



I assent
Edmond Berkeley

Governor.

12th October, 1933.

BRITISH GUIANA.

ORDINANCE NO. 28 OF 1933.

AN ORDINANCE to make better provision for the constitution and management of Co-operative Credit Banks. A.D. 1933.

BE it enacted by the Governor of British Guiana, with the advice and consent of the Legislative Council thereof, as follows :—

1. This Ordinance may be cited as the Co-operative Credit Short Title. Banks Ordinance, 1933.

2. In this Ordinance the following expressions shall, unless the context otherwise requires, have the meanings in this section assigned to them :—

“Bank” means a co-operative credit bank which has been registered under this Ordinance ;

- “Board” means the board appointed by the Governor under section three of this Ordinance ;
- “Committee” means the committee of management of a bank as constituted under the regulations ;
- “Member” or “member of a bank” means a person who is the holder of shares in a bank in pursuance of the regulations ;
- “Registrar” means the person appointed to be registrar of banks under this Ordinance ;
- “Regulations” means the regulations contained in schedule B., and shall include any amendment thereof or regulations substituted therefor ;
- “Rules” means the rules for the government of banks contained in schedule B or in any regulations made in pursuance of this Ordinance ;
- “Secretary” means a secretary of a bank as defined in the regulations.

PRELIMINARY.

Constitution
of the Board.

3.—(1) The Governor shall appoint for the general superintendence of all banks a Board to be styled “The Co-operative Credit Banks’ Board.” The Board shall consist of five members one of whom shall be the Director of Agriculture.

(2) The Director of Agriculture shall be the Chairman of the Board and shall preside at its meetings ; in the absence of the chairman from a meeting the members present may elect one of their number to be chairman of the meeting.

(3) The chairman of a meeting shall have an original and a casting vote.

(4) Three members present at a meeting shall form a quorum.

(5) The Governor may at any time revoke the appointment of any member of the Board.

(6) A member of the Board shall vacate his office—

- (a) if he resigns in writing addressed to the registrar ; or
- (b) if he departs from the Colony without leave of the Governor, or remains out of the Colony after the expiration of his leave ; or
- (c) if he fails without reasonable excuse (the sufficiency whereof shall be determined by the Governor) to attend three consecutive meetings of the Board.

(7) The Governor may at any time appoint some person a member of the Board—

- (a) to take the place of an appointed member who shall vacate his office by death or otherwise ; and

(b) for the period of any leave granted to an appointed member.

4.--(1) The Governor may appoint a registrar of banks and assistant registrars to assist him in the performance of his duties. Registrar and assistant registrars.

(2) The registrar shall be the secretary of the Board. He shall be subject to the direction of the Board and shall have the powers and perform the duties assigned to him.

PART I.

REGISTRATION AND CANCELLATION.

5. A bank which may be registered under this Ordinance shall be a bank established for making loans to its members for the development of their land or for some other industrial pursuit. Banks which may be registered.

6. With respect to the registration of banks the following provisions shall, subject to the regulations, have effect:— Conditions of registration.

- (1) A bank shall not be registered under this Ordinance unless it consists of fifteen members at least;
- (2) For the purpose of registration an application to register signed by fifteen members and the secretary, and a printed copy of the rules shall be sent to the registrar;
- (3) A bank shall not be registered under a name identical with that under which any other existing bank is registered, or so nearly resembling such name as to be likely, or in any name likely, in the opinion of the registrar, to mislead the members or the public as to its identity.

7. The registrar, on being satisfied that a bank has complied with the provisions of this Ordinance and the regulations, shall issue to the bank an acknowledgment of registration under his hand. Acknowledgment of registration. Schedule A.

8.—(1) The registrar may with the approval of the Board refuse to register a bank. In case of refusal the bank may appeal from the refusal to the Governor in Council by petition signed by the secretary to be lodged with the clerk of the council within twenty-one days after notification of the refusal by the registrar. The secretary shall within the same period lodge with the registrar a copy of the petition. Appeal from refusal to register.

(2) If the refusal to register is over-ruled on appeal an acknowledgment of registration shall thereupon be given by the registrar to the bank.

9. The acknowledgment of registration shall be conclusive evidence that the bank therein mentioned is duly registered, unless it is proved that the registration of the bank has been suspended or cancelled. Effect of acknowledgment of registration.

Incorporation of bank with limited liability. Power to acquire and dispose of property.

10. The registration of a bank under this Ordinance shall render it a body corporate by the name described in the acknowledgment of registration with perpetual succession and a common seal and with limited liability, and it may sue and be sued and may acquire movable or immovable property by purchase or otherwise and may dispose of such property by sale or otherwise.

Register of banks.

11. The registrar shall keep a register of banks in such form and containing such particulars as the Governor in Council may prescribe.

Cancellation or suspension of registration by the Board.

12.—(1) The Board may cancel the registration of a bank by writing under the hand of the registrar—

- (a) in any case where the Board has power to take over the management and control of the bank ;
- (b) if at any time it is proved to the satisfaction of the Board that the number of members of the bank has been reduced to less than fifteen, or that the registration has been obtained by fraud or mistake, or that the bank has ceased to exist ;
- (c) if the Board think fit, at the request of the bank, to be evidenced in such manner as the Board shall direct from time to time ;
- (d) on proof to the satisfaction of the Board that the bank has wilfully and after notice from the Board violated any of the provisions of this Ordinance or the regulations.

