

I assent,
ALFRED SAVAGE,

Governor,
18th June, 1954.

ORDINANCE No. 17 OF 1954.

AN ORDINANCE further to amend the Friendly Societies Ordinance.

Enacted by the Legislature of British Guiana —

A.D. 1954.

[19th June, 1954.]

1. This Ordinance may be cited as the Friendly Societies (Amendment) Ordinance, 1954, and shall be construed and read as one with the Friendly Societies Ordinance, hereinafter referred to as the Principal Ordinance, and any Ordinance amending the same.

Short title.
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2. Section three of the Principal Ordinance is hereby amended by the substitution for the words "may be registered under this Ordinance, namely, —" of the words, "shall be societies to which this Ordinance applies, —".

Amend-
ment of
Section 3
of the
Principal
Ordinance.

Amendment of Section 10 of the Principal Ordinance.

3. Section ten of the Principal Ordinance is hereby amended by the deletion of the words "model forms and" appearing in the proviso to subsection (2) thereof.

Amendment of Section 12 of the Principal Ordinance.

4. Section twelve of the Principal Ordinance is hereby amended by the substitution for the words "which may be registered under this Ordinance and which they desire should be so registered," in subsection (1) of the words "to which this Ordinance applies,".

Insertion of new section 12 A in Principal Ordinance.

5. The Principal Ordinance is hereby amended by the insertion after section twelve of the following new section —

"Societies to be registered.

12A. (1) Every society to which this Ordinance applies shall be registered under this Ordinance:

Provided that it shall be deemed to be a sufficient compliance with the provisions of this section if before any subscriptions or fees are collected from any member, the registrar, by writing under his hand per any person therein, hereinafter referred to as "a permitted person", to take the necessary steps for formation of a society, and if such society is registered within six months of such permission given as aforesaid.

(2) In the event of any contravention of the provisions of this section, every society, trustee, member of committee or other officer of an unregistered society shall be liable to a fine of five dollars for every day during which such society remains unregistered.

(3) Every permitted person shall, while such society is in process of formation cause to be kept proper books of accounts with respect to all subscriptions or fees received and all sums of money expended by such person, and the matter in respect of which the receipts and expenditure take place, and shall immediately prior to the registration of the said society, or at the end of the said period of six months, whichever shall occur sooner, send to the registrar a true return signed by him, of the receipts and expenditure, funds and effects collected, received and expended by him while such society was in process of formation.

(4) If it is shown that proper books of accounts were not kept by such permitted person throughout the said period of six months immediately preceding the registration of such society such permitted person shall, unless he shows that he acted *bona fide* or that in the circumstances in which the affairs of the society in formation were carried on the default was excusable, be liable on summary conviction

to a fine not exceeding two hundred and fifty dollars or to imprisonment for a term not exceeding six months.

(5) The registrar shall, on being satisfied that any member or other person has subscribed to the funds so collected or received or has an interest therein, permit such member or other person to inspect without payment of any fee the said return at the office of the registrar during official office hours.

(6) The registrar may at any time, either before or after the registration of a society, order the books, accounts, vouchers, documents, securities and funds of such society during the period it was unregistered or in course of formation, to be inspected or audited by some fit and proper person appointed by him, and it shall be the duty of the permitted person and of every secretary, treasurer, trustee and member of the committee or other officer of the society to make available to the person so appointed, all the books, accounts, vouchers, documents, securities and funds for purpose of inspection, or audit; and the registrar may order such person to be paid out of the funds of the said unregistered society or society in formation, or from the Audit Fund as constituted under this Ordinance, such fee as may be prescribed.

6. Section twenty-two of the Principal Ordinance is hereby amended by the substitution for the words "twenty-four cents" in subsection (2) of the words "forty-eight cents".

**Amend-
ment of
Section 22
of the
Principal
Ordinance.**

7. Section twenty-six of the Principal Ordinance is hereby amended —

(a) by the deletion of all the words appearing after the word "accounts" in the second line of sub-paragraph (iii) of paragraph (a) to the end of that sub-paragraph and the substitution therefor of the words "to the registrar for audit as hereinafter provided;";

(b) by the substitution for sub-paragraph (iv) of paragraph (a) of the following sub-paragraph—

(vi) once in every year, before the first day of May, submit to the registrar or other person appointed to audit a general statement (to be called "the annual return") of the receipts and expenditure, funds and effects, of the society, and the statement shall show separately the expenditure in respect of the several objects of the society, and shall be made out to the thirty-first day of December then last inclusively;'

