

BILL No. 2 Of 1988

Saturday, 16th January; 1988

**PARLIAMENT OFFICE,
Public Buildings,
Georgetown,
Guyana.**

1988—01—15.

The following Bill which will be introduced in the National Assembly is published for general information.

F. A. Narain,
Clerk of the National Assembly



GUYANA

BILL No. 2 of 1988

**CO-OPERATIVE FINANCIAL INSTITUTIONS (AMENDMENT)
BILL 1988**

ARRANGEMENT OF SECTIONS

SECTION

1. Short title.
2. Amendment of section 4 of the Principal Act.
3. Amendment of section 9 of the Principal Act.
4. Insertion of new section 14A in the Principal Act.
5. Amendment of section 15 of the Principal Act.
6. Amendment of section 16 of the Principal Act.
7. Amendment of section 18 of the Principal Act.
8. Amendment of section 23 of the Principal Act.
9. Amendment of section 24 of the Principal Act.
10. Amendment of section 49 of the Principal Act.
11. Amendment of section 52 of the Principal Act.
12. Insertion of new section 57A in the Principal Act.

A BILL

Intituled

AN ACT to amend the Co-operative Financial Institutions Act.

A.D. 1988 Enacted by the Parliament of Guyana:—

Short title.

Cap: 75:01

Amendment
of section 4
of the
Principal
Act.

1. This Act, which amends the Co-operative Financial Institutions Act, may be cited as the Co-operative Financial Institutions (Amendment) Act 1988.

2. Section 4 of the Principal Act is hereby amended by the insertion after subsection (2) of the following subsection as subsection (3) —

“(3) The Chairman or any member of the Administration authorised by the Chairman in that behalf or the Secretary of the Administration shall have authority to attend any meeting of the directors of any financial institution and the National Insurance Board and to take part in the deliberations of such meeting without the right to vote.”.

Amendment
of section 9
of the
Principal
Act.

3. Section 9 of the Principal Act is hereby amended by renumbering it as subsection (1) thereof and by the insertion after subsection (1) as so renumbered of the following subsection as subsection (2) —

“(2) The Secretary shall be the chief executive officer of the Administration, and he shall, subject to any general or special directions of the Minister or the Administration, be responsible for the proper management of the business of the Administration and be answerable to the Minister and the Administration for the proper working of the officers and employees of the Administration in accordance with their terms and condition of service determined by the Administration.”.

Insertion of
new section
14A in the
Principal
Act.

4. The Principal Act is hereby amended by the insertion, after section 14 and before the heading Part III of the following section 14A —

“Annual
reports.

14A. (1) So soon as its accounts for the preceding year have been audited in accordance with provisions of section 14, the Administration shall submit to the Minister a report on its operation throughout that year, together with a statement of its accounts so audited.

(2) A copy of the report mentioned in subsection (1) together with a copy of the report of the auditor shall be printed and shall be laid before the National Assembly.”.

5. Section 15 (10) of the Principal Act is hereby amended by the insertion before the full stop at the end, of the words “or any other officer of the financial institution authorized in that behalf by the financial institution”.

Amendment
of section
15 of the
Principal
Act.

6. Section 16 of the Principal Act is hereby amended by the insertion after subsection (2) of the following subsection as subsection (3) —

Amendment
of section 16
of the
Principal
Act.

“(3) A financial institution shall afford to the Administration facilities for obtaining information with respect to the business of the financial institution, furnish the Administration with such returns, statements and other information in such manner and at such times as the Administration may require and also provide such facilities to the Administration as will enable verification of the information so furnished.”.

7. Section 18 of the Principal Act is hereby amended as follows

Amendment
of section 18
of the
Principal
Act.

(a) by the substitution —

- (i) in subsections (1) and (5), for the words “A financial institution” of the words “The directors of a financial institution”;
- (ii) for the words “financial institution” occurring for the second time in subsection (1) and for the first time in subsection (2), of the word “directors”;

(b) by the insertion after subsection (5) of the following subsection as subsection (6) —

“(6) The Secretary of a financial institution shall —

- (a) send notices of all meetings of the directors to the Secretary of the Administration;
- (b) furnish the Secretary of the Administration with a copy of the minutes of every meeting of the directors within two weeks after the meeting; and
- (c) furnish the Secretary of the Administration with a copy of the minutes of the annual general meeting or any special meeting of the shareholders of the financial institution.”.

