

4

[CONFIDENTIAL.]

(Rough Draft for Consideration Only.)

No. , 1922.

---

---

# A BILL

To amend the law relating to Building and  
Co-operative Societies.

---

---

**B**E it enacted by the King's Most Excellent Majesty,  
by and with the advice and consent of the Legis-  
lative Council and Legislative Assembly of New South  
Wales in Parliament assembled, and by the authority of  
the same, as follows :—

**1.** This Act may be cited as the "Building and Short title.  
Co-operative Societies Act, 1922," and is divided into  
Parts as follows :—

PART I.—BUILDING, LOAN, AND INVESTMENT  
SOCIETIES.

192—A

PART

PART II.—CO-OPERATIVE TRADING AND INDUSTRIAL SOCIETIES.

PART III.—GENERAL PROVISIONS.

2. (1) The Act mentioned in the First Schedule to this Act is hereby repealed. Repeal, No. 17, 1902, s. 2.

(2) Every society established or registered or deemed to have been established or registered before the commencement of this Act under the provisions of Act No. 17, 1902, hereby repealed, and being within the purposes mentioned in Parts I and II of that Act, shall be deemed to have been established or registered under the provisions of the Part of this Act applicable thereto, and shall possess and be subject to all the exemptions, privileges, and provisions of this Act applicable to societies of the like class or character to the same extent as if such society and the rules thereof had been registered under this Act. Saving clause.

(3) Within twelve months after this Act comes into force every such society shall comply with all the requirements of the Act, and at the expiration of that period any society which has failed to comply as aforesaid shall be liable to a penalty of *ten* pounds for each month thereafter.

3. In this Act, unless the context or subject-matter otherwise indicates or requires— Interpretation.

“Committee of management” means the body of persons appointed to manage and direct the affairs of the society by whatever name such body is designated. Ibid. s. 5.

“Society” means every society established or registered under this Act, and every society deemed to be so established or registered: Provided that in the case of the said word occurring in Part I or Part II hereof such word shall be taken to mean and include only such a society as is within the purposes mentioned or referred to in such Part.

4. All proceedings, bonds, securities, receipts, registrations, certificates, contracts, engagements, appointments, regulations, rules, alterations of rules, acts, or things Saving clause. Ibid. s. 3.

things duly taken, given, made, or done, and in force or operative at the commencement of this Act under or by virtue of the provisions of the enactment hereby repealed, shall be as valid and have the same force and effect in all respects as if this Act had been in force at the time when the same were so taken, given, made, or done, and they had been duly taken, given, made, or done hereunder.

**5.** The Colonial Secretary shall be the Minister Minister. charged with the administration of this Act.

**6.** The Registrar of Friendly Societies, from time to time appointed and in office under the Friendly Societies Act, 1912, shall be the registrar under this Act, and the office of the said Registrar of Friendly Societies shall be the office of the registrar for the purposes of this Act. Registrar. No. 17, 1902; s. 4.

---

PART I.

BUILDING, LOAN, AND INVESTMENT SOCIETIES.

**7.** (1) Any number of persons may establish a society Purpose for which societies may be established. B. 37 & 38 Vic., Ch. 42, s. 13. under this Act, either terminating or permanent—

(a) for the purpose of raising by the subscriptions of the members a stock or fund for making advances to members out of the funds of the society upon security of freehold, copyhold, or leasehold estate, by way of mortgage;

(b) for the purpose of creating a loan fund for the use of members with a periodical repayment of principal and interest by instalments,

and any society under this Act, so far as is necessary for the said purpose, shall have power to hold land with the right of foreclosure, and from time to time may raise funds by the issue of shares of one or more denominations, either paid up in full or to be paid by periodical or other subscriptions, and with or without accumulating interest, and may repay such funds when no longer required for the purposes of the society: Provided always that any land to which any such society may become absolutely

absolutely entitled by foreclosure, or by surrender, or by other extinguishment of the right of redemption, as soon afterwards as may be conveniently practicable, shall be sold or converted into money.

(2) A terminating society in this Act means a society which by its rules is to terminate at a fixed date, or when a result specified in its rules is attained; a permanent society means a society which has not by its rules any such fixed date or specified result at which it shall terminate.

Definition of terminating and permanent societies. B. 37 & 38 Vic., Ch. 42, s. 5.

**8.** The liability of any member of any society under this Act in respect of any share upon which no advance has been made shall be limited to the amount, if any, not paid on such share, and in respect of any share upon which an advance has been made, shall be limited to the amount payable thereon under any mortgage or other security or under the rules of the society.

Limitation of liability of members. *Ibid.* s. 14.

**9.** The rules of every society shall contain provisions in respect of the several matters set forth in the Second Schedule to this Act.

Matters to be set forth in the rules.

**10.** If the rules of the society so determine, a member of a terminating society, who has not received an advance, may withdraw from the society and obtain a refund of the amount paid by him in subscriptions. Notice of intention to withdraw shall be given in writing signed by the member:

New section.

Provided that withdrawals may be made only after five years' membership, and upon payment of all subscriptions due to date of withdrawal, that refunds shall be payable to withdrawing members in order of priority of date of notification of withdrawal, and that until a society shall have been in existence for thirteen years the total amount refunded in any year may be limited by such society to ten per centum of the total amount received in subscriptions from its members, and in any year thereafter may be limited to the average annual amount withdrawn from the sixth to the thirteenth year inclusive. All charges due under the society's rules up to the date of the notice of withdrawal may be deducted from the amount to be refunded, including an additional two years' working expenses.