**Amend-
ment of
section 26
of the
Principal
Ordinance.**

- (c) by renumbering sub-paragraphs (iii), (v), (vi), (vii), (viii) and (ix) as sub-paragraphs (v), (vii), (viii), (ix), (x) and (xi) respectively; and
- (d) by the insertion after sub-paragraph (ii) of the following as sub-paragraphs (iii) and (iv) in paragraph (a) —
 - “(iii) cause its accounts to be regularly entered in the prescribed books, separate accounts being kept of all moneys received or paid on account of every particular fund or benefit assured by the society for which a separate table of contributions is adopted, distinct from all moneys received and paid on account of any other benefit or fund;
 - (iv) keep a separate account of the expenses of management of the society and of all contributions on account thereof.”

Insertion
of new
sections
26 A and
26 B in
the Prin-
cipal
Ordinance.

8. The Principal Ordinance is hereby amended by the insertion after section twenty-six of the following new sections —

“Audit.

26A. (1) The registrar shall audit or cause to be audited by some person authorised by him by general or special order in writing the accounts of every society once at least in every year.

(2) The audit under subsection (1) of this section shall include an examination of the annual return mentioned in this Ordinance, a verification of the annual return with the accounts and vouchers relating thereto, and a valuation of the assets and liabilities of the society.

(3) The registrar and every other person appointed to audit the accounts of a society shall have access to all the books and accounts of the society and shall have power when necessary —

- (a) to summon at the time of his audit, any officer, agent, servant or member of the society who he has reason to believe can give material information in regard to any transactions of the society or the management of its affairs;
- (b) to require the production of any book or document relating to the affairs of or any cash or securities belonging to the society by the officer, agent, servant or member in possession of such book, document, cash or securities.

Estab-
lish-
ment of
Reserve
Fund.

26B. (1) (a) For the purpose of this section every society shall establish and maintain a Reserve Fund.

(b) Where a society declares in any year the payment of a bonus in

respect of the twelve months preceding such declaration of bonus, it shall before such declaration set aside out of the excess of revenue over expenditure for that period such sum or proportion thereof as the society may deem expedient, being a sum not less than five per centum of such excess, and shall forthwith credit the same to the Reserve Fund.

- (c) The Reserve Fund shall, with the consent of the registrar, be utilised in expenditure of any extraordinary nature which may be necessary or desirable in carrying out the objects of the society. The Reserve Fund shall not be utilised however in paying a bonus or making any payment whatsoever in the nature of a bonus.
 - (d) All moneys accruing to the Reserve Fund shall from time to time be invested by the society in the manner provided by section thirty-three of this Ordinance. For the purposes of investment under this section, an investment shall not include the lending out of moneys to members under the provisions of this Ordinance.
 - (e) A society may, with the express permission in writing of the registrar, at the end of every five years calculated from the date on which this section shall come into effect, or from the date of its registration, whichever is the later, apply any part of such Reserve Fund, not exceeding fifty per centum of the amount at which such Reserve Fund shall then stand, for any of the objects or purposes defined or established under the rules of the society save that no portion thereof shall be applied in paying a bonus or in making any payment whatsoever in the nature of a bonus.
- (2) (a) Where the business of a society includes the providing for an endowment of a member or the nominee

of a member at any age or the assuring of a certain annuity, such society shall, in general meeting, set aside in each year out of its net profits as shown by the annual return of the society to the preceding thirty-first of December such sum or proportion thereof as the society may deem expedient not being less than thirty-three and one-third per centum of its net profits as aforesaid yearly for a period of not less than three years consecutively immediately following the registration of such society and thereafter such sum or proportion thereof not being less than twenty per centum of its net profits as aforesaid yearly to be accumulated as a Reserve Fund.

- (b) The moneys comprised in such Reserve Fund shall be deposited and kept deposited in an account in a bank approved by the registrar in the name or names of the trustee or trustees of the society and shall be specially appropriated to meeting the liabilities of the society in respect of claims and demands arising under or in connection with the aforesaid business of the society:

Provided that such Reserve Fund or part thereof may be invested by the trustee or trustees as the case may be in the securities or investments authorised under this Ordinance and the interest accruing on all such securities or investments shall be paid directly to such Reserve Fund and shall not be applied for any purposes other than those to which the said Reserve Fund is applicable.

- (c) Every society transacting such business as aforesaid shall whenever it is intended to make a distribution by way of bonus cause an investigation to be made into its financial condition including a valuation of its liabilities by an

auditor approved by the registrar and shall before making any such distribution file with the registrar a report of such auditor approving or sanctioning such distribution as aforesaid."