(2) In any case under paragraph (c) of sub-section (1) the Board may by writing under the hand of the registrar suspend the registration of a bank for any time not exceeding three months, and may renew the suspension for a like period.

(3) Not less than two months' previous notice in writing, specifying the ground of any proposed cancelling or suspension of registration, shall be given by the Board to a bank before the Board may cancel (except at its request) or suspend the registration, and notice of the fact of every cancelling or suspension shall be published in the *Gazette* and in a daily newspaper as soon as practicable after the same takes place.

(4) A bank may appeal from the cancelling or from the renewal of the suspension of its registration to the Governor in Council in like manner and subject to the same procedure as on appeal from a refusal to register under section eight.

(5) A bank whose registration has been suspended or cancelled shall from the date of publication in the *Gazette* of notice of the suspension or cancelling (but, if suspended, during the period of suspension, and subject to the right of appeal) absolutely cease to enjoy the privileges of a registered bank under this Ordinance, but without prejudice to any liability actually incurred by such bank, which may be enforced against it as if the suspension or cancelling had not taken place.

PART II.

GENERAL POWERS OF THE BOARD.

13. The Board shall have—

Powers and functions of the Board.

- (a) the general superintendence of all banks ;
- (b) the right at any time through its officers to inspect and examine the books of any bank ;
- (c) power to inquire into the proceedings of any bank ;
- (d) power to vary or amend for good cause, any order decision or resolution of the committee or a meeting of members of a bank ; and an order decision or resolution so varied or amended shall have the same force and effect as if varied or amended by the committee or a meeting ;
- (e) power to appoint some person as a member of the committee of any bank to represent the Board ;
- (f) power for any sufficient cause to remove from office without notice the chairman or any member or officer of the committee of a bank and to appoint some other person to act in that capacity for the period and under the conditions determined by the Board ;
- (g) power to take over the management and control of any bank in any case where—
 - (i) the bank or its officers have failed to keep proper books or accounts and have continued in default for two weeks after notice in writing thereof addressed to the secretary has been given by the registrar by post or otherwise to the committee ; or
 - (ii) the bank or its officers have failed to carry out its duties in enforcing payment of subscriptions on shares, interest on loans or instalments of loans when due ; or
 - (iii) the person appointed by the Board under section twenty-one has been unable to obtain information satisfactory to him as to the affairs or assets of the bank ; or
 - (iv) the bank has failed to keep its obligations in respect of the payment to the registrar of money borrowed from public funds and is in default for three months in payment of any such loan or instalment thereof or of any interest thereon ; or
 - (v) an application in writing has been made to the Board by the committee or a majority in number of the members of the bank.

14. A person appointed by the Board as a member of the committee to represent the Board may or may not be a member of the bank, but in any case he shall have the right to vote as a member of the committee. In the event of there being a difference between such person and the committee on any matter, the question shall be submitted to the Board whose decision shall be final.

Status of person appointed by the Board to be member of a committee.

Rights and powers of the Board on taking over the management of a bank.

15.—(1) When the Board takes over the management and control of any bank the Board shall have and may exercise all the rights, powers and privileges of the bank or the committee and such further and other powers as may be necessary for maintaining and controlling the bank and shall also be subject to all the obligations of the committee or the bank.

(2) A notice by the registrar published in the *Gazette* and a daily newspaper that the Board has taken over or re-transferred the management of a bank shall be conclusive evidence of the fact stated.

Return of management of bank to committee by the Board.

16. If the Board think fit it may return the management and control of a bank to the committee and there shall be no necessity for any formal assignment or transfer. If there be no committee of the bank available or willing to act then the Board may transfer the management and control to such persons as the Board may appoint to be the committee and they shall hold office as if they had been elected by the members of the bank.

PART III.

OPERATION OF BANKS.

Loans to bank from public funds.

17.—(1) A loan or advance from public funds shall not be made to any bank which is not registered under this Ordinance.

(2) Any application by a bank for a loan or advance from public funds shall be made to the Board who shall transmit it with its recommendation to the Governor in Council.

(3) The Governor in Council may grant a loan or advance on such terms and conditions as he shall think fit.

Loans by co-operative banks a preferent charge on borrower's property.

18.—(1) Where a loan or an advance from public funds has been made to any bank, all loans or advances made by that bank to any member in accordance with its rules, together with the interest that may accrue, shall constitute a preferent charge on all the movable and immovable property of the borrower, over and above all claims of whatever nature, not being claims due and owing to the Crown or the Government of the Colony; and the same preference shall apply if proceedings in insolvency are taken against the borrower:

Proviso.

Provided that—

- (a) the borrower shall be personally liable for the loan or advance; and
- (b) the preferent charge so constituted shall be limited to a loan or advance, or loans or advances, to any borrower up to and not exceeding the sum, or amounts aggregating the sum of two hundred and forty dollars.