**11.** Any society may receive from any member thereof any sum of money by way of bonus in such manner as may be provided in the rules, on any share for the privilege of receiving the same in advance prior to the same being realised, and any interest for the share so received or any part thereof.

Society may receive sums of money by way of bonus. No. 17, 1902, s. 9.

**12.** Any society in and by the rules thereof shall describe the forms of conveyance, mortgage, transfer, agreement, bond, or other instrument which may be necessary for carrying its purposes into execution.

Forms of conveyance, &c., may be specified in schedule to rules. Ibid. s. 10.

**13.** (1) The trustees named in any mortgage made on behalf of any society, or the survivors or survivor of them, or the trustees for the time being, may endorse upon any mortgage or further charge given to or to be given by any member of any such society to the trustees thereof for moneys advanced or to be advanced by any such society to any member thereof a receipt for all moneys intended to be secured by such mortgage or further charge.

Receipts of trustees to act as reconveyances. Ibid. s. 11.

(2) Such receipts shall be sufficient and effectual to vacate the said security and to vest the estate of and in the property comprised in such security in the persons for the time being entitled to the equity of redemption to the uses and upon the trusts to or upon which the equity of redemption then stands limited, without it being necessary for the trustees of any such society to give or execute any reconveyance of the property so mortgaged :

Provided that the form of such receipt shall be specified in a schedule to be annexed to the rules of such society.

**14.** (1) Every society shall have three or more trustees. The trustees shall be appointed at a meeting of the society and by a resolution of the majority of members present and entitled to vote thereat.

Appointment of trustees. Ibid. s. 20.

(2) A copy of any resolution appointing any person to the office of trustee of any society, and signed by such trustee and by the secretary and any three members thereof, shall be deposited with the registrar, and shall be conclusive evidence as to the fact of such appointment and of its sufficiency in favour of all persons accepting any conveyance or release or otherwise dealing with such trustee.

What shall be evidence of appointment of trustee. Ibid. s. 12.

(3)

(3) No such person shall be bound to inquire into the particulars of any such appointment, except as disclosed by the copy of resolution so deposited, nor shall he be prejudiced by any breach or neglect of the rules of such society or provisions of this Act in reference thereto.

**15.** With respect to the borrowing of money by societies under this Act, the following provisions shall have effect:—

Power to borrow money.  
B 37 & 38  
Vic., Ch. 42,  
s. 15.

- (1) Any society under this Act may receive deposits or loans, at interest, within the limits provided in this section from the members or other persons, or from corporate bodies or joint stock companies, to be applied to the purposes of the society.
- (2) In a permanent society the total amount so received on deposit or loan, and not repaid by the society, shall not at any time exceed two-thirds of the amount for the time being secured to the society by mortgages from its members.
- (3) In a terminating society the total amount so received, and not repaid, may either be a sum not exceeding such two-thirds as aforesaid, or a sum not exceeding twelve months' subscriptions on the shares for the time being in force.
- (4) Any deposits with or loans to a society under this Act, made before the commencement of this Act in accordance with its certified rules, are hereby declared to be valid and binding on the society, but no further deposits or loans shall be received by such society, except within the limits provided by this section.
- (5) Every deposit book, or acknowledgment, or security of any kind given for a deposit or loan by a society shall have printed or written therein or thereon the whole of the fifteenth section of the present Act.

**16.** A society may terminate or be dissolved—

- (1) upon the happening of any event declared by its rules to be the termination of the society;
- (2) by dissolution in manner prescribed by its rules;
- (3)

Proceedings necessary for the termination or dissolution of a society.  
*Ibid.* s. 32.

- (3) by dissolution with the consent of three-fourths of the members holding not less than two-thirds of the number of shares in the society, testified by their signatures to the instrument of dissolution. The instrument of dissolution shall set forth—
- (a) the liabilities and assets of the society in detail;
  - (b) the names and addresses of members, and the amount standing to their credit in the books of the society;
  - (c) the claims of depositors and other creditors, and the provision to be made for their payment;
  - (d) the intended appropriation or division of the funds and property of the society;
  - (e) the names of one or more persons to be appointed trustees for the special purpose, and their remuneration.

Alterations in the instrument of dissolution may be made with the like consent, testified in the same manner. The instrument of dissolution and all alterations therein shall be registered in the manner provided for the registration of rules, and shall be binding upon all the members of the society;

- (4) by winding-up, either voluntarily under the supervision of the court or by the court, if the court shall so order, on the petition of any member authorised by three-fourths of the members present at a general meeting of the society specially called for the purpose to present the same on behalf of the society, or on the petition of any judgment creditor for not less than fifty pounds, but not otherwise. General order for regulating the proceedings of the court under this section may be made from time to time by the authority for the time being empowered to make general orders for the court.

Notices

Notices of the commencement and termination of every dissolution or winding-up shall be sent to the registrar by the secretary of the society or by the person or persons appointed to conduct the winding-up, within fourteen days of the commencement and termination respectively of such dissolution or winding-up, and registered by him.

**17.** (1) The registrar shall cause a notice of the commencement of a dissolution or winding-up to be advertised in the Gazette, and, at the society's expense, in a newspaper circulating within the district in which the society's meetings are held.

Advertise-  
ment of  
dissolution.

(2) Unless within three months from the date of the Gazette in which such advertisement appears a member or other person interested in or having any claim on the funds of the society commences proceedings to set aside the dissolution of the society consequent upon such agreement, the society shall be considered for all intents and purposes and in all courts of law and equity as legally dissolved, and the requisite consent to such agreement shall be deemed to have been duly obtained without proof of the signatures thereto.