9. The Principal Ordinance is hereby amended by the insertion after section twenty-nine thereof of the following new sections —

Insertion of new sections 29A and 29B in the Principal Ordinance.

"Limitations of office holders.

29A. (1) No person shall, without the permission in writing of the registrar, hold both the offices of president and treasurer of the same society:

Provided that such permission shall only be granted with the approval of the Governor in Council

(2) No person shall hold both the offices of secretary and treasurer of the same society.

(3) No person shall hold the office of treasurer in more than one society.

(4) No person holding any other office therein, shall be or act as the medical officer, dentist, optician or druggist of any society.

(5) No person shall hold the offices of secretary and trustee or treasurer and trustee of the same society thereof.

(6) Any person contravening any of the provisions of this section shall be liable to a fine not exceeding one hundred and twenty dollars.

Bankrupt etc. not to be officer of society.

29B. (1) No person who is an undischarged bankrupt or has compounded with his creditors or has made an arrangement or composition with his creditors under the Insolvency Ordinance or any other Ordinance, shall be appointed, or if appointed shall act as the president, vice-president, secretary, assistant secretary, treasurer or trustee of a society.

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(2) Any person acting in contravention of the provisions of subsection (1) of this section shall be liable to a fine not exceeding one hundred dollars.

(3) A person shall be disqualified for being elected, and for being an officer of any registered society if, within the previous ten years he has been convicted of any offence involving dishonesty. If any person who, under the provisions of this subsection is disqualified for being elected and for being an officer of any registered society, or if elected to be an officer of any registered society, has become disqualified to hold such office, acts as an officer of a society, he shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding two hundred and fifty dollars or to imprisonment for a term not exceeding six months."

Amend-
ment of
Section 43
of the
Principal
Ordinance.

10. Section forty-three of the Principal Ordinance is hereby amended —

- (a) by renumbering the section as subsection (1);
- (b) by the deletion of the brackets and letter “(a)” in the proviso to subsection (1);
- (c) by the addition of the following subsection —

“Refer-
ence to
registrar
of dispute
by either
party

(2) Any party to a dispute in a registered society may apply to the registrar to hear and determine the same and the registrar may, if he thinks fit, and after proper notice given to the other parties to the dispute, hear and determine such dispute;

Provided that the registrar may, before proceeding to hear and determine a dispute, make or cause a preliminary investigation to be made into the dispute with the object of ascertaining the facts and limiting the issues and of endeavouring to bring about a voluntary settlement between the parties to the dispute.”

- (d) (i) by renumbering paragraphs (b), (c), (d), (e) and (f) of the proviso to subsection (1) (as renumbered) as subsections (3), (4), (5), (6) and (7) respectively;
- (ii) by the deletion of the word and comma “and,” at the end of subsection (6) (as renumbered);
- (iii) by the substitution of a full stop for the semicolon at the end of the proviso to subsection (1) and of each subsection thereafter (as renumbered);
- (iv) by the substitution for the word, brackets and letter “paragraph (c)” appearing in the first line of subsection (7) (as renumbered) of the word, brackets and number “subsection (4)”; and
- (e) by the insertion of the following new subsections —

“(8) In this section the expression “dispute” includes any dispute arising on the question whether a member or person aggrieved is entitled to be or to continue to be a member or to be reinstated as a member, but save as aforesaid, in the case of a person who has ceased to be a member, does not include any dispute other than a dispute between him and the registered society or an officer thereof which arose whilst he was a member or arises out of his previous relation as a member to that society.

“(9) This section shall apply to unregistered societies and societies in process of formation as it applies to societies as defined in section two of this Ordinance.”

11. Section forty-five of the Principal Ordinance is hereby amended —

- (a) by renumbering the section as subsection (1);
 (b) by the insertion after subsection (1) (as renumbered) of the following subsections:—

“Power of the registrar to inspect societies’ books, etc.

(2) The registrar may in his absolute discretion and without assigning any reasons for doing so appoint an accountant to inspect and if necessary to audit the books of a society at any time and to report to him thereon. A person appointed as an accountant under this section shall have all the powers, privileges and authority of an auditor appointed under the Ordinance. The cost of such inspection and audit shall be met from the Audit Fund as constituted by this Ordinance.

(3) Any person whether connected with the society or not, who hinders, obstructs or molests any person appointed by the registrar to inspect or audit the books, accounts, securities and documents of such society, shall be liable to a fine not exceeding fifty dollars or to imprisonment for a term not exceeding one month or to both.”

