1)

[Empty rectangular box for name entry]

*Name of the Co-operative Society*

This is to certify that the abovenamed has paid the annual supervision fee.

.....  
Date

.....  
Financial Services  
Regulatory Authority

**FORM 3**

(Regulation 8(a))

**APPLICATION FOR REGISTRATION  
CO-OPERATIVE SOCIETIES ACT: SECTION 24(1)**

**SECTION I. INSTRUCTIONS FOR COMPLETING FORM 1:  
APPLICATION FOR REGISTRATION OF A  
COOPERATIVE SOCIETY**

1. This application must be submitted with all supporting documentation listed at the end of the form and the non-refundable application fee.

2. This form may be downloaded from the regulatory authority's website and completed online. Alternatively, the form may be printed and completed in writing or typescript, using **BLACK INK** and **BLOCK CAPITALS**.

3. Any information provided on additional sheets must be signed and dated.

4. Where there is a question which is not applicable, please write

No. ]

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“N/A” beside the question.

5. All dates must be completed in the form: Day/Month/Year.

6. Questions left unanswered or which do not disclose all information required will result in this application being deemed as “incomplete”. This will affect the [Registrar/Supervisor]’s assessment and may delay the turnaround time to respond.

Date of Application:	<input type="checkbox"/> Application Fee attached
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<b>Section II. Applicant’s Contact Details</b>
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2. Name of Co-operative Society:	
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3. Registration office Information:	<input type="checkbox"/> Address Information attached
Address:	
Contact Person:	E-mail Address:
Telephone Number:	Fax Number:

4. Website address, if any:		
5. Share capital raised to date:	Value (EC\$)	No. of Shares

6. Are all the objects of the co-operative society stated in the bye-laws?	<input type="checkbox"/> Yes	<input type="checkbox"/> Bye-laws attached
7. Each member’s liability for the debts of the co-operative society is limited to the value of the equity shares the member purchased in the society.	<input type="checkbox"/> Limited liability	<input type="checkbox"/> Unlimited liability

8. The bond of membership is? (Define geographical area, constituents & livelihoods targeted):	<input type="checkbox"/> Island-wide	<input type="checkbox"/> Open	<input type="checkbox"/> Closed
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9. Type of co-operatives business:	<input type="checkbox"/> Financial	<input type="checkbox"/> Production	<input type="checkbox"/> Services	<input type="checkbox"/> Consumer	<input type="checkbox"/> Housing
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No. ]

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10. <b>Business Plan is attached and covers:</b>	<input type="checkbox"/> Mission & Specific Services Demand	<input type="checkbox"/> Capital Base & Support Evidenced	<input type="checkbox"/> Organisation Charts, Competencies	<input type="checkbox"/> Management, Policies & Audit	<input type="checkbox"/> Membership, Jobs & Business Growth
--	---	---	--	---	---

11. <b>Date the society was established</b>	<input type="checkbox"/> Number of members signed on to date	<input type="checkbox"/> Application Fee attached
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12. <b>Accounts Receivable to date, if any (use the third space to explain):</b>	Under 90 days	\$	
	91 - 150 days	\$	
	Over 180 days	\$	

<b>SECTION III. PARTICULARS RELATING THE MEMBERS OF THE APPLICANTS</b>
--

<b>13. Provide the following particulars for each member who is required to sign this application as stipulated by section 12 (2) of the Act. Select the appropriate membership information below, in line with your organization type.</b>
---

a) One-third of the total membership of the applicant, in the case of a co-operative society with members who are not registered co-operative societies.	<input type="checkbox"/>
b) Three-quarters of the total membership of the applicant, in the case of a co-operative society where not all members of the co-operative society are registered co-operative societies.	<input type="checkbox"/>
c) At least two of the total membership of the applicant, in the case of a co-operative society where all the members are registered as co-operative societies.	<input type="checkbox"/>

<b>Name of member 1 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 2 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 3 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 4 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 5 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 6 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 7 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 8 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 9 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 10 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 11 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	

No. ]

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E-mail Address:		Signature:	
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<b>Name of member 12 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 13 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 14 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>Name of member 15 &amp; Social Security/ NIS#:</b>			
Address:		Occupation:	
Date of Birth:		Telephone Number:	
E-mail Address:		Signature:	

