

This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

I. P. K. VIDLER.
Clerk of the Legislative Assembly.

*Legislative Assembly Chamber,
Sydney, 27 February, 1969.*

New South Wales



ANNO OCTAVO DECIMO

ELIZABETHÆ II REGINÆ

Act No. , 1969.

An Act to make provision with respect to the registration, incorporation and administration of credit unions and related bodies and to define their powers, authorities, duties and functions; to amend the Co-operation Acts, the Money-lenders and Infants Loans Act, 1941, the Public Accountants Registration Act, 1945, the Companies Act, 1961, and certain other Acts; and for purposes connected therewith.

BE

Credit Union.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

1. (1) This Act may be cited as the "Credit Union Act, 1969". Short title,
citation and
commence-
ment.

10 (2) This Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

2. This Act is divided as follows :—

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Act.

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SCHEDULE.

3. (1) In this Act, except to the extent that the context or subject matter otherwise indicates or requires—

Interpreta-
tion.

15 “Advisory Committee” means the Credit Union Advisory Committee constituted under this Act;

Act No. 1,
1924, s. 5.

20 “association” means association of credit unions registered under this Act and includes a union, so registered, of such associations and an amalgamated association so registered;

“board” means the board of directors of a credit union, or, as the case may require, of an association, and includes a committee of management of a credit union, or, as the case may require, of an association;

25 “Co-operation Acts” means the Co-operation, Community Settlement, and Credit Act, 1923;

“credit union” means credit union registered under this Act and includes an amalgamated credit union;

30 “mortgage” includes lien, charge, and any other security over property;

“officer”

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- 5 “officer” includes director, secretary, treasurer, official manager, deputy official manager and any other person empowered under the rules of a credit union, or, as the case may require, of an association, or by this or any other Act or the regulations, to give directions in regard to the business of a credit union, or, as the case may require, of an association;
- “prescribed” means prescribed by this Act or by regulation;
- 10 “registrar” means the Registrar of Credit Unions under this Act;
- “regulation” means regulation made under this Act;
- “rule” means registered rule of a credit union, or, as the case may require, of an association, for the time being in force;
- 15 “share” means share in the share capital of a credit union, or, as the case may require, of an association;
- 20 “special rule” means rule the terms of which the registrar has separately and specifically approved before its registration and includes an altered rule, so approved.
- (2) In this Act, sections one hundred and five, one hundred and six and one hundred and seven excepted, a
25 reference to an Act includes all amendments of that Act, whether by subsequent Acts or otherwise, and any Act passed in substitution for the Act referred to or incorporating any of its provisions.

PART II.

30 OBJECTS AND POWERS.

4. (1) The objects of a credit union shall be—
- (a) the raising of a fund by subscriptions of its members and in any way authorised by this Act;
- (b)
- Objects.
Act No. 1,
1924, s. 29.
Act No. 18,
1967, s. 4.

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(b) making loans from that fund to its members as provided by or under this Act and the rules of the credit union; and

(c) to encourage habits of thrift among its members.

5 (2) The Minister may, by order published in the Gazette upon the recommendation of the Advisory Committee and with the concurrence of the Treasurer, fix a rate of interest for the purposes of this subsection and a credit union shall not, in respect of any loans made by it after the making of the
10 order and while the order is in force, charge a rate of interest in excess of the rate so fixed by the Minister under an order for the time being in force.

5. If so authorised by its rules, a credit union may, Powers.
subject to this Act and as incidental to its objects— Act No. 1,
1924, s. 30.

- 15 (a) raise money on loan for any of its objects;
(b) receive money on deposit from a member of the credit union;
(c) make and enter into arrangements, approved by the Advisory Committee, for the provision of loan
20 protection insurance and life savings insurance;
(d) acquire and hold shares not exceeding in the aggregate a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in—
25 (i) any association of building societies registered under the Co-operation Acts;
(ii) any association or federation referred to in section eighteen of this Act.

6. (1) A credit union shall not make a loan to any Loans.
30 person except a natural person who is a member of the credit Act No. 1,
union and is one of a class of persons specified by a special 1924, ss.
rule of the credit union as the class of persons to whom loans 31, 31A.
may be made.

(2)

Credit Union.

(2) Classification for the purposes of a special rule referred to in subsection one of this section shall be effected in a manner approved by the registrar and may include classification by reason of residence in a specified district so approved.

5 (3) Application for a loan from a credit union shall be made in the manner prescribed.

(4) Subject to this section, a board may approve an application for a loan, or approve the application in part, on such terms as it may deem proper, including the giving of
10 security by way of a guarantee, or promissory note or promissory notes, or by way of a mortgage, or otherwise, as it thinks necessary.

(5) Where a board approves a loan to a member of a credit union, the board shall, before any part of the loan is
15 made available to the member—

- (a) obtain from the member an acknowledgment in writing of the amount of the loan and the terms and conditions upon which it was approved;
- 20 (b) where the loan was approved subject to specified security for the repayment thereof being given, obtain that security; and
- 25 (c) otherwise do all such things as may be necessary to be done to ensure that, if default is made in repayment of the loan, the credit union may forthwith institute, and may thereafter prosecute, proceedings for recovery of the debt and may proceed to realise upon or enforce any security given.

(6) Subject to subsection seven of this section, the
30 rules of a credit union shall fix the maximum amount (in this section called the "specified amount") by which the indebtedness of a member of the credit union may exceed the sum of the amount of the member's paid-up share capital in, and of his deposits with, the credit union.

35 The rules may fix different specified amounts where different conditions, specified by the rules in each case, apply in respect thereof.

(7)

Credit Union.

(7) In this subsection "prescribed security" means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

5 Subject to subsection eight of this section, the specified amount—

(a) shall not, unless the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security, exceed
10 one thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed;

(b) may, where the rules applicable in respect thereof require repayment of the indebtedness of a member
15 to be secured by prescribed security, be an amount not exceeding two thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed; and

(c) may, where the terms and conditions applicable in respect thereof are specified in special rules, be an
20 amount not exceeding four thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed.
25

(8) Where a rule registered before the first day of August, one thousand nine hundred and sixty-eight, would, but for this subsection, contravene paragraph (a) of subsection seven of this section, that paragraph, and any regulation
30 prescribing for the purposes of that paragraph a specified amount less than that provided for by the rule, shall be read and construed, in relation to that rule, as if the amount prescribed by that paragraph, or by the regulation, were the specified amount provided for by the rule.

(9) A credit union shall not make a loan to a member if the indebtedness of the member to the credit union would thereby exceed the sum of—

(a) the specified amount applicable in the circumstances;
(b)

Credit Union.

- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union.

5 (10) Where the indebtedness of a member to a credit union at any time exceeds the applicable specified amount, the credit union shall not make a refund of share capital to the member, or permit the withdrawal of any deposit of the member with the credit union, if the sum of—

- 10 (a) that specified amount;
- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union,

15 would thereby be reduced below the amount of the indebtedness at that time.

This subsection shall not operate to prevent a credit union, with the consent of a member, from applying paid-up share capital or deposits in reduction or repayment of the indebted-
20 ness of the member to the credit union.

(11) Where a credit union makes a loan or a refund of share capital, or permits withdrawal of a deposit, in contravention of this section, the credit union and every officer who is in default shall be guilty of an offence against this Act and
25 shall be liable to a penalty not exceeding two hundred dollars, and every officer who is in default shall, in addition, be jointly and severally liable to the credit union for any loss on the loan occasioned to the credit union.

7. (1) In this section—
30 “liquid funds” means—

Liquidity.
Act No. 18,
1967, s. 63.

- (a) cash at the bank or in hand;
- (b) investments in securities authorised by law for the investment of trust funds (not being securities by way of mortgage over real or leasehold property) that are redeemable within ten years of their acquisition;
- 35 (c)

Credit Union.

- (c) funds on deposit with any prescribed bank;
- (d) funds on deposit with an association of credit unions of which the depositor is a member;
- 5 (e) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967; and
- 10 (f) investments in prescribed securities or securities approved by the registrar under subsection two of section nineteen of this Act,

15 but does not include any such funds or investments to the extent that they are subject to a lien or charge or, in the case of deposits, to the extent that they may only be withdrawn on more than one month's notice or, where the regulations so provide, to the extent that the amount of any of those funds or investments specified by the regulations exceeds

20 an amount prescribed by, or calculated as prescribed by, the regulations;

"prescribed proportion" means—

- 25 (a) in the case of a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts—
 - (i) two per centum during the year commencing one year after its registration under this Act;
 - 30 (ii) four per centum during the year commencing two years after its registration under this Act; and
 - (iii) seven per centum thereafter; or
- (b)

Credit Union.

(b) in the case of any other credit union—

- (i) one per centum during the year commencing on the day of its registration under this Act;
- 5 (ii) two per centum during the year commencing one year after its registration under this Act;
- 10 (iii) three per centum during the year commencing two years after its registration under this Act;
- (iv) four per centum during the year commencing three years after its registration under this Act;
- 15 (v) five per centum during the year commencing four years after its registration under this Act; and
- (vi) seven per centum thereafter.

(2) For the purpose of calculating the amount of liquid funds held by a credit union, investments referred to in paragraphs (b) and (f) of the definition of “liquid funds” in subsection one of this section shall be assessed at cost or market value, whichever is the lesser.

(3) This subsection shall not, during the period of one year next succeeding the commencement of this Act, apply to or in respect of a credit union that, immediately before that commencement, was registered under the Co-operation Acts.

A credit union shall not, in any month, make a loan of an amount that, if deducted from the amount of its liquid funds as at the last day of the next preceding month, would produce an amount that bears to the sum of—

- (a) the amount of the paid-up share capital of the credit union; and
- (b) the amount held by the credit union on deposit, as at that day, a proportion less than the prescribed proportion for that credit union.

(4)

Credit Union.

(4) Regulations may be made prescribing an amount, or a method of calculating an amount, as the maximum amount of any funds or investments specified in the regulations that may be taken into consideration in calculating the
5 amount of the liquid funds of a credit union.

The regulations may prescribe different amounts or methods in respect of different funds or investments.

8. (1) The whole of the principal and interest, and any Default.
other amount that may lawfully be added thereto, in respect Act No. 1,
10 of a loan by a credit union to a member shall forthwith become 1924, ss. 24,
due and payable— 31A (12).

- (a) if default is made in payment of the loan or of the interest thereon or any part thereof;
- 15 (b) if the member attempts to sell or dispose of, or in any way part with the possession of, any personal property upon which the credit union has a lien or charge, whether the loan is otherwise due or not, without the previous consent in writing of the credit union to the sale, disposal or parting with
20 possession or if the member suffers or permits any such property to be seized or taken in execution;
- (c) if the member absconds or attempts to abscond from the State;
- 25 (d) if the member fails to insure or to keep insured any property to the extent agreed upon with the credit union;
- (e) if the member makes an assignment for the benefit of or compounds with his creditors or becomes
30 bankrupt;
- (f) if default is made in the performance of any undertaking given by the member in the application for the loan or set out in the terms upon which the loan is granted;

(g)

Credit Union.

- (g) if the member has obtained the loan by fraud, or has made an untrue statement in his application for the loan; or
- 5 (h) if the member becomes a mentally ill person, a protected person or an incapable person within the meaning of the Mental Health Act, 1958.

(2) Upon the occurrence of any of the events referred to in subsection one of this section, the credit union by any person authorised by it, with such assistance as may be
10 required, may at any time during the day enter into or upon any land or premises upon which any property subject to a lien or charge in favour of the credit union may be, and may seize, remove and sell any such property, or any part thereof, by public auction or private contract.

15 (3) A purchaser on a sale pursuant to this section shall not be concerned to inquire whether the sale is authorised by this section, or to see to the application of the purchase money.

(4) The proceeds of a sale pursuant to this section
20 shall be applied in the first place in paying and reimbursing the credit union all such moneys as may be due, owing, and accruing under the terms of the loan, and all costs and expenses that may have been incurred by the credit union in consequence of the default, neglect, or failure of the member
25 to pay those moneys or any of them.

(5) Any surplus that remains after the proceeds of a sale pursuant to this section have been applied in accordance with subsection four of this section shall be payable to the member or other person entitled thereto.

Credit Union.

9. A member of a credit union shall be liable not only for the payment of the amount of any loan to him by the credit union and interest thereon, but also for any charges and costs of collection of that amount and that interest.

Liability of
borrower.
Act No. 1,
1924, ss. 27,
31A (12).

5 10. A credit union, and an association, shall each be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and shall have power to enter into contracts, to institute and defend actions, suits and legal proceedings, and to do all things necessary for the purpose of its constitution.

Body
corporate.
Act No. 1,
1924, s. 60.
Act No. 18,
1967, s. 15.

11. (1) A credit union, or an association, may acquire by lease, purchase, donation, devise, bequest or otherwise any real or personal property necessary for the carrying out of any of the objects of the credit union or association and may sell or lease any such real or personal property.

Property.
Act No. 1,
1924, s. 64.
Act No. 18,
1967, s. 16.

The acquisition by a credit union, or by an association, of real or personal property primarily or mainly required for business or office accommodation of the credit union or association, or of the credit union or association and other credit unions or associations, shall be a valid exercise of its powers.

(2) Subject to subsection three of this section, a credit union, or an association, may acquire shares in any company registered under the Companies Act, 1961, or any company or body corporate registered or incorporated under any other Act, that has agreed to render special services to that credit union or association in the furtherance of its objects.

(3) Except as provided by sections five and eighteen of this Act, no credit union or association shall, without the prior approval of the Advisory Committee, apply funds in excess of two thousand dollars in the acquisition of shares pursuant to subsection two of this section in any one company or body corporate.

Credit Union.

12. (1) Subject to this section, a credit union may, if authorised by its rules and within the limits provided in this section, raise money on loan or receive money on deposit at interest to be applied to the purposes of the credit union.

Raising loans and receipt of money on deposit.

5 (2) The maximum rate which may be paid by way of interest on deposits with a credit union shall not exceed seven per centum per annum or, where some other rate has been fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate
10 so fixed.

Act No. 1, 1924, ss. 65 and 66.

Act No. 18, 1967, s. 20.

(3) Where a credit union is authorised by its rules to raise money on loan the credit union may raise the money in such manner as the board may think fit and in particular by legal or equitable mortgage charged upon all or any part
15 of the property and rights (both present and future) of the credit union, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

(4) Subject to subsection five of this section, a credit union shall not in any month raise a loan of an amount that,
20 if added to the amount owing as at the last day of the next preceding month by the credit union in respect of all loans made to it would produce an amount greater than twenty-five per centum of the sum of—

25 (a) the amount of the paid-up share capital of the credit union; and

(b) the amount of the deposits held by the credit union, as at that day.

(5) If the registrar so approves, and subject to such limits, terms and conditions as the registrar may impose when
30 giving his approval, subsection four of this section shall not apply to or in respect of—

(a) a credit union that, immediately before the commencement of this Act was registered under the Co-operation Acts and was first so registered not
35 earlier than four years before that commencement; or

(b)

Credit Union.

(b) a credit union registered under this Act (section twenty-two excepted),

until the expiration of the period of four years next succeeding the day on which it was first so registered.

5 (6) A credit union shall not raise money on loan to the extent authorised by subsection four or five of this section if the amount owing by the credit union in respect of all loans made to it would thereby exceed the amount specified by the rules of the credit union as the maximum amount that may be
10 owed by the credit union in respect of loans made to it or, where no such maximum amount is so specified, two thousand dollars.

(7) Subject to subsection eight of this section, where a credit union is authorised by its rules to receive money on
15 deposit, it shall not so receive money unless—

- (a) the deposit is received on terms whereby not less than one month's notice may be required by the board before repayment;
- (b) the depositor is a member of the credit union; and
- 20 (c) the rules of the credit union include special rules specifying the manner in which the board may regulate the withdrawal of deposits.

Nothing in this subsection or the rules of a credit union shall be construed as derogating from the provisions of
25 subsection ten of section six of this Act.

(8) In so far as paragraph (c) of subsection seven of this section would, but for this subsection, affect a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts, sub-
30 section seven of this section shall not apply to or in respect of that credit union until the expiration of the period of one year next succeeding the commencement of this Act.

(9) No member or other person lending money to or depositing money with a credit union shall be bound to see
35 to the application thereof or be in any way affected or prejudiced by the fact that the credit union, in borrowing the money or receiving the deposit, has contravened the provisions of this Act, the regulations or the rules of the credit union.

(10)

Credit Union.

(10) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge created by a credit union, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

10 For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(11) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of the property of a credit union, to and in respect of such a receiver or manager and to and in respect of a credit union of whose property a receiver or manager has been appointed.

20 For the purpose of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

13. Any property to which a credit union, or an association, has become absolutely entitled by foreclosure, surrender or other extinguishment of the right of redemption shall as soon afterwards as may be conveniently practicable be sold or converted into money.

Disposal of certain securities.
Act No. 1, 1924, s. 68 (4).
Act No. 18, 1967, s. 17.

14. A credit union, and an association, shall each have power to create, operate and maintain or join with any other person or bodies of persons in the creation, operation and maintenance of a fund for the purpose of providing pension and superannuation benefits for officers and employees of the credit union or association and for their dependants.

Staff superannuation.
Act No. 18, 1967, s. 18.

15. (1) Contracts on behalf of a credit union, and of an association, may be made, varied or discharged as provided in this section.

Contracts.
Act No. 1, 1924, s. 71.
Act No. 18, 1967, s. 19.

(2)

Credit Union.

(2) Any contract which, if made between private persons, would be by law required to be in writing and under seal, may be made on behalf of the credit union or association in writing under the common seal of the credit union or association, and the contract may be in the same manner varied or discharged.

(3) Any contract which, if made between private persons, would be by law required to be in writing and signed by the party to be charged therewith, may be made on behalf of the credit union or association in writing signed by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(4) Any contract which, if made between private persons, would be by law be valid, although made by parol only and not reduced into writing, may be made by parol on behalf of the credit union or association by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(5) Any contract made according to the provisions of this section shall be effectual in law and shall be binding upon the credit union or association and all other parties thereto.

16. Any receipt or acknowledgment given to a credit union, or to an association, by a person under the age of twenty-one years, in respect of the payment to him of any amount deposited by him with the credit union or association, or of interest thereon, or in respect of any dividend on, or repayment of, capital in the credit union or association shall not be invalid on the ground that he is under that age.

Depositor under age of 21 years. Act No. 18, 1967, s. 22.

Credit Union.

17. (1) A credit union, or an association, may act as a collecting agent on behalf of any company, credit union or association, person or body of persons for the collection and payment to such company, credit union or association, person or body of persons, of any premiums payable by a member in respect of any policy of insurance covering any property held by the credit union or association as security for a loan to the member or in respect of any life, endowment, sickness or accident policy taken out by a member as a result of any terms and conditions imposed upon the granting of a loan or under any arrangement entered into by the member whereby the proceeds of the policy would be payable to the credit union or association in repayment of the whole or part of the member's liability under any mortgage to the credit union or association.

Credit union or association as collecting agent.
Act No. 18, 1967, s. 24.

(2) A credit union, or an association, may act as collecting agent for any other credit union or association in respect of any money due to that credit union or association by its members.

18. (1) A credit union, or an association, may join an association or federation of credit unions of whatsoever kind, whether incorporated or unincorporated.

Power to join association.
Act No. 1, 1924, s. 34.

(2) Nothing in subsection one of this section shall authorise a credit union, or an association, to subscribe by any means to the funds of any such association or federation a sum which, together with all sums so subscribed before the commencement of this Act exceeds the amount of funds it is authorised, by section five of the Act, to apply in the acquisition of shares.

Act No. 18, 1967, s. 25.

19. (1) Subject to this section, a credit union, or an association, may invest any of its funds not immediately required for any of its objects, or for purposes incidental thereto, in—

Investment of surplus funds.
Act No. 1, 1924, s. 68.

(a) securities authorised by law for the investment of trust funds not being securities by way of mortgage over real or leasehold property;

Act No. 18, 1967, s. 21.

(b)

Credit Union.

- (b) deposits with any prescribed bank;
- (c) deposits with an association of credit unions of which the credit union or association is a member;
- 5 (d) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967;
- (e) shares not exceeding a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in any co-operative insurance society registered under the
- 10 Co-operation Acts; or
- (f) prescribed securities.

(2) No credit union or association shall, pursuant to paragraph (a) of subsection one of this section, invest in any

15 securities which are not redeemable within ten years of their acquisition by the credit union or association unless the registrar, in a particular case, approves.

(3) Nothing in this section shall affect the validity of any investment made, before the commencement of this Act,

20 by a credit union, or by an association, that, immediately before that commencement, was registered under the Co-operation Acts, but any reinvestment thereof shall be made only in conformity with this section.

PART III.

25 INCORPORATION.

DIVISION 1.—*Incorporation and Rules.*

20. (1) A proposed credit union may be formed by Formation.
 twenty-five or more adult persons who are by the proposed Act No. 1,
 rules of the credit union qualified to be members. 1924, s. 39.

(2) Act No. 18,
 1967, s. 27.

Credit Union.

(2) No proposed credit union formed after the commencement of this Act shall be registered unless there has been a meeting for the purpose of forming the credit union (in this Part called the "formation meeting") at which there
5 have been present twenty-five or more such persons.

(3) At the meeting there shall be presented—

(a) a written statement showing the objects of the proposed credit union and the reasons for believing that, if registered, it will be able to carry out its
10 objects successfully; and

(b) a copy of the rules which it is proposed shall be tendered for registration.

(4) If, at the same or any subsequent or adjourned meeting, after consideration of the statement and rules,
15 twenty-five or more such persons approve the rules with or without amendment and sign applications for membership and shares, they shall proceed to elect the first directors of the proposed credit union in accordance with the rules as so approved.

20 Following the election of the first directors, the persons who have signed applications for membership and shares may proceed to elect the members of such committees as may be provided for in the rules of the proposed credit union.

(5) The expenses of and incidental to the formation
25 of the proposed credit union may be paid either out of capital or out of income.

21. (1) A proposed credit union formed under section twenty of this Act shall not be registered under this Act unless within two months after the election of the first directors
30 referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed credit union accompanied by—

(a) a statutory declaration by the chairman and
35 secretary of the formation meeting as to compliance with the requirements of section twenty of this Act;
(b)

Registration.
Act No. 1,
1924, s. 39.
Act No. 18,
1967, s. 28.

Credit Union.

- (b) a copy of the statement presented to the formation meeting signed by the chairman and secretary of the meeting;
- 5 (c) two copies of the proposed rules signed by the chairman and secretary of the formation meeting and certified by them as being the rules approved in accordance with subsection four of section twenty of this Act;
- 10 (d) a list containing the full name and the occupation and address of each director;
- (e) a list containing the full name and the occupation and address of twenty-five persons who attended the formation meeting and signed applications for membership and shares; and
- 15 (f) such other particulars as may be prescribed.

(2) The statutory declaration mentioned in subsection one of this section may be accepted by the registrar as sufficient evidence of compliance with the requirements of section twenty of this Act.

- 20 (3) If the registrar is satisfied—
- (a) that the proposed credit union has complied with the provisions of this Act and the regulations in so far as they are applicable;
- 25 (b) that the rules of the proposed credit union are not contrary to this Act or the regulations and are such as may reasonably be approved by him;
- (c) that there are reasonable grounds for believing that the proposed credit union, if registered, will be able to carry out its objects successfully; and
- 30 (d) that there is no reasonable cause why the proposed credit union and its rules should not be registered,

the registrar shall register the proposed credit union and its rules and shall issue a certificate that the credit union is incorporated under this Act.

Credit Union.

22. (1) A corporation that, immediately before the commencement of this Act, was registered under the Co-operation Acts as a credit union or an association of credit unions shall, on and from that commencement be deemed, Certain bodies deemed to be registered.
 5 subject to this Act, to be registered under this Act as a credit union or an association of credit unions, as the case may be, and the rules thereof in force immediately before that commencement shall, on and from that commencement, be deemed, subject to this Act, to be the rules thereof registered
 10 under this Act.

(2) The identity of a corporation registered under this Act by virtue of subsection one of this section shall not be affected and it shall continue as the same entity.

(3) A reference in any document, or in any other
 15 Act, to a credit union or an association of credit unions, or to the Co-operation Acts shall, in so far as it affects a corporation registered under this Act by virtue of subsection one of this section, be deemed to be a reference to a credit union or an association of credit unions, as the case may be,
 20 registered under this Act.

(4) Where a corporation registered under this Act by virtue of subsection one of this section so applies, the registrar may, upon surrender of its certificate of incorporation under the Co-operation Acts, issue a substitute certificate of
 25 incorporation in or to the effect of the prescribed form.

23. (1) A certificate of incorporation under this Act shall be in or to the effect of the prescribed form. Certificate of incorporation.

(2) The certificate shall be conclusive evidence that
 all the requirements of this Act in respect of registration have
 30 been complied with, but this subsection shall not affect any provisions of this Act for the winding-up or dissolution of a credit union, or of an association, or the cancellation of its registration. Act No. 1, 1924, s. 45. Act No. 18, 1967, s. 29

24.

Credit Union.

24. The rules of a credit union, and of an association, shall, in addition to rules otherwise required by this Act to be included, include rules relating to the matters set forth in the Schedule to this Act.

Rules.
Act No. 1,
1924, s. 82.
Act No. 18,
1967, s. 31.

5 25. (1) The rules of a credit union, and of an association, shall bind the credit union or association and all members thereof and all persons claiming through them respectively to the same extent as if the rules were incorporated in a deed executed by each member and there were contained
10 in the rules a covenant on the part of each member and, in the case of a member of a credit union, on the part of his legal representatives, to observe all the provisions of the rules, subject to the provisions of this Act.

Rules.
Act No. 1,
1924, ss. 73,
78 (4) and
82 (8).
Act No. 18,
1967, s. 32.

(2) No credit union or association shall impose or
15 levy a charge upon a member in respect of his membership unless the charge is imposed by, and specified in, a special rule.

(3) A credit union, and an association, shall furnish any person with a copy of its rules upon application and
20 payment of an amount not exceeding, where an amount is specified in the rules, the amount so specified or, where there is no amount so specified, an amount of fifty cents or, where some other amount is prescribed, that other amount.

26. (1) No rule of a credit union, or of an association, shall be altered unless the alteration has been approved by a special resolution.

Alteration of
rules.
Act No. 1,
1924, s. 83.
Act No. 18,
1967, s. 33.

(2) A credit union, or an association, that resolves to alter its rules shall, within the prescribed time and in the prescribed manner, apply to the registrar to have the
30 alteration registered.

(3) If the registrar is satisfied that the alteration is not contrary to this Act or to the regulations and is such as may reasonably be approved by him and that there is no reasonable cause why the alteration should not be registered,
35 the registrar shall register the alteration as prescribed and, until the alteration is so registered, it shall not take effect.

(4)

Credit Union.

(4) In this Act the expression "alteration of a rule" includes addition to, or rescission of, a rule or any part thereof.

DIVISION 2.—*Name.*

5 **27.** (1) Except with the consent of the Minister a credit Name.
union, or an association, shall not be registered by a name Act No. 1,
that, in the opinion of the registrar, is undesirable, or is a 1924, ss. 72
name, or a name of a kind, that the Minister has directed and 40.
the registrar not to accept for registration. Act No. 71,
1961, s. 22.

10 (2) The Minister shall cause a direction given by
him under subsection one of this section to be published in
the Gazette. Act No. 18,
1967, s. 34.

15 (3) A credit union, and an association, shall have
the word "Limited" or the abbreviation "Ltd." as part of and
at the end of its name and shall include in its name the words
"credit union" or, in the case of an association, the words
"credit unions" in consecutive form.

20 (4) If a credit union, or an association, through
inadvertence or otherwise is registered by a name by which
the credit union or association could not be registered without
contravention of this section the credit union or association
shall, if the registrar, with the approval of the Minister, so
directs, change its name.

25 (5) Where a credit union, or an association, was,
immediately before the commencement of this Act, registered
under the Co-operation Acts, the registrar shall not require
the credit union or association to change its name except with
the approval of the Minister.

30 (6) Subject to this section, a credit union, or an
association, may, by an alteration of its rules in the manner
provided by this Act, change its name to a name by which
it could be registered under this Act without contravention
of this section.

(7)

Credit Union.

(7) Upon registration of an alteration of the rules of a credit union, or an association, pursuant to subsection six of this section the registrar shall register the change of name and either note the change of name on the certificate of incorporation of the credit union or association or, upon
5 surrender to the registrar of the certificate of incorporation of the credit union or association or production of such evidence as to its loss as the registrar may require, issue a new certificate of incorporation in lieu thereof.

10 (8) A change of name of a credit union, or of an association, shall be published, at the expense of the credit union or association, in the manner prescribed.

(9) A change of name shall not affect any right or obligation of a credit union, or of an association, or of any
15 member or other person or render defective any legal proceedings by or against the credit union or association.

(10) After a credit union, or an association, has changed its name, any legal proceedings that might have been continued or commenced against the credit union or
20 association by its former name may be continued or commenced against it by its new name.

(11) No description of a credit union, or of an association, shall be deemed to be inadequate or incorrect by reason of the use of—

25 (a) the abbreviation "Ltd." in lieu of the word "Limited" contained in the name of the credit union or association;

(b) the symbol "&" in lieu of the word "and" contained in the name of the credit union or association; or

30 (c) any of those words in lieu of the corresponding abbreviation or symbol contained in the name of the credit union or association.

(12)

Credit Union.

(12) Subsection one of section sixty-one of the Co-operation Acts shall not, during the period of three years next succeeding the commencement of this Act, apply to or in respect of a credit union, or an association, registered by virtue of section twenty-two of this Act.

28. (1) Subject to this section, no person or body of persons, whether incorporated or unincorporated, other than a credit union, or an association of credit unions, registered under this Act shall—

Use of words "credit union".

Act No. 1, 1924, s. 61.

Act No. 18, 1967, s. 35.

- 10 (a) trade or carry on business (which expression shall include establishing or using an office for the receipt of share capital, deposits or loan funds, advertising for share capital, deposits or loan funds, or the making of loans to members residing in New South Wales, whether by servants or agents or otherwise) under any name or title of which the words "credit union", or any other words importing a similar meaning, form part; or
- 15
- 20 (b) in any other manner hold out that its trade or business is that of a credit union, or an association of credit unions, registered under this Act.

(2) Any society or company formed or incorporated outside New South Wales that desires to trade or carry on business in New South Wales may apply to the registrar for exemption from the provisions of subsection one of this section, and that subsection and subsection (4A) of section sixty-one of the Co-operation Acts shall not apply to any such society or company in respect of which the registrar has granted exemption, while that exemption subsists.

30 (3) The registrar may grant any exemption referred to in subsection two of this section for such time and upon such conditions as he thinks fit and may, upon non-compliance with any such conditions, revoke any such exemption, but the registrar

Credit Union.

registrar shall not grant any such exemption unless he is satisfied that the society or company would be able to trade or carry on business in New South Wales in accordance with the principles contained in this Act for the carrying on of the
5 business of a credit union or, as the case may require, of an association and, if he does grant any such exemption, he shall notify the Registrar of Companies accordingly.

(4) Every person contravening this section and every director or other person having the control and management
10 of any unincorporated body of persons contravening this section shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

29. (1) The name of a credit union, and of an associa- Publication
tion, shall appear in legible characters on its seal and in legible of name.
15 characters on all business letters, notices, advertisements and Act No. 71,
other official publications of the credit union or association 1961, s. 113.
and on all bills of exchange, cheques, promissory notes, Act No. 18,
endorsements, orders for money or goods, invoices, receipts 1967, s. 37.
20 union or association.

(2) Subject to subsection eleven of section twenty-seven of this Act no credit union or association shall use any name or title other than its registered name.

(3) A credit union, and an association, shall paint
25 or affix and keep painted or affixed on the outside of every office or place in which its business is carried on in a conspicuous position in letters easily legible its name and also, in the case of the registered office, the words "Registered Office".

30 (4) A credit union, or an association, which contravenes the provisions of this section and any officer in default shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

DIVISION

*Credit Union.*DIVISION 3.—*Office and Service of Documents.*

30. (1) A credit union, and an association, shall have a registered office, and the registered office of the credit union or association shall be situated—

Office and
service of
documents.

Act No. 1,
1924, s. 72.

Act No. 18,
1967, s. 36

- 5 (a) in the case of a credit union, or of an association,
that, immediately before the commencement of this
Act, was registered under the Co-operation Acts—
at the address of its registered office under those
Acts immediately before that commencement; or
- 10 (b) in the case of any other credit union or association
—at the address specified in the rules as the address
of its first office.

(2) A credit union, and an association shall, not later
than fourteen days after a change in the address of its
15 registered office, notify the registrar, in the prescribed manner,
of the change of address.

(3) A document may be served on a credit union, or
on an association, or on an officer of a credit union or associa-
tion other than a director, by leaving it at the registered office
20 of the credit union or association with some person apparently
in the service of the credit union or association, or by post
enclosed in a prepaid registered letter addressed to the credit
union or association at its registered office.

A document may be served on a director of a credit union,
25 or of an association, by post enclosed in a prepaid registered
letter addressed to the last address of the director as disclosed
in returns transmitted to the registrar pursuant to this Act.

Service by post shall be deemed to be effected at the time
at which the letter would be delivered in the ordinary course
30 of post.

31. No fee shall be chargeable for the registration of a
credit union, or of an association, or of any rules, or of any
alteration of rules.

Exemption
from fees.
Act No. 1,
1924, s. 62.

32.

Credit Union.

32. (1) Where the registrar refuses to register a proposed credit union, or a proposed association, or any of its proposed rules, or any proposed alteration of the rules of a credit union or of an association, or directs a change of its name, the registrar shall, if so required by the applicant for registration or, as the case may be, the credit union or association, set forth in writing under his hand within two months of the date of receipt of the requisition, the grounds of his refusal or, in the case of a direction, the grounds upon which the direction was given.

Appeal from registrar.
Act No. 1,
1924, s. 122.
Act No. 18,
1967, s. 38.

(2) The applicant for registration or, as the case may be, the credit union or association may, unless the grounds of the registrar's refusal or direction are that the credit union or association would be, or is, registered by a name, or a name of a kind, that the Minister has directed the registrar not to accept for registration, summon the registrar to appear before a judge of the Supreme Court to substantiate and uphold the grounds of the refusal or direction.

(3) The judge may direct any question of fact to be determined in such manner as he may deem fit, and, subject to subsection four of this section, may make such order, including an order as to costs, as may be proper in the circumstances.

(4) Where the registrar has refused to register a proposed rule, or alteration of a rule, that relates to—

- (a) the class of person who may borrow from a credit union;
- (b) the maximum amount that may be owed by a member to a credit union; or
- (c) a charge that may be levied on a member by a credit union or by an association,

the judge shall not make an order under subsection three of this section (other than such order as to costs as he thinks fit) relating to that refusal unless he is satisfied that the refusal was the result of a failure by the registrar to exercise, according to law, a discretion vested in him by this Act.

(5)

Credit Union.

(5) The judges of the Supreme Court or any three of them may make rules of court for the practice and procedure in applications under this section.

DIVISION 4.—*Amalgamation.*

5 33. (1) Subject to this section, any two or more credit unions may apply to be registered as an amalgamated credit union, and any two or more associations, may apply to be registered as an amalgamated association, with or without any winding-up or any division of the funds of the credit unions or associations or any of them, but no such application shall be considered by the registrar unless—

Amalgama-
tion.
Act No. 1,
1924, ss. 41
and 43.
Act No. 18,
1967, s. 39.

- 15 (a) the amalgamation and the terms thereof have been approved by a special resolution of each of the credit unions, or associations, as the case may be; and
- 20 (b) if the registrar so requires in the case of credit unions, certificates have been furnished by the secretary of each of the credit unions that the amalgamation has been approved in writing by the holders of not less than two-thirds of the whole number of shares in the credit union of which he is the secretary.

25 (2) An application under subsection one of this section shall be in or to the effect of the form prescribed and shall be accompanied by—

- (a) two copies of the proposed rules of the amalgamated credit union or association; and
- (b) such other particulars as may be prescribed.

30 (3) If the registrar is satisfied that the credit unions or associations have complied with the provisions of this Act, and of the regulations, in relation to the application, and that the proposed rules of the amalgamated credit union or association are not contrary to this Act or the regulations, and are such

Credit Union.

such as may reasonably be approved by him, the registrar shall upon the surrender to him of the certificates of incorporation of the amalgamating credit unions or associations or production of such evidence as to the loss of any of them as
5 the registrar may require, register the amalgamated credit union or association and its rules, issue a certificate that the credit union or association is incorporated as an amalgamated credit union or association under this Act, and notify the issue of the certificate in the Gazette.

10 (4) Subject to subsection five of this section, the registrar may, not earlier than one year after the registration of an amalgamated credit union or association, remove from the register the names of the credit unions or associations that were parties to the amalgamation.

15 (5) The power conferred on the registrar by subsection four of this section shall not be exercised until after the registrar has given to the amalgamated credit union or association notice of his intention so to do and where the registrar, on the application of the amalgamated credit union
20 or association made within a time specified in the notice for the purpose, or a subsequent notice to the like effect, so applies, until after the expiration of any further period approved by the registrar.

(6) An amalgamation of credit unions or associa-
25 tions shall not prejudice any right of a creditor of any credit union or association that is a party to the amalgamation.

(7) Upon the issue of the certificate of incorporation of an amalgamated credit union or association being notified in the Gazette, the property of each credit union or association
30 that is a party to the amalgamation shall, as from the date of the notification and by virtue of this Act, without any conveyance, transfer or assignment, except as otherwise provided in this section, vest in the amalgamated credit union or association.

(8)

Credit Union.

(8) For the purposes of this section the property of credit unions or associations that are parties to an amalgamation shall include all estates and interests in property, whether real or personal, vested or contingent.

5 (9) In the case of—

(a) any land subject to the provisions of the Real Property Act, 1900; or

(b) any property a transfer of which is required to be registered by any other Act,

10 the land or property shall not vest under subsection seven of this section until an appropriate transfer is registered.

(10) In the case of any property that is only transferable in books kept by a corporation, company or other body or in any manner directed by or under any Act, the property
15 shall not vest under subsection seven of this section until it is duly transferred.

(11) If any property does not vest under this section until transfer or registration, an amalgamated credit union or association shall have the right to call for a transfer of the
20 property to the amalgamated credit union or association or to such person as the board may direct, and to sue for or recover the property, and in the case of a memorandum of mortgage under the Real Property Act, 1900, may exercise any power conferred on the mortgagee by any Act or by the
25 mortgage, or may discharge the mortgage, as if the amalgamated credit union or association were the registered proprietor thereof.

(12) Any property vested in or transferred to an amalgamated credit union or association by virtue of or in
30 pursuance of this section shall be subject to any debt, liability, or obligation specially charged on or affecting that property.

(13) All debts and liabilities, whether certain or contingent, and whether then existing or capable of arising at a future time, to or with which any credit union or association that is a party to an amalgamation is, at the date of the
35 certificate

Credit Union.

certificate of incorporation of the amalgamated credit union or association liable or charged, shall by virtue of this Act become and be the debts and liabilities of the amalgamated credit union or association.

- 5 **34.** (1) A credit union desiring to amalgamate with one or more other credit unions, or an association desiring to amalgamate with one or more other associations, shall, unless exempted in writing by the registrar, send to each of its members a statement, the contents of which have been approved by the registrar, concerning—

Supplementary provisions as to amalgamation.

Act No. 18, 1967, s. 41.

- 10 (a) the financial position of the credit union or association sending the statement and that of the other credit union or association or credit unions or associations concerned;
- 15 (b) the interest of the directors of the credit union or association sending the statement in the amalgamation and that of the directors of the other credit union or association or credit unions or associations concerned;
- 20 (c) the compensation or other consideration proposed to be paid to the directors or other officers of the credit union or association sending the statement and of the other credit union or association or credit unions or associations concerned;
- 25 (d) the payments to be made to members of the credit union or association sending the statement and of the other credit union or association or credit unions or associations concerned, in consideration of the amalgamation; and
- 30 (e) such other matters as the registrar may direct.

- (2) A statement under subsection one of this section shall be sent so that it will in due course of post reach each member not later than the time at which he would receive notice of the meeting called to pass the special resolution referred to in subsection one of section thirty-three of this Act.

Credit Union.

(3) Where the registrar has required a credit union to furnish the certificate referred to in paragraph (b) of subsection one of section thirty-three of this Act, the credit union may apply to the registrar to confirm an amalgamation notwithstanding that the consents in writing of the holders of two-thirds of the whole number of shares of that credit union or association have not been obtained. Where any such application is made the credit union shall give notice of the application in such manner, at such times and in such newspapers as the registrar may direct.

(4) Where application has been made under subsection three of this section, the registrar may, after hearing the credit union and any other person whom he may consider entitled to be heard, confirm the amalgamation accordingly.

15 DIVISION 5.—*Associations and Unions of Associations.*

35. (1) An association of credit unions may be formed by two or more credit unions, and a union of associations may be formed by two or more associations, in accordance with the provisions of section thirty-seven of this Act.

Associations,
etc.
Act No. 1,
1924, s. 34.
Act No. 18,
1967, s. 47.

20 (2) The objects of an association, and of a union of associations, shall be such of the following as may be authorised by the rules of the association or union of associations :—

- 25 (a) To promote the interests of, and co-operation among, credit unions and associations.
- (b) To formulate, and to promote the adoption and observance by credit unions of, conditions governing the carrying on of their business.
- 30 (c) To render services to, and to act on behalf of, its component members and other credit unions in such ways as may be specified in or authorised by special rules of the association or union of associations.

(d)

Credit Union.

- (d) To advocate and promote such legislation, practices and reforms as may be conducive to any of the objects of the association or union of associations.
- (e) To co-operate with other bodies with similar objects.
- 5 (f) To provide facilities for savings by, and loans to, its employees.
- (g) To establish and operate a stabilisation fund.
- (h) To encourage and assist in the formation of credit unions.
- 10 (i) To do all such other things as may be incidental or conducive to the attainment of all or any of the foregoing objects.
- (j) To do such other things as may be prescribed.

(3) Where the registrar registers a rule adopting
 15 paragraph (f) of subsection two of this section he may impose and, having imposed, may vary or revoke, such terms and conditions on the carrying out of that object as he thinks fit, and a contravention of any such term or condition for the time being in force shall be deemed to be a contravention of this
 20 Act.

(4) An association, or a union of associations,
 may—

- (a) raise money on loan for any of its objects,
- (b) receive money on deposit.

25 **36.** (1) An association, or a union of associations, may if authorised by its rules and within the limits provided in this section raise money on loan or receive money on deposit at interest to be applied for the purposes of the association or union of associations.

Raising loans and receipt of money on deposit by associations, etc.

Act No. 1,
 1924, ss. 65
 and 66.

Act No. 18,
 1967, s. 20.

(2)

Credit Union.

(2) Where an association, or a union of associations, is authorised by its rules to raise money on loan the association or union of associations may raise money in such manner as the association or union of associations may think fit and
5 in particular by legal or equitable mortgage charged upon all or any part of the property and rights (both present and future) of the association or union of associations, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

10 (3) No association or union of associations shall raise money on loan in accordance with the provisions of this section so that at any time it owes in respect of loans made to it an aggregate amount exceeding two thousand
15 dollars unless the rules of the association or union of associations specifically authorise the raising on loan of an aggregate amount in excess of two thousand dollars and specify the higher aggregate amount that may be raised on loan by the association or union of associations.

(4) No member or other person lending money to or
20 depositing money with an association, or a union of associations, shall be bound to see to the application thereof or be in any way affected or prejudiced by the fact that the association or union of associations, in borrowing the money or receiving the deposit, has contravened the provisions of this
25 Act or of the rules of the association or union of associations.

(5) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge
30 created by an association or a union of associations, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

35 For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(6)

Credit Union.

(6) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of an association
 5 or a union of associations, to and in respect of a receiver or manager so appointed and to and in respect of an association, or a union of associations, of whose property a receiver or manager has been appointed.

