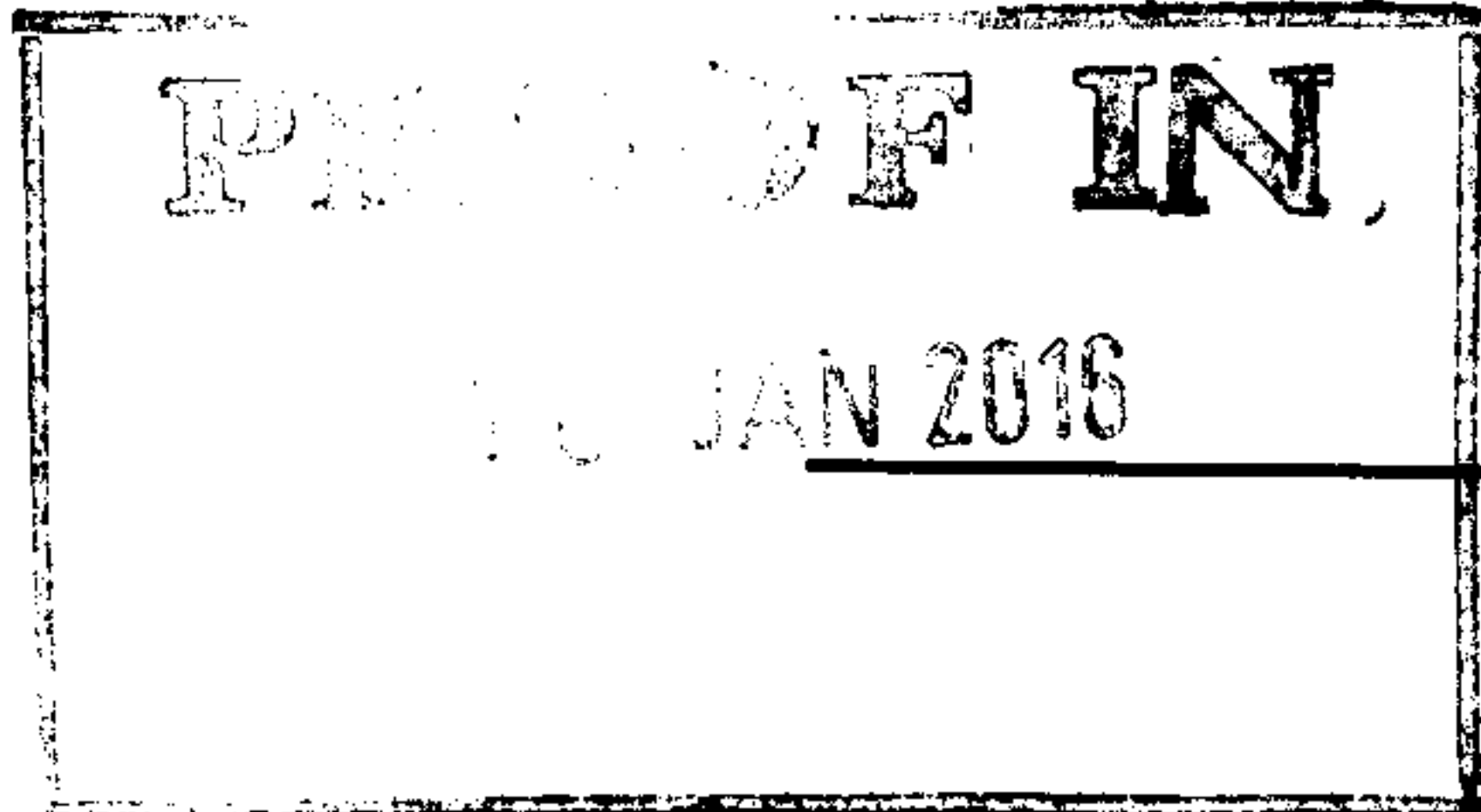


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COOPERATIVE SOCIETIES REGULATIONS
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GOVERNMENT NOTICE No. 272 published on 17/07/2015

THE COOPERATIVE SOCIETIES ACT
(ACT NO. 6 OF 2013)

REGULATIONS

(Made under section 141)

THE COOPERATIVE SOCIETIES REGULATIONS

PART I
PRELIMINARY

- Citation 1. These Regulations may be cited as the Cooperative Societies Regulations, 2015.
- Applica-
tion 2. These Regulations shall apply to all cooperative societies covered under the Act except for cooperative financial institutions unless otherwise specifically provided in their respective Regulations.
- Interpre-
tation 3. In these Regulations, unless the context otherwise requires-
- Act No. 6
of 2013 “ Act” means the Cooperative Societies Act;
“Board” means the governing body of a registered cooperative society to whom the management of its affairs is entrusted;
“budget” means and includes a projection of income and expenditure statement endorsed by the members at the general meeting and approved by the Registrar;
“Chairperson” has the meaning ascribed to it under the Act;
“charge” in relation to Part IX of the Act means security interest in cooperative society’s assets created in favour of creditor to secure the amount owing;
“code of conduct” means a set of rules governing the Cooperative leaders’ conduct and the manner in which management of Cooperative Societies is conducted and adheres to the cooperative principles and practices as prescribed in the Second Schedule to the Act;
“Commission” has the meaning ascribed to it under the Act;