(2) The official receiver, the registrar of deeds, and magistrates' clerks shall, from the proceeds of the sale of movable or immovable

property sold by them which belongs to a borrower from a bank as aforesaid, after first paying all expenses of the sale and the amount of all claims due to the Crown and the Colony, deduct the amount of the loan or advance and interest due to the bank by the borrower whose property has been sold and pay over that amount to the secretary of the bank concerned :

Provided that the obligation imposed by this section on the official receiver, the registrar of deeds and magistrates' clerks shall not in any case arise unless the secretary of the bank concerned, on or before the date of the sale, gives notice in writing to the official receiver, the registrar of deeds, or the magistrates' clerks, as the case may be, of the existence of unpaid loans or advances, and unless, within seven days after the sale, he gives further notice in writing to the official receiver, registrar of deeds, or magistrates' clerks, as the case may be, of the amount thereof.

19. This Ordinance shall apply to every co-operative credit bank which at the commencement of this Ordinance is registered under Part VII. of the Local Government Ordinance and every such bank shall be deemed to be registered under this Ordinance.

Application of Ordinance to banks registered under Cap. 84.

20. All money payable by a member to a bank shall be a debt from the member to the bank, and shall be recoverable as such either in the magistrate's court of the district in which the registered office of the bank is situate, or in that of the district in which the member resides at the option of the bank.

Remedy for debts from members.

21. The Board shall from time to time cause the accounts of every bank to be audited at the expense of the bank by some person appointed in writing.

Audit.

22.—(1) The Board shall submit to the Governor in Council a report of the working of all banks under this Ordinance, setting forth the loans made to the banks from public funds, the security for the loans, the amounts repaid and the method of repayment.

Report by the Board.

(2) Every report under this section shall be laid before the Legislative Council.

23. Every document purporting to be an instrument issued under this Ordinance and signed by the registrar shall be evidence that the instrument has been so issued and signed unless the contrary is shown.

Documents issued and signed by registrar *prima facie* evidence.

PART IV.

DISSOLUTION AND WINDING UP.

24.—(1) A bank may be dissolved by an order made by the Board that the bank be wound up and appointing a liquidator to wind up the bank.

Provisions as to dissolution of banks.

- (2) The Board may make an order to wind up a bank—
- (a) for any cause for which the Board might under section twelve cancel or suspend the registration of a bank ;
 - (b) with the consent or at the request of three-fourths of the members testified by their signatures to such consent or request.

(3) On dissolution of a bank the bank shall not be dissolved and registration of the bank shall not be cancelled until a certificate signed by the liquidator has been lodged with the registrar that all property vested in the bank has been duly conveyed or transferred by the liquidator to all persons entitled.

Publication of winding up order and appointment of liquidator.

25. The registrar shall cause to be published promptly in the *Gazette* and a daily newspaper a copy of every winding up order and the appointment of a liquidator.

Commencement of winding up.

26. The commencement of a winding up shall be the date of the winding up order.

Board to prescribe form of claims.

27. The Board shall prescribe by notice in the *Gazette* and a daily newspaper the form in which claims shall be made in a winding up and the manner in which they shall be verified.

Style and duties of liquidator.

28.—(1) The liquidator shall be described by the style of the liquidator of the particular bank in respect of which he is appointed and not by his individual name.

(2) He shall take into his custody or under his control all the property effects and things in action to which the bank is or appears to be entitled and shall do all things necessary for winding up the affairs of the bank and distributing its assets.

(3) A liquidator shall be entitled to institute any legal proceedings whatever for the purpose of enforcing the rights of and recovering the property of the bank.

Liquidator shall publish notice of claims.

29. Every liquidator shall, as soon as possible after his appointment, by notice published in the *Gazette* state the time, being not less than two weeks after publication of the notice in the *Gazette*, within which claims shall be delivered to him.

Consequences of winding up order.

30.—(1) The property of the bank shall be applied in satisfaction of its liabilities *pari passu* and, subject thereto, shall be distributed among the members according to their rights and interests in the bank.

(2) Where a bank is being wound up all debts payable on a contingency, and all claims against the bank, present or future, certain or contingent, ascertained or sounding only in damages, shall be admissible to proof against the bank, a first estimate being made, so far as may be possible, of the value of all debts or claims,

subject to any contingency or sounding only in damages, or for some other reason not having a certain value :

Provided that in a winding up the same provisions shall prevail and be observed as to the respective rights of secured and unsecured creditors, and as to the debts and liabilities provable, and as to the valuation of future and contingent liabilities, and as to the ranking and payment of all debts and liabilities as are in force for the time being under the law of insolvency with respect to the estates of persons adjudged insolvent, and all persons who in any of those cases would be entitled to prove for and receive dividends out of the assets of the bank may come in under the winding up of the bank and make any claim against the bank as they respectively are entitled to by virtue of this section.

(3) In the winding up of a bank section two hundred and thirteen of the Companies (Consolidation) Ordinance (which relates to the preferential payment of certain debts in the winding up of a company) shall have the same application as to companies : Provided that for the date mentioned in sub-section (5) there shall be substituted the date of the winding up order. Cap. 178.