Evidence of  
dissolution.  
No. 46, 1912.  
s. 65 (b).

**18.** (1) Any society registered under this Part of this Act—

Societies may  
unite with or  
transfer  
engagements  
to another.  
No. 17, 1902,  
s. 19.

(a) may unite and become incorporated in one society with any other such society or societies with or without any dissolution or division of the funds of such societies or either of them ; or

(b) may transfer its engagements to any other such society, if such society undertakes to fulfil such engagements upon such terms as are agreed upon by the committee of management of each of such societies confirmed by the majority of the members of each of such societies at a general meeting convened for the purpose, and are afterwards approved by the registrar.

(2) Any member, who is absent from such meeting in consequence of sickness or other emergency, may vote by writing under his hand, attested by two persons.

**19.**



**19.** (1) Any person under the age of twenty-one may be elected or admitted as a member of any society established under this Part of this Act, provided that the rules of such society do not prohibit such election. Minors may be elected as members. No. 17, 1902, s. 21.

(2) Any such person may execute all necessary instruments and give all necessary acquittances, but during his minority such person shall not be competent to hold office as director, trustee, secretary, treasurer, or manager of such society.

**20.** (1) Every society shall furnish to persons intending to become members thereof a list which shall state all the charges, including the charges upon withdrawal, which are payable by members in respect of their membership, and whether the same are compulsory or optional, and all persons upon becoming members of any such society shall be liable to pay only such charges as are mentioned in such list. All such charges and conditions shall be registered in the rules of the society, and shall be subject to the approval of the registrar. Societies to give correct lists of charges to intending members. Ibid. s. 22.

(2) Any such charges may be altered by resolution of not less than three-fourths of the members of the society, but such alteration shall be subject in like manner to the approval of the registrar.

**21.** (1) The trustees of any society, with the consent of the majority of the members thereof present at a special meeting of the society, may purchase, build, hire, or take upon lease any building for holding meetings, or for other purposes, and adapt and furnish the same, or purchase or hold upon lease any land for the purpose of erecting thereupon such a building, and such trustees shall thereupon hold the same in trust for the use of such society, and with the like consent as aforesaid, such trustees may mortgage, sell, exchange, or let such building, or any part thereof. Building for societies' purpose may be purchased or leased. Ibid. s. 23.

(2) The receipt in writing of the trustees for the time being shall be a legal discharge for the money arising from such mortgage, sale, exchange, or letting, and no mortgagee, purchaser, tenant, or assignee shall be bound to inquire into or ascertain or prove the consent aforesaid to verify his title.

(3)

(3) All money spent in purchasing, building, hiring, or taking upon lease any such building, and in adapting and furnishing the same, shall be raised according to rules of the society made for such purpose.

(4) In no case is the hiring or taking upon lease of any such building to be effected with any officer of the society.

**22.** (1) All real and personal estate whatsoever belonging to any society shall be vested in the trustees for the time being for the use and benefit of such society, and be under the control of such trustees or their respective executors or administrators according to their respective claims and interests.

Property of  
Societies  
vested in  
trustees.  
No. 17, 1902,  
s. 24.

(2) Upon the death or removal of any such trustee the same shall vest in the succeeding trustees for the same estate and interest as the former trustee had therein, and subject to the same trusts without any conveyance or assignment whatsoever.

(3) In all actions and suits or indictments or summary proceeding before magistrates touching or concerning any such property, the same shall be stated to be the property of the persons holding the said office of trustees in their proper names as trustees of such society without any further description.

**23.** (1) The trustees of any societies may bring or defend, or cause to be brought or defended, any action, suit, or prosecution in any court of law or equity, touching or concerning the property, right, or claim to property of the society for which they are such trustees as aforesaid, and in all cases concerning the real or personal property of such society shall sue and be sued, plead and be impleaded, in any court of law or equity in their proper names as trustees of such society without other description.

Actions, &c.,  
by or against  
them.  
*Ibid.* s. 25.

(2) No such action, suit, or prosecution shall be discontinued or abate by the death of any trustee, or his removal from the office of trustee, but the same shall be proceeded in by or against the succeeding trustees as if such death or removal had not taken place, and such succeeding trustees shall pay or receive the like costs as if the action or suit or prosecution had been commenced in their names for the benefit of, or to be reimbursed from, the funds of such society.

**24.**

**24.** A trustee of any society shall not be liable to make good any deficiency which may arise in the funds of such society, but shall be liable only for the money which is actually received by him on account of such society.

Limitation of trustees' responsibility. No. 17, 1902, s. 26.

**25.** (1) In any proceedings against any society it shall be sufficient to make the secretary or other public officer of such society the defendant in such proceedings by his name and the title of the office he holds in the society.

Proceedings. Ibid. s. 27.

(2) Such proceedings shall be commenced and carried on against such officer on behalf of such society, and shall not be abated or prejudiced by the death, resignation, or removal or by any act of such officer after the commencement thereof.

(3) The summons to be issued to such officer may be served by leaving it at the office or place of business of such society.

**26.** Every officer of a society having the receipt or charge of any money belonging to the society, before taking upon himself the execution of his office, shall become bound with one sufficient surety at the least, in a bond according to the form set forth in the Fifth Schedule to this Act, or give the security of a guarantee society, or such other security as the society shall direct, in such sum as the society shall require, conditioned for rendering a just and true account of all moneys received and paid by him on account of the society, and for payment of all sums of money due from him to the society, at such times as its rules appoint, or as the society requires him to do so.

Officers to give security. B. 37 & 38 Vic., Ch. 42, s. 23.

