

Superseded by Revised Act 287

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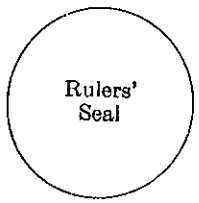
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FEDERATION OF MALAYA.

No. 33 of 1948.

Their Highnesses the Rulers of the Malay States assent hereto

LN 33/48
Act 14/66
Act 79/65
Act A22
A.D. 334/76
PU(A) 328/7
PU(A) 7/8



Witnesses to the affixing of the Rulers' Seal :

ABDUL RAHMAN { *Yang di-Pertuan Besar of Negri Sembilan.* HENRY GURNEY, High Commissioner.

YANG DI-PERTUAN ALAM SHAH *Sultan of Selangor.* 11th December, 1948.
(IN MALAY)

11th December, 1948.

An Ordinance to provide for the constitution and control of Co-operative Societies.

[18th December, 1948.]

IT IS HEREBY ENACTED by the High Commissioner of the Federation of Malaya and Their Highnesses the Rulers of the Malay States with the advice and consent of the Legislative Council as follows :

PART I.

PRELIMINARY.

1. This Ordinance may be cited as the Co-operative Societies Ordinance, 1948. Short title.

2. In this Ordinance unless the context otherwise requires— Interpretation.

“bonus” means a share of the profits of a registered society divided among its members in proportion to the volume of business done with the society by them from which the profits of the society were derived; (M.A. 207/78)

“by-laws” means the registered by-laws made by a society in the exercise of any power conferred by this Ordinance, and includes a registered amendment of the by-laws;

“Committee” means the governing body of a registered society to whom the management of its affairs is entrusted;

“dividend” means a share of the profits of a registered society divided amongst its members in proportion to the share capital held by them;

“member” includes a person or registered society joining in the application for the registration of a society, and a person or registered society admitted to membership after registration in accordance with the by-laws and any rules;

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“officer” includes a Chairman, Secretary, Treasurer, member of Committee or other person empowered under the rules or the by-laws to give directions in regard to the business of the society;

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“registered society” means a co-operative society registered under this Ordinance;

(No. A-1-237/76)

“Registrar” means the Registrar of Co-operative Societies appointed under section 3 of this Ordinance, and includes any person when exercising such powers of the Registrar as may have been conferred upon him under that section;

“rules” means rules made under this Ordinance.

PART II.

REGISTRATION.

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Appoint-
ment of
Registrar
and Assis-
tants.

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3. The ^{Jang di-Pertuan Agong} High Commissioner may appoint a person to be Registrar of Co-operative Societies for the Federation of Malaya and may appoint persons to assist such Registrar, and may, by general or special order published in the *Gazette*, confer on any such persons all or any of the powers of a Registrar under this Ordinance.

(No. A-1-237/76)

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Societies
which
may be
registered.

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4. Subject to the provisions hereinafter contained a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with

(No. A-1-237/76)

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the object of facilitating the operations of such a society, may be registered under this Ordinance with or without limited liability as the Registrar may decide:

Provided that the liability of a society which includes at least one registered society among its members shall be limited. *Ord. A.A. 334/76*

5. (1) No society, other than a society of which a member is a registered society, shall be registered under this Ordinance, which does not consist of at least ~~ten~~ persons each of whom is qualified under section 21 for membership under this Ordinance. *Conditions of registration. One hundred (A.A. 334/76)*

(2) The word "co-operative" or its vernacular equivalent shall form part of the name of every society registered under this Ordinance.

(3) The word "limited" or its vernacular equivalent shall be the last word in the name of every society with limited liability registered under this Ordinance.

(4) When for the purposes of this section any question arises as to ~~age, residence or occupation of~~ land constituting the qualification of any person, that question shall be decided by the Registrar whose decision shall be final. *Ord. A.A. 334/76*

6. (1) For the purposes of registration an application shall be made to the Registrar. *Application for registration.*

(2) The application shall be signed—

(a) in the case of a society of which no member is a registered society, by at least ten persons qualified in accordance with the requirements of sub-section (1) of section 5; and

(b) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society, and, where all the members of the society are not registered societies, by ten other members, or, when there are less than ten other members, by all of them. *Ord. A.A. 334/76*

(3) The application shall be accompanied by copies of the proposed by-laws of the society, and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

Registration.

7. If the Registrar is satisfied that a society has complied with the provisions of this Ordinance and the rules, and that its proposed by-laws are not contrary to this Ordinance or to the rules, he may, if he thinks fit, register the society and its by-laws. An appeal shall lie to the ~~Chief Secretary~~ against the refusal of the Registrar to register any society within ^{two} ~~one~~ months from the date of such refusal.

