THE CO-OPERATIVES ACT 2016

Act 22/2016

Proclaimed by [Proclamation No. 18 of 2017] w.e.f. 2 May 2017

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I assent

25 November 2016 **PARAMASIVUM PILLAY VYAPOORY**

Acting President of the Republic

ARRANGEMENT OF SECTIONS

Section

PART I – PRELIMINARY

1. Short title
2. Interpretation

PART II – ADMINISTRATION

3. Registrar of Co-operative Societies
4. Appointment of inspector

PART III – FORMATION OF SOCIETIES

5. Membership of primary society
6. Membership of secondary society
7. Membership of tertiary society
8. Minimum share capital

8A. Minimum requirements for specific classes of societies

9. Liability of society

10. Proposed activities and purposes

11. Rules of society

12. Registered office and hours of business

13. Name of society

PART IV – REGISTRATION OF SOCIETY

14. Application for registration

15. Objects of society

16. Processing of application

17. Certificate of registration

18. Effect of registration

19. Register of societies

20. Effect of rules

21. Amendment of rules and change of name

22. Obligations in relation to resolution

PART V – POWERS, PRIVILEGES AND DUTIES OF SOCIETY

23. Power to sue

24. Register of members

25A. Register of beneficial owners

25. Books and documents to be kept

26. Proof of entries in books of societies

27. Acts of societies not invalidated

28. Attachment, charge and set-off

29. Priority of claims

30. Privilege on bankruptcy of members

31. Fiscal exemptions of societies and members

32. Transfer of shares or interest

PART VI – RIGHTS AND OBLIGATIONS OF MEMBERS

33. Rights of members
34. Exercise of rights
35. Appointment of nominee
36. Obligations of members
37. Termination of membership
38. Expulsion of members

PART VII – ORGANISATION OF SOCIETY

39. General meetings
40. First general meeting
41. Annual general meeting
42. Special general meeting
43. Procedure at general meetings
44. Quorum at general meetings
45. Voting at general meetings

PART VIII – MANAGEMENT OF SOCIETY

46. Composition of management
47. The Board
48. Qualifications of directors
49. Election of directors
50. Government nominees as directors
51. Non-member as director
52. Duties of directors
53. Removal of directors
54. Meetings of directors
55. Internal controller
55A. Internal control requirements for specific classes of societies
56. Revocation of internal controller
57. Anti-Money Laundering and combating financing of terrorism

58. Notification to Registrar

59. Contracting out management of society

PART IX – PROPERTY AND FUNDS OF SOCIETY

60. Funds of societies

61. Shares

62. Conditions for membership participation

63. Reserve Fund

64. Order of distribution of net surplus

65. Payment of bonus and dividend

66. Investment of assets

67. Restrictions on borrowings and credit

68. Seizure of property

PART X – ACCOUNTS, RECORDS AND AUDIT

69. Financial year

70. Keeping of accounts and records

71. Bank accounts

72. Co-operative Audit Unit

73. Audit

73A. Categorisation of societies

73B. Audit requirements

73C. Appointment of external auditor

73D. Payment of annual fee

73E. Specific exemptions applicable to micro societies

73F. No exemptions for other categories

73G. Duty to declare turnover

73H. Power of Registrar to review and re-categorise

73I. -

73J. Offence of wrongful categorisation or false declaration

73K. Administrative sanctions

74. Persons not eligible to act as auditor

75. Liability of Principal Co-operative Auditor or auditor

75A. Determination of turnover

PART XI – INQUIRY

76. Inquiry on a society

77. Investigation and remedies

78. Powers of inspectors

79. Costs of inquiry

79A. Cancellation of lease of State land

PART XIA – FUNCTIONS AND POWERS OF REGISTRAR IN RELATION TO CREDIT UNION

79B. Functions and powers of Registrar in relation to credit union

79C. Request for information

79D. On-site inspection

79E. Directions by Registrar

79F. Non-compliance with directions

79G. Administrative sanction and compounding of offences

PART XIB – REVIEW PANEL

79H. Application for review

79I. Risk-based approach

PART XII – DISPUTES AND ARBITRATION

80. Disputes

81. Appointment of arbitrator

82. Procedure for arbitration

83. Attachment before award

84. Co-operative Tribunal

85. Proceedings of Tribunal

86. Powers of Tribunal

87. Determination of Tribunal

88. Appeal

PART XIII – JOINT VENTURE, AMALGAMATION, MERGER AND CONVERSION OF SOCIETIES

89. Joint venture

90. Amalgamation

91. Merger

92. Conversion into another class of society

PART XIV – DISSOLUTION AND LIQUIDATION OF SOCIETIES

93. Voluntary dissolution

93A. Voluntary dissolution of societies without assets or liabilities

94. Power to order dissolution

94A. Voluntary dissolution of dormant societies

95. Appointment of liquidator

96. Powers of liquidator

97. Duties of liquidator

98. Protection of liquidator

99. Powers of Registrar on liquidation

100. Disposal of assets on liquidation

101. Fraud

PART XV – CO-OPERATIVE DEVELOPMENT ADVISORY BOARD

102. Advisory Board

PART XVI – NATIONAL CO-OPERATIVE COLLEGE

103. Establishment of College
104. Objects of National Co-operative College
105. Functions and powers of College
106. The Council
107. Director of College
108. Appointment of employees
109. Legal proceedings
110. Annual report of College
111. Execution of documents
112. General Fund
113. Donations and legacies
114. Offences for use of name or logo of College
115. Exemption from duties and charges

PART XVII – MISCELLANEOUS

116. The Co-operative Development Fund
117. Report
118. Directives and guidelines by Registrar
119. Authorised officers
120. Service of notices
121. Execution of orders and awards
122. Offences
123. Jurisdiction
124. Use of computer system
125. Repeal
126. Regulations
127. Transitional provisions
128. Commencement

FIRST SCHEDULE

SECOND SCHEDULE

THIRD SCHEDULE

FOURTH SCHEDULE

FIFTH SCHEDULE

An Act

To repeal the Co-operatives Act and replace it by a new enactment

ENACTED by the Parliament of Mauritius, as follows –

PART I – PRELIMINARY

1. Short title

This Act may be cited as the **Co-operatives Act 2016**.

2. Interpretation

In this Act –

"Advisory Board" means the Co-operative Development Advisory Board set up under section 102;

"annual general meeting" means the general meeting held once in every financial year where members exercise most of their rights;

"application" means an application for registration under section 14;

"arbitrator" means a person appointed as such by the Registrar under section 81;

"audit" means an audit under section 73;

"auditor" means a person licensed to practise as an auditor under the Financial Reporting Act;

"audit report" means a report referred to under section 73;

"Board" means the Board of Directors referred to in section 47;

“bonus” means a portion of the surplus referred to in section 65;

“bonus share” means a share issued by a society from its Reserve Fund under section 63;

“class” means a class of society specified in the first column

Of the Fourth Schedule;

“College” means the National Co-operative College established under section 103;

“Co-operative Principles” includes –

(a) voluntary and open membership;

(b) democratic member control;

(c) member economic participation;

(d) autonomy and independence;

(e) education, training and information;

(f) cooperation among co-operatives; and

(g) concern for community;

“credit union” –

(a) means a society the objects of which are to promote thrift among, and provide credit to, its members; and

(b) includes any society classified as a “Credit/Financial Services” society under the Fourth Schedule;

Repealed and replaced by [Act No. 13 of 2026]

“determination” means a decision of, or an order made by, the Registrar, an arbitrator or liquidator, on an issue he is empowered to decide under this Act;

“dispute” means a dispute referred to the Registrar under section 80;

"dividend" means a portion of the net surplus of a society divided among its members in proportion to the paid up shares held by them; "dormant member" means a member of a society who does not transact any business with the society for more than 2 years;

"dormant society" means a society which has ceased its operation for more than 2 years;

"employee" means a person employed by a society;

"first general meeting" means the first meeting of members held after the registration of a society;

"Fund" means the Co-operative Development Fund established under the Finance and Audit Act and set up under section 116;

"inspector" means a person qualified to be appointed as inspector under section 4;

"internal controller" means an internal controller appointed under section 55;

"investigatory authority" has the same meaning as in the Financial Crimes Commission Act 2023;

"liability", in relation to a member, means liability of a person for the debts of a society of which he is a member and which he will be called upon to contribute in case of liquidation of the society;

"liquidator" means a person appointed as such under section 95;

"Mauritius Standards Bureau" has the same meaning as in the Mauritius Standards Bureau Act;

"member" means a person who holds a share in a society;

"Minister" means the Minister to whom responsibility for the subject of co-operatives is assigned;

"movable property" means any fishing vessel, motor vehicle, tractor, harvester or agricultural implement in respect of which Government has –

(a) given any kind of financial assistance to a society; or

(b) guaranteed the repayment of any overdraft of, or any loan or advance made to, a society;

“multi-purpose society” means a society the objects of which include the activities of not less than 2 classes of society;

“net surplus” means the excess of income over expenditure of a society at the end of a financial year after provision has been made for statutory reserves;

“nominee” means a person appointed as such under section 35;

“officer”, in relation to a society –

(a) means a person empowered to give directions in regard to the business of the society; and

(b) includes the President, Secretary, Treasurer, director, executive officer or manager of a registered society and any other office bearer appointed according to the rules of the society;

“past member” means a person whose membership has been terminated by withdrawal, transfer of his shares or expulsion;

“primary society” means a society which satisfies the conditions specified in section 5;

“Principal Co-operative Auditor” means the Principal Co-operative Auditor referred to in section 72;

“Registrar” means the Registrar of Co-operative Societies referred to in section 3;

“Reserve Fund” means the fund referred to in section 63;

“Review Panel” means the Review Panel established under section 19Q of the Financial Intelligence and Anti-Money Laundering Act;

“rules” means the rules of a society;

“school society” means a society, the membership of which is restricted to the pupils and staff of a school;

"secondary society" means a society which satisfies the conditions specified in section 6;

"society" means a co-operative society registered under this Act;

"special general meeting" means a general meeting convened under section 42;

"special reserve fund" means a fund maintained pursuant to section 63(3);

"supervising officer" means the supervising officer of the Ministry;

"supervisory authorities" has the same meaning as in the Financial Intelligence and Anti-Money Laundering Act;

"surplus" means the excess income earned by a society in a financial year in respect of the business carried out by the society;

"tertiary society" means a society which satisfies the conditions specified in section 7;

"Tribunal" means the Co-operative Tribunal referred to in section 84.

Amended by [Act No. 15 of 2021]; [Act No. 18 of 2025]; [Act No. 13 of 2026]

PART II – ADMINISTRATION

3. Registrar of Co-operative Societies

(1) There shall be for the purposes of this Act a Registrar of Co-operative Societies who shall be a public officer.

(2) The Registrar may delegate any of his functions under this Act to any other public officer appointed to assist him in the execution of his functions.

(3) The Registrar and every public officer appointed to assist him in the execution of his functions shall take the oath set out in the First Schedule.

(4) The Registrar may undertake outreach and educational programmes to raise and deepen awareness among societies of their duties and responsibilities under this Act and any other applicable Act, as he considers appropriate.

(5) The Registrar may, in relation to societies, assess or cause to be assessed the degree to which the procedures set out in the rules or in any other relevant documents are being complied with.

Amended by [Act No. 3 of 2026]; [Act No. 13 of 2026]

4. Appointment of inspector

(1) For the purposes of this Act, the Registrar may, subject to the approval of the supervising officer, appoint, for the purposes of an inquiry, as an inspector –

(a) an auditor;

(b) a person who has held the office of Registrar;

(c) a person who holds or has held the office of Co-operative Officer and hasnot less than 8 years of service in the grade; or

(d) a person who has knowledge of, and experience in, the subject matter under inquiry.

(2) The Registrar shall, whilst appointing an inspector, take into consideration the complexity of the subject matter under inquiry.

PART III – FORMATION OF SOCIETIES

5. Membership of primary society

(1) A body of persons may be registered as a primary society –

(a) subject to the minimum requirements set out in the Sixth Schedule being satisfied; or

(b) where it consists of a société and a body corporate other than a société.

Repealed and replaced by [Act No. 13 of 2026]

(2) A body corporate incorporated or registered in Mauritius or elsewhere may be admitted as a member of a primary society if it undertakes to bring in the society know-how and technology which may contribute to the growth of the society.

(3) A non-citizen or a body corporate not incorporated or registered in Mauritius shall not be admitted as a member of a primary society unless the person or body corporate has been authorised to do so under the Non-Citizens (Property Restriction) Act.

(4) The rules of a primary society may provide for the maximum number of members in the society.

(5) Except in the case of a school society or a credit union, no individual shall become a member of a society unless he has attained the age of 18.

(6) (a) Where a society refuses to admit a person as a member, it shall, within 14 days, give to that person written notice of its refusal and the ground of refusal.

(b) Where the ground of refusal is not justified, the Registrar may give directions to any person as may be appropriate.

6. Membership of secondary society

(1) No society, other than a primary society, shall be a member of a secondary society.

(2) A secondary society shall comprise at least 5 primary societies.

7. Membership of tertiary society

(1) There shall be only one tertiary society which shall be the apex body and represent the interests of the co-operative movement nationally and internationally.

(2) No society, other than a secondary society, shall be a member of the tertiary society.

(3) The tertiary society shall comprise at least 5 secondary societies.

(4) Subject to the approval of the supervising officer, the Registrar may register a tertiary society.

8. Minimum share capital

(1) The minimum issued and paid up share capital of a society shall, at the time of registration, be not less than –

(a) the minimum amount set out in the third column of the Sixth Schedule in respect of each corresponding class of co-operative society, divided into ordinary shares of a denomination of 100 rupees, for a primary society;

(b) 25,000 rupees divided into ordinary shares of a denomination of 100 rupees, for any secondary society, not having affiliated primary societies in the class of consumer or Credit/Financial Services co-operatives, referred to in the Fourth Schedule;

(c) 75,000 rupees divided into ordinary shares of a denomination of 100 rupees, for any secondary society, having affiliated primary societies in the class of consumer or Credit/Financial Services co-operatives, referred to in the Fourth Schedule; and

(d) 100,000 rupees divided into ordinary shares of a denomination of 100 rupees for the tertiary society.

Repealed and replaced by [Act No. 13 of 2026]

(2) A society shall, at all times, maintain the minimum issued and paid up capital specified in subsection (1) and it may issue –

(a) non-redeemable preference shares;

(b) redeemable preference shares of a domination of 10 rupees.

(3) Where non-redeemable preference shares are issued –

(a) the rights attached to those shares in terms of dividends payable by the society;

(b) the ranking of those shares for the purposes of dividends;

(c) the cumulating or non-cumulating of dividends in arrears; and

(d) the periodicity and time for payment for dividends,

shall be specified in the rules.

(4) Where redeemable preference shares are issued –

(a) the conditions that make the shares redeemable;

(b) the rights subject to which dividends are payable in respect of those shares;

(c) the ranking of those shares for the purposes of dividends;

(d) the cumulating or non-cumulating of dividends in arrears; and

(e) the periodicity and time for payment for dividends, shall be specified in the rules.

(5) Where a society issues redeemable or non-redeemable preference shares, the ranking of those shares for liquidation purposes shall be in the order of priority specified in section 100.

8A. Minimum requirements for specific classes of societies

(1) The Registrar shall not register a society unless it satisfies the requirements specified in section 8(1).

(2) Notwithstanding this Act, every society shall, following its registration and throughout its existence, comply with the minimum requirements applicable to its class as specified in the Sixth Schedule.

(3) Where a society fails to satisfy the minimum requirements specified in the Sixth Schedule, the Registrar may –

(a) issue such directives as may be necessary to ensure compliance;

(b) impose administrative sanctions; or

(c) take such enforcement measures as may be prescribed under this Act.

(4) The Minister may, by regulations, amend the Sixth Schedule to reflect sectoral developments and economic conditions.

Added by [Act No. 13 of 2026]

9. Liability of society

(1) Subject to subsection (2), a society may be registered with limited or unlimited liability.

(2) Where Government has contributed to the share capital of a society, the liability of Government shall be limited to the amount of the shares held by it.

(3) Where a society is registered with limited liability, the liability of the members shall be limited to –

(a) the amount unpaid on the shares held by them; and

(b) such other amount as they may undertake under its rules to contribute to the assets of the society if it is wound up.

(4) Every society with limited liability shall have the word "Limited" or the abbreviation "Ltd" as the last word of its name.

