

Bill No. 24 of 1961.

FRIENDLY SOCIETIES (AMENDMENT) BILL, 1961.
ARRANGEMENT OF SECTIONS

Section

1. Short title.
2. Repeal of section 6 of Chapter 34.
3. Amendment of section 11 of Chapter 34.
4. Amendment of section 26B of Chapter 34.
5. Amendment of section 33 of Chapter 34.
6. Repeal and re-enactment of section 34 of Chapter 34.
7. Amendment of section 37 of Chapter 34.
8. Amendment of section 38 of Chapter 34.
9. Amendment of section 43 of Chapter 34.
10. Amendment of section 45A of Chapter 34.
11. Amendment of section 48 of Chapter 34.
12. Amendment of section 49 of Chapter 34.
13. Amendment of the first schedule to Chapter 34.

A BILL

Intituled

AN ORDINANCE TO AMEND THE FRIENDLY SOCIETIES
ORDINANCE.

Enacted by the Legislature of British Guiana:—

1. This Ordinance may be cited as the Friendly Societies (Amendment) Ordinance, 1961, and shall be construed and read with the Friendly Societies Ordinance, hereinafter referred to as the Principal Ordinance, and any Ordinance amending the same. Short title.
Cap. 34.
2. Section 6 of the Principal Ordinance is hereby repealed. Repeal of
section 6
of Chapter
34.
3. Section 11 of the Principal Ordinance is hereby amended by the substitution for the words "Chief Secretary," of the words "Member of the Executive Council for the time being charged with responsibility for the subject of co-operative societies,". Amendment
of section 11
of Chapter
34.
4. Paragraph (a) of subsection (1) of section 26B of the Principal Ordinance is hereby amended by the insertion of the words "which declares a bonus in any year" between the words "society" and "shall". Amendment
of section
26B of
Chapter 34.
5. Section 33 of the Principal Ordinance is hereby amended — Amendment
of section
33 of
Chapter 34.
 - (a) by the deletion of the word "and" at the end of paragraph (c); and
 - (b) by the repeal of paragraph (d).
6. Section 34 of the Principal Ordinance is hereby repealed and the following section substituted therefor — Repeal and
re-enactment
of section
34 of
Chapter 34

"Loans to members of registered societies.

34. A registered society may, out of any separate loan fund to be formed by contributions or deposits of its members, make loans to its members on their personal security, with or without sureties, as provided by the rules, subject to the following restrictions:—

 - (i) no loan can at any time be made out of moneys contributed for the other purposes of the society;
 - (ii) no member shall be capable of holding any interest in the loan fund exceeding one thousand dollars;

- (iii) no society shall make any loan to a member on personal security beyond the amount fixed by the rules, or make any loan which, together with any moneys for the time being owing by a member to the society, exceeds two hundred and fifty dollars; and
- (iv) no society shall hold at any one time on deposit from its members any moneys beyond the amount fixed by the rules, which shall not exceed two-thirds of the total sums for the time being owing to the society by the members who have borrowed from the loan fund."

Amendment
of section
37 of
Chapter 34.

7. Paragraph (a) of section 37 of the Principal Ordinance is hereby amended by the substitution for the words "twenty" and "thirty" of the words "sixty" and "eighty" respectively.

Amendment
of section
38 of
Chapter 34.

8. Section 38 of the Principal Ordinance is hereby amended by the repeal of subsection (3) thereof.

Amendment
of section
43 of
Chapter 34.

9. Section 43 of the Principal Ordinance is hereby amended —
- (a) by the repeal of the proviso to subsection (1);
 - (b) by the substitution for the word "Any" in subsection (2) of the words "Notwithstanding the provisions of subsections (1) and (4) of this section, any"; and
 - (c) by the deletion of the semicolon after the words "such dispute" in subsection (2) and the insertion thereafter of the words "and order the costs thereof to be paid either out of the funds of the society or by any or all of the parties to the dispute:".

Amendment
of section
45A of
Chapter 34.

10. Section 45A of the Principal Ordinance is hereby amended by the deletion of the words "and every society, officer or servant to whom the same may be directed," in the sixth and seventh lines of subsection (3).

Amendment
of section
48 of
Chapter 34.

11. Section 48 of the Principal Ordinance is hereby amended —
- (a) by the deletion of the words "societies having shares and" in sub-paragraph (ii) of paragraph (a); and
 - (b) by the repeal of sub-paragraph (iii) of paragraph (a).

Amendment
of section
49 of
Chapter 34

12. Section 49 of the Principal Ordinance is hereby amended—
- (a) by the deletion of the words "or company," in paragraphs (a), (b) and (c) thereof, and the insertion of the word "or" between the words "individual," and "society" in the said paragraphs; and
 - (b) by the repeal of paragraphs (d) and (e).

Amendment
of the first
schedule to
Chapter 34.

13. The first schedule to the Principal Ordinance is hereby amended by the deletion of the words "a loan society, a building society, a co-operative society," in paragraph (a) of item 1.

OBJECTS AND REASONS

Section 6 of the Friendly Societies Ordinance provides that no member other than a registered society shall have or claim an interest exceeding \$1,000 in the funds of any registered society other than a building society or a co-operative society. In the case of a registered building society or a co-operative society the limitation is fixed at \$2,000. Section 36(1) of the Friendly Societies Ordinance also prescribes a limitation of \$1,000 in the case of a member of a friendly society and as the Bill seeks also to remove from the Friendly Societies Ordinance all references to building societies and co-operative societies, clause 2 seeks to repeal section 6 of the Friendly Societies Ordinance. Clause 13 of the Bill also seeks to remove from the Ordinance references to loan societies and building and co-operative societies.

2. Clause 4 seeks to exempt societies which do not declare a bonus in any year from the obligation to establish a Reserve Fund in accordance with the Friendly Societies Ordinance.

3. The holding of shares in a society only arises in the case of building and co-operative societies. These societies are no longer registered under the Friendly Societies Ordinance and clauses 5, 8, 11 and 12 of the Bill seek to delete references to the holding of shares in the Ordinance. Clause 12 also seeks to delete all references to a

company in section 49 of the Friendly Societies Ordinance as companies are dealt with under the Companies Ordinance, Chapter 328.

4. Clause 6 of the Bill seeks to repeal and re-enact section 34 of the Ordinance in order to delete any reference to a building society and to provide for loans to members of a society to be made only from a loan fund.

5. It is considered that the amounts provided in section 37 of the Friendly Societies Ordinance are inadequate and clause 7 of the Bill seeks to provide for an increase in these amounts.

6. Clause 9 seeks to make it clear that any party to a dispute in a registered friendly society may, notwithstanding the rules of the society, refer the dispute to the Registrar of Friendly Societies for decision.

7. Clause 10 seeks to amend an error in section 45A of the Friendly Societies Ordinance.

CHEDDI JAGAN,
Minister of Trade and Industry.

(M.P. 338/3/2).
(Leg. Bill No. 24/1961).