Cooperative Societies Regulations

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- Cap. 185 “Corporation” means an Cooperative Audit and Supervision Corporation established under the Cooperative Audit and Supervision Act;
- “Cooperative Development Office” means a department, section or unit established under or by sectoral ministry, regional secretariat and local government authority to serve for cooperative development promotion matters;
- “cooperative officer” means a public officer employed as such to perform the functions of the commission under the Act;
- “cooperative leader” means a member of the Board or any committee of the cooperative society and shall include a member of executive staff in the senior management;
- “cooperative promotion officer” has the meaning ascribed to it under the Act;
- “ cooperative society” has the meaning ascribed to it under the Act;
- “debenture” means a document that acknowledges and contains the terms of a loan to a cooperative society;
- “delegate” has the meaning ascribed to it under the Act;
- “formation committee” means a committee formed for the purpose of forming a cooperative society as provided for under regulations 4 and 9 of these regulations;
- Cap. 342 “financial institution” means a financial institution as defined in the Banking and Financial Institutions Act.
- “formation meeting” means a meeting of founder members of the society for the purpose of agreeing on the formation of a society;
- “initial capital” means value of number of shares paid up as described in the respective by laws of the cooperative society;
- “initial meeting” means first meeting of the members of the prospective cooperative society as prescribed for under regulation 4;
- “joint enterprise” has the meaning ascribed to it under the Act;
- “letter of recognition” means a written document from the Registrar that acknowledges the existence of Pre-cooperative societies;
- “Manager ” means an officer of a cooperative society vested with the powers to manage and supervise day to day affairs of that cooperative society;
- “member” has the meaning ascribed to it under the Act;
- “middle level cooperative society” means cooperative society other than primary cooperative society and Federation formed pursuant to section 19 (2) of the Act;
- “notice of deferment” means a written document from the Registrar to entitle the cooperative society in respect of which it is issued

to operate as a registered cooperative society for a specified time during which they are required to fulfill the required conditions;

“officer” has the meaning ascribed to it under the Act;

“scheme” means a system established or approved by members to facilitate financial operations as prescribed in the By-laws of a cooperative society;

“specialized society” means a cooperative society that provides certain services to its members and includes the types of cooperative societies as ascribed under section 27 of the Act;

“surcharge” means a payment charged to an officer or a member of a cooperative society as provided for under section 95 of the Act and these Regulations;

“school society” means a cooperative society whose members are students of either a primary or secondary school.

PART II

FORMATION, REGISTRATION AND CANCELLATION OF REGISTRATION OF COOPERATIVE SOCIETIES AND PRE COOPERATIVE SOCIETIES

(a) *Formation of cooperative Society and pre cooperative society*

Initial meeting

4.-(1) Subject to section 20 of the Act and these Regulations, persons who wish to form cooperative society shall hold an initial meeting for the purpose of-

- (a) discussing and agreeing on the formation of the society;
- (b) determining among other things procedures for the election of the chairperson and secretary of the initial meeting; and
- (c) electing the formation committee.

(2) The initial meeting held under sub regulation (1) shall be under the guidance of the cooperative promotion officer or any other cooperative officer appointed by the Registrar.

Formation committee and its functions

5.-(1) The formation committee elected under regulation 4 shall consist of such number of members as determined in the initial meeting.

(2) The formation committee shall, under the guidance of Cooperative promotion officer or cooperative officer, elect a chairperson and appoint a secretary to prepare and maintain records of its proceedings.

(3) The functions of a formation committee shall be:-

- (a) to consider in detail the type of cooperative society to be formed and determine its objects;
- (b) to undertake a feasibility study into the economic viability of the society;
- (c) to compile a list of members and record of the required share capital and contributions as required in the proposed By-laws of the society;
- (d) to prepare, in consultation with the cooperative promotion officer or cooperative officer, appropriate by-laws for the proposed cooperative society;
- (e) to convene formation meeting; and
- (f) to do all such acts as may be necessary for the purpose of meeting registration requirements.

(4) For the purpose of registration of the society, the Formation committee shall prepare and submit a report to the formation meeting for discussion and approval.