10. Proposed activities and purposes

Every proposed society shall, in its rules, specify in clear and concise terms –

(a) the activities which the society proposes to carry on; and

(b) the purposes which the society proposes to achieve on registration.

11. Rules of society

The rules of every society shall –

(a) include provisions relating to the matters specified in the Second Schedule; and

(b) be printed, divided into numbered paragraphs, signed and dated by at least 3 members.

12. Registered officeand hours of business

(1) Every society shall have a registered office to which any communication addressed to it shall be sent.

(2) A society shall –

(a) submit to the Registrar the place at which, and the hours during which, the business of the society is carried out; and

(b) post up at its registered office a notice indicating the name of the society and the hours of business.

(3) The rules of the society shall set out the procedure for changing the hours or the place of business.

13. Name of society

(1) No society shall be registered under a name which –

(a) is identical with that of an existing society or a statutory corporation;

(b) so nearly resembles the name of an existing society or a statutory corporation as to be likely to mislead; or

(c) is, in the opinion of the Registrar, undesirable or misleading.

(2) Where the Registrar is satisfied that a society should not have been registered under a name, he may cancel its registration unless the society changes its name to a name which may be registered, within 30 days from the date on which the Registrar requests it to do so.

(3) Except with the approval of the Minister, no society shall be registered under a name which includes –

(a) the word “Municipal” or “Chartered”, or any other word which, in the opinion of the Minister, suggests, or is likely to suggest, connection with a local authority in Mauritius or elsewhere;

(b) the word “company” or “association”; or

(c) the words “Chamber of Commerce”.

(4) Every society shall, unless the Minister otherwise determines, have the word “Co-operative” as part of its name.

(5) No person, other than a society shall, without the written approval of the Minister, trade or carry on business under any name or title of which the word “co-operative”, or its abbreviation or equivalent in any other language, forms part.

PART IV – REGISTRATION OF SOCIETY

14. Application for registration

(1) An application for the registration of a society shall be made to the Registrar in such form and manner as he may determine and shall be accompanied by –

(a) 3 copies of the draft rules of the proposed society;

(b) The application fee specified in the Third Schedule.

(2) The receipt issued to the applicant on payment of the application fee shall be an acknowledgement specifying the date on which the application was received.

15. Objects of society

The object of a society shall be, inter alia, to –

(a) promote the economic and social betterment of its members; and

(b) facilitate the operations of its members.

16. Processing of application

(1) The Registrar –

(a) may grant or refuse an application for registration; and

(b) shall, subject to subsection (3), within 3 days of the receipt of an application, communicate his decision in writing to the applicant.

(2) Where the applicant does not receive a reply from the Registrar within 3 days, he may apply to the supervising officer for an order directing the Registrar to make a reply.

(3) Where, in order to determine an application, the Registrar requests the applicant to furnish further information, the period of 3 days referred to in subsection (1) shall start from the day the last document is submitted.

(4) Where the Registrar refuses an application, he shall state in clear terms the reason for his decision.

(5) Any applicant aggrieved by the decision of the Registrar to refuse his application may, within 21 days of receipt of the decision, appeal to the supervising officer.

17. Certificate of registration

(1) Where the Registrar grants an application, he shall issue a certificate of registration in such form as he may determine.

(2) The certificate shall state –

(a) that the society is registered;

(b) the date of registration of the society; and

(c) whether the society is a primary, secondary or tertiary society.

18. Effect of registration

(1) No society shall commence business until it has obtained a certificate of registration.

(2) From the date of issue of the certificate of registration, the society shall –

(a) be a body corporate by the name set out in the application form; and

(b) be capable of exercising all the functions of a society.

(3) The promoters of a society shall be considered to have agreed to become members of the society and, on its registration, their names shall be entered in the members' register.

(4) A member shall be a shareholder if the share he holds in the society is an ordinary share, a preference share or a redeemable preference share.

(5) (a) Every society shall pay the annual fee specified in the Third Schedule.

(b) No society shall carry out any operation unless it pays the annual fee.

(c) The annual fee shall be payable within 2 months from the end of a financial year.

(d) Where a society fails to pay the annual fee within the period specified in paragraph (c), it shall, together with the annual fee, be liable to the surcharge specified in the Third Schedule.

(e) Where a society fails to pay the annual fee within 4 months from the end of a financial year, the Registrar may cancel its registration.

19. Register of societies

(1) The Registrar shall keep a register of societies in such form as he may determine.

(2) The register shall be open to inspection subject to such conditions as the Registrar may determine.

20. Effect of rules

(1) Where a society is registered, the rules shall, subject to this Act, have the effect of a contract between the society and its members and among the members themselves, whereby they agree to act in all respects according to the rules.

(2) Any money payable by a member to the society under the rules shall be a debt due by him to the society.

(3) The Registrar may issue a copy of the rules of a society to a member on payment of the fee specified in the Third Schedule.

21. Amendment of rules and change of name

(1) The rules of a society may be amended by a resolution passed by its members at a general meeting.

(2) A society shall, not later than one month before a general meeting referred to in subsection (1), forward to the Registrar a copy of the proposed resolution.

(3) Any change of name of a society shall be published in the Gazette and 2 daily newspapers.

22. Obligations in relation to resolution

(1) Where the rules of a society are amended, the society shall, within 7 days, forward a copy of the resolution to the Registrar.

(2) The Registrar shall, within 14 days from the receipt of the amended rules referred to in subsection (1), register the amendment where he is satisfied that the requirements of this Act have been complied with.

(3) Where the Registrar registers the amendment, he shall issue to the society a certificate to that effect.

(4) A resolution shall have no effect unless it is registered by the Registrar.

(5) Where the Registrar refuses to register a resolution, he shall, within 14 days from the receipt of the copy of the resolution, give notice, in writing, of the refusal and of the ground for such refusal to the society.

(6) A society aggrieved by the decision of the Registrar to refuse to register a resolution may, within 21 days from the decision, appeal to the Tribunal.

(7) Where a resolution has been registered, the society shall issue to every member a copy of that part of the rules which has been amended.

PART V – POWERS, PRIVILEGES AND DUTIES OF SOCIETY

23. Power to sue

A society may, pursuant to its powers, initiate legal action against the Secretary, an internal controller, the auditor, an employee, a member, director, creditor, debtor, past Secretary, past member, past director, past internal controller, past auditor, past employee, past creditor or past debtor where any such person has committed an act which is detrimental to the interests of the society.

24. Register of members

(1) Every society shall keep and maintain up to date a register of members and a register of shares which shall be prima facie evidence of –

(a) the date on which the name of a person was entered in the register as a member;

(b) the date on which a person ceased to be a member;

(c) the name of a nominee; and

(d) the number of shares by category held by each member.

(2) Every member shall, on payment of the amount due by him in respect of the shares, be issued with a share certificate.

25. Books and documents to be kept

(1) Every society shall, at all times, keep at its registered office in an updated form –

(a) Its registration certificate;

(b) a copy of this Act;

(c) a copy of the regulations made under this Act;

(d) a copy of its rules;

(e) a copy of its approved financial statements and audit reports over the immediately preceding 5 years;

(f) a register showing any declaration of interest by any director;

(g) its books of accounts; and

(h) minutes of proceedings of general meetings.

(2) The registers, books and documents referred to in section 24 and this section shall be open for inspection free of charge and at all reasonable times by –

(a) The supervising officer or his representative;

(b) its members;

(c) the Registrar and his officers; and

(d) the Principal Co-operative Auditor and his officers.

(3) Every society which fails to comply with section 24 and this section shall commitan offence and shall, on conviction, be liable to a fine not exceeding 10,000 rupees.

25A. Register of beneficial owners

(1) Every society shall, at all times, keep and maintain at its registered office accurate, adequate and up to date information on its beneficial owners in a register of beneficial owners.

(2) The register of beneficial owners shall be open for inspection free of charge and at all reasonable times by –

(a) the supervising officer or his representative;

(b) its members;

(c) the Registrar and his officers;

(d) the Principal Co-operative Auditor and his officers;

(e) the auditor of the society; and

(f) competent authorities.

(3) Every society which fails to comply with this section shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees.

(4) In this section –

"beneficial owner", in relation to a society, means –

(a) any natural person who ultimately exercises substantial control, whether directly or indirectly, over the society;

(b) all natural persons forming part of the board of directors of the society; or

(c) all natural persons acting in the capacity of executive officer of the society,

whether or not such person has an ownership interest in the society;

"competent authorities" has the same meaning as in the Financial Crimes Commission Act 2023;

"substantial control", in relation to a society –

(a) means the ability of a natural person, whether exercised directly or indirectly, and whether alone or jointly with another natural person, to exercise decisive influence over the management, policy or strategic direction of the society; and

(b) includes the power to direct, determine or significantly influence decisions relating to the business practices, financial policies or general operations of the society.

Added by [Act No. 3 of 2026]

26. Proof of entries in books of societies

(1) Notwithstanding any other enactment, a copy of an entry in any book or document of a society referred to in section 25(1)(e), (f), (g) or (h) shall be prima facie evidence of the entry and of the matter, transaction or account recorded where –

(a) the book was, at the time the entry was made, one of the ordinary books of the society;

(b) the entry was made in the usual course of the society's business;

(c) the book is in the custody of the society; and

(d) the copy of the entry has been compared with, and is a correct copy of, the original entry.

(2) A copy of an entry in a book or document of a society shall be –

(a) Certified as a true copy of the entry; and

(b) accompanied by a declaration that the book containing the entry is still in the custody of the society and the seal of the society shall be affixed on the copy of the entry.

(3) A certificate issued under subsection (2) shall be dated and signed by the President and Secretary of the society.

27. Acts of societies not invalidated

Any act of a society executed by any officer or employee of a society shall not be invalidated –

(a) by reason of the existence of any defect in –

(i) the rules; or

(ii) the election or appointment of any officer or employee; or

(b) on the ground that the officer or employee was disqualified for serving in that capacity.

28. Attachment, charge and set-off

(1) Notwithstanding any other enactment –

(a) the share or interest of a member shall not be liable to be charged, seized or attached by a creditor of the member under the order of a Court in respect of any debt or liability incurred by the member; and

(b) Where a member is adjudged bankrupt, the Official Receiver shall have no claim on the share or interest of the member.

(2) A society shall have a charge which shall rank in priority –

(a) on the shares and deposits of a member, past member or deceased member; and

(b) on any dividend or bonus payable to a member, past member or estate of a deceased member in respect of a debt due to the society by the member, past member or estate of a deceased member.

(3) A society may set off any sum payable to a member, past member or estate of a deceased member against the payment of any debt due to the society by the member, past member or deceased member.

(4) No bank shall have a charge on any sum invested in the bank –

(a) by the society where the bank is not the sole creditor of the society; or

(b) by a society from any provident fund in which the society is a member.

29. Priority of claims

(1) Notwithstanding any other enactment, a society shall, in respect of a loan or advance made by the society to a member, or in respect of any other sum due by a member or an employee to the society, have a privilege –

(a) on the crops or other agricultural produce of that member and on the proceeds from the sale of such produce;

(b) on any –

(i) livestock;

(ii) fish and marine products;

(iii) fodder;

(iv) seed;

(v) fertilizer;

(vi) agricultural or industrial machinery;

(vii) raw materials; or

(viii) finished products,

supplied to that member, or purchased, produced or otherwise acquired by him with the loan or advance; and

(c) on his salary or wages or other allowances subject to the Employment Rights Act.

(2) The privilege referred to in subsection (1) shall rank immediately after the privilege of Government in respect of taxes or of a landlord in respect of rent.

(3) Nothing in this section shall affect the claim of a bona fide purchaser or transferee without notice of the claim of the society.

(4) A member may execute an agreement in favour of a society requesting his employer to deduct such amount as he may specify which shall not exceed the amount specified in the Employment Rights Act.

(5) Where an employer fails to comply with a request under subsection (4) –

(a) the society may recover the amount due from the employer as a debt due by him to the society; and

(b) he shall commit an offence and shall, on conviction, be liable to a fine not exceeding 20,000 rupees.

(6) A society may, with the approval of the Registrar, cede the priority of claim that it has by virtue of this section to any other person.

30. Privilege on bankruptcy of members

Notwithstanding any other enactment but subject to section 29(6), where a member is adjudged bankrupt, the claim of a society in respect of any amount due to it by the member shall be a privileged claim and shall rank immediately after any claim by a landlord in respect of rent or an employee in respect of wages.

31. Fiscal exemptions of societies and members

(1) Notwithstanding any other enactment, but subject to subsection (2) –

(a) no stamp duty shall be levied on an instrument executed by –

(i) a society; or

(ii) a member, in relation to business transacted with the society in accordance with its rules; and

(b) no fee shall be payable by a society under any enactment relating to registration dues, transcription or inscription fees, except on a declaration, or deed of transfer of ownership of a motor vehicle or trailer.

(2) Subsection (1)(a)(i) shall not apply unless the society produces a certificate issued by the supervising officer showing that the society has –

(a) Held its annual general meeting within the time specified in section 41(1) or (5); and (b) paid any sum due to –

(i) the Fund;

(ii) the secondary or tertiary society, as the case may be, where it is a member of that society.

(3) A certificate issued under subsection (2) shall relate to the financial year preceding the date on which it is issued.

32. Transfer of shares or interest

(1) A member may transfer his share in the society where –

(a) the person to whom the share is transferred is eligible to be admitted as a member; and

(b) the transfer is effected in accordance with its rules.

(2) (a) Notwithstanding any other enactment, a society shall, on the death or insanity of a member, transfer the share or any interest of the member to his nominee.

(b) Where, on the death of a member, no person has been nominated under section 35, the share or interest of the deceased member shall accrue to his heirs.

(c) Where –

(i) Under its rules, the nominee or heir is not qualified for membership in the society; or

(ii) the nominee or heir does not intend to apply for membership,

the society shall pay to the nominee or heir, as the case may be, a sum representing the value of the deceased or insane member's share or other interest based on the latest valuation of the shares as the rules of the society may provide, together with any money due to the deceased or insane member by the society.

(d) Any transfer or payment made by a society under this subsection shall be valid and effective against any demand made on the society by any other person.

(e) Where any money is paid to a nominee who is a minor, a receipt given by his legal guardian shall be sufficient discharge to the society.

PART VI – RIGHTS AND OBLIGATIONS OF MEMBERS

33. Rights of members

Subject to section 34, every member may –

(a) attend a general meeting of the society, participate in decisions taken at the meeting and vote;

(b) stand as candidate for election to an office;

(c) at all reasonable times, at the registered office of the society, consult the society's rules, registers, minutes of proceedings of general meetings, annual reports, financial statements, reports of the internal controller and the society's audit reports;

(d) together with other members, call for a special general meeting in accordance with section 42;

(e) together with other members, call for an inquiry to be held into the constitution, organization or financial situation of the society, in accordance with section 76;

(f) subject to the rules of the society, claim a share of the surplus, if any, at the end of the financial year after approval of the accounts at the annual general meeting;

(g) withdraw from the society in accordance with the conditions specified in this Act and in the rules;and

(h) exercise any other rights provided for in the rules of the society.

34. Exercise of rights

No person shall exercise any right as member unless he has –

(a) paid the entrance fee specified in the rules of the society; and

(b) become a member on acquisition of such shares in the society as are specified in this Act or in the rules of the society.

35. Appointment of nominee

(1) Every individual member shall, at the time he joins the society, appoint at least one nominee to whom his share or interest in the society shall be transferred or paid out on his death or in case of insanity.

(2) An appointment under subsection (1) shall be made in writing and signed by the member in the presence of 2 attesting witnesses.

(3) Every appointment of a nominee shall be recorded in the register of members.

(4) A member may, at any time, in writing, revoke and replace a nominee previously appointed by him.

36. Obligations of members

(1) Every member shall –

(a) abide by this Act and the rules and the decisions of the general meeting and the Board of the society; and

(b) be loyal to the society and abstain from any act detrimental to the interest of the society.

(2) Subject to subsection (3), no member shall pledge the same product or his salary to more than one society, the main objects of which are similar.

(3) Where the rules of the societies of which he is a member so allow, an individual may be a member of more than one society, the main objects of which are similar.

37. Termination of membership

(1) A person shall cease to be a member of a society where –

(a) he withdraws from the society as member in accordance with this Act and the rules;

(b) he transfers all his shares;

(c) in the case of an individual, he –

(i) dies;

(ii) becomes insane; or

(iii) becomes bankrupt;

(d) in the case of a body corporate, it –

(i) becomes insolvent; or

(ii) is dissolved following liquidation; or

(e) he is expelled from the society.