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Am. A-17/66
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Societies to be bodies corporate.

8. The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold movable and immovable property of every description, to enter into contracts, to institute and defend suits and other legal proceedings and to do all things necessary for the purposes of its constitution.

Evidence of registration.

9. A certificate of registration signed by the Registrar shall be conclusive evidence that the society therein mentioned is duly registered, unless it is proved that the registration of the society has been cancelled.

PART III.

DUTIES AND PRIVILEGES OF SOCIETIES.

Amendment of the by-laws of a registered society.

10. (1) Any registered society may, subject to this Ordinance and the rules, amend its by-laws, including the by-law which declares the name of the society.

(2) No amendment of the by-laws of a registered society shall be valid until that amendment has been registered under this Ordinance, for which purpose copies of the amendment shall be forwarded to the Registrar.

(3) If the Registrar is satisfied that any amendment of the by-laws is not contrary to this Ordinance or to the rules, he may, if he thinks fit, register the amendment. An appeal against the refusal of the Registrar to register any amendment of any by-law shall lie to the ~~Chief Secretary~~ within three months from the date of such refusal.

(4) An amendment which changes the name of a society shall not affect any right or obligation of the society or of any of its members or past members, and any legal proceedings pending may be continued by or against the society under its new name.

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Repeal.

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(5) When the Registrar registers an amendment of the by-laws of a registered society, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence of the fact that the amendment has been duly registered.

(6) In this section "amendment" includes the making of a new by-law and the variation or rescission of a by-law. *(Part A.A. 334/76)*

11. Every registered society shall have an address, registered in accordance with the rules, to which all notices and communications may be sent, and shall send to the Registrar notice of every change of that address. *(Add. A.A. 334/76)*

12. Every registered society shall keep a copy of this Ordinance and of the rules and of its by-laws, and a list of its members open to inspection, free of charge, at all reasonable times at the registered address of the society. *Hand kept unlinked account (A.A. 334/76)*

13. (1) A registered society which has as one of its objects the disposal of any article produced or obtained by the work or industry of its members, whether the produce of agriculture, animal husbandry, forestry, fisheries, handicrafts or otherwise, may provide in its by-laws or may otherwise contract with its members—

(a) that every such member who produces any such article shall dispose of the whole or any specified amount, proportion or description thereof to or through the society; and

(b) that any member who is proved or adjudged, in such manner as may be prescribed by the rules, to be guilty of a breach of the by-laws or contract shall pay to the society as liquidated damages a sum ascertained or assessed in such manner as may be prescribed by the aforesaid rules.

(2) No contract entered into under the provisions of this section shall be contested in any court on the ground only that it constitutes a contract in restraint of trade.

14. Subject to any prior claim of any Government in the Federation on the property of the debtor and to the lien or claim of a landlord in respect of rent or *Creation of charges in favour of registered societies.*

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any money recoverable as rent and in the case of immovable property to any prior registered charge thereon—

(a) any debt or outstanding demand payable to a registered society by any member or past member shall be a first charge on all crops or other agricultural produce, felled timber or other forest produce, marine produce, fish (fresh water and salt water), live stock, fodder, agricultural, industrial and fishing implements, plant, machinery, boats, tackle and nets, raw materials, stock-in-trade and generally all produce of labour and things used in connection with production raised, purchased or produced in whole or in part from any loan whether in money or in goods given him by the society : Provided that nothing herein contained shall affect the claim of any *bona fide* purchaser or transferee without notice;

(b) any outstanding demands or dues payable to a registered housing society by any member or past member in respect of rent, shares, loans, or purchase money or any other rights or amounts payable to such society shall be a first charge upon his interest in the immovable property of the society.

Lien and set-off in respect of share or interest of members.

15. A registered society shall have a lien upon the share or interest in the capital and on the deposits of a member or past member or deceased member and upon any dividend, bonus, or profits payable to a member or past member or to the estate of a deceased member in respect of any debt due to the society from such member or past member or estate, and may set-off any sum credited or payable to a member or past member or estate of a deceased member in or towards payment of any such debt.

16. Subject to the provisions of section 15 of this Ordinance, the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order of a court in respect of any debt or liability incurred by such member, and neither his assignee in insolvency nor a receiver duly appointed shall be entitled to, or have any claim on, such share or interest.

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Share or interest not liable to attachment or sale.