<b>SECTION IV. DIRECTORS AND MANAGEMENT TEAM</b>
--

<b>Note: This section of Form 3 must be completed for each person listed, as applicable.</b>
--

<b>14. Provide below the legal names and aliases of the provisional directors (minimum 5, maximum 13) and attach an up-to-date police record and 1-page resumé including Social Security/NIS #, occupation (past 5 years), date of birth, citizenship, with 2 forms of ID with recent photos per individual:</b>	<input type="checkbox"/> Organizational Chart attached
--	--

Director 1:	<input type="checkbox"/> Resumé and Police Record attached
Director 2:	<input type="checkbox"/> Resumé and Police Record attached
Director 3:	<input type="checkbox"/> Resumé and Police Record attached
Director 4:	<input type="checkbox"/> Resumé and Police Record attached
Director 5:	<input type="checkbox"/> Resumé and Police Record attached
Director 6:	<input type="checkbox"/> Resumé and Police Record attached
Director 7:	<input type="checkbox"/> Resumé and Police Record attached
Director 8:	<input type="checkbox"/> Resumé and Police Record attached
Director 9:	<input type="checkbox"/> Resumé and Police Record attached
Director 10:	<input type="checkbox"/> Resumé and Police Record attached
Director 11:	<input type="checkbox"/> Resumé and Police Record attached

<b>15. Provide the names of the manager and senior executive officers, if designated:</b>
---

Name 1:	<input type="checkbox"/> Resumé and Police Record attached
Name 1:	<input type="checkbox"/> Resumé and Police Record attached
Name 1:	<input type="checkbox"/> Resumé and Police Record attached

<b>SECTION V. COMPLIANCE PROGRAM INFORMATION</b>
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<b>16. The applicant shall comply with the Money Laundering (Prevention) Act and the Anti-Terrorism Act.</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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<b>17. The applicant will document AML/CFT policies and procedures.</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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<b>18. The applicant will conduct a risk assessment of its services.</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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No. ]

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<b>19. The applicant will implement AML/CFT training for staff, directors and members.</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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<b>20. The applicant has a designated officer (for credit unions only).</b>	<input type="checkbox"/> Yes Resumé and Police Record attached	<input type="checkbox"/> No
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<b>SECTION VI. DECLARATION</b>
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**This declaration must be signed by any two authorized signatories of the applicant.**

The applicant hereby declares that all the information provided in this application and any other document provided in support of the said application is true and correct. The applicant further undertakes to inform the [Registrar/Supervisor] without delay of any changes to the information supplied with this application. We understand and accept that the [Registrar/Supervisor] may wish to make inquiries, both now and on a continuing basis, to satisfy the [Registrar/Supervisor] as to the initial and Continuing fitness and probity of the applicant, its directors and management. Consequently, we authorize any person, body or institution named in this application that the [Registrar/Supervisor] may approach, to provide such information as the [Registrar/Supervisor] considers relevant to his assessment.

<b>Authorized Name (1):</b>	<input type="checkbox"/> Signature
-----------------------------	------------------------------------

<b>Title/Position</b>	
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<b>Authorized Signature</b>			
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<b>Authorized Name (2):</b>		<input type="checkbox"/> Signature
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<b>Title/Position</b>	
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<b>Authorized Signature</b>		<b>Date:</b>	
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<b>SECTION VII. DOCUMENTATION WHICH FORMS PART OF THIS APPLICATION</b>
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<b>Documents</b>	<b>Notes</b>	<b>Attached</b>
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1. Application Fee	A one-time non-refundable application fee of EC\$....., as prescribed in Schedule 2 and payable to the [Commission/Authority/ Department/Accountant General].	<input type="checkbox"/>
2. Address Information	An original copy of a utility bill or similar document showing proof of principal address of the applicant's registered office.	<input type="checkbox"/>
3. Resumé	A 1-page biographical summary of each Director, Manager or Officer listed.	<input type="checkbox"/>
4. An organizational chart	An organizational chart for the applicant detailing the corporate governance, departments of the organization, the levels of management and other positions.	<input type="checkbox"/>
5. Draft Bye-laws	3 certified copies of the draft Bye-laws in the name of the applicant.	<input type="checkbox"/>
6. Business Plan	A three (3) year business plan with financial projections (maximum 6 pages)	<input type="checkbox"/>
7. Certificate of Registration Fee	Cheque of EC\$....., as prescribed in Schedule 2 and payable to the [Commission/ Authority/ Department/ Accountant General] upon receipt of confirmation of approval of registration.	<input type="checkbox"/>