(2) A member may withdraw from a society subject to such notice as the rules may provide, but the notice shall not exceed –

(a) one year in the case of a primary society; and

(b) 2 years in the case of a secondary or the tertiary society.

(3) A member shall not transfer his share or interest in a society unless –

(a) he has held the share for –

(i) not less than one year; or

(ii) such longer period, not exceeding 3 years, as may be stipulated in the rules; and

(b) the transfer is effected to another member or a person who has applied for membership and such membership is approved by the Board.

(4) A society may provide, in its rules, for the termination of membership of inactive or dormant members.

38. Expulsion of members

(1) Where a member has –

(a) committed or attempted to commit an act detrimental to the interest of the society; or

(b) failed to comply with any obligation specified in section 36,

he may be expelled by a decision of the general meeting.

(2) Where the general meeting fails to take a decision to expel the member, the Registrar may give directives to the Board to do so.

(3) The rules of a society shall prescribe the procedure for the expulsion of a member and shall include provision for –

(a) the suspension of the member;

(b) the notification, in writing, specifying the reasons of the expulsion; and

(c) the member's right to defend himself before any special committee appointed for the purpose or before the general meeting prior to the decision.

PART VII – ORGANISATION OF SOCIETY

39. General meetings

The general meeting shall be the supreme authority of the society.

40. First general meeting

(1) The first general meeting of a newly registered society shall be convened by the interim President not later than one month after receipt of the certificate of registration.

(2) The first general meeting shall –

(a) elect directors of the Board;

(b) Appoint an internal controller and fix his remuneration;

(c) Appoint an auditor and fix his remuneration;

(d) approve the programme of the activities of the society for the first year;

(e) approve the estimates of income and expenditure for the current financial year;

(f) consider any other matter that may be raised under the rules of the society.

41. Annual general meeting

(1) Every society shall hold an annual general meeting not later than the end of February of each year.

(2) The annual general meeting shall be convened by the Board.

(3) A society shall, at its annual general meeting –

(a) approve the minutes of the preceding annual general meeting;

(b) approve the programme of the activities of the society prepared by the Board for the coming year;

(c) approve the estimates of income and expenditure for the next financial year;

(d) elect the directors of the Board, other than in cases where a person has been appointed to manage the affairs of the society pursuant to section 47(10);

(e) elect delegates of the society to societies to which it is affiliated;

(f) consider –

(i) the annual report of the internal controller;

(ii) the financial statement of the society for the preceding year, duly audited, together with the audit report;

(iii) a report of the Board on the activities of the preceding year; and

(iv) the manner of disposing of the surplus, if any;

(g) fix the maximum liability that the society may incur from any society, bank or public or private financial institution;

(h) fix the investment, deposit and placement ceiling;

(i) appoint the auditor and approve his remuneration where appropriate;

(j) appoint the internal controller and fix his remuneration where appropriate; and

(k) consider any other matter that may be raised under the rules.

(4) The annual general meeting shall not approve the annual accounts unless –

(a) the annual report of the internal controller has been made accessible to the members in accordance with section 55(6)(e); and

(b) the audit report has been circulated and presented to the members along with the financial statements in terms of section 73(12).

(5) Where a society fails to hold its annual general meeting within the period specified in subsection (1), the Registrar shall, in writing, direct the society to hold its annual general meeting within one month from the receipt of the directive.

(6) Where a society fails to comply with a directive issued under subsection (5), the Registrar may, subject to the approval of the supervising officer –

(a) appoint an inspector who shall submit a report within one month of his appointment;

(b) based on the report of the inspector –

(i) revoke the Board;

(ii) cause an interim Board to be appointed; and

(iii) intiate procedures for the winding up of the society.

(7) The Registrar may, on reasonable grounds, extend the period for submitting the report referred to in subsection (6)(a).

(8) For the purpose of subsection (6), an interim Board of Directors shall –

(a) Subject to the approval of the supervising officer be composed of at least 3 persons appointed by the Registrar on such terms and conditions as he may determine; and

(b) Hold office for a period not exceeding one year.

(9) The remuneration of a person appointed under subsection (8) and the costs, if any, incurred in the management of the society, shall be paid out of the funds of the society.

42. Special general meeting

(1) The Board –

(a) may, at any time, convene a special general meeting;

(b) shall convene a special general meeting –

(i) at the request of one fifth of the total number of members or 2 members, whichever is the higher, within 21 days from the date of the request, such members holding –

(A) 20 per cent of the ordinary shares of the society; or

(B) 30 per cent of the preference shares of the society, if any; or

(ii) at the request of the Registrar, within 30 days from the date of the request.

(2) Where the Board fails to comply with a request under subsection (1)(b), the Registrar may convene a special general meeting.

(3) A special general meeting may conduct any business that may be conducted at an annual general meeting except the approval of the accounts.

43. Procedure at general meetings

(1) Notice of any general meeting containing the time, date, place and agenda of the meeting shall be given –

(a) by the Board –

(i) at least 14 days before the holding of a meeting, to the Registrar who may attend and address the meeting in respect of any matter concerning the society; and

(ii) to the members at least 8 days before the holding of a meeting; or

(b) where the meeting is convened by the Registrar, to the members at least 72 hours before the holding of a meeting.

(2) (a) A notice under subsection (1)(a) shall be displayed conspicuously at the registered office of the society.

(b) The rules shall provide for the notice to be published in one or more newspapers or to be sent to the members by post or by electronic mail.

(3) The agenda of the general meeting shall be determined by –

(a) the Board; or

(b) the Registrar where the meeting is convened by him.

(4) Where any matter is submitted in writing to the Board at least 3 days before the general meeting by at least one fifth of the total number of members or 2 members, whichever is the higher, such members holding at least –

(a) 5 per cent of the ordinary shares of the society; or

(b) 15 per cent of the preference shares of the society, if any,

the Secretary shall include the matter in the agenda which shall be communicated to all members.

(5) No matter other than a matter on the agenda shall be considered at a general meeting.

(6) A general meeting shall be chaired by the President of the society or, in his absence, by a member elected by the members present.

(7) The President may, on a decision of the general meeting, adjourn the meeting and, on resumption, deliberations shall relate to no matters other than the matters that were left unattended on the agenda.

(8) Every member present at the general meeting shall sign the attendance register which shall be countersigned by the person chairing the meeting.

(9) The Secretary of the society shall keep the minutes of proceedings of the general meeting in a minute book and the minutes shall be signed and countersigned by the Secretary and the person chairing the meeting.

(10) The minutes of the general meeting shall be read and approved by the members at the next general meeting.

(11) A true copy of the minutes of the general meeting certified by the Secretary and the person chairing the meeting shall, within 7 days of the meeting, be forwarded by the Secretary to the Registrar.

(12) Where the Secretary fails to submit the minutes of proceedings to the Registrar in accordance with subsection (11), he shall commit an offence and shall, on conviction, be liable to a fine not exceeding 10,000 rupees.

(13) The Secretary shall, at least 7 days before a general meeting, make the minutes of proceedings of the last general meeting available for inspection by any member of the registered office of the society.

44. Quorum at general meetings

(1) Where the number of members in a society –

(a) does not exceed 40, one half of the number of members or 5 members, whichever is the lesser;

(b) exceeds 40 but is not more than 400, one quarter of the number of members or 40 members, whichever is the lesser;

(c) exceeds 400 but is not more than 800, one quarter of the number of members or 80 members, whichever is the lesser;

(d) exceeds 800 but is not more than 1,600, one quarter of the number of members or 160 members, whichever is the lesser; or

(e) exceeds 1,600, one quarter of the number of members or 200 members, whichever is the lesser,

shall constitute the quorum for the purposes of the general meeting.

(2) Notwithstanding subsection (1), where a general meeting is convened by the Registrar, the members present at the meeting shall constitute a quorum.

(3) Where, within 30 minutes after the time fixed for a general meeting other than a general meeting convened by the Registrar, the number of members present is not sufficient to constitute a quorum, the meeting shall –

(a) where the meeting was convened at the request of the members, be considered as dissolved; or

(b) in every other case, stand adjourned to the same day, 2 weeks following the adjourned meeting at the same time, place and with the same agenda or such other place and time as the Registrar may approve.

(4) Where a meeting is adjourned under subsection (3), the Secretary shall, not later than 48 hours after the meeting is adjourned, cause a notice to that effect to be posted at the registered office of the society.

(5) Where, at a general meeting which is held following the adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, not less than –

(a) 3 members shall constitute a quorum if the number of members of the society does not exceed 40;

(b) 5 members shall constitute a quorum where the number of members of the society exceeds 40 but is not more than 400;

(c) 7 members shall constitute a quorum where the number of members of the society exceeds 400 but is not more than 800;

(d) 9 members shall constitute a quorum where the number of members of the society exceeds 800 but is not more than 1,600; and

(e) 11 members shall constitute a quorum where the number of members of the society exceeds 1,600.

(6) An adjourned meeting shall not have the power to take major decisions.

(7) For the purpose of this section –

"major decision" means a decision to incur liability or a decision regarding –

(a) the sale, transfer, lease or disposal of any immovable property or movable property of a society;

(b) an investment made by the society;

(c) the amendment of the rules of the society;

(d) a change of name of the society; or

(e) any activity not specified in the rules of the society pursuant to section 10(a).

Amended by [Act No. 15 of 2021]

45. Voting at general meetings

(1) Subject to section 34, a member of a primary society shall have one vote, to be exercised in person or through his authorised representative under a Power of Attorney.

(2) A member of a secondary or the tertiary society shall have such number of votes as may be provided for in the rules.

(3) A decision at a general meeting shall be taken by a simple majority of votes cast.

(4) Voting shall be conducted in accordance with the rules.

(5) The assistance of the Electoral Commissioner's Office may, at the society's expense, be sought for the conduct of an election at a general meeting.

PART VIII – MANAGEMENT OF SOCIETY

46. Composition of management

(1) Every society shall have –

(a) a Board;

(b) a President;

(c) a Secretary;

(d) a Treasurer; and

(e) an internal controller.

(2) A society may, in its rules, provide for such other office bearers as it may determine.

(3) (a) The President shall be appointed by the Board according to the rules and shall not hold office for a continuousperiod of more than 3 years.

(b) Where the President has vacated his office prior to the period of 3 years or ceased to hold office following the period of 3 years referred to in paragraph (a), he shall not be qualified to be appointed to an office in the society at any time during a period of 12 months preceding the next annual general meeting of the society.

(4) Where the Treasurer or Secretary is not a director of the Board, the Treasurer or Secretary may attend a meeting of the Board, but he shall not have a right to vote.

47. The Board

(1) Subject to this Act and the rules, a society shall be managed by a Board.

(2) The Board shall comprise not less than 3 nor more than 9 directors elected in accordance with the rules.

(3) No alteration in the rules shall invalidate any prior act of the Board which would have been valid if that alteration had not been made.

(4) The Board shall not sell, transfer, lease or dispose of any immovable property or movable property of the society unless –

(a) the sale, transfer, lease or disposal is expressly set out on the agenda of a general meeting;

(b) the members at the general meeting have approved the sale, transfer, lease or disposal;

(c) the Registrar is informed, in writing, at least 30 days before the meeting at which such a sale, transfer, lease or disposal of the immovable property or movable property of the society is to be approved;

(d) the immoveable property or movable property has been evaluated by a qualified valuer appointed by the society within the period of 6 months preceding the sale, transfer, lease or disposal of the property and the evaluation report is submitted to the society and the Registrar.

(5) No payment effected or contract, dealing or transaction entered into by the society shall be invalidated where the party to whom the payment has been made or with whom the contract, dealing or transaction has been entered into, has acted in good faith.

(6) For the purpose of subsection (5), a party shall be considered to have acted in bad faith where, at the time of any payment, contract, dealing or transaction, that party had knowledge of the fact that the society, the Board or the person with whom he was dealing was acting in breach of this Act or the rules.

(7) Subject to subsection (8), the Board may –

(a) appoint such subcommittees of its own directors as it may determine; and

(b) delegate to the subcommittee such powers and functions as it may determine.

(8) No decision of a subcommittee shall be implemented unless the decision is ratified by the Board.

(9) Notwithstanding subsection (5), any payment made or contract, dealing or transaction entered into in breach of subsection (8) shall be null and void.

(10) (a) Subject to paragraph (c), where the Registrar is of the opinion that a Board –

(i) has persistently failed to perform, or is negligent in the performance of, its duties;

(ii) has committed, is committing or is about to commit an act which is prejudicial to the interests of the society or its members; or

(iii) is otherwise not functioning properly,

he may, subject to the approval of the supervising officer, by order in writing, remove the Board and appoint a person to manage the affairs of the society on such terms and conditions as he may determine.

(b) The Registrar may, before making an order under paragraph (a), take such steps as he may determine to safeguard the interests of the society.

(c) No order under paragraph (a) shall be made unless the Board is given a reasonable opportunity of showing cause against the making of the proposed order.

(d) Subject to the control and directions of the Registrar, a person appointed under paragraph (a) –

(i) shall have all the powers of the Board or any officer; and

(ii) may take such action as may be necessary in the interests of the society.

(e) The remuneration of a person appointed under paragraph (a) and the costs, if any, incurred in the management of the society, shall be paid out of the funds of the society.

Amended by [Act No. 15 of 2021]

48. Qualifications of directors

(1) No person shall be eligible to serve as a director or remain a director if he –

(a) is under the age of 18;

(b) is involved, directly or indirectly, in any activity which is in conflict with, or is likely to be prejudicial to, the activities of the society;

(c) has been convicted of an offence involving fraud, dishonesty, drug trafficking or financial malpractice;

(d) is an undischarged bankrupt;

(e) has been convicted of an offence under this Act;

(f) has been found to have misused, mismanaged or misappropriated the funds of a society;

(g) has previously, as director of a society, misused, mismanaged or misappropriated its funds; or

(h) is in arrears with the repayment of a loan from, or any amount due to, a society.

(2) Where a director has any interest, direct or indirect, in any matter before the Board, he shall, as soon as reasonably practicable, disclose to the Board the nature of his interest, and shall not take any part in the deliberation of the Board relating to that matter.

(3) Subsection (1)(a) shall not apply in relation to a school society.

49. Election of directors

(1) At the annual general meeting of the society, the directors shall be elected according to the rules.

(2) An outgoing director or Secretary shall remit to a newly elected Board any book, document or any property of the society which was remitted to, or kept by, him in his capacity as director or Secretary.

(3) A person who fails to comply with subsection (2) shall commit an offence and be liable to a fine not exceeding 200,000 rupees.

50. Government nominees as directors

(1) Where Government has –

(a) guaranteed the repayment of debentures issued by, or loans, advances or overdrafts made to, a society; or

(b) given financial assistance in any other form to a society,

the Minister may, in addition to the elected directors, appoint not more than 5 persons having wide experience in the field of co-operatives to sit on the Board as directors.

(2) Any member appointed under subsection (1) shall sit on the Board on such terms and conditions as the Minister may determine and shall be eligible for reappointment.

51. Non-member as director

(1) Subject to the rules, a person not being a member may be appointed as director but shall not have the right to vote.

(2) For the purpose of subsection (1), the number of persons who are not members and who may be appointed as directors shall not exceed one third of the total number of directors or such lower proportion as may be provided in the rules.

52. Duties of directors

(1) It shall be the duty of every director –

(a) to exercise his powers in accordance with this Act and within the limits and subject to the conditions and restrictions imposed by the rules;

(b) to obtain the authorisation of the general meeting before doing any act or entering into any transaction for which the authorisation of a general meeting is required by this Act or by the rules;

(c) to exercise his powers honestly, in good faith, in the best interests of the society and for the respective purpose for which such powers are explicitly or implicitly conferred;

(d) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;

(e) to account to the society for any monetary gain, or the value of any other gain or advantage obtained by him, in connection with the exercise of his powers;

(f) not to make use of, in a personal capacity, either directly or indirectly, or divulge, any confidential information received by him on behalf of the society as director;

(g) not to compete or be in conflicts with the society or become a director or officer of any competitor of the society;

(h) where he has any interest in any contract or transaction with the society, to declare his interest to the next meeting of directors of the society, and in such declaration to state the nature and extent of his interest and the effect or probable effect of his interest on the contract or transaction;

(i) not to use any assets of the society for any unlawful purpose;

(j) not to do, or knowingly allow to be done, any thing by which the assets of the society may be damaged or lost otherwise than in the course of carrying out its business;

(k) to cause to keep proper accounting records and make such records available for audit and inspection; and

(l) to disclose any family link he may have with any employee or member of the society.