For the purpose of that extension, a reference in any of
 10 those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

37. For the purposes of the formation of an association, **Formation**
 or a union of associations— **of association or union of associations.**

15 (a) there shall be a meeting at which there shall be at least two representatives of each of the credit unions proposing to form the association, or the associations proposing to form the union of associations;
 Act No. 1, 1924, s. 39 (8).
 Act No. 18, 1967, s. 48.

(b) at that meeting there shall be—

20 (i) read by the chairman a written statement setting forth the objects of the proposed association or union of associations and the reasons for believing that if registered, it will be able to carry out its objects
 25 successfully;

(ii) presented a copy of the rules of the proposed association or union of associations;

(c) if at the same or any subsequent or adjourned meeting, two representatives of each of the credit unions proposing to form the association, or associations proposing to form the union of associations, agree to the formation of the association or union of associations and to the adoption of rules to be tendered for registration and sign
 30 on behalf of the credit union or association of which they are the representatives an application for
 35 membership

Credit Union.

5 membership and for the minimum number of shares necessary for membership of the association or union of associations, they shall proceed to elect the first directors of the association or union of associations in accordance with the rules so adopted.

38. (1) No proposed association or union of associations formed under section thirty-seven of this Act shall be registered under this Act unless, within two months after the election of the first directors referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed association or union of associations, accompanied by—

Registration
of
association
or union of
associations.

Act No. 1,
1924, s. 39
(8).

Act No. 18,
1967, s. 48.

- 15 (a) a statutory declaration by the chairman and the secretary of the meeting referred to in that section as to compliance with the requirements of that section;
- (b) a copy of the statement read at that meeting signed by the chairman and secretary of the meeting;
- 20 (c) two copies of the rules adopted for registration signed on behalf of each credit union or association agreeing to form the association or union of associations by at least one representative of each of the credit unions or associations that have agreed to their adoption;
- 25 (d) a list containing the full name and the occupation and address of each director and the name of the component credit union or association of which he is a member; and
- 30 (e) a list containing the names of each component credit union or association and the number of shares applied for by it.

(2) The statutory declaration referred to in subsection one of this section may be accepted by the registrar as sufficient compliance with the requirements of section thirty-seven of this Act.

(3)

Credit Union.

(3) If the registrar is satisfied—

- (a) that the association or union of associations has been formed in accordance with this Act;
- 5 (b) that the rules as submitted are not contrary to the provisions of this Act or the regulations and are such as may be reasonably approved by him;
- (c) that there are reasonable grounds for believing that the association or union of associations, if registered, will be able to carry out its objects successfully; and
- 10 (d) that there is no reasonable cause why the association or union of associations and its rules should not be registered,

the registrar shall register the association or union of associa-
 15 tions and its rules and shall issue a certificate that the association or union of associations is incorporated under this Act.

PART IV.

MEMBERS AND FUNDS.

DIVISION 1.—*Members.*

20 **39.** (1) The members of a credit union formed under *Members.*
 this Act shall be the persons who signed applications for *Act No. 1,*
 membership on the formation of the credit union and any *1924, s. 46.*
 other persons who are admitted to membership in accordance *Act No. 18,*
 25 with its rules. *1967, s. 49.*

(2) The members of a credit union, or of an associa-
 tion, that, immediately before the commencement of this Act,
 was registered under the Co-operation Acts shall be the
 persons who, or credit unions or associations that, immediately
 30 before that commencement, were members of the credit union
 or

Credit Union.

or association and any other persons who, or credit unions or associations that, are admitted to membership in accordance with its rules.

(3) The members of an amalgamated credit union shall be the persons who, at the date of amalgamation, were members of the credit unions that are parties to the amalgamation, and any other persons who are admitted to membership in accordance with the rules of the amalgamated credit union.

(4) The members of an association formed under this Act shall be the credit unions or associations by which the association is formed, and any other credit unions or associations that are admitted to membership in accordance with the rules of the association.

(5) The members of an amalgamated association shall be the credit unions or associations that were members of the associations that were parties to the amalgamation, and any other credit unions or associations that are admitted to membership in accordance with the rules of the amalgamated association.

(6) No rights of membership of a credit union, or of an association, shall be exercised unless the member has made such payments to the credit union or association in respect of membership, or has acquired fully paid shares in the credit union or association, of such total nominal value, being in either case not less than two dollars, as may be specified in the rules of the credit union or association.

40. (1) Subject to this section, where a body corporate is a member of a credit union it may appoint a person to represent it in respect of the shares held by it.

Corporate body as member.

Act No. 1, 1924, s. 46 (7).

30 (2) Such appointee—

Act No. 18, 1967, s. 51.

(a) shall be entitled to receive notice of all meetings in like manner as the members and shall be entitled to exercise the same rights to vote as a member; and

(b)

Credit Union.

(b) shall be eligible to be elected to the board of directors if the body corporate holds such qualifications, other than those relating to age, as may be requisite for holding office as a director.

5 (3) A credit union which is a member of an association may appoint such number of its members, not exceeding three, as may be provided for in the rules of the association to represent it on the association and the provisions of subsection two of this section shall apply to any such
10 appointees.

(4) An association which is a member of a union of associations may appoint such number of persons, not exceeding three, as may be provided for in the rules of the union to represent it on the union and the provisions of
15 subsection two of this section shall apply to any such appointees.

No person shall be appointed under this subsection unless he is a member of a credit union that is a member of the association.

20 **41.** (1) Unless otherwise provided by the rules, a person under the age of twenty-one years may be a member of a credit union and may, to the extent required by reason of his membership, execute all instruments and give all necessary
acquittances.

Minors as members.
Act No. 1, 1924, ss. 17B and 38.
Act No. 18, 1967, ss. 8 and 50.

25 (2) A member of a credit union who is under the age of twenty-one years shall not be competent to hold any office in the credit union or to be one of the persons by whom a credit union may be formed and, if he is under the age of eighteen years shall not be entitled to vote.

30 (3) Where a member of a credit union under the age of twenty-one years borrows money from a credit union and—

(a) is married; or

(b) being unmarried, is of the age of eighteen years or
35 over at the time the loan is approved,

he

Credit Union.

he shall, in respect of his agreement to repay the loan and in respect of any security for repayment of the loan given by him to the credit union, be subject to the same liabilities and obligations as he would have been subject to, and shall have
5 the same rights as he would have had if he had been of the full age of twenty-one years at the time the loan was made.

(4) Any guarantee or surety by any person in respect of a loan referred to in subsection three of this section shall be as binding and effectual as if the person who borrowed the
10 money had been of the full age of twenty-one years when the guarantee or surety was given or entered into.

42. The rules of a credit union, and of an association, shall specify the circumstances, including, in the case of a credit union, those relating to bankruptcy and death, in which
15 membership thereof shall cease. Cessation of membership.
Act No. 1,
1924, s. 46
(9).

DIVISION 2.—Share Capital.

43. (1) The capital of a credit union, and of an association, shall vary in amount according to the nominal value of shares from time to time allotted. Share capital.
Act No. 1,
1924, ss. 47
and 50.

20 (2) All shares shall be of one class, all ranking equally and of a fixed amount which shall be specified in the rules of the credit union or association. Act No. 18,
1967, ss. 52
and 53.

(3) The liability of a member to a credit union, or to an association, shall be limited to the amount, if any, unpaid
25 on the shares held by the member, together with any charges payable by the member to the credit union or association as specified by the rules, and any moneys owing by the member to the credit union or association.

(4) A member shall subscribe for such minimum
30 number of shares, having a total nominal value of not less than two dollars, as may be specified by the rules.

(5)

Credit Union.

(5) Any balance unpaid in respect of shares at the time of allotment shall be paid by periodic subscriptions or in such manner as may be specified by the rules.

(6) No member shall, in his own right or through 5 nominees, hold more than one-fifth of the shares or, where the rules specify a proportion less than one-fifth, more than the proportion so specified.

(7) A share may be held by two or more persons jointly, and, where a share is so held—

10 (a) the joint holder who is named first in the register of shares shall be the “primary joint holder” for the purposes of this subsection;

(b) except where the rules of the credit union or 15 association otherwise provide, but without prejudice to the right under this Act of a member of a credit union or an association to obtain from the credit union or association on demand a copy of the balance sheet, any notice or other document may be 20 given or sent by the credit union or association to the joint holders by being given or sent to the primary joint holder;

(c) for the purpose—

(i) of determining who is qualified to vote on 25 a resolution at a meeting of the credit union or association; and

(ii) of determining the number or proportion of any members required to give effect to any provisions of this Act or the rules of a credit union or an association,

30 the shares shall be treated as being held by the primary joint holder alone;

(d) the register of members and shares shall indicate whether a person is a joint holder and whether or not he is the primary joint holder; and

(e)

Credit Union.

5 (e) the joint holders shall be entitled to choose the order in which they are named in the register of shares, but failing any such choice the credit union or association may enter their names in such order as the board thinks fit.

(8) A share may not be sold or transferred without the consent of the board.

10 (9) Subject to this section, the board of a credit union, or of an association, may, if authorised by the rules, declare to be forfeited the shares of any member who has not for a period of three years had any dealings with the credit union or association and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

15 (10) No share of a member of a credit union, or of an association, shall be forfeited under this section where the total amount paid to that credit union or association in respect of any shares held by that member exceeds one hundred dollars.

20 (11) No credit union or association shall declare the shares of a member to be forfeited unless it has given, in a newspaper circulated in the district in which the registered office of the credit union or association is situated, at least one month's notice of its intention so to do.

25 (12) Upon forfeiture of any shares under this section there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.

30 44. (1) Subject to subsection ten of section six of this Act a credit union, or an association, may, with the consent of a member repay the whole or any part of the amount paid up on any share held by the member at any time.

Repayment
of capital.
Act No. 1,
1924, s. 54.

(2)

Credit Union.

(2) No credit union or association shall approve any application for a loan until all applications for withdrawal of the whole or any part of the amount paid up on any share have been satisfied or are, in the opinion of the
5 board, capable of being satisfied within thirty days of the date of the approval to the loan.

(3) Subject to this section, where a member has been expelled from a credit union, or an association, in accordance with the rules of the credit union or association, the credit
10 union or association shall repay to the member the amount paid up on the shares held by him at the date of his expulsion, less any amount owing by the member to the credit union or association at the date of his expulsion under the rules or under any contract or otherwise.

(4) Where the balance sheet of a credit union, or of an association, last issued before the date of expulsion of a member of the credit union or association discloses a loss or deficiency there shall be deducted from the capital to be repaid to the member expelled an amount that bears to the amount
20 of that loss or deficiency the same proportion as the number of shares held by that member bore to the total number of shares held by all members of the credit union or association as at the date of expulsion of that member.

(5) Payment of any amount due to a member
25 pursuant to this section shall be made at such time as may be determined by the board, being a time not later than one year after the date of expulsion of the member.

45. A credit union, and an association, shall cancel any share forfeited to the credit union or association in accordance
30 with the rules or in respect of which the credit union or association has repaid to the member the whole of the amount paid up thereon.

Cancellation of shares.

Act No. 1, 1924, s. 53.

Act No. 18, 1967, s. 56.

46. Nothing in this Act shall affect the validity of any nomination properly made in accordance with the provisions
35 of section fifty-eight of the Co-operation Acts, or of any action properly taken in accordance with such nomination.

Death of member.

Act No. 1, 1924, s. 58.

Act No. 18, 1967, s. 59.

Credit Union.

47. (1) If any member, or any other person, entitled in Small
respect of any share in, loan to or deposit with a credit union, estates.
to a sum of money not exceeding four hundred dollars or, Act No. 1,
where a greater sum is prescribed by the regulations, the sum 1924, s. 59.
5 so prescribed, dies intestate, the board may, upon such Act No. 18,
evidence as it deems sufficient, pay the money or transfer 1967, s. 60.
the shares to any person who appears to the board to be
entitled to obtain a grant of letters of administration of the
estate of the deceased, and that person shall hold the money
10 or shares on the same trusts as if he had obtained such a grant.
- (2) If any member or other person so entitled dies
testate, the board may, upon such evidence as it deems
sufficient, pay the money or transfer the shares to the person
appearing to the board to be entitled thereto under the will
15 of the deceased member or other person.
- (3) The provisions of this section shall extend to any
surplus, not exceeding four hundred dollars or, where a greater
sum is prescribed by the regulations, the sum so prescribed,
arising on the sale by a credit union as mortgagee of any
20 property mortgaged by the deceased to the credit union.
- (4) The provisions of this section are subject to
section one hundred and twenty-two of the Stamp Duties Act,
1920.
- (5) Any payment or transfer made by the board in
25 accordance with the provisions of this section shall be valid
and effectual against any demand made upon the credit union
by any other person.
- (6) No payment or transfer pursuant to this section
shall be made after evidence has been produced to the credit
30 union that letters of administration of the estate, or probate
of the will, of the deceased member or other person have or
has been granted.
48. A credit union, and an association, shall have a Charge and
charge upon the share or interest in the capital, and on the set off.
35 credit balance, of a member or past member and upon any Act No. 1,
dividend, interest or rebate payable to a member or past 1924, s. 57.
member 1967, s. 58.

Credit Union.

member in respect of any debt due from the member or past member to the credit union or association and may set off any amount paid on account of that share or otherwise, or any amount credited or payable to the member or past member,
5 in or towards payment of the debt.

The charge created by this section may be enforced, at any time after seven days' notice to the member or past member, by the appropriation by the credit union or association of the capital or interest subject to the charge. Any share in respect
10 of which capital has been so appropriated shall be cancelled.

DIVISION 3.—Funds.

49. (1) Subject to this section and section fifty of this Act, any part of the surplus arising from the operations of a credit union or an association may, if the rules so provide—
- 15 (a) be paid to a member by way of a dividend in respect of fully paid shares held by him; or
(b) be paid to a member by way of rebate based on the business done by him with the credit union or association.
- 20 (2) If the rules of a credit union, or of an association, so provide, a dividend or rebate payable under this section, or any part thereof, may be credited in reduction or repayment of any amount owed to the credit union or association by the member entitled to the dividend or rebate.
- 25 (3) Nothing in this section shall preclude the payment of a bonus to an employee of a credit union, or of an association, in accordance with the terms of his employment.
- (4) The maximum rate of dividend in respect of any share shall not exceed seven per centum per annum or,
30 where some other rate is fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate so fixed.
- (5) Notwithstanding any other provision of this section, cumulative dividends may be paid by a credit union,
35 or by an association, if the surplus from which any cumulative dividend

Surplus from
operations.
Act No. 1,
1924, s. 48.
Act No. 18,
1967, ss.
61 and 62.

Credit Union.

dividend is paid arose within a period not exceeding five years prior to the declaration of the dividend and if that declaration would not result in any dividend exceeding the rate authorised by subsection four of this section.

- 5 (6) If authorised by the rules, a credit union, or an association, may apply part of the surplus arising in any year from the business of the credit union or association to any charitable purpose or for promoting co-operation or credit unions but the part to be so applied shall not, except with
10 the approval of the Advisory Committee, exceed ten per centum of that surplus.

(7) In calculating the surplus for the purposes of this section no regard shall be had to any funds which have been appropriated to any reserve or reserve fund.

- 15 **50.** (1) In this section, in relation to a financial year of a credit union, or of an association—

“prescribed amount” means an amount equal to five per centum or, where some lower proportion is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—

- 20 (a) the amount of the surplus of the credit union or association arising in that financial year; and
25 (b) the amount of interest paid, or payable, by the credit union or association in respect of that financial year on deposits held by it;

“prescribed reserve amount” means an amount equal to seven per centum or, where some lower proportion is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—

- 30 (a) the amount of the paid-up share capital of the credit union or association; and
35 (b) the amount of the deposits held by it, at the end of that financial year.

(2)

Credit Union.

(2) Where at the end of its financial year a credit union, or an association, has no reserve, or a reserve amounting to less than the prescribed reserve amount for that financial year, the credit union or association shall thereupon transfer 5 to reserve an amount not less than—

(a) where it has no reserve—

(i) the prescribed amount for that financial year; or

10 (ii) the amount required to create a reserve of the prescribed reserve amount for that financial year,

whichever is the lesser; or

(b) where it has a reserve amounting to less than the prescribed reserve amount for that financial year—

15 (i) the prescribed amount for that financial year; or

(ii) the amount required to increase the reserve to the prescribed reserve amount for that financial year,

20 whichever is the lesser.

(3) Regulations may be made prescribing, for the purposes of the definitions of “prescribed amount” and “prescribed reserve amount” in subsection one of this section, proportions lower than five per centum and seven per centum 25 respectively.

(4) Moneys appropriated to reserve pursuant to this section shall not be distributed among members of the credit union or association except in the event of winding-up.

30 (5) In arriving at the amount of the surplus referred to in the definition of “prescribed amount” in subsection one of this section the credit union or association shall make proper allowance for depreciation in the value of property and for contingent liability for loss.

Credit Union.

51. A credit union, or an association, may impose a fine Fines.
not exceeding five dollars on a member for any infringement Act No. 1,
by the member of its rules, but no fine exceeding one dollar 1924, s. 79.
shall be imposed until written notice of intention to impose
5 the fine and of the reason for its imposition has been given to
the member and he has had an opportunity of appearing
before the board in person with or without witnesses, or of
sending to the board a written statement for the purpose of
showing cause against the imposition of the fine.

10

PART V.

MANAGEMENT.

DIVISION 1.—Directors and Officers.

52. (1) The business and operations of a credit union, Board of
and of an association, shall be managed and controlled by a directors.
15 board of directors, and for that purpose the board, except as Act No. 1,
provided in this section, shall have and may exercise the 1924, s. 84.
powers of the credit union or association as if they had been Act No. 18,
expressly conferred on the board by a general meeting of the 1967, s. 65.
credit union or association.

20 (2) The powers of a board shall be subject to any
restrictions imposed thereon by this Act or by the rules of the
credit union or association.

(3) Every director acting in the business or opera-
tions of a credit union, or of an association, in pursuance of
25 a resolution duly passed by the board, shall be deemed to be
the agent of the credit union or association for all the purposes
within the objects of the credit union or association.

(4) The acts of a director shall be valid notwith-
standing any defect that may afterwards be discovered in his
30 election, appointment or qualification.

(5)

Credit Union.

(5) A director shall not be held liable to a credit union, or an association, for any loss that the credit union or association may sustain, unless the loss was due to his wilful misconduct or gross negligence or to his failure to comply with any of the provisions of this Act or of the regulations or of the rules of the credit union or association.

(6) Meetings of the board shall be held as often as may be necessary for properly conducting the business and operations of the credit union or association and shall be held at least monthly in the case of a credit union, and quarterly in the case of an association.

(7) A quorum of a meeting of a board shall be as prescribed by the rules of the credit union or association but shall not in any case be less than half the number of directors.

(8) A director shall not vote upon any question in which he, or any body corporate of which he is the appointee, has any direct or indirect pecuniary interest and if he does so vote his vote shall not be counted.

53. (1) Subject to this section no person of or over the age of seventy-two years shall be elected or appointed a director of a credit union, or of an association.

Age limits
for directors.
Act No. 1,
1924, s. 84.

(2) The office of a director of a credit union, and of an association, shall become vacant at the conclusion of the annual general meeting next following the day on which he attains the age of seventy-two years.

Act No. 71,
1961, s. 121.
Act No. 18,
1967, s. 66.

(3) Any act done by a person as a director shall be valid notwithstanding that it is afterwards discovered that his office had become vacant by virtue of subsection two of this section.

(4) Where the office of a director has become vacant by virtue of subsection two of this section no provision in the rules of the credit union or association for the automatic re-election or re-appointment of retiring directors in default of another election or appointment shall apply in relation to that director.

(5)

Credit Union.

(5) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.

(6) Notwithstanding anything in this section, a person of or over the age of seventy-two years may be elected or re-elected as a director of a credit union or association to hold office until the next annual general meeting of the credit union or association or be authorised to continue in office as a director until the next annual general meeting of the credit union or association if—

- (a) the election or re-election is made by not less than two-thirds of the members who lodged valid voting papers pursuant to a postal ballot; or
- (b) at a meeting of the credit union or association a special resolution is passed authorising that director to remain in office until the next annual general meeting.

(7) Nothing in this section shall limit or affect the operation of any provision of the rules of a credit union, or of an association, preventing any person from being elected or appointed as a director or requiring any director to vacate his office at any age less than seventy-two years.

54. (1) The number of directors of a credit union, and of an association, shall not be less than five.

Election of directors.

(2) The directors shall, subject to this section and sections twenty and thirty-seven of this Act, be elected or appointed, hold office and retire, and may be removed from office, in such manner as may be specified in special rules of the credit union or association and by this Act.

Act No. 1,
1924, s. 84.
Act No. 71,
1961, s. 118.
Act No. 18,
1967, s. 67.

(3) At a meeting of a credit union, or of an association, a motion for the election or appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it,

Credit Union.

it, but, notwithstanding the passing of such a resolution, no such motion shall be made if one of the directors to whom the motion would relate is a director required to be appointed in accordance with subsection six of section fifty-three of this
5 Act.

(4) A resolution passed in pursuance of a motion made in contravention of subsection three of this section shall be void, whether or not its being so moved was objected to at the time, and where such a resolution is so passed no
10 provision for the automatic re-election of retiring directors in default of another election shall apply.

(5) For the purposes of this section, a motion for approving a person's election or for nominating a person for election shall be treated as a motion for his election.

15 (6) Nothing in this section shall apply to a resolution altering the rules of a credit union, or of an association, or prevent the election of two or more directors by ballot or poll.

(7) The chairman of a board may be elected from
20 among the directors and shall be elected, hold office and retire, and may be removed from office, as specified by the rules of the credit union or association.

55. (1) Except as otherwise provided in this Act, no person shall be qualified to be a director of a credit union, or
25 of an association, unless—

(a) in the case of a credit union—

- (i) he is a member of the credit union; or
- (ii) he is the appointee, under section forty of this Act, of a corporation that is a
30 member of the credit union;

(b) in the case of an association, he is an appointee, under section forty of this Act, of a credit union that is a member of the association; or

(c)

Director's qualification and vacation of office.
Act No. 1, 1924, s. 84.
Act No. 18, 1967, s. 68.

Credit Union.

(c) in the case of a union of associations, he is an appointee, under section forty of this Act of an association that is a member of the union of associations.

5 (2) In the absence of a director from a meeting of
a board a person appointed by the board in accordance with
the rules of the credit union or association to act as deputy
for that director may act in the place of that director at that
meeting. Such rules may include provisions regulating the
10 term of office of, vacation of office by, or removal from office
of, any such deputy, and his remuneration.

(3) The office of a director shall be vacated in such
circumstances, if any, as may be prescribed by the rules of
the credit union or association, and—

- 15 (a) if he becomes bankrupt or assigns his estate for the
benefit of, or compounds with, his creditors;
- (b) if he becomes a mentally ill person, a protected
person or an incapable person within the meaning
of the Mental Health Act, 1958;
- 20 (c) if he is convicted of any offence and sentenced to
any period of imprisonment without the option of
a fine;
- (d) if he absents himself from three consecutive
ordinary meetings of the board without its leave;
- 25 (e) if he ceases to be qualified as provided by subsection
one of this section;
- (f) if he gives one month's notice in writing to the
board of his intention to resign office and his
resignation is accepted by the board;

(g)

Credit Union.

- (g) if he is removed from office by resolution of a general meeting of the credit union or association;
 - (h) if his partner or a person in his employment or his employer acts as solicitor, valuer, auditor or accountant to the credit union or association or if he so acts;
 - (i) if within two months after any money becomes due from him to the credit union he does not pay the same; or
 - (j) if, being the appointee of a body corporate, his appointor ceases to be a member of the credit union, association or union of associations, as the case may be, or revokes his appointment by writing under its seal addressed to the board.
- (4) Any casual vacancy occurring on a board shall be filled as prescribed by the rules of the credit union or association, as the case may be.

56. (1) Subject to this section, a director of a credit union, or of an association, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the credit union or association shall declare the nature of his interest to the board in accordance with this section.

Disclosure of interest by directors. 10 & 11 Eliz. 2, c. 37, s. 73. Act No. 18, 1967, s. 69.

(2) In the case of a proposed contract, the declaration required by this section to be made by a director shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration or, if the director was not present at that meeting or was not at the date of that meeting interested in the proposed contract,

at

Credit Union.

at the next meeting of the directors at which he is present, or the next such meeting held after he becomes interested in the proposed contract, as the case may be.

(3) Where the director becomes interested in a
5 contract with the credit union or association after it is made, the declaration required by this section shall be made at the first meeting of the directors held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice
10 in writing given by a director to all the other directors to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm is a
15 sufficient declaration for the purposes of this section of the interest of the director by whom it is given in any contract made after that date with that company or firm.

(5) A director need not make a declaration or give
a notice under this section by attending in person at a meeting of the directors, if he takes reasonable steps to secure that the
20 declaration or notice is brought up and read at the meeting.

(6) A director who fails to comply with the provisions of subsection one of this section shall be liable to a penalty not exceeding five hundred dollars.

(7) Nothing in this section shall be taken to
25 prejudice the operation of any rule of law restricting directors of a credit union, or of an association, from having any interest in contracts with the credit union or association.

(8) Any declaration made pursuant to this section shall be reported by the directors to members at the annual
30 general meeting.

Credit Union.

57. (1) A director or other officer of a credit union, whether on his own account or in partnership with any other person or body of persons, incorporated or unincorporated, shall not, without the approval of not less than two-thirds of the directors present and voting at a meeting of directors at which a quorum is present—

Certain dealings prohibited.
Act No. 1, 1924, ss. 88 and 88A.
Act No. 18, 1967, s. 70.

- (a) accept as payment in whole or in part of any moneys due to him by a member of the credit union the whole or part of any loan made by the credit union to such member; or
- (b) borrow from the credit union.

(2) Any person who fails to comply with the provisions of this section shall be guilty of an offence and be liable to a penalty not exceeding five hundred dollars.

58. (1) No director of a credit union, or of an association, shall be paid any remuneration for his services as a director other than such fees as may be approved at a general meeting of the credit union or association.

Remuneration of directors.
Act No. 1, 1924, s. 88 (2A).

(2) The total amount payable by way of fees in accordance with subsection one of this section in any one year shall not exceed such amount as may be determined by the Advisory Committee.

Act No. 18, 1967, s. 71.

59. No officer or other person shall be employed by a credit union, or by an association, to have the receipt or charge of any money of the credit union or association unless security as prescribed for rendering a just and true account of all money received and paid by such officer or person for the credit union or association and for payment of all money due from him to the credit union or association has first been obtained.

Fidelity guarantee.
Act No. 1, 1924, s. 88 (3).
Act No. 18, 1967, s. 72.

DIVISION 2.—Meetings and Voting.

60. (1) Every credit union, and every association, shall, within three months after the close of its financial year, or within such further time as may be allowed by the registrar, hold its annual general meeting.

Meetings of credit union or association.
Act No. 1, 1924, s. 85.

(2) Act No. 18, 1967, s. 73.

Credit Union.

(2) Any other meetings of a credit union, or of an association, shall be held or may be called as prescribed by the rules of the credit union or association.

(3) At any meeting of a credit union, or of an association, no item of business shall be transacted unless a quorum of members, as prescribed by the rules of the credit union or association, is present during the time when the meeting is considering that item.

(4) Subject to subsection five of this section, notice of every meeting of a credit union, and of an association, shall be given to all members as at the date of calling the meeting in such manner as shall be provided for in the rules of the credit union or association, but personal or postal service shall be given in respect of the following meetings—

- (a) the annual general meeting of the credit union or association;
- (b) a meeting of the credit union or association called as a result of a requisition of members or by such requisitionists; and
- (c) a meeting called for the purpose of passing a special resolution.

(5) Not less than seven days' notice shall be given of every meeting of a credit union, and of an association.

61. (1) A credit union, and an association, shall cause minutes of every meeting of the board and of every meeting of the credit union or association, to be kept and confirmed as prescribed.

Minutes.
Act No. 1,
1924, s. 87.
Act No. 18,
1967, s. 74.

(2) A credit union, or an association, that fails to comply with the provisions of subsection one of this section and every officer in default shall be guilty of an offence and be liable to a penalty not exceeding two hundred dollars Default penalty.

Credit Union.

62. (1) Except as is otherwise provided by this Act or the rules of the credit union or association, every question for decision by a meeting of a credit union, and of an association, shall be determined by a majority of those persons entitled to
 5 vote as are present in person thereat, and unless a poll is demanded by at least five such persons in the case of a meeting of a credit union, or not less than one-fifth of those persons so entitled and so present in the case of a meeting of an association, the question shall be determined on a show of hands.
 10 Notwithstanding any provisions of the rules of the credit union or association to the contrary, no person may vote by proxy.

Voting.
 Act No. 1,
 1924, s. 86.
 Act No. 18,
 1967, s. 75.

(2) Except as is otherwise provided by this Act, at a meeting of a credit union each member shall have one vote,
 15 and at a meeting of an association each appointee pursuant to section forty of this Act, shall have one vote.

(3) At any meeting of a board, or of a credit union, or of an association, the chairman shall, in the event of an equality in voting, be entitled to exercise a casting vote in
 20 addition to any other vote to which he may be entitled.

63. Notwithstanding any other provision of this Act, a member who has borrowed from a credit union, and a representative of a credit union that has borrowed from an association of which it is a member, any money which is still
 25 unpaid shall not be entitled to vote upon any question in respect of which his right to vote is excluded by special rules of the credit union or association, and if he votes on any such question his vote shall not be counted.

Voting by
 borrowing
 members.
 Act No. 1,
 1924, s. 86.
 Act No. 18,
 1967, s. 75.

64. (1) For the purposes of this Act a special resolution
 30 means a resolution which is passed by a majority of not less than two-thirds of such persons as, being entitled so to do, vote in person at any general meeting of a credit union, or of an association, of which notice specifying the intention to
 propose the resolution as a special resolution has been duly
 35 given in accordance with the provisions of this Act and of the rules of the credit union or association.

Special
 resolution.
 Act No. 1,
 1924, s. 80.
 Act No. 18,
 1967, s. 77.

(2)

Credit Union.

(2) At any meeting referred to in this section, unless a poll is demanded, a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

5 (3) A credit union, and an association, shall within the prescribed time and in the prescribed manner apply to the registrar to have a special resolution registered and a special resolution shall not take effect until so registered.

10 (4) A certificate of registration of any special resolution or of any alteration of the rules of a credit union, or of an association, given by the registrar shall, in favour of any person lending money to the credit union or association on the faith of such a certificate, or in favour of any guarantor of any such loan, be conclusive evidence that the resolution was duly
15 passed or the alteration in the rules was duly made, as the case may be.

DIVISION 3.—Accounts, Audit and Registers.

65. (1) Subject to this section, the financial year of a Financial credit union, and of an association, shall end on such day in year.
20 each year as is provided for by the rules of the credit union or association. Act No. 1, 1924, s. 90. Act No. 18, 1967, s. 80.

(2) The first financial year of a credit union, and of an association, may extend from the date of registration of the credit union or association to a date not later than eighteen
25 months from that date of registration.

(3) On an alteration of the rules of a credit union, or of an association, altering its financial year, the alteration may provide either that the financial year (not being the first financial year) current at the date of alteration shall be
30 extended for a period not exceeding six months or that the financial year next following the financial year that is so current shall be a period exceeding twelve months but not exceeding eighteen months.

Credit Union.

66. (1) The accounts of a credit union, and of an asso- Accounts
ciation, shall be audited annually or, where the rules of the and audit.
credit union or association so provide, more frequently. Act No. 1,
1924, s. 89.

(2) The provisions of section twenty-eight of the Act No. 18,
5 Public Accountants Registration Act, 1945, shall, mutatis 1967, s. 81.
mutandis, and with such modifications as may be prescribed,
extend to an auditor of a credit union, and of an association.

For the purposes of that extension—

10 (a) the words “first day of January, one thousand nine
hundred and forty-six” shall be deemed to have
been omitted from that section and the words
“commencement of the Credit Union Act, 1969” to
have been inserted in lieu thereof; and

15 (b) this Act, and any Act amending this Act, shall be
deemed to have been prescribed under subparagraph
(ii) of paragraph (b) of subsection one of that
section.

(3) A body corporate shall not be qualified for
appointment, or to act, as auditor of a credit union, or of an
20 association, nor shall any person be qualified to be so
appointed, or so to act, if—

(a) otherwise than as an auditor, he is an officer or
servant of the credit union or association; or

25 (b) he is the partner of, or in the employment of, or
the employer of, a person who is, otherwise than
as an auditor, an officer or servant of the credit
union or association.

(4) Appointment as the public officer of a credit
union, or of an association, for the purposes of any law
30 relating to taxation shall not be a disqualification for
appointment as auditor of the credit union or association.

(5) The auditors shall make a report to the members
on the accounts examined by them and on the register of
members and other records which the credit union or associa-
35 tion is required to keep by law or by its rules, and on every
balance

Credit Union.

balance sheet and every income and expenditure account laid before the credit union or association in general meeting during their tenure of office, and their report shall state—

- 5 (a) whether they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of their audit;
- 10 (b) whether, in their opinion, proper books of account have been kept by the credit union or association so far as appears from their examination of those books, and proper returns adequate for the purposes of their audit have been received from branches not visited by them;
- 15 (c) whether the balance sheet, appropriation account and income and expenditure account dealt with by the report are in agreement with the books of account and returns;
- 20 (d) whether, in their opinion, and to the best of their information and according to the explanations given to them, the accounts give the information required by or under this Act in the manner so required and give a true and fair view—
- 25 (i) in the case of the balance sheet, of the state of the affairs of the credit union or association as at the end of its financial year;
- (ii) in the case of the income and expenditure account, of the surplus or deficit for that financial year;
- 30 (e) whether, in their opinion, the register of members and other records which the credit union or association is required to keep by or under this Act or by its rules have been properly kept; and
- 35 (f) whether the rules relating to the administration of the funds of the credit union or association have been observed.

(6)

Credit Union.

(6) Every auditor of a credit union, and of an association, shall have a right of access at all times to the books, accounts, vouchers, securities and documents of the credit union or association, and shall be entitled to require
5 from the directors and other officers of the credit union or association such information and explanations as he thinks necessary for the performance of the duties of the auditors.

(7) The auditors of a credit union, and of an association, shall be entitled to attend any general meeting of
10 the credit union or association and to receive all notices or other communications relating to any general meeting which any member of the credit union or association is entitled to receive and to be heard at any general meeting which they attend on any part of the business of the meeting which
15 concerns them as auditors.

(8) A credit union, and an association, shall—

(a) send to each member, with the notice of the annual general meeting, a copy of the balance sheet, appropriation account and income and expenditure
20 account, duly audited, and a copy of the auditors' report thereon; or

(b) if the rules so provide—

(i) make available for inspection by members
25 at the office of the credit union or association, during a period before the annual general meeting specified by the rules, a copy of the balance sheet, appropriation account and income and expenditure account, duly audited, and a copy of the
30 auditors' report thereon; and

(ii) at the request of a member, supply the member, without charge, with a copy of all documents so made available for inspection,

and where paragraph (a) of this subsection is not complied
35 with shall, with the notice of the annual general meeting, include notice of the obligations of the credit union or association pursuant to paragraph (b) of this subsection.

(9)

Credit Union.

(9) Subject to subsection ten of this section, any provisions, whether contained in the rules of a credit union, or of an association, or in any contract with a credit union or an association, or otherwise, for exempting any auditor
5 from, or indemnifying him against, any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default or breach of duty of which he may be guilty in relation to the credit union or association shall be void.

10 (10) A credit union, or an association, may, in pursuance of any provision referred to in subsection nine of this section, indemnify any auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in
15 which he is acquitted or in connection with any application under subsection twelve of this section in which relief is granted to him by the court.

(11) If, in any proceedings for negligence, default or breach of duty against an auditor of a credit union, or of
20 an association, it appears to the court hearing the case that that person is or may be liable in respect of the negligence, default or breach of duty but that he has acted honestly and reasonably and that, having regard to all the circumstances of the case, including those connected with his appointment,
25 he ought fairly to be excused for the negligence, default or breach of duty, that court may relieve him, either wholly or partly, from his liability on such terms as the court thinks fit.

(12) Where any auditor of a credit union, or of an association, has reason to apprehend that any claim will or
30 might be made against him in respect of any negligence, default or breach of duty he may apply to the Supreme Court in its equitable jurisdiction for relief, and that Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a court
35 before which proceedings against that auditor for negligence, default or breach of duty had been brought.

(13) Where any case to which subsection eleven of this section applies is being tried by a judge with a jury, the judge, after hearing the evidence, may, if he is satisfied that
the

Credit Union.

the defendant ought in pursuance of that subsection to be relieved either in whole or in part from the liability sought to be enforced against him, withdraw the case in whole or in part from the jury and forthwith direct judgment to be entered for the defendant on such terms as to costs or otherwise as the judge may think proper.

67. (1) A credit union, and an association, shall keep such registers and accounts as may be prescribed.

Registers and accounts.

(2) The registers shall include—

Act No. 1, 1924, s. 74.

10 (a) registers of directors, members and shares;

Act No. 18, 1967, s. 78.

(b) registers of any loans raised, securities given and deposits received by the credit union or association;

(c) registers of any loans made, and of any securities taken, by the credit union or association;

15 (d) a register of investments made by the credit union or association; and

(e) except in the case of an association, a register of any nominees to whom any share or interest is to be transferred or the value thereof paid on the death of a member, in accordance with nominations made under the provisions of section fifty-eight of the Co-operation Acts.

(3) The registers shall be kept in such manner and shall contain such particulars as may be prescribed.

25 (4) No notice of any express, implied or constructive trust shall be entered in any register, or be received by the registrar.

68. (1) A credit union, and an association, shall keep at its registered office and open at all reasonable hours to inspection by any member without fee—

Inspection. Act No. 1, 1924, s. 75.

30 (a) a copy of this Act and the regulations;

Act No. 18, 1967, s. 79.

(b) a copy of the rules of the credit union or association;

35 (c) a copy of the last balance sheet and income and expenditure account, together with a copy of the report of the auditors thereon;

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(d)

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- (d) the prescribed registers of directors, members and shares;
- (e) the prescribed registers of loans raised and securities given by the credit union or association;
- 5 and
- (f) the prescribed register of investments made by the credit union or association.

(2) No credit union or association shall be obliged to disclose to a member inspecting the register of members under
 10 paragraph (d) of subsection one of this section any particulars contained in the register other than the names of the members and their addresses, and the register may be constructed in such a way that it is possible to open the names and addresses to inspection without exposing any other particulars.

15 DIVISION 4.—*Returns.*

69. (1) A credit union, and an association, shall, within
 fourteen days after any change in the membership of the
 board, inform the registrar in writing of the change.

Returns.
 Act No. 1,
 1924, s. 76.
 Act No. 18,
 1967, s. 82.

(2) A credit union, and an association, shall, within
 20 three months after the close of each of its financial years or within such further time as the registrar may authorise, transmit to the registrar—

- (a) a list of the directors for the year then current;
- 25 (b) the balance sheet of the credit union or association at the close of its financial year then last past and of the accounts of the credit union or association for that financial year;
- (c) a copy of any report by the auditors on the balance sheet and those accounts; and
- 30 (d) a return containing such other particulars as may be prescribed.

(3) A credit union, and an association, shall, if so directed by the registrar, transmit to him within such time and in such manner as may be prescribed a list of the members
 35 of the credit union or association, together with such particulars with regard thereto as may be prescribed.

(4)

Credit Union.

(4) Any information or return to be transmitted to the registrar under subsection one, two or three of this section shall be in such form as may be prescribed.

(5) A credit union, and an association, shall, if so directed by the registrar at any time, submit to the registrar a special return in the form and within the time specified by the registrar when giving the direction.

(6) The registrar shall not give a direction under subsection five of this section unless he considers it to be in the interests of the members of, or depositors with, the credit union or association the subject of the direction.

(7) A credit union, and an association, shall, if the regulations so require, transmit to the registrar a return in the form and within the time prescribed by the regulations.

PART VI.

DISPUTES.

70. (1) For the purposes of this section "credit union" and "association" shall include the board or any officer of the credit union or association and "member" shall include—

Disputes.
Act No. 1,
1924, s. 91.
Act No. 18,
1967, s. 85.

(a) any person aggrieved who has not for more than three months ceased to be a member;

(b) any person claiming through or under a member, or through or under a person referred to in paragraph (a) of this subsection.

(2) Subject to this section, every dispute between a member, in his capacity as a member, and a credit union, or an association, shall be determined in the manner prescribed by the rules of the credit union or association.

(3) Any party to a dispute referred to in this section may refer the dispute to the registrar, if it has not been referred to arbitration in accordance with the rules of the credit union or association or, in the case of such a dispute that has been so referred to arbitration, if one month has elapsed without an award being made.

(4)

Credit Union.

(4) Where a dispute is referred to the registrar, the registrar or any person deputed by him may hear and determine the dispute, and may order the expenses of the hearing to be paid out of the funds of the credit union or association
5 or by such party to the dispute as he may think fit.

(5) Where the registrar decides not to hear or depute the hearing of a dispute, he shall, within one month of receipt of the reference, notify the parties in writing of his decision and the dispute shall be determined in the manner (other than
10 by reference to the registrar under this section) prescribed by the rules of the credit union or association, but where the only manner prescribed by those rules for the determination of the dispute is by reference to the registrar the dispute shall be determined by arbitration in accordance with the Arbitra-
15 tion Act, 1902, in which case subsections eight, nine, ten and eleven of this section shall not apply.

(6) Where a dispute is referred to the registrar and the registrar decides to hear or depute the hearing of the dispute, the registrar or person deputed by him may administer
20 an oath, and may, by a notice in writing served in the manner provided by section one hundred of this Act, require the attendance of any party or witness and the production of any book or document relating to the matter in question.

(7) The provisions of section nineteen of the
25 Arbitration Act, 1902, and of any general rules or orders made under that Act that relate to the operation of that section, shall apply, mutatis mutandis, to and in respect of a dispute as if the registrar or person deputed by him to hear the dispute were an arbitrator and as if the reference of the
30 dispute to the registrar were a reference under that Act.

(8) Any determination or order in accordance with this section, whether made on a reference to the registrar or otherwise, shall be binding and conclusive on all parties without appeal, and shall not be removable into any court
35 or be restrainable by injunction.

(9) The determination or order may on application by any person interested, be enforced by the District Court for the district within which the office of the credit union or association is situated.

(10)

Credit Union.

(10) The District Court may give such relief and make such orders, including an order as to costs, and give such directions in relation to the matter as may be necessary.

(11) Any order made or direction given by a District Court under this section may be enforced by any process or procedure which would be applicable if the order had been made upon the hearing of an action in the District Court, or by such process or procedure as the District Court may direct.

(12) The judges of the District Courts or any four of them may make rules of court for the practice and procedure in applications to a District Court under this section.

(13) Nothing in this section shall extend to any dispute as to the construction or effect of this Act or the regulations, or of any mortgage or other security or of any contract contained in any document other than the rules of the credit union or association.

(14) Any person who fails, without lawful excuse, to comply with a requirement of the registrar, or person deputed by him, pursuant to subsection six of this section shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a term not exceeding six months or to both such penalty and imprisonment.

PART VII.

OFFICIAL MANAGEMENT AND WINDING UP.

71. The provisions of Part IX of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to a credit union or association.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

Official
manage-
ment.
Act No. 1,
1924, s. 91A.
Act No. 18,
1967, s. 86.

Credit Union.

72. (1) A credit union, or an association, may be wound up voluntarily or by the court or upon a certificate of the registrar.

Winding up.
Act No. 1,
1924, s. 92.
Act No. 18,
1967, s. 87.

(2) In the case of a winding up voluntarily, or by the court, a credit union, and an association, may, subject to the provisions of this Part of this Act, be wound up in the same manner and in the same circumstances as those in which a company formed and registered under the Companies Act, 1961, may be so wound up.

10 (3) In the case of a winding up upon a certificate of the registrar, a credit union, or an association, may be wound up in accordance with this Part of this Act if the registrar certifies—

15 (a) that the number of members is reduced to less than twenty-five or, in the case of an association, to less than two;

(b) that the credit union or association has not commenced business within six months of registration or has suspended business for a period of more than six months;

20 (c) that the registration of the credit union or association, whether under the Co-operation Acts or under this Act, has been obtained by mistake or fraud;

25 (d) that the credit union or association has, after notice by the registrar of any breach of, or non-compliance with, this Act, the regulations, or the rules of the credit union or association, failed, within the time referred to in the notice, to remedy the breach or has committed any further breach specified in the notice;

30 (e) that there are, and have been for a period of one month immediately before the date of the registrar's certificate, insufficient directors of the credit union or association to constitute a quorum as provided by the rules of the credit union or association; or

(f)

Credit Union.