31. In the winding up of a bank the liability of a past or present member to contribute for payment of the debts and liabilities of a bank, the expenses of winding up, and the adjustment of the rights of contributories amongst themselves, shall be as follows :— Liability of members in winding up.

- (a) No individual who has ceased to be a member prior to the commencement of the winding up shall be liable to contribute ;
- (b) No individual shall be liable to contribute in respect of any debt or liability contracted after he ceased to be a member ;
- (c) No contribution shall be required from any individual exceeding the amount, if any, unpaid on the shares in respect of which he is liable as a past or present member.

PART V.

OFFENCES, PENALTIES AND LEGAL PROCEEDINGS.

32.—(1) It shall be an offence under this Ordinance if—

- (a) a bank or an officer or member thereof, or any other person fails to give notice, send any return or document, do or allow to be done anything which the bank officer or member or person is by this Ordinance or the regulations required to give, send, do or allow to be done ; or
- (b) a bank or an officer or member thereof, or any other person, wilfully neglects or refuses to do any act or to furnish any information required for the purposes of this Ordinance or the regulations by the registrar or by any

Offences by banks.

other person authorised under or in pursuance of this Ordinance or the regulations, or does anything forbidden by this Ordinance; or

(c) a bank or an officer or member thereof, under this Ordinance or the regulations, makes a return or wilfully furnishes information in any respect false or insufficient.

(2) Any bank, its officer or other person guilty of an offence under this section shall be liable to a fine not exceeding twenty-four dollars.

Offences by banks to be also offences by officers, etc.

33. Every offence by a bank shall be deemed to have been also committed by every officer of the same bound by this Ordinance or the regulations to fulfil the duty whereof such offence is a breach, or, if there be no such officer, then by every member of the same, unless such member be proved to have been ignorant of or to have attempted to prevent the commission of such offence; and every act or default under this Ordinance or the regulations constituting an offence, if continued, shall constitute a new offence in every week during which the same continues.

Punishment of fraud or misappropriation.

34. If any person obtains possession by false representation or imposition of any property of a bank, or having the same in his possession withholds or misapplies the same, or wilfully applies any part thereof to purposes other than those expressed or directed in the regulations and authorised by this Ordinance he shall, on the complaint of an officer of the bank or the registrar, be liable to a fine not exceeding ninety-six dollars, and to be ordered to deliver up all such property or to repay all moneys applied improperly, and in default of such delivery or repayment, or of the payment of such fine, to be imprisoned with or without hard labour for any time not exceeding three months; but nothing in this section shall prevent any person from being proceeded against by way of indictment, if not previously convicted of the same offence under this Ordinance.

Penalty for neglect to deliver to registrar books of bank.

35. Any person who shall omit or neglect to deliver to the registrar on the Board taking over the management and control of a bank any books, papers, documents or securities of the bank in his custody, control or power shall be guilty of an offence and liable to a fine not exceeding two hundred and fifty dollars.

Penalty for falsification

36. If any person wilfully makes, orders or allows to be made an entry or erasure in, or omission from any balance sheet or books of a bank or any return or document required to be sent, produced or delivered, for the purposes of this Ordinance or the regulations, he shall be liable to a fine not exceeding two hundred and forty dollars.

Recovery of penalties.

37.—(1) Every fine imposed by this Ordinance or the regulations shall be recovered under the Summary Jurisdiction Ordinances at the suit of the registrar or of any person aggrieved.

(2) Any costs or expenses ordered or directed by the Board to be paid by any person under this Ordinance or the regulations shall be recoverable under the Summary Jurisdiction Ordinances.

(3) Where any proceedings are taken against a bank for the recovery of a fine under this Ordinance or the regulations, the summons or process shall be sufficiently served by leaving a true copy thereof at the registered office of the bank, or if that office is closed by posting the copy on the outer door of that office.

PART VI.

SUPPLEMENTAL.

38.—(1) The Governor in Council may make regulations respecting registration and procedure, and prescribing the rules to be used by banks (by which rules subject to this Ordinance, every bank and its members shall be governed), and generally for carrying this Ordinance into effect. Regulations.

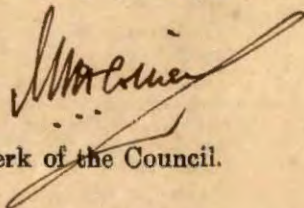
(2) All such regulations shall be laid before the Legislative Council within ten days after the making thereof if the Council is then sitting, or, if not then sitting, then within ten days from the then next assembly of the Council.

(3) Until otherwise provided by regulations so made the forms and regulations contained in the Schedules shall be used.

39. Sections three hundred and five to three hundred and fifteen of the Local Government Ordinance are hereby repealed.

Repeal of
secs. 305 to
315 of Cap
84.

*Passed by the Legislative Council this 30th day of August,
1933.*



Clerk of the Council.

Section 7.

SCHEDULE A.

ACKNOWLEDGMENT OF REGISTRATION OF SOCIETY.

The _____, Limited, is registered under the Co-operative
Credit Banks Ordinance, 1933, this _____ day of _____ 19 _____.

Signature of the Registrar.

Section 38.

SCHEDULE B.

REGULATIONS FOR THE GOVERNMENT OF CO-OPERATIVE
CREDIT BANKS.