(2) Any director who fails to comply with subsection (1) shall commit an offence and shall, on conviction, be liable to a fine not exceeding 10,000 rupees.

(3) Every director shall be jointly and severally liable for any loss sustained by the society through his failure to exercise prudence and diligence or through any act which is contrary to this Act or the rules of the society.

(4) Where a director commits a breach of any duty under this Act, the director and every person who knowingly participated in the breach shall be liable to compensate the society for any loss it suffers as a result of the breach.

53. Removal of directors

(1) A director shall cease to hold office if –

(a) he fails, or ceases, to satisfy the criteria specified in section 48 or in the rules during his term of office;

(b) he fails to attend 3 consecutive meetings of the Board without reasonable cause;

(c) he resigns by notice in writing;

(d) he is removed from office in accordancewith subsection (2) or section 47(10); or

(e) in case of a secondary or tertiary society –

(i) the primary or secondary society which he represents, makes a request in writing for his removal;

(ii) the primary or secondary society which he represents contravenes this Act or is dormant, in liquidation or wound up; or

(iii) he ceases to be a member of the primary or secondary society which he represents.

(2) A director maybe removed from office by a resolution of a general meeting where at least 7 days' prior notice is issued to him of the intended resolution.

(3) Where a vacancy on the Board arises as a result of the removal of a director under subsection (2) or the death, resignation or insanity of a director, and the number of directors falls below the minimum prescribed by thisAct, the Board shall fill the vacancy, pending the next general meeting, by co-opting from the members.

(4) Notwithstanding subsection (3), the number of members co-opted shall not exceed 2 or one quarter of the Board, whichever is the lower.

(5) Where more than 2 directors or more than one quarter of the total number of directors, whichever is the lesser, cease to be directors of the society under subsection (1), the Board shall, within 30 days, initiate procedures for convening a general meeting for the purpose of electing new directors to fill the vacancies.

54. Meetings of directors

(1) A Board shall meet as often as may be necessary and at least once every month.

(2) The meeting shall be convened –

(a) by the President of the society or, in his absence, by any director elected to act as President;

(b) at the request of 2 directors or one third of the total number of directors of the society, whichever is the higher; or

(c) by the Registrar.

(3) (a) A decision of the Board shall not be valid unless a quorum is present.

(b) A majority of the number of directors of the Board shall constitute a quorum.

(c) Notwithstanding paragraph (b), where the Board is convened by the Registrar, the directors present at such meeting shall constitute a quorum.

(4) Every decision shall be taken by a majority of votes.

(5) In case of equality of votes, the President shall have a casting vote.

(6) The proceedings at all Board meetings shall be recorded in minutes which shall, subject to subsection (7), be signed by the President and Secretary.

(7) The rules may provide for all directors present at the meeting to sign the minutes.

(8) The minutes shall be approved at the next Board meeting.

(9) The Secretary shall, within 7 days from the meeting, forward a copy of the minutes, certified by the President and Secretary, to the Registrar.

55. Internal controller

(1) Every society shall appoint at least one internal controller who shall not be a director of the society.

(2) The internal controller shall be appointed by the society at a general meeting on such terms and conditions as the general meeting may determine.

(3) Where the Internal Controller has vacated or is removed from office prior to a general meeting, the Board may appoint an Internal Controller on such terms and conditions as it may determine and such decision shall be ratified at the next general meeting.

(4) (a) Every internal controller shall ensure that the affairs of the society are conducted in accordance with this Act, other relevant enactments and the rules of the society and, in particular, shall –

(i) ensure that all the activities follow approved policies and established procedures;

(ii) ensure that all the books of the society are, at all times, up to date;

(iii) carry out inspections of the money, stocks, books and other assets of the society;

(iv) ascertain the authority and validity of all expenditure, including loans and advances;

(v) examine the accounts of the society at regular intervals and ensure that all transactions of the society are properly recorded in the respective books, accounts and any other documents where required; and

(vi) not disclose to any unauthorised person any matter which comes to his knowledge in the course of his functions.

(b) Any internal controller who contravenes paragraph (a)(vi) shall commit an offence and shall, on conviction, be liable to a fine not exceeding 25,000 rupees.

(5) An internal controller shall, in the exercise of his functions, have access to all books, accounts and documents of the society and shall have the power to call upon any person to produce any such information or such books, accounts and documents as he may require.

(6) (a) An internal controller shall, within 15 days from the end of each quarter, make a report of his findings and send a copy of the report to the Registrar and the Board.

(b) Where the internal controller fails to submit his quarterly report within the delay specified in paragraph (a), the Registrar may require that the report be submitted within such time as he may determine.

(c) Where an internal controller fails to submit his report within the time fixed by the Registrar, the Registrar may appoint an inspector at the expense of the society to inquire into its affairs.

(d) The inspector appointed under paragraph (6) shall submit his report within 30 days of his appointment or such time as the Registrar may determine.

(e) The internal controller shall, at least 7 days before the next annual general meeting, make an annual report which shall be accessible at the seat of the society.

55A. Internal control requirements for specific classes of societies

(1) Every society shall designate at least one internal controller or equivalent officer responsible for governance and compliance oversight.

(2) The Registrar may determine and impose additional internal control measures for specific classes of societies.

Added by [Act No. 13 of 2026]

56. Revocation of internal controller

(1) After taking cognizance of the report of the inspector under section 55(5)(d), the Registrar may –

(a) revoke the internal controller; and

(b) appoint a new internal controller at the expense of the society.

(2) (a) The internal controller referred to in subsection (1)(b) shall be appointed for a maximum period of 6 months.

(b) The Registrar shall cause a general meeting to be held, within the period specified in paragraph (a), forthe purpose of appointing a new internal controller in accordance with section 55(2).

57. Anti-money laundering andcombating financingof terrorism

(1) (a) Subject to this section, every internal controller of a credit union shall, as soon as he becomes aware of a suspicious transaction, make a report to FIU of such transaction not later than 5 working days after the suspicion arose.

(b) Where, at any time in the course of the discharge of his functions under this Act, the Principal Co-operative Auditor of a credit union becomes aware of a suspicious transaction, the Principal Co-operative Auditor shall inform the Registrar who shall forthwith pass on that information to FIU.

(2) FIU may, in relation to any suspicious transaction or information that is reported to it pursuant to subsection (1), require such further information as it may determine from the auditor, internal controller or Principal Co-operative Auditor and the auditor, internal controller or Principal Co-operative Auditor shall provide such information.

(2A) The Registrar shall ensure that every credit union complies with the relevant guidelines issued by FIU.

(3) The Bank of Mauritius or the Financial Services Commission may provide the Registrar such technical support and assistance, as he may require, in the licensing, regulating and supervision of societies.

(4) In this subsection –

"FIU" has the same meaning as in the Financial Intelligence and Anti-Money Laundering Act;

"suspicious transaction" has the same meaning as in the Financial Intelligence and Anti-Money Laundering Act.

(5) Where an internal controller of a credit union –

(a) becomes aware of a suspicious transaction; or

(b) ought reasonably to have become aware of a suspicious transaction,

and he fails to make a report to FIU of such transaction not later than 5 working days after the suspicion arose, he shall commit an offence and shall, on conviction, be liable to fine not exceeding one million rupees and to imprisonment for a term not exceeding 5 years.

(6) In this section –

"suspicious transaction" has the same meaning as in the Financial Intelligence and Anti-Money Laundering Act.

Amended by [Act No. 11 of 2018]; [Act No. 5 of 2020]

58. Notification to Registrar

(1) Every society shall inform the Registrar in writing of –

(a) the names, occupations, addresses and academic and professional qualifications and experience of –

(i) its directors within 14 days of their election;

(ii) an internal controller within 14 days of his appointment; and

(b) any changes in the composition of its Board or the internal controller within 14 days of the change.

(2) Any society which fails to comply with subsection (1) shall commit an offence and, without prejudice to section 44 of the Interpretation and General Clauses Act, the Secretary shall commit the like offence and shall, on conviction, be liable to a fine not exceeding 5,000 rupees.

59. Contracting out management of society

(1) A society may contract out the management of its business on such terms and conditions as it may determine to a management organisation where a resolution to that effect is passed at a general meeting of the society.

(2) The Registrar shall be informed of the resolution and a copy of the contract shall, within 7 days from the resolution, be submitted to the Registrar.

PART IX – PROPERTY AND FUNDS OF SOCIETY

60. Funds of societies

The funds of a society shall consist of –

(a) such entrance fee as may be provided for in the rules;

(b) any payment made in respect of shares subscribed in accordance with this Act and the rules of the society;

(c) any undistributed net surplus required to be allocated to the Reserve Fund;

(d) any undistributed net surplus allocated to any fund established under the rules;

(e) grants, donations and other contributions from public or private donors;

(f) loans from members, other societies, banks and public or private financial Institutions;

(g) deposits from members and other societies;

(h) surplus in terms of patronage refund, the disbursement of which is deferred subject to such conditions as may be provided in the rules;

(i) any other contribution by members to the capital of the society, pursuant to the rules; and

(j) premiums arising on the issue of shares.

61. Shares

(1) No share shall be issued at less than its par value.

(2) Every share shall be registered and indivisible.

(3) No share shall be transferred by a member unless the share has been fully paid up by him.

(4) No person shall hold more than 30 per cent of the issued share capital of a society.

(5) Subject to subsection (6), a society shall, in its rules, fix the maximum number of shares, or a maximum percentage of the share capital of the society, that a member may hold.

(6) Where all the members of a society are societies, the percentage of share capital that may be held by a member shall not be limited.

(7) Where, for the purpose of a merger of 2 or more societies, shares are issued for consideration other than cash, the societies shall not merge unless the merger is approved at the general meetings of the societies involved with the merger.

(8) Where shares are to be issued in consideration of any property other than cash, the shares shall not be issued unless –

(a) a proper valuation certificate is issued by a qualified valuer or such other person who may be qualified for that purpose; and

(b) the approval of the general meeting of the society to which the property has to be transferred is obtained.

62. Conditions for membership participation

Every society shall, in its rules, set out the conditions for the participation of its members in the capital of the society, including the minimum contribution that each member has to make in the form of –

(a) a fixed minimum number of shares; or

(b) a number of shares in proportion to the business done by the member with the society.

63. Reserve Fund

(1) Every society shall maintain a Reserve Fund into which shall be paid at least 5 per cent of its surplus.

(2) Where the Minister is satisfied that a society has accumulated adequate funds in its Reserve Fund, the Minister may, on an application made by the society, authorise the society to contribute a lesser percentage of its surplus to the Reserve Fund than the percentage referred to in subsection (1).

(3) Subject to subsection (1), a society may maintain special reserve funds into which shall be paid such part of its surplus as may be provided in the rules or as the general meeting may approve.

(4) No society shall pay any dividend out of its Reserve Fund.

(5) A society may, from its Reserve Fund, issue bonus shares to its members.

64. Order of distribution of net surplus

The surplus of a society shall be distributed in the following order of priority –

(a) Reserve Fund;

(b) dividend on preference share, both redeemable and nonredeemable;

(c) special reserve funds;

(d) bonus to employees;

(e) bonus to a member in proportion to the business done by the member with the society; and

(f) dividend on ordinary shares.

65. Payment of bonus and dividend

(1) No assets of a society, other than its surplus, shall be distributed by way of bonus or dividends, or otherwise, among its members.

(2) No society shall pay any bonus or dividend or distribute any part of any special reserve fund unless the financial statement has been certified by the Principal Co-operative Auditor or an auditor, as the case may be, and has been approved at the general meeting.

(3) Notwithstanding subsection (2), no society shall pay any dividend on ordinary shares unless the payment has been approved at the general meeting.

66. Investment of assets

(1) A society may invest its assets in such manner as may be specified in its rules or decided by the general meeting.

(2) The Board shall, when investing the assets of the society, consider the liquidity and the security aspect of the investments.

(3) The rules shall specify the amount of the assets –

(a) which the Board may invest without the approval of the general meeting; and

(b) above which the Board shall have to obtain the approval of the general meeting before investing the assets.

(4) Where a report has been prepared by a Principal Co-operative Auditor, an inspector, an auditor or an internal controller, and, from the reports, the Registrar has reason to believe that the investment policy carried out by the Board is not in the interests of the members, the Registrar may direct the society to hold a general meeting within such time as the Registrar may specify for the purpose of considering the reports and if need be, reviewing the investment policy of the society.

(5) Where –

(a) a complaint, in writing, is made to the Registrar by –

(i) one fifth of the total number of members or 2 members, whichever is the higher; and

(ii) the members referred to in subparagraph (i) hold not less than 20 per cent of the ordinary shares, or not less than 30 per cent of the preference shares, of the society;

(b) the Registrar has reason to believe that the investment policy carried out by the Board is not in the interests of the members,

he may take such action as specified in subsection (4).

67. Restrictions on borrowings and credit

(1) The rules of a society shall make provision for the conditions under which the society may receive loans and deposits from its members and non-members.

(2) No society shall contract a loan or receive a deposit except as specified in its rules.

(3) No society shall grant a loan or allow any credit –

(a) to any person other than a member; and

(b) except as specified in its rules.

68. Seizure of property

(1) The Registrar shall, where he has reasonable ground to believe that –

(a) any document relating to a society is likely to be suppressed, tampered with or destroyed; or

(b) the property of a society is likely to be misappropriated or destroyed,

apply to the Magistrate of the district in which the society has its registered office for a search warrant.

(2) The Magistrate may, on an application made under subsection(1), issue a warrant authorizing a police officer to –

(a) enter any premises where any document or property referred to in subsection (1) is to be found; and

(b) seize any such document or property and deliver it to the Registrar for safe custody.

PART X – ACCOUNTS, RECORDS AND AUDIT

69. Financial year

(1) The financial year of a society shall be the period starting on 1 July and ending on 30 June in the next year.

(2) The first financial yearof a society shall start from the date of its registration and end on 30 June next following.

70. Keeping of accounts and records

(1) Every society shall keep proper books of accounts and other books, manually or electronically, for the purpose of recording all transactions relating to its undertakings, funds, activities and properties.

(2) A society shall –

(a) ensure that all payments are authorised and correctly made and adequate control is maintained over its income, its expenditure, assets and liabilities;

(b) keep all accounts and records in such manner that they truly reflect the financial situation of the society sothat the Registrar, Principal Co-operative Auditor, internal controller or the auditor can, at all reasonable times, have access to them; and

(c) Ensure that all accounts in respect of a financial year are drawn up and audited in accordance with this Act, its rules and other relevant enactments.

(3) The Registrar may, where a society fails to keep records, registers and books in accordance with subsection (1), appoint such person as he may determine to keep the necessary books of accounts.

(4) The remuneration of the person appointed under subsection (3) and the costs, if any, incurred in the performance of the work shall be paid out of the funds of the society.

71. Bank accounts

(1) Subject to such directives as may be issued by the Registrar, a society shall maintain at least one bank account –

(a) into which all monies received by it shall be paid; and

(b) out of which all payments required to be made by it shall be paid.

(2) The rules of a society shall state the amount that may be kept by it in the form of petty cash.

(3) The Registrar may, where, in his opinion, such measures are necessary to prevent loss or misuse of funds –

(a) certify to a bank the persons who are authorised to sign cheques or other documents on behalf of a society;

(b) freeze the account of a society in a bank; or

(c) give to any bank instructions regarding the operation of the account of a society.

72. Co-operative Audit Unit

(1) There shall, for the purpose of auditing co-operative societies, be a Co-operative Audit Unit within the Ministry which shall be headed by a Principal Co-operative Auditor who shall be accountable to the supervising officer.

(2) The Principal Co-operative Auditor may, subject to section 127(1), delegate any of his duties under this Act to any public officer of the Ministry, appointed to assist him, in the execution of his duties.

(3) The Principal Co-operative Auditor and all staff appointed to assist him in carrying out the auditing functions shall take the oath set out in the First Schedule.

73. Audit

(1) Subject to subsection (2), every society shall, at its first general meeting and at every subsequent annual general meeting, appoint the Principal Co-operative Auditor or an auditor through an ordinary resolution of its members to –

(a) Hold office from the conclusion of the meeting until the conclusion of the next annual general meeting; and

(b) audit the financial statements of the society for the accounting period next after the meeting.