**27.** Every such officer, his executors or administrators, upon demand made, or notice in writing given or left at his last or usual place of residence, shall give in his account as may be required by the board of directors or committee of management of the society, to be examined and allowed or disallowed by them, and, on the like demand or notice, shall pay over all the moneys remaining in his hands, and deliver all securities and effects, books, papers and property of the society in his hands or custody, to such person as the society may appoint ;

Officers to account. Ibid. s. 24.

appoint; and in case of any neglect or refusal to deliver such account, or to pay over such moneys, or to deliver such securities and effects, books, papers, and property in manner aforesaid, the society may sue upon the bond, or may apply to the court, who may proceed thereupon in a summary way, and make such order thereon as to the court in its discretion shall seem just, which order shall be final and conclusive.

PART II.

CO-OPERATIVE TRADING AND INDUSTRIAL SOCIETIES.

**28.** Any number of persons, not being less than seven, may establish a society under this Act for the purpose of carrying on any trade, industry or business, whether wholesale or retail, except the business of banking, or of insurance, which the members of such society unite to carry on or exercise, and of applying the profits to any lawful purpose; the buying and selling of land, and the working of mines and quarries, shall be deemed to be within the meaning of this section.

Constitution.  
No. 17, 1902,  
s. 33.

**29.** (1) The rules of every society shall contain provisions in respect of the several matters set forth in the Third Schedule to this Act.

Rules to contain certain particulars.  
*Ibid.* s. 34 (1).

(2) A copy of the rules shall be delivered by the society to every person, on demand, on payment of a sum not exceeding one shilling.

Copy of rules on demand.  
*Ibid.* s. 34 (2).

**30.** The registration of a society shall render it a body corporate by the name described in the acknowledgment of registry, by which it may sue and be sued, with perpetual succession and a common seal, with power to hold lands and buildings, and to erect, purchase, lease, mortgage, sell and convey the same respectively, and with limited liability, and shall vest in the society all property for the time being vested in any person in trust

Incorporation of society with limited liability.  
No. 17, 1902,  
ss. 35, 36.  
B. 56 & 57,  
Vic., Ch. 39,  
s. 21.

trust for the society, and all legal proceedings then pending by or against any such person or any other officer on account of the society may be prosecuted by or against the society in its registered name without abatement.

**31.** A society shall not be registered under a name identical with that by which any other existing society has been registered, or so nearly resembling such name as to be likely to deceive the members or the public, and the word "Limited" shall be the last word in the name of every society registered under this Part of this Act.

No society to be registered by same name as that of any existing society.  
No. 17, 1902, s. 38.

**32.** A member of any society shall not be entitled to hold or claim any interest exceeding the sum of two hundred pounds, but the society may hold in its registered name any amount of interest in any other such society.

Member's interest.  
*Ibid.* s. 39.

**33.** Every society shall—

Publication of name by a society.  
*Ibid.* s. 40.

- (a) paint or affix, and keep painted or affixed, its name on the outside of every office or place, in which the business of the society is carried on, in a conspicuous position in letters easily legible; and
- (b) have its name engraven in legible characters on its seal; and
- (c) have its name mentioned in legible characters in all notices, advertisements, and other official publications of such society, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods purporting to be signed by or on behalf of such company, and in all bills of parcels, invoices, receipts, and letters of credit of the society.

**34.** (1) If any society does not paint or affix, and keep painted or affixed, its name in the manner directed by this Act, it shall be liable to a penalty not exceeding *five* pounds for not so painting or affixing its name, and for every day during which such name is not so kept painted or affixed.

Penalties on non-publication of name, &c.  
*Ibid.* s. 41.

(2) If any officer of such society or any person on its behalf—

- (a) uses any seal purporting to be a seal of the society whereon its name is not so engraven as aforesaid; or
- (b) issues or authorises the issue of any notice, advertisement, or other official publication of such society, or signs or authorises to be signed on behalf of such society any bill of exchange, promissory note, endorsement, cheque, order for money or goods, or issues or authorises to be issued any bill of parcels, invoice, receipt, or letter of credit of the society wherein its name is not mentioned in manner aforesaid,

he shall be liable to a penalty of *fifty* pounds, and shall further be personally liable to the holder of any such bill of exchange, promissory note, cheque, or order for money or goods for the amount thereof, unless the same is duly paid by the society.

**35.** Every society shall have a registered office situated in New South Wales to which all communications and notices may be addressed. If any such society carries on business without having such an office, it shall incur a penalty not exceeding *five* pounds for every day during which business is so carried on.

Every society to have a registered office. No. 17, 1902, s. 42.

**36.** Notice of the situation of such registered office and of any change therein shall be given to the registrar and recorded by him, and until such notice is given the society shall not be deemed to have complied with the provisions of this Act.

Notice of situation of office registered. *Ibid.* s. 43.

**37.** (1) Any society may be wound up by the court or voluntarily in the same manner in which any company may be wound up under the Companies Act, 1899, and all the provisions of such Act with respect to winding-up shall apply to all societies.

As to the winding-up of societies. *Ibid.* s. 45.

(2) Within twenty-eight days from the termination of the dissolution the liquidators, or other persons having the conduct of the dissolution, shall send to the registrar an account and balance-sheet signed and certified by them as correct, and showing the assets and liabilities of the society at the commencement of the dissolution,

57 & 58 Vic., Ch. 47, s. 11.

dissolution, and the mode in which those assets and liabilities have been applied and discharged, and in default of so doing shall each be liable to a fine not exceeding *five* pounds for every day during which the default continues.