1. These Regulations may be cited as the Co-operative Credit Banks Regulations, 1933.

2. In these Regulations the expression "the Ordinance" means the Co-operative Credit Banks Ordinance, 1933.

3. The persons applying to the registrar under section six of the Ordinance shall sign and transmit to him a printed copy of the rules in the schedule to these Regulations and the Bank when registered and its members shall be governed by the said rules; provided that a Bank may, with the consent of the Governor in Council, alter any rule or part thereof.

4. The value of every share in a Bank shall be fixed at one dollar or any multiple thereof not exceeding five.

5. The seal of a Bank shall not be affixed to any instrument except by the authority of a resolution of the committee and in the presence of at least two members of the committee and of the secretary. The members of the committee and secretary shall sign every instrument to which the seal of the Bank is so affixed in their presence.

SCHEDULE.

Regulation 3.

RULES FOR CO-OPERATIVE CREDIT BANKS.

I.

NAME, REGISTERED OFFICE AND CAPITAL OF BANK.

(a) The name of the Bank is "The.....Co-operative Credit Bank, Ltd."

(b) The registered office of the Bank will be at.....

in the county of.....

Notice of any change in the situation of the registered office shall be sent to the registrar within fourteen days of the change.

(c) The value of every share in the Bank is.....dollar .

II.

SCOPE AND MEMBERSHIP.

(a) The Bank is established to make loans to its members at a moderate rate of interest for the development of their land or for any other industrial pursuit.

(b) The Bank may borrow money from the Government upon which interest shall be paid at the rate fixed by the Governor in Council.

(c) Any person approved by the committee of management is qualified for membership.

(d) Every member shall hold at least one share in the bank.

(e) Every application for membership shall be signed by the applicant and shall without delay be laid before the committee. One adverse vote in three shall exclude the applicant.

(f) Any person refused membership shall have the right of appeal to the next general meeting of members. The voting at such meeting shall be by ballot, and if three-fourths of the votes of those present approve of the admission of the candidate, he shall thereupon be admitted.

(g) In the event of the death of a member, the liability of his heirs, executors, and administrators shall extend to any loans contracted by him and remaining unpaid at his death, together with the interest thereon.

III.

GENERAL MEETINGS.

(a) Every member shall be entitled to attend and vote at general meetings, and to obtain all information required concerning the solvency and good management of the Bank.

(b) Members shall be entitled to vote as follows:—

for one to five shares one vote,
for six to ten shares two votes,
for eleven to fifteen shares three votes,

and so on. In the event of a tie, the Chairman shall have a casting vote.

(c) The first meeting of members shall be deemed to be an annual general meeting under these rules.

(d) An annual general meeting of members shall be called on any date between the first February and the thirtieth April in each year.

(e) The functions of the annual general meeting shall be—

(i) to receive from the committee, or any officer of the bank, a report and full statement of the accounts for the preceding year and the audited balance sheet; to consider, and if satisfactory to adopt them;

(ii) to decide any appeal referred to it from a decision of the committee, provided not less than seven days' notice of the matter being brought before the meeting has been given to the secretary;

(iii) to elect the committee, treasurer, or other officers, as required by the rules.

(iv) to transact any other general business.

(f) A special general meeting of members may be called at any time by the committee, and on the receipt of a requisition in writing signed by not less than one-fifth of the members and setting forth the purpose of the meeting the chairman of the committee shall within 14 days call a special meeting.

(g) The Board shall from time to time decide how many members shall form a quorum for an annual or a special general meeting.

(h) The chairman of the committee shall preside at general meetings, in his absence from a general meeting the members present shall elect one of the committee to be chairman of the meeting.

IV.

THE COMMITTEE OF MANAGEMENT.

(a) The committee of management shall be elected at every annual general meeting. The members shall be eligible for re-election on the expiry of their term of office.

(b) Subject to the Ordinance and these rules, members of committee shall be members of the bank and shall each hold not less than five shares. There shall not be paid to any member of the committee any salary or remuneration whatsoever.

(c) The committee shall consist of the chairman and ten members. Three members shall constitute a quorum, one of whom shall be the chairman. Vacancies occurring on the committee shall be filled by the committee. Any member so elected shall remain in office until the succeeding annual general meeting, and will then be eligible for re-election.

(d) The chairman shall be elected by the committee after every annual general meeting and shall preside at meetings of the committee: provided that so long as the Bank is indebted to the Government the Board shall have the right to nominate some person as chairman of the committee who need not be a shareholder. The number of votes in committee to which such chairman shall be entitled shall be arrived at in the following manner:—the total subscribed capital of the bank shall be divided by the number of elected members of the committee, and the number of times the result is contained in the amount due by the Bank to the Government shall be the number of votes to which that chairman shall be entitled.

In the absence of the chairman from a meeting of the committee the members present shall elect one of their number to preside at the meeting: provided that in the absence of a chairman nominated by the Board the meeting shall be presided over by some other person nominated by the Board.

(e) The chairman shall have the right to vote on all questions before the committee and shall have an original and a casting vote. Elected members of the committee shall be entitled to one vote each.