5 (f) following an inquiry pursuant to the provisions of the Act into the affairs of the credit union or association or the working and financial condition of the credit union or association, that in the interests of members or creditors of the credit union or association, the credit union or association should be wound up.

10 (4) The registrar shall not so certify, unless the event has been proved to his satisfaction, and unless in the case of paragraphs (c), (d), (e) and (f) of subsection three of this section, the Governor consents to the issue of the certificate.

15 (5) Where the registrar issues a certificate under this section he may appoint a person to be the liquidator of the credit union or association, and the liquidator shall give such security as may be prescribed and shall be entitled to receive such fees as shall be fixed by the Advisory Committee. Any vacancy occurring in the office of a liquidator so appointed shall be filled by a person appointed by the registrar for the purpose.

20 (6) A winding up upon a certificate of the registrar shall be deemed to commence at the time the certificate is given and the liquidator shall within ten days after his appointment give notice thereof by advertisement in the Gazette.

25 (7) In the case of any winding up or dissolution of a credit union or association the provisions of Part X of the Companies Act, 1961, with respect to the winding up or dissolution of a company formed and registered under that Act shall, subject to this Part of this Act, apply to the winding up or dissolution of the credit union or association.

(8) In the application of the provisions of Part X of the Companies Act, 1961, to the winding up or dissolution of a credit union, or of an association—

30 (a) a reference in any of those provisions to a special resolution or an extraordinary resolution shall be construed as a reference to a special resolution within the meaning of this Act;

(b)

Credit Union.

- (b) a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act;
- 5 (c) paragraph (d) of subsection one of section two hundred and eighteen shall be deemed to be amended by inserting after the words "past member" the words "together with the amount of the contingent liability, if any, attached thereto, and together with any charges payable by him to the credit union or association in accordance with the rules";
- 10 (d) a reference in sections two hundred and twenty-one and two hundred and twenty-two to a proprietary company shall be construed as a reference to an association; and
- 15 (e) a winding up of a credit union, and of an association, upon the certificate of the registrar shall be deemed to be a voluntary winding up and, without prejudice to the generality of this or any other provision of this Part of this Act, the provisions of sections two hundred and seventy, two hundred and seventy-one and two hundred and seventy-two of the Companies Act, 1961, shall apply to and in respect of the winding up of the credit union or
- 20 association as if it were a members' voluntary winding up within the meaning of that Act.
- 25

73. Where a credit union, or an association, is being wound up voluntarily (otherwise than upon the certificate of the registrar) and a vacancy occurs in the office of liquidator which in the opinion of the registrar is unlikely to be filled in the manner provided by the Companies Act, 1961, the registrar may appoint a person to be liquidator.

74. Notwithstanding anything contained in this Act or in the Companies Act, 1961, the remuneration paid to the liquidator of a credit union, or of an association, wound up voluntarily shall not exceed the amount fixed by the Advisory Committee.

75.

Liquidator.
Act No. 1,
1924, s. 92A.
Act No. 18,
1967, s. 88.
Remunera-
tion of
liquidator.
Act No. 1,
1924, s. 92B.
Act No. 18,
1967, s. 88.

Credit Union.

75. As soon as may be practicable after a credit union or association is dissolved or deemed to be dissolved, the registrar shall register the dissolution, and cancel the registration of the credit union or association.

Cancellation.
Act No. 1,
1924, s. 95.
Act No. 18,
1967, s. 90.

5

PART VIII.**EVIDENCE AND OFFENCES.****DIVISION 1.—Evidence.**

76. (1) A certificate of incorporation given by the registrar shall be received in evidence as if it were the original certificate.

Certificates
and docu-
ments.

Act No. 1,
1924, s. 96.

(2) A certificate of registration or other official document relating to a credit union, or to an association, signed by or bearing the seal of the registrar shall be received in evidence without further proof.

Act No. 18,
1967, s. 91.

(3) Judicial notice shall be taken of the signature and of the seal of any person who holds or has held the office of registrar or deputy registrar, and of the signature of a delegate appointed pursuant to subsection nine of section ninety-four of this Act, if the signature or seal purports to be attached to any certificate or other official document.

(4) The provisions of this section shall be deemed to extend to any copy of the rules of a credit union, or of an association, certified by the registrar, deputy registrar or delegate appointed pursuant to subsection nine of section ninety-four of this Act to be a true copy of its registered rules.

77. A printed copy of the rules of a credit union, or of an association, certified by the secretary of the credit union or association to be a true copy of its registered rules shall be received as evidence of the rules.

Evidence of
rules.

Act No. 1,
1924, s. 97.

Act No. 18,
1967, s. 92.

78.

Credit Union.

78. The registers referred to in section sixty-seven of this Act, or prescribed pursuant to that section, shall be evidence of the particulars directed or authorised by or under this Act to be inserted therein.

Registers.
Act No. 1,
1924, s. 98.
Act No. 18,
1967, s. 93.

5 79. (1) An entry in the minutes purporting to be a minute of the business transacted at a meeting of a credit union, or of an association, or of a board, and to be signed by the chairman at a subsequent meeting shall be evidence that the business as therein recorded was transacted at the meeting and that the meeting was duly convened and held.

Minutes—
Effect as
evidence.
Act No. 1,
1924, s. 99.
Act No. 18,
1967, s. 94.

(2) An entry in the minutes of a meeting of a credit union, or of an association, to the effect that a resolution was carried or carried unanimously, or was lost, shall be evidence of the fact without proof of the number or proportion of votes recorded for or against the resolution.

80. A copy of any entry in a book of a credit union, or of an association, regularly kept in the course of business shall, if certified by statutory declaration of the secretary to be a true copy of the entry, be received in evidence in any case where, and to the same extent as, the original entry itself is admissible.

Entries.
Act No. 1,
1924, s. 100.
Act No. 18,
1967, s. 95.

DIVISION 2.—Offences.

81. (1) If a credit union, or an association, fails—

25 (a) to keep any register or account, or to make any entry therein, as required by this Act;

(b) to have at any office of the credit union or association and open to inspection a copy of this Act and the regulations, or of the rules or of the last balance-sheet or income and expenditure account, together with the report of the auditor, or any register, as required by this Act; or

30 (c) to transmit to the registrar any notice or return as required by this Act,

it shall be guilty of an offence.

Default by
credit
union or
association.
Act No. 1,
1924, s. 101.
Act No. 18,
1967, s. 96.

(2)

Credit Union.

(2) If a credit union, or an association, refuses or wilfully neglects to furnish any information lawfully required by the registrar or by any other person authorised under this Act, it shall be guilty of an offence.

5 (3) Where a credit union, or an association, is guilty of an offence under this section, every director or officer of the credit union or association shall be guilty of the like offence unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent
10 the commission of the offence.

(4) If a director of a credit union, or of an association, continues to act as such after his office as a director has been vacated, he shall be guilty of an offence.

15 (5) If a credit union, an association, a director or an officer is guilty of an offence under this section, it or he shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding ten dollars.

82. (1) If a credit union, or an association, contravenes any restriction imposed by its rules or by this Act on its power
20 to carry on business and, in particular, if it raises money on loan or receives deposits except as authorised by its rules and within the limits provided in this Act, it shall be guilty of an offence.

Restriction of power.
Act No. 1, 1924, s. 102.
Act No. 18, 1967, s. 98.

25 (2) If a credit union makes a loan to a person who is not a member of the class of persons specified in the rules of the credit union as the class of persons to whom loans may be made, it shall be guilty of an offence.

30 (3) Where a credit union, or an association, is guilty of an offence under this section, the credit union or association shall be liable to a penalty not exceeding two hundred dollars for every such offence and every director or officer who knowingly or wilfully authorises or permits any such contravention shall be guilty of an offence and liable to a penalty not exceeding one hundred dollars for every such
35 offence.

Credit Union.

83. (1) If a credit union, or an association, continues for a period of one month to carry on business after the number of its members is reduced below the number necessary for the formation of a credit union or an association, as the case may be, every person who is a director of the credit union or association during the time that it continues to carry on business after that period shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding fifty dollars, unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.
- (2) A person who is guilty of an offence under this section shall further be liable to satisfy all obligations of the credit union or association incurred during such time as it carries on business in contravention of this section and may be sued in respect of that liability without any other member being joined in the action.
84. If, before a credit union, or an association, is registered, any person takes any money in consideration of the allotment of any share or interest in, or grant of a loan by, the credit union or association, he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.
85. If a person gives to any member of a credit union, or of an association, or to any person intending or applying to become a member of a credit union, or of an association, a copy of any rules or of any alterations of rules other than those which have been duly registered, representing that they are binding on the members of the credit union or association, or if any person makes any alteration in any copy of the rules of a credit union or association and circulates the copy, representing that the rules therein, as altered, have been duly registered, when they have not been so registered, he shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars.

Too few members.
Act No. 1,
1924, s. 103.
Act No. 18,
1967, s. 99.

Allotment of shares.
Act No. 1,
1924, s. 106.
Act No. 18,
1967, s. 97.

False copies of rules.
Act No. 1,
1924, s. 107.
Act No. 18,
1967, s. 100.

Credit Union.

86. If any person wilfully makes, orders or allows to be made any entry or erasure in, or any omission from, any balance sheet of a credit union, or of an association, or any return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same, or to evade any of the provisions of this Act, he shall be guilty of a misdemeanour.

Falsification.

Act No. 1, 1924, s. 108.

Act No. 18, 1967, s. 101.

87. (1) If any person, by false representation or imposition obtains possession of any property of a credit union, or of an association or, having any such property in his possession, withholds or misapplies it or wilfully applies any part thereof to purposes other than those specified or authorised in the rules of the credit union or association or by this Act he shall be guilty of an offence, and shall be liable to a penalty not exceeding four hundred dollars.

Fraud or misappropriation.

Act No. 1, 1924, s. 109.

Act No. 18, 1967, s. 102.

(2) A person who is guilty of an offence under subsection one of this section shall, if so ordered by the court, deliver up all such property and repay all money improperly applied and in default of delivery or repayment be liable on summary conviction to imprisonment for any term not exceeding six months.

(3) Nothing in this section shall prevent any person from being proceeded against by way of indictment, if he has not been previously convicted of the same offence under this Act.

88. (1) If any person—

- (a) seeks, claims or receives any commission, fee or reward, whether pecuniary or otherwise, from any person as a consideration or charge for procuring or obtaining, or offering or attempting to procure or obtain, for any person a loan from any credit union or association; or
- (b) advertises or otherwise holds himself out as being able to arrange or obtain finance for any persons through or from any credit union or association,

Certain acts prohibited in relation to loans.

Act No. 1, 1924, s. 109A

Act No. 18, 1967, s. 103.

he

Credit Union.

he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

(2) Any sum received in contravention of this section or section eighty-four of this Act may be recovered by the person who paid it from the person by whom it was received in an action for debt in any court of competent jurisdiction.

89. (1) If any officer of a credit union, or of an association, accepts any commission, fee or reward, whether pecuniary or otherwise, from any person for or in connection with a transaction had or to be had by that person with the credit union or association, he shall be guilty of an offence and shall, upon summary conviction, be liable to imprisonment for any term not exceeding six months or to a penalty not exceeding two hundred dollars.

Commission.
Act No. 1,
1924, s. 110.
Act No. 18,
1967, s. 104.

(2) An officer who is guilty of any offence under subsection one of this section shall further be liable to pay to the credit union or association double the value or amount of such commission, fee or reward.

90. (1) Any credit union or association which, or person who, fails to comply with any requirements of this Act within the time or in the manner prescribed by this Act for compliance therewith or commits any other contravention thereof, shall, where no penalty is expressly provided, be liable to a penalty not exceeding one hundred dollars.

Contraven-
tion of
Act.
Act No. 1,
1924, s. 111.
Act No. 18,
1967, s. 105.

(2) Where in, or at the foot of, any section or part of a section of this Act there appears the expression "default penalty" it shall indicate that any person who is convicted of an offence in relation to that section or part shall be guilty of a further offence if the offence continues after he is so convicted and liable to an additional penalty for each day during which the offence so continues of not more than the amount expressed in the section or part as the amount of the default penalty or, if an amount is not so expressed, of not more than twenty dollars.

(3)

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(3) Where any offence is committed by a person by reason of his failure to comply with any provision of this Act by or under which he is required or directed to do anything within a particular period, that offence, for the purposes of subsection two of this section, shall be deemed to continue so long as the thing so required or directed to be done by him remains undone, notwithstanding that such period has elapsed.

(4) For the purposes of any provision of this Act which provides that a director or an officer of a credit union, or an association, who is in default is guilty of an offence or is liable to a penalty or punishment the phrase "director or officer who is in default" or any like phrase means any director or officer of the credit union or association who knowingly and wilfully—

- 15 (a) is guilty of the offence ; or
- (b) authorises or permits the commission of the offence.

91. (1) A penalty or fine imposed by this Act or by any regulation or rule shall, except where otherwise expressly provided by this Act, be recoverable summarily before two justices.

Recovery
of penalty.
Act No. 1,
1924, s. 112.
Act No. 18,
1967, s. 106.

(2) Any such penalty or fine recoverable summarily shall, if imposed by this Act or by any regulation, be recoverable at the suit of the registrar, and if imposed by any rule shall be recoverable at the suit of the credit union or association.

92. If a credit union, or an association, in making or raising any loan or receiving any deposit or allotting any share contravenes any provision of this Act or any rule of the credit union or association, the civil rights and liabilities of the credit union or association or any other person in respect of the recovery of the loan or deposit or the moneys payable in respect of the shares shall not be affected or prejudiced by the contravention, save that the money shall become immediately payable, and the same remedies may be had for the recovery

Civil
remedies.
Act No. 1,
1924, s. 113.
Act No. 18,
1967, s. 118.

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recovery of the loan or deposit or share capital and for the enforcement of any security therefor as if there had not been a contravention of this Act or of the rules of the credit union or association.

- 5 **93.** (1) On any application for registration of a credit union, or of an association, or of any rule or document under this Act, the registrar may require from the applicant such information and evidence as may be reasonable in order to show that the application should be granted.
- 10 (2) The registrar may require from any credit union or association such information and evidence as may be reasonable in order to show that the credit union or association is bona fide carrying on business in accordance with the provisions of this Act.
- 15 (3) The registrar may require from a credit union, or from an association, such evidence as he thinks proper of the doing of any matter required to be done, or of the correctness of any entry in any document required to be transmitted to him, under this Act.

Information
and
evidence.
Act No. 1,
1924, s. 116.
Act No. 18,
1967, s. 109.

20

PART IX.

ADMINISTRATION.

DIVISION 1.—Registrar.

- 94.** (1) There shall be a Registrar of Credit Unions and an office of the registrar.
- 25 (2) The registrar shall be appointed by the Governor and until such an appointment is made the Registrar of Co-operative Societies shall be the registrar and the office of the Registrar of Co-operative Societies shall be the office of the registrar.

Registrar.
Act No. 1,
1924, s. 115.
Act No. 18,
1967, s. 107.

(3)

Credit Union.

(3) All certificates, rules and documents relating to any credit union or association (including any in the custody of the Registrar of Co-operative Societies before its registration under this Act) shall be kept in the office of the registrar.

5 (4) All certificates, rules and documents required to be registered under this Act or to be transmitted to the registrar for record shall be kept in the office of the registrar.

(5) The registrar shall have such duties, powers and authorities as are prescribed.

10 (6) The duties, powers and authorities of the registrar may be performed and exercised by a deputy appointed by the Governor and until such an appointment is made the Deputy Registrar of Co-operative Societies shall hold office as Deputy Registrar of Credit Unions.

15 (7) The deputy registrar shall exercise his office subject to such conditions and restrictions (if any) as the registrar may impose—

(a) generally;

20 (b) in relation to any specified matter or class of matters; or

(c) in relation to all matters other than any specified matter or class of matters.

(8) No person shall be concerned to see or inquire whether, in the case of any dealing or transaction with the
25 deputy registrar, any condition or restriction has been imposed upon the exercise of the powers of the deputy registrar, or as to his authority; and all acts or things done or omitted by the deputy registrar shall be as valid and effectual and shall have the same consequences as if the acts or things had been
30 done or omitted by the registrar.

(9) With the approval of the Minister first obtained, the registrar may delegate any of his duties, powers and authorities to any other officer employed in his office and that officer while he exercises or discharges such delegated duties,
35 powers and authorities shall have all the powers, rights, discretions,

Credit Union.

discretions, duties and obligations of the registrar (other than this power of delegation) and the Minister or the registrar may at any time revoke any such delegation.

No delegation under this subsection shall prevent the exercise or discharge by the registrar of any of his duties, powers or authorities.

(10) The registrar shall have a seal of office.

DIVISION 2.—*General.*

95. (1) Any person may, except as otherwise provided **Inspection of documents.**
10 by this Act, on payment of the prescribed fee—

(a) inspect at the office of the registrar the registration and rules of a credit union, or of an association; **Act No. 1, 1924, s. 120. Act No. 18, 1967, s. 108.**

(b) obtain from the registrar a certificate of the registration of a credit union, or of an association, and a certified copy of the rules of a credit union, or of an association, or of any part thereof;

(c) with the permission of the registrar, inspect at his office and obtain from him a certified copy of any other registered document, or of any part thereof.

20 (2) A copy of or extract from any document registered by the registrar and certified under the seal of the registrar shall in any proceedings be admissible in evidence as of equal validity with the original document.

96. (1) If, with respect to any credit union or association, the registrar considers it expedient to do so in the interests of members of or of persons who may become members of or deposit moneys with the credit union or association he may, by notice in writing served on the credit union or association with the approval of the Minister, direct that subsection two of this section shall apply to the credit union or association and that subsection shall thereupon apply accordingly until the expiration of such time as may be specified in the notice or until the notice is withdrawn, whichever is the earlier. **Power to suspend operations. Act No. 18, 1967, s. 111.**

(2)

Credit Union.

(2) Subject to this section, while this subsection applies to a credit union, or an association, the credit union or association shall not—

- (a) make any money available on loan to members;
 - 5 (b) accept the deposit of any money;
 - (c) borrow any money;
 - (d) accept any payment on account of share capital, except calls which fell due before the issue of the notice;
 - 10 (e) repay any moneys paid on shares;
 - (f) repay any moneys on deposit,
- as may be specified in the notice directing the application of this subsection.

(3) The registrar may, with the approval of the
15 Minister and by a further notice, extend the time specified in any notice issued under subsection one of this section.

(4) A credit union, or an association, to which subsection two of this section applies may make representations to the Advisory Committee with respect to the direction and
20 the committee shall report to the Minister. The Minister may direct the registrar to withdraw the direction or to amend the notice directing the application of this subsection.

(5) The registrar may, and shall on the direction of the Minister, withdraw any direction or amend any notice
25 given in accordance with this section.

(6) If a credit union, or an association, contravenes the provisions of subsection two of this section it shall be guilty of an offence and be liable to a penalty not exceeding six hundred dollars; and every officer of the credit union or
30 association who knowingly and wilfully authorises or permits a contravention of subsection two of this section shall be liable on conviction on indictment to a penalty not exceeding six hundred dollars or to a term of imprisonment not exceeding two years or to both or, on summary conviction, to a penalty
35 not exceeding one hundred dollars or to a term of imprisonment not exceeding three months or to both.

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97. (1) The registrar, and any inspector appointed under section ninety-nine of this Act and authorised in writing by the registrar either generally or specially to do so, may inspect any minutes or books or examine the affairs, of a credit union, or of an association, whether or not it is in the course of being wound up and in the case of a credit union, or of an association, that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the credit union or association.

Inspection
by registrar.
Act No. 1,
1924, s. 117.
Act No. 18,
1967, s. 112.

(2) The registrar or any such inspector so authorised may, at his discretion, obtain from any bank in which the funds of a credit union, or of an association, are deposited or invested a statement of the amount of such deposit or investment and any other particulars required by him to be furnished in relation to the affairs of the credit union or association.

98. (1) Subject to compliance with any requirement or direction of the registrar pursuant to this section, the registrar may, and shall on the application of a majority of a board or of not less than one-third of the members of a credit union, or of an association—

Special
meeting and
inquiry.
Act No. 1,
1924, s. 118.
Act No. 18,
1967, s. 113.

(a) call a special meeting of the credit union or association;

(b) hold an inquiry into the affairs, including the working and financial condition, of the credit union or association.

(2) An application under this section shall be accompanied by such evidence as the registrar requires for the purpose of showing that the applicants have good reason for requiring the meeting or inquiry and that the application is made without malicious motive.

(3) Notice of an application under this section shall be given to the credit union or association by such persons and in such manner as the registrar directs.

(4) Security for the expenses of a meeting or inquiry pursuant to this section shall be given by such persons and in such manner as the registrar directs.

(5)

Credit Union.

(5) The registrar may direct at what time and place a meeting called under this section is to be held, and what matters are to be discussed and determined at the meeting and shall give such notice to members of the holding of the
5 meeting as he deems fit notwithstanding any provision in the rules of the credit union or association as to the giving of notice.

(6) A meeting called under this section shall have all the powers of a meeting called in accordance with the
10 rules of the credit union or association and shall have power to appoint its own chairman, any rule of the credit union or association to the contrary notwithstanding. The registrar or any person nominated by him may attend and address any such meeting.

15 (7) If a meeting called under this section fails to appoint a chairman, the registrar or any person nominated by him to attend the meeting may act as chairman of the meeting or may appoint a chairman to conduct the meeting or any adjournment thereof.

20 (8) If the chairman of a meeting called under this section is not a member of the credit union or association in respect of which it was so called, he may exercise a casting vote but shall not otherwise be entitled to vote.

25 (9) All expenses of and incidental to a meeting called, or inquiry held, under this section shall be defrayed, in such proportions as the registrar directs, by the applicants, or out of the funds of the credit union or association, or by any officer or member or former officer or member, and may be recovered as a debt in any court of competent jurisdiction.

30 99. (1) The Governor may appoint inspectors for the purposes of this Act.

Inspectors.
Act No. 1,
1924,
s. 118A.

(2) The provisions of the Public Service Act, 1902, shall not apply to the appointment of any such inspector who is not a public servant.

Act No. 18,
1967, s. 114.

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100. (1) The registrar and any inspector appointed under section ninety-nine of this Act may, for the purpose of any inquiry or inspection under this Act—

Powers of registrar and inspectors.
Act No. 1, 1924, s. 121.
Act No. 18, 1967, s. 115.

- (a) administer an oath;
- 5 (b) by notice in writing require the attendance of any person at the time and place specified in the notice and require such person then and there to answer any question put to him by the registrar or such inspector, as the case may be, in relation to the matter of any such inquiry or inspection, and to produce all or any of the books or documents of the credit union or association to which the inquiry relates;
- 10
- (c) require any director or other officer of a credit union, or of an association, to furnish to the registrar or inspector, as the case may be, any information relating to the affairs of the credit union or association or the matter of any inquiry into the working and financial condition of the credit union or association and to produce to the registrar or inspector all or any of the books or documents of the credit union or association.
- 15
- 20

A notice referred to in paragraph (b) of this subsection may be served, where it is addressed—

- 25 (i) to a credit union, or to an association, or to a director or other officer of a credit union or of an association, in the appropriate manner specified in subsection three of section thirty of this Act; or
- (ii) to any other person, by post to the last known address of that person.
- 30

(2) Any person, who—

- (a) when required by the registrar or an inspector pursuant to paragraph (b) of subsection one of this section refuses or fails, without lawful excuse, to attend at any time and place specified in a notice served on such person in accordance with the provisions of that subsection or, having so attended,
- 35 fails

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- 5 fails then and there to answer any question put to him by the registrar or inspector, as the case may be, in relation to the matter of any inquiry or inspection under this Act or to produce any books or documents as required by the notice; or
- (b) being a director or other officer of a credit union, or of an association, refuses or fails, without lawful excuse, to furnish any information required of him pursuant to paragraph (c) of subsection one of this
- 10 section or to produce any books or documents required to be produced pursuant to that paragraph,
- shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a period not exceeding six months or to
- 15 both such penalty and imprisonment.

DIVISION 3.—Advisory Committee.

- 101.** (1) There shall be a Credit Union Advisory Committee (in this section referred to as the "Committee") consisting of such number of members as may be determined
- 20 by the Minister, being not less than five and not exceeding nine or, where some other maximum number is prescribed, not exceeding the prescribed maximum number.
- Advisory Committee.
Act No. 1,
1924,
s. 114c.
Act No. 18,
1967, s. 117.

- (2) One of the members of the Committee shall be the person who for the time being holds the office of registrar
- 25 and who shall by virtue of such office be the chairman and executive member of the Committee.

- (3) Each member of the Committee, other than the registrar and one other member, shall be an officer of a credit union, or of an association.

- 30 (4) A deputy or alternate member may be appointed to attend any meeting of the Committee at which a member is unable to be present.

- (5) The members (other than the chairman) and deputy or alternate members of the Committee shall be
- 35 appointed by the Minister and shall hold office for such period as he may deem fit and may be removed from office by him.

(6)

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(6) Meetings of the Committee may be convened by the chairman or by any two members.

(7) Each member and deputy or alternate member of the Committee shall, unless he is an officer of the Public Service or a member of the Legislative Council or the Legislative Assembly of New South Wales, be paid such fees, allowances and expenses as the Governor may approve.

(8) It shall be the duty of the Committee to submit recommendations to the Minister with respect to—

- 10 (a) proposals to promote the formation of credit unions;
- (b) proposals to improve the method of operation of credit unions;
- (c) such other matters as may be referred to it by the Minister or as may be prescribed.

15 (9) The Committee shall advise the registrar on such matters as may be referred to it by him.

PART X.

MISCELLANEOUS.

102. The registrar shall in every year make a report of his proceedings and of the principal matters transacted by him during the preceding year, and the report shall be laid before Parliament.

Report to Parliament.
Act No. 1, 1924, s. 123.
Act No. 18, 1967, s. 116.

103. (1) The Governor may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for giving effect to this Act, and any such regulation may provide for—

Regulations.
Act No. 1, 1924, s. 124.
Act No. 18, 1967, s. 119.

- 30 (a) a penalty for any breach thereof, and also distinct penalties in cases of successive breaches thereof, provided that no such penalty shall exceed one hundred dollars;

(b)

Credit Union.

(b) a daily or weekly penalty, not exceeding five dollars a day or twenty-five dollars a week, for any continuing breach thereof.

(2) Without prejudice to the generality of the foregoing provisions of this section, the Governor may make regulations prescribing the fees to be taken in the office of the registrar for any matter or thing to be done therein under this Act.

(3) The Governor may make regulations amending the Schedule to this Act and the Schedule, as so amended, shall be the Schedule to this Act.

(4) The regulations shall be published in the Gazette, and shall take effect from the date of publication or from a later date to be specified in the regulations.

(5) The regulations shall be laid before both Houses of Parliament within fourteen sitting days after publication if Parliament is then in session and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution of which notice has been given at any time within fifteen sitting days after the regulations have been laid before such House disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

(7) The registrar shall notify a credit union, and an association, of the publication of any regulation affecting the credit union or association.

104. (1) No instrument or document executed or registered for transferring any property in pursuance of section thirty-three of this Act shall be liable to stamp duty or to any fee chargeable under any Act for registration.

Exemption from stamp duty.

Act No. 1, 1924, ss. 41 (15) and 62.

(2) No stamp duty shall be chargeable upon the certificate of incorporation of a credit union or an association or upon any share certificate or any instrument or document issued in connection with its capital by a credit union, or by an association.

Act No. 18, 1967, s. 121.

Credit Union.

105. (1) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended, is amended— Amendment of Act No. 1, 1924.

- (a) by omitting from the long title the words "credit unions,"; Long title.
- 5 (b) by omitting from section two the words "DIVISION 8.—*Credit unions.*"; Sec. 2. (Division into Parts.)
- (c) by omitting from the definition of "Society" in section five the words ", or credit union,"; Sec. 5. (Interpretation.)
- 10 (d) by omitting paragraph (g) of subsection one of section six; Sec. 6. (Societies.)
- (e) by omitting Division 8 of Part II and the heading thereto; Pt. II, Div. 8. (Credit unions.)
- 15 (f) (i) by omitting from subsection one of section thirty-four the words "And a credit union may become a component society of an association of building societies."; Sec. 34. (Association.)
- (ii) by omitting from subsection three of the same section the words "building societies, and credit unions" and by inserting in lieu thereof the words "and building societies";
- 20 (g) by omitting from subsection one of section forty-eight the words "or credit union,"; Sec. 48. (Reserve funds of building societies and credit unions.)
- (h) by omitting subsection (4B) of section sixty-one; Sec. 61. (Use of word co-operative.)
- 25 (i) by omitting from subsection one of section sixty-eight the words "Notwithstanding the foregoing provisions of this subsection, a credit union shall not invest any of its funds by way of deposit in any society other than an association of credit unions of which such credit union is a member."; Sec. 68. (Investment.)
- 30 (j) (i) by omitting paragraph (b) of subsection one of section seventy-two; Sec. 72. (Name and address.)
- (ii) by omitting subsection (1A) of the same section; (k)

Credit Union.

- (k) (i) by omitting from subsection four of section Sec. 82. eighty-two the words “, and of a credit (Rules.) union,”;
- 5 (ii) by omitting from the same subsection the words “or credit union”;
- (l) (i) by omitting from subsection (12B) of section Sec. 84. eighty-four the words “or of a credit union”; (Board of directors.)
- (ii) by omitting from the same subsection the words “or credit union, as the case may be,”;
- 10 (m) (i) by omitting from subsection four of section Sec. 86. eighty-six the words “or a credit union”; (Votes of members.)
- (ii) by omitting from paragraph (c) of subsection nine of the same section the words “or of a credit union”;
- 15 (n) (i) by omitting from subsection one of section Sec. 88. eighty-eight the words “, in the case of a (Officers.) society other than a credit union,”;
- (ii) by omitting from the same subsection the words “or, in the case of a credit union, with the approval of all directors present and voting (such directors not being less in number than the number that constitutes a quorum of the board of directors of the credit union) at any meeting of such directors”;
- 20
- 25 (o) by omitting paragraph (bi) of subsection one of section one hundred and two. Sec. 102. (Restrictions on powers.)

(2) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended and as amended by this Act, may be cited as the Co-operation Act, 1923–1969.

- 30 **106.** (1) The Money-lenders and Infants Loans Act, 1941, as subsequently amended, is amended by inserting next after paragraph (b1) of the definition of “Money-lender” in section three the following new paragraph :— Amendment of Act No. 67, 1941. Sec. 3. (Interpretation.)
- 35 (b2) a credit union, or an association of credit unions, or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending or replacing that Act.

(2)

Credit Union.

(2) The Money-lenders and Infants Loans Act, 1941, as subsequently amended and as amended by this Act, may be cited as the Money-lenders and Infants Loans Act, 1941-1969.

5 **107.** (1) The Companies Act, 1961, as subsequently amended, is amended— Amendment of Act No. 71, 1961.

(a) (i) by inserting in the definition of "Corporation" in section five after the word "company" the words "other than a foreign company referred to in paragraph (f) of this definition"; Sec. 5. (Interpretation.)

(ii) by inserting next after paragraph (d) of the same definition the following new paragraphs :—

(e) a credit union, or an association of credit unions, or a union of associations of credit unions, registered under the Credit Union Act, 1969, or any Act amending that Act;

(f) any foreign company in respect of which an exemption from compliance with—

(i) subsection (1) of section sixty-one of the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts;

(ii) subsection (1) of section thirty-five of the Permanent Building Societies Act, 1967, as amended by subsequent Acts; or

(iii) subsection (1) of section twenty-eight of the Credit Union Act, 1969,

is for the time being in force.

(b)

Credit Union.

- 5 (b) by inserting in subsection fourteen of section three hundred and seventy-four after the word "Acts" the words ", or under the Permanent Building Societies Act, 1967, as subsequently amended, or a credit union, an association of credit unions or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending that Act".

Sec. 374.
(Restriction on offering shares, debentures, &c., for subscription or purchase.)

- 10 (2) The Companies Act, 1961, as subsequently amended and as amended by this Act, may be cited as the Companies Act, 1961-1969.

SCHEDULE.

Sec. 24.

- (a) The name of the credit union or association and the location of its first office.
- 15 (b) The objects of the credit union or association.
- (c) The manner in which the capital of the credit union or association is to be raised including the minimum and maximum shareholding to be held by members and the denominations of shares.
- 20 (d) The powers of the credit union or association, in particular and without affecting the generality of this clause—
- (i) the powers to borrow money,
- (ii) the powers to raise money on deposit and the manner in which the board may regulate the withdrawal of such deposits,
- 25 and any limitation on any of the powers of the credit union or association.
- (e) The manner in which investments may be made.
- (f) The manner in which the funds of the credit union or association are to be managed and in particular the mode of drawing and signing cheques, drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the credit union or association.
- 30 (g) The manner in which any gain or surplus which may result from the transactions of the credit union or association is to be distributed among members.
- 35 (h) The mode and conditions of admission to membership and the payment to be made or the share or interest to be acquired before the exercise of the rights of membership.

(i)

Credit Union.

- (i) The number of directors, the qualification of directors and the manner of electing, remunerating and removing directors and filling a vacancy.
- 5 (j) The powers and duties of the board, the requisite notice of meetings, the quorum for meetings, and the procedure at meetings, of the board.
- 10 (k) The intervals between general meetings of the credit union or association, the manner of calling general and special meetings, the requisite notices of meetings and the quorum for meetings of the credit union or association.
- (l) The procedure at meetings of the credit union or association, including the rights of members in voting thereat, the manner of voting and the majority necessary for carrying resolutions.
- 15 (m) The frequency at which the accounts of the credit union or association are to be audited.
- (n) The manner of appointing, remunerating and removing auditors, the powers and duties of auditors and in particular their powers and duties with respect to the inspection of securities belonging to the credit union or association.
- 20 (o) The charges, including any charges on admission or for working expenses or otherwise which are to be payable by a member to the credit union or association in respect of his membership therein.
- (p) The manner of settling disputes between the credit union or association and any of its members, or any person claiming by or
25 through any member under the rules.
- (q) The manner of altering or rescinding the rules and of making additional rules.
- (r) The device, custody and use of the seal of the credit union or association.
- 30 (s) The manner in which the credit union or association may be wound up.
- (t) The circumstances under which shares may be withdrawn or repaid and the terms and conditions in relation thereto; the manner in which the value of shares is to be ascertained for repayment.

BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1969

[80c]

No. , 1969.

A BILL

To make provision with respect to the registration, incorporation and administration of credit unions and related bodies and to define their powers, authorities, duties and functions; to amend the Co-operation Acts, the Money-lenders and Infants Loans Act, 1941, the Public Accountants Registration Act, 1945, the Companies Act, 1961, and certain other Acts; and for purposes connected therewith.

[MR STEPHENS—18 *February*, 1969.]

BE

Credit Union.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

1. (1) This Act may be cited as the "Credit Union Act, 1969". Short title, citation and commencement.

10 (2) This Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

2. This Act is divided as follows :—

Division of Act.

PART I.—PRELIMINARY—ss. 1–3.

15 PART II.—OBJECTS AND POWERS—ss. 4–19.

PART III.—INCORPORATION—ss. 20–38.

DIVISION 1.—*Incorporation and Rules.*

DIVISION 2.—*Name.*

DIVISION 3.—*Office and Service of Documents.*

20 DIVISION 4.—*Amalgamation.*

DIVISION 5.—*Associations and Unions of Associations.*

PART IV.—MEMBERS AND FUNDS—ss. 39–51.

DIVISION 1.—*Members.*

25 DIVISION 2.—*Share Capital.*

DIVISION 3.—*Funds.*

PART V.—MANAGEMENT—ss. 52–69.

DIVISION 1.—*Directors and Officers.*

DIVISION 2.—*Meetings and Voting.*

30 DIVISION 3.—*Accounts, Audit and Registers.*

DIVISION 4.—*Returns.*

PART

Credit Union.

PART VI.—DISPUTES—s. 70.

PART VII.—OFFICIAL MANAGEMENT AND WINDING UP—ss. 71–75.

PART VIII.—EVIDENCE AND OFFENCES—ss. 76–93.

5 DIVISION 1.—*Evidence.*

DIVISION 2.—*Offences.*

PART IX.—ADMINISTRATION—ss. 94–101.

DIVISION 1.—*Registrar.*

DIVISION 2.—*General.*

10 DIVISION 3.—*Advisory Committee.*

PART X.—MISCELLANEOUS—ss. 102–107.

SCHEDULE.

3. (1) In this Act, except to the extent that the context Interpretation.
or subject matter otherwise indicates or requires—

15 “Advisory Committee” means the Credit Union Advisory Committee constituted under this Act; Act No. 1, 1924, s. 5.

20 “association” means association of credit unions registered under this Act and includes a union, so registered, of such associations and an amalgamated association so registered;

“board” means the board of directors of a credit union, or, as the case may require, of an association, and includes a committee of management of a credit union, or, as the case may require, of an association;

25 “Co-operation Acts” means the Co-operation, Community Settlement, and Credit Act, 1923;

“credit union” means credit union registered under this Act and includes an amalgamated credit union;

30 “mortgage” includes lien, charge, and any other security over property;

“officer”

Credit Union.

- 5 “officer” includes director, secretary, treasurer, official manager, deputy official manager and any other person empowered under the rules of a credit union, or, as the case may require, of an association, or by this or any other Act or the regulations, to give directions in regard to the business of a credit union, or, as the case may require, of an association ;
- “prescribed” means prescribed by this Act or by regulation ;
- 10 “registrar” means the Registrar of Credit Unions under this Act ;
- “regulation” means regulation made under this Act ;
- 15 “rule” means registered rule of a credit union, or, as the case may require, of an association, for the time being in force ;
- “share” means share in the share capital of a credit union, or, as the case may require, of an association ;
- 20 “special rule” means rule the terms of which the registrar has separately and specifically approved before its registration and includes an altered rule, so approved.
- (2) In this Act, sections one hundred and five, one hundred and six and one hundred and seven excepted, a reference to an Act includes all amendments of that Act, whether by subsequent Acts or otherwise, and any Act passed in substitution for the Act referred to or incorporating any of its provisions.

PART II.

30 OBJECTS AND POWERS.

4. (1) The objects of a credit union shall be—

- (a) the raising of a fund by subscriptions of its members and in any way authorised by this Act ;

Objects.
Act No. 1,
1924, s. 29.
Act No. 18,
1967, s. 4.
(b)

Credit Union.

(b) making loans from that fund to its members as provided by or under this Act and the rules of the credit union; and

(c) to encourage habits of thrift among its members.

5 (2) The Minister may, by order published in the Gazette upon the recommendation of the Advisory Committee and with the concurrence of the Treasurer, fix a rate of interest for the purposes of this subsection and a credit union shall not, in respect of any loans made by it after the making of the
10 order and while the order is in force, charge a rate of interest in excess of the rate so fixed by the Minister under an order for the time being in force.

5. If so authorised by its rules, a credit union may, Powers.
subject to this Act and as incidental to its objects— Act No. 1,
1924, s. 30

- 15 (a) raise money on loan for any of its objects;
(b) receive money on deposit from a member of the credit union;
(c) make and enter into arrangements, approved by the Advisory Committee, for the provision of loan
20 protection insurance and life savings insurance;
(d) acquire and hold shares not exceeding in the aggregate a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in—
25 (i) any association of building societies registered under the Co-operation Acts;
(ii) any association or federation referred to in section eighteen of this Act.

6. (1) A credit union shall not make a loan to any Loans.
30 person except a natural person who is a member of the credit union and is one of a class of persons specified by a special Act No. 1,
rule of the credit union as the class of persons to whom loans 1924, ss.
may be made. 31, 31A.

(2)

Credit Union.

(2) Classification for the purposes of a special rule referred to in subsection one of this section shall be effected in a manner approved by the registrar and may include classification by reason of residence in a specified district so approved.

5 (3) Application for a loan from a credit union shall be made in the manner prescribed.

(4) Subject to this section, a board may approve an application for a loan, or approve the application in part, on such terms as it may deem proper, including the giving of
10 security by way of a guarantee, or promissory note or promissory notes, or by way of a mortgage, or otherwise, as it thinks necessary.

(5) Where a board approves a loan to a member of a credit union, the board shall, before any part of the loan is
15 made available to the member—

- (a) obtain from the member an acknowledgment in writing of the amount of the loan and the terms and conditions upon which it was approved;
- 20 (b) where the loan was approved subject to specified security for the repayment thereof being given, obtain that security; and
- 25 (c) otherwise do all such things as may be necessary to be done to ensure that, if default is made in repayment of the loan, the credit union may forthwith institute, and may thereafter prosecute, proceedings for recovery of the debt and may proceed to realise upon or enforce any security given.

(6) Subject to subsection seven of this section, the
30 rules of a credit union shall fix the maximum amount (in this section called the "specified amount") by which the indebtedness of a member of the credit union may exceed the sum of the amount of the member's paid-up share capital in, and of his deposits with, the credit union.

35 The rules may fix different specified amounts where different conditions, specified by the rules in each case, apply in respect thereof.

(7)

Credit Union.

(7) In this subsection "prescribed security" means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

5 Subject to subsection eight of this section, the specified amount—

- 10 (a) shall not, unless the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security, exceed one thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed;
- 15 (b) may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security, be an amount not exceeding two thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed; and
- 20 (c) may, where the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding four thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so
- 25 prescribed.

(8) Where a rule registered before the first day of August, one thousand nine hundred and sixty-eight, would, but for this subsection, contravene paragraph (a) of subsection seven of this section, that paragraph, and any regulation
30 prescribing for the purposes of that paragraph a specified amount less than that provided for by the rule, shall be read and construed, in relation to that rule, as if the amount prescribed by that paragraph, or by the regulation, were the specified amount provided for by the rule.

35 (9) A credit union shall not make a loan to a member if the indebtedness of the member to the credit union would thereby exceed the sum of—

- (a) the specified amount applicable in the circumstances;
- (b)

Credit Union.

- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union.

- 5 (10) Where the indebtedness of a member to a credit union at any time exceeds the applicable specified amount, the credit union shall not make a refund of share capital to the member, or permit the withdrawal of any deposit of the member with the credit union, if the sum of—
- 10 (a) that specified amount;
- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union,
- 15 would thereby be reduced below the amount of the indebtedness at that time.

This subsection shall not operate to prevent a credit union, with the consent of a member, from applying paid-up share capital or deposits in reduction or repayment of the indebted-

20 ness of the member to the credit union.

- (11) Where a credit union makes a loan or a refund of share capital, or permits withdrawal of a deposit, in contravention of this section, the credit union and every officer who is in default shall be guilty of an offence against this Act and
- 25 shall be liable to a penalty not exceeding two hundred dollars, and every officer who is in default shall, in addition, be jointly and severally liable to the credit union for any loss on the loan occasioned to the credit union.

7. (1) In this section—
- 30 "liquid funds" means—

Liquidity.
Act No. 18,
1967, s. 63.

- (a) cash at the bank or in hand;
 - (b) investments in securities authorised by law for the investment of trust funds (not being securities by way of mortgage over real or leasehold property) that are redeemable within ten years of their acquisition;
 - (c)
- 35

Credit Union.

- (c) funds on deposit with any prescribed bank ;
- (d) funds on deposit with an association of credit unions of which the depositor is a member ;
- 5 (e) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967 ; and
- 10 (f) investments in prescribed securities or securities approved by the registrar under subsection two of section nineteen of this Act,

15 but does not include any such funds or investments to the extent that they are subject to a lien or charge or, in the case of deposits, to the extent that they may only be withdrawn on more than one month's notice or, where the regulations so provide, to the extent that the amount of any of those funds or investments specified by the regulations exceeds
20 an amount prescribed by, or calculated as prescribed by, the regulations ;

"prescribed proportion" means—

- 25 (a) in the case of a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts—
 - (i) two per centum during the year commencing one year after its registration under this Act ;
 - 30 (ii) four per centum during the year commencing two years after its registration under this Act ; and
 - (iii) seven per centum thereafter ; or
- (b)

Credit Union.