**38.** In case of the dissolution of any society such society shall nevertheless be considered as subsisting, and be in all respects subject to the provisions of this Act so long and so far as any matters relating to the same remain unsettled, to the intent that such society may do all things necessary to the winding-up of the concerns thereof, and that it may be sued and sue under the provisions of this Act in respect of all matters relating to such society.

Dissolution of society not to prevent winding-up of its affairs. No. 17, 1902, s. 46.

**39.** In the event of any society being wound up every present and past member of such society shall be liable to contribute to the assets of the society to an amount sufficient for payment of the debts and liabilities of the society, and the costs, charges, and expenses of the winding-up, and for the payment of such sums as may be required for the adjustment of the rights of the contributors amongst themselves, with the qualifications following, that is to say—

Liability of present and past members of society. *Ibid.* s. 47.

- (a) a past member shall not be liable to contribute to the assets of the society if he has ceased to be a member for a period of one year or upwards prior to the commencement of the winding-up ;
- (b) a past member shall not be liable in respect to any debt or liability of the society contracted after the time at which he ceased to be a member ;
- (c) a past member shall not be liable to contribute to the assets of the society unless it appears to the court that the existing members are unable to satisfy the contributions required to be made by them in order to satisfy all just demands upon such society ;
- (d) a contribution shall not be required from any member exceeding the amount, if any, unpaid on the shares in respect of which he is liable as a past or present member.

**40.**

**40.** (1) A member of any society by writing under his hand, delivered at or sent to the registered office of the society, or made in a book kept at that office, may nominate a person to whom his interests in the society shall be paid or transferred at his decease.

Power of member to dispose of interests by nomination. No. 17, 1902, s. 48.

(2) The power of making such nomination shall not be affected by any rules of such society declaring its shares not to be transferable.

(3) In lieu of making such transfer, the society may elect to pay to the person so nominated the full value of such interests.

(4) A nomination so made may be revoked and varied by any similar document.

(5) On receiving satisfactory proof of the death of a member so nominating, the society shall transfer or pay to the nominee the interests of such deceased member at his decease.

(6) No such interests shall be transferred or paid to a nominee as aforesaid to an amount or value exceeding two hundred pounds.

**41.** Every member or person having an interest in the funds of any society may inspect the books and the names of the members at all reasonable hours at the office of the society.

Members may inspect books. Ibid. s. 49.

PART III.

GENERAL PROVISIONS.

**42.** (1) Every society shall be registered within six months from the date on which it begins to carry on the business and perform the functions of a society.

Registration within six months. No. 46, 1912, s. 10.

(2) Any member of the committee of management of any society not so registered, who takes any money or valuable thing in consideration of the allotment of any share or interest in such society after the expiration of the period fixed as above mentioned for the registration of a society, shall be liable to a penalty not exceeding twenty pounds for every such offence.

**43.**



**43.** (1) For the purpose of registration there shall be sent to the registrar an application to register the society, signed by three members and the secretary, together with two copies of the rules, signed by the same persons who sign the application. No. 17, 1902, s. 52.

(2) The rules of the society so sent shall contain provisions in respect of the several matters mentioned in the Second or Third Schedule as the case may be.

(3) If the registrar finds that such rules are in conformity with law and with the provisions of this Act, he shall give a certificate in the form set forth in the Fourth Schedule hereto, and shall return one of the said copies to the said society, and shall file the other copy. All rules, when so certified, shall be binding on the several members of the said society, and such certificate shall be conclusive evidence that the society mentioned therein is duly registered, unless it be proved that the society has been subsequently cancelled.

**44.** (1) Any society by resolution at a meeting specially called for that purpose may amend or rescind its rules, or any of them, or make new rules. Rules may be altered, amended, or rescinded, or new rules made.

(2) Two copies of the proposed amendments, and of such new rules, signed by three members of such society and the secretary or some other officer, shall be transmitted to the registrar, to one of which shall be attached a statutory declaration by the secretary or some other officer that in making the same the rules of such society respecting the making, amending, and rescinding rules have been duly observed. Ibid. s. 53.

(3) If the registrar finds that such amendments or new rules are in conformity with this Act, he shall give to the society a certificate in the form set forth in the Fourth Schedule, and return one of the copies to the society, and shall keep the other with the rules of such society in his custody; and as against any of such three members and such secretary or other officer, such certificate shall be conclusive as to the validity thereof, and all rules and amendments, when so certified as aforesaid, shall be binding on the several members of the said society, and on all persons claiming on account of Fourth Schedule.

of a member, or under the said rules, but unless and until the same are so certified, such rules and amendments shall have no force or validity whatsoever.

**45.** Whenever any society changes its place of business, notice of such change shall be sent to the registrar within fourteen days thereafter, in the form prescribed by the regulations under this Act.

Notice to be sent to registrar of altering place of business.  
No. 17, 1902, s. 54.

**46.** Any certificate of incorporation or of registration, or other document relating to a society under this Act, purporting to be signed by or bearing the seal of the registrar, in the absence of any evidence to the contrary, shall be received by the court, and by all courts of law and equity and elsewhere, without proof of the signature, and a printed copy of the rules of a society, certified by a secretary or other officer of the society to be a true copy of its registered rules, shall be received as evidence of the rules in the absence of any evidence to the contrary.

Evidence of registration.  
B. 37 & 38  
Vic., Ch. 42, s. 20.