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17. (1) On the death of a member, a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with the rules made in this behalf, or, if there is no person so nominated, to such person as may appear to the Committee to be the heir or legal representative of the deceased member, or may pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws:

Transfer of interest on death of member.

Provided that—

(a) in the case of a society with unlimited liability such nominee, heir or legal representative, as the case may be, may require payment by the society of the value of the share or interest of the deceased member ascertained as aforesaid;

(b) in the case of a society with limited liability, the society may transfer the share or interest of the deceased member to such nominee, heir or legal representative, as the case may be, being qualified in accordance with the rules and by-laws for membership of the society, or on his application within six months of the death of the deceased member to any person specified in the application who is so qualified.

(2) A registered society may pay all other moneys due to the deceased member from the society to such nominee, heir, or legal representative, as the case may be.

(3) All transfers and payments made by a registered society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

18. (1) A registered society may receive deposits from or for the benefit of minors and it shall be lawful for a registered society to pay such minors the interest which may become due on such deposits. Any deposits made by a minor may, together with the interest accrued thereon, be paid to that minor; and any deposit made on behalf of a minor may, together with the interest accrued thereon, be paid to the guardian of that minor for the use of the minor.

Deposits by or on behalf of minors.

(2) The receipt of any minor or guardian for money paid to him under this section shall be a sufficient discharge of the liability of the society in respect of that money.

Register of members.

19. Any register or list of members kept by any registered society shall be *prima facie* evidence of any of the following particulars entered therein—

(a) the date at which the name of any person was entered in such register or list as a member;

(b) the date at which any such person ceased to be a member.

Proof of entries in books of society.

20. (1) A copy of any entry in a book of a registered society regularly kept in the course of business shall, if certified in such manner as may be prescribed by the rules, be received in any legal proceeding, civil or criminal, as *prima facie* evidence of the existence of such entry and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

(2) No officer of any such society shall, in any legal proceedings to which the society is not a party, be compelled to produce any of the society's books, the contents of which can be proved under sub-section (1) of this section or to appear as a witness to prove any matters, transactions or accounts therein recorded, unless the court for special reasons so directs.

PART IV.

RIGHTS AND LIABILITIES OF MEMBERS.

Qualification for membership.

21. In order to be qualified for membership of a co-operative society a person, other than a registered society, must

(a) have attained the age of 18 years;

(b) be resident within or in occupation of land within the society's area of operations as described by the by-laws.

Members not to exercise rights till due payment made.

22. No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society as may be prescribed by the rules or by-laws.

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23. Except with the sanction of the Registrar, no person shall be a member of more than one registered society with unlimited liability whose primary object is to grant loans to its members.

Restriction of membership in society.

24. No member of any registered society shall have more than one vote in the conduct of the affairs of the society, and in the case of an equality of votes the Chairman shall not have a casting vote:

Votes of members.

Provided that in the case of societies of which a registered society is a member that society may have such voting powers as are provided by the by-laws.

25. A registered society which is a member of any other registered society may appoint any one of its members as its proxy for the purpose of voting in the conduct of the affairs of such other registered society.

Representation by proxy.

26. The minority or non-age of any person duly admitted as a member of any registered society shall not debar that person from executing any instrument or giving any acquittance necessary to be executed or given under this Ordinance or the rules made thereunder, and shall not be a ground for invalidating or avoiding any contract entered into by any such person with the society; and any such contract entered into by any such person with the society, whether as principal or as surety, shall be enforceable at law or against such person notwithstanding his minority or non-age.

Contracts with society of members who are minors.

27. No member, other than a registered society, shall hold more than one-fifth of the share capital of any co-operative society.

No individual to hold more than one-fifth of share capital of any society.

28. (1) The transfer or charge of the share or interest of a member or past member or deceased member in the capital of a registered society shall be subject to such conditions as to maximum holding as may be prescribed by or under this Ordinance.

Restrictions on transfer or charge of share or interest.

(2) In the case of a society registered with unlimited liability, a member shall not transfer or charge any share held by him or his interest in the capital of the society or any part thereof, unless—

(a) he has held such share or interest for not less than one year; and

(b) the transfer or charge is made to the society, or to a member of the society, or to a person whose application for membership has been accepted by the Committee.

Liability of past member and estate of deceased member for debts of society.

29. (1) The liability of a past member for the debts of a registered society as they existed on the date on which he ceased to be a member shall not continue for a period of more than two years reckoned from that date.

(2) The estate of a deceased member shall not be liable for the debts of the society as they existed on the date of his decease for a period of more than two years reckoned from the date of his decease.