(2) (a) No society shall, where its annual revenue exceeds the prescribed amount, appoint the Principal Co-operative Auditor as auditor.

(b) Where a society appoints the Principal Co-operative Auditor as auditor, he shall not be remunerated by the society.

(3) Every society shall, within a period of 3 months after the closing of the financial year, submit to the Principal Co-operative Auditor or auditor, as the case may be, the financial statements together with all relevant documents and such statistical returns as the Principal Co-operative Auditor or auditor may require.

(4) The Principal Co-operative Auditor or auditor shall, within 3 months from receipt of the financial statements together with all relevant documents, submit a report on the audit carried out to the President of the society and the Registrar.

(5) The Principal Co-operative Auditor or auditor may, for the purpose of the examination or audit, require from any member of the Board, officer, the internal controller, employee or member, such information and explanations as may be necessary.

(6) The Principal Co-operative Auditor or auditor shall, while auditing the accounts of a society, assess –

(a) the financial situation of the society and the functioning of its decision making bodies; and

(b) the degree to which procedures set out in the rules or in any other relevant documents of the society are being complied with.

(7) Where the Principal Co-operative Auditor or auditor finds any shortcoming in the books or procedures of the society, he shall recommend such remedial actions and measures as he may determine.

(8) The Principal Co-operative Auditor or auditor shall, within 15 days of the completion of the audit, submit a copy of his findings together with the audit report and the audited accounts of the society to the Board and to the Registrar.

(9) The findings of the Principal Co-operative Auditor or auditor submitted under subsection (8) shall include –

(a) a list of transactions and agreements, if any, between the society and its members or third parties not covered by the rules or not duly authorised or likely to cause damage to the society; and

(b) an appraisal of the management performance and the working of the decision-making bodies of the society.

(10) Where the Board decides not to implement any recommendation contained in the findings of the Principal Co-operative Auditor or auditor, it shall so inform the Registrar in writing and give reasons for the non-implementation.

(11) The audit report referred to in subsection(8) shall include a statement as to whether –

(a) the auditor had access to all accounts, books, records and relevant information required while carrying out the audit;

(b) in the opinion of the auditor, accounting records have been kept, and internal control systems have been maintained properly and have been audited in compliance with this

Act and other relevant enactments; and

(c) the accounts prepared by the society give a true and fair view of the affairs of the society.

(12) The audit report shall be submitted for consideration at the annual general meeting.

73A. Categorisation of societies

Every society shall be categorised as a micro, small, medium or large society in accordance with its annual turnover as set out in the Seventh Schedule.

Added by [Act No. 13 of 2026]

73B. Audit requirements

The audit requirements applicable to each category shall be as follows –

(a) micro societies – exempted from audit by a Principal Co-operative Auditor or an auditor;

(b) small societies – subject to audit by a Principal Co-operative Auditor;

(c) medium societies – subject to audit by a Principal Co-operative Auditor;

(d) large societies – subject to audit by a duly qualified auditor.

Added by [Act No. 13 of 2026]

73C. Appointment of external auditor

Notwithstanding section 73B(1), any small society or medium society may, at a general meeting, appoint an auditor, other than the Principal Co-operative Auditor, on such terms and conditions as it may determine.

Added by [Act No. 13 of 2026]

73D. Payment of annual fee

Every society shall, in accordance with its categorisation pay the annual fee specified in the Third Schedule.

Added by [Act No. 13 of 2026] w.e.f 1 January 2027

73E. Specific exemptions applicable to micro societies

(1) Notwithstanding this Act, a micro society shall be exempted from the provisions of –

(a) section 54(1), except for the Board minutes to be held every 3 months and submitted to the Registrar in accordance with section 54(9);

(b) section 55(6)(a), except for the report of the internal controller to be submitted to the Registrar in accordance with section 55(6)(e);

(c) section 73(1) and (3), except for financial statements to be duly prepared and approved by the Board.

(2) The exemptions specified in subsection (1) shall not apply to any society classified as a "Credit/Financial Services" society under the Fourth Schedule or such other societies as the Registrar may direct.

Added by [Act No. 13 of 2026]

73F. No exemptions for other categories

Every small, medium and large society shall comply with the provisions of this Act unless otherwise expressly provided for in any regulations made under this Act.

Added by [Act No. 13 of 2026]

73G. Duty to declare turnover

Every society shall, at the end of every financial year and before the end of August in the following financial year, submit to the Registrar a declaration of its annual turnover, duly certified by the Board.

Added by [Act No. 13 of 2026]

73H. Power of Registrar to review and re-categorise

(1) The Registrar shall, every year, review the categorisation of each society, based on the audited financial statements filed with the Registrar for the preceding financial year.

(2) Where a society fails to submit its audited financial statements for the preceding financial year, the Registrar shall consider the last financial statements filed by the society.

(3) Where the categorisation of a society is reviewed, the new categorisation shall apply as from the subsequent financial year.

(4) Where the Registrar has reasonable grounds to believe that a society has been wrongly categorised, he may –

(a) conduct an inquiry or audit; and

(b) re-categorise the society accordingly.

(5) Where the categorisation of a society is reviewed, the Registrar shall impose the terms and conditions and sanctions applicable to the new categorisation.

Added by [Act No. 13 of 2026]

73J. Offence of wrongful categorisation or false declaration

(1) Any society which or officer of a society who –

(a) knowingly provides false or misleading information relating to turnover; or

(b) deliberately understates the turnover to benefit from a lower category,

shall commit an offence.

(2) A society or an officer convicted under subsection (1) shall be liable –

(a) to a fine not exceeding 100,000 rupees; and

(b) to the payment of any fee or penalty which would have been applicable under the proper categorisation.

Added by [Act No. 13 of 2026]

73K. Administrative sanctions

(1) Without prejudice to any criminal proceedings, the Registrar may impose such administrative sanctions as he may determine for –

(a) failure to submit turnover declaration;

(b) failure to satisfy the requirements specified in the Sixth Schedule;

(c) late submission of any required documents; or

(d) non-compliance with category-specific obligations.

(2) For the purpose of subsection (1), an administrative sanction may consist of –

(a) a written warning;

(b) debarment of the society in default from having access to any grant or scheme, either financial or non-financial, given as support to societies; or

(c) a penalty not exceeding 10,000 rupees

(3) An aggrieved party may, not later than 21 days from the date of the sanction, appeal to the Co-operative Tribunal.

Added by [Act No. 13 of 2026]

74. Persons not eligible to act as auditor

No person shall carry out the audit of a society, or prepare an audit report regarding a society, where he –

(a) has been a director, manager or employee of the society during the current year and the immediately preceding year;

(b) is a person who is a partner or in the employment of a director or an employee of the society;

(c) is a person who is a receiver in respect of the property of the society;

(d) is a person who is not ordinarily resident in Mauritius;

(e) is a person who is indebted to the society in an amount exceeding 10,000 rupees unless the debt is in the ordinary course of business;

(f) has been expelled as a member from the society; or

(g) has an interest in the society.

75. Liability of Principal Co-operative Auditor or auditor

(1) The Principal Co-operative Auditor or auditor, as the case may be, shall, in carrying out an audit –

(a) exercise prudence and diligence and maintain the standards of the auditors' profession;

(b) keep confidential all information on internal matters of the society, obtained during the exercise of his functions; and

(c) be jointly and severally liable for any loss sustained or damage caused by –

(i) gross negligence in the performance of his duties;

(ii) failure to meet the standards of the profession; or

(iii) wilfully disclosing confidential information obtained during the audit to persons other than those authorised under this Act.

(2) Where the Principal Co-operative Auditor or auditor, or any person assisting him in audit work, uses information in respect of the internal matters of the society obtained during the audit for his personal advantage or for the advantage of third persons, he shall commit an offence.

75A. Determination of turnover

(1) For the purposes of this Act, the turnover of a society listed in the second column of the Fourth Schedule shall be determined in accordance with the corresponding turnover components set out in the fourth column of that Schedule.

(2) The turnover of a society shall be determined by the aggregate transactional volume of monetary transactions in a financial year and shall include the gross receipts, income, receipts, fees, contributions, commissions, sales revenue and any other operational earnings and transactions derived from its principal activities.

(3) The Registrar may issue guidelines for the computation and declaration of turnover for specific classes of societies.

(4) (a) Any dispute regarding the determination of turnover shall be determined by the Registrar.

(b) An aggrieved party may appeal to the Co-operative Tribunal against the determination of the Registrar under paragraph (a).

Added by [Act No. 13 of 2026]

PART XI – INQUIRY

76. Inquiry on a society

(1) The Registrar may –

(a) on the application of a creditor of the society or of not less than one tenth of the total number of members or 2 members, whichever is the higher holding at least –

(i) 10 per cent of the ordinary shares of a society; or

(ii) 30 per cent of the preference shares of a society, if any;

(b) on a resolution of the Board or of a general meeting;

(c) where the internal controller fails to forward the quarterly report to the Registrar within 2 months from the end of the time allocated by the Registrar under section 55(6)(b); or

(d) where he so determines,

appoint an inspector to inquire into the affairs of a society or such aspects of the affairs of a society as may be specified in the instrument of appointment and to make a report on his investigation, in such form and manner as the Registrar shall direct.

(2) Where an application is made under subsection (1)(a), the Registrar may, before appointing an inspector, require the applicant to provide –

(a) the reason for the application; and

(b) such security as the Registrar may determine to cover the cost of the inquiry.

(3) An inspector appointed under subsection (1) shall submit his findings within such period as the Registrar may specify in the instrument of appointment.

(4) Where, from a report of an inspector, it appears to the Registrar that proceedings in the interests of the members ought to be brought by the society –

(a) for the recovery of any sum in respect of any fraud, misfeasance or other misconduct –

(i) in connection with the promotion or formation of that society; or

(ii) in the management of its affairs; or

(b) for the recovery of any property of the society which has been misapplied or wrongly retained,

he may bring proceedings for that purpose in the name of the society.

77. Investigation and remedies

(1) Where, in the course of an audit, inquiry or inspection or the winding up of a society, it is found that any officer or past officer of the society has –

(a) made any payment contrary to this Act or the rules of the society;

(b) caused any deficiency or loss by gross negligence or misconduct; or

(c) misappropriated or fraudulently retained any property of the society,

the Principal Co-operative Auditor, auditor or liquidator shall refer the matter to the Registrar who may, even in the absence of such a reference and on his own motion or on the application of an interested party, cause an investigation to be made into the conduct of that person.

(2) No investigation under subsection (1) shall be made except within –

(a) 10 years from the date on which the act occurred; or

(b) one year from the date on which the act comes to the notice of the Registrar.

(3) The Registrar may, after an investigation under subsection (1), where he is satisfied that there are good grounds for doing so, make an order, in writing, requiring the person specified in that subsection or, where the person is dead, his legal representative, to repay or restore the property with interest at such rate, or to pay contribution and costs or compensation to such extent, as the Registrar may determine.

(4) The Registrar may, on an audit, inquiry or inspection, require any officer, any person in his capacity of member or legal representative of a deceased officer or any member, having under his control or in his custody any money or property of a society, to deliver to him the money or property.

78. Powers of inspectors

(1) Every person shall, where requested to do so, produce to an inspector any document, book or record in his custody, and shall give to the inspector all assistance in connection with the inquiry.

(2) An inspector may, by notice in writing, require any person who, in the opinion of the inspector, may give relevant evidence, to appear for examination.

(3) A notice under subsection (2) may require any person on whom the notice is served to produce any document, book or record in his custody.

(4) Where any document, book or record is produced to the inspector, he may retain the document, book or record for such time as he may consider necessary for the purpose of the inquiry and where the document, book or record is required by the society, the inspector shall allow an officer of the society to have access to the document, book or record during such time as he may consider reasonable.

(5) (a) An inspector may cause notes of an examination under this section to be recorded in writing and read to and signed by the person examined.

(b) The notes referred to in paragraph (a) may be used as evidence in any legal proceedings against the person referred to in that paragraph.

79. Costs of inquiry

(1) The expenses incurred by an inspector in relation to an inquiry, including the costs of any proceedings brought by the Registrar in the name of the society, shall –

(a) be paid by the society; or

(b) where the Registrar so directs, be paid by the applicant.

(2) Where a society fails to pay any sum which it is liable to pay under subsection (1), the sum due may be paid out of the Fund.

79A. Cancellation of lease of State land

Where an inquiry initiated by the Registrar reveals that an agricultural co-operative society has benefited from lease of State land and –

(a) has failed to develop the land within a period of 2 years as from date of start of the lease;

(b) has sublet the land to a third party;

(c) any member of the society has exploited the land for his personal benefit, to the detriment of the interests of the society; or

(d) has left the land in an abandoned state for 2 years after an initial development,

the lease may, in accordance with section 6 of the State Lands Act, be cancelled.

Added by [Act No. 7 of 2020]

PART XIA – FUNCTIONS AND POWERS OF REGISTRAR IN RELATION TO CREDIT UNION

79B. Functions and powers of Registrar in relation to credit union

(1) Without prejudice to the functions and powers of the Registrar under any other enactment, the Registrar –

(a) shall supervise, monitor and give guidance to a credit union;

(b) may consult with and seek such assistance from any association or body representing a credit union or such other person as he may deem appropriate;

(c) may give directions to a credit union to ensure compliance with this Act, the Financial Intelligence and Anti-Money Laundering Act, the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban)

Sanctions Act, and any regulations made or guidelines issued under those Acts;

(d) may require a credit union to submit a report on corrective measures it is taking to ensure compliance with this Act, the Financial Intelligence and Anti-Money Laundering Act, the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act, and any regulations made or guidelines issued under those Acts at such intervals as he may determine;

(e) may issue guidelines in respect of money laundering activities and the financing of terrorism and proliferation activities;

(f) shall cooperate with and assist investigatory authorities;

(g) shall exchange information with investigatory authorities and supervisory authorities;

(h) shall assist and exchange information with overseas comparable supervisory authorities;

(i) shall undertake, and assist in, research projects in order to identify the methods and trends of money laundering activities and the financing of terrorism and proliferation activities in Mauritius and in the region;

(j) may enter into an agreement or arrangement for the exchange of information with an overseas comparable supervisory body, provided that the overseas comparable supervisory body undertakes to protect the confidentiality of any information exchanged;

(k) may, in respect of a credit union, apply any or all of the following administrative sanctions, as appropriate –

(i) issue a private warning;

(ii) issue a public censure;

(iii) impose such administrative penalty as may be prescribed;

(iv) ban it from conducting its business for a period not exceeding 5 years;

(v) suspend, revoke or cancel its registration.

(2) The Registrar may, in writing, request such information and documents as he considers appropriate from a credit union and the credit union shall, within the time as specified by the Registrar, provide the information and documents.

(3) A credit union which fails to comply with subsection (1)(c) or (d) or to provide any information or document requested under subsection (2) shall commit an offence and shall, on conviction, be liable to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 5 years.

(4) The Registrar may publish any of his decisions or determinations, a decision of the Review Panel or such other information as he may consider appropriate.

Added by [Act No. 18 of 2025]

(5) The Registrar may undertake outreach and educational programmes to raise and deepen awareness among credit unions of their duties and responsibilities under this Act and any other applicable Act, as he considers appropriate.

Added by [Act No. 3 of 2026]

79C. Request for information

(1) The Registrar may, in the discharge of his functions under this Act, require a credit union to furnish it with any information and produce any record or document within such time and at such place as he may determine.

(2) A credit union referred to in subsection (1) shall, immediately, comply with any request under subsection (1).

(3) The Registrar may require any information or document furnished to him to be verified or authenticated in such manner as he may determine, and at the expense of the credit union.

(4) A credit union that fails to comply with this section shall commit an offence and shall, on conviction, be liable to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 2 years.

Added by [Act No. 18 of 2025]

79D. On-site inspection

(1) (a) The Registrar may, at any time, cause to be carried out at the registered office or on the business premises of a credit union an inspection and an audit of its books and records to verify whether the credit union is complying or has complied with this Act or the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act, or any regulations made or guidelines issued under those Acts.

(b) The Registrar may, in the exercise of his powers under paragraph (a), request such assistance as may be necessary from the FIU or any supervisory authorities.

(2) For the purpose of subsection (1), the Registrar may –

(a) direct, orally or in writing –

(i) the credit union to produce such document as he may specify; or

(ii) any other person whom the Registrar reasonably believes has in his possession or control a document or thing that may be relevant to the inspection, to produce the document or thing specified by him;

(b) examine, and make copies of or take extracts from, any document or thing that he considers relevant;

(c) retain any document or thing he deems necessary; and

(d) direct a person who is or apparently is an employee of the credit union to give information about any document or thing that he deems necessary to be relevant to the inspection.