Amendment of Section 45 of the Principal Ordinance.

12. The Principal Ordinance is hereby amended by the insertion after section forty-five of the following new sections --

“Inspection of societies’ premises.

45A. (1) The registrar may enter and inspect or may authorise any person in writing to enter and inspect the registered office or any place of meeting of any society at any reasonable time by day or night and may examine the condition and affairs of such society and make such enquiries as are necessary to ascertain its condition and ability to provide for the payment of the benefits payable under its rules and whether or not it has complied with all the provisions of this Ordinance.

(2) The officers and servants of such society shall produce the books, accounts, vouchers, documents, moneys and records of the society for the inspection by the registrar or person authorised in writing, and shall otherwise facilitate such examination as far as it is in their power, provided that the books, accounts, vouchers, documents, moneys and records of the society may be required by the registrar to be produced at the office of the registrar or at such other convenient place as the registrar may direct.

(3) Every request, requisition or order made or given by the registrar or authorised person under the provisions of this section shall be carried into effect within such time as the registrar shall appoint not exceeding one month, by the society, officer or servant to whom the same may be directed, and every society, officer or servant to whom the same may be directed, and every society, officer or servant who shall in any

Insertion of new sections 45A, 45B and 45C in the Principal Ordinance.

way disobey or not carry into effect such request, requisition or order shall be guilty of an offence under this Ordinance.

Inquiry. 45B. (1) The registrar may of his own motion or at the request of a member or on the application of a creditor of a society by himself or by a person or persons duly authorised by him in writing in this behalf, hold an inquiry into the constitution, working or financial condition of the society and the position or standing of any member in the society and may investigate all claims against the society, its debts and liabilities.

(2) Nothing herein contained shall prevent the appointment by the registrar under this section of an officer or officers of the society to carry out an inquiry hereunder.

(3) The remuneration of any person or persons authorised by the registrar under this section and the other expenses of the inquiry shall be such as the registrar shall approve and shall unless the registrar otherwise directs, be borne by the society.

(4) The result of an inquiry under this section shall be communicated to the society whose affairs have been investigated and in the case of a creditor, to the creditor.

(5) All officers and members of the society whose affairs are investigated shall furnish such information in their possession in regard to the affairs of the society as the registrar or person authorised by the registrar may require.

(6) If any person wilfully hinders or delays the registrar or any person duly authorised by him under this section in the exercise of any powers under this section, or fails to comply with the requisition of the registrar or said duly authorised person in pursuance of this section, or to produce any books, accounts, ledgers, receipts, vouchers, documents or moneys which he is required to produce, that person shall be deemed to obstruct the registrar or said duly authorised person in the execution of his duties under this section.

(7) Every person who obstructs the registrar or duly authorised person in the execution of his duty under this section shall be guilty of an offence against this Ordinance.

(8) For the purpose of holding an inquiry under this section the registrar or other authorised person shall have power to administer oaths and affirmations and shall be vested with the powers of a magistrate for compelling the attendance of witnesses, maintaining order and otherwise duly conducting the said inquiry. Persons summoned to attend at any such inquiry shall be legally bound so to attend.

Removal
of Officer.

45C. (1) (a) If at any time it appears to the satisfaction of the registrar after due inquiry into the facts (the officer or other person being afforded a full opportunity of being heard) that an officer of a society, whether elected or otherwise, has been guilty of negligence, irregularity or misconduct, such officer or person may be removed from office by order of the registrar, and the registrar shall notify the society concerned and direct that it proceed to the election of a substitute in the place or stead of such officer or person removed as aforesaid. In the event, that the society shall fail to elect an officer to fill the vacant office within one month of the date of such direction, the registrar may thereupon appoint a new officer to fill such vacant office temporarily.

- (b) (i) Every officer or other person who is removed by order of the registrar, having the custody of any books, ledgers, vouchers, registers, bills, documents, moneys or other property or matter belonging to a society or relating to the business or affairs of a society shall forthwith deliver up to the registrar, or to any person authorised by him, such books, ledgers, vouchers, registers, bills, documents, moneys or other property or matter.
- (ii) Any officer or other person who shall fail to deliver all or any such books, ledgers, vouchers, registers, bills, documents, moneys, property or matter shall be guilty of an offence against this Ordinance and on summary conviction before a magistrate shall be liable to a fine not exceeding one hundred and twenty dollars, or to imprisonment for a term not exceeding three months.