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Repeal.

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PART V.

PROPERTY AND FUNDS OF REGISTERED SOCIETIES.

Loans made by a registered society.

30. (1) A registered society shall not, except as provided in section 33 of this Ordinance, make any loan to any person other than a member:

to its employees or
Sub-A.A. 334/76

Provided that, with the consent of the Registrar, a registered society may make loans to another registered society.

Coll. A.A. 334/76
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(2) Except with the permission of the Registrar, a registered society shall not lend money on the security of any movable property other than produce or goods in which the society is authorised to deal.

(3) The ~~High Commissioner~~ ^{Minister} may, by general or special order, prohibit or restrict the lending of money on a mortgage or charge of any description of immovable property by any registered society or class of registered societies.

Restrictions on borrowing.

31. A registered society shall receive deposits and loans from persons who are not members only to such extent and under such conditions as may be prescribed by the rules or by-laws.

Restrictions on other transactions with non-members.

32. Save as provided in sections 30 and 31 of this Ordinance the transactions of a registered society with persons other than members shall be subject to such prohibitions and restrictions as may be prescribed by the rules.

Investment of funds.

33. A registered society may invest or deposit its funds—

- (a) in the Post Office Savings Bank; or
- (b) in any of the securities specified in section 4 of the Trustee Enactment of the Federated Malay States; or
- (c) in the shares or on the security of any other registered society approved for this purpose by the Registrar; or

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(d) with any bank or person carrying on the business of banking approved by the Registrar; or

^{35A(e)} in any other mode approved by the Registrar

Comb. A.A. 334/76)

(Add. A.A. 334/76)

Disposal of profits.

34. (1) Subject to the provisions of the rules in respect of Labourers' Co-operative Credit Societies, at least one-fourth of the net profits of every registered society, as ascertained by the audit prescribed by section 35 of this Ordinance, shall be carried to a fund to be called the reserve fund, which shall be employed as prescribed by the rules. The remainder of such profits and any profits of past years available for distribution may be divided among the members by way of dividend or bonus, or by way of honoraria to office bearers of the society, or allocated to any funds constituted by the society to such extent or under such conditions as may be prescribed by the rules or by-laws:

Repealed and subs by A 17/66 (1-4-66)

Provided that in the case of a society with unlimited liability, no distribution of profits shall be made without the general or special order of the ~~Chief~~ Secretary.

Minister for Natural Resources

1-11-42-
Minister for Home Affairs
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(2) Any registered society may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding ten per centum of the remaining net profits to any charitable purpose or to a common-good fund.

PART VI.

ACCOUNTS, AUDIT, INSPECTION AND INQUIRY.

Comb. A.A. 334/76)

35. (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 registered society once at least in every year.

Audit.

(2) The audit under sub-section (1) of this section shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the registered society.

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

Comb. A.A. 334/76)

(including any post officer)

(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; or

E. O. LAIRD,
of Federal Executive Council

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(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.

(Sub-A-1-234/76)

Power of Registrar to inspect societies' books, etc.

36. The Registrar, or any person authorised by general or special order in writing by the Registrar, shall at all times have access to all the books, accounts, papers and securities of a registered society, and shall be entitled to inspect the cash in hand; and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

(including any past officers)

Inquiry and inspection.

37. (1) The Registrar may of his own motion, and shall on the application of a majority of the Committee, or of not less than one-third of the members of a registered society, hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an inquiry into the constitution, working and financial condition of a registered society; and all officers and members of the society shall produce such books, accounts, papers and securities of the society and furnish such information in regard to the affairs of the society as the Registrar or the person authorised by him may require.

(including any past officers)

(2) The Registrar shall, on the application of a creditor of a registered society, inspect or direct some person authorised by him in writing in this behalf to inspect the books of the society, if the applicant—

(a) proves that an ascertained sum of money is then due to him and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and

(b) deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(3) The Registrar shall communicate the results of any such inspection to the creditor and to the society into whose affairs inquiry has been made.

(4) Where an inquiry is held under sub-section (1) or an inspection is made under sub-section (2) of this section, the Registrar may by a certificate under his hand make an award apportioning the costs, or such part of the costs, as he may think right, between the registered society, the members demanding an inquiry,

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the officers or ~~former~~ officers of the society, and the creditor, if any, on whose application the inquiry was made. *pass (A.A. 334/76)*

A17/66 (5) Any sum awarded by way of costs against any society or person under this section may be recovered, on production of the certificate referred to in sub-section (4) of this section to a ~~District~~ District Court having jurisdiction in the place where the registered office of the society is situated or the person resides or carries on business for the time being, in like manner as a fine imposed by the Court. *Sessions*

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PART VII.
DISSOLUTION.