**SECTION VIII. ADMINISTRATION - FOR OFFICE OF [REGISTRAR/ SUPERVISOR]'S USE ONLY**

<b>Received by (employee's name):</b>		<b>Date:</b>	
---------------------------------------	--	--------------	--

<b>Decision taken by the [Registrar/ Supervisor]:</b>		<b>Date:</b>	
---	--	--------------	--

**FORM 4**

(Regulation 9)

**CERTIFICATE OF REGISTRATION  
CO-OPERATIVE SOCIETIES ACT: SECTION 40**

Certified that the application dated .....made by ..... to be registered under section 31 of the Co-operative Societies Act, No. [ ] of [20 ] as the ..... has been accepted and that the said co-operative society has been registered accordingly as No. .... subject to the provisions of the said Act and the Regulations made thereunder.

Dated this.....day of .....20[ ].

Registrar of Co-operatives

**FORM 5**

(Regulation 10(a))

**CERTIFICATE OF CONTINUANCE  
CO-OPERATIVE SOCIETIES ACT: SECTION 35(2)(a)**

Name of co-operative society .....  
Registration No.....

I hereby certify that the above-named co-operative society, is this day continued as a registered Co-operative society under section 35 of the Co-operative Societies Act, No [ ] of [20 ] for the period commencing [Month] .....[Date], [Year]

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

Registrar of Co-operatives

No. ] *Co-operative Societies Regulations* [ 2022

**FORM 6**

(Regulation 11)

**APPLICATION FOR RESTORATION OF NAME TO THE  
REGISTER  
CO-OPERATIVE SOCIETIES ACT: SECTION 42(2)**

Name of Co-operative Society	
------------------------------	--

I/We \_\_\_\_\_ hereby apply to restore (name of Co-operative Society) to the Register of Co-operatives.

I/We certify that this application has been effected by RESOLUTION of the MEMBERS as provided for in the By-Laws of the Co-operative Society and in accordance with the Co-operative Societies Act.

Signed by: \_\_\_\_\_  
President Date

I certify that this document was registered on this day of , 20[ ]

\_\_\_\_\_  
**Registrar of Co-operatives**

**FORM 7**

(Regulation 14(b))

**CERTIFICATE OF CHANGE OF NAME  
CO-OPERATIVE SOCIETIES ACT: SECTION 47(3)**

Certified that .....by a resolution has amended its bye-laws and will henceforth be known as.....

Dated this.....day of .....20[ ]

Registrar of Co-operatives

No. ]

*Co-operative Societies Regulations*

[ 2022

**FORM 8**

(Regulation 25)

**NOTICE OF CHANGE OF DIRECTOR  
CO-OPERATIVE SOCIETIES ACT: SECTION 113(1)(a)**

Name of co-operatives society .....

Registration No. ....

On the .....day of .....20.....the following persons ceased to be director of the above named co-operative society due to .....

Legal Name	Social Security NIS#	Date of Birth	Address/ Contacts	Positions Held	Signature (Optional)

As of .....day of.....20.....the directors are as follows:

Legal Name	Social Security NIS#	Date of Birth	Address/ Contacts	Positions Held	Signature (Optional)

.....

Signature

.....

Date

**FORM 9**

(Regulation 38(4))

**INSTRUMENT OF CHARGE  
CO-OPERATIVE SOCIETIES ACT: SECTION 186(1)****CHARGE**

REGISTRATION SECTION	BLOCK	PARCEL
.....	.....	.....

I.....of.....(hereinafter called the “Charger”) HEREBY CHARGE my interest in the above-mentioned title (hereinafter called the “Charged Property”) to secure the repayment to.....of.....(hereinafter called the “Chargee”) of the principal sum of EC\$.....( the receipt whereof is hereby acknowledged) with interest at the rate of per centum per annum.