(2) In every case in which the registrar shall remove an officer of a society or other person from office he shall if required to do so by an order of a magistrate transmit forthwith to such magistrate any papers, documents, report or other matter upon which such order of removal was made and if the magistrate on perusing and considering

the same shall be of opinion that the officer ought not to have been removed he may call upon the registrar to show cause why an order should not be made for the re-instatement of such officer. Any order may command such officer either forthwith or on the expiration of any given time as may appear to the magistrate to be just, to do, execute, or perform any duty or duties appertaining to or in connection with his said office and may order the payment by such officer of such costs and expenses as the magistrate may think fit.

(3) The time in which to perform or fulfil any duty may be extended on application to a magistrate, upon such terms, and for such time as the magistrate in his discretion may think fit.

(4) Every application to a magistrate by an officer or other person who has been removed by order of the registrar shall be made within thirty days from the day upon which the order of removal was issued, unless further time be allowed by a magistrate upon special circumstances accounting for the delay as may appear to the magistrate to be just.

(5) Any officer or other person removed from office by order of the registrar under the provisions of this section shall thereupon cease to hold office in the said society from the date of such order for the remainder of his then current term of office and shall be disqualified for being elected and for being an officer of any society for a period not exceeding five years as the registrar shall determine, next after the end of his aforesaid current term of office."

Amendment of section 51 of the Principal Ordinance.

13. Section fifty-one of the Principal Ordinance is hereby amended by the substitution for paragraphs (b) and (c) thereof of the following paragraph:—

"(b) issues or authorises the issue of any notice, advertisement, or other official publication of the society, or of any bill of parcels, invoice, receipt, or letter of credit, of the society, or signs or authorises to be signed on behalf of the society any bill of exchange, promissory note, endorsement, cheque, or order for money or goods, wherein the name of the society is not mentioned in the manner hereinbefore provided,"

Amendment of section 56 of the Principal Ordinance.

14. Section fifty-six of the Principal Ordinance is hereby amended —

- (a) by the substitution for the word "may" of the word "shall"; and
- (b) by the insertion after the word "apply" of a full stop, and the deletion of the words thereafter to the end of the section.

15. Section fifty-seven of the Principal Ordinance is hereby repealed. Repeal of section 57 of the Principal Ordinance.
16. Section fifty-eight of the Principal Ordinance is hereby amended — Amendment of section 58 of the Principal Ordinance.
- (a) by the insertion between the word “registry,” and the word “shall” appearing in the third line thereof, of the words “or of the registrar,”;
- (b) by the deletion of the word “public” and the words “or valuer” appearing in the fifth and sixth lines thereof, respectively.
17. The Principal Ordinance is hereby further amended by the insertion after section sixty-one of the following new sections — Insertion of new sections 62, 63 and 64 in the Principal Ordinance.
- “Audit Fund
62. (1) There shall be constituted a fund to be known as the Friendly Societies Audit Fund, and every society shall, when called upon to do so by the registrar, make annually a contribution to such Fund.
- (2) The contributions under subsection (1) shall not exceed the amounts prescribed by Order of the Governor in Council; they shall be held by the registrar and administered by him on behalf of the contributing societies.
- (3) The Government may from time to time, and to augment such contributions, make such grants to the Fund as it may deem fit.
- (4) The registrar shall report in every year to the Government in respect of the income derived from contributions, the expenditure he has sanctioned from the Fund, and the balance in his hands.
- Exemption from stamp duties, registration fees and income tax.
63. (1) The Governor, by notification in the Gazette, may, in the case of any society or class of societies registered under this Ordinance remit —
- (a) the stamp duty with which, under any law for the time being in force instruments executed by or on behalf of a registered society or by an officer or member thereof and relating to the business of such society or any class of such instruments are respectively chargeable, or
- (b) any fee payable under the law of registration for the time being in force.
- (2) A notification exempting any registered society or class of societies from the fees referred to in paragraph (b) of subsection (1) of this section may provide for the withdrawal of such exemption.
- (3) The Governor in Council may from time

to time and for such period as he thinks fit, by order, exempt any registered society, or class of societies from payment of income tax under any Ordinance relating to Income Tax for the time being in force in the Colony.

Applica-
tion to
existing
societies.

64. This Ordinance shall apply to societies subsisting at the commencement of this Ordinance as if they had been registered after the date of the commencement of this Ordinance and the rules of those societies shall so far as they are not contrary to any express provisions of this Ordinance and subject to the approval of the registrar, continue in force until altered or rescinded."