38. (1) If the Registrar, after an inquiry has been held or after an inspection has been made under section 37 of this Ordinance or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may make an order for the cancellation of the registration of the society. *Dissolution.*

(2) Any member of a registered society may, within two months from the date of an order under sub-section (1) of this section, appeal from such order to the Chief Secretary. *Members for the*

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period. Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the Chief Secretary. *Am. 17/66*

(4) Where the Registrar makes an order for the cancellation of the registration of a society under sub-section (1) of this section he may make such further order as he may think fit for the custody of the books and documents and the protection of the assets of the society until the order cancelling the registration of the society takes effect. *how disposal (A.A. 334/76)*

(5) No registered society shall be wound up save by an order of the Registrar.

39. The Registrar may, by order in writing, cancel the registration of any registered society, other than a society which includes among its members one or more registered societies, if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten. Every such order shall take effect from the date thereof. *Cancellation of registration of a society due to lack of membership. (one hundred) (A.A. 334/76)*

ing an inquiry,

Effect of
cancellation
of registra-
tion.

40. Where the registration of a society is cancelled by an order under section 38 or under section 39 of this Ordinance the society shall cease to exist as a corporate body from the date on which the order takes effect, hereinafter referred to as the date of dissolution :

Provided that any privileges conferred on the society by or under sections 14, 15, 16 and 17 of this Ordinance shall be deemed to be vested in any liquidator appointed for that society by the Registrar.

Liquidation
after cancell-
ation of
registration
of society.

41. Where the registration of a society is cancelled under section 38 or section 39 of this Ordinance the Registrar may appoint a competent person to be liquidator of the society.

Liquidator's
powers.

42. (1) A liquidator appointed under section 41 of this Ordinance shall, subject to the guidance and control of the Registrar and to any limitations imposed by the Registrar by order under section 43 of this Ordinance, have power to—

(a) determine from time to time the contributions to be made by members and past members or by the estates of deceased members of the society to its assets;

(b) appoint a day by notice before which creditors whose claims are not already recorded in the books of the society shall state their claims for admission or be excluded from any distribution made before they have proved them;

(c) decide any question of priority which arises between claimants and draw up a scheme for the payment of their dues;

(d/A.A. 339/96)

(d) ~~refer disputes to arbitration and~~ institute and defend suits and other legal proceedings by and on behalf of the society by his name of office and to appear in Court as a litigant in person on behalf of the society;

(e) empower any person to make collections and to grant valid receipts on his behalf;

(f) decide by what persons and in what proportions the costs of liquidation are to be borne;

(g) give such directions in regard to the collection and distribution of the assets of the society and the disposal of the books and documents of the society as may be necessary in the course of winding up the society;

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- (h) compromise any claim by or against the society provided the sanction of the Registrar has first been obtained;
- (i) call such general meetings of members as may be necessary for the proper conduct of the liquidation;
- (j) take possession of the books, documents and assets of the society;
- (k) sell the property of the society;
- (l) carry on the business of the society so far as may be necessary for winding it up beneficially:
Provided that nothing herein contained shall entitle the liquidator of a credit society to issue any loan; and
- (m) arrange for the distribution of the assets of the society in a convenient manner when a scheme of distribution has been approved by the Registrar.

(2) (2) A liquidator shall deposit the funds and other assets of a dissolved society which are collected by him or which come into his possession as liquidator in such manner and in such place as may from time to time be determined by the Registrar.

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(4) (3) A liquidator shall, every three months, submit to the Registrar a report stating the progress made in winding up the affairs of the society, and shall, on completion of the liquidation proceedings, submit a final report and make over to the Registrar all books, registers and accounts belonging to the society and all books and accounts relating to such proceedings kept by him.

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(5) (4) Any liquidator appointed under this Ordinance shall in so far as such powers are necessary for carrying out the purposes of this section, have power to summon and enforce the attendance of parties and witnesses and to compel the production of documents by the same means and (so far as may be) in the same manner as is provided in the case of a District Court.

1 Sessions

^{The Registrar-General may}
43. A liquidator shall exercise his powers subject to the control and revision of the Registrar, who may—

(Sub. A. 1. 1. 24/96)
Power of Registrar to control liquidation.