8. Section 23 of the Principal Act is hereby amended as follows —

Amendment
of section 23
of the
Principal
Act.

- (a) in subsection (1), by the substitution for the words “a director” of the words “the Deputy Chairman, a member, the Secretary or an Officer or other employee of the Administration, a director”;
- (b) by the substitution of the following subsection for subsection (2) —
 - “(2) If the Deputy Chairman, a member, the Secretary or an officer or other employee of the Administration, a director, officer or other employee of a financial institution contravenes the provisions of subsection (1) he is liable on summary conviction to a fine of five hundred dollars and to imprisonment for a term of six months.”.

Amendment of section 24 of the Principal Act.

9. Section 24 (1) of the Principal Act is hereby amended by the insertion, after paragraph (c), of the following paragraph as paragraph (cc) —

“(cc) imposing such other fees, in such cases, at such rates and on such terms and conditions as may be determined by the directors of a financial institution where there has been default in the repayment of any principal moneys or interest thereon borrowed from the financial institution.”.

Amendment of section 49 of the Principal Act.

10. Section 49 (2) (b) of the Principal Act is hereby amended by the insertion after the words “National Assembly” of the words “before the 30th day of June, in the year following that to which the reports mentioned in this section relate”.

Amendment of section 52 of the Principal Act.

11. Section 52 (4) of the Principal Act is hereby amended by the substitution for the words “a majority of the shareholders and other specified persons” of the words “twenty of the shareholders or a majority thereof where the number of shareholders is less than thirty-one and such number of other specified persons, if any as the Minister may determine”.

Insertion of New Section 57A in the Principal Act.

12. The Principal Act is hereby amended by the insertion after section 57 of the following section as section 57A —

“Payment of superannuation benefits by financial institutions”

57A. Save where other provision is made by a financial institution for the payment of pension, gratuity or other allowance in respect of their service with a financial institution to officers and other employees of the financial institution on their retirement therefrom, the amount of the pensions, gratuity or other allowance payable by the financial institution to any such officer or employee in respect of such service shall be computed in accordance with the law or other rules applicable to the grant of pension, gratuity or other allowance to public officers as if for that purpose the

service of the officer or other employee with the financial institution were service in the public service.”.

EXPLANATORY MEMORANDUM

Clause 2 of the Bill seeks to amend section 4 of the Co-operative Financial Institutions Act, Cap. 75:01, so as to empower the Chairman or an authorised member of the Administration or the Secretary to attend meetings of the directors of a financial institution and the National Insurance Board and to take part in the deliberations of such meetings without the right to vote.

2. Clause 3 seeks to amend section 9 of the Act by inserting a new subsection (2) which provides that the Secretary shall be the chief executive officer of the Administration responsible for the proper management of the business of the Administration and the proper performance of the duties of the officers and employees of the Administration.

3. Clause 4 seeks to insert a new section 14A in the Act providing for the submission of yearly report on its operations by the Administration together with a statement of its audited accounts to the Minister and for the laying of the yearly report and statement of the audited accounts before the National Assembly.

4. Clause 6 seeks to insert a new subsection (3) in section 16 of the Act so as to provide that a financial institution shall afford to the Administration facilities for obtaining information with respect to the business of the financial institution, furnish the Administration with information it may require and provide such facilities as will enable the verification of the information furnished.

5. Clause 7 seeks to amend section 18 of the Act so as to provide that the Secretary of a financial institution shall send to the Secretary of the Administration notices and minutes of all meetings.

6. Clause 8 seeks to amend section 23 of the Act so as to provide that the deputy Chairman, a member, the Secretary or an officer or other employee of the Administration also shall not disclose any information which he has acquired in the exercise of his functions.

7. Clause 9 seeks to amend section 24 so as to authorise a financial institution to make rules relating to the imposition of default fees where a borrower for no proper reason does not repay a loan on the date stated in his loan contract.

8. Clause 11 seeks to amend section 52 of the Act so as to fix the quorum at a general meeting of a financial institution at twenty shareholders or a majority thereof where the number of shareholders is less than thirty-one and such number of other specified persons as the Minister may determine.

9. Clause 12 seeks to insert a new section 57A in the Act providing for the payment of superannuation benefits by a financial institution where such provision is not otherwise made by the financial institution.