(3) A credit union referred to in subsection (1) or, where applicable, its employees shall give the Registrar full and free access to the records and other documents of the credit union as it deems necessary to be relevant for the inspection.

(4) Any person who –

(a) intentionally obstructs the Registrar in the exercise of his powers or performance of his duties and functions under this section; or

(b) fails, without reasonable excuse, to comply with any direction of the Registrar

in the performance of his duties and functions under this section, shall commit an offence and shall, on conviction, be liable to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 5 years.

(5) Any person who destroys, falsifies, conceals or disposes of, or causes or permits the destruction, falsification, concealment or disposal of, any document or information stored on a computer, device or other thing that the person knows or ought reasonably to have known to be relevant to an on-site inspection or investigation, shall commit an offence and shall, on conviction, be liable to a fine not exceeding 5 million rupees and to imprisonment for a term not exceeding 10 years.

Added by [Act No. 18 of 2025]

79E. Directions by Registrar

(1) Where the Registrar has reasonable cause to believe that a credit union –

(a) has failed or is failing to take such measures required under this Act or the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act, or any regulations made or guidelines issued under those Acts; or

(b) is involved in money laundering activities and the financing of terrorism and proliferation activities, he may give to the credit union such written direction as he may, in the circumstances, determine.

(2) Without prejudice to the generality of subsection (1), the Registrar may direct the credit union referred to in subsection (1) –

(a) where it has failed or is failing to take any measures required under this Act or the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act, or any regulations made or guidelines issued under those Acts, to do a specified act, or refrain from doing a specified act;

(b) to comply with this Act or the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act, or any regulations made or guidelines issued under those Acts, as may be relevant to the circumstances;

(c) to remove or take steps to remove any specified employee from office, or ensure that a specified employee does not take part in its management or conduct of its business, except as permitted;

(d) to appoint a specified person to a specified office for a period specified in the direction;

(e) to implement corrective measures and provide, at such intervals as may be specified in the direction, reports on the implementation of the corrective measures.

(3) A direction under this section may specify the time by which, or period during which, it shall be complied with.

(4) A credit union shall comply with the direction given under subsection (2) notwithstanding anything in its constitution or any contract or arrangement to which it is a party.

(5) The Registrar shall not give a direction under this section before giving the credit union to whom it is to be addressed reasonable opportunity to make representations on the matter.

(6) The Registrar may, at any time, by notice to a credit union, revoke a direction given under this section.

Added by [Act No. 18 of 2025]

79F. Non-compliance with directions

(1) Any person to whom a direction is given under this Act shall comply with the direction and where he fails to comply with the direction and a time period is specified for compliance, the person shall commit a separate offence for each day on which the direction is not complied with, after the time period for compliance has elapsed, and shall, on conviction, in respect of each offence, be liable to a fine of 5,000 rupees per day.

(2) Any person who knowingly hinders or prevents compliance with a direction given under this Act shall commit an offence and shall, on conviction, be liable to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 5 years.

Added by [Act No. 18 of 2025]

79G. Administrative sanction and compounding of offences

(1) Subject to subsection (2), where the Registrar has reasonable cause to believe that a credit union –

(a) has contravened this Act or the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act, or any regulations made or guidelines issued under those Acts;

(b) is involved in money laundering activities and the financing of terrorism and proliferation activities, he may, subject to this Act, impose such administrative sanction as he may determine.

(2) Where the Registrar intends to impose an administrative sanction against the credit union referred to in section 79B(1)(k)(iii), he shall issue a notice to the credit union stating –

(a) his intention to impose the administrative sanction;

(b) the type and terms of the administrative sanction; and

(c) the right of the credit union to make written representations to the Registrar within 21 days of the notice.

(3) Where, after considering any written representations made under subsection (2)(c), the Registrar is satisfied that the credit union has contravened subsection (1)(a) or is involved in money laundering activities and the financing of terrorism and proliferation activities, or where no written representations are received, he shall impose such administrative sanction as he may determine on the credit union.

(4) Any administrative penalty imposed shall be a debt due to the Fund, and may be recovered by the Fund as a civil debt in a court of competent jurisdiction.

(5) Any administrative penalty payable under this Act shall be credited to the Fund.

(6) The Registrar may, with the consent of the Director of Public Prosecutions, compound any offence committed by a credit union, under this Act or the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act, or any regulations made or guidelines issued under those Acts where it agrees, in writing, to pay such amount not exceeding the maximum penalty specified for the offence as may be specified by the Registrar.

(7) Every agreement to compound shall be final and conclusive and on payment of the agreed amount, no further proceedings in regard to the offence compounded shall be taken against the credit union which agreed to the compounding.

(8) Where the Registrar compounds an offence in accordance with this section, no further proceedings shall be initiated in respect of the offence so compounded against the credit union.

(9) Where the Director of Public Prosecutions does not give his consent to compound the offence or a credit union does not agree to compound the offence, the Registrar may refer the case to the Police for legal proceedings.

Added by [Act No. 18 of 2025]

PART XIB – REVIEW PANEL

79H. Application for review

(1) A credit union aggrieved by a decision of the Registrar under section 79B may, within 21 days of the decision, apply to the Review Panel for a review specifying the reasons and forward a copy of the application to the Registrar.

(2) Where a credit union is unable to make an application within the period of 21 days referred to in subsection (1), the Review Panel may, on good cause shown, accept to hear the application outside delay.

(3) Where no application is made under subsection (1), the decision of the Registrar shall take effect immediately after 21 days of the decision.

(4) The Review Panel may confirm, amend or cancel the Registrar's decision, or make such other order as it deems fit.

(5) Where an application to review the decision of the Registrar is made to the Review Panel under this section, the review proceedings shall be conducted in accordance with Sub-part F of Part IVB of the Financial Intelligence and Anti-Money Laundering Act, with such modifications and adaptations as may be necessary.

Added by [Act No. 18 of 2025]

Amended by [Act No. 13 of 2026]

79I. Risk-based approach

(1) The Registrar shall, in fulfilling his obligation to effectively supervise and monitor reporting persons, use a risk-based approach.

(2) The Registrar shall, in applying a risk-based approach to supervision, ensure that he –

(a) has a clear understanding of the risks of money laundering, terrorist financing and proliferation financing at national level;

(b) has an on-site and off-site access to all relevant information on the specific domestic and international risks associated with customers, products and services of the credit union he supervises; and

(c) bases the frequency and intensity of on-site and off-site supervision on –

(i) the money laundering, terrorist financing and proliferation financing risks, and the policies internal controls and procedures associated with the business activities of the credit union, as identified by the Registrar's assessment of its risk profile;

(ii) the risks of money laundering, terrorist financing and proliferation financing in Mauritius as identified within any information that is made available to the Registrar; and

(iii) the characteristics of the credit union, in particular the diversity and number of such institutions and the degree of discretion allowed to a credit union under the risk-based approach.

(3) The assessment by the Registrar of the money laundering, terrorist financing and proliferation financing risk profile of a credit union, including the risks of non-compliance, shall be reviewed both periodically and when there are major events or developments in their management and operations.

Added by [Act No. 18 of 2025]

PART XII – DISPUTES AND ARBITRATION

80. Disputes

(1) Notwithstanding any other enactment, where a dispute relating to the rules, management, business or liquidation of a society arises –

(a) among members, past members or nominees, heirs of deceased members or dormant members, persons claiming through members, past members, heirs of deceased members or nominees of deceased members;

(b) between a member, past member or person claiming through a deceased member and the society, its Board, an officer or legal representative of a deceased officer;

(c) between a surety of a member, past or deceased member or a surety of an employee of a society, whether past or deceased, and the society;

(d) between the society or the Board and an employee, past employee or an officer, other than a dispute arising between the society or its officers in their capacity as employees;

(e) between the society and any other society;

(f) between the society and its debtor or creditor; or

(g) between a surety of a member, past member deceased member or the society and the creditor or liquidator of the society,

the dispute may be referred by either party to the Registrar for determination.

(2) Where a dispute is referred to the Registrar –

(a) he may –

(i) hear and determine the dispute; or

(ii) refer it to an arbitrator, to be appointed by him, for hearing and determining the dispute; and

(b) the Board shall appoint an agent to represent the society in the dispute and shall notify the Registrar accordingly.

(3) A creditor of a society may, in relation to a dispute between the society and the creditor, opt for the matter to be settled by arbitration.

81. Appointment of arbitrator

For the purpose of this Part, the Registrar may, subject to the approval of the supervising officer and depending on the complexity of the case, appoint as an arbitrator –

(a) an auditor;

(b) a person who has held the office of Registrar;

(c) a person who hold or has held the office of Co-operative Officer and has not less than 8 years' service in the grade;

(d) a person who holds or has held the office of Co-operative Auditor; or

(e) a person who has knowledge of, and wide experience in, the subject matter of the dispute.

82. Procedure for arbitration

(1) An arbitrator may, in relation to a dispute, make a provisional order to preserve the existing state of affairs.

(2) Where the arbitrator so requests, the Registrar may appoint a secretary to record the evidence of the witnesses.

(3) Where a party who has been served with a summons to attend before the arbitrator fails to do so, the dispute may be adjudicated on in his absence.

(4) The arbitrator shall record a brief note of evidence of the parties and witnesses who depone before him and, on the evidence produced by either party, shall give an award in writing.

(5) (a) The arbitrator shall, within 60 days of his appointment, give an award or decision.

(b) Where an arbitrator is unable to give an award or decision within 60 days of his appointment, or within such extended time as the Registrar may approve, the Registrar may remove the arbitrator and, within 15 days of the removal of the first arbitrator, appoint another arbitrator.

(6) Any person who feels aggrieved by an award of an arbitrator may, within 21 days of the award, appeal to the Tribunal.

83. Attachment before award

(1) Where an arbitrator is satisfied, on affidavit evidence, that a party to a dispute is, with the intent to delay or obstruct the execution of any award that may be made, about to dispose of his property or any other assets, the arbitrator may apply to the Tribunal for an order for the provisional attachment of the property of the party.

(2) (a) Where an application is made under subsection (1), the Tribunal may, unless adequate security is furnished by the party against whom the order is sought, grant a provisional attachment order.

(b) The order referred to in paragraph (a) shall be valid and effective as a Court order.

84. Co-operative Tribunal

(1) There shall, for the purposes of this Act, be a Co-operative Tribunal which shall consist of –

(a) a Chairperson who shall be a law practitioner of not less than 10 years' standing, to be appointed by the Attorney-General, after consultation with the Minister; and

(b) 2 other persons having wide experience in the field of co-operative matters, to be appointed by the Minister.

(2) There shall be a secretary to the Tribunal, who shall be a public officer, for –

(a) keeping a record of the proceedings of the Tribunal;

(b) keeping in safe custody the papers and documents of the Tribunal.

(3) The Minister may co-opt any other person who may be of assistance in relation to any matter before the Tribunal.

(4) The Chairperson and members referred to in this section shall be appointed on such terms and conditions as the Minister may determine.

85. Proceedings of Tribunal

(1) The Tribunal shall have the power to hear and determine any appeal lodged under this Act.

(2) The Tribunal shall sit at such place and time as the Chairperson of the Tribunal may determine.

(3) Subject to any regulations made by the Minister, any case before the Tribunal shall be instituted and conducted –

(a) in the same manner as proceedings in a civil matter before a District Court;

(b) in public, except where the Tribunal orders otherwise with the agreement of all the parties or in the public interest.

86. Powers of Tribunal

(1) The Tribunal may –

(a) make such order for requiring the attendance of any person and the production of any article or document, as it thinks necessary; and

(b) take evidence on oath and, for that purpose, administer an oath.

(2) Any person who –

(a) fails to attend the Tribunal after having been required to do so under subsection (1);

(b) without reasonable cause, refuses to take oath before the Tribunal or produce any article or document when required to do so by the Tribunal;

(c) knowingly gives false evidence or evidence which he knows to be misleading before the Tribunal; or

(d) at any sitting of the Tribunal—

(i) insults the Chairperson or any member; or

(ii) interrupts the proceedings or commits any contempt of the Tribunal,

shall commitan offence and shall, on conviction, be liable to a fine not exceeding 10,000 rupees.

87. Determination of Tribunal

(1) Where there is a disagreement among the members, the decision of the majority shall be the determination of the Tribunal.

(2) Subject to section 88, a decision, an award or a finding of theTribunal on any cause or matter before it shall be final and binding on the parties.

(3) Any person who fails to comply with a decision or an award of the Tribunal within 21 days of such decision or award shall commit an offence except where the person proves that the delay in complying with such a decision or award has been caused by factors outside his control.

(4) The Tribunal may make such order as to costs as may be prescribed and such order shall be enforced in the same manner as an order for costs in proceedings before a Court.

88. Appeal

(1) Any party who is dissatisfied with the decision or award of the Tribunal may appeal to the Supreme Court.

(2) An appeal under this section shall be prosecuted in such manner as may be specified in rules made by the Supreme Court.

PART XIII – JOINT VENTURE, AMALGAMATION, MERGER AND CONVERSION OF SOCIETIES

89. Joint venture

(1) A society may, at a Special General Meeting, resolve to enter into a joint venture with another business organisation registered in Mauritius or any other country.

(2) Every society that enters into a joint venture shall specify, in the joint venture agreement, the sharing of the profit or loss,contribution of return on capital, delegation of authority and responsibility for operations and other decisions relating to the business.

(3) Every society that enters into a joint venture shall, for the purposes of the joint venture agreement, maintain its separate entity.

90. Amalgamation

(1) Two or more societies may resolve to amalgamate into one society by a resolution passed at a special general meeting of each amalgamating society.

(2) Where an amalgamation involves the transfer of liabilities by one society to another, the amalgamating societies shall give at least 3 months' notice of the amalgamation to the creditors of the societies.

(3) Any creditor of any amalgamating society shall be entitled to a refund of any sum due to him if he makes a request in writing to this effect at least one month before the date fixed for the amalgamation.

(4) Any member of an amalgamating society may, by notice in writing addressed to the society at least one month before the date fixed for the amalgamation, declare his intention not to become a member of the new society and he shall, on making the declaration, be entitled to a refund of his share.

(5) The Registrar shall, after receiving an application for the registration of the proposed amalgamated society, register the amalgamated society where he is satisfied that –

(a) this section has been complied with; and

(b) the proposed rules of the new society are in conformity with this Act.

(6) Where the Registrar refuses to register the proposed amalgamated society, any aggrieved society may, within 21 days of the refusal, appeal to the Tribunal.

(7) The registration of the amalgamating societies shall, on the registration of the amalgamated society, be cancelled.

(8) The registration of the amalgamated society shall be sufficient conveyance to transfer the assets and liabilities of the amalgamating societies to the amalgamated society and the members of the amalgamating societies shall become members of the amalgamated society.

(9) Any creditor of the amalgamating societies or any other person having a claim against the amalgamating societies, and whose claim was not satisfied before the registration of the amalgamated society, may pursue his claim against the amalgamated society.

91. Merger

(1) A society may, at a special general meeting called for that purpose, resolve to merge with another society by transferring its assets and liabilities to another society which is prepared to accept the assets, liabilities and members of the transferring society.

(2) The receiving society may accept the assets, liabilities and members of the transferring society referred to in subsection (1) where a resolution to that effect has been passed at a special general meeting of the receiving society.

(3) The transferring society shall give at least 3 months' notice of the merger to all its creditors.

(4) A creditor of the transferring society shall be entitled to a refund of any sum due to him if he makes a request in writing to this effect at least one month before the date fixed for the merger.

(5) A member of the transferring society may, by notice in writing addressed to the society at least one month before the date fixed for the proposed transfer, declare his intention

not to become a member of the receiving society and he shall, on making the declaration, be entitled to a refund of his share.

(6) Where the Registrar receives an application for cancellation of the registration of the transferring society and is satisfied that this section has been complied with, he may approve the proposed transfer of assets and liabilities and cancel the registration of the transferring society.

(7) Any society which is aggrieved by a decision of the Registrar under subsection (6) may, within 21 days of the date of the decision, appeal to the Tribunal.

(8) The resolution referred to in subsection (1) and the approval of the Registrar under subsection (6) shall be sufficient to transfer the assets and liabilities of the transferring society to the receiving society and the members of the transferring society shall become members of the receiving society.