- (a) rescind or vary any order made by a liquidator and make whatever new order is required;
- (b) remove a liquidator from office;
- (c) call for all books, documents and assets of the society;

(d) by order in writing limit the powers of a liquidator under section 42 of this Ordinance;

(e) require accounts to be rendered to him by the liquidator;

(f) procure the auditing of the liquidator's accounts and authorise the distribution of the assets of the society;

(g) make an order for the remuneration of the liquidator, which remuneration shall be included in the costs of liquidation and shall be payable out of the assets in priority to all other claims;

(h) refer any subject of dispute between a liquidator and any third party to arbitration if that party shall have consented in writing to be bound by the decision of the arbitrator.

(C.D. 334/76)

(A.A. 334/76)

Enforcement of order.

44. (1) The decision of an arbitrator on any matter referred to him under section 43 of this Ordinance shall be binding upon the parties, and shall be enforceable in like manner as an order made by the Registrar under that section.

(A.A. 334/76)

(2) An order made by the liquidator or by the Registrar under section 42 or section 43 of this Ordinance shall be enforced by any District Court having jurisdiction over the place where the registered office of the society is situated in like manner as a decree of that Court.

Am A. 17/66

Limitation of the jurisdiction of the civil court.

45. Save in so far as is hereinbefore expressly provided, no civil court shall have any jurisdiction in respect of any matter concerned with the dissolution of a registered society under this Ordinance, and no appeal shall lie to any civil court from any order of the liquidator.

Closure of liquidation.

46. (1) In the liquidation of a society whose registration has been cancelled, the funds, including the reserve fund, shall be applied first to the costs of liquidation, then to the discharge of the liabilities of the society, then to the payment of the share capital and then, provided the by-laws of the society permit, to the payment of a dividend at a rate not exceeding six per centum per annum for any period for which no disposal of profits was made.

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(2) When the liquidation of a society has been closed and any creditor of that society has not claimed or received what is due to him under the scheme of distribution notice of the closing of the liquidation

(3) Any balance of the reserve fund which may remain after making the payments specified in sub-section (1) of this section, including moneys remaining in respect of claims prescribed under sub-section (2) of this section, shall be applied to such local object or objects of public utility as may be selected by a majority of the votes of the members of the society (as they existed at the date of the dissolution) assembled in a special meeting and approved of by the Registrar. If within three months of the dissolution of the society the members fail to make a selection which is approved of by the Registrar, the latter shall credit the above-mentioned balance of the reserve fund to the reserve fund of the co-operative society, if any, to which the society was affiliated, or, if the society was not affiliated to any other society, shall after obtaining the approval of the Member for Home-Affairs deal with the balance in all or any of the following ways:

- (i) he shall place the said balance or part thereof on deposit in some co-operative or other bank; or
- (ii) he shall invest the said balance or part thereof in the purchase of any investments authorised under section 4 of the Trustee

Ordinance 1948, is hereby amended by substituting the following new sub-sections for sub-sections (3), (4) and (5) thereof:

“(3) Any balance of the reserve fund which may remain after making the payments specified in sub-section (1) of this section, including moneys remaining in respect of claims prescribed under sub-section (2) of this section, shall be applied to such local object or objects of public utility as may be selected by a majority of the votes of the members of the society (as they existed at the date of the dissolution) assembled in a special meeting approved of by the Registrar. If within three months of the dissolution of the society the members fail to make a selection which is approved of by the Registrar, the latter shall credit the above-mentioned balance of the reserve fund to the reserve fund of the co-operative society, if any, to which the society was affiliated, or, if the society was not affiliated to any other society, shall after obtaining the approval of the Member for Home-Affairs deal with the balance in all or any of the following ways:

person (A.A. 324/76)

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No. 66 of 1948

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(2) When the liquidation of a society has been closed and any ^{person} ~~creditor of that society~~ has not claimed or received what is due to him under the scheme of distribution, notice of the closing of the liquidation shall be published in the *Gazette*, and all claims against the funds of the society liquidated shall be proscribed when two years have elapsed from the date of the publication of the *Gazette* notice. (A. 17/66)

(3) Any balance of the reserve fund which may remain after making the payments specified in sub-section (1) of this section, including moneys remaining in respect of claims proscribed under sub-section (2) of this section, shall be applied to such local object or objects of public utility as may be selected by a majority of the votes of the members of the society (as they existed at the date of the dissolution) assembled in a special meeting and approved of by the Registrar. If within three months of the dissolution of the society the members fail to make a selection which is approved of by the Registrar, the latter shall credit the above-mentioned balance of the reserve fund to the reserve fund of the co-operative society, if any, to which the society was affiliated, or, if the society was not affiliated to any other society, shall place the said balance on deposit in some co-operative or other bank until a new co-operative society with a similar area of operations is registered, in which event it shall be credited to the reserve fund of such society. (A. 17/66)

PART VIII.