Matters included in feasibility study

6. The feasibility study to be undertaken by the formation committee for the purpose of determining economic viability of the society shall include the following:-

- (a) potential members, common bond and felt need to establish a cooperative society;
- (b) potential members ability to buy shares and make contribution in order to raise enough initial capital for the purpose of sustaining the basic costs of running the cooperative society;
- (c) potential members' background and skills they possess;
- (d) potential capacity of management to organize and control the affairs of the cooperative society;
- (e) potential business volume of the cooperative society to enable continuous operations and profit;
- (f) the minimum required infrastructure and supporting services available within the area of operation of the cooperative society; and
- (g) any other information that the Registrar may direct.

Formation meeting

7.-(1) Without prejudice to regulation 4, there shall be a formation meeting which shall be convened by formation committee for the purpose of receiving the report for forming and registering a society.

Cooperative Societies Regulations

GN. No. 272 (contd.)

(2) The formation meeting held under sub regulation (1) shall be under the supervision of the cooperative promotion officer or any other cooperative officer appointed by the Registrar and shall have the following functions:-

- (a) to determine its own procedures including the election of the chairperson and secretary of the formation meeting;
- (b) to receive and discuss the formation committee report;
- (c) to adopt the name of the society;
- (d) to endorse the by-laws of the prospective cooperative society;
- (e) to endorse the projected financial statement of the society;
- (f) to endorse the economic viability report of the prospective cooperative society; and
- (g) to assign the formation committee to finalize necessary documents for registration and submit them to the Registrar.

Formation of pre-cooperative society

8.-(1) Subject to section 38 of the Act, persons who wish to form a pre-cooperative society shall hold a constituent meeting of at least five persons for the purpose of:-

- (a) agreeing and declaring their intention to form a pre-cooperative society;
- (b) making and adopting their respective by-laws;
- (c) determining the number and tenure of delegates; and
- (d) agreeing on other matters as the Registrar may direct.

(2) The constituent meeting held under sub regulation (1) shall be under the supervision of the cooperative promotion officer or any other cooperative officer appointed by the Registrar.

(3) The constituent meeting shall elect the chairperson and secretary of the meeting and determine its own meeting procedures.

(4) The declaration for formation of pre-cooperative society shall be made in Form No.1 prescribed in the First Schedule to these Regulations.

Formation of middle level cooperative society

9.-(1) Subject to the requirements provided for under sections 19, 26 and 29 of the Act, the registered cooperative society may agree to form middle level cooperative society if members of each cooperative society in their general meetings have agreed to form a middle level cooperative society.

(2) Unless otherwise directed by the Registrar, the cooperative societies aspiring to form middle level cooperative society shall convene an initial meeting of delegates from each cooperative society, which shall have the following functions:-

- (a) to form a formation committee;
- (b) to determine its own proceedings including the election of its chairperson and the secretary ; and
- (c) to perform any other relevant function as determined by members of the proposed middle level cooperative society.

(3) The formation committee formed under sub regulation (2)(a) shall have the following functions:-

- (a) to consider in detail the type of middle level cooperative society to be formed and determine its objects;
- (b) to undertake a feasibility study into the economic viability of the proposed middle level cooperative society;
- (c) to compile a list of members of the proposed middle level cooperative society and a record of the probable share capital or contributions from each cooperative society;
- (d) to prepare appropriate by-laws for the proposed middle level cooperative society;
- (e) to convene formation meeting of delegates from each cooperative society aspiring to form middle level cooperative society;
- (f) to prepare and submit a report to formation meeting for discussion and approval; and
- (g) to do all such acts as may be necessary for the purpose of meeting registration requirements of middle level cooperative society.

(4) Upon the receipt, discussion and approval of the report submitted by the formation committee, the formation meeting may assign the formation committee to finalize necessary documents for registration of middle level cooperative society and apply for registration in accordance with the Act and these Regulations.

Guidelines

10. The Commission may, for the purpose of these

Cooperative Societies Regulations

GN. No. 272 (contd.)

Regulations, issue guidelines for the formation of cooperative societies and pre-cooperative societies.

(b) Registration of cooperative societies and pre cooperative societies

Application for registration

11.-(1) Every society which intends to be registered as cooperative society, shall apply to the Registrar for registration.

(2) The Registrar may, upon receipt of the application made pursuant to sub regulation (1), register a society subject to terms and conditions as the Registrar may determine.

(3) The Registrar shall process and determine the application for registration within sixty days from the date of receipt of an application under sub-regulation (1).

Mode of application for registration

12.-(1) The application for registration shall be made to the Registrar in Form No. 2 as prescribed in the First Schedule.

(2) Every application for registration shall be signed on its behalf by persons duly and authorized by the formation meeting and the application shall be accompanied by the following:-

- (a) certified copies of resolutions passed at the initial and formation Meetings;
- (b) a report of the formation committee including feasibility study or project write-up;
- (c) members declaration form as set out in Form No. 14 as prescribed in the First Schedule;
- (d) four original copies of the by-laws which were duly adopted by the formation meeting; and
- (e) such other related information or documents as the Registrar may require.