(b) in the case of any other credit union—

- (i) one per centum during the year commencing on the day of its registration under this Act;
- 5 (ii) two per centum during the year commencing one year after its registration under this Act;
- 10 (iii) three per centum during the year commencing two years after its registration under this Act;
- (iv) four per centum during the year commencing three years after its registration under this Act;
- 15 (v) five per centum during the year commencing four years after its registration under this Act; and
- (vi) seven per centum thereafter.

(2) For the purpose of calculating the amount of liquid funds held by a credit union, investments referred to in paragraphs (b) and (f) of the definition of "liquid funds" in subsection one of this section shall be assessed at cost or market value, whichever is the lesser.

(3) This subsection shall not, during the period of one year next succeeding the commencement of this Act, apply to or in respect of a credit union that, immediately before that commencement, was registered under the Co-operation Acts.

A credit union shall not, in any month, make a loan of an amount that, if deducted from the amount of its liquid funds as at the last day of the next preceding month, would produce an amount that bears to the sum of—

- (a) the amount of the paid-up share capital of the credit union; and
- (b) the amount held by the credit union on deposit, as at that day, a proportion less than the prescribed proportion for that credit union.

(4)

Credit Union.

(4) Regulations may be made prescribing an amount, or a method of calculating an amount, as the maximum amount of any funds or investments specified in the regulations that may be taken into consideration in calculating the amount of the liquid funds of a credit union.

The regulations may prescribe different amounts or methods in respect of different funds or investments.

8. (1) The whole of the principal and interest, and any other amount that may lawfully be added thereto, in respect of a loan by a credit union to a member shall forthwith become due and payable—

Default.
Act No. 1,
1924, ss. 24,
31A (12).

- (a) if default is made in payment of the loan or of the interest thereon or any part thereof;
- 15 (b) if the member attempts to sell or dispose of, or in any way part with the possession of, any personal property upon which the credit union has a lien or charge, whether the loan is otherwise due or not, without the previous consent in writing of the credit union to the sale, disposal or parting with
- 20 possession or if the member suffers or permits any such property to be seized or taken in execution;
- (c) if the member absconds or attempts to abscond from the State;
- 25 (d) if the member fails to insure or to keep insured any property to the extent agreed upon with the credit union;
- 30 (e) if the member makes an assignment for the benefit of or compounds with his creditors or becomes bankrupt;
- (f) if default is made in the performance of any undertaking given by the member in the application for the loan or set out in the terms upon which the loan is granted;

(g)

Credit Union.

(g) if the member has obtained the loan by fraud, or has made an untrue statement in his application for the loan; or

5 (h) if the member becomes a mentally ill person, a protected person or an incapable person within the meaning of the Mental Health Act, 1958.

(2) Upon the occurrence of any of the events referred to in subsection one of this section, the credit union by any person authorised by it, with such assistance as may be
10 required, may at any time during the day enter into or upon any land or premises upon which any property subject to a lien or charge in favour of the credit union may be, and may seize, remove and sell any such property, or any part thereof, by public auction or private contract.

15 (3) A purchaser on a sale pursuant to this section shall not be concerned to inquire whether the sale is authorised by this section, or to see to the application of the purchase money.

(4) The proceeds of a sale pursuant to this section
20 shall be applied in the first place in paying and reimbursing the credit union all such moneys as may be due, owing, and accruing under the terms of the loan, and all costs and expenses that may have been incurred by the credit union in consequence of the default, neglect, or failure of the member
25 to pay those moneys or any of them.

(5) Any surplus that remains after the proceeds of a sale pursuant to this section have been applied in accordance with subsection four of this section shall be payable to the member or other person entitled thereto.

Credit Union.

9. A member of a credit union shall be liable not only for the payment of the amount of any loan to him by the credit union and interest thereon, but also for any charges and costs of collection of that amount and that interest.

Liability of
borrower.
Act No. 1,
1924, ss. 27,
31A (12).

5 10. A credit union, and an association, shall each be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and shall have power to enter into contracts, to institute and defend actions, suits and legal proceedings, and to do all things necessary for the purpose of its constitution.

Body
corporate.
Act No. 1,
1924, s. 60.
Act No. 18,
1967, s. 15.

11. (1) A credit union, or an association, may acquire by lease, purchase, donation, devise, bequest or otherwise any real or personal property necessary for the carrying out of any of the objects of the credit union or association and may sell or lease any such real or personal property.

Property.
Act No. 1,
1924, s. 64.
Act No. 18,
1967, s. 16.

The acquisition by a credit union, or by an association, of real or personal property primarily or mainly required for business or office accommodation of the credit union or association, or of the credit union or association and other credit unions or associations, shall be a valid exercise of its powers.

(2) Subject to subsection three of this section, a credit union, or an association, may acquire shares in any company registered under the Companies Act, 1961, or any company or body corporate registered or incorporated under any other Act, that has agreed to render special services to that credit union or association in the furtherance of its objects.

(3) Except as provided by sections five and eighteen of this Act, no credit union or association shall, without the prior approval of the Advisory Committee, apply funds in excess of two thousand dollars in the acquisition of shares pursuant to subsection two of this section in any one company or body corporate.

Credit Union.

12. (1) Subject to this section, a credit union may, if authorised by its rules and within the limits provided in this section, raise money on loan or receive money on deposit at interest to be applied to the purposes of the credit union.

Raising loans and receipt of money on deposit.

5 (2) The maximum rate which may be paid by way of interest on deposits with a credit union shall not exceed seven per centum per annum or, where some other rate has been fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate
10 so fixed.

Act No. 1, 1924, ss. 65 and 66.

Act No. 18, 1967, s. 20.

(3) Where a credit union is authorised by its rules to raise money on loan the credit union may raise the money in such manner as the board may think fit and in particular by legal or equitable mortgage charged upon all or any part
15 of the property and rights (both present and future) of the credit union, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

(4) Subject to subsection five of this section, a credit union shall not in any month raise a loan of an amount that,
20 if added to the amount owing as at the last day of the next preceding month by the credit union in respect of all loans made to it would produce an amount greater than twenty-five per centum of the sum of—

25 (a) the amount of the paid-up share capital of the credit union; and

(b) the amount of the deposits held by the credit union, as at that day.

(5) If the registrar so approves, and subject to such limits, terms and conditions as the registrar may impose when
30 giving his approval, subsection four of this section shall not apply to or in respect of—

(a) a credit union that, immediately before the commencement of this Act was registered under the Co-operation Acts and was first so registered not earlier than four years before that commencement;
35 or

(b)

Credit Union.

(b) a credit union registered under this Act (section twenty-two excepted),

until the expiration of the period of four years next succeeding the day on which it was first so registered.

5 (6) A credit union shall not raise money on loan to the extent authorised by subsection four or five of this section if the amount owing by the credit union in respect of all loans made to it would thereby exceed the amount specified by the rules of the credit union as the maximum amount that may be
10 owed by the credit union in respect of loans made to it or, where no such maximum amount is so specified, two thousand dollars.

(7) Subject to subsection eight of this section, where a credit union is authorised by its rules to receive money on
15 deposit, it shall not so receive money unless—

(a) the deposit is received on terms whereby not less than one month's notice may be required by the board before repayment;

(b) the depositor is a member of the credit union; and

20 (c) the rules of the credit union include special rules specifying the manner in which the board may regulate the withdrawal of deposits.

Nothing in this subsection or the rules of a credit union shall be construed as derogating from the provisions of
25 subsection ten of section six of this Act.

(8) In so far as paragraph (c) of subsection seven of this section would, but for this subsection, affect a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts, sub-
30 section seven of this section shall not apply to or in respect of that credit union until the expiration of the period of one year next succeeding the commencement of this Act.

(9) No member or other person lending money to or depositing money with a credit union shall be bound to see
35 to the application thereof or be in any way affected or prejudiced by the fact that the credit union, in borrowing the money or receiving the deposit, has contravened the provisions of this Act, the regulations or the rules of the credit union.

(10)

Credit Union.

(10) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge created by a credit union, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

10 For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(11) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of the property of a credit union, to and in respect of such a receiver or manager and to and in respect of a credit union of whose property a receiver or manager has been appointed.

20 For the purpose of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

13. Any property to which a credit union, or an association, has become absolutely entitled by foreclosure, surrender or other extinguishment of the right of redemption shall as soon afterwards as may be conveniently practicable be sold or converted into money.

Disposal of certain securities.
Act No. 1, 1924, s. 68 (4).
Act No. 18, 1967, s. 17.

14. A credit union, and an association, shall each have power to create, operate and maintain or join with any other person or bodies of persons in the creation, operation and maintenance of a fund for the purpose of providing pension and superannuation benefits for officers and employees of the credit union or association and for their dependants.

Staff superannuation.
Act No. 18, 1967, s. 18.

15. (1) Contracts on behalf of a credit union, and of an association, may be made, varied or discharged as provided in this section.

Contracts.
Act No. 1, 1924, s. 71.
Act No. 18, 1967, s. 19.

(2)

Credit Union.

(2) Any contract which, if made between private persons, would be by law required to be in writing and under seal, may be made on behalf of the credit union or association in writing under the common seal of the credit union or association, and the contract may be in the same manner varied or discharged.

(3) Any contract which, if made between private persons, would be by law required to be in writing and signed by the party to be charged therewith, may be made on behalf of the credit union or association in writing signed by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(4) Any contract which, if made between private persons, would by law be valid, although made by parol only and not reduced into writing, may be made by parol on behalf of the credit union or association by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(5) Any contract made according to the provisions of this section shall be effectual in law and shall be binding upon the credit union or association and all other parties thereto.

16. Any receipt or acknowledgment given to a credit union, or to an association, by a person under the age of twenty-one years, in respect of the payment to him of any amount deposited by him with the credit union or association, or of interest thereon, or in respect of any dividend on, or repayment of, capital in the credit union or association shall not be invalid on the ground that he is under that age.

Depositor under age of 21 years. Act No. 18, 1967, s. 22.

Credit Union.

17. (1) A credit union, or an association, may act as a collecting agent on behalf of any company, credit union or association, person or body of persons for the collection and payment to such company, credit union or association, person or body of persons, of any premiums payable by a member in respect of any policy of insurance covering any property held by the credit union or association as security for a loan to the member or in respect of any life, endowment, sickness or accident policy taken out by a member as a result of any terms and conditions imposed upon the granting of a loan or under any arrangement entered into by the member whereby the proceeds of the policy would be payable to the credit union or association in repayment of the whole or part of the member's liability under any mortgage to the credit union or association.

Credit union or association as collecting agent.
Act No. 18, 1967, s. 24.

(2) A credit union, or an association, may act as collecting agent for any other credit union or association in respect of any money due to that credit union or association by its members.

18. (1) A credit union, or an association, may join an association or federation of credit unions of whatsoever kind, whether incorporated or unincorporated.

Power to join association.
Act No. 1, 1924, s. 34.

(2) Nothing in subsection one of this section shall authorise a credit union, or an association, to subscribe by any means to the funds of any such association or federation a sum which, together with all sums so subscribed before the commencement of this Act exceeds the amount of funds it is authorised, by section five of the Act, to apply in the acquisition of shares.

Act No. 18, 1967, s. 25.

19. (1) Subject to this section, a credit union, or an association, may invest any of its funds not immediately required for any of its objects, or for purposes incidental thereto, in—

Investment of surplus funds.
Act No. 1, 1924, s. 68.

(a) securities authorised by law for the investment of trust funds not being securities by way of mortgage over real or leasehold property;

Act No. 18, 1967, s. 21.

(b)

Credit Union.

- (b) deposits with any prescribed bank;
- (c) deposits with an association of credit unions of which the credit union or association is a member;
- 5 (d) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967;
- 10 (e) shares not exceeding a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in any co-operative insurance society registered under the Co-operation Acts; or
- (f) prescribed securities.

(2) No credit union or association shall, pursuant to paragraph (a) of subsection one of this section, invest in any securities which are not redeemable within ten years of their acquisition by the credit union or association unless the registrar, in a particular case, approves.

(3) Nothing in this section shall affect the validity of any investment made, before the commencement of this Act, by a credit union, or by an association, that, immediately before that commencement, was registered under the Co-operation Acts, but any reinvestment thereof shall be made only in conformity with this section.

PART III.

25 INCORPORATION.

DIVISION 1.—*Incorporation and Rules.*

20. (1) A proposed credit union may be formed by twenty-five or more adult persons who are by the proposed rules of the credit union qualified to be members.

(2) Formation.
Act No. 1,
1924, s. 39.
Act No. 18,
1967, s. 27.

Credit Union.

(2) No proposed credit union formed after the commencement of this Act shall be registered unless there has been a meeting for the purpose of forming the credit union (in this Part called the "formation meeting") at which there
5 have been present twenty-five or more such persons.

(3) At the meeting there shall be presented—

- (a) a written statement showing the objects of the proposed credit union and the reasons for believing that, if registered, it will be able to carry out its
10 objects successfully; and
- (b) a copy of the rules which it is proposed shall be tendered for registration.

(4) If, at the same or any subsequent or adjourned meeting, after consideration of the statement and rules,
15 twenty-five or more such persons approve the rules with or without amendment and sign applications for membership and shares, they shall proceed to elect the first directors of the proposed credit union in accordance with the rules as so approved.

20 Following the election of the first directors, the persons who have signed applications for membership and shares may proceed to elect the members of such committees as may be provided for in the rules of the proposed credit union.

(5) The expenses of and incidental to the formation
25 of the proposed credit union may be paid either out of capital or out of income.

21. (1) A proposed credit union formed under section twenty of this Act shall not be registered under this Act unless within two months after the election of the first directors
30 referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed credit union accompanied by—

Registration.
Act No. 1,
1924, s. 39.
Act No. 18,
1967, s. 28.

- (a) a statutory declaration by the chairman and
35 secretary of the formation meeting as to compliance with the requirements of section twenty of this Act;
- (b)

Credit Union.

- (b) a copy of the statement presented to the formation meeting signed by the chairman and secretary of the meeting;
- 5 (c) two copies of the proposed rules signed by the chairman and secretary of the formation meeting and certified by them as being the rules approved in accordance with subsection four of section twenty of this Act;
- 10 (d) a list containing the full name and the occupation and address of each director;
- (e) a list containing the full name and the occupation and address of twenty-five persons who attended the formation meeting and signed applications for membership and shares; and
- 15 (f) such other particulars as may be prescribed.

(2) The statutory declaration mentioned in subsection one of this section may be accepted by the registrar as sufficient evidence of compliance with the requirements of section twenty of this Act.

- 20 (3) If the registrar is satisfied—
 - (a) that the proposed credit union has complied with the provisions of this Act and the regulations in so far as they are applicable;
 - 25 (b) that the rules of the proposed credit union are not contrary to this Act or the regulations and are such as may reasonably be approved by him;
 - (c) that there are reasonable grounds for believing that the proposed credit union, if registered, will be able to carry out its objects successfully; and
 - 30 (d) that there is no reasonable cause why the proposed credit union and its rules should not be registered,

the registrar shall register the proposed credit union and its rules and shall issue a certificate that the credit union is incorporated under this Act.

Credit Union.

22. (1) A corporation that, immediately before the commencement of this Act, was registered under the Co-operation Acts as a credit union or an association of credit unions shall, on and from that commencement be deemed, Certain bodies deemed to be registered.
 5 subject to this Act, to be registered under this Act as a credit union or an association of credit unions, as the case may be, and the rules thereof in force immediately before that commencement shall, on and from that commencement, be deemed, subject to this Act, to be the rules thereof registered
 10 under this Act.

(2) The identity of a corporation registered under this Act by virtue of subsection one of this section shall not be affected and it shall continue as the same entity.

(3) A reference in any document, or in any other
 15 Act, to a credit union or an association of credit unions, or to the Co-operation Acts shall, in so far as it affects a corporation registered under this Act by virtue of subsection one of this section, be deemed to be a reference to a credit union or an association of credit unions, as the case may be,
 20 registered under this Act.

(4) Where a corporation registered under this Act by virtue of subsection one of this section so applies, the registrar may, upon surrender of its certificate of incorporation under the Co-operation Acts, issue a substitute certificate of
 25 incorporation in or to the effect of the prescribed form.

23. (1) A certificate of incorporation under this Act shall be in or to the effect of the prescribed form. Certificate of incorporation.

(2) The certificate shall be conclusive evidence that Act No. 1, 1924, s. 45.
 all the requirements of this Act in respect of registration have Act No. 18, 1967, s. 29
 30 been complied with, but this subsection shall not affect any provisions of this Act for the winding-up or dissolution of a credit union, or of an association, or the cancellation of its registration.

Credit Union.

24. The rules of a credit union, and of an association, shall, in addition to rules otherwise required by this Act to be included, include rules relating to the matters set forth in the Schedule to this Act.

Rules.
Act No. 1,
1924, s. 82.
Act No. 18,
1967, s. 31.

5 25. (1) The rules of a credit union, and of an association, shall bind the credit union or association and all members thereof and all persons claiming through them respectively to the same extent as if the rules were incorporated in a deed executed by each member and there were contained in the rules a covenant on the part of each member and, in the case of a member of a credit union, on the part of his legal representatives, to observe all the provisions of the rules, subject to the provisions of this Act.

Rules.
Act No. 1,
1924, ss. 73,
78 (4) and
82 (8).
Act No. 18,
1967, s. 32.

15 (2) No credit union or association shall impose or levy a charge upon a member in respect of his membership unless the charge is imposed by, and specified in, a special rule.

20 (3) A credit union, and an association, shall furnish any person with a copy of its rules upon application and payment of an amount not exceeding, where an amount is specified in the rules, the amount so specified or, where there is no amount so specified, an amount of fifty cents or, where some other amount is prescribed, that other amount.

25 26. (1) No rule of a credit union, or of an association, shall be altered unless the alteration has been approved by a special resolution.

Alteration of
rules.
Act No. 1,
1924, s. 83.
Act No. 18,
1967, s. 33.

30 (2) A credit union, or an association, that resolves to alter its rules shall, within the prescribed time and in the prescribed manner, apply to the registrar to have the alteration registered.

(3) If the registrar is satisfied that the alteration is not contrary to this Act or to the regulations and is such as may reasonably be approved by him and that there is no reasonable cause why the alteration should not be registered, the registrar shall register the alteration as prescribed and, until the alteration is so registered, it shall not take effect.

(4)

Credit Union.

(4) In this Act the expression "alteration of a rule" includes addition to, or rescission of, a rule or any part thereof.

DIVISION 2.—*Name.*

5 **27.** (1) Except with the consent of the Minister a credit union, or an association, shall not be registered by a name that, in the opinion of the registrar, is undesirable, or is a name, or a name of a kind, that the Minister has directed the registrar not to accept for registration.

Name.
Act No. 1,
1924, ss. 72
and 40.

Act No. 71,
1961, s. 22.

Act No. 18,
1967, s. 34.

10 (2) The Minister shall cause a direction given by him under subsection one of this section to be published in the Gazette.

15 (3) A credit union, and an association, shall have the word "Limited" or the abbreviation "Ltd." as part of and at the end of its name and shall include in its name the words "credit union" or, in the case of an association, the words "credit unions" in consecutive form.

20 (4) If a credit union, or an association, through inadvertence or otherwise is registered by a name by which the credit union or association could not be registered without contravention of this section the credit union or association shall, if the registrar, with the approval of the Minister, so directs, change its name.

25 (5) Where a credit union, or an association, was immediately before the commencement of this Act, registered under the Co-operation Acts, the registrar shall not require the credit union or association to change its name except with the approval of the Minister.

30 (6) Subject to this section, a credit union, or an association, may, by an alteration of its rules in the manner provided by this Act, change its name to a name by which it could be registered under this Act without contravention of this section.

(7)

Credit Union.

(7) Upon registration of an alteration of the rules of a credit union, or an association, pursuant to subsection six of this section the registrar shall register the change of name and either note the change of name on the certificate
 5 of incorporation of the credit union or association or, upon surrender to the registrar of the certificate of incorporation of the credit union or association or production of such evidence as to its loss as the registrar may require, issue a new certificate of incorporation in lieu thereof.

10 (8) A change of name of a credit union, or of an association, shall be published, at the expense of the credit union or association, in the manner prescribed.

(9) A change of name shall not affect any right or obligation of a credit union, or of an association, or of any
 15 member or other person or render defective any legal proceedings by or against the credit union or association.

(10) After a credit union, or an association, has changed its name, any legal proceedings that might have been continued or commenced against the credit union or
 20 association by its former name may be continued or commenced against it by its new name.

(11) No description of a credit union, or of an association, shall be deemed to be inadequate or incorrect by reason of the use of—

- 25 (a) the abbreviation "Ltd." in lieu of the word "Limited" contained in the name of the credit union or association;
- (b) the symbol "&" in lieu of the word "and" contained in the name of the credit union or association; or
- 30 (c) any of those words in lieu of the corresponding abbreviation or symbol contained in the name of the credit union or association.

(12)

Credit Union.

(12) Subsection one of section sixty-one of the Co-operation Acts shall not, during the period of three years next succeeding the commencement of this Act, apply to or in respect of a credit union, or an association, registered by virtue of section twenty-two of this Act.

28. (1) Subject to this section, no person or body of persons, whether incorporated or unincorporated, other than a credit union, or an association of credit unions, registered under this Act shall—

Use of words "credit union".

Act No. 1, 1924, s. 61.

Act No. 18, 1967, s. 35.

10 (a) trade or carry on business (which expression shall include establishing or using an office for the receipt of share capital, deposits or loan funds, advertising for share capital, deposits or loan funds, or the making of loans to members residing in New South Wales, whether by servants or agents or otherwise) under any name or title of which the words "credit union", or any other words importing a similar meaning, form part; or

20 (b) in any other manner hold out that its trade or business is that of a credit union, or an association of credit unions, registered under this Act.

25 (2) Any society or company formed or incorporated outside New South Wales that desires to trade or carry on business in New South Wales may apply to the registrar for exemption from the provisions of subsection one of this section, and that subsection and subsection (4A) of section sixty-one of the Co-operation Acts shall not apply to any such society or company in respect of which the registrar has granted exemption, while that exemption subsists.

30 (3) The registrar may grant any exemption referred to in subsection two of this section for such time and upon such conditions as he thinks fit and may, upon non-compliance with any such conditions, revoke any such exemption, but the

registrar

Credit Union.

registrar shall not grant any such exemption unless he is satisfied that the society or company would be able to trade or carry on business in New South Wales in accordance with the principles contained in this Act for the carrying on of the
5 business of a credit union or, as the case may require, of an association and, if he does grant any such exemption, he shall notify the Registrar of Companies accordingly.

(4) Every person contravening this section and every director or other person having the control and management
10 of any unincorporated body of persons contravening this section shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

29. (1) The name of a credit union, and of an association, shall appear in legible characters on its seal and in legible
15 characters on all business letters, notices, advertisements and other official publications of the credit union or association and on all bills of exchange, cheques, promissory notes, endorsements, orders for money or goods, invoices, receipts and other documents required in the business of the credit
20 union or association.

Publication
of name.
Act No. 71,
1961, s. 113.
Act No. 18,
1967, s. 37.

(2) Subject to subsection eleven of section twenty-seven of this Act no credit union or association shall use any name or title other than its registered name.

(3) A credit union, and an association, shall paint
25 or affix and keep painted or affixed on the outside of every office or place in which its business is carried on in a conspicuous position in letters easily legible its name and also, in the case of the registered office, the words "Registered Office".

30 (4) A credit union, or an association, which contravenes the provisions of this section and any officer in default shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

DIVISION

Credit Union.

DIVISION 3.—Office and Service of Documents.

30. (1) A credit union, and an association, shall have a registered office, and the registered office of the credit union or association shall be situated—

Office and
service of
documents.

Act No. 1,
1924, s. 72.

Act No. 18,
1967, s. 36

- 5 (a) in the case of a credit union, or of an association,
that, immediately before the commencement of this
Act, was registered under the Co-operation Acts—
at the address of its registered office under those
Acts immediately before that commencement; or
- 10 (b) in the case of any other credit union or association
—at the address specified in the rules as the address
of its first office.

(2) A credit union, and an association shall, not later
than fourteen days after a change in the address of its
15 registered office, notify the registrar, in the prescribed manner,
of the change of address.

(3) A document may be served on a credit union, or
on an association, or on an officer of a credit union or associa-
tion other than a director, by leaving it at the registered office
20 of the credit union or association with some person apparently
in the service of the credit union or association, or by post
enclosed in a prepaid registered letter addressed to the credit
union or association at its registered office.

A document may be served on a director of a credit union,
25 or of an association, by post enclosed in a prepaid registered
letter addressed to the last address of the director as disclosed
in returns transmitted to the registrar pursuant to this Act.

Service by post shall be deemed to be effected at the time
at which the letter would be delivered in the ordinary course
30 of post.

31. No fee shall be chargeable for the registration of a
credit union, or of an association, or of any rules, or of any
alteration of rules.

Exemption
from fees.

Act No. 1,
1924, s. 62.

32.

Credit Union.

32. (1) Where the registrar refuses to register a proposed credit union, or a proposed association, or any of its proposed rules, or any proposed alteration of the rules of a credit union or of an association, or directs a change of its name, the registrar shall, if so required by the applicant for registration or, as the case may be, the credit union or association, set forth in writing under his hand within two months of the date of receipt of the requisition, the grounds of his refusal or, in the case of a direction, the grounds upon which the direction was given.

Appeal from registrar.
Act No. 1,
1924, s. 122.
Act No. 18,
1967, s. 38.

(2) The applicant for registration or, as the case may be, the credit union or association may, unless the grounds of the registrar's refusal or direction are that the credit union or association would be, or is, registered by a name, or a name of a kind, that the Minister has directed the registrar not to accept for registration, summon the registrar to appear before a judge of the Supreme Court to substantiate and uphold the grounds of the refusal or direction.

(3) The judge may direct any question of fact to be determined in such manner as he may deem fit, and, subject to subsection four of this section, may make such order, including an order as to costs, as may be proper in the circumstances.

(4) Where the registrar has refused to register a proposed rule, or alteration of a rule, that relates to—

- (a) the class of person who may borrow from a credit union;
- (b) the maximum amount that may be owed by a member to a credit union; or
- (c) a charge that may be levied on a member by a credit union or by an association,

the judge shall not make an order under subsection three of this section (other than such order as to costs as he thinks fit) relating to that refusal unless he is satisfied that the refusal was the result of a failure by the registrar to exercise, according to law, a discretion vested in him by this Act.

(5)

Credit Union.

(5) The judges of the Supreme Court or any three of them may make rules of court for the practice and procedure in applications under this section.

DIVISION 4.—*Amalgamation.*

5 **33.** (1) Subject to this section, any two or more credit unions may apply to be registered as an amalgamated credit union, and any two or more associations, may apply to be registered as an amalgamated association, with or without any winding-up or any division of the funds of the credit unions or
10 associations or any of them, but no such application shall be considered by the registrar unless—

Amalgama-
tion.

Act No. 1,
1924, ss. 41
and 43.

Act No. 18,
1967, s. 39.

- 15 (a) the amalgamation and the terms thereof have been approved by a special resolution of each of the credit unions, or associations, as the case may be; and
- 20 (b) if the registrar so requires in the case of credit unions, certificates have been furnished by the secretary of each of the credit unions that the amalgamation has been approved in writing by the holders of not less than two-thirds of the whole number of shares in the credit union of which he is the secretary.

(2) An application under subsection one of this section shall be in or to the effect of the form prescribed and
25 shall be accompanied by—

- (a) two copies of the proposed rules of the amalgamated credit union or association; and
- (b) such other particulars as may be prescribed.

(3) If the registrar is satisfied that the credit unions
30 or associations have complied with the provisions of this Act, and of the regulations, in relation to the application, and that the proposed rules of the amalgamated credit union or association are not contrary to this Act or the regulations, and are such

Credit Union.

such as may reasonably be approved by him, the registrar shall upon the surrender to him of the certificates of incorporation of the amalgamating credit unions or associations or production of such evidence as to the loss of any of them as
5 the registrar may require, register the amalgamated credit union or association and its rules, issue a certificate that the credit union or association is incorporated as an amalgamated credit union or association under this Act, and notify the issue of the certificate in the Gazette.

10 (4) Subject to subsection five of this section, the registrar may, not earlier than one year after the registration of an amalgamated credit union or association, remove from the register the names of the credit unions or associations that were parties to the amalgamation.

15 (5) The power conferred on the registrar by subsection four of this section shall not be exercised until after the registrar has given to the amalgamated credit union or association notice of his intention so to do and where the registrar, on the application of the amalgamated credit union
20 or association made within a time specified in the notice for the purpose, or a subsequent notice to the like effect, so applies, until after the expiration of any further period approved by the registrar.

(6) An amalgamation of credit unions or associa-
25 tions shall not prejudice any right of a creditor of any credit union or association that is a party to the amalgamation.

(7) Upon the issue of the certificate of incorporation of an amalgamated credit union or association being notified in the Gazette, the property of each credit union or association
30 that is a party to the amalgamation shall, as from the date of the notification and by virtue of this Act, without any conveyance, transfer or assignment, except as otherwise provided in this section, vest in the amalgamated credit union or association.

(8)

Credit Union.

(8) For the purposes of this section the property of credit unions or associations that are parties to an amalgamation shall include all estates and interests in property, whether real or personal, vested or contingent.

5 (9) In the case of—

(a) any land subject to the provisions of the Real Property Act, 1900; or

(b) any property a transfer of which is required to be registered by any other Act,

10 the land or property shall not vest under subsection seven of this section until an appropriate transfer is registered.

(10) In the case of any property that is only transferable in books kept by a corporation, company or other body or in any manner directed by or under any Act, the property
15 shall not vest under subsection seven of this section until it is duly transferred.

(11) If any property does not vest under this section until transfer or registration, an amalgamated credit union or association shall have the right to call for a transfer of the
20 property to the amalgamated credit union or association or to such person as the board may direct, and to sue for or recover the property, and in the case of a memorandum of mortgage under the Real Property Act, 1900, may exercise any power conferred on the mortgagee by any Act or by the
25 mortgage, or may discharge the mortgage, as if the amalgamated credit union or association were the registered proprietor thereof.

(12) Any property vested in or transferred to an amalgamated credit union or association by virtue of or in
30 pursuance of this section shall be subject to any debt, liability, or obligation specially charged on or affecting that property.

(13) All debts and liabilities, whether certain or contingent, and whether then existing or capable of arising at a future time, to or with which any credit union or association
35 tion that is a party to an amalgamation is, at the date of the certificate

Credit Union.

certificate of incorporation of the amalgamated credit union or association liable or charged, shall by virtue of this Act become and be the debts and liabilities of the amalgamated credit union or association.

5 34. (1) A credit union desiring to amalgamate with one or more other credit unions, or an association desiring to amalgamate with one or more other associations, shall, unless exempted in writing by the registrar, send to each of its members a statement, the contents of which have been approved by the registrar, concerning—

Supplemen-
tary provi-
sions as to
amalgama-
tion.
Act No. 18,
1967, s. 41.

- (a) the financial position of the credit union or association sending the statement and that of the other credit union or association or credit unions or associations concerned;
- 15 (b) the interest of the directors of the credit union or association sending the statement in the amalgamation and that of the directors of the other credit union or association or credit unions or associations concerned;
- 20 (c) the compensation or other consideration proposed to be paid to the directors or other officers of the credit union or association sending the statement and of the other credit union or association or credit unions or associations concerned;
- 25 (d) the payments to be made to members of the credit union or association sending the statement and of the other credit union or association or credit unions or associations concerned, in consideration of the amalgamation; and
- 30 (e) such other matters as the registrar may direct.

(2) A statement under subsection one of this section shall be sent so that it will in due course of post reach each member not later than the time at which he would receive notice of the meeting called to pass the special resolution referred to in subsection one of section thirty-three of this Act.

Credit Union.

(3) Where the registrar has required a credit union to furnish the certificate referred to in paragraph (b) of subsection one of section thirty-three of this Act, the credit union may apply to the registrar to confirm an amalgamation notwithstanding that the consents in writing of the holders of two-thirds of the whole number of shares of that credit union or association have not been obtained. Where any such application is made the credit union shall give notice of the application in such manner, at such times and in such newspapers as the registrar may direct.

(4) Where application has been made under subsection three of this section, the registrar may, after hearing the credit union and any other person whom he may consider entitled to be heard, confirm the amalgamation accordingly.

15 DIVISION 5.—*Associations and Unions of Associations.*

35. (1) An association of credit unions may be formed by two or more credit unions, and a union of associations may be formed by two or more associations, in accordance with the provisions of section thirty-seven of this Act.

Associations,
etc.
Act No. 1,
1924, s. 34.
Act No. 18,
1967, s. 47.

20 (2) The objects of an association, and of a union of associations, shall be such of the following as may be authorised by the rules of the association or union of associations :—

- 25 (a) To promote the interests of, and co-operation among, credit unions and associations.
- (b) To formulate, and to promote the adoption and observance by credit unions of, conditions governing the carrying on of their business.
- 30 (c) To render services to, and to act on behalf of, its component members and other credit unions in such ways as may be specified in or authorised by special rules of the association or union of associations.

(d)

Credit Union.

- (d) To advocate and promote such legislation, practices and reforms as may be conducive to any of the objects of the association or union of associations.
- (e) To co-operate with other bodies with similar objects.
- 5 (f) To provide facilities for savings by, and loans to, its employees.
- (g) To establish and operate a stabilisation fund.
- (h) To encourage and assist in the formation of credit unions.
- 10 (i) To do all such other things as may be incidental or conducive to the attainment of all or any of the foregoing objects.
- (j) To do such other things as may be prescribed.

(3) Where the registrar registers a rule adopting
 15 paragraph (f) of subsection two of this section he may impose and, having imposed, may vary or revoke, such terms and conditions on the carrying out of that object as he thinks fit, and a contravention of any such term or condition for the time being in force shall be deemed to be a contravention of this
 20 Act.

(4) An association, or a union of associations, may—

- (a) raise money on loan for any of its objects,
- (b) receive money on deposit.

25 **36.** (1) An association, or a union of associations, may if authorised by its rules and within the limits provided in this section raise money on loan or receive money on deposit at interest to be applied for the purposes of the association or union of associations.

Raising loans and receipt of money on deposit by associations, etc.

Act No. 1, 1924, ss. 65 and 66.

Act No. 18, 1967, s. 20.

(2)

Credit Union.

(2) Where an association, or a union of associations, is authorised by its rules to raise money on loan the association or union of associations may raise money in such manner as the association or union of associations may think fit and
5 in particular by legal or equitable mortgage charged upon all or any part of the property and rights (both present and future) of the association or union of associations, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

10 (3) No association or union of associations shall raise money on loan in accordance with the provisions of this section so that at any time it owes in respect of loans made to it an aggregate amount exceeding two thousand dollars unless the rules of the association or union of associa-
15 tions specifically authorise the raising on loan of an aggregate amount in excess of two thousand dollars and specify the higher aggregate amount that may be raised on loan by the association or union of associations.

(4) No member or other person lending money to or
20 depositing money with an association, or a union of associations, shall be bound to see to the application thereof or be in any way affected or prejudiced by the fact that the association or union of associations, in borrowing the money or receiving the deposit, has contravened the provisions of this
25 Act or of the rules of the association or union of associations.

(5) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge
30 created by an association or a union of associations, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

35 For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(6)

Credit Union.

(6) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of an association
 5 or a union of associations, to and in respect of a receiver or manager so appointed and to and in respect of an association, or a union of associations, of whose property a receiver or manager has been appointed.

For the purpose of that extension, a reference in any of
 10 those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

37. For the purposes of the formation of an association, **Formation**
 or a union of associations— **of association or union of associations.**

15 (a) there shall be a meeting at which there shall be at least two representatives of each of the credit unions proposing to form the association, or the associations proposing to form the union of associations;
 Act No. 1, 1924, s. 39 (8).
 Act No. 18, 1967, s. 48.

(b) at that meeting there shall be—

20 (i) read by the chairman a written statement setting forth the objects of the proposed association or union of associations and the reasons for believing that if registered, it will be able to carry out its objects
 25 successfully;

(ii) presented a copy of the rules of the proposed association or union of associations;

30 (c) if at the same or any subsequent or adjourned meeting, two representatives of each of the credit unions proposing to form the association, or associations proposing to form the union of associations, agree to the formation of the association or union of associations and to the adoption of rules to be tendered for registration and sign
 35 on behalf of the credit union or association of which they are the representatives an application for membership

Credit Union.

5 membership and for the minimum number of shares necessary for membership of the association or union of associations, they shall proceed to elect the first directors of the association or union of associations in accordance with the rules so adopted.

38. (1) No proposed association or union of associations formed under section thirty-seven of this Act shall be registered under this Act unless, within two months after the election of the first directors referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed association or union of associations, accompanied by—

Registration of association or union of associations.
Act No. 1, 1924, s. 39 (8).
Act No. 18, 1967, s. 48.

- 15 (a) a statutory declaration by the chairman and the secretary of the meeting referred to in that section as to compliance with the requirements of that section;
- (b) a copy of the statement read at that meeting signed by the chairman and secretary of the meeting;
- 20 (c) two copies of the rules adopted for registration signed on behalf of each credit union or association agreeing to form the association or union of associations by at least one representative of each of the credit unions or associations that have agreed to their adoption;
- 25 (d) a list containing the full name and the occupation and address of each director and the name of the component credit union or association of which he is a member; and
- 30 (e) a list containing the names of each component credit union or association and the number of shares applied for by it.

(2) The statutory declaration referred to in subsection one of this section may be accepted by the registrar as sufficient compliance with the requirements of section thirty-seven of this Act.

(3)

Credit Union.

(3) If the registrar is satisfied—

- (a) that the association or union of associations has been formed in accordance with this Act;
- 5 (b) that the rules as submitted are not contrary to the provisions of this Act or the regulations and are such as may be reasonably approved by him;
- 10 (c) that there are reasonable grounds for believing that the association or union of associations, if registered, will be able to carry out its objects successfully; and
- (d) that there is no reasonable cause why the association or union of associations and its rules should not be registered,

the registrar shall register the association or union of associa-
15 tions and its rules and shall issue a certificate that the association or union of associations is incorporated under this Act.

PART IV.

MEMBERS AND FUNDS.

20 DIVISION 1.—*Members.*

39. (1) The members of a credit union formed under Members.
this Act shall be the persons who signed applications for Act No. 1,
membership on the formation of the credit union and any 1924, s. 46.
other persons who are admitted to membership in accordance Act No. 18,
25 with its rules. 1967, s. 49.

(2) The members of a credit union, or of an associa-
tion, that, immediately before the commencement of this Act,
was registered under the Co-operation Acts shall be the
persons who, or credit unions or associations that, immediately
30 before that commencement, were members of the credit union
or

Credit Union.

or association and any other persons who, or credit unions or associations that, are admitted to membership in accordance with its rules.

(3) The members of an amalgamated credit union shall be the persons who, at the date of amalgamation, were members of the credit unions that are parties to the amalgamation, and any other persons who are admitted to membership in accordance with the rules of the amalgamated credit union.

(4) The members of an association formed under this Act shall be the credit unions or associations by which the association is formed, and any other credit unions or associations that are admitted to membership in accordance with the rules of the association.

(5) The members of an amalgamated association shall be the credit unions or associations that were members of the associations that were parties to the amalgamation, and any other credit unions or associations that are admitted to membership in accordance with the rules of the amalgamated association.

(6) No rights of membership of a credit union, or of an association, shall be exercised unless the member has made such payments to the credit union or association in respect of membership, or has acquired fully paid shares in the credit union or association, of such total nominal value, being in either case not less than two dollars, as may be specified in the rules of the credit union or association.

40. (1) Subject to this section, where a body corporate is a member of a credit union it may appoint a person to represent it in respect of the shares held by it.

Corporate
body as
member.

Act No. 1,
1924, s. 46
(7).

30 (2) Such appointee—

Act No. 18,
1967, s. 51.

(a) shall be entitled to receive notice of all meetings in like manner as the members and shall be entitled to exercise the same rights to vote as a member; and

(b)

Credit Union.

(b) shall be eligible to be elected to the board of directors if the body corporate holds such qualifications, other than those relating to age, as may be requisite for holding office as a director.

5 (3) A credit union which is a member of an association may appoint such number of its members, not exceeding three, as may be provided for in the rules of the association to represent it on the association and the provisions of subsection two of this section shall apply to any such
10 appointees.

(4) An association which is a member of a union of associations may appoint such number of persons, not exceeding three, as may be provided for in the rules of the union to represent it on the union and the provisions of
15 subsection two of this section shall apply to any such appointees.

No person shall be appointed under this subsection unless he is a member of a credit union that is a member of the association.

20 **41.** (1) Unless otherwise provided by the rules, a person under the age of twenty-one years may be a member of a credit union and may, to the extent required by reason of his membership, execute all instruments and give all necessary
acquittances.

Minors as members.
Act No. 1, 1924, ss. 17B and 38.
Act No. 18, 1967, ss. 8 and 50.

25 (2) A member of a credit union who is under the age of twenty-one years shall not be competent to hold any office in the credit union or to be one of the persons by whom a credit union may be formed and, if he is under the age of eighteen years shall not be entitled to vote.

30 (3) Where a member of a credit union under the age of twenty-one years borrows money from a credit union and—

(a) is married; or

35 (b) being unmarried, is of the age of eighteen years or over at the time the loan is approved,

he

Credit Union.

he shall, in respect of his agreement to repay the loan and in respect of any security for repayment of the loan given by him to the credit union, be subject to the same liabilities and obligations as he would have been subject to, and shall have
5 the same rights as he would have had if he had been of the full age of twenty-one years at the time the loan was made.

(4) Any guarantee or surety by any person in respect of a loan referred to in subsection three of this section shall be as binding and effectual as if the person who borrowed the
10 money had been of the full age of twenty-one years when the guarantee or surety was given or entered into.

42. The rules of a credit union, and of an association, shall specify the circumstances, including, in the case of a credit union, those relating to bankruptcy and death, in which
15 membership thereof shall cease.

Cessation of membership.
Act No. 1, 1924, s. 46 (9).

DIVISION 2.—Share Capital.

43. (1) The capital of a credit union, and of an association, shall vary in amount according to the nominal value of shares from time to time allotted.

Share capital.
Act No. 1, 1924, ss. 47 and 50.

20 (2) All shares shall be of one class, all ranking equally and of a fixed amount which shall be specified in the rules of the credit union or association.

Act No. 18, 1967, ss. 52 and 53.

(3) The liability of a member to a credit union, or to an association, shall be limited to the amount, if any, unpaid
25 on the shares held by the member, together with any charges payable by the member to the credit union or association as specified by the rules, and any moneys owing by the member to the credit union or association.

(4) A member shall subscribe for such minimum
30 number of shares, having a total nominal value of not less than two dollars, as may be specified by the rules.

(5)

Credit Union.

(5) Any balance unpaid in respect of shares at the time of allotment shall be paid by periodic subscriptions or in such manner as may be specified by the rules.

(6) No member shall, in his own right or through 5 nominees, hold more than one-fifth of the shares or, where the rules specify a proportion less than one-fifth, more than the proportion so specified.

(7) A share may be held by two or more persons jointly, and, where a share is so held—

10 (a) the joint holder who is named first in the register of shares shall be the “primary joint holder” for the purposes of this subsection;

15 (b) except where the rules of the credit union or association otherwise provide, but without prejudice to the right under this Act of a member of a credit union or an association to obtain from the credit union or association on demand a copy of the balance sheet, any notice or other document may be 20 given or sent by the credit union or association to the joint holders by being given or sent to the primary joint holder;

(c) for the purpose—

25 (i) of determining who is qualified to vote on a resolution at a meeting of the credit union or association; and

(ii) of determining the number or proportion of any members required to give effect to any provisions of this Act or the rules of a credit union or an association,

30 the shares shall be treated as being held by the primary joint holder alone;

(d) the register of members and shares shall indicate whether a person is a joint holder and whether or not he is the primary joint holder; and

(e)

Credit Union.