SURCHARGE AND ATTACHMENT.

47. (1) Where, in the course of the winding up of a registered society, it appears that any person who has taken part in the organisation or management of such society or any past or present officer ^{of his own motion or} of the society has misapplied or retained or become liable or accountable for any money or property of such society or has been guilty of misfeasance or breach of trust in relation to such society, the Registrar may, on the application of the liquidator or of any creditor or contributory, examine into the conduct of such person and make an order requiring him to repay or restore the money or property or any part thereof with interest at such rate as the Registrar thinks just or to contribute such sum to the assets of such society by way of compensation in regard to the misapplication, retainer, dishonesty or breach of trust as the Registrar thinks

Power of Registrar to surcharge officers, etc., of a registered society.

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just. Such order shall be enforced in the same manner as if the order had been a judgement of the Court.

(2) This section shall apply to the act is one for which the officer is responsible.

Appeal to the Chief Secretary.

48. Any person aggrieved by an order of the Registrar made under section 47 may appeal to the Chief Secretary within 15 days from the date of such order. The Chief Secretary shall be final.

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PART IX. DISPUTES.

49. (1) If any dispute touching a registered society arises—

- (a) among members, past members or deceased members; or
- (b) between a member, past member or deceased member, and a member of the Executive Committee, or any officer of the society; or
- (c) between the society or its Committee, or any officer of the society; or
- (d) between the society and any other person.

such dispute shall be referred to the Registrar for his decision.

A claim by a registered society for any debt or demand due to it from a member, past member or the nominee, heir or legal representative of a deceased member, shall be deemed to be a dispute touching the business of the society within the meaning of this sub-section.

(2) The Registrar may, on receipt of a reference under sub-section (1) of this section—

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- (a) decide the dispute himself; or
- (b) refer it for disposal to an arbitrator or arbitrators; or

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(3) Any party aggrieved by the award of the arbitrator or arbitrators may appeal therefrom to the Registrar within such period and in such manner as may be prescribed.

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(4) A decision of the Registrar under sub-section (2) or in appeal under sub-section (3) of this section shall be final and shall not be called in question in any civil court.

(5) The award of the arbitrator or arbitrators under sub-section (2) of this section shall, if no appeal is preferred to the Registrar under sub-section (3), or if any such appeal is abandoned or withdrawn, be final and shall not be called in question in any civil court and shall be enforced in the same manner as if the award had been a judgment of a District Court.

50. (1) Notwithstanding anything contained in the last foregoing section, the Registrar at any time when proceeding to a decision under this Ordinance, or the ~~Chief Secretary~~ at any time when an appeal has been preferred to him against any decision of the Registrar under this Ordinance, may refer any question of law arising out of such decision for the opinion of the High Court.

Case stated on question of law.

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(2) Any Judge, or Judges, of the High Court, as the Chief Justice may direct, may consider and determine any question of law so referred, and the opinion given on such question shall be final and conclusive.

PART X.

RULES.

51. (1) The ~~High Commissioner in Council~~ ^{Minister} may make all such rules as may be necessary for the purpose of carrying out or giving effect to the principles and provisions of this Ordinance.

Rules.

(2) In particular and without prejudice to the generality of the power conferred by sub-section (1) of this section, such rules may—

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(Sub. A. A. 334/76)

(a) ~~(a)~~ prescribe the forms to be used and the conditions to be complied with in applying for the registration of a society and the procedure in the matter of such applications;

(b) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members from time to time, and the payment to be made and interest to be acquired before exercising rights of membership;

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- (c) subject to the provisions of section 27 of this Ordinance, prescribe the maximum number of shares or portion of the capital of a registered society which may be held by a member;
- (d) prescribe the extent to which a registered society may limit the number of its members;
- (e) provide for the withdrawal and expulsion of members and for the payments, if any, to be made to members who withdraw or are expelled, and for the liabilities of past members;
- (f) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;
- (g) provide for the appointment, suspension and removal of the members of the Committee and other officers, and for the procedure at meetings of the Committee and for the powers to be exercised and the duties to be performed by the Committee and other officers;
- (h) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and rescinding by-laws, and the conditions to be satisfied prior to such making, alteration or rescission;
- (i) regulate the manner in which funds may be raised by means of shares or debentures or otherwise;
- (j) prescribe the conditions to be observed by a registered society applying for financial assistance from Government;
- (k) prescribe the payments to be made, the conditions to be complied with, and the forms of the bonds, instruments or other documents to be executed, by members applying for loans or cash credits, the period for which loans may be made or credits granted, and the maximum amount which may be lent and the maximum credit which may be allowed to individual members with or without the consent of the Registrar;

