



SUPPLEMENT No. 2

TO

THE CYPRUS GAZETTE No. 2802 OF 20TH DECEMBER, 1939.
LEGISLATION.

THE STATUTE LAWS OF CYPRUS

No. 25 OF 1939.

A LAW TO AMEND AND CONSOLIDATE THE LAW RELATING
TO CO-OPERATIVE CREDIT SOCIETIES AND
CO-OPERATIVE SOCIETIES.

W. D. BATTERSHILL,]
Governor.

[19th December, 1939.]

BE it enacted by His Excellency the Governor and
Commander-in-Chief of the Colony of Cyprus as
follows:—

1. This Law may be cited as the Co-operative Societies Short title.
Law, 1939.

2. In this Law, unless the context otherwise requires,— Inter-pretation.
“bonus” means a share of the profits of a registered
society divided among its members in proportion to the
volume of business done with such society by them from
which the profits of such society were derived;

“bye-laws” means the registered bye-laws of a
registered society for the time being in force and includes
a registered amendment of the bye-laws;

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

“dividend” means profits divided on a basis of share
capital in a registered society;

“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 member-
ship after registration in accordance with the rules and
bye-laws;

“officer” includes a chairman, secretary, treasurer, member of committee, member of council or other person empowered under the rules or bye-laws to give directions in regard to the business of a registered society ;

“registered society” means a co-operative society registered or deemed to be registered under this Law ;

“Registrar” means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Law ;

“rules” means rules made or deemed to have been made under this Law.

REGISTRATION.

Appointment
of Registrar
and Assistant
Registrars.

3. The Governor may appoint a person to be Registrar of Co-operative Societies for the Colony and may appoint persons to assist such Registrar, and may, by general or special order published in the *Gazette*, confer on such persons all or any of the powers of a Registrar under this Law.

Societies
which may
be registered.

4.—(1) 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 the object of facilitating the operations of such societies, may be registered under this Law with or without limited liability :

Provided that unless the Governor by general or special order otherwise directs—

(a) the liability of a society of which a member is a registered society shall be limited ;

(b) the liability of a society of which the primary object is the creation of funds to be lent to its members and of which the majority of its members are agriculturists and of which no member is a registered society shall be unlimited but the members of such a society shall, only on the liquidation of the society, be jointly and severally liable for and in respect of all its obligations.

(2) In any suit or other legal proceedings against a registered society in respect of any obligation of the society no member thereof shall be made a party thereto either by name or in his capacity as a member.

Restriction
of interest
of members
of a society
with limited
liability and
a share
capital.

5. Where the liability of the members of a society is limited by shares no member other than a registered society shall hold more than such portion of the share capital of the society, subject to a maximum of one-fifth, as may be prescribed in the rules.

6.—(1) The members of a registered society may be—

Qualifica-
tions for
membership
and con-
ditions of
registration.

(a) individual persons who have completed their eighteenth year; and

(b) other registered societies.

(2) No society, other than a society of which a member is a registered society, shall be registered under this Law which does not consist of at least twelve persons each of whom has completed his eighteenth year and resides or owns immovable property within the proposed area of operations of the society seeking registration.

(3) When for the purposes of this section any question arises as to the age, residence or property qualification of any person such question shall be decided by the Registrar whose decision shall be final.

(4) No society established for the purpose of facilitating the operations of registered societies shall be registered unless at least two registered societies are members thereof.

(5) The word "Co-operative" shall form part of the name of every society and the word "Limited" shall be the last word in the name of every society with limited liability registered under this Law.

7.—(1) For the purposes of registration an application shall be made to the Registrar.

Application
for registra-
tion.

(2) The application shall be signed—

(a) in the case of a society of which no member is a registered society by at least twelve persons qualified in accordance with the requirements of section 6 (2); and

(b) in the case of a society of which a member is a registered society, by a duly authorized person on behalf of every such registered society, and where not all the members of the society are registered societies, by twelve other members, or, when there are less than twelve other members, by all of them.

(3) The application shall be accompanied by two copies of the proposed bye-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.

8. If the Registrar is satisfied that a society has complied with the provisions of this Law and the rules, and that its proposed bye-laws are not contrary to this Law or to the rules he may, if he thinks fit, register the society and its bye-laws and issue a certificate of registration in the

Registration.

prescribed form. An appeal shall lie to the Governor against the refusal of the Registrar to register any society within one month from the date of such refusal.

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.

Amendment of bye-laws of a registered society.

10.—(1) Any registered society may, subject to this Law and to the rules, amend its bye-laws.

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

(3) If the Registrar is satisfied that any amendment of the bye-laws is not contrary to this Law or to the rules he may, if he thinks fit, register the amendment. An appeal shall lie to the Governor against the refusal of the Registrar to register any amendment within one month from the date of any such refusal.

(4) When the Registrar registers an amendment of the bye-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.

(5) In this section "amendment" includes the making of a new bye-law and the alteration, substitution or revocation of a bye-law.

RIGHTS AND LIABILITIES OF MEMBERS.

Members not to exercise rights till due payment made.

11. 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 bye-laws.

Restriction of membership in society.

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

Voting.

13.—(1) No member of any registered society shall have more than one vote in the conduct of the affairs of the society :

Provided that in the case of an equality of votes the chairman shall have a casting vote.

(2) A registered society which operates in a town or in more than one village may, in its bye-laws, provide for local meetings or for voting by proxy :

Provided that no member shall act as proxy for more than two other members.

(3) 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.

14.—(1) The transfer 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 this Law or by the rules.

Restrictions on transfer of share or interest.

(2) In the case of a society registered with unlimited liability, a member shall not transfer 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 is made to the society, or to a person whose application for membership has been accepted by the Committee.

DUTIES OF REGISTERED SOCIETIES.

15. 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.

Address of society.

16. Every registered society shall keep a copy of this Law and of the rules and of its bye-laws and a list of its members open to inspection, free of charge, at all reasonable times at the registered address of the society.

Copy of Law, rules and bye-laws to be open to inspection.

17.—(1) The Registrar shall audit or cause to be audited by some person authorized by him by general or special order in writing in this behalf the accounts of every registered society once at least in every year.

Audit.

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

(3) The Registrar, or any person authorized by general or special order in writing in this behalf 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 an inspection or audit may require.