Determination of application for registration

13.-(1) The Registrar shall, in the determination of the application for registration, take into account the economic viability of the society and that the society has fulfilled the conditions for registration pursuant to relevant provisions of the Act.

(2) For the purpose of these Regulations, the economic viability of the society shall be assessed using form no 3 as prescribed in the First Schedule to these Regulations.

Registration of society

14.-(1) The Registrar shall register a society and its by-laws if he is satisfied that:-

Cooperative Societies Regulations

GN. No. 272 (contd.)

- (a) the society has complied with the provisions of the Act and these Regulations;
- (b) the proposed by-laws of the society are not contrary to the Act and the Regulations; and
- (c) the proposed by-laws of the society are sufficient to provide for its proper administration and management.

(2) Where the Registrar determines that an application meets the requirement under sub-regulation (1), he shall issue a certificate of Registration in Form No. 2 as prescribed in the First Schedule.

Refusal of registration

15.-(1) Subject to section 32 of the Act, the Registrar may refuse to register a society and its by-laws, if he is satisfied that-

- (a) the application for registration does not comply with the requirement under Regulation 14;
- (b) the society is to be established not for the interests of its members;
- (c) the proposed by-laws of the society are not consistent with the provisions of the Act or these Regulations ;
- (d) there is no sufficient capital as determined by feasibility study report for the commencement and maintenance of the operations of the society;
- (e) there are no available officers capable of directing and managing the affairs of the society and keeping the records and accounts of the society, having regard to the reputation, character, financial integrity and reliability of the proposed officers.

(2) Where the Registrar refuses to register a society, he shall issue a written notice to the society stating the reasons thereof.

(3) Notwithstanding the provisions of this regulation, the society whose application has been refused may submit a fresh application based on the reasons of refusal by the Registrar and such application received by the Registrar shall be treated as the new application.

Prohibited Names

16.-(1) The name of a cooperative society shall not be:-

- (a) general;
- (b) descriptive in any language, of the quality, function or other characteristic of the goods or services in which the cooperative deals or intends to deal in;

(c) only a single name or surname used alone of an individual; or

(d) only a geographic name used alone, unless the proposed name has been established for a long time and continuous use prior to the date of registration or the proposed name of the cooperative society has through use acquired a meaning which renders the name distinctive.

(2) Subject to sub regulation (1), the Registrar shall, when determining whether a name of a society is distinctive, consider that name as a whole and not only its separate elements.

(3) The name of a cooperative society shall not contain a word or expression, an element of which is the family name of an individual whether or not preceded by the given name or initials, unless the individual, or his legal representative, consents in writing to the use of the name.

Appeal
against
refusal of
registra-
tion

17.-(1) A society aggrieved by the decision of the Registrar under regulation 15 may, within sixty days from the date of receipt of the written notice of refusal, appeal to the Minister.

(2) The Minister shall within thirty days from the date of receiving the appeal, subject to sub regulation (1), make decision

Applica-
tion for
Recogni-
tion and
registra-
tion of
pre-coo-
perative
society

18.-(1) Subject to sections 38 and 40 of the Act, a society shall apply for recognition and registration as a pre-cooperative society in Form No 5, as prescribed in the First Schedule.

(2) The application for recognition and registration of a pre cooperative society made pursuant to sub regulation (1) shall be signed on its behalf by persons duly appointed and authorized by the constituent meeting and such application shall be accompanied by the following:-

- (a) a certified copy of a resolution passed at the constituent meeting;
- (b) four original copies of the by-laws which were duly adopted by the constituent meeting; and
- (c) such other information or documents as the Registrar may require.

Cooperative Societies Regulations

GN. No. 272 (contd.)

(3) The Registrar shall process the application made under sub regulation (1) within sixty days from the date of the receipt of the application.

Recogni-
tion and
registra-
tion of
pre-coo-
perative
society

19.-(1) Where the Registrar is satisfied that the application for recognition and registration of pre-cooperative society meets the conditions, he shall issue a letter of recognition in Form No.6 as prescribed in the First Schedule.

(2) The letter of recognition issued pursuant to sub regulation (1) shall last for a term not exceeding three years and may contain terms and conditions as the Registrar may prescribe from time to time.

Evidence
of
recogni-
tion

20.-(1) Without prejudice to the generality of section 40 of the Act, a letter of recognition shall be deemed to be a provisional certificate of registration of the pre-cooperative society.

(2) Where a duly recognized and registered pre-cooperative society fulfills conditions of formation and registration of a cooperative society pursuant to the provisions of the Act and these Regulations, the Registrar may register a pre-cooperative society as a cooperative society.

(3) Where the Registrar refuses to register a society as a pre-cooperative society, he shall issue a written notice to the society stating the reasons thereof and the aggrieved society shall have the right to appeal as provided for under the Act.