5 (e) the joint holders shall be entitled to choose the order in which they are named in the register of shares, but failing any such choice the credit union or association may enter their names in such order as the board thinks fit.

(8) A share may not be sold or transferred without the consent of the board.

10 (9) Subject to this section, the board of a credit union, or of an association, may, if authorised by the rules, declare to be forfeited the shares of any member who has not for a period of three years had any dealings with the credit union or association and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

15 (10) No share of a member of a credit union, or of an association, shall be forfeited under this section where the total amount paid to that credit union or association in respect of any shares held by that member exceeds one hundred dollars.

20 (11) No credit union or association shall declare the shares of a member to be forfeited unless it has given, in a newspaper circulated in the district in which the registered office of the credit union or association is situated, at least one month's notice of its intention so to do.

25 (12) Upon forfeiture of any shares under this section there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.

30 44. (1) Subject to subsection ten of section six of this Act a credit union, or an association, may, with the consent of a member repay the whole or any part of the amount paid up on any share held by the member at any time.

Repayment
of capital.
Act No. 1,
1924, s. 54.

(2)

Credit Union.

(2) No credit union or association shall approve any application for a loan until all applications for withdrawal of the whole or any part of the amount paid up on any share have been satisfied or are, in the opinion of the board, capable of being satisfied within thirty days of the date of the approval to the loan.

(3) Subject to this section, where a member has been expelled from a credit union, or an association, in accordance with the rules of the credit union or association, the credit union or association shall repay to the member the amount paid up on the shares held by him at the date of his expulsion, less any amount owing by the member to the credit union or association at the date of his expulsion under the rules or under any contract or otherwise.

(4) Where the balance sheet of a credit union, or of an association, last issued before the date of expulsion of a member of the credit union or association discloses a loss or deficiency there shall be deducted from the capital to be repaid to the member expelled an amount that bears to the amount of that loss or deficiency the same proportion as the number of shares held by that member bore to the total number of shares held by all members of the credit union or association as at the date of expulsion of that member.

(5) Payment of any amount due to a member pursuant to this section shall be made at such time as may be determined by the board, being a time not later than one year after the date of expulsion of the member.

45. A credit union, and an association, shall cancel any share forfeited to the credit union or association in accordance with the rules or in respect of which the credit union or association has repaid to the member the whole of the amount paid up thereon.

Cancellation of shares.

Act No. 1, 1924, s. 53.

Act No. 18, 1967, s. 56.

46. Nothing in this Act shall affect the validity of any nomination properly made in accordance with the provisions of section fifty-eight of the Co-operation Acts, or of any action properly taken in accordance with such nomination.

Death of member.

Act No. 1, 1924, s. 58.

Act No. 18, 1967, s. 59.

47.

Credit Union.

47. (1) If any member, or any other person, entitled in Small
respect of any share in, loan to or deposit with a credit union, estates.
to a sum of money not exceeding four hundred dollars or, Act No. 1,
where a greater sum is prescribed by the regulations, the sum 1924, s. 59.
5 so prescribed, dies intestate, the board may, upon such Act No. 18,
evidence as it deems sufficient, pay the money or transfer 1967, s. 60.
the shares to any person who appears to the board to be
entitled to obtain a grant of letters of administration of the
estate of the deceased, and that person shall hold the money
10 or shares on the same trusts as if he had obtained such a grant.

(2) If any member or other person so entitled dies
testate, the board may, upon such evidence as it deems
sufficient, pay the money or transfer the shares to the person
appearing to the board to be entitled thereto under the will
15 of the deceased member or other person.

(3) The provisions of this section shall extend to any
surplus, not exceeding four hundred dollars or, where a greater
sum is prescribed by the regulations, the sum so prescribed,
arising on the sale by a credit union as mortgagee of any
20 property mortgaged by the deceased to the credit union.

(4) The provisions of this section are subject to
section one hundred and twenty-two of the Stamp Duties Act,
1920.

(5) Any payment or transfer made by the board in
25 accordance with the provisions of this section shall be valid
and effectual against any demand made upon the credit union
by any other person.

(6) No payment or transfer pursuant to this section
shall be made after evidence has been produced to the credit
30 union that letters of administration of the estate, or probate
of the will, of the deceased member or other person have or
has been granted.

48. A credit union, and an association, shall have a Charge and
charge upon the share or interest in the capital, and on the set off.
35 credit balance, of a member or past member and upon any Act No. 1,
dividend, interest or rebate payable to a member or past 1924, s. 57.
member 1967, s. 58.

Credit Union.

member in respect of any debt due from the member or past member to the credit union or association and may set off any amount paid on account of that share or otherwise, or any amount credited or payable to the member or past member,
 5 in or towards payment of the debt.

The charge created by this section may be enforced, at any time after seven days' notice to the member or past member, by the appropriation by the credit union or association of the capital or interest subject to the charge. Any share in respect
 10 of which capital has been so appropriated shall be cancelled.

DIVISION 3.—*Funds.*

49. (1) Subject to this section and section fifty of this Act, any part of the surplus arising from the operations of a credit union or an association may, if the rules so provide—
- 15 (a) be paid to a member by way of a dividend in respect of fully paid shares held by him; or
- (b) be paid to a member by way of rebate based on the business done by him with the credit union or association.
- 20 (2) If the rules of a credit union, or of an association, so provide, a dividend or rebate payable under this section, or any part thereof, may be credited in reduction or repayment of any amount owed to the credit union or association by the member entitled to the dividend or rebate.
- 25 (3) Nothing in this section shall preclude the payment of a bonus to an employee of a credit union, or of an association, in accordance with the terms of his employment.
- (4) The maximum rate of dividend in respect of any share shall not exceed seven per centum per annum or,
 30 where some other rate is fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate so fixed.
- (5) Notwithstanding any other provision of this section, cumulative dividends may be paid by a credit union,
 35 or by an association, if the surplus from which any cumulative dividend

Surplus from
operations.

Act No. 1,
1924, s. 48.

Act No. 18,
1967, ss.
61 and 62.

Credit Union.

dividend is paid arose within a period not exceeding five years prior to the declaration of the dividend and if that declaration would not result in any dividend exceeding the rate authorised by subsection four of this section.

- 5 (6) If authorised by the rules, a credit union, or an association, may apply part of the surplus arising in any year from the business of the credit union or association to any charitable purpose or for promoting co-operation or credit unions but the part to be so applied shall not, except with
10 the approval of the Advisory Committee, exceed ten per centum of that surplus.

(7) In calculating the surplus for the purposes of this section no regard shall be had to any funds which have been appropriated to any reserve or reserve fund.

- 15 **50.** (1) In this section, in relation to a financial year of a credit union, or of an association—

“prescribed amount” means an amount equal to five per centum or, where some lower proportion is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—

- 20 (a) the amount of the surplus of the credit union or association arising in that financial year; and
25 (b) the amount of interest paid, or payable, by the credit union or association in respect of that financial year on deposits held by it;

“prescribed reserve amount” means an amount equal to seven per centum or, where some lower proportion is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—

- 30 (a) the amount of the paid-up share capital of the credit union or association; and
35 (b) the amount of the deposits held by it, at the end of that financial year.

(2)

Credit Union.

(2) Where at the end of its financial year a credit union, or an association, has no reserve, or a reserve amounting to less than the prescribed reserve amount for that financial year, the credit union or association shall thereupon transfer 5 to reserve an amount not less than—

(a) where it has no reserve—

(i) the prescribed amount for that financial year; or

10 (ii) the amount required to create a reserve of the prescribed reserve amount for that financial year,

whichever is the lesser; or

(b) where it has a reserve amounting to less than the prescribed reserve amount for that financial year—

15 (i) the prescribed amount for that financial year; or

(ii) the amount required to increase the reserve to the prescribed reserve amount for that financial year,

20 whichever is the lesser.

(3) Regulations may be made prescribing, for the purposes of the definitions of “prescribed amount” and “prescribed reserve amount” in subsection one of this section, proportions lower than five per centum and seven per centum 25 respectively.

(4) Moneys appropriated to reserve pursuant to this section shall not be distributed among members of the credit union or association except in the event of winding-up.

(5) In arriving at the amount of the surplus referred 30 to in the definition of “prescribed amount” in subsection one of this section the credit union or association shall make proper allowance for depreciation in the value of property and for contingent liability for loss.

Credit Union.

51. A credit union, or an association, may impose a fine Fines.
not exceeding five dollars on a member for any infringement Act No. 1,
by the member of its rules, but no fine exceeding one dollar 1924, s. 79.
shall be imposed until written notice of intention to impose
5 the fine and of the reason for its imposition has been given to
the member and he has had an opportunity of appearing
before the board in person with or without witnesses, or of
sending to the board a written statement for the purpose of
showing cause against the imposition of the fine.

10

PART V.

MANAGEMENT.

DIVISION 1.—*Directors and Officers.*

52. (1) The business and operations of a credit union, Board of
and of an association, shall be managed and controlled by a directors.
15 board of directors, and for that purpose the board, except as Act No. 1,
provided in this section, shall have and may exercise the 1924, s. 84.
powers of the credit union or association as if they had been Act No. 18,
expressly conferred on the board by a general meeting of the 1967, s. 65.
credit union or association.

20 (2) The powers of a board shall be subject to any
restrictions imposed thereon by this Act or by the rules of the
credit union or association.

(3) Every director acting in the business or opera-
tions of a credit union, or of an association, in pursuance of
25 a resolution duly passed by the board, shall be deemed to be
the agent of the credit union or association for all the purposes
within the objects of the credit union or association.

(4) The acts of a director shall be valid notwith-
standing any defect that may afterwards be discovered in his
30 election, appointment or qualification.

(5)

Credit Union.

(5) A director shall not be held liable to a credit union, or an association, for any loss that the credit union or association may sustain, unless the loss was due to his wilful misconduct or gross negligence or to his failure to comply with any of the provisions of this Act or of the regulations or of the rules of the credit union or association.

(6) Meetings of the board shall be held as often as may be necessary for properly conducting the business and operations of the credit union or association and shall be held at least monthly in the case of a credit union, and quarterly in the case of an association.

(7) A quorum of a meeting of a board shall be as prescribed by the rules of the credit union or association but shall not in any case be less than half the number of directors.

(8) A director shall not vote upon any question in which he, or any body corporate of which he is the appointee, has any direct or indirect pecuniary interest and if he does so vote his vote shall not be counted.

53. (1) Subject to this section no person of or over the age of seventy-two years shall be elected or appointed a director of a credit union, or of an association.

Age limits
for directors.
Act No. 1,
1924, s. 84.

(2) The office of a director of a credit union, and of an association, shall become vacant at the conclusion of the annual general meeting next following the day on which he attains the age of seventy-two years.

Act No. 71,
1961, s. 121.
Act No. 18,
1967, s. 66.

(3) Any act done by a person as a director shall be valid notwithstanding that it is afterwards discovered that his office had become vacant by virtue of subsection two of this section.

(4) Where the office of a director has become vacant by virtue of subsection two of this section no provision in the rules of the credit union or association for the automatic re-election or re-appointment of retiring directors in default of another election or appointment shall apply in relation to that director.

(5)

Credit Union.

(5) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.

(6) Notwithstanding anything in this section, a
5 person of or over the age of seventy-two years may be elected or re-elected as a director of a credit union or association to hold office until the next annual general meeting of the credit union or association or be authorised to continue in office as a director until the next annual general meeting of the credit
10 union or association if—

- (a) the election or re-election is made by not less than two-thirds of the members who lodged valid voting papers pursuant to a postal ballot; or
- (b) at a meeting of the credit union or association a
15 special resolution is passed authorising that director to remain in office until the next annual general meeting.

(7) Nothing in this section shall limit or affect the operation of any provision of the rules of a credit union, or
20 of an association, preventing any person from being elected or appointed as a director or requiring any director to vacate his office at any age less than seventy-two years.

54. (1) The number of directors of a credit union, and
of an association, shall not be less than five.

Election of directors.

Act No. 1,
1924, s. 84.

(2) The directors shall, subject to this section and
25 sections twenty and thirty-seven of this Act, be elected or appointed, hold office and retire, and may be removed from office, in such manner as may be specified in special rules of the credit union or association and by this Act.

Act No. 71,
1961, s. 118.

Act No. 18,
1967, s. 67.

(3) At a meeting of a credit union, or of an association, a motion for the election or appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against
30 it,

Credit Union.

it, but, notwithstanding the passing of such a resolution, no such motion shall be made if one of the directors to whom the motion would relate is a director required to be appointed in accordance with subsection six of section fifty-three of this
5 Act.

(4) A resolution passed in pursuance of a motion made in contravention of subsection three of this section shall be void, whether or not its being so moved was objected to at the time, and where such a resolution is so passed no
10 provision for the automatic re-election of retiring directors in default of another election shall apply.

(5) For the purposes of this section, a motion for approving a person's election or for nominating a person for election shall be treated as a motion for his election.

15 (6) Nothing in this section shall apply to a resolution altering the rules of a credit union, or of an association, or prevent the election of two or more directors by ballot or poll.

20 (7) The chairman of a board may be elected from among the directors and shall be elected, hold office and retire, and may be removed from office, as specified by the rules of the credit union or association.

55. (1) Except as otherwise provided in this Act, no person shall be qualified to be a director of a credit union, or
25 of an association, unless—

(a) in the case of a credit union—

- (i) he is a member of the credit union; or
- (ii) he is the appointee, under section forty of this Act, of a corporation that is a member of the credit union;

30

(b) in the case of an association, he is an appointee, under section forty of this Act, of a credit union that is a member of the association; or

(c)

Director's qualification and vacation of office.

Act No. 1, 1924, s. 84.

Act No. 18, 1967, s. 68.

Credit Union.

(c) in the case of a union of associations, he is an appointee, under section forty of this Act of an association that is a member of the union of associations.

5 (2) In the absence of a director from a meeting of
a board a person appointed by the board in accordance with
the rules of the credit union or association to act as deputy
for that director may act in the place of that director at that
meeting. Such rules may include provisions regulating the
10 term of office of, vacation of office by, or removal from office
of, any such deputy, and his remuneration.

(3) The office of a director shall be vacated in such
circumstances, if any, as may be prescribed by the rules of
the credit union or association, and—

- 15 (a) if he becomes bankrupt or assigns his estate for the
benefit of, or compounds with, his creditors;
- (b) if he becomes a mentally ill person, a protected
person or an incapable person within the meaning
of the Mental Health Act, 1958;
- 20 (c) if he is convicted of any offence and sentenced to
any period of imprisonment without the option of
a fine;
- (d) if he absents himself from three consecutive
ordinary meetings of the board without its leave;
- 25 (e) if he ceases to be qualified as provided by subsection
one of this section;
- (f) if he gives one month's notice in writing to the
board of his intention to resign office and his
resignation is accepted by the board;

(g)

Credit Union.

- (g) if he is removed from office by resolution of a general meeting of the credit union or association;
 - (h) if his partner or a person in his employment or his employer acts as solicitor, valuer, auditor or accountant to the credit union or association or if he so acts;
 - (i) if within two months after any money becomes due from him to the credit union he does not pay the same; or
 - (j) if, being the appointee of a body corporate, his appointor ceases to be a member of the credit union, association or union of associations, as the case may be, or revokes his appointment by writing under its seal addressed to the board.
- (4) Any casual vacancy occurring on a board shall be filled as prescribed by the rules of the credit union or association, as the case may be.

56. (1) Subject to this section, a director of a credit union, or of an association, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the credit union or association shall declare the nature of his interest to the board in accordance with this section.

Disclosure of interest by directors.
10 & 11 Eliz. 2, c. 37, s. 73.
Act No. 18, 1967, s. 69.

(2) In the case of a proposed contract, the declaration required by this section to be made by a director shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration or, if the director was not present at that meeting or was not at the date of that meeting interested in the proposed contract,

at

Credit Union.

at the next meeting of the directors at which he is present, or the next such meeting held after he becomes interested in the proposed contract, as the case may be.

(3) Where the director becomes interested in a
5 contract with the credit union or association after it is made, the declaration required by this section shall be made at the first meeting of the directors held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice
10 in writing given by a director to all the other directors to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm is a
15 sufficient declaration for the purposes of this section of the interest of the director by whom it is given in any contract made after that date with that company or firm.

(5) A director need not make a declaration or give
a notice under this section by attending in person at a meeting
of the directors, if he takes reasonable steps to secure that the
20 declaration or notice is brought up and read at the meeting.

(6) A director who fails to comply with the provisions of subsection one of this section shall be liable to a penalty not exceeding five hundred dollars.

(7) Nothing in this section shall be taken to
25 prejudice the operation of any rule of law restricting directors of a credit union, or of an association, from having any interest in contracts with the credit union or association.

(8) Any declaration made pursuant to this section
shall be reported by the directors to members at the annual
30 general meeting.

Credit Union.

57. (1) A director or other officer of a credit union, whether on his own account or in partnership with any other person or body of persons, incorporated or unincorporated, shall not, without the approval of not less than two-thirds of the directors present and voting at a meeting of directors at which a quorum is present—

Certain
dealings
prohibited.
Act No. 1,
1924, ss. 88
and 88A.
Act No. 18,
1967, s. 70.

- (a) accept as payment in whole or in part of any moneys due to him by a member of the credit union the whole or part of any loan made by the credit union to such member; or

- (b) borrow from the credit union.

(2) Any person who fails to comply with the provisions of this section shall be guilty of an offence and be liable to a penalty not exceeding five hundred dollars.

58. (1) No director of a credit union, or of an association, shall be paid any remuneration for his services as a director other than such fees as may be approved at a general meeting of the credit union or association.

Remunera-
tion of
directors.
Act No. 1,
1924, s. 88
(2A).

(2) The total amount payable by way of fees in accordance with subsection one of this section in any one year shall not exceed such amount as may be determined by the Advisory Committee.

Act No. 18,
1967, s. 71.

59. No officer or other person shall be employed by a credit union, or by an association, to have the receipt or charge of any money of the credit union or association unless security as prescribed for rendering a just and true account of all money received and paid by such officer or person for the credit union or association and for payment of all money due from him to the credit union or association has first been obtained.

Fidelity
guarantee.
Act No. 1,
1924, s. 88
(3).
Act No. 18,
1967, s. 72.

DIVISION 2.—Meetings and Voting.

60. (1) Every credit union, and every association, shall, within three months after the close of its financial year, or within such further time as may be allowed by the registrar, hold its annual general meeting.

Meetings of
credit union
or
association.
Act No. 1,
1924, s. 85.
Act No. 18,
1967, s. 73.

(2)

Credit Union.

(2) Any other meetings of a credit union, or of an association, shall be held or may be called as prescribed by the rules of the credit union or association.

(3) At any meeting of a credit union, or of an association, no item of business shall be transacted unless a quorum of members, as prescribed by the rules of the credit union or association, is present during the time when the meeting is considering that item.

(4) Subject to subsection five of this section, notice of every meeting of a credit union, and of an association, shall be given to all members as at the date of calling the meeting in such manner as shall be provided for in the rules of the credit union or association, but personal or postal service shall be given in respect of the following meetings—

- (a) the annual general meeting of the credit union or association;
- (b) a meeting of the credit union or association called as a result of a requisition of members or by such requisitionists; and
- (c) a meeting called for the purpose of passing a special resolution.

(5) Not less than seven days' notice shall be given of every meeting of a credit union, and of an association.

61. (1) A credit union, and an association, shall cause minutes of every meeting of the board and of every meeting of the credit union or association, to be kept and confirmed as prescribed.

Minutes.
Act No. 1,
1924, s. 87.
Act No. 18,
1967, s. 74.

(2) A credit union, or an association, that fails to comply with the provisions of subsection one of this section and every officer in default shall be guilty of an offence and be liable to a penalty not exceeding two hundred dollars. Default penalty.

Credit Union.

62. (1) Except as is otherwise provided by this Act or the rules of the credit union or association, every question for decision by a meeting of a credit union, and of an association, shall be determined by a majority of those persons entitled to
5 vote as are present in person thereat, and unless a poll is demanded by at least five such persons in the case of a meeting of a credit union, or not less than one-fifth of those persons so entitled and so present in the case of a meeting of an association, the question shall be determined on a show of hands.
10 Notwithstanding any provisions of the rules of the credit union or association to the contrary, no person may vote by proxy.

Voting.
Act No. 1,
1924, s. 86.
Act No. 18,
1967, s. 75.

(2) Except as is otherwise provided by this Act, at a meeting of a credit union each member shall have one vote,
15 and at a meeting of an association each appointee pursuant to section forty of this Act, shall have one vote.

(3) At any meeting of a board, or of a credit union, or of an association, the chairman shall, in the event of an equality in voting, be entitled to exercise a casting vote in
20 addition to any other vote to which he may be entitled.

63. Notwithstanding any other provision of this Act, a member who has borrowed from a credit union, and a representative of a credit union that has borrowed from an association of which it is a member, any money which is still
25 unpaid shall not be entitled to vote upon any question in respect of which his right to vote is excluded by special rules of the credit union or association, and if he votes on any such question his vote shall not be counted.

Voting by
borrowing
members.
Act No. 1,
1924, s. 86.
Act No. 18,
1967, s. 75.

64. (1) For the purposes of this Act a special resolution
30 means a resolution which is passed by a majority of not less than two-thirds of such persons as, being entitled so to do, vote in person at any general meeting of a credit union, or of an association, of which notice specifying the intention to propose the resolution as a special resolution has been duly
35 given in accordance with the provisions of this Act and of the rules of the credit union or association.

Special
resolution.
Act No. 1,
1924, s. 80.
Act No. 18,
1967, s. 77.

(2)

Credit Union.

(2) At any meeting referred to in this section, unless a poll is demanded, a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

5 (3) A credit union, and an association, shall within the prescribed time and in the prescribed manner apply to the registrar to have a special resolution registered and a special resolution shall not take effect until so registered.

10 (4) A certificate of registration of any special resolution or of any alteration of the rules of a credit union, or of an association, given by the registrar shall, in favour of any person lending money to the credit union or association on the faith of such a certificate, or in favour of any guarantor of any such loan, be conclusive evidence that the resolution was duly
15 passed or the alteration in the rules was duly made, as the case may be.

DIVISION 3.—Accounts, Audit and Registers.

65. (1) Subject to this section, the financial year of a credit union, and of an association, shall end on such day in
20 each year as is provided for by the rules of the credit union or association.

Financial
year.
Act No. 1,
1924, s. 90.
Act No. 18,
1967, s. 80.

(2) The first financial year of a credit union, and of an association, may extend from the date of registration of the credit union or association to a date not later than eighteen
25 months from that date of registration.

(3) On an alteration of the rules of a credit union, or of an association, altering its financial year, the alteration may provide either that the financial year (not being the first financial year) current at the date of alteration shall be
30 extended for a period not exceeding six months or that the financial year next following the financial year that is so current shall be a period exceeding twelve months but not exceeding eighteen months.

Credit Union.

66. (1) The accounts of a credit union, and of an association, shall be audited annually or, where the rules of the credit union or association so provide, more frequently.

Accounts
and audit.
Act No. 1,
1924, s. 89.
Act No. 18,
1967, s. 81.

(2) The provisions of section twenty-eight of the Public Accountants Registration Act, 1945, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to an auditor of a credit union, and of an association.

For the purposes of that extension—

(a) the words “first day of January, one thousand nine hundred and forty-six” shall be deemed to have been omitted from that section and the words “commencement of the Credit Union Act, 1969” to have been inserted in lieu thereof; and

(b) this Act, and any Act amending this Act, shall be deemed to have been prescribed under subparagraph (ii) of paragraph (b) of subsection one of that section.

(3) A body corporate shall not be qualified for appointment, or to act, as auditor of a credit union, or of an association, nor shall any person be qualified to be so appointed, or so to act, if—

(a) otherwise than as an auditor, he is an officer or servant of the credit union or association; or

(b) he is the partner of, or in the employment of, or the employer of, a person who is, otherwise than as an auditor, an officer or servant of the credit union or association.

(4) Appointment as the public officer of a credit union, or of an association, for the purposes of any law relating to taxation shall not be a disqualification for appointment as auditor of the credit union or association.

(5) The auditors shall make a report to the members on the accounts examined by them and on the register of members and other records which the credit union or association is required to keep by law or by its rules, and on every balance

Credit Union.

balance sheet and every income and expenditure account laid before the credit union or association in general meeting during their tenure of office, and their report shall state—

- 5 (a) whether they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of their audit;
- 10 (b) whether, in their opinion, proper books of account have been kept by the credit union or association so far as appears from their examination of those books, and proper returns adequate for the purposes of their audit have been received from branches not visited by them;
- 15 (c) whether the balance sheet, appropriation account and income and expenditure account dealt with by the report are in agreement with the books of account and returns;
- 20 (d) whether, in their opinion, and to the best of their information and according to the explanations given to them, the accounts give the information required by or under this Act in the manner so required and give a true and fair view—
 - 25 (i) in the case of the balance sheet, of the state of the affairs of the credit union or association as at the end of its financial year;
 - (ii) in the case of the income and expenditure account, of the surplus or deficit for that financial year;
- 30 (e) whether, in their opinion, the register of members and other records which the credit union or association is required to keep by or under this Act or by its rules have been properly kept; and
- 35 (f) whether the rules relating to the administration of the funds of the credit union or association have been observed.

(6)

Credit Union.

(6) Every auditor of a credit union, and of an association, shall have a right of access at all times to the books, accounts, vouchers, securities and documents of the credit union or association, and shall be entitled to require
5 from the directors and other officers of the credit union or association such information and explanations as he thinks necessary for the performance of the duties of the auditors.

(7) The auditors of a credit union, and of an association, shall be entitled to attend any general meeting of
10 the credit union or association and to receive all notices or other communications relating to any general meeting which any member of the credit union or association is entitled to receive and to be heard at any general meeting which they attend on any part of the business of the meeting which
15 concerns them as auditors.

(8) A credit union, and an association, shall—

(a) send to each member, with the notice of the annual general meeting, a copy of the balance sheet, appropriation account and income and expenditure
20 account, duly audited, and a copy of the auditors' report thereon; or

(b) if the rules so provide—

(i) make available for inspection by members
25 at the office of the credit union or association, during a period before the annual general meeting specified by the rules, a copy of the balance sheet, appropriation account and income and expenditure account, duly audited, and a copy of the
30 auditors' report thereon; and

(ii) at the request of a member, supply the member, without charge, with a copy of all documents so made available for inspection,

and where paragraph (a) of this subsection is not complied
35 with shall, with the notice of the annual general meeting, include notice of the obligations of the credit union or association pursuant to paragraph (b) of this subsection.

(9)

Credit Union.

(9) Subject to subsection ten of this section, any provisions, whether contained in the rules of a credit union, or of an association, or in any contract with a credit union or an association, or otherwise, for exempting any auditor
5 from, or indemnifying him against, any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default or breach of duty of which he may be guilty in relation to the credit union or association shall be void.

10 (10) A credit union, or an association, may, in pursuance of any provision referred to in subsection nine of this section, indemnify any auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in
15 which he is acquitted or in connection with any application under subsection twelve of this section in which relief is granted to him by the court.

(11) If, in any proceedings for negligence, default or breach of duty against an auditor of a credit union, or of
20 an association, it appears to the court hearing the case that that person is or may be liable in respect of the negligence, default or breach of duty but that he has acted honestly and reasonably and that, having regard to all the circumstances of the case, including those connected with his appointment,
25 he ought fairly to be excused for the negligence, default or breach of duty, that court may relieve him, either wholly or partly, from his liability on such terms as the court thinks fit.

(12) Where any auditor of a credit union, or of an association, has reason to apprehend that any claim will or
30 might be made against him in respect of any negligence, default or breach of duty he may apply to the Supreme Court in its equitable jurisdiction for relief, and that Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a court
35 before which proceedings against that auditor for negligence, default or breach of duty had been brought.

(13) Where any case to which subsection eleven of this section applies is being tried by a judge with a jury, the judge, after hearing the evidence, may, if he is satisfied that
the

Credit Union.

the defendant ought in pursuance of that subsection to be relieved either in whole or in part from the liability sought to be enforced against him, withdraw the case in whole or in part from the jury and forthwith direct judgment to be entered for the defendant on such terms as to costs or otherwise as the judge may think proper.

67. (1) A credit union, and an association, shall keep such registers and accounts as may be prescribed.

Registers
and
accounts.

(2) The registers shall include—

- 10 (a) registers of directors, members and shares;
- (b) registers of any loans raised, securities given and deposits received by the credit union or association;
- (c) registers of any loans made, and of any securities taken, by the credit union or association;
- 15 (d) a register of investments made by the credit union or association; and
- (e) except in the case of an association, a register of any nominees to whom any share or interest is to be transferred or the value thereof paid on the death of a member, in accordance with nominations made under the provisions of section fifty-eight of the Co-operation Acts.
- 20

Act No. 1,
1924, s. 74.

Act No. 18,
1967, s. 78.

(3) The registers shall be kept in such manner and shall contain such particulars as may be prescribed.

- 25 (4) No notice of any express, implied or constructive trust shall be entered in any register, or be received by the registrar.

68. (1) A credit union, and an association, shall keep at its registered office and open at all reasonable hours to inspection by any member without fee—

Inspection.

Act No. 1,
1924, s. 75.

Act No. 18,
1967, s. 79.

- 30 (a) a copy of this Act and the regulations;
- (b) a copy of the rules of the credit union or association;
- (c) a copy of the last balance sheet and income and expenditure account, together with a copy of the report of the auditors thereon;
- 35

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(d)

Credit Union.

- (d) the prescribed registers of directors, members and shares;
- (e) the prescribed registers of loans raised and securities given by the credit union or association; and
- (f) the prescribed register of investments made by the credit union or association.

(2) No credit union or association shall be obliged to disclose to a member inspecting the register of members under paragraph (d) of subsection one of this section any particulars contained in the register other than the names of the members and their addresses, and the register may be constructed in such a way that it is possible to open the names and addresses to inspection without exposing any other particulars.

DIVISION 4.—Returns.

69. (1) A credit union, and an association, shall, within fourteen days after any change in the membership of the board, inform the registrar in writing of the change.

Returns.
Act No. 1,
1924, s. 76.
Act No. 18,
1967, s. 82.

(2) A credit union, and an association, shall, within three months after the close of each of its financial years or within such further time as the registrar may authorise, transmit to the registrar—

- (a) a list of the directors for the year then current;
- (b) the balance sheet of the credit union or association at the close of its financial year then last past and of the accounts of the credit union or association for that financial year;
- (c) a copy of any report by the auditors on the balance sheet and those accounts; and
- (d) a return containing such other particulars as may be prescribed.

(3) A credit union, and an association, shall, if so directed by the registrar, transmit to him within such time and in such manner as may be prescribed a list of the members of the credit union or association, together with such particulars with regard thereto as may be prescribed.

(4)

Credit Union.

(4) Any information or return to be transmitted to the registrar under subsection one, two or three of this section shall be in such form as may be prescribed.

(5) A credit union, and an association, shall, if so directed by the registrar at any time, submit to the registrar a special return in the form and within the time specified by the registrar when giving the direction.

(6) The registrar shall not give a direction under subsection five of this section unless he considers it to be in the interests of the members of, or depositors with, the credit union or association the subject of the direction.

(7) A credit union, and an association, shall, if the regulations so require, transmit to the registrar a return in the form and within the time prescribed by the regulations.

15

PART VI.
DISPUTES.

70. (1) For the purposes of this section "credit union" and "association" shall include the board or any officer of the credit union or association and "member" shall include—

- (a) any person aggrieved who has not for more than three months ceased to be a member;
- (b) any person claiming through or under a member, or through or under a person referred to in paragraph (a) of this subsection.

(2) Subject to this section, every dispute between a member, in his capacity as a member, and a credit union, or an association, shall be determined in the manner prescribed by the rules of the credit union or association.

(3) Any party to a dispute referred to in this section may refer the dispute to the registrar, if it has not been referred to arbitration in accordance with the rules of the credit union or association or, in the case of such a dispute that has been so referred to arbitration, if one month has elapsed without an award being made.

(4)

Credit Union.

(4) Where a dispute is referred to the registrar, the registrar or any person deputed by him may hear and determine the dispute, and may order the expenses of the hearing to be paid out of the funds of the credit union or association
5 or by such party to the dispute as he may think fit.

(5) Where the registrar decides not to hear or depute the hearing of a dispute, he shall, within one month of receipt of the reference, notify the parties in writing of his decision and the dispute shall be determined in the manner (other than
10 by reference to the registrar under this section) prescribed by the rules of the credit union or association, but where the only manner prescribed by those rules for the determination of the dispute is by reference to the registrar the dispute shall be determined by arbitration in accordance with the Arbitra-
15 tion Act, 1902, in which case subsections eight, nine, ten and eleven of this section shall not apply.

(6) Where a dispute is referred to the registrar and the registrar decides to hear or depute the hearing of the dispute, the registrar or person deputed by him may administer
20 an oath, and may, by a notice in writing served in the manner provided by section one hundred of this Act, require the attendance of any party or witness and the production of any book or document relating to the matter in question.

(7) The provisions of section nineteen of the
25 Arbitration Act, 1902, and of any general rules or orders made under that Act that relate to the operation of that section, shall apply, mutatis mutandis, to and in respect of a dispute as if the registrar or person deputed by him to hear the dispute were an arbitrator and as if the reference of the
30 dispute to the registrar were a reference under that Act.

(8) Any determination or order in accordance with this section, whether made on a reference to the registrar or otherwise, shall be binding and conclusive on all parties without appeal, and shall not be removable into any court
35 or be restrainable by injunction.

(9) The determination or order may on application by any person interested, be enforced by the District Court for the district within which the office of the credit union or association is situated.

(10)

Credit Union.

(10) The District Court may give such relief and make such orders, including an order as to costs, and give such directions in relation to the matter as may be necessary.

(11) Any order made or direction given by a District Court under this section may be enforced by any process or procedure which would be applicable if the order had been made upon the hearing of an action in the District Court, or by such process or procedure as the District Court may direct.

(12) The judges of the District Courts or any four of them may make rules of court for the practice and procedure in applications to a District Court under this section.

(13) Nothing in this section shall extend to any dispute as to the construction or effect of this Act or the regulations, or of any mortgage or other security or of any contract contained in any document other than the rules of the credit union or association.

(14) Any person who fails, without lawful excuse, to comply with a requirement of the registrar, or person deputed by him, pursuant to subsection six of this section shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a term not exceeding six months or to both such penalty and imprisonment.

PART VII.

OFFICIAL MANAGEMENT AND WINDING UP.

71. The provisions of Part IX of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to a credit union or association.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

Credit Union.

72. (1) A credit union, or an association, may be wound up voluntarily or by the court or upon a certificate of the registrar.

Winding up.
Act No. 1,
1924, s. 92.
Act No. 18,
1967, s. 87.

(2) In the case of a winding up voluntarily, or by the court, a credit union, and an association, may, subject to the provisions of this Part of this Act, be wound up in the same manner and in the same circumstances as those in which a company formed and registered under the Companies Act, 1961, may be so wound up.

(3) In the case of a winding up upon a certificate of the registrar, a credit union, or an association, may be wound up in accordance with this Part of this Act if the registrar certifies—

- (a) that the number of members is reduced to less than twenty-five or, in the case of an association, to less than two;
- (b) that the credit union or association has not commenced business within six months of registration or has suspended business for a period of more than six months;
- (c) that the registration of the credit union or association, whether under the Co-operation Acts or under this Act, has been obtained by mistake or fraud;
- (d) that the credit union or association has, after notice by the registrar of any breach of, or non-compliance with, this Act, the regulations, or the rules of the credit union or association, failed, within the time referred to in the notice, to remedy the breach or has committed any further breach specified in the notice;
- (e) that there are, and have been for a period of one month immediately before the date of the registrar's certificate, insufficient directors of the credit union or association to constitute a quorum as provided by the rules of the credit union or association; or
- (f)

Credit Union.

(f) following an inquiry pursuant to the provisions of the Act into the affairs of the credit union or association or the working and financial condition of the credit union or association, that in the interests of members or creditors of the credit union or association, the credit union or association should be wound up.

(4) The registrar shall not so certify, unless the event has been proved to his satisfaction, and unless in the case of paragraphs (c), (d), (e) and (f) of subsection three of this section, the Governor consents to the issue of the certificate.

(5) Where the registrar issues a certificate under this section he may appoint a person to be the liquidator of the credit union or association, and the liquidator shall give such security as may be prescribed and shall be entitled to receive such fees as shall be fixed by the Advisory Committee. Any vacancy occurring in the office of a liquidator so appointed shall be filled by a person appointed by the registrar for the purpose.

(6) A winding up upon a certificate of the registrar shall be deemed to commence at the time the certificate is given and the liquidator shall within ten days after his appointment give notice thereof by advertisement in the Gazette.

(7) In the case of any winding up or dissolution of a credit union or association the provisions of Part X of the Companies Act, 1961, with respect to the winding up or dissolution of a company formed and registered under that Act shall, subject to this Part of this Act, apply to the winding up or dissolution of the credit union or association.

(8) In the application of the provisions of Part X of the Companies Act, 1961, to the winding up or dissolution of a credit union, or of an association—

(a) a reference in any of those provisions to a special resolution or an extraordinary resolution shall be construed as a reference to a special resolution within the meaning of this Act;

(b)

Credit Union.

- (b) a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act;
- 5 (c) paragraph (d) of subsection one of section two hundred and eighteen shall be deemed to be amended by inserting after the words "past member" the words "together with the amount of the contingent liability, if any, attached thereto, and together with any charges payable by him to the credit union or association in accordance with the rules";
- 10 (d) a reference in sections two hundred and twenty-one and two hundred and twenty-two to a proprietary company shall be construed as a reference to an association; and
- 15 (e) a winding up of a credit union, and of an association, upon the certificate of the registrar shall be deemed to be a voluntary winding up and, without prejudice to the generality of this or any other provision of this Part of this Act, the provisions of sections two hundred and seventy, two hundred and seventy-one and two hundred and seventy-two of the Companies Act, 1961, shall apply to and in respect of the winding up of the credit union or association as if it were a members' voluntary winding up within the meaning of that Act.
- 20
- 25

73. Where a credit union, or an association, is being wound up voluntarily (otherwise than upon the certificate of the registrar) and a vacancy occurs in the office of liquidator which in the opinion of the registrar is unlikely to be filled in the manner provided by the Companies Act, 1961, the registrar may appoint a person to be liquidator.

30

74. Notwithstanding anything contained in this Act or in the Companies Act, 1961, the remuneration paid to the liquidator of a credit union, or of an association, wound up voluntarily shall not exceed the amount fixed by the Advisory Committee.

35

75. Remuneration of liquidator. Act No. 1, 1924, s. 92A. Act No. 18, 1967, s. 88.

Credit Union.

75. As soon as may be practicable after a credit union or association is dissolved or deemed to be dissolved, the registrar shall register the dissolution, and cancel the registration of the credit union or association.

Cancellation.
Act No. 1,
1924, s. 95.
Act No. 18,
1967, s. 90.

5

PART VIII.

EVIDENCE AND OFFENCES.

DIVISION 1.—*Evidence.*

76. (1) A certificate of incorporation given by the registrar shall be received in evidence as if it were the original certificate.

Certificates
and docu-
ments.

Act No. 1,
1924, s. 96.

(2) A certificate of registration or other official document relating to a credit union, or to an association, signed by or bearing the seal of the registrar shall be received in evidence without further proof.

Act No. 18,
1967, s. 91.

15 (3) Judicial notice shall be taken of the signature and of the seal of any person who holds or has held the office of registrar or deputy registrar, and of the signature of a delegate appointed pursuant to subsection nine of section ninety-four of this Act, if the signature or seal purports to be
20 attached to any certificate or other official document.

(4) The provisions of this section shall be deemed to extend to any copy of the rules of a credit union, or of an association, certified by the registrar, deputy registrar or delegate appointed pursuant to subsection nine of section
25 ninety-four of this Act to be a true copy of its registered rules.

77. A printed copy of the rules of a credit union, or of an association, certified by the secretary of the credit union or association to be a true copy of its registered rules shall
30 be received as evidence of the rules.

Evidence of
rules.

Act No. 1,
1924, s. 97.

Act No. 18,
1967, s. 92.

78.

Credit Union.

78. The registers referred to in section sixty-seven of this Act, or prescribed pursuant to that section, shall be evidence of the particulars directed or authorised by or under this Act to be inserted therein.

Registers.
Act No. 1,
1924, s. 98.
Act No. 18,
1967, s. 93.

5 79. (1) An entry in the minutes purporting to be a minute of the business transacted at a meeting of a credit union, or of an association, or of a board, and to be signed by the chairman at a subsequent meeting shall be evidence that the business as therein recorded was transacted at the meeting and that the meeting was duly convened and held.

Minutes—
Effect as
evidence.
Act No. 1,
1924, s. 99.
Act No. 18,
1967, s. 94.

(2) An entry in the minutes of a meeting of a credit union, or of an association, to the effect that a resolution was carried or carried unanimously, or was lost, shall be evidence of the fact without proof of the number or proportion of votes recorded for or against the resolution.

80. A copy of any entry in a book of a credit union, or of an association, regularly kept in the course of business shall, if certified by statutory declaration of the secretary to be a true copy of the entry, be received in evidence in any case where, and to the same extent as, the original entry itself is admissible.

Entries.
Act No. 1,
1924, s. 100.
Act No. 18,
1967, s. 95.

DIVISION 2.—Offences.

81. (1) If a credit union, or an association, fails—
25 (a) to keep any register or account, or to make any entry therein, as required by this Act;
(b) to have at any office of the credit union or association and open to inspection a copy of this Act and the regulations, or of the rules or of the last balance-sheet or income and expenditure account, together with the report of the auditor, or any register, as required by this Act; or
30 (c) to transmit to the registrar any notice or return as required by this Act.

Default by
credit
union or
association.
Act No. 1,
1924, s. 101.
Act No. 18,
1967, s. 96.

it shall be guilty of an offence.

(2)

Credit Union.

(2) If a credit union, or an association, refuses or wilfully neglects to furnish any information lawfully required by the registrar or by any other person authorised under this Act, it shall be guilty of an offence.

5 (3) Where a credit union, or an association, is guilty of an offence under this section, every director or officer of the credit union or association shall be guilty of the like offence unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent
10 the commission of the offence.

(4) If a director of a credit union, or of an association, continues to act as such after his office as a director has been vacated, he shall be guilty of an offence.

(5) If a credit union, an association, a director or an
15 officer is guilty of an offence under this section, it or he shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding ten dollars.

82. (1) If a credit union, or an association, contravenes any restriction imposed by its rules or by this Act on its power
20 to carry on business and, in particular, if it raises money on loan or receives deposits except as authorised by its rules and within the limits provided in this Act, it shall be guilty of an offence.

Restriction of power.
Act No. 1, 1924, s. 102.
Act No. 18, 1967, s. 98.

(2) If a credit union makes a loan to a person who
25 is not a member of the class of persons specified in the rules of the credit union as the class of persons to whom loans may be made, it shall be guilty of an offence.

(3) Where a credit union, or an association, is guilty of an offence under this section, the credit union or association shall be liable to a penalty not exceeding two hundred
30 dollars for every such offence and every director or officer who knowingly or wilfully authorises or permits any such contravention shall be guilty of an offence and liable to a penalty not exceeding one hundred dollars for every such
35 offence.

Credit Union.

83. (1) If a credit union, or an association, continues for a period of one month to carry on business after the number of its members is reduced below the number necessary for the formation of a credit union or an association, as the case may be, every person who is a director of the credit union or association during the time that it continues to carry on business after that period shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding fifty dollars, unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.

Too few members.
Act No. 1,
1924, s. 103.
Act No. 18,
1967, s. 99.

(2) A person who is guilty of an offence under this section shall further be liable to satisfy all obligations of the credit union or association incurred during such time as it carries on business in contravention of this section and may be sued in respect of that liability without any other member being joined in the action.

84. If, before a credit union, or an association, is registered, any person takes any money in consideration of the allotment of any share or interest in, or grant of a loan by, the credit union or association, he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

Allotment of shares.
Act No. 1,
1924, s. 106.
Act No. 18,
1967, s. 97.