(f) Any member absenting himself from meetings of the committee for four times in succession without having forwarded to the secretary what is deemed by the committee to be a sufficient excuse, will be held to have vacated his office, which shall thereupon be filled as provided in these rules.

(g) The committee shall meet at least once a month.

(h) The chairman may, and at the request of any two members of the committee, shall within seven days from the time when the request is made, call an extraordinary meeting of the committee to transact any special business which shall be stated in the request and notice.

(i) The committee shall draw up a prospectus of the Bank which shall be printed, and shall state from time to time the names of the officers, the registered office, the hours of business, the terms and conditions of membership, and the interest and expenses to be charged for loans.

(j) The committee shall every year before the first of May cause the secretary to send to the appointed authority the annual returns required by Rule XI.(b).

(k) The committee may open an account in the Post Office Savings Bank if it considers it advisable. Notice of withdrawal shall be signed by the chairman and the secretary.

(l) At each ordinary committee meeting the procedure shall be as follows:—

(i) The secretary shall first read the minutes of the last preceding meeting;

(ii) A statement of accounts shall be presented by the secretary, or other officer appointed by the committee, showing the amount due to the Government, the loans outstanding, the moneys received or paid since the last meeting, and the balance on hand;

(iii) The statement shall be checked and signed by the chairman and one other member of the committee;

- (iv) The secretary shall then report as to the instalments of loans due and unpaid, and the action to be taken in each case shall be determined ;
 - (v) He shall then read the list of applications for loans which may not have been previously granted owing to funds not having been available, and a decision shall be arrived at as to which of these shall be granted if additional funds are reported as being available ;
 - (vi) Any fresh applications for loans will then be considered and the course to be taken with each determined ;
 - (vii) Any other business.
- (m) In any action, prosecution or other legal proceeding instituted or carried on by the Bank or instituted or carried on against the bank in any Court of Justice, the chairman of the committee shall sign on behalf of the Bank all necessary documents in connection therewith. In any legal proceeding by or against the Bank any necessary authority to a solicitor may be signed by the chairman.

V.

THE TREASURER.

- (a) The annual general meeting shall appoint a member of the committee to be treasurer ; should a vacancy occur in the post of treasurer, the committee shall appoint a successor who shall hold office until the next general meeting. Security shall be given by the treasurer at the expense of the Bank in such manner and for such amount as the annual general meeting, subject to approval of the Board, may determine.
- (b) In the temporary absence of the treasurer the committee shall appoint two of their number to perform his duties.

VI.

THE SECRETARY.

- (a) The committee shall appoint a secretary, subject to confirmation by the Board, and shall have power to remunerate him for his services at a rate approved at a general meeting. The secretary shall not be a member of the committee nor shall he have a vote as to the granting of any loan. He shall furnish security in such manner and for such amount as the committee may from time to time decide.
- (b) The duties of the secretary shall be—
 - (i) To summon, attend, and record the proceedings at all meetings of the Bank and of the Committee, and to be present during business hours at the office.
 - (ii) To record the whole of the transactions of the Bank in the books provided for that purpose, to keep a register of names and addresses of members ; to conduct correspondence on behalf of the bank ; to prepare the annual return and balance sheet, and to have charge of the books and vouchers for payments other than promissory notes made on behalf of the Bank.
 - (iii) To receive all applications for loans, to report thereon and bring them before the committee ; to prepare receipts and other documents in the form prescribed by the committee to be signed by borrowers ; to pay out amounts authorised by the committee ; to deposit all moneys received on behalf of the Bank in such Bank as the committee shall direct ; and to supply forms, rule books, balance sheets or information about the Bank.
- (c) If the secretary be an honorary officer, the duties here stated may be shared with certain members of the committee.
- (d) The committee may sanction the appointment of a clerical assistant for some of the stated work, and the expenses shall be defrayed from the funds of the Bank.
- (e) The committee may at any time, subject to approval by the Board, suspend or dismiss the secretary for any irregularity in the performance of his duties.
- (f) The secretary shall provide himself with a sufficient number of copies of the rules to enable him to deliver to any person on demand a copy of such rules on payment to the Bank of a sum not exceeding twenty-four cents for non-members and twelve cents for members. He shall also provide himself with copies of the last annual balance sheet of the Bank together with the auditor's report to be exhibited in a conspicuous place at the registered office of the Bank.
- (g) Forms of applications for membership, for loans and the instalment cards,

shall be subject to approval by the Board and shall be issued to members on payment of one cent for each form.

VII.

LOANS.

(a) Loans shall be made to members only and principally for productive agricultural or industrial enterprises which hold out reasonable prospects of profits sufficient to duly repay the loans with the prescribed interest, preference being given to cane-farming, rice-farming, and the cultivation of coconuts, cacao, coffee, limes, rubber, or of other products recommended by the Director of Agriculture.

Loans approved by the committee may be granted to members who can give the security the committee deems sufficient or on their obtaining one or more persons approved by the committee to be jointly liable.

(b) Any member desirous of obtaining a loan shall fill up and sign a form stating (1) the object for which it is required; (2) the amount and whether it is to be repaid by instalments or otherwise; (3) the period for which it is desired; (4) the names and addresses of the persons willing to be jointly liable; or (5) any agreement or promissory note or other security which is offered. Every application shall be delivered to the secretary at least one week prior to the committee meeting at which it is desired that it shall be considered.