Notice of
deferment
for
probati-
onary
societies

21.-(1) Pursuant to section 36 of the Act, where the Registrar is unable to register a society by reason of non-compliance, he may, in writing, issue a notice of deferment for the registration of that society pending compliance with relevant conditions of registration.

(2) The notice of deferment issued under sub regulation (1) shall be made in Form No.7 as prescribe in the First Schedule.

(3) Where a probationary society becomes a cooperative society after fulfilling conditions of registration of a cooperative society, the Registrar shall cancel notice of deferment.

Powers to
make By-
laws

22.-(1) Subject to section 52 of the Act, every cooperative society shall have the power to make by-laws to manage its

undertakings and conduct of its members.

(2) The by-laws made under sub-regulation (1) shall comply with the Act and these Regulations.

(4) Without prejudice to sub-regulation (2), a cooperative society may opt to add in their by-laws any provisions provided that such provisions are not repugnant to the provisions of the Act and these Regulations.

(5) Without prejudice to section 52 of the Act, the by-laws made under sub-regulation (1) shall be binding if such by-laws:-

- (a) are made in compliance with the Act and these Regulations; and
- (b) are presented, discussed and endorsed by the general meeting and registered by the Registrar.

Record
keeping

23.-(1) A cooperative society shall prepare and maintain at its registered office or at any other place in Tanzania as designated by its Board the following records:-

- (a) the cooperative society's by-laws, including any amendments and a copy of any unanimous agreement;
- (b) financial or accounting records;
- (c) the minutes of meetings of the members and the Board;
- (d) copies of all notices of Board meetings and notices of change of such meetings;
- (e) membership register setting out their names and addresses, the number of any membership shares owned and the amount of any loans;
- (f) a register of Board members, setting out the names and addresses of the individuals who are or who have been Board members and the dates on which they became or ceased to be members of the Board;
- (g) a securities register as approved by the Registrar if any; and
- (h) any other records as required under the Act and these Regulations or as directed by the Registrar.

(2) Any register or record required under these Regulations shall be prepared and maintained in a form that is capable of reproducing any required information in intelligible written form within a reasonable time, including:-

- (a) a bound or loose-leaf form;
- (b) a photographic form;

Cooperative Societies Regulations

GN. No. 272 (contd.)

- (c) a system of mechanical or electronic data processing; or
- (d) any other information storage device.

(3) A cooperative society, its officer or agent shall take reasonable precautions in respect of the registers and records required by these Regulations to:-

- (a) prevent their loss or destruction;
- (b) prevent the falsification of entries in them; and
- (c) detect and correct inaccuracies..

Retention
of
accounti-
ng records

24. Subject to any other relevant law, every cooperative society shall retain the financial or accounting records for a period of ten years after the end of the financial year to which they relate.

Request
for List of
members

25.-(1) Member, shareholders and creditors of a cooperative society and their personal representatives or any other person dealing with the cooperative society, may request the cooperative society to provide them with a list of members.

(2) A request under sub regulation (1) shall be accompanied by an affidavit containing:-

- (a) the name and address of the applicant; and
- (b) an undertaking that the list of members or shareholders requested shall be used for the lawful purpose.

(3) The request made pursuant to sub-regulation (1) shall be made not later than ten days after the cooperative society receives the affidavit referred to in sub regulation (2) and after payment of a fee as may be prescribed in the by-laws of a cooperative society.

(4) Every cooperative society shall process the requested list of members in 10 days and may provide it to the applicant if satisfied that the request is made for stipulated purpose.

(5) The list of members or shareholders provided under this regulation must set out in alphabetical order the names and addresses of the members or shareholders of the cooperative society and member's interest in the cooperative society.

(6) A member or shareholder may advise the cooperative society in writing that his name is not to be included in a list prepared by the cooperative society further to a request under sub regulation (1), in which case the cooperative society shall not include that name in the list but shall mention on the list that the list is incomplete.

Cooperative Societies Regulations

GN. No. 272 (contd.)

(7) The provisions of sub-regulation (1) shall not apply to Assistant Registrars, Cooperative Officers, Cooperative Inspectors, Cooperative promotion Officer, Auditors or any other person authorized by the Registrar.

(c) Cancellation of registration of cooperative societies and pre-cooperative societies

Cancellation of registration of cooperative societies

26.-(1) Without prejudice to section 100 of the Act, the Registrar may, upon being satisfied that a registered cooperative society or pre-cooperative society has failed to comply with terms and conditions of registration or is in breach of the provisions of the Act and these Regulations, cancel the registration of a cooperative society or pre cooperative society.

(2) Where the Registrar intends to cancel the registration of a cooperative society or pre-cooperative society, he shall give to the cooperative society or pre cooperative society ninety days' notice in the *Gazette* after which if that cooperative society or pre cooperative society does not show cause why its registration should not be canceled, he shall cancel that cooperative society or pre cooperative society as the case may be from the register.