THIS CHARGE is made as a form of security to the Chargee for a \*loan made to the Charger\* or to .....of..... (hereinafter called the “Borrower”) and is made subject to Section [ ] of the above-named Act unless negated, modified or added to, and the terms hereinafter contained.

AND I the above-named Charger hereby acknowledge that I understand the effect of Section [ ] of the Registered Land Act.

AND I, the above-named Chargee hereby reserve the following rights:-  
 (1) \*The right to consent prior to the subsequent transfer, charge or lease of the above- mentioned property pursuant to Section [ ] of the Act.  
 (2) \*The right to make further advances.  
 (3) \*The right to consolidate.

**THE TERMS HEREINBEFORE REFERRED TO**

[Please insert the relevant terms]

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

Delete where applicable

NB: Any definitions used should be incorporated in the terms hereinbefore referred to.

Signed by the Charger)

in the presence of.....





**FORM 10**

(Regulation 48)

**PURCHASE AND TRANSFER CERTIFICATE  
CO-OPERATIVE SOCIETIES ACT: SECTION 212(4)**

Certificate No. \_\_\_\_\_

Co-operative society's name

This is to certify that [name of member/shareholder] is the owner of [number of shares] shares of the above mentioned co-operative society, which are non-accessible, fully paid shares. The transfer of these shares must be done in accordance with the bye-laws of the [name of the co-operative society], in person, or by a duly appointed attorney, or officer of the named member, and recorded in the books of the [name] co-operative society.

.....  
President                                      Board Secretary                                      Treasurer

.....                                      .....                                      .....  
Date                                      Date                                      Date  
If Sold:

For [amount paid] received I, [name of (member/shareholder)]sell and transfer [number ] shares represented by this certificate to [name of buyer ] and appoint [name of co-operative society ] to record this transfer in its books.

.....  
Name of member/ shareholder      Signature of member/shareholder      Signature of Witness

.....                                      .....                                      .....  
Date                                      Date                                      Date



**FORM 11**

(Regulation 58)

**CERTIFICATE OF DISSOLUTION  
CO-OPERATIVE SOCIETIES ACT: SECTION 247(4)(a)**

Name of co-operative society .....  
Registration No.....

I hereby certify that the above-named co-operative society, was this day dissolved under section 245 or section 246 of the Co-operative Societies Act, No [ ] of [20 ].

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

Registrar of Co-operatives

**FORM 12**

(Regulation 59(a))

**CERTIFICATE OF REVIVAL  
CO-OPERATIVE SOCIETIES ACT: SECTION 263(2)**

Name of co-operative society .....  
Registration No.....

I hereby certify that the above-named co-operative society, has been revived under section 263 of the Co-operative Societies Act, No [ ] of [20 ].

**CEO - [The SRU]**

Registrar of Co-operatives

**FORM 13**

(Regulation 61)

**AWARD  
CO-OPERATIVE SOCIETIES ACT: SECTION 294**

In the matter of a Dispute Between

[Name of Complainant] (Complainant)

AND

[Name of Respondent] (Respondent)

referred to me under section 294(4) of the Co-operative Societies Act, 20.....

I/We,.....being appointed Arbitrator under section 294(4) of the Co-operative Societies Act, do order and determine as follows:

(1) The area of the law in dispute, that is to say, the Co-operative Societies Act is as follows:

- (a)
- (b)

UPON HEARING the Complainant and the Respondent

(2) The Complainant submissions are as follows:

(3) The Respondent submissions are as follows:

AND WE DETERMINE that:

(4) The analysis of the Arbitrator is as follows:

- (a)
- (b)

I/We HEREBY order as follows:

- (1) .....
- (2) .....
- (3) .....

.....  
(4) The cost and expenses of hearing and determining the disputes are  
\$.....

(5) I direct that costs and expenses in the amount of.....  
..... be paid by.....to.....

Dated:

..... Arbitrator  
..... Arbitrator

Made the ..... day of ....., 20.....