(9) A creditor of the transferring society or any other person having a claim against the transferring society, and whose claim was not satisfied before the cancellation of the registration of the transferring society, may pursue his claim against the receiving society.

92. Conversion into another class of society

(1) A society may, by resolution passed at a general meeting, resolve to convert the society into another class of society.

(2) Where a conversion involves the transfer of liabilities of the society to the proposed society, the society shall give at least 3 months' notice of the conversion to its creditors.

(3) A creditor of the society shall be entitled to a refund of any sum due to him if he makes a request, in writing, to that effect at least one month before the date fixed for the conversion.

(4) A member of the society may, by notice in writing addressed to the society at leastone month before the date fixed for the conversion, declare his intention not to become a member of the new society and he shall, on making the declaration be entitled to a refund of his share.

(5) Where, after receiving notice of the proposed conversion, the Registrar is satisfied that –

(a) this section has been complied with;

(b) every member and creditor has received any sum due to him; and

(c) all legal conditions necessary for the conversion of the society have been fulfilled,

he may register the new converted society.

(6) Where the Registrar refuses to register the proposed converted society, any aggrieved society may within 21 days of the date of such refusal, appeal to the Tribunal.

PART XIV – DISSOLUTION AND LIQUIDATION OF SOCIETIES

93. Voluntary dissolution

(1) Subject to subsection (2), a member of a society may apply to the Registrar for the dissolution of the society.

(2) No application shall be made under subsection (1) unless the member has obtained the consent in writing of not less than 75 per cent of the total number of members.

(3) The Registrar shall, on receipt of an application under subsection(1), appoint an inspector to –

(a) investigate the affairs of the society for the purpose of the dissolution; and

(b) make an assessment of the value of the assets and liabilities of the society.

(4) On receipt of the report of the inspector, where the Registrar is satisfied that the society may be dissolved, he may issue an order directing the society to be wound up.

93A. Voluntary dissolution of societies without assets or liabilities

(1) Where a society requests for voluntary dissolution but does not have any asset or liability, section 93 shall not apply and the Registrar shall cancel the registration.

(2) The Registrar shall, within 30 days of the cancellation, give public notice thereof by publishing a notice in the Gazette.

Added by [Act No. 13 of 2026]

94. Power to order dissolution

(1) The Registrar may, after carrying out an inquiry, issue an order directing that a society be wound up where –

(a) the society has contravened this Act;

(b) the society has failed to comply with any condition as to registration or management imposed by this Act or the rules of the society;

(c) the number of members falls below the minimum required level;

(d) the share capital, for a period of more than 3 months, falls below –

(i) 5,000 rupees for a primary society;

(ii) 10,000 rupees for a secondary society; and

(iii) 25,000 rupees for the tertiary society;

(e) the sum of the share capital and the reserves is less than the accumulated losses of the society.

(2) No order under subsection (1) shall be made unless the society has been given a reasonable opportunity to show cause against the making of the proposed order.

(3) Where the Registrar is of the opinion that a society in respect of which an order under subsection (1) is made should continue to exist, he may, at any time before the cancellation of its registration, revoke the order.

(4) A society, in respect of which an order under subsection (1) has been made, may, within 21 days of the order, appeal to the Tribunal.

94A. Voluntary dissolution of dormant societies

(1) Where a society has been dormant for a continuous period of 2 years since its inception, section 94 shall not apply and the Registrar shall cancel the registration.

(2) The Registrar shall, within 30 days of the cancellation, give public notice thereof by publishing a notice in the Gazette.

Added by [Act No. 13 of 2026]

95. Appointment of liquidator

(1) Where the Registrar has made an order for winding up a society, he may appoint a liquidator on such terms and conditions as he may determine.

(2) No person shall be appointed as liquidator unless he is a Principal Co-operative Auditor, an auditor or a person who holds or has held office as Co-operative Officer for at least 8 years.

(3) A liquidator shall, on appointment –

(a) take immediate control of all the assets of the society and all books, records and such other documents pertaining to its business; and

(b) take such steps as he may determine to prevent the loss or deterioration of, or damage to, the assets.

(4) Where an appeal is made against an order to wind up a society –

(a) all proceedings under the order shall be stayed until the appeal is determined; and

(b) the property of the society shall remain vested in the liquidator.

96. Powers of liquidator

(1) A liquidator may sue and be sued in the name, and on behalf, of the society and may, subject to such directions as he may receive from the Registrar –

(a) carry on the business of the society so far as may be necessary for the beneficial winding up of its affairs;

(b) fix,by notice in the Gazette and 2 daily newspapers, a day on which creditors whose claims are not recorded in the books of the society shall state their claims for payment, failing which such claims shall be excluded from any distribution;

(c) investigate all claims against the society and decide on the priority arising between claimants;

(d) refer to the Registrar for arbitration any matter which may be a matter of dispute under section 80;

(e) give such directions, in relation to the collection and realisation of the assets of the society, as may be necessary for the winding up of the society;

(f) pay claims against the society, including interest payable, up to the date of the winding up order according to the respective priorities, if any, in full or to such extent as the assets of the society permit;

(g) make any compromise or composition with creditors of the society;

(h) call such general meeting of members or such meeting of creditors as may be necessary for the proper conduct of the liquidation;

(i) determine whether any person is a member, past member or nominee of a deceased member;

(j) determine the debt due by a member of the society and ensure its collection;

(k) arrange, with the approval of the Registrar, for the realisation of the assets of the society;

(l) determine by what persons and in what proportions the costs of the liquidation are to be borne; and

(m) do all such other things as may be necessary for winding up the society and distributing its assets.

(2) Any person aggrieved by a determination of the liquidator under subsection (1)(c), (j) or (l) may, within 21 days of the determination, appeal to the Tribunal.

(3) The liquidator shall not determine the debt due by a member under subsection (1)(j) unless the member has been given a reasonable opportunity to show cause against the proposed determination.

97. Duties of liquidator

(1) A liquidator shall deposit the funds and other assets of a dissolved society which are collected by him or come into his possession as liquidator in such manner as the Registrar may determine.

(2) A liquidator shall –

(a) at least once every month, submit to the Registrar a report stating the progress made in the winding up of the affairs of the society; and

(b) on completion of the liquidation proceedings, submit a final report and hand over every book, register and account, relating to the proceedings to the Registrar.

(3) A liquidator shall terminate the winding up process within one year of his appointment or within such extended time as the Registrar may approve.

98. Protection of liquidator

Where a society is in the course of winding up, no action shall be instituted against the liquidator, the society or its members except by leave of the Registrar and subject to such terms and conditions as he may determine.

99. Powers of Registrar on liquidation

(1) The liquidator shall exercise his powers in accordance with the order of the Registrar under section 95 and the Registrar may –

(a) rescind or vary any determination made by a liquidator and make a new order;

(b) call for all documents and assets of the society;

(c) require the liquidator to submit such further report as he considers necessary;

(d) order the liquidator to repay any money or restore any property which belongs to the society;

(e) order the auditing of the liquidator's accounts and authorise the distribution of the assets of the society;

(f) refer any dispute between a liquidator and any other party to arbitration;

(g) where the liquidation process goes beyond the period of one year or such extended time as may be fixed by the Registrar, or where a complaint has been made to the Registrar on the conduct of the liquidator, remove the liquidator from office; and

(h) in case of death, incapacity or removal of the liquidator, appoint another liquidator.

(2) (a) The decision of an arbitrator on any matter referred to him under subsection (1)(f) shall be disposed of within 60 days of the reference.

(b) Any party aggrieved by the decision of an arbitrator under subsection (1)(f) may, within 21 days of the decision, appeal to the Tribunal.

(3) (a) The Registrar may make an order for the remuneration of the liquidator.

(b) The remuneration of the liquidator shall be included in the costs of liquidation and shall be payable out of the proceeds from the disposal of the assets of the society in priority to all other claims.

100. Disposal of assets on liquidation

(1) Where a society is wound up, its assets shall be applied to the payment, in the following order of priority, of –

(a) the costs of the liquidation;

(b) all privileged creditors;

(c) all deposit liabilities to its creditors;

(d) all other liabilities of the society;

(e) dividends in arrears on preference shares;

(f) redeemable preference shares held by its members;

(g) preference shares held by its members;

(h) ordinary shares held by its members;

(i) a dividend or bonus to its members; and

(j) any balance to the Fund.

(2) Where the liquidation of a society has been closed, the liquidator shall give notice of the closure of the liquidation in the Gazette and in 2 daily newspapers.

(3) Notwithstanding any other enactment, any claim against a society shall be barred after one year from the date of the publication of the notice under subsection (2).

(4) The Registrar may, 15 days after the one year period referred to in subsection (3), cancel the registration of the society.

101. Fraud

(1) Where a society, against which an order for winding up under section 94 or an order of a liquidator under section 96 or an award or decision of an arbitrator under section 82 is made, disposes of its property with intent to defraud or delay the execution of the order, award or decision, the person, in whose favour the order, award or decision has been made, may make an affidavit of the facts and apply to the District Court having jurisdiction in the area where the registered office of the society is situated for an order calling upon the society to be examined before the Court.

(2) (a) The Court may, on an application under subsection (1), issue an order directing an officer responsible for the management of the society to appear before the Court.

(b) An officer against whom an order is issued under paragraph (a) shall be examined before the Court in relation to his property and to the property disposed of under subsection (1).

(c) After an examination under paragraph (b), witnesses may, with the leave of the Court, be heard on both sides.

(3) Where an officer against whom an order is issued under subsection (2) does not attend Court, the Court may issue a warrant ordering that the officer be arrested and brought before it.

(4) Where an officer against whom an order is issued under subsection (2) attends Court but, without reasonable cause, refuses to furnish such information as may be required from him by the Court, he shall commit an offence.

PART XV – CO-OPERATIVE DEVELOPMENT ADVISORY BOARD

102. Advisory Board

(1) There shall be set up for the purposes of this Act the Co-operative Development Advisory Board.

(2) The objects and functions of the Advisory Board shall be to –

(a) promote development and sustainability of the co-operative sector;

(b) promote business entrepreneurship in co-operatives;

(c) encourage the co-operative movement to take advantage of investment opportunities at national and regional levels;

(d) ensure coordination and co-operation with organisations concerned with co-operative activities;

(e) carry out research and commission studies on co-operative business sectors and related fields;

(f) promote the clustering of co-operative activities through the creation and development of Co-operative Business Service Centres;

(g) formulate national policies and strategies; and

(h) advise the Minister generally on any matter relating to co-operative development.

(3) The Advisory Board shall comprise –

(a) a Chairperson, to be appointed by the Minister;

(b) the supervising officer or his representative;

(c) the Registrar or his representative;

(d) the Secretary for Co-operative Development or his representative;

(e) the Principal Co-operative Auditor;

(f) the Registrar of small and medium enterprises under the Small and Medium Enterprises Act 2017;

(g) a representative of the Ministry responsible for the subject of agriculture;

(h) a representative of the Ministry responsible for the subject of environment;

(i) a representative of the Ministry responsible for the subject of ocean economy;

(j) a representative of the Ministry responsible for the subject of public utilities;

(k) a representative of the Ministry responsible for the subject of gender equality;

(l) a representative of the Ministry responsible for the subject of youth;

(m) the Director of the National Co-operative College;

(n) a representative of the Rodrigues Regional Assembly;

(o) a representative of the tertiary society; and

(p) 2 persons having wide experience in the field of co-operative matters, to be appointed by the Minister.

(4) There shall be a Secretary of the Advisory Board who shall be a public officer.

(5) The Advisory Board may co-opt other members as and when required.

(6) The Chairperson and the members of the Advisory Board specified in subsection (3)(p) shall hold office for a period of 2 years and be eligible for reappointment.

(7) The Chairperson and the members of the Advisory Board shall be paid such fee or allowance as the Minister may determine.

(8) The Advisory Board shall regulate its meetings and proceedings in such manner as it may determine.

(9) At any meeting of the Board, 9 members shall constitute a quorum.

Amended by [Act No. 16 of 2017]

PART XVI – NATIONAL CO-OPERATIVE COLLEGE

103. Establishment of College

(1) There is established for the purposes of this Act the National Co-operative College.

(2) The College shall be a body corporate.

104. Objects of National Co-operative College

The objects of the College shall be to –

(a) provide facilities and engage in research and training for the promotion and development of co-operative entrepreneurship, philosophy, principles and values;

(b) act as a centre for the consolidation and development of the co-operative movement through education and training and for the exchange of information in the field of co-operatives; and

(c) promote and develop capacity building through entrepreneurship and business leadership.

105. Functions and powers of College

(1) The College shall have such functions as may be necessary to further its objects most effectively and shall –

(a) organise and conduct co-operative management and information technology courses;

(b) organise and conduct examinations and award certificates and diplomas on its own or in collaboration with other educational institutions;

(c) establish links with foreign training institutes and organisations; and

(d) provide consultancy and advisory services in the fieldof co-operatives.

(2) In the discharge of its functions, the College may –

(a) employ resource persons;

(b) use resource persons from universities and other institutions;

(c) enter into agreements or other relationships with other institutions, at national and international levels;

(d) specify the conditions under which trainees may be admitted to the College and the disciplinary provisions to which such trainees shall be subject; and (e) levy such fees as it may determine.

Amended by [Act No. 13 of 2019]

106. The Council

(1) The College shall be managed by a Council which shall comprise –

(a) a Chairperson, to be appointed by the Minister;

(b) the supervising officer or his representative;

(c) the Registrar or his representative;

(d) the Secretary for Co-operative Development or his representative;

(e) a representative of the Ministry responsible for the subject of economic development;

(f) a representative of the Ministry responsible for the subject of training; and

(g) 3 persons having wide experience in the field of co-operatives, education and business, to be appointed by the Minister.

(2) The Chairperson and the members referred to in subsection (1)(g) shall hold office for a period of 2 years and be eligible for reappointment.

(3) The Chairperson and the members of the Council shall be paid such fee or allowance as the Minister may determine.

(4) The Council shall regulate its meetings and proceedings in such manner as it may determine.

(5) At any meeting of the Council, 5 members shall constitute a quorum.

107. Director of College

(1) There shall be a Director of the College who shall be the chief executive officer of the College and shall be responsible to the Council for the day to day management of the College.

(2) The Director shall be appointed by the Council with the approval of the Minister and shall hold office on such terms and conditions as it may determine.

(3) In the exercise of his functions, the Director shall act in accordance with such directions as he may receive from the Council.

108. Appointment of employees

(1) The Council may appoint, on such terms and conditions as it may determine, such employees as it may consider necessary for the proper discharge of its functions under this Act.

(2) Every employee shall be under the administrative control of the Director.

109. Legal proceedings

(1) Service of process by, or on behalf of, the Director shall be equivalent to service by, or on behalf of, the College.

(2) The College shall act, sue and be sued, impleaded or be impleaded, under its corporate name.

110. Annual report of College

The Council shall, not later than 6 months after the close of a financial year, submit to the Minister an annual report on the activities of the College for that financial year.

111. Execution of documents

(1) Subject to subsection (2), every document executed by or on behalf of the College shall be signed by the Chairperson of the Council or by the Director.

(2) Every cheque of the College shall be signed by –

(a) the Director; and

(b) the Chairperson or, in his absence, such other person as the Council may designate.

112. General Fund

(1) The Council shall set up a General Fund –

(a) into which all monies received by the College shall be paid; and

(b) out of which all payments required to be made by the College shall be effected.

(2) The College shall derive its funds from –

(a) the Consolidated Fund;

(b) any dues or fees levied by the College; and

(c) such other source as the Minister may approve.

113. Donations and legacies

Article 910 of the Code Civil Mauricien shall not apply to the College.

114. Offences for use of name or logo of College

Any person who, without the authority of the Council, uses its name or logo shall commit an offence and shall, on conviction, be liable to imprisonment for a term not exceeding one year and to a fine not exceeding 10,000 rupees.

115. Exemption from duties and charges

Notwithstanding any other enactment, the College may, subject to the approval of the Minister responsible for the subject of finance, be exempted from the payment of any duty, levy, rate, charge, fee or tax.

PART XVII – MISCELLANEOUS

116. The Co-operative Development Fund

(1) There is set up for the purposes of this Act a Co-operative Development Fund.

(2) Any money payable under this Act, including any fees, charges and surcharges and any surplus arising on the liquidation of a society, shall be paid and credited to the Fund.

(3) The Fund may receive such grants or donations as may be made to it.