**47.** If any person gives to any member of a society or to any person intending or applying to become a member of such society a copy of any rules or of any alterations of the same other than those which have been registered by the registrar under colour that the same are binding upon the members of such society, or if he makes any alteration in any of the rules or tables of such society after they have been registered as aforesaid, and circulates the same alleging that they have been duly registered as aforesaid when they have not been so duly registered, such person so offending shall be deemed guilty of a misdemeanour.

Circulating false copies of rules, &c., a misdemeanour.  
No. 17, 1902, s. 55.

**48.** If any person whosoever, by false representation or imposition, obtains possession of any moneys, securities, books, papers, or other effects of a society under this Act, or, having the same in his possession, withholds or misapplies the same or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the society and authorised by this Act, he shall be liable on summary conviction to a penalty not exceeding *twenty* pounds, with costs not exceeding twenty shillings, and to be ordered to deliver up to the society all such moneys, securities, books, papers,

Punishment of fraud in withholding money, &c.  
*Ibid.* s. 57.

papers, or other effects to the society, and to repay the amount of money applied improperly, and in default of such delivery of effects or repayment of such amount of money, or payment of such penalty and costs aforesaid, to be imprisoned with or without hard labour for any time not exceeding *three* months; but nothing herein contained shall prevent any such person from being proceeded against by way of indictment if a conviction has not been previously obtained against him for the same offence under the provisions of this Act.

**49.** (1) Every dispute between any officer or member of any society established under this Act, or any person claiming through or under such member, and the society or the trustees, treasurer, or other officer or committee of management thereof shall be decided in manner directed by the rules of such society.

Settlement of disputes.  
No. 17, 1902,  
s. 58.

(2) Notwithstanding anything contained in the preceding section, or in the rules of the society, any party to a dispute in a society may refer the dispute to the registrar.

Reference of dispute to registrar.  
No. 46, 1912,  
s. 73.

(3) The registrar, with the consent of the Minister, either by himself or by anyone deputed by him for the purpose, shall hear and determine a dispute referred to him, and shall have power to order the expenses of determining the dispute to be paid either out of the funds of the society, or by such parties to the dispute as he may think fit, and his determination and order shall be enforceable by the District Court.

(4) When a dispute is referred as aforesaid, the registrar, or officer so deputed by him, may administer oaths, and may require the attendance of all parties concerned, and of witnesses, and the production of all books and documents relating to the matter in question.

**50.** (1) In all societies all applications—

- (a) to enforce the decision of any arbitrators, if no appeal has been made to the registrar; or
- (b) to enforce the award of the registrar,

shall be made to the District Court of the district within which the usual or principal place of business of the society is situated.

In what cases by the District Court when the rules do not provide for settlement of disputes.  
No. 17, 1902,  
s. 59.

(2)

(2) Such court, upon the application of any person interested in the matter, shall entertain such application and give such relief and make such orders and directions in relation to the matter of such application as may be necessary.

**51.** Any order of the District Court to enforce the decision of arbitrators, or to enforce the award of the registrar, may be enforced by any process or procedure which would be applicable if the said order had been made upon the hearing of an action in the District Court. A judge of the said court may give directions as to the process or procedure applicable to the enforcement of any order, and may make such order as he thinks fit for payment of the costs of any application made under this section.

Order of District Court, how enforced.  
No. 38, 1920.

**52.** By special resolution, any society under this Act may be constituted a company under the Act or Acts in force for the time being relating to joint stock companies by conforming to the requirements of such Act or Acts. Such society shall give notice to the registrar within fourteen days of its registration as a company, and upon registration of such notice its registry as a society shall cease.

Society may be constituted a company.  
*Ibid.* s. 62.

**53.** (1) For the purposes of this Act a special resolution shall mean a resolution which is passed by a majority of not less than two-thirds of such members of a registered society entitled under the rules to vote as may be present in person or by proxy (where the rules allow proxies) at any general meeting of which notice specifying the intention to propose such resolutions has been duly given according to the rules. At any meeting mentioned in this section, unless a poll is demanded, a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

Special resolution.  
No. 46, 1912, s. 108.

(2) A copy of every special resolution for any of the purposes mentioned in this Act, signed by the chairman of the meeting and countersigned by the secretary, shall be sent to the registrar and registered by him, and until that copy is so registered the special resolution shall not take effect.

*Ibid.* s. 109.

**54.** A society under this Act may change its name by special resolution, provided that the new name is not identical with that of any society previously registered and still subsisting, or so nearly resembling the same as to be calculated to deceive, unless such subsisting society is in course of being terminated or dissolved, and consents to such registration. Notice of the change of name shall be sent to the registrar and registered by him, and he shall give a certificate of registration. Such change of name shall not affect any right or obligation of the society or of any member thereof, or other person concerned.

Change of name.  
B. 37 & 38  
Vic., Ch. 42,  
s. 22.

**55.** (1) Upon the application of ten members of a society the registrar, if he thinks fit, may—

B. 57 & 58  
Vic., Ch. 47,  
s. 5.

- (a) appoint an inspector or inspectors to examine into and report upon the affairs of the society; or
- (b) call a special meeting of the society.

(2) The application under this section shall be supported by such evidence as the registrar directs, for the purpose of showing that the applicants have good reason for requiring an inspection to be made, or meeting to be called, and that they are not actuated by malicious motives in their application, and such notice thereof shall be given to the society as the registrar directs.

(3) The registrar shall require the applicants to give security for the costs of the proposed inspection or meeting before appointing any inspector or calling the meeting.

(4) All expenses of and incidental to any such inspection or meeting shall be defrayed by the members applying therefor or out of the funds of the society, or by members or officers, or former members or officers of the society, in such proportions as the registrar directs.