(3) The notice given under sub regulation (2) shall include the reasons for proposed cancellation, the date on which the cancellation is to be effected and any other relevant matters as the Registrar may prescribe.

(4) The Registrar may inform the general public through public media about the Notice executed under sub regulation (2).

Appeal against cancellation

27. The right of appeal against cancellation of Registration and the effect and consequences of cancellation of Registration under the Act shall apply and have similar effect to cancellation of registration under these Regulations.

PART III
MANAGEMENT OF COOPERATIVE SOCIETY

(a) *Membership, Rights and Obligations*

Membershi
p
of
cooperative
society

28.-(1) Membership of a cooperative society shall be open to all persons who possess qualifications for membership as provided for in the Act, these Regulations and the by-laws of the cooperative society.

(2) Without prejudice to sub regulation (1), persons who wish to become members of the cooperative society must be of sound mind, age of majority and capable of paying fees and acquiring shares.

(3) Unless otherwise provided for in the by-laws, no person shall become a member of the cooperative society unless he has a common need to those other members which the cooperative society seeks to achieve.

(4) Notwithstanding the provisions of this regulation, a person who is of the age of fifteen years or below herein referred to as a "minor" may become a member of a school society or any other cooperative society provided that the Registrar grants the approval thereof.

Restriction
of dual
membe-
ship.

29.-(1) Subject to section 41(3) of the Act, a person who is a member of a cooperative society may become a member of another cooperative society with similar objectives if-

- (a) such person discloses in writing to both cooperative societies his membership or intended membership as the case may be, his obligations and liability status;
- (b) the location and activities of the cooperative society to which he is a member and that of another cooperative society are not likely to affect the business of any of the two cooperative societies.

(2) A cooperative society which registers a member who is a member of another cooperative society contrary to the provisions of this regulation, commits an offence and in addition to penalties provided for under the Act and these Regulations, such cooperative society shall be responsible for liability of such member to another cooperative society.

Cooperative Societies Regulations

GN. No. 272 (contd.)

(3) A member of a cooperative society who contravenes this regulation commits an offence and shall, in addition to penalties provided for under the Act and these Regulations, be responsible for any consequential financial liability to the initial cooperative society.

Register of members

30.-(1) Every cooperative society shall keep and maintain a Register of members and shall ensure that Register contains:

- (a) Name and address of a member;
- (b) Registration number of a member;
- (c) Number and value of shares paid for;
- (d) Where applicable, name and address of successor;
- (e) Date of confirmation;
- (f) Date of registration of membership
- (g) Declaration of compliance with by-laws; and
- (h) Other particulars as provided for in the by-laws.

(2) A person who wishes to become a new member of registered cooperative society may not become a member of such registered cooperative society unless:-

- (a) such person has made an application in writing to the Board and his application discussed and assented by the General Meeting;
- (b) in case of a primary cooperative society such member signs or affixes his thumbprint against his name to such entry in the presence of at least two members of the Board; and
- (c) in case of middle level cooperative society and federation, the authorized person signs on behalf of a member of cooperative society in the presence of at least two members of the Board.

Rights of members

31.-(1) Subject to section 52 of the Act, every cooperative society shall provide in its by-laws the rights of the members of such cooperative society.

(2) Without prejudice to the provisions of sub-regulation (1), the rights of members of the cooperative society shall include among others things:-

- (a) Right of members to vote and to be voted for;
- (b) right to attend and participate in cooperative society meetings;

Cooperative Societies Regulations

GN. No. 272 (contd.)

- (c) right to participate in the leadership of the cooperative society;
- (d) right to call a special general meeting in accordance with these Regulations and by-laws;
- (e) where applicable, the right to nominate a successor in accordance with the by-laws;
- (f) right to borrow from the cooperative society;
- (g) right to acquire shares of the cooperative society;
- (h) right to be informed of all affairs of the cooperative society;
- (i) right to receive dividends and or other benefits from the cooperative society's business operations;
- (j) right to participate in the making and amendment by-laws;
- (k) right to withdraw from membership;
- (l) right to initiate an inquiry into affairs of the cooperative society;
- (m) right of appeal as provided for in the Act, these Regulations and by-laws; and
- (n) any other rights as the cooperative society may, in terms of the by-laws, consider appropriate.

(3) The right provided for under sub-regulation (2) shall be included in the by-laws of every cooperative society.

(4) No member of a registered cooperative society shall exercise the rights of a member unless he participates fully in the business of the cooperative society and that he has made payments in respect of shares and fees as provided for in the by-laws.

Rights of
minors

32.-(1) Subject to section 44 of the Act, where a minor intends to become a member of the cooperative society, a parent or a guardian of such a minor shall be informed of the minor's intention to become a member and the parent or guardian shall open a share account or pay a membership fee and buy shares as the case may be.