(4) The Fund shall be administered by a committee consisting of –

(a) The supervising officer or his representative, whoshall be the Chairperson;

(b) the Registrar or his representative;

(c) the Secretary for Co-operative Development or his representative;

(d) a representative of the Ministry responsible for the subject of finance;

(e) a representative of the tertiary society; and

(f) 4 persons having wide experience in the field of finance, business or management, to be appointed by the Minister.

(5) The committee may, with the approval of the Minister, use money from the Fund for –

(a) the promotion and development of co-operatives;

(b) the implementation of projects namely education, training, research, consultancy and other related activities, aiming at the development of the co-operative sector;

(ba) financial assistance, in such amount as may be prescribed, to a secondary society and tertiary society; and

(c) the payment of fees incurred in the application of this Act.

Amended by [Act No. 11 of 2018]

117. Report

The Registrar shall, not later than 6 months after the end of the financial year, submit to the Minister an annual report on the operation of this Act.

118. Directives and guidelines by Registrar

(1) The Registrar may give directives to societies –

(a) for the proper implementation of the provisions of this Act;

(b) in respect of –

(i) prudential standards to be observed by co-operative societies to ensure the safety and soundness of their funds;

(ii) the management and investment of their funds;

(iii) the calculation and management of doubtful and delinquent loans;

(iv) self-insurance arrangements;

(v) anti-money laundering and combating the financing of terrorism; and

(c) as to the manner and form in which information required by him has to be submitted.

(2) (a) The Registrar may issue guidelines, on any matter related to this Act, including guidelines on the rules of societies.

(b) The guidelines set out in the Fifth Schedule shall apply to a society.

(c) The Registrar may issue guidelines consistent with Government general policy in the context of national emergency situations, natural disasters or any force majeure.

(3) Any person who fails to comply with a directive or any guideline of the Registrar under this section shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees.

Amended by [Act No. 7 of 2020]

119. Authorised officers

(1) The supervising officer may designate a public officer for the purpose of performing duties under subsection (2).

(2) In any proceedings under this Act before an arbitrator, the Tribunal, a liquidator or the Registrar, an officer designated under subsection (1) shall have the powers and privileges, and may perform the duties, of an usher in the service or execution, as the case may be, of any notice, summons, warrant or order relating to those proceedings.

120. Service of notices

Every notice issued or order made under this Act or the rules of a society may be served –

(a) subject to section 119, by an usher of a District Court; or

(b) by registered post.

121. Execution of orders and awards

(1) Notwithstanding section 104(1) of the Courts Act and any regulations made thereunder, where –

(a) an order is made by the Registrar under section 77(3) or 99(1);

(b) an award or decision is made under section 82 or 99(2),

in respect of a society and is not implemented, the Registrar may lodge with the clerk of the Court of the district where the registered office of the society is situated, or the member is domiciled, a certified copy of the order, award or decision together with an application for the execution of the order, award or decision.

(2) On an application under subsection (1), any order, award or decision shall be executed as a judgment of the Court.

122. Offences

(1) Any officer or member of a society who –

(a) wilfully makes a false report, furnishes false information, fails to maintain accounts or maintains false accounts;

(b) does not deposit money collected by him on behalf of a society, and meant to be deposited in the bank account of the society, in the said bank account within 3 days of its collection;

(c) makes use of the funds raised by him to transact any unauthorised business; or

(d) destroys, mutilates, alters, falsifies or secretes any book, paper or security, or makes any false or fraudulent entry in any register, book, accounts or document, belonging to the society,

shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees.

(2) Any person who –

(a) after being requested to do so in accordance with this Act, fails to –

(i) produce any document or property belonging to a society of which he has the control or custody; or

(ii) furnish any information or produce any book or record; or

(b) otherwise contravenes this Act,

shall commitan offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees.

(3) Any person who, or any group of persons which, carries on business in contravention of section 18 or 21 shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees.

(4) Any person who, or group of persons which, contravenes section 18 or 21 shall be jointly and severally liable for any liability incurred by the society as a result of any business carried on pursuant to the contravention.

(5) Any person who commits an offence under this Act for which no special penalty is provided shall, on conviction, be liable to a fine not exceeding 100,000 rupees and to imprisonment for a term not exceeding 5 years.

123. Jurisdiction

Notwithstanding –

(a) section 114(2) of the Courts Act; and

(b) section 72(5) of the District and Intermediate Courts (Criminal Jurisdiction) Act,

a Magistrate shall have jurisdiction to try any offence under this Act and may impose any penalty provided by this Act.

124. Use of computer system

The supervising officer may authorise –

(a) any application ornotification required under this Act;

(b) the registration of a society;

(c) the payment of any fees;

(d) any information required under this Act;

(e) thesubmission of the annual returns, financial statements and other related documents of a society, and the filing of any notice;

(f) the performance of any act or thing which is required to be done in relation to paragraphs (a) to (e),

to be made, submitted or done electronically in such manner and through such computer system as may be approved by him.

125. Repeals

(1) The Co-operatives Act is repealed.

(2) Section 10 of the Finance (Miscellaneous Provisions) Act 2016 is repealed.

126. Regulations

(1) The Minister may make such regulations as he thinks fit fort he purposes of this Act.

(2) Any regulations made under subsection (1) may provide –

(a) for the amendment of the Schedules;

(b) for the levying and payment of fees and charges;

(c) for any activity being carried out by a society or any class of societies;

(d) for the setting up of any advisory committee and the composition of the committee;

(e) that any person who contravenes them shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees and to imprisonment for a term not exceeding 3 years.

127. Transitional provisions

(1) Notwithstanding section 72, the supervising officer shall, with the approval of the Public Service Commission, at the commencement of this Act, designate, for such period as may be necessary such public officers as may be required to assist the Principal Co-operative Auditor in the proper discharge of his functions under this Act.

(2) Any act done under the Act repealed by section 125, including any appointment, registration, rules of a society, transfer, removal, expulsion, revocation, payment, report, inquiry, investigation, determination or attachment, and in force at the commencement of this Act shall remain in force as though the act has been done under this Act.

(3) Where this Act does not make provision for any transition, the Minister may make such regulations as may be necessary for such transition.

129. Commencement

Proclaimed by [Proclamation No. 18 of 2017] w.e.f. 2 May 2017

(1) This Act shall come into operation on a date to be fixed by Proclamation.

(2) Different dates may be fixed for the coming into operation of different sections of this Act.

Passed by the National Assembly on the fifteenth day of November two thousand and sixteen.

Bibi Safeena Lotun (Mrs)

Clerk of the National Assembly

FIRST SCHEDULE

[Section 3]

OATH

I, ……,being appointed ……, do hereby swear/solemnly affirm that I shall not, on any account andat any time, disclose, otherwise than with the authorisation of the Court or where it is strictly necessary for the performance of my duties, any confidential information obtained by me by virtue of my official capacity.

……... Taken by me

……..... ……

Date Master and Registrar

SECOND SCHEDULE

[Section 11]

RULES OF SOCIETY

PART I – NAME, ADDRESS AND OBJECTS OF SOCIETY

1. Name of society
2. Address of society
3. Type of society
4. Objects of society
5. Minimum number of members

PART II – MEMBERSHIP

6. Eligibility for membership
7. Obligation of membership
8. Rights of the member
9. Fines payable by any member for non-compliance with rules
10. Withdrawal of the member
11. Termination of membership
12. Expulsion of member

PART III – SHARES

13. Types of shares the society can issue
14. Limit on the number of shares held by any member
15. Procedure for shares to be issued

PART IV – SOURCES OF FUNDS

16. Sources over and above those at section 60

PART V – OFFICE BEARERS OF THE SOCIETY

17. Office bearers of the society

PART VI – DIRECTORS

18. Number of directors

19. Election of directors

20. Rotation of directors

21. Possibility to co-opt directors

22. Eligibility to serve as directors

23. Quorum for Board of directors

24. Limits on the powers of directors

25. Subcommittees, if any

PART VII – ORGANS OF CONTROL

26. Internal controller

27. Audit of society

PART VIII – FUNCTIONING OF SOCIETY

28. Investment policy of society

29. Credit policy, if applicable, of society

30. Loans or deposits from members

31. Confidentiality

PART IX – GENERAL MEETINGS

32. Matters that may be raised at an annual general meeting

33. Quorum at general meetings

34. Voting power of members

PART X – SPECIAL DECISIONS

35. Amalgamation

36. Merger

37. Conversion

PART XI – AMENDMENT OF RULES

38. Procedure for amendment

PART XII – DISPUTES

39. Settlement of dispute by arbitration

PART XIII – ANTI-MONEY LAUNDERING, COMBATTING THE FINANCING OF TERRORISM AND PROLIFERATION

40. Compliance with the Co-operatives Act, the Financial Intelligence and Anti-Money Laundering Act, the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act, and any regulations made or guidelines issued under those Acts

Added by [Act No. 3 of 2026]

THIRD SCHEDULE

[Sections 14(1)(b), 18(5) and 20(3)]

FEES AND SURCHARGE

			(Rs)	
1.	Application fee under section 14(1)(b)		1,500	
2.	Annual fee under section 18(5)(b) in respect of –			
	(a)	micro society	500	
	(b)	small society	1,000	
	(c)	medium society	1,500	
	(d)	large society	2,000	
3.	(1)	Fee for copy of rules under section 20(3)	500	
	(2)	Fee for copy of certificate of registration under section 20(3)	200	
4.	Surcharge in respect of annual fee under section 18(5)(d)		50	Per day up to a maximum of 2,000 rupees

Repealed and replaced by [Act No. 13 of 2026]

FOURTH SCHEDULE

[Sections 2, 8(1)(b) and (c), 73E(2) and 75A(1)]

CLASS OF CO-OPERATIVE SOCIETIES WITH TURNOVER COMPONENTS DEFINED

SN	Type of co-operative society	Main activities	Transactional volume components (statistical turnover)
1.	Consumer co-operatives	Retail/ wholesale distribution of goods to members	Gross sales receipts, total point-of-sale (POS) throughput, and gross value of inventory cleared To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities
2.	Agricultural co-operatives, excluding sugar cane and tea sectors	Collective farming, input procurement, equipment sharing	Gross agricultural receipts, total tonnage/value of crops pooled and sold, gross input sales, and total value of mechanisation contracts executed To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities
3.	Sugar cane and tea marketing co-operatives	Marketing of sugar cane and tea harvested by	Gross sugar cane/tea receipts and transport refund and compensations and subsidies

		members	Loan issued and rental income To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities
4.	Credit/ Financial Services co-operatives	Savings and credit facilities to members	Gross loan principal disbursed, total member shares/deposits received, and total principal repayments processed To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities
5.	Multipurpose co-operatives	Combination of farming, credit, marketing, and retail	Combined gross receipts from crop/ retail sales and the total value of loan principal disbursed during the period To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities
6.	Fisheries co-operatives	Fishing, storage, and marketing of fish	Gross receipts from fish sales, total weight of catch landed and processed, and gross rental/hire volume for boats and cold storage To include interests of dividend from investments, commissions, contribution or

			running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities
7.	Transport co-operatives	Provision of transport services	Gross passenger fare collections/ receipts, total fleet mileage billings, and gross vehicle leasing revenue To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities
8.	Livestock co-operatives	Rearing of cattle, goats, and dairy activities	Gross receipts from milk and meat sales, aggregate volume of livestock traded, and total breeding contract values To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities
10.	Poultry co-operatives	Egg and poultry meat production	Gross receipts from egg and broiler sales, total volume of day-old chicks distributed, and gross feed sales throughput To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activities

10.	Other co-operatives	Handicrafts, artisans, IT, housing, workers, agro- processing, and specialised sectors	Gross value of service contracts executed, total product sales receipts, and gross training fees collected To include interests of dividend from investments, commissions, contribution or running costs received, and entrance fees, rent received or other income forming part of the society's normal business activitie

Repealed and replaced by [Act No. 13 of 2026]

FIFTH SCHEDULE

[Section 118(2)(b)]

1. Good co-operative governance

(1) The main pillars of Good Governance are transparency, accountability and control.

(2) The code of Best Practices provides effective guidelines for the proper functioning of co-operatives and eventually ensures sound co-operative development.

(3) The good co-operative governance shall –

(a) ensure that board and management pursue objectives that are in the interests of co-operative and members;

(b) lead to effective monitoring of activities of societies;

(c) Ensure efficient and effective use of available resources;

(d) Reduce conflicts; and

(e) increase accountability and transparency in co-operatives.

2. Code of best practices for board of directors

(1) The Board of Directors shall manage a co-operative society.

(2) The Board of Directors shall, subject to any limitation contained in the law and constituting instruments, exercise all the powers of the co-operative society.

(3) The Board of Directors shall abide by the following code of ethics and good governance –

(a) safeguard the interest of members – the Board of Directors shall be responsible to manage the affairs of the society to ensure sustainability and to safeguard the interest of the members;

(b) conflict of interests – in all fairness, the Board of Directors shall not be in conflict with the society or become a competitor of the society;

(c) compliance – the Board of Directors shall ensure that the society complies with all statutory and legal requirements, together with co-operative values, principles and prescribed codes for best practices;

(d) accountability and transparency – accountability is one of the main pillars of good governance. All activities of the society shall be open to scrutiny. Directors shall adopt the principles of transparency and accountability and ensure good governance;

(e) control and supervision – the Board of Directors shall set up a monitoring mechanism to assess the performance of societies;

(f) members – the Board shall ensure the expansion of membership, the participation of members in the operation of the society, and that members are aware of their rights;

(g) co-operative principle and values – the Board shall adopt co-operative principles and adhere to co-operative values while managing the affairs of the co-operative societies.

3. Code of best practices for members

(1) In this code –

"member" has the same meaning as in the Co-operatives Act.

(2) (a) Every member shall know his rights as member and exercise those rights as member/owner of the society.

(b) Every member shall have access to relevant and required information on a timely basis and in an understandable manner for analysis and comments thereon.

(c) Every member shall have the right to serve as a director unless he is not qualified to be a director under section 48 of the Act.

(3) Every member shall participate actively and fully in all activities of the society and in deliberations at the annual general meetings and any special general meeting.

(4) (a) Every member shall abide by the rules of the society and observe co-operative values and principles.

(b) Every member shall refrain from acting to the detriment of the society.

(c) Every member shall be aware that he should settle his

liabilities/debts relating to the society and avoid legal proceedings;

4. Code of best practices for internal controller

(1) The Board of directors and management of the society shall establish an internal control system to ensure efficiency and effectiveness of operations, reliability of financial reporting and in accordance with appropriate laws and rules.

(2) The Internal Controller shall have unrestricted access to all records, property and documents of the society.

(3) (a) The Internal Controller shall provide timely and quarterly reports to the Board and to the Registrar of Co-operative Societies on significant audit findings and recommendations.

(b) The Internal Controller shall provide timely information to the Audit Committee or the Board concerning suspected fraudulent activities, significant instances of non-compliance or abuse, if any.

(4) The Internal Controller shall not use or disclose any matter which comes to his knowledge in the performance of his functions, except for the purposes of administering this Act.

(5) No person shall be appointed to act as internal controller for a continuous period of more than 3 years.

SIXTH SCHEDULE

[Sections 5(1)(a), 8(1)(a), 8A and 73K(1)(b)]

MINIMUM REQUIREMENTS BY CLASS OF SOCIETIES

SN	Class of co-operative society	Minimum membership	Minimum share capital (Rs)	Minimum no. of directors
1.	Consumer co-operatives	50	50,000	5
2.	Agricultural co-operatives	5	10,000	3
3.	Credit/Financial Services co-operatives	50	50,000	5
4.	Sugar cane and tea marketing co-operatives	5	10,000	3
5.	Multipurpose co-operatives	5	10,000	3
6.	Fisheries co-operatives	5	10,000	3
7.	Transport co-operatives	5	10,000	3
8.	Livestock co-operatives	5	10,000	3
9.	Poultry co-operatives	5	10,000	3
10.	Other co-operatives, including handicrafts, artisans, IT, housing, workers, agro-processing	5	10,000	3

Added by [Act No. 13 of 2026]

SEVENTH SCHEDULE

[Section 73A]

CATEGORISATION OF CO-OPERATIVE SOCIETIES

SN	Category	Annual turnover (Rs)
1.	Micro	Less than 50,000
2.	Small	More than 50,000 but less than 10 million
3.	Medium	More than 10 million but less than 50 million
4.	Large	More than 50 million

Added by [Act No. 13 of 2026]