**SCHEDULE 2**

(Regulations 4, 6(b), 7(a) and (b), 8(b), 10(b), 12(b), 13, 14, 15(a), 49, 53, 58(b) and 59(b))

**FEES**

DESCRIPTION	FEE	
	FINANCIAL CO-OPERATIVE SOCIETY	NON-FINANCIAL CO-OPERATIVE SOCIETY
Certificate of amendment of bye-laws	\$100.00	\$50.00
Reservation of name	\$100.00	\$50.00
Search	\$5.00	\$5.00
Application for registration	\$100.00	\$100.00
Certificate of registration	\$300.00	\$100.00
Certificate of supervision based on asset size		
(a) \$10,000,000 and less	\$2,000.00	
(b) \$10,000,001- \$20,000,000	\$2,500.00	
(c) \$20,000,001- \$50,000,000	\$5,000.00	
(d) \$50,000,001- \$75,000,000	\$7,500.00	
(e) \$75,000,001- \$125,000,000	\$10,000.00	
(f) Over \$125,000,000	\$12,500.00	
Restoring co-operative society's name to the Register	\$100.00	\$75.00
Inspection of the Register	\$25.00	\$25.00

For filing the annual audited Financial Statements:		
(a) on the day that it is due	No Fee	No Fee
(b) for each day after the date that it is due to be filed, a special filing	\$50.00	\$50.00
	to a maximum of \$15,000.00	to a maximum of \$1000.00
Copies of a document		
(a) First page	\$2.00	\$2.00
(b) Each additional page	\$1.00	\$1.00
Certified copy of a document		
(a) First page	\$10.00	\$5.00
(b) Each additional page	\$5.00	\$2.50
Change of name	\$100.00	\$100.00
Certificate of dissolution	\$100.00	\$100.00
Certificate of revival	\$100.00	\$100.00

**SCHEDULE 3**

(Regulation 42)

Duration of Period of Overdue Loans	Delinquent Loans	Collateral	Net Delinquent Loans	Percentage of Outstanding Loans Balance That is Deemed Loss Exposure	Provisions
Less than 3 Months				0%	
3 months but less than 1 year				35%	
1 year or more				100%	
Total					

**SCHEDULE 4**

(Regulation 50)

**MONTHLY PRUDENTIAL STANDARDS PERFORMANCE RETURN – BY CREDIT UNIT***[WITH 16 KEY RATIOS IN BOLD PRINT]*

PRUDENTIAL STANDARDS RATING SYSTEM RATIOS	GOALS	GOALS YEAR 20...	ACTUAL @ (date)
<b>P. PROTECTION</b>			
1. <b>Loan Loss Allowance/Delinquent Loans &gt; 12mos.</b>	<b>100%</b>		
2. <b>Net Loan Loss Allow./Allow Required for Delinquency 1-12 Mos.</b>	<b>35%</b>		
3. <b>Complete Loan Charge-off/Delinquency &gt; 12 mos.</b>	<b>Yes</b>		
4. Annual Loan Charge-off/Average Loan Portfolio	Minimised		
5. Accumulated Charge-Offs Recovered /Accumulated Charge-Offs	>75%		
6. <b>Solvency</b>	<b>Min. ≥110%</b>		
<b>E. EFFECTIVE FINANCIAL STRUCTURE</b>			
1. <b>Net Loans/Total Assets</b>	<b>70 – 80%</b>		
2. Liquid Investments / Total Assets	<16 – 20%		
3. Financial Investments / Total Assets	Max. ≤10%		
4. Non-Financial Investments / Total Assets	0%		
5. <b>Savings Deposits / Total Assets</b>	<b>70% - 80%</b>		
6. Borrowed Funds / Total Assets	0-5%		
7. Member Share Capital / Total Assets	Max. ≤20%		
8. <b>Institutional Capital / Total Assets</b>	<b>Min. ≥10%</b>		
9. Net Institutional Capital / Total Assets	Max. ≥10%		
<b>A. ASSET QUALITY</b>			
1. <b>Total Loans Delinquent /Gross Loans Portfolio</b>	<b>Max. ≤5%</b>		
2. <b>Non-Earning Assets / Total Assets</b>	<b>Max. ≤5%</b>		
3. Net Zero Cost Funds / Non-Earning Assets	≥200%		
<b>R. RATES OF RETURN &amp; COSTS (ANNUALISED)</b>			
1. Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate		
2. Liquid Investments Income/ Average Liquid Investments	Market Rates		
3. Financial Investments Income / Average Financial Investments	Market Rates		
4. Non-Financial Investment Income/Average Non-Financial Investments	≥R1		
5. Financial Cost Savings Deposits / Average Savings Deposits	Market Rates > Inflation		
6. Financial Cost External Credit / Average External Credit	Market Rates		
7. Financial Cost Member Shares / Average Member Shares	Market Rates, > R5		