(2) Where the account has been opened for deposit by a minor such minor may make payments to and withdraw money from such account, or make such other use of the account provided with the approval of his parent or guardian.

(3) The provisions of this Regulation shall not apply in the case of school cooperative society.

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Obligations of members

33.-(1) Subject to section 52 of the Act, every cooperative society shall provide in its By-laws the obligations of members.

(2) Without prejudice to the provisions of sub-regulation (1), the obligations of members of the cooperative society provided for in the by-laws shall include-

- (a) to comply with the Act, these Regulations, by-laws, code of conduct, internal regulations, policies and procedures;
- (b) to pay fees, shares and any other cooperative society dues;
- (c) to participate in the economic activities of the cooperative society as required in the by-laws;
- (d) to attend meetings of the cooperative society;
- (e) where applicable to nominate their successors;
- (f) to pay debts to the cooperative society;
- (g) to implement the resolutions of the general meetings;
- (h) to protect and defend cooperative society's assets and equity;
- (i) to reserve and protect society's image and reputation;
- (j) to accept guidance for any situation deemed potentially harmful to the cooperative society or its members; and
- (k) to perform any other obligations as the cooperative society may deem necessary and as provided for in the by-laws.

Services in priority

34. A member of a cooperative society shall have priority in receiving certain services as may be provided for in the by-laws of the cooperative society.

Shares and deposits of cooperative societies

35. Shares and deposits in a cooperative society may be held by a duly authorized person on behalf of school cooperative society or other organizations, and withdrawals may be made on behalf of such cooperative society or organization with the written approval of the person authorized to hold shares or to make such deposits.

Votes of members

36.-(1) Every member of a registered cooperative society shall have one vote at general meetings of the cooperative society irrespective of the number of shares held by him.

(2) A member of a registered cooperative society shall not vote by proxy or representative.

(3) Save as otherwise provided in sub regulations (1) and (2), a cooperative society may provide in its by-laws the voting

procedures at general meetings.

Nomination
of
successors
by
members of
a primary
cooperative
society

37.-(1) Every member of a primary cooperative society shall, at the time or after he becomes a member, nominate in writing with two attesting witnesses, a successor who shall, in the event of a member's death, succeed his shares or other interests in the cooperative society.

(2) The nomination of a successor under sub regulation (1) shall be made in Form No. 8 as prescribed in the First Schedule.

(3) Where a successor does not become a member or is not admitted to membership by the Board the value of the share or other interest shall nevertheless be paid to him.

(4) In the event of death of such successor or of the member desiring to cancel such nomination, the member may from time to time nominate in writing another person in the same manner as in sub-regulations (1) and (2), and the necessary alterations shall be made in the records of the cooperative society.

(5) If there is no successor, interest which includes the sum actually paid to the cooperative society by the member or credited to his share capital or other account from time to time out of the earnings of the society, shall be paid to his legal representative.

(6) In the event of there being no successor or legal representative, the amount of share paid by the member or credited to his share capital or other account from time to time out of the earnings of the cooperative society shall be transferred or kept in non-distributable reserve of the cooperative society for a period of three years before being transferred to distributable reserve of the cooperative society.

(7) The value of the interest of a member who has become of unsound mind and incapable of managing his affairs shall be ascertained and paid or transferred to a successor to whom such interest shall vest.

Withdrawal
from
member-
ship

38.-(1) A member who wishes to withdraw from a cooperative society shall give notice and follow procedures as provided for in the by-laws.

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(2) Without restricting the generality of sub-regulation (1), a cooperative society may require an additional notice if the member who wishes to withdraw is-

- (a) a borrower or guarantor of loan owing to the cooperative society;
- (b) otherwise indebted to the cooperative society ; or
- (c) supposed to provide other necessary information which in the opinion of the Board is necessary.

(3) A member who has withdrawn himself from a cooperative society shall not be entitled to a refund of his entrance fee.

Suspension
and
termination
of member-
ship

39.-(1) Subject to section 52 of the Act, every cooperative society shall provide in its by-laws the reasons and procedures for suspension and termination of members.

(2) For the purpose of sub regulation (1), the grounds for termination of membership shall be made upon-

- (a) a member's death;
- (b) a member ceasing to hold a share or shares and any contributions as required by the by-laws of a cooperative society;
- (c) expulsion of the member by the general meeting;
- (d) failure of the member to participate in the activities of the cooperative society as required by the by-laws;
- (e) a member becoming of unsound mind; and
- (f) withdrawal from membership.

(3) A member of a cooperative society shall not be suspended or terminated unless he is served with a notice stating out the ground of suspension or termination and is accorded opportunity to be heard to that effect.

(4) A member who is not satisfied with decision rendering the suspension or termination pursuant to this regulation may, within thirty days of such notice of suspension or termination, appeal to the Commission, and the Commission may, within twenty one days from the date of receipt of the appeal, make decision thereof.