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- (l) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred;
- (m) provide for the mode in which the value of the interest of a member who has become of unsound mind and incapable of managing himself or his affairs shall be ascertained and for the nomination of any person to whom such interest may be paid or transferred;
- (n) provide for the formation and the maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of any registered society;
- (o) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability and the maximum rate of dividend which may be paid by societies;
- (p) prescribe the accounts and books to be kept by a registered society, and for the periodical publication of a balance sheet showing the assets and liabilities of a registered society;
- (q) provide for the audit of the accounts of registered societies and for the charges, if any, to be made for such audit;
- (r) prescribe the returns to be submitted by registered societies to the Registrar and the persons by whom and the form in which the same are to be made;
- (s) provide for the persons by whom, and the form in which copies of entries in books of registered societies may be certified;
- (t) provide for the formation and maintenance of a register of members, and where the liability of members is limited by shares, of a register of shares;
- (u) provide for the inspection of documents and registers at the Registrar's office and the fees to be paid therefor and for the issue of copies of such documents or registers;
- (v) prescribe the manner in which any question as to the breach of any by-law or contract relating to the disposal of produce to or

58. (1) Any—

Penalty for non-compliance with Ordinance.

(a) registered society or officer or member thereof wilfully neglecting or refusing to do any act or to furnish any information required for the purposes of this Ordinance by the Registrar or other person duly authorised by him in that behalf; or

(b) person wilfully or without any reasonable excuse disobeying any summons, requisition or lawful written order issued under the provisions of this Ordinance, or failing to furnish any information lawfully required from him by a person authorised to do so under the provisions of this Ordinance,

shall be guilty of an offence against this Ordinance.

(2) ~~Any society~~ or person guilty of an offence under this section shall be liable to a fine not exceeding fifty dollars.

Subs. Act 17/66 (1-4-66)

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Repeal.

O: 2/57.

59. The Ordinance and Enactments set out in the Schedule to this Ordinance are hereby repealed.

SCHEDULE. (Section 59.)

REPEAL.

No.	Title.
F.M.S. Cap. 97	The Co-operative Societies Enactment.
S.S. Cap. 155	The Co-operative Societies Ordinance.
Kedah Enactment No. 22 ...	The Co-operative Societies Enactment, 1345.
Perlis Enactment No. 2 of 1345	The Co-operative Societies Enactment, 1345.
Johore Enactment No. 18 of 1927	The Co-operative Societies Enactment, 1927.
Kelantan Enactment No. 13 of 1934	The Co-operative Societies Enactment, 1934.
Trengganu Enactment No. 3 of 1360	The Co-operative Societies Enactment.

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58. (1) Any person who—

- (a) neglects or refuses to do any act or refuses or fails to furnish any information required for the purposes of this Ordinance or any rules made thereunder;
- (b) gives false information or makes any false statement on any matter required under the provisions of this Ordinance or any rules made thereunder to be given or made;
- (c) fails to obey any summons, requisition or lawful written order issued under the provisions of this Ordinance or any rules made thereunder; *and or*
- (d) violates or fails to comply with the requirements of this Ordinance and any rules made thereunder,

shall ~~commit an offence against this Ordinance.~~

(2) Any person committing any offence against, or contravening the provisions of, this Ordinance or any rules made thereunder shall be liable to a fine not exceeding one thousand dollars and, in the case of a continuing offence, to a fine of fifty dollars for each day during which the offence ~~continues.~~ *and*

Cml. A-A-334/76

*U(A-A-334/96)
Act 17/66*

Kedah Enactment No. 22 ... The Co-operative Societies Enactment, 1945.

Save as in sub-section (3) of this section provided, any society

(Ord. No. 54/55)

Kedah Enactment No. 16 The Co-operative Societies Enactment, 1934.

Terengganu Enactment No. 2 The Co-operative Societies Enactment.

S. 58(3) Any society, one of whose objects is the carrying on of insurance business, or any officer or agent thereof guilty of an offence under this section shall be liable to a fine of one thousand dollars or, in the case of a continuing default, to a fine of five hundred dollars for every day during which the default continues.

*(including any person who was an officer.)
(Am. Act 17/66)*

(Ord. No. 54/55)

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