8. Gross Margin / Average Assets	^ E9 = 10%		
9. Operating Expenses / Average Total Assets	Max. $\geq 5\%$		
10. Provisions for Risk Assets / Average Assets	^P1=100% ^P2=35%		
11. Other Income or Expense / Average Assets	Minimised		
12. Net Income / Average Assets (ROA)	Max. ^E 9 =10%		
<b>L. LIQUIDITY</b>			
1. Liquid Assets – Short Term Payables / Total Deposits	Min. 15%		
2. Liquidity Reserves / Total Savings Deposits	10%		
3. Non-Earning Liquid Assets / Total Assets	< 1%		
<b>S. SIGNS OF GROWTH</b>			
1. Net Loans	^E1=70–80%		
2. Liquid Investments	^ E2 <16%		
3. Financial Investments	^ E3 <2%		
4. Non-financial Investments	^ E4 = 0%		
5. Savings Deposits	^E5=70– 80%		
6. External Credit	^E 6 = 0-5%		
7. Member Shares	^E7 <20%		
8. Institutional Capital	^E8 >10%		
9. Net Institutional Capital	^ E9 >10%		
10. Membership	>15%		
11. Total Assets	Min. > Inflation Rate + 10%		

**ADDITIONAL PERFORMANCE DATA**

INDICATOR	Meetings Held to Date	Participation Rate %	Total Due This Year
Board of Directors			
Supervisory and Compliance Committee			
Credit Committee			
Joint / Extraordinary Committee			
Nominations Committee			
Other Committee			
	<b>Total YTD</b>	<b>Total Females</b>	<b>Total This Year</b>
No. of Employees			
No. of Members			
No. of Other Account Holders			



## SCHEDULE 5

(Regulation 51)

## MONTHLY PERFORMANCE RETURN - PRODUCER AND SERVICE CO-OPERATIVES

## 1. Statement of Financial Position      Name of Society

**Regulatory Authority****ASSETS**

Total Cash Balance:

Cash in hand

Cash at bank:

Savings

Fixed

other

**Other Assets:**

Accounts Receivable

(a) Members

(b) Trade Receivables

Inventory

**Fixed Assets**

Equipment

Furniture

Other

**Total Assets**

Current Yr

\$

Prior Yr

\$

0

0

0

0

**LIABILITIES**

Overdraft

Accounts Payable

Bank Loans

Other Loans

0

**SHARE CAPITAL**

Members

Other (partially paid)

0

Donated Capital

**RESERVES**

Retained Earnings

Statutory Reserves

Other Reserves

**Total Liabilities and Share Capital**

0

0

## 2. Statement of Comprehensive Income

Name of Society

No. ]

*Co-operative Societies Regulations*

[ 2022

<b>Sales</b>		_____
<b>Less Cost of Sale:</b>		
Opening Inventory		
Purchases		
Closing Inventory	_____	
<b>Total Cost of Sales</b>	_____	_____
		_____
<b>OTHER INCOME</b>	_____	_____
Entrance Fees		
ID Cards		
Other	_____	
<b>Total Income</b>	_____	_____
		_____
<b>Operating Expense:</b>		
Salaries and Wages		
Statutory Deductions		
Advertising	_____	
Repairs & Maintenance	_____	
Transportation	_____	
Stationery	_____	
Bank Charges	_____	
Utilities	_____	
Brokerage Fees	_____	
Miscellaneous	_____	
<b>Total Expenses</b>	_____	_____
		_____
<b>Surplus/Deficit</b>	_____	_____
		_____

**3. MANAGEMENT RATIOS**

Key Performance Ratios	GOAL	Current Year	Prior Year
R1. Net Working Capital			
R2. Current Ratio			
R3. Liquidity Ratio			
R4. Quick Asset Ratio			
R5. Inventory Turnover Ratio			
R6. Debt Ratio			
R7. Debt to Equity Ratio			
R8. Net Profit Margin			
R9. Return on Assets			

**1. OTHER PERFORMANCE DATA**