85. If a person gives to any member of a credit union, or of an association, or to any person intending or applying to become a member of a credit union, or of an association, a copy of any rules or of any alterations of rules other than those which have been duly registered, representing that they are binding on the members of the credit union or association, or if any person makes any alteration in any copy of the rules of a credit union or association and circulates the copy, representing that the rules therein, as altered, have been duly registered, when they have not been so registered, he shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars.

False copies of rules.
Act No. 1,
1924, s. 107.
Act No. 18,
1967, s. 100.

Credit Union.

86. If any person wilfully makes, orders or allows to be made any entry or erasure in, or any omission from, any balance sheet of a credit union, or of an association, or any return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same, or to evade any of the provisions of this Act, he shall be guilty of a misdemeanour.

Falsification.
Act No. 1,
1924, s. 108.
Act No. 18,
1967, s. 101.

87. (1) If any person, by false representation or imposition obtains possession of any property of a credit union, or of an association or, having any such property in his possession, withholds or misapplies it or wilfully applies any part thereof to purposes other than those specified or authorised in the rules of the credit union or association or by this Act he shall be guilty of an offence, and shall be liable to a penalty not exceeding four hundred dollars.

Fraud or misappropriation.
Act No. 1,
1924, s. 109.
Act No. 18,
1967, s. 102.

(2) A person who is guilty of an offence under subsection one of this section shall, if so ordered by the court, deliver up all such property and repay all money improperly applied and in default of delivery or repayment be liable on summary conviction to imprisonment for any term not exceeding six months.

(3) Nothing in this section shall prevent any person from being proceeded against by way of indictment, if he has not been previously convicted of the same offence under this Act.

88. (1) If any person—

- (a) seeks, claims or receives any commission, fee or reward, whether pecuniary or otherwise, from any person as a consideration or charge for procuring or obtaining, or offering or attempting to procure or obtain, for any person a loan from any credit union or association; or
- (b) advertises or otherwise holds himself out as being able to arrange or obtain finance for any persons through or from any credit union or association,

Certain acts prohibited in relation to loans.
Act No. 1,
1924, s. 109A
Act No. 18,
1967, s. 103.

he

Credit Union.

he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

(2) Any sum received in contravention of this section or section eighty-four of this Act may be recovered by the person who paid it from the person by whom it was received in an action for debt in any court of competent jurisdiction.

89. (1) If any officer of a credit union, or of an association, accepts any commission, fee or reward, whether pecuniary or otherwise, from any person for or in connection with a transaction had or to be had by that person with the credit union or association, he shall be guilty of an offence and shall, upon summary conviction, be liable to imprisonment for any term not exceeding six months or to a penalty not exceeding two hundred dollars.

Commission.
Act No. 1,
1924, s. 110.
Act No. 18,
1967, s. 104.

(2) An officer who is guilty of any offence under subsection one of this section shall further be liable to pay to the credit union or association double the value or amount of such commission, fee or reward.

90. (1) Any credit union or association which, or person who, fails to comply with any requirements of this Act within the time or in the manner prescribed by this Act for compliance therewith or commits any other contravention thereof, shall, where no penalty is expressly provided, be liable to a penalty not exceeding one hundred dollars.

Contraven-
tion of
Act.
Act No. 1,
1924, s. 111.
Act No. 18,
1967, s. 105.

(2) Where in, or at the foot of, any section or part of a section of this Act there appears the expression "default penalty" it shall indicate that any person who is convicted of an offence in relation to that section or part shall be guilty of a further offence if the offence continues after he is so convicted and liable to an additional penalty for each day during which the offence so continues of not more than the amount expressed in the section or part as the amount of the default penalty or, if an amount is not so expressed, of not more than twenty dollars.

(3)

Credit Union.

(3) Where any offence is committed by a person by reason of his failure to comply with any provision of this Act by or under which he is required or directed to do anything within a particular period, that offence, for the purposes of subsection two of this section, shall be deemed to continue so long as the thing so required or directed to be done by him remains undone, notwithstanding that such period has elapsed.

(4) For the purposes of any provision of this Act which provides that a director or an officer of a credit union, or an association, who is in default is guilty of an offence or is liable to a penalty or punishment the phrase "director or officer who is in default" or any like phrase means any director or officer of the credit union or association who knowingly and wilfully—

- (a) is guilty of the offence; or
- (b) authorises or permits the commission of the offence.

91. (1) A penalty or fine imposed by this Act or by any regulation or rule shall, except where otherwise expressly provided by this Act, be recoverable summarily before two justices.

Recovery
of penalty.
Act No. 1,
1924, s. 112.
Act No. 18,
1967, s. 106.

(2) Any such penalty or fine recoverable summarily shall, if imposed by this Act or by any regulation, be recoverable at the suit of the registrar, and if imposed by any rule shall be recoverable at the suit of the credit union or association.

92. If a credit union, or an association, in making or raising any loan or receiving any deposit or allotting any share contravenes any provision of this Act or any rule of the credit union or association, the civil rights and liabilities of the credit union or association or any other person in respect of the recovery of the loan or deposit or the moneys payable in respect of the shares shall not be affected or prejudiced by the contravention, save that the money shall become immediately payable, and the same remedies may be had for the recovery

Civil
remedies.
Act No. 1,
1924, s. 113.
Act No. 18,
1967, s. 118.

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recovery of the loan or deposit or share capital and for the enforcement of any security therefor as if there had not been a contravention of this Act or of the rules of the credit union or association.

- 5 **93.** (1) On any application for registration of a credit union, or of an association, or of any rule or document under this Act, the registrar may require from the applicant such information and evidence as may be reasonable in order to show that the application should be granted.

Information
and
evidence.
Act No. 1,
1924, s. 116.
Act No. 18,
1967, s. 109.

- 10 (2) The registrar may require from any credit union or association such information and evidence as may be reasonable in order to show that the credit union or association is bona fide carrying on business in accordance with the provisions of this Act.

- 15 (3) The registrar may require from a credit union, or from an association, such evidence as he thinks proper of the doing of any matter required to be done, or of the correctness of any entry in any document required to be transmitted to him, under this Act.

20

PART IX.

ADMINISTRATION.

DIVISION 1.—Registrar.

- 25 **94.** (1) There shall be a Registrar of Credit Unions and an office of the registrar.
- (2) The registrar shall be appointed by the Governor and until such an appointment is made the Registrar of Co-operative Societies shall be the registrar and the office of the Registrar of Co-operative Societies shall be the office of the registrar.

Registrar.
Act No. 1,
1924, s. 115.
Act No. 18,
1967, s. 107.

(3)

Credit Union.

(3) All certificates, rules and documents relating to any credit union or association (including any in the custody of the Registrar of Co-operative Societies before its registration under this Act) shall be kept in the office of the registrar.

5 (4) All certificates, rules and documents required to be registered under this Act or to be transmitted to the registrar for record shall be kept in the office of the registrar.

(5) The registrar shall have such duties, powers and authorities as are prescribed.

10 (6) The duties, powers and authorities of the registrar may be performed and exercised by a deputy appointed by the Governor and until such an appointment is made the Deputy Registrar of Co-operative Societies shall hold office as Deputy Registrar of Credit Unions.

15 (7) The deputy registrar shall exercise his office subject to such conditions and restrictions (if any) as the registrar may impose—

(a) generally;

20 (b) in relation to any specified matter or class of matters; or

(c) in relation to all matters other than any specified matter or class of matters.

(8) No person shall be concerned to see or inquire whether, in the case of any dealing or transaction with the
25 deputy registrar, any condition or restriction has been imposed upon the exercise of the powers of the deputy registrar, or as to his authority; and all acts or things done or omitted by the deputy registrar shall be as valid and effectual and shall have the same consequences as if the acts or things had been
30 done or omitted by the registrar.

(9) With the approval of the Minister first obtained, the registrar may delegate any of his duties, powers and authorities to any other officer employed in his office and that officer while he exercises or discharges such delegated duties,
35 powers and authorities shall have all the powers, rights, 188—F discretions,

Credit Union.

discretions, duties and obligations of the registrar (other than this power of delegation) and the Minister or the registrar may at any time revoke any such delegation.

No delegation under this subsection shall prevent the exercise or discharge by the registrar of any of his duties, powers or authorities.

(10) The registrar shall have a seal of office.

DIVISION 2.—*General.*

95. (1) Any person may, except as otherwise provided Inspection of documents.
10 by this Act, on payment of the prescribed fee— Act No. 1, 1924, s. 120. Act No. 18, 1967, s. 108.

(a) inspect at the office of the registrar the registration and rules of a credit union, or of an association;

(b) obtain from the registrar a certificate of the registration of a credit union, or of an association, and a 15 certified copy of the rules of a credit union, or of an association, or of any part thereof;

(c) with the permission of the registrar, inspect at his office and obtain from him a certified copy of any other registered document, or of any part thereof.

20 (2) A copy of or extract from any document registered by the registrar and certified under the seal of the registrar shall in any proceedings be admissible in evidence as of equal validity with the original document.

25 96. (1) If, with respect to any credit union or association, the registrar considers it expedient to do so in the interests of members of or of persons who may become members of or deposit moneys with the credit union or association he may, by notice in writing served on the credit union or association with the approval of the Minister, direct Power to suspend operations. Act No. 18, 1967, s. 111.
30 that subsection two of this section shall apply to the credit union or association and that subsection shall thereupon apply accordingly until the expiration of such time as may be specified in the notice or until the notice is withdrawn, whichever is the earlier.

(2)

Credit Union.

(2) Subject to this section, while this subsection applies to a credit union, or an association, the credit union or association shall not—

- (a) make any money available on loan to members;
 - 5 (b) accept the deposit of any money;
 - (c) borrow any money;
 - (d) accept any payment on account of share capital, except calls which fell due before the issue of the notice;
 - 10 (e) repay any moneys paid on shares;
 - (f) repay any moneys on deposit,
- as may be specified in the notice directing the application of this subsection.

(3) The registrar may, with the approval of the
15 Minister and by a further notice, extend the time specified in any notice issued under subsection one of this section.

(4) A credit union, or an association, to which subsection two of this section applies may make representations to the Advisory Committee with respect to the direction and
20 the committee shall report to the Minister. The Minister may direct the registrar to withdraw the direction or to amend the notice directing the application of this subsection.

(5) The registrar may, and shall on the direction of the Minister, withdraw any direction or amend any notice
25 given in accordance with the section.

(6) If a credit union, or an association, contravenes the provisions of subsection two of this section it shall be guilty of an offence and be liable to a penalty not exceeding six hundred dollars; and every officer of the credit union or
30 association who knowingly and wilfully authorises or permits a contravention of subsection two of this section shall be liable on conviction on indictment to a penalty not exceeding six hundred dollars or to a term of imprisonment not exceeding two years or to both or, on summary conviction, to a penalty
35 not exceeding one hundred dollars or to a term of imprisonment not exceeding three months or to both.

Credit Union.

97. (1) The registrar, and any inspector appointed under section ninety-nine of this Act and authorised in writing by the registrar either generally or specially to do so, may inspect any minutes or books or examine the affairs, of a credit union, or of an association, whether or not it is in the course of being wound up and in the case of a credit union, or of an association, that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the credit union or association.

Inspection
by registrar.
Act No. 1,
1924, s. 117
Act No. 18,
1967, s. 112.

(2) The registrar or any such inspector so authorised may, at his discretion, obtain from any bank in which the funds of a credit union, or of an association, are deposited or invested a statement of the amount of such deposit or investment and any other particulars required by him to be furnished in relation to the affairs of the credit union or association.

98. (1) Subject to compliance with any requirement or direction of the registrar pursuant to this section, the registrar may, and shall on the application of a majority of a board or of not less than one-third of the members of a credit union, or of an association—

Special
meeting and
inquiry.
Act No. 1,
1924, s. 118.
Act No. 18,
1967, s. 113.

- (a) call a special meeting of the credit union or association;
- (b) hold an inquiry into the affairs, including the working and financial condition, of the credit union or association.

(2) An application under this section shall be accompanied by such evidence as the registrar requires for the purpose of showing that the applicants have good reason for requiring the meeting or inquiry and that the application is made without malicious motive.

(3) Notice of an application under this section shall be given to the credit union or association by such persons and in such manner as the registrar directs.

(4) Security for the expenses of a meeting or inquiry pursuant to this section shall be given by such persons and in such manner as the registrar directs.

(5)

Credit Union.

(5) The registrar may direct at what time and place a meeting called under this section is to be held, and what matters are to be discussed and determined at the meeting and shall give such notice to members of the holding of the
5 meeting as he deems fit notwithstanding any provision in the rules of the credit union or association as to the giving of notice.

(6) A meeting called under this section shall have all the powers of a meeting called in accordance with the
10 rules of the credit union or association and shall have power to appoint its own chairman, any rule of the credit union or association to the contrary notwithstanding. The registrar or any person nominated by him may attend and address any such meeting.

15 (7) If a meeting called under this section fails to appoint a chairman, the registrar or any person nominated by him to attend the meeting may act as chairman of the meeting or may appoint a chairman to conduct the meeting or any adjournment thereof.

20 (8) If the chairman of a meeting called under this section is not a member of the credit union or association in respect of which it was so called, he may exercise a casting vote but shall not otherwise be entitled to vote.

25 (9) All expenses of and incidental to a meeting called, or inquiry held, under this section shall be defrayed, in such proportions as the registrar directs, by the applicants, or out of the funds of the credit union or association, or by any officer or member or former officer or member, and may be recovered as a debt in any court of competent jurisdiction.

30 **99.** (1) The Governor may appoint inspectors for the purposes of this Act.

Inspectors.
Act No. 1,
1924,
s. 118A.
Act No. 18,
1967, s. 114.

(2) The provisions of the Public Service Act, 1902, shall not apply to the appointment of any such inspector who is not a public servant,

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100. (1) The registrar and any inspector appointed under section ninety-nine of this Act may, for the purpose of any inquiry or inspection under this Act—

Powers of registrar and inspectors.

Act No. 1, 1924, s. 121.

Act No. 18, 1967, s. 115.

- (a) administer an oath;
- 5 (b) by notice in writing require the attendance of any person at the time and place specified in the notice and require such person then and there to answer any question put to him by the registrar or such inspector, as the case may be, in relation to the
- 10 matter of any such inquiry or inspection, and to produce all or any of the books or documents of the credit union or association to which the inquiry relates;
- 15 (c) require any director or other officer of a credit union, or of an association, to furnish to the registrar or inspector, as the case may be, any information relating to the affairs of the credit union or association or the matter of any inquiry into the
- 20 working and financial condition of the credit union or association and to produce to the registrar or inspector all or any of the books or documents of the credit union or association.

A notice referred to in paragraph (b) of this subsection may be served, where it is addressed—

- 25 (i) to a credit union, or to an association, or to a director or other officer of a credit union or of an association, in the appropriate manner specified in subsection three of section thirty of this Act; or
- 30 (ii) to any other person, by post to the last known address of that person.

(2) Any person, who—

- 35 (a) when required by the registrar or an inspector pursuant to paragraph (b) of subsection one of this section refuses or fails, without lawful excuse, to attend at any time and place specified in a notice served on such person in accordance with the provisions of that subsection or, having so attended, fails

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5 fails then and there to answer any question put to him by the registrar or inspector, as the case may be, in relation to the matter of any inquiry or inspection under this Act or to produce any books or documents as required by the notice; or

10 (b) being a director or other officer of a credit union, or of an association, refuses or fails, without lawful excuse, to furnish any information required of him pursuant to paragraph (c) of subsection one of this section or to produce any books or documents required to be produced pursuant to that paragraph, shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a period not exceeding six months or to 15 both such penalty and imprisonment.

DIVISION 3.—*Advisory Committee.*

101. (1) There shall be a Credit Union Advisory Committee (in this section referred to as the "Committee") consisting of such number of members as may be determined 20 by the Minister, being not less than five and not exceeding nine or, where some other maximum number is prescribed, not exceeding the prescribed maximum number. Advisory Committee.
Act No. 1,
1924,
s. 114c.
Act No. 18,
1967, s. 117.

25 (2) One of the members of the Committee shall be the person who for the time being holds the office of registrar and who shall by virtue of such office be the chairman and executive member of the Committee.

(3) Each member of the Committee, other than the registrar and one other member, shall be an officer of a credit union, or of an association.

30 (4) A deputy or alternate member may be appointed to attend any meeting of the Committee at which a member is unable to be present.

(5) The members (other than the chairman) and deputy or alternate members of the Committee shall be 35 appointed by the Minister and shall hold office for such period as he may deem fit and may be removed from office by him.

(6)

Credit Union.

(6) Meetings of the Committee may be convened by the chairman or by any two members.

(7) Each member and deputy or alternate member of the Committee shall, unless he is an officer of the Public Service or a member of the Legislative Council or the Legislative Assembly of New South Wales, be paid such fees, allowances and expenses as the Governor may approve.

(8) It shall be the duty of the Committee to submit recommendations to the Minister with respect to—

- 10 (a) proposals to promote the formation of credit unions;
- (b) proposals to improve the method of operation of credit unions;
- (c) such other matters as may be referred to it by the Minister or as may be prescribed.

15 (9) The Committee shall advise the registrar on such matters as may be referred to it by him.

PART X.

MISCELLANEOUS.

102. The registrar shall in every year make a report of his proceedings and of the principal matters transacted by him during the preceding year, and the report shall be laid before Parliament.

Report to Parliament.
Act No. 1,
1924, s. 123.
Act No. 18,
1967, s. 116.

103. (1) The Governor may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for giving effect to this Act, and any such regulation may provide for—

Regulations.
Act No. 1,
1924, s. 124.
Act No. 18,
1967, s. 119.

- 30 (a) a penalty for any breach thereof, and also distinct penalties in cases of successive breaches thereof, provided that no such penalty shall exceed one hundred dollars;

(b)

Credit Union.

(b) a daily or weekly penalty, not exceeding five dollars a day or twenty-five dollars a week, for any continuing breach thereof.

(2) Without prejudice to the generality of the foregoing provisions of this section, the Governor may make regulations prescribing the fees to be taken in the office of the registrar for any matter or thing to be done therein under this Act.

(3) The Governor may make regulations amending the Schedule to this Act and the Schedule, as so amended, shall be the Schedule to this Act.

(4) The regulations shall be published in the Gazette, and shall take effect from the date of publication or from a later date to be specified in the regulations.

(5) The regulations shall be laid before both Houses of Parliament within fourteen sitting days after publication if Parliament is then in session and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution of which notice has been given at any time within fifteen sitting days after the regulations have been laid before such House disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

(7) The registrar shall notify a credit union, and an association, of the publication of any regulation affecting the credit union or association.

104. (1) No instrument or document executed or registered for transferring any property in pursuance of section thirty-three of this Act shall be liable to stamp duty or to any fee chargeable under any Act for registration.

Exemption from stamp duty.

Act No. 1, 1924, ss. 41 (15) and 62.

(2) No stamp duty shall be chargeable upon the certificate of incorporation of a credit union or an association or upon any share certificate or any instrument or document issued in connection with its capital by a credit union, or by an association.

Act No. 18, 1967, s. 121.

Credit Union.

105. (1) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended, is amended— Amendment of Act No. 1, 1924.

- (a) by omitting from the long title the words "credit unions,"; Long title.
- 5 (b) by omitting from section two the words "DIVISION 8.—*Credit unions.*"; Sec. 2. (Division into Parts.)
- (c) by omitting from the definition of "Society" in section five the words ", or credit union,"; Sec. 5. (Interpretation.)
- 10 (d) by omitting paragraph (g) of subsection one of section six; Sec. 6. (Societies.)
- (e) by omitting Division 8 of Part II and the heading thereto; Pt. II, Div. 8. (Credit unions.)
- 15 (f) (i) by omitting from subsection one of section thirty-four the words "And a credit union may become a component society of an association of building societies."; Sec. 34. (Association.)
- (ii) by omitting from subsection three of the same section the words "building societies, and credit unions" and by inserting in lieu thereof the words "and building societies";
- 20 (g) by omitting from subsection one of section forty-eight the words "or credit union,"; Sec. 48. (Reserve funds of building societies and credit unions.)
- (h) by omitting subsection (4B) of section sixty-one; Sec. 61. (Use of word co-operative.)
- 25 (i) by omitting from subsection one of section sixty-eight the words "Notwithstanding the foregoing provisions of this subsection, a credit union shall not invest any of its funds by way of deposit in any society other than an association of credit unions of which such credit union is a member."; Sec. 68. (Investment.)
- 30 (j) (i) by omitting paragraph (b) of subsection one of section seventy-two; Sec. 72. (Name and address.)
- (ii) by omitting subsection (1A) of the same section; (k)

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- (k) (i) by omitting from subsection four of section Sec. 82. eighty-two the words “, and of a credit (Rules.) union,”;
- 5 (ii) by omitting from the same subsection the words “or credit union”;
- (l) (i) by omitting from subsection (12B) of section Sec. 84. eighty-four the words “or of a credit union”; (Board of directors.)
- (ii) by omitting from the same subsection the words “or credit union, as the case may be,”;
- 10 (m) (i) by omitting from subsection four of section Sec. 86. eighty-six the words “or a credit union”; (Votes of members.)
- (ii) by omitting from paragraph (c) of subsection nine of the same section the words “or of a credit union”;
- 15 (n) (i) by omitting from subsection one of section Sec. 88. eighty-eight the words “, in the case of a (Officers.) society other than a credit union,”;
- (ii) by omitting from the same subsection the words “or, in the case of a credit union, with the approval of all directors present and voting (such directors not being less in number than the number that constitutes a quorum of the board of directors of the credit union) at any meeting of such directors”;
- 20
- 25 (o) by omitting paragraph (bi) of subsection one of section one hundred and two. Sec. 102. (Restrictions on powers.)
- (2) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended and as amended by this Act, may be cited as the Co-operation Act, 1923–1969.
- 30 **106.** (1) The Money-lenders and Infants Loans Act, Amendment of Act No. 67, 1941, as subsequently amended, is amended by inserting next after paragraph (b1) of the definition of “Money-lender” in Sec. 3. section three the following new paragraph :— (Interpretation.)
- 35 (b2) a credit union, or an association of credit unions, or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending or replacing that Act.

(2)

Credit Union.

(2) The Money-lenders and Infants Loans Act, 1941, as subsequently amended and as amended by this Act, may be cited as the Money-lenders and Infants Loans Act, 1941–1969.

5 **107.** (1) The Companies Act, 1961, as subsequently amended, is amended— Amendment
of Act No.
71, 1961.

(a) (i) by inserting in the definition of “Corporation” Sec. 5.
(Interpre-
tation.) in section five after the word “company” the words “other than a foreign company referred to in paragraph (f) of this definition”;

10 (ii) by inserting next after paragraph (d) of the same definition the following new paragraphs :—

15 (e) a credit union, or an association of credit unions, or a union of associations of credit unions, registered under the Credit Union Act, 1969, or any Act amending that Act;

20 (f) any foreign company in respect of which an exemption from compliance with—

(i) subsection (1) of section sixty-one of the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts;

25 (ii) subsection (1) of section thirty-five of the Permanent Building Societies Act, 1967, as amended by subsequent Acts;

30 or

(iii) subsection (1) of section twenty-eight of the Credit Union Act, 1969,

35 is for the time being in force.

(b)

Credit Union.

- 5 (b) by inserting in subsection fourteen of section three hundred and seventy-four after the word "Acts" the words ", or under the Permanent Building Societies Act, 1967, as subsequently amended, or a credit union, an association of credit unions or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending that Act".

10 (2) The Companies Act, 1961, as subsequently amended and as amended by this Act, may be cited as the Companies Act, 1961-1969.

SCHEDULE.

Sec. 24.

- (a) The name of the credit union or association and the location of its first office.
- 15 (b) The objects of the credit union or association.
- (c) The manner in which the capital of the credit union or association is to be raised including the minimum and maximum shareholding to be held by members and the denominations of shares.
- 20 (d) The powers of the credit union or association, in particular and without affecting the generality of this clause—
- (i) the powers to borrow money,
- (ii) the powers to raise money on deposit and the manner in which the board may regulate the withdrawal of such deposits,
- 25 and any limitation on any of the powers of the credit union or association.
- (e) The manner in which investments may be made.
- (f) The manner in which the funds of the credit union or association are to be managed and in particular the mode of drawing and signing cheques, drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the credit union or association.
- 30 (g) The manner in which any gain or surplus which may result from the transactions of the credit union or association is to be distributed among members.
- 35 (h) The mode and conditions of admission to membership and the payment to be made or the share or interest to be acquired before the exercise of the rights of membership.

(i)

Credit Union.

- (i) The number of directors, the qualification of directors and the manner of electing, remunerating and removing directors and filling a vacancy.
- (j) The powers and duties of the board, the requisite notice of 5 meetings, the quorum for meetings, and the procedure at meetings, of the board.
- (k) The intervals between general meetings of the credit union or association, the manner of calling general and special meetings, the requisite notices of meetings and the quorum for meetings of the credit 10 union or association.
- (l) The procedure at meetings of the credit union or association, including the rights of members in voting thereat, the manner of voting and the majority necessary for carrying resolutions.
- (m) The frequency at which the accounts of the credit union or 15 association are to be audited.
- (n) The manner of appointing, remunerating and removing auditors, the powers and duties of auditors and in particular their powers and duties with respect to the inspection of securities belonging to the credit union or association.
- 20 (o) The charges, including any charges on admission or for working expenses or otherwise which are to be payable by a member to the credit union or association in respect of his membership therein.
- (p) The manner of settling disputes between the credit union or association and any of its members, or any person claiming by or 25 through any member under the rules.
- (q) The manner of altering or rescinding the rules and of making additional rules.
- (r) The device, custody and use of the seal of the credit union or association.
- 30 (s) The manner in which the credit union or association may be wound up.
- (t) The circumstances under which shares may be withdrawn or repaid and the terms and conditions in relation thereto; the manner in which the value of shares is to be ascertained for repayment.

BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1969
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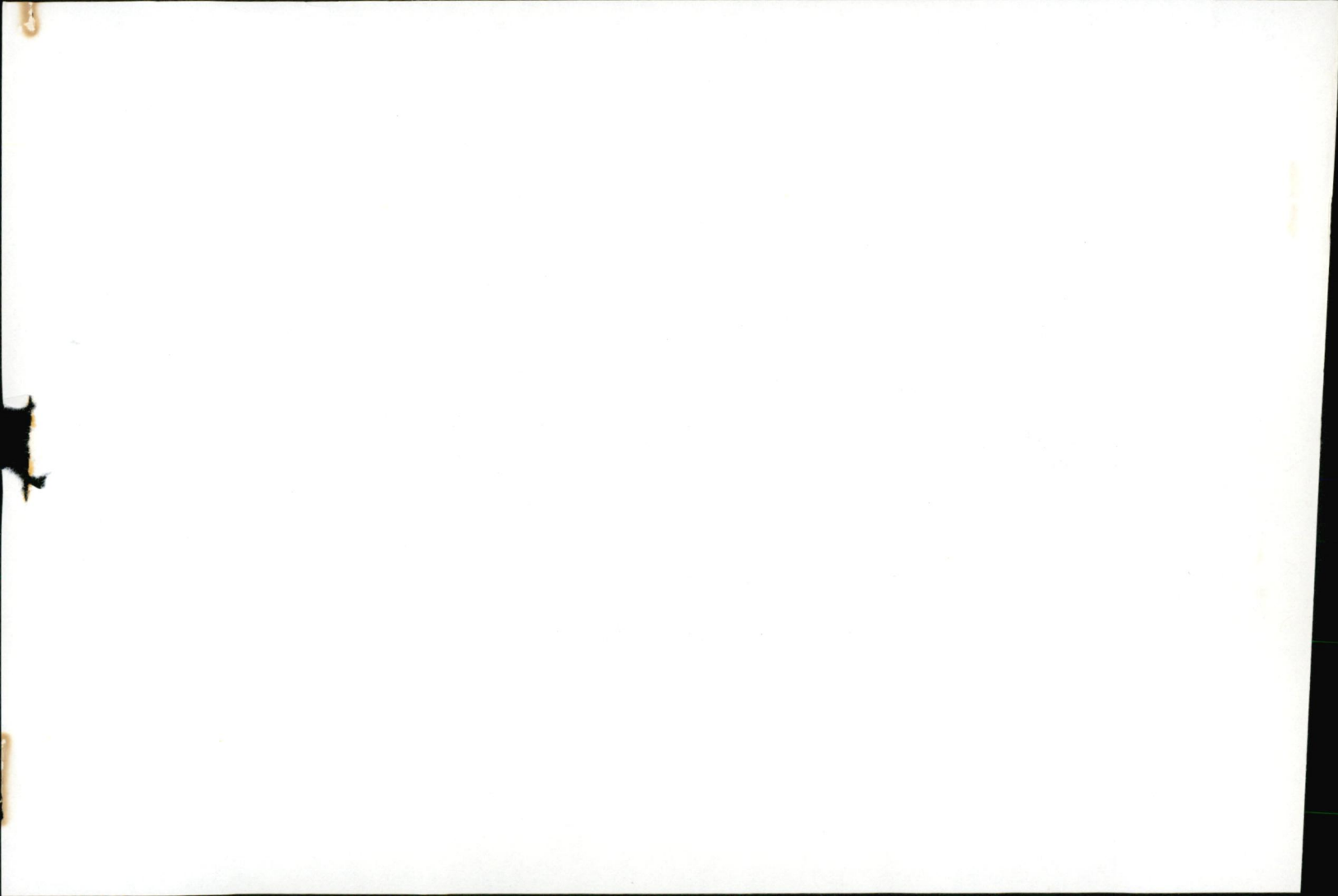


CREDIT UNION BILL, 1969

EXPLANATORY NOTE

THE objects of this Bill are—

- (a) to provide, independently of the Co-operation Act, 1923–1967, for the registration, incorporation and administration of credit unions and related bodies and to define their powers, authorities, duties and functions;
- (b) to provide for the appointment of a Registrar and Deputy Registrar of Credit Unions;
- (c) to make provisions consequential upon and ancillary to the foregoing.



PROOF

No. , 1969.

A BILL

To make provision with respect to the registration, incorporation and administration of credit unions and related bodies and to define their powers, authorities, duties and functions; to amend the Co-operation Acts, the Money-lenders and Infants Loans Act, 1941, the Public Accountants Registration Act, 1945, the Companies Act, 1961, and certain other Acts; and for purposes connected therewith.

[MR STEPHENS—18 *February*, 1969.]

BE

Credit Union.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

1. (1) This Act may be cited as the "Credit Union Act, 1969".

Short title,
citation and
commence-
ment.

10 (2) This Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

2. This Act is divided as follows :—

Division of
Act.

PART I.—PRELIMINARY—ss. 1–3.

15 PART II.—OBJECTS AND POWERS—ss. 4–19.

PART III.—INCORPORATION—ss. 20–38.

DIVISION 1.—*Incorporation and Rules.*

DIVISION 2.—*Name.*

DIVISION 3.—*Office and Service of Documents.*

20 DIVISION 4.—*Amalgamation.*

DIVISION 5.—*Associations and Unions of Associations.*

PART IV.—MEMBERS AND FUNDS—ss. 39–51.

DIVISION 1.—*Members.*

25 DIVISION 2.—*Share Capital.*

DIVISION 3.—*Funds.*

PART V.—MANAGEMENT—ss. 52–69.

DIVISION 1.—*Directors and Officers.*

DIVISION 2.—*Meetings and Voting.*

30 DIVISION 3.—*Accounts, Audit and Registers.*

DIVISION 4.—*Returns.*

PART

Credit Union.

PART VI.—DISPUTES—s. 70.

PART VII.—OFFICIAL MANAGEMENT AND WINDING UP—ss. 71–75.

PART VIII.—EVIDENCE AND OFFENCES—ss. 76–93.

5 DIVISION 1.—*Evidence.*

DIVISION 2.—*Offences.*

PART IX.—ADMINISTRATION—ss. 94–101.

DIVISION 1.—*Registrar.*

DIVISION 2.—*General.*

10 DIVISION 3.—*Advisory Committee.*

PART X.—MISCELLANEOUS—ss. 102–107.

SCHEDULE.

3. (1) In this Act, except to the extent that the context or subject matter otherwise indicates or requires—

Interpreta-
tion.

Act No. 1,
1924, s. 5.

15 “Advisory Committee” means the Credit Union Advisory Committee constituted under this Act;

20 “association” means association of credit unions registered under this Act and includes a union, so registered, of such associations and an amalgamated association so registered;

“board” means the board of directors of a credit union, or, as the case may require, of an association, and includes a committee of management of a credit union, or, as the case may require, of an association;

25 “Co-operation Acts” means the Co-operation, Community Settlement, and Credit Act, 1923;

“credit union” means credit union registered under this Act and includes an amalgamated credit union;

30 “mortgage” includes lien, charge, and any other security over property;

“officer”

Credit Union.

- 5 “officer” includes director, secretary, treasurer, official manager, deputy official manager and any other person empowered under the rules of a credit union, or, as the case may require, of an association, or by this or any other Act or the regulations, to give directions in regard to the business of a credit union, or, as the case may require, of an association;
- 10 “prescribed” means prescribed by this Act or by regulation;
- “registrar” means the Registrar of Credit Unions under this Act;
- “regulation” means regulation made under this Act;
- 15 “rule” means registered rule of a credit union, or, as the case may require, of an association, for the time being in force;
- “share” means share in the share capital of a credit union, or, as the case may require, of an association;
- 20 “special rule” means rule the terms of which the registrar has separately and specifically approved before its registration and includes an altered rule, so approved.
- (2) In this Act, sections one hundred and five, one hundred and six and one hundred and seven excepted, a
25 reference to an Act includes all amendments of that Act, whether by subsequent Acts or otherwise, and any Act passed in substitution for the Act referred to or incorporating any of its provisions.

PART II.

30 OBJECTS AND POWERS.

4. (1) The objects of a credit union shall be—

- (a) the raising of a fund by subscriptions of its members and in any way authorised by this Act;

(b)

Objects.

Act No. 1,
1924, s. 29.

Act No. 18,
1967, s. 4.

Credit Union.

(b) making loans from that fund to its members as provided by or under this Act and the rules of the credit union; and

(c) to encourage habits of thrift among its members.

5 (2) The Minister may, by order published in the Gazette upon the recommendation of the Advisory Committee and with the concurrence of the Treasurer, fix a rate of interest for the purposes of this subsection and a credit union shall not, in respect of any loans made by it after the making of the
10 order and while the order is in force, charge a rate of interest in excess of the rate so fixed by the Minister under an order for the time being in force.

5. If so authorised by its rules, a credit union may, Powers.
subject to this Act and as incidental to its objects—

Act No. 1,
1924, s. 30

- 15 (a) raise money on loan for any of its objects;
(b) receive money on deposit from a member of the credit union;
(c) make and enter into arrangements, approved by the Advisory Committee, for the provision of loan protection insurance and life savings insurance;
20 (d) acquire and hold shares not exceeding in the aggregate a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in—
25 (i) any association of building societies registered under the Co-operation Acts;
(ii) any association or federation referred to in section eighteen of this Act.

6. (1) A credit union shall not make a loan to any Loans.
30 person except a natural person who is a member of the credit union and is one of a class of persons specified by a special Act No. 1,
rule of the credit union as the class of persons to whom loans 1924, ss.
may be made. 31, 31A.

(2)

Credit Union.

(2) Classification for the purposes of a special rule referred to in subsection one of this section shall be effected in a manner approved by the registrar and may include classification by reason of residence in a specified district so approved.

5 (3) Application for a loan from a credit union shall be made in the manner prescribed.

(4) Subject to this section, a board may approve an application for a loan, or approve the application in part, on such terms as it may deem proper, including the giving of
10 security by way of a guarantee, or promissory note or promissory notes, or by way of a mortgage, or otherwise, as it thinks necessary.

(5) Where a board approves a loan to a member of a credit union, the board shall, before any part of the loan is
15 made available to the member—

- (a) obtain from the member an acknowledgment in writing of the amount of the loan and the terms and conditions upon which it was approved;
- 20 (b) where the loan was approved subject to specified security for the repayment thereof being given, obtain that security; and
- 25 (c) otherwise do all such things as may be necessary to be done to ensure that, if default is made in repayment of the loan, the credit union may forthwith institute, and may thereafter prosecute, proceedings for recovery of the debt and may proceed to realise upon or enforce any security given.

(6) Subject to subsection seven of this section, the
30 rules of a credit union shall fix the maximum amount (in this section called the "specified amount") by which the indebtedness of a member of the credit union may exceed the sum of the amount of the member's paid-up share capital in, and of his deposits with, the credit union.

35 The rules may fix different specified amounts where different conditions, specified by the rules in each case, apply in respect thereof.

(7)

Credit Union.

(7) In this subsection "prescribed security" means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

5 Subject to subsection eight of this section, the specified amount—

(a) shall not, unless the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security, exceed
10 one thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed;

(b) may, where the rules applicable in respect thereof require repayment of the indebtedness of a member
15 to be secured by prescribed security, be an amount not exceeding two thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed; and

(c) may, where the terms and conditions applicable in respect thereof are specified in special rules, be an
20 amount not exceeding four thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed.
25

(8) Where a rule registered before the first day of August, one thousand nine hundred and sixty-eight, would, but for this subsection, contravene paragraph (a) of subsection seven of this section, that paragraph, and any regulation
30 prescribing for the purposes of that paragraph a specified amount less than that provided for by the rule, shall be read and construed, in relation to that rule, as if the amount prescribed by that paragraph, or by the regulation, were the specified amount provided for by the rule.

35 (9) A credit union shall not make a loan to a member if the indebtedness of the member to the credit union would thereby exceed the sum of—

(a) the specified amount applicable in the circumstances;
(b)

Credit Union.

- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union.

- 5 (10) Where the indebtedness of a member to a credit union at any time exceeds the applicable specified amount, the credit union shall not make a refund of share capital to the member, or permit the withdrawal of any deposit of the member with the credit union, if the sum of—
- 10 (a) that specified amount;
- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union,
- 15 would thereby be reduced below the amount of the indebtedness at that time.

This subsection shall not operate to prevent a credit union, with the consent of a member, from applying paid-up share capital or deposits in reduction or repayment of the indebted-

20 ness of the member to the credit union.

- (11) Where a credit union makes a loan or a refund of share capital, or permits withdrawal of a deposit, in contravention of this section, the credit union and every officer who is in default shall be guilty of an offence against this Act and
- 25 shall be liable to a penalty not exceeding two hundred dollars, and every officer who is in default shall, in addition, be jointly and severally liable to the credit union for any loss on the loan occasioned to the credit union.

7. (1) In this section—
- 30 "liquid funds" means—

Liquidity.
Act No. 18,
1967, s. 63.

- (a) cash at the bank or in hand;
 - (b) investments in securities authorised by law for the investment of trust funds (not being securities by way of mortgage over real or leasehold property) that are redeemable within ten years of their acquisition;
 - (c)
- 35

Credit Union.

- (c) funds on deposit with any prescribed bank;
- (d) funds on deposit with an association of credit unions of which the depositor is a member;
- 5 (e) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967; and
- 10 (f) investments in prescribed securities or securities approved by the registrar under subsection two of section nineteen of this Act,

15 but does not include any such funds or investments to the extent that they are subject to a lien or charge or, in the case of deposits, to the extent that they may only be withdrawn on more than one month's notice or, where the regulations so provide, to the extent that the amount of any of those funds or investments specified by the regulations exceeds
20 an amount prescribed by, or calculated as prescribed by, the regulations;

"prescribed proportion" means—

- 25 (a) in the case of a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts—
 - (i) two per centum during the year commencing one year after its registration under this Act;
 - 30 (ii) four per centum during the year commencing two years after its registration under this Act; and
 - (iii) seven per centum thereafter; or
- (b)

Credit Union.

(b) in the case of any other credit union—

- (i) one per centum during the year commencing on the day of its registration under this Act;
- 5 (ii) two per centum during the year commencing one year after its registration under this Act;
- 10 (iii) three per centum during the year commencing two years after its registration under this Act;
- (iv) four per centum during the year commencing three years after its registration under this Act;
- 15 (v) five per centum during the year commencing four years after its registration under this Act; and
- (vi) seven per centum thereafter.

(2) For the purpose of calculating the amount of liquid funds held by a credit union, investments referred to in paragraphs (b) and (f) of the definition of "liquid funds" in subsection one of this section shall be assessed at cost or market value, whichever is the lesser.

(3) This subsection shall not, during the period of one year next succeeding the commencement of this Act, apply to or in respect of a credit union that, immediately before that commencement, was registered under the Co-operation Acts.

A credit union shall not, in any month, make a loan of an amount that, if deducted from the amount of its liquid funds as at the last day of the next preceding month, would produce an amount that bears to the sum of—

- (a) the amount of the paid-up share capital of the credit union; and
- (b) the amount held by the credit union on deposit, as at that day, a proportion less than the prescribed proportion for that credit union.

(4)

Credit Union.

(4) Regulations may be made prescribing an amount, or a method of calculating an amount, as the maximum amount of any funds or investments specified in the regulations that may be taken into consideration in calculating the amount of the liquid funds of a credit union.

The regulations may prescribe different amounts or methods in respect of different funds or investments.

8. (1) The whole of the principal and interest, and any other amount that may lawfully be added thereto, in respect of a loan by a credit union to a member shall forthwith become due and payable—

Default.
Act No. 1,
1924, ss. 24,
31A (12).

- (a) if default is made in payment of the loan or of the interest thereon or any part thereof;
- 15 (b) if the member attempts to sell or dispose of, or in any way part with the possession of, any personal property upon which the credit union has a lien or charge, whether the loan is otherwise due or not, without the previous consent in writing of the credit union to the sale, disposal or parting with possession or if the member suffers or permits any such property to be seized or taken in execution;
- 20 (c) if the member absconds or attempts to abscond from the State;
- 25 (d) if the member fails to insure or to keep insured any property to the extent agreed upon with the credit union;
- 30 (e) if the member makes an assignment for the benefit of or compounds with his creditors or becomes bankrupt;
- (f) if default is made in the performance of any undertaking given by the member in the application for the loan or set out in the terms upon which the loan is granted;

(g)

Credit Union.

- (g) if the member has obtained the loan by fraud, or has made an untrue statement in his application for the loan; or
- 5 (h) if the member becomes a mentally ill person, a protected person or an incapable person within the meaning of the Mental Health Act, 1958.

(2) Upon the occurrence of any of the events referred to in subsection one of this section, the credit union by any person authorised by it, with such assistance as may be
10 required, may at any time during the day enter into or upon any land or premises upon which any property subject to a lien or charge in favour of the credit union may be, and may seize, remove and sell any such property, or any part thereof, by public auction or private contract.

15 (3) A purchaser on a sale pursuant to this section shall not be concerned to inquire whether the sale is authorised by this section, or to see to the application of the purchase money.

(4) The proceeds of a sale pursuant to this section
20 shall be applied in the first place in paying and reimbursing the credit union all such moneys as may be due, owing, and accruing under the terms of the loan, and all costs and expenses that may have been incurred by the credit union in consequence of the default, neglect, or failure of the member
25 to pay those moneys or any of them.

(5) Any surplus that remains after the proceeds of a sale pursuant to this section have been applied in accordance with subsection four of this section shall be payable to the member or other person entitled thereto.

Credit Union.

9. A member of a credit union shall be liable not only for the payment of the amount of any loan to him by the credit union and interest thereon, but also for any charges and costs of collection of that amount and that interest.

Liability of borrower.
Act No. 1, 1924, ss. 27, 31A (12).

5 10. A credit union, and an association, shall each be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and shall have power to enter into contracts, to institute and defend actions, suits and legal proceedings, and to do all things necessary for the purpose of its constitution.

Body corporate.
Act No. 1, 1924, s. 60.
Act No. 18, 1967, s. 15.

11. (1) A credit union, or an association, may acquire by lease, purchase, donation, devise, bequest or otherwise any real or personal property necessary for the carrying out of any of the objects of the credit union or association and may sell or lease any such real or personal property.

Property.
Act No. 1, 1924, s. 64.
Act No. 18, 1967, s. 16.