(c) If the committee is satisfied with the position and good faith of the applicant the sufficiency of the security offered, and the purpose for which the loan is required, it may sanction the loan, or such part thereof as it considers desirable.

(d) The Board shall fix the maximum amount which the Bank may advance to any one member.

(e) If the committee decide that a loan cannot be made either from lack of funds, or otherwise, or if consideration of the application is postponed, notice to that effect shall be sent to the applicant by the secretary.

(f) Every loan shall be granted for some fixed term, not exceeding one year, when it shall become repayable in full; or it may be made repayable in weekly or monthly instalments as the committee may decide: provided that nothing in this rule shall preclude the committee of the bank, before or after a loan has become due and payable, from extending the period for the repayment of a loan for any further period not exceeding one year.

(g) The interest to be charged for loans shall in no case exceed twelve per centum per annum, or one per centum per mensem. The interest shall be paid in advance at the time the loan is made.

(h) If the committee find it necessary for the borrower to make any payment on account of the expenses of management or expenses incurred in connection with the granting of a loan, such payments shall be made by the borrower at the time that the loan is advanced.

(i) When a loan is sanctioned a notice shall be sent to the borrower to that effect, and if the borrower does not take up the loan within one week from the date of the notice, he may be deemed by the committee to have withdrawn his application. If he accepts the terms offered, then, before the amount be advanced, he (and the persons jointly liable, if any), if required, shall execute, in the presence of the chairman, a bill of exchange, promissory note, declaration as to possession of effects free from incumbrance, an agreement as to the terms of repayment, or any other document which the committee considers necessary, and such bill of exchange, promissory note, declaration, agreement or any other document shall be retained by the chairman who shall keep them in the safe of the Bank.

(j) If the loan be repayable by instalments, the borrower shall be supplied with a card, upon which shall be stated the amount and terms of the loan, and upon which each instalment, when repaid by him, shall be entered and initialled by the secretary.

(k) No person other than members of the committee and the secretary shall be present at any meeting of the committee when an application for a loan is under consideration. A member of committee who applies for a loan shall withdraw while his application is being discussed. If there is a difference of opinion concerning the granting of a loan, the voting shall be taken by ballot. The proceedings with regard to loans at committee meetings shall be kept secret, and any member of committee or officer of the Bank infringing this rule shall be liable to immediate expulsion or dismissal.

(l) In the event of any loan or instalment of loan not being paid on the due

date and no satisfactory explanation being placed before the committee by the borrower for non-payment, then the borrower and the persons jointly liable, if any, shall be required to pay the whole amount then owing with interest to the date of payment, or, if other security has been given, steps may be taken towards the realization of the same: provided that the committee shall have power, if satisfied with any subsequent arrangements by the borrowers, to grant an extension of time for the repayment of the loan.

(m) A member failing to pay the amount due and the interest within the time named, and not giving, in the opinion of the committee, a sufficient reason for non-payment, shall not be entitled to receive another loan from the bank until after repayment of the current loan.

(n) If, by reason of sickness or other sufficient cause, notified to the secretary before any repayment is due, a member finds that he will be unable to meet his obligations to the Bank, the committee shall have power to extend the time fixed for payment on any conditions it thinks fit.

(o) If any member is found to have misapplied a loan, the committee shall have power to take proceedings for the immediate repayment of the loan.

VIII.

SHARES.

(a) Shares shall not be repayable except on dissolution of the Bank, and shall be transferable at a sum not exceeding face value and only to a member; no transfer shall be recognised until it has been approved by the committee and recorded in the books of the Bank. Shares in the Bank may be transferred after notice. Application for transfer shall be in the form following and the certificate for the shares to be transferred shall be sent along with the application:—

" Ione of the members of the.....
 " co-operative credit bank, for consideration received from.....
 " do hereby request the transfer of.....shares of and in the said bank,
 " to the said.....of.....to hold the same unto
 " the said.....heirs, executors, administrators, and assigns
 " subject to the rules of the bank, and I, the said.....
 " do hereby agree to accept the said.....shares subject to same
 " rules,
 " As witness our hands this.....day of.....

(b) The bank shall have a first and paramount lien upon all shares held by any member and upon all dividends and bonuses which may be declared in respect of such shares, for all debts, obligations and liabilities of such member to the Bank, whether the period for payment, fulfilment or discharge thereof shall have actually arrived or not: Provided always that if the Bank shall register a transfer of any shares upon which it has a lien as aforesaid without giving to the transferee notice of its claim, the said shares shall be freed and discharged from the lien.

(c) For the purpose of enforcing such lien the committee may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements for seven days after such notice.

(d) Upon any sale being made by the committee of any shares to satisfy the lien of the bank thereon the proceeds shall be applied first, in the payment of all costs of such sale; next, in satisfaction of the debts or obligations of the member to the Bank; and the residue (if any) shall be paid to the said member or as he shall direct, or in the event of his death to his executors or administrators.