(5) The inspector appointed under this section may require the production of all or any of the books and documents of the society, and may examine on oath its officers, members, agents and servants in relation to its business, and may administer such oath accordingly.

(6) The registrar may direct at what time and place a special meeting under this section is to be held, and

and what matters are to be discussed and determined at that meeting, and the meeting shall have all the powers of a meeting called according to the rules of the society, and shall have power in all cases to appoint its own chairman, any rule of the society to the contrary notwithstanding.

(7) The registrar, on his own motion and without any application, may appoint an inspector or inspectors to examine into and report to him on the affairs of a society. The inspector or inspectors so appointed shall have all the powers mentioned in subsection five of this section.

**56.** (1) The registrar may cancel the registry of any society by writing under his hand—

Cancellation  
of registry.  
No. 46, 1912,  
s. 25.

- (a) if he thinks fit, at the request of a society, to be evidenced in such manner as he may direct, or if it has ceased to exist;
- (b) with the approval of the Governor, on proof to his satisfaction that an acknowledgment of registry has been obtained by fraud or mistake; or that a society exists for an illegal purpose, or has wilfully and after notice from the registrar violated the provisions of the Act or of any Act hereby repealed.

(2) Unless the registrar has given to a registered society not less than two months' previous notice, in writing, addressed to the registered office of the society, specifying briefly the ground of any proposed cancelling, the registry of the society shall not be cancelled (except at its own request).

(3) Where the registry of a society has been cancelled, notice thereof shall be advertised forthwith in the Gazette.

(4) Where the registry of a society has been cancelled, the society, from the time of the cancelling, shall cease absolutely to enjoy as such the privileges of a registered society, but without prejudice to any liability actually incurred by the society, and any such liability may be enforced against the society as if the cancelling had not taken place.

(5)

(5) A society may appeal from the cancelling of its registry from the registrar to the Supreme Court.

**57.** (1) It shall be an offence under this Act if— Offences.

(a) a registered society, or an officer or member No. 46, 1912.

thereof, fails to give any notice, send any return or document, do or allow to be done anything which the society, officer, or member is required by this Act to give, send, do, or allow to be done; or

(b) a registered society, or an officer or member thereof, wilfully neglects or refuses to do any act or to furnish any information required for the purposes of this Act, or to furnish any information required for the purposes of this Act by the registrar or by any other person authorised under this Act, or does anything forbidden by this Act; or

(c) a registered society, or an officer or member thereof, makes a return or wilfully furnishes information in any respect false or insufficient; or

(d) where a dispute is referred under this Act to the registrar, a person refuses to attend or to produce any documents, or to give evidence before the registrar or officer deputed by him.

(2) Where a registered society is guilty of an offence under this Act, every officer of the society bound by the rules thereof to fulfil any duty whereof the offence is a breach, or if there is no such officer, then every member of the committee, unless that officer or member is proved to have been ignorant of or to have attempted to prevent the commission of the offence, shall be liable to the same penalty as if he had committed the offence.

(3) Every default under this Act constituting an offence, if continued, shall constitute a new offence in every week during which the default continues.

(4) A society, and an officer or member of a society, or other person guilty of an offence under this Act, for which no penalty is provided expressly, shall be liable to a penalty of not less than *one* pound and not more than *five* pounds.

**58.**

**58.** (1) The secretary of every society shall send to the registrar in every year, not later than the thirty-first day of March, a return of the receipts and expenditure, funds and effects of the society, during the past twelve months; such return shall be made in such form and up to such date, and shall contain such particulars, as the registrar shall direct: Provided that the registrar, upon being satisfied that there are reasonable grounds for doing so, may extend the period for furnishing such return to any date not later than the thirty-first day of May in the said year.

No. 17, 1902,  
ss. 31 and 32  
amended.

(2) If default is made in transmitting to the registrar before the first day of April in any year the return in compliance with the provisions of the preceding clause, the secretary shall be liable to a penalty not exceeding *five* pounds, to be recovered with costs at the suit of the registrar in a summary way. Every such default, if continued, shall constitute a new offence in every week during which the default continues.

(3) The registrar shall lay before Parliament every year a report of his proceedings and of the principal matters transacted by such societies which have been done under his cognizance during the past year.

**59.** The Governor may make regulations in respect of all matters and things arising under this Act and not herein expressly provided for, and for more fully carrying out the objects and purposes of this Act, and such regulations when published in the Gazette shall have the force of law, and every person guilty of a breach of any such regulation shall be liable to a penalty not exceeding *twenty* pounds.

Regulations.  
No. 65 of 1900,  
s. 30.

**60.** All penalties and fines imposed by this Act, or by the rules of any society, and all offences committed under such Act or rules, shall be recovered and prosecuted (where no other provision for the recovery or prosecution thereof is in that behalf provided) in a summary way at the suit of the registrar in the case of offences liable to penalties under this Act, and at the suit of the society or the secretary thereof in the case of penalties imposed by the rules of such society, before any two justices of the

Recovery of  
penalties.  
No. 17, 1902,  
s. 64.



the peace or a stipendiary police magistrate in a summary manner according to the Act or Acts in force for the time being regulating proceedings before justices.

**61.** The rules of a society under this Act shall be binding on the several members and officers of the society, and on all persons claiming on account of a member, or under the rules, all of whom shall be deemed and taken to have full notice thereof.

Rules to be binding on members and others.  
No. 17, 1902, s. 44.

**SCHEDULES.**

**FIRST SCHEDULE.**

No. of Act.	Title of Act.	Extent of repeal.
Act No. 17, 1902 ...	Building and Co-operative Societies Act, 1901.	The whole.