The acquisition by a credit union, or by an association, of real or personal property primarily or mainly required for business or office accommodation of the credit union or association, or of the credit union or association and other credit unions or associations, shall be a valid exercise of its powers.

(2) Subject to subsection three of this section, a credit union, or an association, may acquire shares in any company registered under the Companies Act, 1961, or any company or body corporate registered or incorporated under any other Act, that has agreed to render special services to that credit union or association in the furtherance of its objects.

(3) Except as provided by sections five and eighteen of this Act, no credit union or association shall, without the prior approval of the Advisory Committee, apply funds in excess of two thousand dollars in the acquisition of shares pursuant to subsection two of this section in any one company or body corporate.

Credit Union.

12. (1) Subject to this section, a credit union may, if authorised by its rules and within the limits provided in this section, raise money on loan or receive money on deposit at interest to be applied to the purposes of the credit union.

Raising loans and receipt of money on deposit.

Act No. 1, 1924, ss. 65 and 66.

Act No. 18, 1967, s. 20.

5 (2) The maximum rate which may be paid by way of interest on deposits with a credit union shall not exceed seven per centum per annum or, where some other rate has been fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate
10 so fixed.

(3) Where a credit union is authorised by its rules to raise money on loan the credit union may raise the money in such manner as the board may think fit and in particular by legal or equitable mortgage charged upon all or any part
15 of the property and rights (both present and future) of the credit union, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

(4) Subject to subsection five of this section, a credit union shall not in any month raise a loan of an amount that,
20 if added to the amount owing as at the last day of the next preceding month by the credit union in respect of all loans made to it would produce an amount greater than twenty-five per centum of the sum of—

25 (a) the amount of the paid-up share capital of the credit union; and

(b) the amount of the deposits held by the credit union, as at that day.

(5) If the registrar so approves, and subject to such limits, terms and conditions as the registrar may impose when
30 giving his approval, subsection four of this section shall not apply to or in respect of—

35 (a) a credit union that, immediately before the commencement of this Act was registered under the Co-operation Acts and was first so registered not earlier than four years before that commencement; or

(b)

Credit Union.

- (b) a credit union registered under this Act (section twenty-two excepted),

until the expiration of the period of four years next succeeding the day on which it was first so registered.

- 5 (6) A credit union shall not raise money on loan to the extent authorised by subsection four or five of this section if the amount owing by the credit union in respect of all loans made to it would thereby exceed the amount specified by the rules of the credit union as the maximum amount that may be
10 owed by the credit union in respect of loans made to it or, where no such maximum amount is so specified, two thousand dollars.

- (7) Subject to subsection eight of this section, where a credit union is authorised by its rules to receive money on
15 deposit, it shall not so receive money unless—

- (a) the deposit is received on terms whereby not less than one month's notice may be required by the board before repayment;
- (b) the depositor is a member of the credit union; and
- 20 (c) the rules of the credit union include special rules specifying the manner in which the board may regulate the withdrawal of deposits.

Nothing in this subsection or the rules of a credit union shall be construed as derogating from the provisions of
25 subsection ten of section six of this Act.

- (8) In so far as paragraph (c) of subsection seven of this section would, but for this subsection, affect a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts, sub-
30 section seven of this section shall not apply to or in respect of that credit union until the expiration of the period of one year next succeeding the commencement of this Act.

- (9) No member or other person lending money to or depositing money with a credit union shall be bound to see
35 to the application thereof or be in any way affected or prejudiced by the fact that the credit union, in borrowing the money or receiving the deposit, has contravened the provisions of this Act, the regulations or the rules of the credit union.

(10)

Credit Union.

(10) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge created by a credit union, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

10 For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(11) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of the property of a credit union, to and in respect of such a receiver or manager and to and in respect of a credit union of whose property a receiver or manager has been appointed.

20 For the purpose of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

13. Any property to which a credit union, or an association, has become absolutely entitled by foreclosure, surrender or other extinguishment of the right of redemption shall as soon afterwards as may be conveniently practicable be sold or converted into money.

Disposal of certain securities.

Act No. 1, 1924, s. 68 (4).

Act No. 18, 1967, s. 17.

14. A credit union, and an association, shall each have power to create, operate and maintain or join with any other person or bodies of persons in the creation, operation and maintenance of a fund for the purpose of providing pension and superannuation benefits for officers and employees of the credit union or association and for their dependants.

Staff superannuation.

Act No. 18, 1967, s. 18.

15. (1) Contracts on behalf of a credit union, and of an association, may be made, varied or discharged as provided in this section.

Contracts.

Act No. 1, 1924, s. 71.

Act No. 18, 1967, s. 19.

(2)

Credit Union.

(2) Any contract which, if made between private persons, would be by law required to be in writing and under seal, may be made on behalf of the credit union or association in writing under the common seal of the credit union or association, and the contract may be in the same manner varied or discharged.

(3) Any contract which, if made between private persons, would be by law required to be in writing and signed by the party to be charged therewith, may be made on behalf of the credit union or association in writing signed by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(4) Any contract which, if made between private persons, would be by law be valid, although made by parol only and not reduced into writing, may be made by parol on behalf of the credit union or association by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(5) Any contract made according to the provisions of this section shall be effectual in law and shall be binding upon the credit union or association and all other parties thereto.

16. Any receipt or acknowledgment given to a credit union, or to an association, by a person under the age of twenty-one years, in respect of the payment to him of any amount deposited by him with the credit union or association, or of interest thereon, or in respect of any dividend on, or repayment of, capital in the credit union or association shall not be invalid on the ground that he is under that age.

Depositor under age of 21 years. Act No. 18, 1967, s. 22.

Credit Union.

17. (1) A credit union, or an association, may act as a collecting agent on behalf of any company, credit union or association, person or body of persons for the collection and payment to such company, credit union or association, person or body of persons, of any premiums payable by a member in respect of any policy of insurance covering any property held by the credit union or association as security for a loan to the member or in respect of any life, endowment, sickness or accident policy taken out by a member as a result of any terms and conditions imposed upon the granting of a loan or under any arrangement entered into by the member whereby the proceeds of the policy would be payable to the credit union or association in repayment of the whole or part of the member's liability under any mortgage to the credit union or association.

Credit union or association as collecting agent.

Act No. 18, 1967, s. 24.

(2) A credit union, or an association, may act as collecting agent for any other credit union or association in respect of any money due to that credit union or association by its members.

18. (1) A credit union, or an association, may join an association or federation of credit unions of whatsoever kind, whether incorporated or unincorporated.

Power to join association.

Act No. 1, 1924, s. 34.

(2) Nothing in subsection one of this section shall authorise a credit union, or an association, to subscribe by any means to the funds of any such association or federation a sum which, together with all sums so subscribed before the commencement of this Act exceeds the amount of funds it is authorised, by section five of the Act, to apply in the acquisition of shares.

Act No. 18, 1967, s. 25.

19. (1) Subject to this section, a credit union, or an association, may invest any of its funds not immediately required for any of its objects, or for purposes incidental thereto, in—

Investment of surplus funds.

Act No. 1, 1924, s. 68.

Act No. 18, 1967, s. 21.

(a) securities authorised by law for the investment of trust funds not being securities by way of mortgage over real or leasehold property;

(b)

Credit Union.

- (b) deposits with any prescribed bank;
- (c) deposits with an association of credit unions of which the credit union or association is a member;
- 5 (d) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967;
- 10 (e) shares not exceeding a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in any co-operative insurance society registered under the Co-operation Acts; or
- (f) prescribed securities.

(2) No credit union or association shall, pursuant to paragraph (a) of subsection one of this section, invest in any
15 securities which are not redeemable within ten years of their acquisition by the credit union or association unless the registrar, in a particular case, approves.

(3) Nothing in this section shall affect the validity of any investment made, before the commencement of this Act,
20 by a credit union, or by an association, that, immediately before that commencement, was registered under the Co-operation Acts, but any reinvestment thereof shall be made only in conformity with this section.

PART III.

25 INCORPORATION.

DIVISION 1.—*Incorporation and Rules.*

20. (1) A proposed credit union may be formed by Formation.
twenty-five or more adult persons who are by the proposed Act No. 1,
rules of the credit union qualified to be members. 1924, s. 39.

(2) Act No. 18,
1967, s. 27.

Credit Union.

(2) No proposed credit union formed after the commencement of this Act shall be registered unless there has been a meeting for the purpose of forming the credit union (in this Part called the "formation meeting") at which there
5 have been present twenty-five or more such persons.

(3) At the meeting there shall be presented—

(a) a written statement showing the objects of the proposed credit union and the reasons for believing that, if registered, it will be able to carry out its
10 objects successfully; and

(b) a copy of the rules which it is proposed shall be tendered for registration.

(4) If, at the same or any subsequent or adjourned meeting, after consideration of the statement and rules,
15 twenty-five or more such persons approve the rules with or without amendment and sign applications for membership and shares, they shall proceed to elect the first directors of the proposed credit union in accordance with the rules as so approved.

20 Following the election of the first directors, the persons who have signed applications for membership and shares may proceed to elect the members of such committees as may be provided for in the rules of the proposed credit union.

(5) The expenses of and incidental to the formation
25 of the proposed credit union may be paid either out of capital or out of income.

21. (1) A proposed credit union formed under section twenty of this Act shall not be registered under this Act unless within two months after the election of the first directors
30 referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed credit union accompanied by—

Registration.
Act No. 1,
1924, s. 39.
Act No. 18,
1967, s. 28.

(a) a statutory declaration by the chairman and
35 secretary of the formation meeting as to compliance with the requirements of section twenty of this Act;
(b)

Credit Union.

- (b) a copy of the statement presented to the formation meeting signed by the chairman and secretary of the meeting;
- 5 (c) two copies of the proposed rules signed by the chairman and secretary of the formation meeting and certified by them as being the rules approved in accordance with subsection four of section twenty of this Act;
- 10 (d) a list containing the full name and the occupation and address of each director;
- (e) a list containing the full name and the occupation and address of twenty-five persons who attended the formation meeting and signed applications for membership and shares; and
- 15 (f) such other particulars as may be prescribed.

(2) The statutory declaration mentioned in subsection one of this section may be accepted by the registrar as sufficient evidence of compliance with the requirements of section twenty of this Act.

- 20 (3) If the registrar is satisfied—
- (a) that the proposed credit union has complied with the provisions of this Act and the regulations in so far as they are applicable;
- 25 (b) that the rules of the proposed credit union are not contrary to this Act or the regulations and are such as may reasonably be approved by him;
- (c) that there are reasonable grounds for believing that the proposed credit union, if registered, will be able to carry out its objects successfully; and
- 30 (d) that there is no reasonable cause why the proposed credit union and its rules should not be registered,

the registrar shall register the proposed credit union and its rules and shall issue a certificate that the credit union is incorporated under this Act.

Credit Union.

22. (1) A corporation that, immediately before the commencement of this Act, was registered under the Co-operation Acts as a credit union or an association of credit unions shall, on and from that commencement be deemed, Certain bodies deemed to be registered.
 5 subject to this Act, to be registered under this Act as a credit union or an association of credit unions, as the case may be, and the rules thereof in force immediately before that commencement shall, on and from that commencement, be deemed, subject to this Act, to be the rules thereof registered
 10 under this Act.

(2) The identity of a corporation registered under this Act by virtue of subsection one of this section shall not be affected and it shall continue as the same entity.

(3) A reference in any document, or in any other
 15 Act, to a credit union or an association of credit unions, or to the Co-operation Acts shall, in so far as it affects a corporation registered under this Act by virtue of subsection one of this section, be deemed to be a reference to a credit union or an association of credit unions, as the case may be,
 20 registered under this Act.

(4) Where a corporation registered under this Act by virtue of subsection one of this section so applies, the registrar may, upon surrender of its certificate of incorporation under the Co-operation Acts, issue a substitute certificate of
 25 incorporation in or to the effect of the prescribed form.

23. (1) A certificate of incorporation under this Act shall be in or to the effect of the prescribed form. Certificate of incorporation.

(2) The certificate shall be conclusive evidence that
 all the requirements of this Act in respect of registration have
 30 been complied with, but this subsection shall not affect any provisions of this Act for the winding-up or dissolution of a credit union, or of an association, or the cancellation of its registration. Act No. 1, 1924, s. 45. Act No. 18, 1967, s. 29

Credit Union.

24. The rules of a credit union, and of an association, shall, in addition to rules otherwise required by this Act to be included, include rules relating to the matters set forth in the Schedule to this Act.

Rules.
Act No. 1,
1924, s. 82.
Act No. 18,
1967, s. 31.

5 25. (1) The rules of a credit union, and of an association, shall bind the credit union or association and all members thereof and all persons claiming through them respectively to the same extent as if the rules were incorporated in a deed executed by each member and there were contained
10 in the rules a covenant on the part of each member and, in the case of a member of a credit union, on the part of his legal representatives, to observe all the provisions of the rules, subject to the provisions of this Act.

Rules.
Act No. 1,
1924, ss. 73,
78 (4) and
82 (8).
Act No. 18,
1967, s. 32.

(2) No credit union or association shall impose or
15 levy a charge upon a member in respect of his membership unless the charge is imposed by, and specified in, a special rule.

(3) A credit union, and an association, shall furnish
20 any person with a copy of its rules upon application and payment of an amount not exceeding, where an amount is specified in the rules, the amount so specified or, where there is no amount so specified, an amount of fifty cents or, where some other amount is prescribed, that other amount.

26. (1) No rule of a credit union, or of an association, shall be altered unless the alteration has been approved by a special resolution.

Alteration of
rules.
Act No. 1,
1924, s. 83.
Act No. 18,
1967, s. 33.

(2) A credit union, or an association, that resolves to alter its rules shall, within the prescribed time and in the prescribed manner, apply to the registrar to have the
30 alteration registered.

(3) If the registrar is satisfied that the alteration is not contrary to this Act or to the regulations and is such as may reasonably be approved by him and that there is no reasonable cause why the alteration should not be registered,
35 the registrar shall register the alteration as prescribed and, until the alteration is so registered, it shall not take effect.

(4)

Credit Union.

(4) In this Act the expression "alteration of a rule" includes addition to, or rescission of, a rule or any part thereof.

DIVISION 2.—*Name.*

5 **27.** (1) Except with the consent of the Minister a credit Name.
union, or an association, shall not be registered by a name Act No. 1,
that, in the opinion of the registrar, is undesirable, or is a 1924, ss. 72
name, or a name of a kind, that the Minister has directed and 40.
the registrar not to accept for registration. Act No. 71,
1961, s. 22.

10 (2) The Minister shall cause a direction given by
him under subsection one of this section to be published in
the Gazette. Act No. 18,
1967, s. 34.

15 (3) A credit union, and an association, shall have
the word "Limited" or the abbreviation "Ltd." as part of and
at the end of its name and shall include in its name the words
"credit union" or, in the case of an association, the words
"credit unions" in consecutive form.

20 (4) If a credit union, or an association, through
inadvertence or otherwise is registered by a name by which
the credit union or association could not be registered without
contravention of this section the credit union or association
shall, if the registrar, with the approval of the Minister, so
directs, change its name.

25 (5) Where a credit union, or an association, was,
immediately before the commencement of this Act, registered
under the Co-operation Acts, the registrar shall not require
the credit union or association to change its name except with
the approval of the Minister.

30 (6) Subject to this section, a credit union, or an
association, may, by an alteration of its rules in the manner
provided by this Act, change its name to a name by which
it could be registered under this Act without contravention
of this section.

(7)

Credit Union.

(7) Upon registration of an alteration of the rules of a credit union, or an association, pursuant to subsection six of this section the registrar shall register the change of name and either note the change of name on the certificate
5 of incorporation of the credit union or association or, upon surrender to the registrar of the certificate of incorporation of the credit union or association or production of such evidence as to its loss as the registrar may require, issue a new certificate of incorporation in lieu thereof.

10 (8) A change of name of a credit union, or of an association, shall be published, at the expense of the credit union or association, in the manner prescribed.

(9) A change of name shall not affect any right or obligation of a credit union, or of an association, or of any
15 member or other person or render defective any legal proceedings by or against the credit union or association.

(10) After a credit union, or an association, has changed its name, any legal proceedings that might have been continued or commenced against the credit union or
20 association by its former name may be continued or commenced against it by its new name.

(11) No description of a credit union, or of an association, shall be deemed to be inadequate or incorrect by reason of the use of—

- 25 (a) the abbreviation "Ltd." in lieu of the word "Limited" contained in the name of the credit union or association;
- (b) the symbol "&" in lieu of the word "and" contained in the name of the credit union or association; or
- 30 (c) any of those words in lieu of the corresponding abbreviation or symbol contained in the name of the credit union or association.

(12)

Credit Union.

(12) Subsection one of section sixty-one of the Co-operation Acts shall not, during the period of three years next succeeding the commencement of this Act, apply to or in respect of a credit union, or an association, registered by virtue of section twenty-two of this Act.

28. (1) Subject to this section, no person or body of persons, whether incorporated or unincorporated, other than a credit union, or an association of credit unions, registered under this Act shall—

Use of words "credit union".

Act No. 1, 1924, s. 61.

Act No. 18, 1967, s. 35.

10 (a) trade or carry on business (which expression shall include establishing or using an office for the receipt of share capital, deposits or loan funds, advertising for share capital, deposits or loan funds, or the making of loans to members residing in New South Wales, whether by servants or agents or otherwise) under any name or title of which the words "credit union", or any other words importing a similar meaning, form part; or

20 (b) in any other manner hold out that its trade or business is that of a credit union, or an association of credit unions, registered under this Act.

(2) Any society or company formed or incorporated outside New South Wales that desires to trade or carry on business in New South Wales may apply to the registrar for exemption from the provisions of subsection one of this section, and that subsection and subsection (4A) of section sixty-one of the Co-operation Acts shall not apply to any such society or company in respect of which the registrar has granted exemption, while that exemption subsists.

30 (3) The registrar may grant any exemption referred to in subsection two of this section for such time and upon such conditions as he thinks fit and may, upon non-compliance with any such conditions, revoke any such exemption, but the registrar

Credit Union.

registrar shall not grant any such exemption unless he is satisfied that the society or company would be able to trade or carry on business in New South Wales in accordance with the principles contained in this Act for the carrying on of the
5 business of a credit union or, as the case may require, of an association and, if he does grant any such exemption, he shall notify the Registrar of Companies accordingly.

(4) Every person contravening this section and every director or other person having the control and management
10 of any unincorporated body of persons contravening this section shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

29. (1) The name of a credit union, and of an associa-
tion, shall appear in legible characters on its seal and in legible
15 characters on all business letters, notices, advertisements and other official publications of the credit union or association and on all bills of exchange, cheques, promissory notes, endorsements, orders for money or goods, invoices, receipts and other documents required in the business of the credit
20 union or association.

Publication
of name.
Act No. 71,
1961, s. 113.
Act No. 18,
1967, s. 37.

(2) Subject to subsection eleven of section twenty-seven of this Act no credit union or association shall use any name or title other than its registered name.

(3) A credit union, and an association, shall paint
25 or affix and keep painted or affixed on the outside of every office or place in which its business is carried on in a conspicuous position in letters easily legible its name and also, in the case of the registered office, the words "Registered Office".

30 (4) A credit union, or an association, which contravenes the provisions of this section and any officer in default shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

DIVISION

Credit Union.

DIVISION 3.—Office and Service of Documents.

30. (1) A credit union, and an association, shall have a registered office, and the registered office of the credit union or association shall be situated—

Office and
service of
documents.

Act No. 1,
1924, s. 72.

Act No. 18,
1967, s. 36

- 5 (a) in the case of a credit union, or of an association,
that, immediately before the commencement of this
Act, was registered under the Co-operation Acts—
at the address of its registered office under those
Acts immediately before that commencement; or
- 10 (b) in the case of any other credit union or association
—at the address specified in the rules as the address
of its first office.

(2) A credit union, and an association shall, not later
than fourteen days after a change in the address of its
15 registered office, notify the registrar, in the prescribed manner,
of the change of address.

(3) A document may be served on a credit union, or
on an association, or on an officer of a credit union or associa-
tion other than a director, by leaving it at the registered office
20 of the credit union or association with some person apparently
in the service of the credit union or association, or by post
enclosed in a prepaid registered letter addressed to the credit
union or association at its registered office.

A document may be served on a director of a credit union,
25 or of an association, by post enclosed in a prepaid registered
letter addressed to the last address of the director as disclosed
in returns transmitted to the registrar pursuant to this Act.

Service by post shall be deemed to be effected at the time
at which the letter would be delivered in the ordinary course
30 of post.

31. No fee shall be chargeable for the registration of a
credit union, or of an association, or of any rules, or of any
alteration of rules.

Exemption
from fees.
Act No. 1,
1924, s. 62.

32.

Credit Union.

32. (1) Where the registrar refuses to register a proposed credit union, or a proposed association, or any of its proposed rules, or any proposed alteration of the rules of a credit union or of an association, or directs a change of its name, the registrar shall, if so required by the applicant for registration or, as the case may be, the credit union or association, set forth in writing under his hand within two months of the date of receipt of the requisition, the grounds of his refusal or, in the case of a direction, the grounds upon which the direction was given.

Appeal from registrar.

Act No. 1, 1924, s. 122.

Act No. 18, 1967, s. 38.

(2) The applicant for registration or, as the case may be, the credit union or association may, unless the grounds of the registrar's refusal or direction are that the credit union or association would be, or is, registered by a name, or a name of a kind, that the Minister has directed the registrar not to accept for registration, summon the registrar to appear before a judge of the Supreme Court to substantiate and uphold the grounds of the refusal or direction.

(3) The judge may direct any question of fact to be determined in such manner as he may deem fit, and, subject to subsection four of this section, may make such order, including an order as to costs, as may be proper in the circumstances.

(4) Where the registrar has refused to register a proposed rule, or alteration of a rule, that relates to—

- (a) the class of person who may borrow from a credit union;
- (b) the maximum amount that may be owed by a member to a credit union; or
- (c) a charge that may be levied on a member by a credit union or by an association,

the judge shall not make an order under subsection three of this section (other than such order as to costs as he thinks fit) relating to that refusal unless he is satisfied that the refusal was the result of a failure by the registrar to exercise, according to law, a discretion vested in him by this Act.

(5)

Credit Union.

(5) The judges of the Supreme Court or any three of them may make rules of court for the practice and procedure in applications under this section.

DIVISION 4.—*Amalgamation.*

5 33. (1) Subject to this section, any two or more credit unions may apply to be registered as an amalgamated credit union, and any two or more associations, may apply to be registered as an amalgamated association, with or without any winding-up or any division of the funds of the credit unions or
10 associations or any of them, but no such application shall be considered by the registrar unless—

Amalgama-
tion.
Act No. 1,
1924, ss. 41
and 43.
Act No. 18,
1967, s. 39.

- 15 (a) the amalgamation and the terms thereof have been approved by a special resolution of each of the credit unions, or associations, as the case may be; and
- 20 (b) if the registrar so requires in the case of credit unions, certificates have been furnished by the secretary of each of the credit unions that the amalgamation has been approved in writing by the holders of not less than two-thirds of the whole number of shares in the credit union of which he is the secretary.

25 (2) An application under subsection one of this section shall be in or to the effect of the form prescribed and shall be accompanied by—

- (a) two copies of the proposed rules of the amalgamated credit union or association; and
- (b) such other particulars as may be prescribed.

30 (3) If the registrar is satisfied that the credit unions or associations have complied with the provisions of this Act, and of the regulations, in relation to the application, and that the proposed rules of the amalgamated credit union or association are not contrary to this Act or the regulations, and are such

Credit Union.

such as may reasonably be approved by him, the registrar shall upon the surrender to him of the certificates of incorporation of the amalgamating credit unions or associations or production of such evidence as to the loss of any of them as
5 the registrar may require, register the amalgamated credit union or association and its rules, issue a certificate that the credit union or association is incorporated as an amalgamated credit union or association under this Act, and notify the issue of the certificate in the Gazette.

10 (4) Subject to subsection five of this section, the registrar may, not earlier than one year after the registration of an amalgamated credit union or association, remove from the register the names of the credit unions or associations that were parties to the amalgamation.

15 (5) The power conferred on the registrar by subsection four of this section shall not be exercised until after the registrar has given to the amalgamated credit union or association notice of his intention so to do and where the registrar, on the application of the amalgamated credit union
20 or association made within a time specified in the notice for the purpose, or a subsequent notice to the like effect, so applies, until after the expiration of any further period approved by the registrar.

(6) An amalgamation of credit unions or associa-
25 tions shall not prejudice any right of a creditor of any credit union or association that is a party to the amalgamation.

(7) Upon the issue of the certificate of incorporation of an amalgamated credit union or association being notified in the Gazette, the property of each credit union or association
30 that is a party to the amalgamation shall, as from the date of the notification and by virtue of this Act, without any conveyance, transfer or assignment, except as otherwise provided in this section, vest in the amalgamated credit union or association.

(8)

Credit Union.

(8) For the purposes of this section the property of credit unions or associations that are parties to an amalgamation shall include all estates and interests in property, whether real or personal, vested or contingent.

5 (9) In the case of—

(a) any land subject to the provisions of the Real Property Act, 1900; or

(b) any property a transfer of which is required to be registered by any other Act,

10 the land or property shall not vest under subsection seven of this section until an appropriate transfer is registered.

(10) In the case of any property that is only transferable in books kept by a corporation, company or other body or in any manner directed by or under any Act, the property
15 shall not vest under subsection seven of this section until it is duly transferred.

(11) If any property does not vest under this section until transfer or registration, an amalgamated credit union or association shall have the right to call for a transfer of the
20 property to the amalgamated credit union or association or to such person as the board may direct, and to sue for or recover the property, and in the case of a memorandum of mortgage under the Real Property Act, 1900, may exercise any power conferred on the mortgagee by any Act or by the
25 mortgage, or may discharge the mortgage, as if the amalgamated credit union or association were the registered proprietor thereof.

(12) Any property vested in or transferred to an amalgamated credit union or association by virtue of or in
30 pursuance of this section shall be subject to any debt, liability, or obligation specially charged on or affecting that property.

(13) All debts and liabilities, whether certain or contingent, and whether then existing or capable of arising at a future time, to or with which any credit union or association
35 tion that is a party to an amalgamation is, at the date of the certificate

Credit Union.

certificate of incorporation of the amalgamated credit union or association liable or charged, shall by virtue of this Act become and be the debts and liabilities of the amalgamated credit union or association.

- 5 **34.** (1) A credit union desiring to amalgamate with one or more other credit unions, or an association desiring to
10 amalgamate with one or more other associations, shall, unless exempted in writing by the registrar, send to each of its members a statement, the contents of which have been
15 approved by the registrar, concerning—

Supplemen-
tary provi-
sions as to
amalgama-
tion.
Act No. 18,
1967, s. 41.

- 20 (a) the financial position of the credit union or associa-
tion sending the statement and that of the other
credit union or association or credit unions or
associations concerned;
- 25 (b) the interest of the directors of the credit union or
association sending the statement in the amalgama-
tion and that of the directors of the other credit
union or association or credit unions or associations
concerned;
- 30 (c) the compensation or other consideration proposed
to be paid to the directors or other officers of the
credit union or association sending the statement
and of the other credit union or association or credit
unions or associations concerned;
- 35 (d) the payments to be made to members of the credit
union or association sending the statement and of
the other credit union or association or credit unions
or associations concerned, in consideration of the
amalgamation; and
- 40 (e) such other matters as the registrar may direct.

(2) A statement under subsection one of this section shall be sent so that it will in due course of post reach each member not later than the time at which he would receive notice of the meeting called to pass the special resolution referred to in subsection one of section thirty-three of this Act.

Credit Union.

(3) Where the registrar has required a credit union to furnish the certificate referred to in paragraph (b) of subsection one of section thirty-three of this Act, the credit union may apply to the registrar to confirm an amalgamation notwithstanding that the consents in writing of the holders of two-thirds of the whole number of shares of that credit union or association have not been obtained. Where any such application is made the credit union shall give notice of the application in such manner, at such times and in such newspapers as the registrar may direct.

(4) Where application has been made under subsection three of this section, the registrar may, after hearing the credit union and any other person whom he may consider entitled to be heard, confirm the amalgamation accordingly.

15 DIVISION 5.—*Associations and Unions of Associations.*

35. (1) An association of credit unions may be formed by two or more credit unions, and a union of associations may be formed by two or more associations, in accordance with the provisions of section thirty-seven of this Act.

Associations,
etc.
Act No. 1,
1924, s. 34.
Act No. 18,
1967, s. 47.

20 (2) The objects of an association, and of a union of associations, shall be such of the following as may be authorised by the rules of the association or union of associations :—

- 25 (a) To promote the interests of, and co-operation among, credit unions and associations.
- (b) To formulate, and to promote the adoption and observance by credit unions of, conditions governing the carrying on of their business.
- 30 (c) To render services to, and to act on behalf of, its component members and other credit unions in such ways as may be specified in or authorised by special rules of the association or union of associations.

(d)

Credit Union.

- (d) To advocate and promote such legislation, practices and reforms as may be conducive to any of the objects of the association or union of associations.
- (e) To co-operate with other bodies with similar objects.
- 5 (f) To provide facilities for savings by, and loans to, its employees.
- (g) To establish and operate a stabilisation fund.
- (h) To encourage and assist in the formation of credit unions.
- 10 (i) To do all such other things as may be incidental or conducive to the attainment of all or any of the foregoing objects.
- (j) To do such other things as may be prescribed.

(3) Where the registrar registers a rule adopting
 15 paragraph (f) of subsection two of this section he may impose and, having imposed, may vary or revoke, such terms and conditions on the carrying out of that object as he thinks fit, and a contravention of any such term or condition for the time being in force shall be deemed to be a contravention of this
 20 Act.

(4) An association, or a union of associations,
 may—

- (a) raise money on loan for any of its objects,
- (b) receive money on deposit.

25 **36.** (1) An association, or a union of associations, may if authorised by its rules and within the limits provided in this section raise money on loan or receive money on deposit at interest to be applied for the purposes of the association or union of associations.

Raising loans and receipt of money on deposit by associations, etc.

Act No. 1,
 1924, ss. 65
 and 66.

Act No. 18,
 1967, s. 20.

(2)

Credit Union.

(2) Where an association, or a union of associations, is authorised by its rules to raise money on loan the association or union of associations may raise money in such manner as the association or union of associations may think fit and
 5 in particular by legal or equitable mortgage charged upon all or any part of the property and rights (both present and future) of the association or union of associations, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

10 (3) No association or union of associations shall raise money on loan in accordance with the provisions of this section so that at any time it owes in respect of loans made to it an aggregate amount exceeding two thousand
 15 dollars unless the rules of the association or union of associations specifically authorise the raising on loan of an aggregate amount in excess of two thousand dollars and specify the higher aggregate amount that may be raised on loan by the association or union of associations.

(4) No member or other person lending money to or
 20 depositing money with an association, or a union of associations, shall be bound to see to the application thereof or be in any way affected or prejudiced by the fact that the association or union of associations, in borrowing the money or receiving the deposit, has contravened the provisions of this
 25 Act or of the rules of the association or union of associations.

(5) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge
 30 created by an association or a union of associations, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

35 For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(6)

Credit Union.

(6) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of an association or a union of associations, to and in respect of a receiver or manager so appointed and to and in respect of an association, or a union of associations, of whose property a receiver or manager has been appointed.

For the purpose of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

37. For the purposes of the formation of an association, or a union of associations—

- (a) there shall be a meeting at which there shall be at least two representatives of each of the credit unions proposing to form the association, or the associations proposing to form the union of associations;
- (b) at that meeting there shall be—
- (i) read by the chairman a written statement setting forth the objects of the proposed association or union of associations and the reasons for believing that if registered, it will be able to carry out its objects successfully;
- (ii) presented a copy of the rules of the proposed association or union of associations;
- (c) if at the same or any subsequent or adjourned meeting, two representatives of each of the credit unions proposing to form the association, or associations proposing to form the union of associations, agree to the formation of the association or union of associations and to the adoption of rules to be tendered for registration and sign on behalf of the credit union or association of which they are the representatives an application for membership

Formation
of
association
or union of
associations.
Act No. 1,
1924, s. 39
(8).
Act No. 18,
1967, s. 48.

Credit Union.

5 membership and for the minimum number of shares necessary for membership of the association or union of associations, they shall proceed to elect the first directors of the association or union of associations in accordance with the rules so adopted.

10 **38.** (1) No proposed association or union of associations formed under section thirty-seven of this Act shall be registered under this Act unless, within two months after the election of the first directors referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed association or union of associations, accompanied by—

Registration of association or union of associations. Act No. 1, 1924, s. 39 (8). Act No. 18, 1967, s. 48.

- 15 (a) a statutory declaration by the chairman and the secretary of the meeting referred to in that section as to compliance with the requirements of that section;
- (b) a copy of the statement read at that meeting signed by the chairman and secretary of the meeting;
- 20 (c) two copies of the rules adopted for registration signed on behalf of each credit union or association agreeing to form the association or union of associations by at least one representative of each of the credit unions or associations that have agreed to their adoption;
- 25 (d) a list containing the full name and the occupation and address of each director and the name of the component credit union or association of which he is a member; and
- 30 (e) a list containing the names of each component credit union or association and the number of shares applied for by it.

35 (2) The statutory declaration referred to in subsection one of this section may be accepted by the registrar as sufficient compliance with the requirements of section thirty-seven of this Act.

(3)

Credit Union.

(3) If the registrar is satisfied—

- (a) that the association or union of associations has been formed in accordance with this Act;
- 5 (b) that the rules as submitted are not contrary to the provisions of this Act or the regulations and are such as may be reasonably approved by him;
- (c) that there are reasonable grounds for believing that the association or union of associations, if registered, will be able to carry out its objects successfully; and
- 10 (d) that there is no reasonable cause why the association or union of associations and its rules should not be registered,

the registrar shall register the association or union of associations and its rules and shall issue a certificate that the association or union of associations is incorporated under this Act.

PART IV.

MEMBERS AND FUNDS.

20 DIVISION 1.—*Members.*

39. (1) The members of a credit union formed under Members.
 this Act shall be the persons who signed applications for Act No. 1,
 membership on the formation of the credit union and any 1924, s. 46.
 other persons who are admitted to membership in accordance Act No. 18,
 25 with its rules. 1967, s. 49.

(2) The members of a credit union, or of an association, that, immediately before the commencement of this Act, was registered under the Co-operation Acts shall be the persons who, or credit unions or associations that, immediately before that commencement, were members of the credit union
 30 or

Credit Union.

or association and any other persons who, or credit unions or associations that, are admitted to membership in accordance with its rules.

(3) The members of an amalgamated credit union shall be the persons who, at the date of amalgamation, were members of the credit unions that are parties to the amalgamation, and any other persons who are admitted to membership in accordance with the rules of the amalgamated credit union.

(4) The members of an association formed under this Act shall be the credit unions or associations by which the association is formed, and any other credit unions or associations that are admitted to membership in accordance with the rules of the association.

(5) The members of an amalgamated association shall be the credit unions or associations that were members of the associations that were parties to the amalgamation, and any other credit unions or associations that are admitted to membership in accordance with the rules of the amalgamated association.

(6) No rights of membership of a credit union, or of an association, shall be exercised unless the member has made such payments to the credit union or association in respect of membership, or has acquired fully paid shares in the credit union or association, of such total nominal value, being in either case not less than two dollars, as may be specified in the rules of the credit union or association.

40. (1) Subject to this section, where a body corporate is a member of a credit union it may appoint a person to represent it in respect of the shares held by it.

Corporate body as member.

Act No. 1, 1924, s. 46 (7).

30 (2) Such appointee—

(a) shall be entitled to receive notice of all meetings in like manner as the members and shall be entitled to exercise the same rights to vote as a member; and

Act No. 18, 1967, s. 51.

(b)

Credit Union.

(b) shall be eligible to be elected to the board of directors if the body corporate holds such qualifications, other than those relating to age, as may be requisite for holding office as a director.

5 (3) A credit union which is a member of an association may appoint such number of its members, not exceeding three, as may be provided for in the rules of the association to represent it on the association and the provisions of subsection two of this section shall apply to any such
10 appointees.

(4) An association which is a member of a union of associations may appoint such number of persons, not exceeding three, as may be provided for in the rules of the union to represent it on the union and the provisions of
15 subsection two of this section shall apply to any such appointees.

No person shall be appointed under this subsection unless he is a member of a credit union that is a member of the association.

20 **41.** (1) Unless otherwise provided by the rules, a person under the age of twenty-one years may be a member of a credit union and may, to the extent required by reason of his membership, execute all instruments and give all necessary
acquittances.

Minors as members.
Act No. 1, 1924, ss. 17B and 38.
Act No. 18, 1967, ss. 8 and 50.

25 (2) A member of a credit union who is under the age of twenty-one years shall not be competent to hold any office in the credit union or to be one of the persons by whom a credit union may be formed and, if he is under the age of eighteen years shall not be entitled to vote.

30 (3) Where a member of a credit union under the age of twenty-one years borrows money from a credit union and—

(a) is married; or

35 (b) being unmarried, is of the age of eighteen years or over at the time the loan is approved,

he

Credit Union.

he shall, in respect of his agreement to repay the loan and in respect of any security for repayment of the loan given by him to the credit union, be subject to the same liabilities and obligations as he would have been subject to, and shall have
5 the same rights as he would have had if he had been of the full age of twenty-one years at the time the loan was made.

(4) Any guarantee or surety by any person in respect of a loan referred to in subsection three of this section shall be as binding and effectual as if the person who borrowed the
10 money had been of the full age of twenty-one years when the guarantee or surety was given or entered into.

42. The rules of a credit union, and of an association, shall specify the circumstances, including, in the case of a credit union, those relating to bankruptcy and death, in which
15 membership thereof shall cease.

Cessation of membership.
Act No. 1,
1924, s. 46
(9).

DIVISION 2.—Share Capital.

43. (1) The capital of a credit union, and of an association, shall vary in amount according to the nominal value of shares from time to time allotted.

Share capital.
Act No. 1,
1924, ss. 47
and 50.

20 (2) All shares shall be of one class, all ranking equally and of a fixed amount which shall be specified in the rules of the credit union or association.

Act No. 18,
1967, ss. 52
and 53.

(3) The liability of a member to a credit union, or to an association, shall be limited to the amount, if any, unpaid
25 on the shares held by the member, together with any charges payable by the member to the credit union or association as specified by the rules, and any moneys owing by the member to the credit union or association.

(4) A member shall subscribe for such minimum
30 number of shares, having a total nominal value of not less than two dollars, as may be specified by the rules.

(5)

Credit Union.

(5) Any balance unpaid in respect of shares at the time of allotment shall be paid by periodic subscriptions or in such manner as may be specified by the rules.

(6) No member shall, in his own right or through 5 nominees, hold more than one-fifth of the shares or, where the rules specify a proportion less than one-fifth, more than the proportion so specified.

(7) A share may be held by two or more persons jointly, and, where a share is so held—

10 (a) the joint holder who is named first in the register of shares shall be the “primary joint holder” for the purposes of this subsection;

(b) except where the rules of the credit union or 15 association otherwise provide, but without prejudice to the right under this Act of a member of a credit union or an association to obtain from the credit union or association on demand a copy of the balance sheet, any notice or other document may be 20 given or sent by the credit union or association to the joint holders by being given or sent to the primary joint holder;

(c) for the purpose—

(i) of determining who is qualified to vote on 25 a resolution at a meeting of the credit union or association; and

(ii) of determining the number or proportion of any members required to give effect to any provisions of this Act or the rules of a credit union or an association,

30 the shares shall be treated as being held by the primary joint holder alone;

(d) the register of members and shares shall indicate whether a person is a joint holder and whether or not he is the primary joint holder; and

(e)

Credit Union.

(e) the joint holders shall be entitled to choose the order in which they are named in the register of shares, but failing any such choice the credit union or association may enter their names in such order as the board thinks fit.

(8) A share may not be sold or transferred without the consent of the board.

(9) Subject to this section, the board of a credit union, or of an association, may, if authorised by the rules, declare to be forfeited the shares of any member who has not for a period of three years had any dealings with the credit union or association and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

(10) No share of a member of a credit union, or of an association, shall be forfeited under this section where the total amount paid to that credit union or association in respect of any shares held by that member exceeds one hundred dollars.

(11) No credit union or association shall declare the shares of a member to be forfeited unless it has given, in a newspaper circulated in the district in which the registered office of the credit union or association is situated, at least one month's notice of its intention so to do.

(12) Upon forfeiture of any shares under this section there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.

44. (1) Subject to subsection ten of section six of this Act a credit union, or an association, may, with the consent of a member repay the whole or any part of the amount paid up on any share held by the member at any time.

Repayment
of capital.
Act No. 1,
1924, s. 54.

(2)

Credit Union.

(2) No credit union or association shall approve any application for a loan until all applications for withdrawal of the whole or any part of the amount paid up on any share have been satisfied or are, in the opinion of the board, capable of being satisfied within thirty days of the date of the approval to the loan.

(3) Subject to this section, where a member has been expelled from a credit union, or an association, in accordance with the rules of the credit union or association, the credit union or association shall repay to the member the amount paid up on the shares held by him at the date of his expulsion, less any amount owing by the member to the credit union or association at the date of his expulsion under the rules or under any contract or otherwise.

(4) Where the balance sheet of a credit union, or of an association, last issued before the date of expulsion of a member of the credit union or association discloses a loss or deficiency there shall be deducted from the capital to be repaid to the member expelled an amount that bears to the amount of that loss or deficiency the same proportion as the number of shares held by that member bore to the total number of shares held by all members of the credit union or association as at the date of expulsion of that member.

(5) Payment of any amount due to a member pursuant to this section shall be made at such time as may be determined by the board, being a time not later than one year after the date of expulsion of the member.

45. A credit union, and an association, shall cancel any share forfeited to the credit union or association in accordance with the rules or in respect of which the credit union or association has repaid to the member the whole of the amount paid up thereon.

Cancellation of shares.
Act No. 1,
1924, s. 53.
Act No. 18,
1967, s. 56.

46. Nothing in this Act shall affect the validity of any nomination properly made in accordance with the provisions of section fifty-eight of the Co-operation Acts, or of any action properly taken in accordance with such nomination.

Death of member.
Act No. 1,
1924, s. 58.
Act No. 18,
1967, s. 59.

Credit Union.

47. (1) If any member, or any other person, entitled in Small
respect of any share in, loan to or deposit with a credit union, estates.
to a sum of money not exceeding four hundred dollars or, Act No. 1,
where a greater sum is prescribed by the regulations, the sum 1924, s. 59.
5 so prescribed, dies intestate, the board may, upon such Act No. 18,
evidence as it deems sufficient, pay the money or transfer 1967, s. 60.
the shares to any person who appears to the board to be
entitled to obtain a grant of letters of administration of the
estate of the deceased, and that person shall hold the money
10 or shares on the same trusts as if he had obtained such a grant.

(2) If any member or other person so entitled dies
testate, the board may, upon such evidence as it deems
sufficient, pay the money or transfer the shares to the person
appearing to the board to be entitled thereto under the will
15 of the deceased member or other person.

(3) The provisions of this section shall extend to any
surplus, not exceeding four hundred dollars or, where a greater
sum is prescribed by the regulations, the sum so prescribed,
arising on the sale by a credit union as mortgagee of any
20 property mortgaged by the deceased to the credit union.

(4) The provisions of this section are subject to
section one hundred and twenty-two of the Stamp Duties Act,
1920.

(5) Any payment or transfer made by the board in
25 accordance with the provisions of this section shall be valid
and effectual against any demand made upon the credit union
by any other person.

(6) No payment or transfer pursuant to this section
shall be made after evidence has been produced to the credit
30 union that letters of administration of the estate, or probate
of the will, of the deceased member or other person have or
has been granted.

48. A credit union, and an association, shall have a Charge and
charge upon the share or interest in the capital, and on the set off.
35 credit balance, of a member or past member and upon any Act No. 1,
dividend, interest or rebate payable to a member or past 1924, s. 57.
member Act No. 18,
1967, s. 58.

Credit Union.

member in respect of any debt due from the member or past member to the credit union or association and may set off any amount paid on account of that share or otherwise, or any amount credited or payable to the member or past member,
5 in or towards payment of the debt.