(e) Upon any sale being made for enforcing a lien in purported exercise of the powers hereinbefore given the committee may cause the purchaser's name to be entered in the register in respect of such shares and the purchaser shall not be bound to see to the regularity of the proceedings or be affected by any notice of any irregularity therein, and such entry and the receipt of the Bank for the price of such shares shall constitute a good title to such shares, and the purchaser shall be entitled to a certificate for the shares, and shall not be bound to see to the application of the purchase money. The remedy of the former holder of such

shares, and of any person claiming under or through him, shall be against the Bank and in damages only.

(f) If any share certificate be lost, defaced, stolen or destroyed, the committee may issue a duplicate thereof on application by the owner and such application shall be accompanied by a statutory declaration in which shall be set out all particulars relating to the loss, defacement, theft or destruction of the certificate as the case may be. For every duplicate share certificate so issued there shall be paid a fee of twenty-four cents.

IX.

DISPOSAL OF REVENUE.

(a) The revenue of the Bank shall be used—

- (i) For the payment of interest on money borrowed from the Government ;
- (ii) For repaying amounts borrowed from Government ;
- (iii) To create a reserve fund ;
- (iv) To meet expenses of management ;
- (v) To supplement the cash available for loans, and to pay dividends on shares.

(b) Before any dividend is declared the interest due on amounts borrowed from the Government, plus one-twenty-fifth part of each amount so borrowed shall be deducted from the Bank's revenue and paid to the Government until the whole amount borrowed together with the interest due thereon has been repaid. Likewise a sum equal to four per centum of the capital paid up by members shall be deducted annually from the revenue and paid into the post office savings bank to the credit of the Bank's reserve fund, until it equals two-thirds of that capital. The annual expenses of management shall in no case exceed fifty per centum of the Bank's annual revenue.

(c) After the payments referred to in the last preceding rule have been made, a dividend at a rate not exceeding six per centum per annum may be paid to shareholders.

X.

RESERVE FUND.

(a) If any loss be incurred by the Bank the annual general meeting may vote such sum as it thinks desirable from the reserve fund to meet the deficiency ; but the deductions referred to in rule IX (b) of these rules shall be continued or resumed until the amount at the credit of the fund is equal to two-thirds of the paid-up capital.

(b) When the reserve fund is equal to two-thirds of the paid-up capital, the interest thereon may be paid in to the general revenue of the bank but not otherwise.

XI.

ACCOUNTS AND BOOK-KEEPING.

(a) The following books shall be kept, namely :—

- (i) Minute books in which the proceedings of every general and committee meeting shall be recorded ;
- (ii) A register of members, showing the names, addresses, the dates of admission, the number of shares held, the numbers of the pages in the ledger in which each current account appears, and any other particulars which the committee requires ;
- (iii) A cash book, in which shall be entered all the cash received or paid ;
- (iv) A ledger, into which every entry in the cash book shall be posted ; the ledger shall contain a separate account for every member, as well as accounts for capital ; loans by the Government, reserve fund, interest, working expenses, and any other accounts found necessary, or considered advisable, by the committee or the auditor.

(b) On or before the 31st March in each year an annual financial return shall be prepared, which shall show the receipts and expenditure up to and including the thirty-first day of December of the preceding year ; also a balance sheet showing the assets and liabilities of the bank, and a list of members showing the number of shares held by each member. Those statements shall be drawn up in the form the auditor requires, and shall be transmitted with his report thereon to the registrar within two weeks of the annual general meeting.

(c) The books and accounts shall be open at all times to inspection by the chairman and to any member at the registered office at times fixed by the Board, and it shall be the duty of the secretary to produce them for inspection

if called upon to do so; but no such member or person, unless he is an officer of the bank, or is authorised by a resolution of the bank to do so, shall have the right to inspect another member's account without his written consent.

XII.

AUDIT OF ACCOUNTS.

(a) The committee shall before the 31st March in every year, submit the accounts, together with a general statement of the same, and all necessary vouchers up to and including the preceding 31st of December, for audit to the auditor. The audited statements shall be laid before the annual general meeting.

(b) The auditor shall have access to all the books and accounts of the bank, and shall examine the balance sheet and statements of receipts and expenditure, and shall verify them with the accounts and vouchers relating thereto; he shall also verify the statement of shares held by members with the capital account and all written securities held by the bank. The auditor shall either sign the statements as having been found correct, and duly vouched, or shall specially report to the general meeting of the bank before which the report is laid, in what respects the statements have been found incorrect or otherwise incomplete.

(c) Wherever the word auditor appears in these rules it shall be read and taken to mean any person authorised by the Board in this behalf.

XIII.

SETTLEMENTS OF DISPUTES.

Any member who is dissatisfied with the management of the bank or with any decision of the committee may bring the same before a general meeting of members, whose decision shall subject to the approval of the Board be final.

XIV.

ALTERATION OF RULES.

The rules shall not be altered except by a resolution passed at a general meeting confirmed by the Governor in Council.

XV.

APPLICATION OF RULES.

These rules bind the bank and the members thereof, and all persons claiming through them, respectively, to the same extent as if each member had subscribed his name and affixed his seal thereto, and there were in the rules contained a covenant on the part of himself, his heirs, executors, and administrators, to conform thereto.