(b) General Meetings and Board Meetings of Cooperative Society

Chairman
at General
Meetings

40.-(1) The chairman of general meetings shall be elected by members at every general meeting and may be re elected for another general meeting,

Provided that no Chairman shall serve for more than two

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consecutive general meetings.

(2) A chairman of the general meeting shall not, at any one time, serve both as a chairman of the general meeting and chairman of the Board.

(3) The election of the chairman of the general meeting shall be supervised by the Election Supervising Officer.

First
general
meeting

41.-(1) Every cooperative society shall, within two months from the receipt of the certificate of registration, hold a first general meeting at which all members shall have the right to be present and to vote, except that, the Registrar may extend the period prescribed herein.

(2) The business of the first general meeting shall include-

(a) the presentation of Registration Certificate by the Registrar or his representative appointed by him in writing;

(b) the election of the members of the Board and chairman of the Board;

(c) the election of the supervisory committee in case of Savings and Credit Cooperative Society (SACCOS); and

(d) any other business as the members of the first meeting deem necessary or as may be provided for in the by-laws.

(3) Nothing in these Regulations shall prevent the Board from appointing different committees from amongst themselves as it deems necessary for better carrying out its functions.

Annual
General
meeting
and other
meetings

42.-(1) Every cooperative society shall hold an annual general meeting at least once a year and may hold special and ordinary general meeting as provided for in the Third Schedule of the Act.

(2) Without prejudice to sub regulation (1), an annual general meetings shall, unless otherwise approved by the Registrar, be held within nine months after the closure of the preceding financial year of the cooperative society for the purpose of-

(a) considering and confirming with such amendments as it may deem fit, the minutes of the previous annual general meeting and of any other intervening general meeting not previously approved;

(b) receiving and considering annual financial statements and auditors reports, summary of management audit report or management letter, and other relevant reports;

- (c) declaration of dividends out of profit available for distribution;
- (d) receiving, discussing and endorsing the annual estimates or budgets;
- (e) receiving, discussing and approving the cooperative society's corporate strategic plan and implementation programs;
- (f) subject to the provisions of the Act, these Regulations and the by-laws, considering and determining the manner in which any available net surplus shall be distributed or invested;
- (g) considering and adopting any amendments to the by-laws;
- (h) proposing and approving any honoraria, allowances, audit fees or other remuneration as defined in the Act or these Regulations;
- (i) electing members of the supervisory committee, if any;
- (j) appointment of the auditors of the society ;
- (k) determination of appeals of persons whose application for membership has been rejected by the management;
- (l) considering and determining the maximum amount a society may borrow;
- (m) hearing and deciding upon any complaints brought by members aggrieved by a decision of the management, provided that notice of the intention to bring such complaints before the meeting has been given to the secretary or manager at least two days prior to the meeting;
- (n) if so requested, hearing the complaints of any auditor who has been removed by the society; and
- (o) transacting any other general business of the society of which due notice has been given to member.

(3) Pursuant to section 52 of the Act, every cooperative society shall provide in its By-laws the procedures for conducting its annual general meeting and special meetings including election of the chairperson, secretary of the meetings and the manner of conducting such meetings.

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Ordinary
general
meeting

43.-(1) Every cooperative society may, apart from an annual general meeting and special general meeting, hold an ordinary general meeting for the purpose of-

- (a) determining the number of members of the Board in accordance with the by-laws of the society where the need arises;
- (b) amendment of the By-laws where the need arises;
- (c) discussing the suspension and expulsion of member of a cooperative society;
- (d) approval of the acquisition or disposal by the cooperative society of any movable and immovable property;
- (e) discussing the implementation of the Cooperative Development Policy, the Act, these Regulations and by laws; and
- (f) the approval of contracts and agreements which are required to be approved by the general meeting in accordance with the Act, Regulations and by-laws.

(2) Notwithstanding provisions of sub-regulation (1), the business of the ordinary general meeting may be combined in a single meeting with the business of the annual general meeting described under these Regulations.

Special
general
meeting

44.-(1) Subject to the provisions of the Third Schedule to the Act, no special general meeting shall be held unless such meeting has been convened by at least one third of members or by the Board or by the Registrar.

(2) Where a special general meeting is convened by at least one third of members of the cooperative society or by the Board, such special general meeting shall have one specific agenda, unless otherwise provided for in the by-laws.

(3) The Registrar or any person authorized by him may summon and preside over a special general meeting of the cooperative society in such manner and at such time and place as he may direct and may direct the matters or agenda to be discussed at that special general meeting provided that-

- (a) such special general meeting shall have the powers and subject to the same regulations in accordance with the by-laws of the cooperative society; and
- (b) all expenses for any special general meeting shall be met by the cooperative society.

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Delegates

45.-(1) A cooperative society may elect or appoint