**SECOND SCHEDULE.**

Matters to be set forth in the rules of societies registered under Part I :—

- (1) The name, objects, and chief office or place of meeting of the society.
- (2) The manner in which the stock or funds of the society is or are to be raised, the terms upon which paid-up shares (if any) are to be issued and repaid, and whether preferential shares are to be issued, and, if so, within what limits, if any.
- (3) The purposes to which the funds of the society are to be applied, and the manner in which they are to be invested.
- (4) The terms upon which unadvanced subscription shares are to be issued; the manner in which contributions are to be paid to the society; the manner in which advances to members are to be made and repaid.
- (5) Determination whether shares shall be withdrawable, and the terms upon which mortgages may be redeemed.

B. 57 & 58  
Vic., Ch. 47,  
s. 1.  
B. 37 & 38  
Vic., Ch. 42,  
s. 16.

(6)

- 
- (6) The conditions upon which a borrower may redeem the amount due from him before the expiration of the period for which the advance was made. B. 57 & 58  
Vic., Ch. 47,  
s. 1.
- (7) The manner of altering and rescinding the rules of the society, and of making additional rules. B. 37 & 38  
Vic., Ch. 42,  
s. 16.
- (8) The manner of appointing, remunerating, and removing the board of directors or committee of management, auditors, and other officers, and of trustees.
- (9) The manner of calling general and special meetings of the members.
- (10) Provision for an annual or more frequent audit of the accounts, and inspection by the auditors of the mortgages and other securities belonging to the society.
- (11) The manner in which disputes between the society and any of its members, or any person claiming by or through any member, or under the rules, shall be settled, subject to appeal to the registrar.
- (12) Provision for the device, custody, and use of the seal of the society, which shall in all cases bear the registered name thereof.
- (13) Provision for the custody of the mortgage deeds and other securities belonging to the society.
- (14) The powers and duties of the board of directors or committee of management and other officers.
- (15) The fines and forfeitures to be imposed on members of the society.
- (16) The manner in which the society, whether terminating or permanent, shall be terminated or dissolved.
- (17) The forms mentioned in sections 12 and 13.

---

### THIRD SCHEDULE.

Matters to be set forth in the rules of societies registered under Part II :—

- (1) The name, objects, and chief office or place of meeting of the society. No. 17, 1902,  
s. 34.
- (2) Terms of admission of members.
- (3) The manner of calling general and special meetings of the members.
- (4) The manner of altering and rescinding the rules of the society, and of making additional rules.

(5)

*Building and Co-operative Societies.*

27

- 
- (5) The manner of appointing, remunerating, and removing the board of directors or committee of management, auditors, and other officers, and of trustees.
  - (6) Determination whether the shares shall be withdrawable, and provision for the manner of withdrawing and for payment of the balance due thereon on withdrawing; provision for the form of transfer and registration of the shares in case they are not withdrawable.
  - (7) Provision for the claims of executors, administrators or assigns of members.
  - (8) Provision for an annual or more frequent audit of accounts.
  - (9) Mode of application of profits.
  - (10) Manner of settling disputes.
  - (11) Determination that the liability of a member shall be limited to the value of his shares.
  - (12) Right of every member or person having an interest in the funds of the society to inspect the books and the names of members at the office of the society.

---

FOURTH SCHEDULE.

*Acknowledgment of Registry of Society.*

The                    society is registered under the Building and Co-operative Societies Act, 19   , this                    day of                    19   .

(Seal and Signature of Registrar.)

Registrar.

*Acknowledgment of Registry of Amendment of Rules of Society.*

The foregoing amendment of the rules of the                    society is registered under the Building and Co-operative Societies Act, 19   , this                    day of                    19   .

(Seal and Signature of Registrar.)

Registrar.

---

FIFTH

## FIFTH SCHEDULE.

*Form of Bond.*

Know all men by these presents that we, X., of \_\_\_\_\_, treasurer, &c. (*as the case may be*), of the \_\_\_\_\_ society, established at \_\_\_\_\_, and Y., of \_\_\_\_\_ (as surety on behalf of the said X.), are jointly and severally held and firmly bound to X. of \_\_\_\_\_, Y. of \_\_\_\_\_, and Z. of \_\_\_\_\_, the trustees of the said society, in the sum of \_\_\_\_\_ to be paid to the said X., Y., and Z., as such trustees or their successors, trustees for the time being or their certain attorney, for which payment well and truly made we jointly and severally bind ourselves and each of us by himself, our and each of our heirs, executors, and administrators, firmly by these presents, sealed with our seals.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, in the year of our Lord

Whereas the above-bounded X. hath been duly appointed treasurer, &c. (*as the case may be*), of the \_\_\_\_\_ society established as aforesaid, and he together with the above-bounded Y. as his surety have entered into the above-written bond subject to the condition hereinafter contained. Now, therefore, the condition of the above-written bond is such that if the said X. shall and do justly and faithfully execute his office of treasurer, &c. (*as the case may be*), of the said society established as aforesaid, and shall and do render a just and true account of all moneys received and paid by him, and shall and do pay over all moneys remaining in his hands, and assign and transfer or deliver all securities and effects, books, papers, and property of or belonging to the said society in his hands or custody to such person or persons as the said society shall appoint according to the rules of the said society, together with the proper or legal receipts or vouchers for such payments, and likewise shall and do in all respects well and truly and faithfully perform and fulfil his office of treasurer, &c. (*as the case may be*), to the said society according to the rules thereof, then the above-written bond shall be void and of no effect, otherwise it shall be and remain in full force and virtue.

---