The charge created by this section may be enforced, at any time after seven days' notice to the member or past member, by the appropriation by the credit union or association of the capital or interest subject to the charge. Any share in respect
10 of which capital has been so appropriated shall be cancelled.

DIVISION 3.—Funds.

49. (1) Subject to this section and section fifty of this Act, any part of the surplus arising from the operations of a credit union or an association may, if the rules so provide—
15 (a) be paid to a member by way of a dividend in respect of fully paid shares held by him; or
(b) be paid to a member by way of rebate based on the business done by him with the credit union or association.
- 20 (2) If the rules of a credit union, or of an association, so provide, a dividend or rebate payable under this section, or any part thereof, may be credited in reduction or repayment of any amount owed to the credit union or association by the member entitled to the dividend or rebate.
- 25 (3) Nothing in this section shall preclude the payment of a bonus to an employee of a credit union, or of an association, in accordance with the terms of his employment.
- (4) The maximum rate of dividend in respect of any share shall not exceed seven per centum per annum or,
30 where some other rate is fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate so fixed.
- (5) Notwithstanding any other provision of this section, cumulative dividends may be paid by a credit union,
35 or by an association, if the surplus from which any cumulative dividend

Surplus from
operations.
Act No. 1,
1924, s. 48.
Act No. 18,
1967, ss.
61 and 62.

Credit Union.

dividend is paid arose within a period not exceeding five years prior to the declaration of the dividend and if that declaration would not result in any dividend exceeding the rate authorised by subsection four of this section.

- 5 (6) If authorised by the rules, a credit union, or an association, may apply part of the surplus arising in any year from the business of the credit union or association to any charitable purpose or for promoting co-operation or credit unions but the part to be so applied shall not, except with
10 the approval of the Advisory Committee, exceed ten per centum of that surplus.

(7) In calculating the surplus for the purposes of this section no regard shall be had to any funds which have been appropriated to any reserve or reserve fund.

- 15 **50.** (1) In this section, in relation to a financial year of a credit union, or of an association—
 “prescribed amount” means an amount equal to five per centum or, where some lower proportion is prescribed by regulation for the purposes of this
 20 definition, the proportion so prescribed, of the sum of—
 (a) the amount of the surplus of the credit union or association arising in that financial year; and
 25 (b) the amount of interest paid, or payable, by the credit union or association in respect of that financial year on deposits held by it;
 “prescribed reserve amount” means an amount equal to seven per centum or, where some lower proportion
 30 is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—
 (a) the amount of the paid-up share capital of the credit union or association; and
 35 (b) the amount of the deposits held by it, at the end of that financial year.

Reserves.
 Act No. 1,
 1924, s. 48.
 Act No. 18,
 1967, s. 64.

(2)

Credit Union.

(2) Where at the end of its financial year a credit union, or an association, has no reserve, or a reserve amounting to less than the prescribed reserve amount for that financial year, the credit union or association shall thereupon transfer 5 to reserve an amount not less than—

(a) where it has no reserve—

- (i) the prescribed amount for that financial year; or
- 10 (ii) the amount required to create a reserve of the prescribed reserve amount for that financial year,

whichever is the lesser; or

(b) where it has a reserve amounting to less than the prescribed reserve amount for that financial year—

- 15 (i) the prescribed amount for that financial year; or
- (ii) the amount required to increase the reserve to the prescribed reserve amount for that financial year,

20 whichever is the lesser.

(3) Regulations may be made prescribing, for the purposes of the definitions of “prescribed amount” and “prescribed reserve amount” in subsection one of this section, proportions lower than five per centum and seven per centum 25 respectively.

(4) Moneys appropriated to reserve pursuant to this section shall not be distributed among members of the credit union or association except in the event of winding-up.

(5) In arriving at the amount of the surplus referred 30 to in the definition of “prescribed amount” in subsection one of this section the credit union or association shall make proper allowance for depreciation in the value of property and for contingent liability for loss.

Credit Union.

51. A credit union, or an association, may impose a fine not exceeding five dollars on a member for any infringement by the member of its rules, but no fine exceeding one dollar shall be imposed until written notice of intention to impose the fine and of the reason for its imposition has been given to the member and he has had an opportunity of appearing before the board in person with or without witnesses, or of sending to the board a written statement for the purpose of showing cause against the imposition of the fine.

Fines.

Act No. 1,
1924, s. 79.

10

PART V.

MANAGEMENT.

DIVISION 1.—*Directors and Officers.*

52. (1) The business and operations of a credit union, and of an association, shall be managed and controlled by a board of directors, and for that purpose the board, except as provided in this section, shall have and may exercise the powers of the credit union or association as if they had been expressly conferred on the board by a general meeting of the credit union or association.

Board of
directors.

Act No. 1,
1924, s. 84.

Act No. 18,
1967, s. 65.

(2) The powers of a board shall be subject to any restrictions imposed thereon by this Act or by the rules of the credit union or association.

(3) Every director acting in the business or operations of a credit union, or of an association, in pursuance of a resolution duly passed by the board, shall be deemed to be the agent of the credit union or association for all the purposes within the objects of the credit union or association.

(4) The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his election, appointment or qualification.

(5)

Credit Union.

(5) A director shall not be held liable to a credit union, or an association, for any loss that the credit union or association may sustain, unless the loss was due to his wilful misconduct or gross negligence or to his failure to comply
5 with any of the provisions of this Act or of the regulations or of the rules of the credit union or association.

(6) Meetings of the board shall be held as often as may be necessary for properly conducting the business and operations of the credit union or association and shall be held
10 at least monthly in the case of a credit union, and quarterly in the case of an association.

(7) A quorum of a meeting of a board shall be as prescribed by the rules of the credit union or association but shall not in any case be less than half the number of directors.

15 (8) A director shall not vote upon any question in which he, or any body corporate of which he is the appointee, has any direct or indirect pecuniary interest and if he does so vote his vote shall not be counted.

20 **53.** (1) Subject to this section no person of or over the age of seventy-two years shall be elected or appointed a director of a credit union, or of an association.

Age limits
for directors.
Act No. 1,
1924, s. 84.

(2) The office of a director of a credit union, and of an association, shall become vacant at the conclusion of the annual general meeting next following the day on which he
25 attains the age of seventy-two years.

Act No. 71,
1961, s. 121.
Act No. 18,
1967, s. 66.

(3) Any act done by a person as a director shall be valid notwithstanding that it is afterwards discovered that his office had become vacant by virtue of subsection two of this section.

30 (4) Where the office of a director has become vacant by virtue of subsection two of this section no provision in the rules of the credit union or association for the automatic re-election or re-appointment of retiring directors in default of another election or appointment shall apply in relation to
35 that director.

(5)

Credit Union.

(5) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.

(6) Notwithstanding anything in this section, a person of or over the age of seventy-two years may be elected or re-elected as a director of a credit union or association to hold office until the next annual general meeting of the credit union or association or be authorised to continue in office as a director until the next annual general meeting of the credit union or association if—

- (a) the election or re-election is made by not less than two-thirds of the members who lodged valid voting papers pursuant to a postal ballot; or
- (b) at a meeting of the credit union or association a special resolution is passed authorising that director to remain in office until the next annual general meeting.

(7) Nothing in this section shall limit or affect the operation of any provision of the rules of a credit union, or of an association, preventing any person from being elected or appointed as a director or requiring any director to vacate his office at any age less than seventy-two years.

54. (1) The number of directors of a credit union, and of an association, shall not be less than five.

Election of directors.

Act No. 1, 1924, s. 84.

(2) The directors shall, subject to this section and sections twenty and thirty-seven of this Act, be elected or appointed, hold office and retire, and may be removed from office, in such manner as may be specified in special rules of the credit union or association and by this Act.

Act No. 71, 1961, s. 118.

Act No. 18, 1967, s. 67.

(3) At a meeting of a credit union, or of an association, a motion for the election or appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it,

Credit Union.

it, but, notwithstanding the passing of such a resolution, no such motion shall be made if one of the directors to whom the motion would relate is a director required to be appointed in accordance with subsection six of section fifty-three of this
5 Act.

(4) A resolution passed in pursuance of a motion made in contravention of subsection three of this section shall be void, whether or not its being so moved was objected to at the time, and where such a resolution is so passed no
10 provision for the automatic re-election of retiring directors in default of another election shall apply.

(5) For the purposes of this section, a motion for approving a person's election or for nominating a person for election shall be treated as a motion for his election.

15 (6) Nothing in this section shall apply to a resolution altering the rules of a credit union, or of an association, or prevent the election of two or more directors by ballot or poll.

(7) The chairman of a board may be elected from
20 among the directors and shall be elected, hold office and retire, and may be removed from office, as specified by the rules of the credit union or association.

55. (1) Except as otherwise provided in this Act, no person shall be qualified to be a director of a credit union, or
25 of an association, unless—

(a) in the case of a credit union—

(i) he is a member of the credit union; or

(ii) he is the appointee, under section forty
30 of this Act, of a corporation that is a member of the credit union;

(b) in the case of an association, he is an appointee, under section forty of this Act, of a credit union that is a member of the association; or

(c)

Director's qualification and vacation of office.

Act No. 1, 1924, s. 84.

Act No. 18, 1967, s. 68.

Credit Union.

(c) in the case of a union of associations, he is an appointee, under section forty of this Act of an association that is a member of the union of associations.

5 (2) In the absence of a director from a meeting of
a board a person appointed by the board in accordance with
the rules of the credit union or association to act as deputy
for that director may act in the place of that director at that
meeting. Such rules may include provisions regulating the
10 term of office of, vacation of office by, or removal from office
of, any such deputy, and his remuneration.

(3) The office of a director shall be vacated in such
circumstances, if any, as may be prescribed by the rules of
the credit union or association, and—

- 15 (a) if he becomes bankrupt or assigns his estate for the
benefit of, or compounds with, his creditors;
- (b) if he becomes a mentally ill person, a protected
person or an incapable person within the meaning
of the Mental Health Act, 1958;
- 20 (c) if he is convicted of any offence and sentenced to
any period of imprisonment without the option of
a fine;
- (d) if he absents himself from three consecutive
ordinary meetings of the board without its leave;
- 25 (e) if he ceases to be qualified as provided by subsection
one of this section;
- (f) if he gives one month's notice in writing to the
board of his intention to resign office and his
resignation is accepted by the board;

(g)

Credit Union.

- (g) if he is removed from office by resolution of a general meeting of the credit union or association;
 - (h) if his partner or a person in his employment or his employer acts as solicitor, valuer, auditor or accountant to the credit union or association or if he so acts;
 - (i) if within two months after any money becomes due from him to the credit union he does not pay the same; or
 - (j) if, being the appointee of a body corporate, his appointor ceases to be a member of the credit union, association or union of associations, as the case may be, or revokes his appointment by writing under its seal addressed to the board.
- (4) Any casual vacancy occurring on a board shall be filled as prescribed by the rules of the credit union or association, as the case may be.

56. (1) Subject to this section, a director of a credit union, or of an association, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the credit union or association shall declare the nature of his interest to the board in accordance with this section.

Disclosure of interest by directors.
10 & 11 Eliz. 2, c. 37, s. 73.
Act No. 18, 1967, s. 69.

(2) In the case of a proposed contract, the declaration required by this section to be made by a director shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration or, if the director was not present at that meeting or was not at the date of that meeting interested in the proposed contract,

at

Credit Union.

at the next meeting of the directors at which he is present, or the next such meeting held after he becomes interested in the proposed contract, as the case may be.

(3) Where the director becomes interested in a
5 contract with the credit union or association after it is made, the declaration required by this section shall be made at the first meeting of the directors held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice
10 in writing given by a director to all the other directors to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm is a
15 sufficient declaration for the purposes of this section of the interest of the director by whom it is given in any contract made after that date with that company or firm.

(5) A director need not make a declaration or give
a notice under this section by attending in person at a meeting
of the directors, if he takes reasonable steps to secure that the
20 declaration or notice is brought up and read at the meeting.

(6) A director who fails to comply with the provisions of subsection one of this section shall be liable to a penalty not exceeding five hundred dollars.

(7) Nothing in this section shall be taken to
25 prejudice the operation of any rule of law restricting directors of a credit union, or of an association, from having any interest in contracts with the credit union or association.

(8) Any declaration made pursuant to this section
shall be reported by the directors to members at the annual
30 general meeting.

Credit Union.

57. (1) A director or other officer of a credit union, whether on his own account or in partnership with any other person or body of persons, incorporated or unincorporated, shall not, without the approval of not less than two-thirds of the directors present and voting at a meeting of directors at which a quorum is present—

Certain
dealings
prohibited.
Act No. 1,
1924, ss. 88
and 88A.
Act No. 18,
1967, s. 70.

- (a) accept as payment in whole or in part of any moneys due to him by a member of the credit union the whole or part of any loan made by the credit union to such member; or
- (b) borrow from the credit union.

(2) Any person who fails to comply with the provisions of this section shall be guilty of an offence and be liable to a penalty not exceeding five hundred dollars.

58. (1) No director of a credit union, or of an association, shall be paid any remuneration for his services as a director other than such fees as may be approved at a general meeting of the credit union or association.

Remunera-
tion of
directors.
Act No. 1,
1924, s. 88
(2A).

(2) The total amount payable by way of fees in accordance with subsection one of this section in any one year shall not exceed such amount as may be determined by the Advisory Committee.

Act No. 18,
1967, s. 71.

59. No officer or other person shall be employed by a credit union, or by an association, to have the receipt or charge of any money of the credit union or association unless security as prescribed for rendering a just and true account of all money received and paid by such officer or person for the credit union or association and for payment of all money due from him to the credit union or association has first been obtained.

Fidelity
guarantee.
Act No. 1,
1924, s. 88
(3).
Act No. 18,
1967, s. 72.

DIVISION 2.—Meetings and Voting.

60. (1) Every credit union, and every association, shall, within three months after the close of its financial year, or within such further time as may be allowed by the registrar, hold its annual general meeting.

Meetings of
credit union
or
association.
Act No. 1,
1924, s. 85.
Act No. 18,
1967, s. 73.

(2)

Credit Union.

(2) Any other meetings of a credit union, or of an association, shall be held or may be called as prescribed by the rules of the credit union or association.

(3) At any meeting of a credit union, or of an association, no item of business shall be transacted unless a quorum of members, as prescribed by the rules of the credit union or association, is present during the time when the meeting is considering that item.

(4) Subject to subsection five of this section, notice of every meeting of a credit union, and of an association, shall be given to all members as at the date of calling the meeting in such manner as shall be provided for in the rules of the credit union or association, but personal or postal service shall be given in respect of the following meetings—

- (a) the annual general meeting of the credit union or association;
- (b) a meeting of the credit union or association called as a result of a requisition of members or by such requisitionists; and
- (c) a meeting called for the purpose of passing a special resolution.

(5) Not less than seven days' notice shall be given of every meeting of a credit union, and of an association.

61. (1) A credit union, and an association, shall cause minutes of every meeting of the board and of every meeting of the credit union or association, to be kept and confirmed as prescribed.

Minutes.
Act No. 1,
1924, s. 87.
Act No. 18,
1967, s. 74.

(2) A credit union, or an association, that fails to comply with the provisions of subsection one of this section and every officer in default shall be guilty of an offence and be liable to a penalty not exceeding two hundred dollars. Default penalty.

Credit Union.

62. (1) Except as is otherwise provided by this Act or the rules of the credit union or association, every question for decision by a meeting of a credit union, and of an association, shall be determined by a majority of those persons entitled to
 5 vote as are present in person thereat, and unless a poll is demanded by at least five such persons in the case of a meeting of a credit union, or not less than one-fifth of those persons so entitled and so present in the case of a meeting of an association, the question shall be determined on a show of hands.
 10 Notwithstanding any provisions of the rules of the credit union or association to the contrary, no person may vote by proxy.

Voting.
 Act No. 1,
 1924, s. 86.
 Act No. 18,
 1967, s. 75.

(2) Except as is otherwise provided by this Act, at a meeting of a credit union each member shall have one vote,
 15 and at a meeting of an association each appointee pursuant to section forty of this Act, shall have one vote.

(3) At any meeting of a board, or of a credit union, or of an association, the chairman shall, in the event of an equality in voting, be entitled to exercise a casting vote in
 20 addition to any other vote to which he may be entitled.

63. Notwithstanding any other provision of this Act, a member who has borrowed from a credit union, and a representative of a credit union that has borrowed from an association of which it is a member, any money which is still
 25 unpaid shall not be entitled to vote upon any question in respect of which his right to vote is excluded by special rules of the credit union or association, and if he votes on any such question his vote shall not be counted.

Voting by
 borrowing
 members.
 Act No. 1,
 1924, s. 86.
 Act No. 18,
 1967, s. 75.

64. (1) For the purposes of this Act a special resolution
 30 means a resolution which is passed by a majority of not less than two-thirds of such persons as, being entitled so to do, vote in person at any general meeting of a credit union, or of an association, of which notice specifying the intention to
 propose the resolution as a special resolution has been duly
 35 given in accordance with the provisions of this Act and of the rules of the credit union or association.

Special
 resolution.
 Act No. 1,
 1924, s. 80.
 Act No. 18,
 1967, s. 77.

(2)

Credit Union.

(2) At any meeting referred to in this section, unless a poll is demanded, a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

5 (3) A credit union, and an association, shall within the prescribed time and in the prescribed manner apply to the registrar to have a special resolution registered and a special resolution shall not take effect until so registered.

10 (4) A certificate of registration of any special resolution or of any alteration of the rules of a credit union, or of an association, given by the registrar shall, in favour of any person lending money to the credit union or association on the faith of such a certificate, or in favour of any guarantor of any such loan, be conclusive evidence that the resolution was duly
15 passed or the alteration in the rules was duly made, as the case may be.

DIVISION 3.—Accounts, Audit and Registers.

65. (1) Subject to this section, the financial year of a credit union, and of an association, shall end on such day in each year as is provided for by the rules of the credit union or association.

Financial
year.
Act No. 1,
1924, s. 90.
Act No. 18,
1967, s. 80.

(2) The first financial year of a credit union, and of an association, may extend from the date of registration of the credit union or association to a date not later than eighteen
25 months from that date of registration.

(3) On an alteration of the rules of a credit union, or of an association, altering its financial year, the alteration may provide either that the financial year (not being the first financial year) current at the date of alteration shall be
30 extended for a period not exceeding six months or that the financial year next following the financial year that is so current shall be a period exceeding twelve months but not exceeding eighteen months.

Credit Union.

66. (1) The accounts of a credit union, and of an association, shall be audited annually or, where the rules of the credit union or association so provide, more frequently.

Accounts and audit.
Act No. 1,
1924, s. 89.
Act No. 18,
1967, s. 81.

(2) The provisions of section twenty-eight of the Public Accountants Registration Act, 1945, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to an auditor of a credit union, and of an association.

For the purposes of that extension—

(a) the words “first day of January, one thousand nine hundred and forty-six” shall be deemed to have been omitted from that section and the words “commencement of the Credit Union Act, 1968” to have been inserted in lieu thereof; and

(b) this Act, and any Act amending this Act, shall be deemed to have been prescribed under subparagraph (ii) of paragraph (b) of subsection one of that section.

(3) A body corporate shall not be qualified for appointment, or to act, as auditor of a credit union, or of an association, nor shall any person be qualified to be so appointed, or so to act, if—

(a) otherwise than as an auditor, he is an officer or servant of the credit union or association; or

(b) he is the partner of, or in the employment of, or the employer of, a person who is, otherwise than as an auditor, an officer or servant of the credit union or association.

(4) Appointment as the public officer of a credit union, or of an association, for the purposes of any law relating to taxation shall not be a disqualification for appointment as auditor of the credit union or association.

(5) The auditors shall make a report to the members on the accounts examined by them and on the register of members and other records which the credit union or association is required to keep by law or by its rules, and on every balance

Credit Union.

balance sheet and every income and expenditure account laid before the credit union or association in general meeting during their tenure of office, and their report shall state—

- 5 (a) whether they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of their audit;
- (b) whether, in their opinion, proper books of account have been kept by the credit union or association so far as appears from their examination of those books, and proper returns adequate for the purposes of their audit have been received from branches not visited by them;
- 10 (c) whether the balance sheet, appropriation account and income and expenditure account dealt with by the report are in agreement with the books of account and returns;
- 15 (d) whether, in their opinion, and to the best of their information and according to the explanations given to them, the accounts give the information required by or under this Act in the manner so required and give a true and fair view—
 - 20 (i) in the case of the balance sheet, of the state of the affairs of the credit union or association as at the end of its financial year;
 - 25 (ii) in the case of the income and expenditure account, of the surplus or deficit for that financial year;
- 30 (e) whether, in their opinion, the register of members and other records which the credit union or association is required to keep by or under this Act or by its rules have been properly kept; and
- 35 (f) whether the rules relating to the administration of the funds of the credit union or association have been observed.

(6)

Credit Union.

(6) Every auditor of a credit union, and of an association, shall have a right of access at all times to the books, accounts, vouchers, securities and documents of the credit union or association, and shall be entitled to require
5 from the directors and other officers of the credit union or association such information and explanations as he thinks necessary for the performance of the duties of the auditors.

(7) The auditors of a credit union, and of an association, shall be entitled to attend any general meeting of
10 the credit union or association and to receive all notices or other communications relating to any general meeting which any member of the credit union or association is entitled to receive and to be heard at any general meeting which they attend on any part of the business of the meeting which
15 concerns them as auditors.

(8) A credit union, and an association, shall—

(a) send to each member, with the notice of the annual general meeting, a copy of the balance sheet, appropriation account and income and expenditure
20 account, duly audited, and a copy of the auditors' report thereon; or

(b) if the rules so provide—

(i) make available for inspection by members at the office of the credit union or association, during a period before the annual general meeting specified by the rules, a copy of the balance sheet, appropriation account and income and expenditure
25 account, duly audited, and a copy of the auditors' report thereon; and
30

(ii) at the request of a member, supply the member, without charge, with a copy of all documents so made available for inspection,

and where paragraph (a) of this subsection is not complied
35 with shall, with the notice of the annual general meeting, include notice of the obligations of the credit union or association pursuant to paragraph (b) of this subsection.

(9)

Credit Union.

(9) Subject to subsection ten of this section, any provisions, whether contained in the rules of a credit union, or of an association, or in any contract with a credit union or an association, or otherwise, for exempting any auditor
5 from, or indemnifying him against, any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default or breach of duty of which he may be guilty in relation to the credit union or association shall be void.

10 (10) A credit union, or an association, may, in pursuance of any provision referred to in subsection nine of this section, indemnify any auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in
15 which he is acquitted or in connection with any application under subsection twelve of this section in which relief is granted to him by the court.

(11) If, in any proceedings for negligence, default or breach of duty against an auditor of a credit union, or of
20 an association, it appears to the court hearing the case that that person is or may be liable in respect of the negligence, default or breach of duty but that he has acted honestly and reasonably and that, having regard to all the circumstances of the case, including those connected with his appointment,
25 he ought fairly to be excused for the negligence, default or breach of duty, that court may relieve him, either wholly or partly, from his liability on such terms as the court thinks fit.

(12) Where any auditor of a credit union, or of an association, has reason to apprehend that any claim will or
30 might be made against him in respect of any negligence, default or breach of duty he may apply to the Supreme Court in its equitable jurisdiction for relief, and that Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a court
35 before which proceedings against that auditor for negligence, default or breach of duty had been brought.

(13) Where any case to which subsection eleven of this section applies is being tried by a judge with a jury, the judge, after hearing the evidence, may, if he is satisfied that
the

Credit Union.

the defendant ought in pursuance of that subsection to be relieved either in whole or in part from the liability sought to be enforced against him, withdraw the case in whole or in part from the jury and forthwith direct judgment to be entered for the defendant on such terms as to costs or otherwise as the judge may think proper.

67. (1) A credit union, and an association, shall keep such registers and accounts as may be prescribed.

Registers
and
accounts.

(2) The registers shall include—

Act No. 1,
1924, s. 74.

- 10 (a) registers of directors, members and shares;
- (b) registers of any loans raised, securities given and deposits received by the credit union or association;
- (c) registers of any loans made, and of any securities taken, by the credit union or association;
- 15 (d) a register of investments made by the credit union or association; and
- (e) except in the case of an association, a register of any nominees to whom any share or interest is to be transferred or the value thereof paid on the death of a member, in accordance with nominations made under the provisions of section fifty-eight of the Co-operation Acts.
- 20

Act No. 18,
1967, s. 78.

(3) The registers shall be kept in such manner and shall contain such particulars as may be prescribed.

- 25 (4) No notice of any express, implied or constructive trust shall be entered in any register, or be received by the registrar.

68. (1) A credit union, and an association, shall keep at its registered office and open at all reasonable hours to inspection by any member without fee—

Inspection.
Act No. 1,
1924, s. 75.

- 30 (a) a copy of this Act and the regulations;
- (b) a copy of the rules of the credit union or association;
- (c) a copy of the last balance sheet and income and expenditure account, together with a copy of the report of the auditors thereon;
- 35

Act No. 18,
1967, s. 79.

188—E

(d)

Credit Union.

- (d) the prescribed registers of directors, members and shares;
- (e) the prescribed registers of loans raised and securities given by the credit union or association;
- 5 and
- (f) the prescribed register of investments made by the credit union or association.

(2) No credit union or association shall be obliged to disclose to a member inspecting the register of members under

10 paragraph (d) of subsection one of this section any particulars contained in the register other than the names of the members and their addresses, and the register may be constructed in such a way that it is possible to open the names and addresses to inspection without exposing any other particulars.

15 DIVISION 4.—*Returns.*

69. (1) A credit union, and an association, shall, within fourteen days after any change in the membership of the board, inform the registrar in writing of the change.

Returns.
Act No. 1,
1924, s. 76.
Act No. 18,
1967, s. 82.

(2) A credit union, and an association, shall, within

20 three months after the close of each of its financial years or within such further time as the registrar may authorise, transmit to the registrar—

- (a) a list of the directors for the year then current;
- (b) the balance sheet of the credit union or association
- 25 at the close of its financial year then last past and of the accounts of the credit union or association for that financial year;
- (c) a copy of any report by the auditors on the balance sheet and those accounts; and
- 30 (d) a return containing such other particulars as may be prescribed.

(3) A credit union, and an association, shall, if so directed by the registrar, transmit to him within such time and in such manner as may be prescribed a list of the members

35 of the credit union or association, together with such particulars with regard thereto as may be prescribed.

(4)

Credit Union.

(4) Any information or return to be transmitted to the registrar under subsection one, two or three of this section shall be in such form as may be prescribed.

(5) A credit union, and an association, shall, if so directed by the registrar at any time, submit to the registrar a special return in the form and within the time specified by the registrar when giving the direction.

(6) The registrar shall not give a direction under subsection five of this section unless he considers it to be in the interests of the members of, or depositors with, the credit union or association the subject of the direction.

(7) A credit union, and an association, shall, if the regulations so require, transmit to the registrar a return in the form and within the time prescribed by the regulations.

15

PART VI.

DISPUTES.

70. (1) For the purposes of this section "credit union" and "association" shall include the board or any officer of the credit union or association and "member" shall include—

(a) any person aggrieved who has not for more than three months ceased to be a member;

(b) any person claiming through or under a member, or through or under a person referred to in paragraph (a) of this subsection.

(2) Subject to this section, every dispute between a member, in his capacity as a member, and a credit union, or an association, shall be determined in the manner prescribed by the rules of the credit union or association.

(3) Any party to a dispute referred to in this section may refer the dispute to the registrar, if it has not been referred to arbitration in accordance with the rules of the credit union or association or, in the case of such a dispute that has been so referred to arbitration, if one month has elapsed without an award being made.

(4)

Credit Union.

(4) Where a dispute is referred to the registrar, the registrar or any person deputed by him may hear and determine the dispute, and may order the expenses of the hearing to be paid out of the funds of the credit union or association
5 or by such party to the dispute as he may think fit.

(5) Where the registrar decides not to hear or depute the hearing of a dispute, he shall, within one month of receipt of the reference, notify the parties in writing of his decision and the dispute shall be determined in the manner (other than
10 by reference to the registrar under this section) prescribed by the rules of the credit union or association, but where the only manner prescribed by those rules for the determination of the dispute is by reference to the registrar the dispute shall be determined by arbitration in accordance with the Arbitra-
15 tion Act, 1902, in which case subsections eight, nine, ten and eleven of this section shall not apply.

(6) Where a dispute is referred to the registrar and the registrar decides to hear or depute the hearing of the dispute, the registrar or person deputed by him may administer
20 an oath, and may, by a notice in writing served in the manner provided by section one hundred of this Act, require the attendance of any party or witness and the production of any book or document relating to the matter in question.

(7) The provisions of section nineteen of the
25 Arbitration Act, 1902, and of any general rules or orders made under that Act that relate to the operation of that section, shall apply, mutatis mutandis, to and in respect of a dispute as if the registrar or person deputed by him to hear the dispute were an arbitrator and as if the reference of the
30 dispute to the registrar were a reference under that Act.

(8) Any determination or order in accordance with this section, whether made on a reference to the registrar or otherwise, shall be binding and conclusive on all parties without appeal, and shall not be removable into any court
35 or be restrainable by injunction.

(9) The determination or order may on application by any person interested, be enforced by the District Court for the district within which the office of the credit union or association is situated.

(10)

Credit Union.

(10) The District Court may give such relief and make such orders, including an order as to costs, and give such directions in relation to the matter as may be necessary.

(11) Any order made or direction given by a District Court under this section may be enforced by any process or procedure which would be applicable if the order had been made upon the hearing of an action in the District Court, or by such process or procedure as the District Court may direct.

(12) The judges of the District Courts or any four of them may make rules of court for the practice and procedure in applications to a District Court under this section.

(13) Nothing in this section shall extend to any dispute as to the construction or effect of this Act or the regulations, or of any mortgage or other security or of any contract contained in any document other than the rules of the credit union or association.

(14) Any person who fails, without lawful excuse, to comply with a requirement of the registrar, or person deputed by him, pursuant to subsection six of this section shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a term not exceeding six months or to both such penalty and imprisonment.

PART VII.

OFFICIAL MANAGEMENT AND WINDING UP.

71. The provisions of Part IX of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to a credit union or association. For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

Official
manage-
ment.
Act No. 1,
1924, s. 91A.
Act No. 18,
1967, s. 86.

Credit Union.

72. (1) A credit union, or an association, may be wound up voluntarily or by the court or upon a certificate of the registrar.

Winding up.
Act No. 1,
1924, s. 92.
Act No. 18,
1967, s. 87.

(2) In the case of a winding up voluntarily, or by the court, a credit union, and an association, may, subject to the provisions of this Part of this Act, be wound up in the same manner and in the same circumstances as those in which a company formed and registered under the Companies Act, 1961, may be so wound up.

(3) In the case of a winding up upon a certificate of the registrar, a credit union, or an association, may be wound up in accordance with this Part of this Act if the registrar certifies—

- (a) that the number of members is reduced to less than twenty-five or, in the case of an association, to less than two;
- (b) that the credit union or association has not commenced business within six months of registration or has suspended business for a period of more than six months;
- (c) that the registration of the credit union or association, whether under the Co-operation Acts or under this Act, has been obtained by mistake or fraud;
- (d) that the credit union or association has, after notice by the registrar of any breach of, or non-compliance with, this Act, the regulations, or the rules of the credit union or association, failed, within the time referred to in the notice, to remedy the breach or has committed any further breach specified in the notice;
- (e) that there are, and have been for a period of one month immediately before the date of the registrar's certificate, insufficient directors of the credit union or association to constitute a quorum as provided by the rules of the credit union or association; or
- (f)

Credit Union.

5 (f) following an inquiry pursuant to the provisions of the Act into the affairs of the credit union or association or the working and financial condition of the credit union or association, that in the interests of members or creditors of the credit union or association, the credit union or association should be wound up.

(4) The registrar shall not so certify, unless the event has been proved to his satisfaction, and unless in the case of paragraphs (c), (d), (e) and (f) of subsection three of this section, the Governor consents to the issue of the certificate.

15 (5) Where the registrar issues a certificate under this section he may appoint a person to be the liquidator of the credit union or association, and the liquidator shall give such security as may be prescribed and shall be entitled to receive such fees as shall be fixed by the Advisory Committee. Any vacancy occurring in the office of a liquidator so appointed shall be filled by a person appointed by the registrar for the purpose.

25 (6) A winding up upon a certificate of the registrar shall be deemed to commence at the time the certificate is given and the liquidator shall within ten days after his appointment give notice thereof by advertisement in the Gazette.

30 (7) In the case of any winding up or dissolution of a credit union or association the provisions of Part X of the Companies Act, 1961, with respect to the winding up or dissolution of a company formed and registered under that Act shall, subject to this Part of this Act, apply to the winding up or dissolution of the credit union or association.

(8) In the application of the provisions of Part X of the Companies Act, 1961, to the winding up or dissolution of a credit union, or of an association—

35 (a) a reference in any of those provisions to a special resolution or an extraordinary resolution shall be construed as a reference to a special resolution within the meaning of this Act;

(b)

Credit Union.

- (b) a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act;
- 5 (c) paragraph (d) of subsection one of section two hundred and eighteen shall be deemed to be amended by inserting after the words "past member" the words "together with the amount of the contingent liability, if any, attached thereto, and together with any charges payable by him to the credit union or association in accordance with the rules";
- 10 (d) a reference in sections two hundred and twenty-one and two hundred and twenty-two to a proprietary company shall be construed as a reference to an association; and
- 15 (e) a winding up of a credit union, and of an association, upon the certificate of the registrar shall be deemed to be a voluntary winding up and, without prejudice to the generality of this or any other provision of this Part of this Act, the provisions of sections two hundred and seventy, two hundred and seventy-one and two hundred and seventy-two of the Companies Act, 1961, shall apply to and in respect of the winding up of the credit union or association as if it were a members' voluntary winding up within the meaning of that Act.
- 20
- 25

73. Where a credit union, or an association, is being wound up voluntarily (otherwise than upon the certificate of the registrar) and a vacancy occurs in the office of liquidator which in the opinion of the registrar is unlikely to be filled in the manner provided by the Companies Act, 1961, the registrar may appoint a person to be liquidator.

Liquidator.
Act No. 1,
1924, s. 92A.
Act No. 18,
1967, s. 88.

74. Notwithstanding anything contained in this Act or in the Companies Act, 1961, the remuneration paid to the liquidator of a credit union, or of an association, wound up voluntarily shall not exceed the amount fixed by the Advisory Committee.

Remuneration of liquidator.
Act No. 1,
1924, s. 92B.
Act No. 18,
1967, s. 88.

75.

Credit Union.

75. As soon as may be practicable after a credit union or association is dissolved or deemed to be dissolved, the registrar shall register the dissolution, and cancel the registration of the credit union or association.

Cancellation.
Act No. 1,
1924, s. 95.
Act No. 18,
1967, s. 90.

5

PART VIII.

EVIDENCE AND OFFENCES.

DIVISION 1.—*Evidence.*

76. (1) A certificate of incorporation given by the registrar shall be received in evidence as if it were the original certificate.

Certificates
and docu-
ments.

Act No. 1,
1924, s. 96.

(2) A certificate of registration or other official document relating to a credit union, or to an association, signed by or bearing the seal of the registrar shall be received in evidence without further proof.

Act No. 18,
1967, s. 91.

(3) Judicial notice shall be taken of the signature and of the seal of any person who holds or has held the office of registrar or deputy registrar, and of the signature of a delegate appointed pursuant to subsection nine of section ninety-four of this Act, if the signature or seal purports to be attached to any certificate or other official document.

(4) The provisions of this section shall be deemed to extend to any copy of the rules of a credit union, or of an association, certified by the registrar, deputy registrar or delegate appointed pursuant to subsection nine of section ninety-four of this Act to be a true copy of its registered rules.

77. A printed copy of the rules of a credit union, or of an association, certified by the secretary of the credit union or association to be a true copy of its registered rules shall be received as evidence of the rules.

Evidence of
rules.

Act No. 1,
1924, s. 97.

Act No. 18,
1967, s. 92.

78.

Credit Union.

78. The registers referred to in section sixty-seven of this Act, or prescribed pursuant to that section, shall be evidence of the particulars directed or authorised by or under this Act to be inserted therein.

Registers.
Act No. 1,
1924, s. 98.
Act No. 18,
1967, s. 93.

5 79. (1) An entry in the minutes purporting to be a minute of the business transacted at a meeting of a credit union, or of an association, or of a board, and to be signed by the chairman at a subsequent meeting shall be evidence that the business as therein recorded was transacted at the meeting and that the meeting was duly convened and held.

Minutes—
Effect as
evidence.
Act No. 1,
1924, s. 99.
Act No. 18,
1967, s. 94.

(2) An entry in the minutes of a meeting of a credit union, or of an association, to the effect that a resolution was carried or carried unanimously, or was lost, shall be evidence of the fact without proof of the number or proportion of votes recorded for or against the resolution.

80. A copy of any entry in a book of a credit union, or of an association, regularly kept in the course of business shall, if certified by statutory declaration of the secretary to be a true copy of the entry, be received in evidence in any case where, and to the same extent as, the original entry itself is admissible.

Entries.
Act No. 1,
1924, s. 100.
Act No. 18,
1967, s. 95.

DIVISION 2.—Offences.

81. (1) If a credit union, or an association, fails—

25 (a) to keep any register or account, or to make any entry therein, as required by this Act;

(b) to have at any office of the credit union or association and open to inspection a copy of this Act and the regulations, or of the rules or of the last balance-sheet or income and expenditure account, together with the report of the auditor, or any register, as required by this Act; or

30 (c) to transmit to the registrar any notice or return as required by this Act.

Default by
credit
union or
association.
Act No. 1,
1924, s. 101.
Act No. 18,
1967, s. 96.

it shall be guilty of an offence.

(2)

Credit Union.

(2) If a credit union, or an association, refuses or wilfully neglects to furnish any information lawfully required by the registrar or by any other person authorised under this Act, it shall be guilty of an offence.

5 (3) Where a credit union, or an association, is guilty of an offence under this section, every director or officer of the credit union or association shall be guilty of the like offence unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent
10 the commission of the offence.

(4) If a director of a credit union, or of an association, continues to act as such after his office as a director has been vacated, he shall be guilty of an offence.

15 (5) If a credit union, an association, a director or an officer is guilty of an offence under this section, it or he shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding ten dollars.

82. (1) If a credit union, or an association, contravenes any restriction imposed by its rules or by this Act on its power
20 to carry on business and, in particular, if it raises money on loan or receives deposits except as authorised by its rules and within the limits provided in this Act, it shall be guilty of an offence.

Restriction of power.
Act No. 1,
1924, s. 102.
Act No. 18,
1967, s. 98.

25 (2) If a credit union makes a loan to a person who is not a member of the class of persons specified in the rules of the credit union as the class of persons to whom loans may be made, it shall be guilty of an offence.

30 (3) Where a credit union, or an association, is guilty of an offence under this section, the credit union or association shall be liable to a penalty not exceeding two hundred dollars for every such offence and every director or officer who knowingly or wilfully authorises or permits any such contravention shall be guilty of an offence and liable to a penalty not exceeding one hundred dollars for every such
35 offence.

Credit Union.

83. (1) If a credit union, or an association, continues for a period of one month to carry on business after the number of its members is reduced below the number necessary for the formation of a credit union or an association, as the case may be, every person who is a director of the credit union or association during the time that it continues to carry on business after that period shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding fifty dollars, unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.

Too few members.
Act No. 1,
1924, s. 103.
Act No. 18,
1967, s. 99.

(2) A person who is guilty of an offence under this section shall further be liable to satisfy all obligations of the credit union or association incurred during such time as it carries on business in contravention of this section and may be sued in respect of that liability without any other member being joined in the action.

84. If, before a credit union, or an association, is registered, any person takes any money in consideration of the allotment of any share or interest in, or grant of a loan by, the credit union or association, he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

Allotment of shares.
Act No. 1,
1924, s. 106.
Act No. 18,
1967, s. 97.

85. If a person gives to any member of a credit union, or of an association, or to any person intending or applying to become a member of a credit union, or of an association, a copy of any rules or of any alterations of rules other than those which have been duly registered, representing that they are binding on the members of the credit union or association, or if any person makes any alteration in any copy of the rules of a credit union or association and circulates the copy, representing that the rules therein, as altered, have been duly registered, when they have not been so registered, he shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars.

False copies of rules.
Act No. 1,
1924, s. 107.
Act No. 18,
1967, s. 100.

Credit Union.

86. If any person wilfully makes, orders or allows to be made any entry or erasure in, or any omission from, any balance sheet of a credit union, or of an association, or any return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same, or to evade any of the provisions of this Act, he shall be guilty of a misdemeanour.

Falsification.
Act No. 1,
1924, s. 108.
Act No. 18,
1967, s. 101.

87. (1) If any person, by false representation or imposition obtains possession of any property of a credit union, or of an association or, having any such property in his possession, withholds or misapplies it or wilfully applies any part thereof to purposes other than those specified or authorised in the rules of the credit union or association or by this Act he shall be guilty of an offence, and shall be liable to a penalty not exceeding four hundred dollars.

Fraud or misappropriation.
Act No. 1,
1924, s. 109.
Act No. 18,
1967, s. 102.

(2) A person who is guilty of an offence under subsection one of this section shall, if so ordered by the court, deliver up all such property and repay all money improperly applied and in default of delivery or repayment be liable on summary conviction to imprisonment for any term not exceeding six months.

(3) Nothing in this section shall prevent any person from being proceeded against by way of indictment, if he has not been previously convicted of the same offence under this Act.

88. (1) If any person—

- (a) seeks, claims or receives any commission, fee or reward, whether pecuniary or otherwise, from any person as a consideration or charge for procuring or obtaining, or offering or attempting to procure or obtain, for any person a loan from any credit union or association; or
- (b) advertises or otherwise holds himself out as being able to arrange or obtain finance for any persons through or from any credit union or association,

Certain acts prohibited in relation to loans.
Act No. 1,
1924, s. 109A
Act No. 18,
1967, s. 103.

he

Credit Union.

he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

(2) Any sum received in contravention of this section or section eighty-four of this Act may be recovered by the person who paid it from the person by whom it was received in an action for debt in any court of competent jurisdiction.

89. (1) If any officer of a credit union, or of an association, accepts any commission, fee or reward, whether pecuniary or otherwise, from any person for or in connection with a transaction had or to be had by that person with the credit union or association, he shall be guilty of an offence and shall, upon summary conviction, be liable to imprisonment for any term not exceeding six months or to a penalty not exceeding two hundred dollars.

Commission.
Act No. 1,
1924, s. 110.
Act No. 18,
1967, s. 104.

(2) An officer who is guilty of any offence under subsection one of this section shall further be liable to pay to the credit union or association double the value or amount of such commission, fee or reward.

90. (1) Any credit union or association which, or person who, fails to comply with any requirements of this Act within the time or in the manner prescribed by this Act for compliance therewith or commits any other contravention thereof, shall, where no penalty is expressly provided, be liable to a penalty not exceeding one hundred dollars.

Contraven-
tion of
Act.
Act No. 1,
1924, s. 111.
Act No. 18,
1967, s. 105.

(2) Where in, or at the foot of, any section or part of a section of this Act there appears the expression "default penalty" it shall indicate that any person who is convicted of an offence in relation to that section or part shall be guilty of a further offence if the offence continues after he is so convicted and liable to an additional penalty for each day during which the offence so continues of not more than the amount expressed in the section or part as the amount of the default penalty or, if an amount is not so expressed, of not more than twenty dollars.

(3)

Credit Union.

(3) Where any offence is committed by a person by reason of his failure to comply with any provision of this Act by or under which he is required or directed to do anything within a particular period, that offence, for the purposes of subsection two of this section, shall be deemed to continue so long as the thing so required or directed to be done by him remains undone, notwithstanding that such period has elapsed.

(4) For the purposes of any provision of this Act which provides that a director or an officer of a credit union, or an association, who is in default is guilty of an offence or is liable to a penalty or punishment the phrase "director or officer who is in default" or any like phrase means any director or officer of the credit union or association who knowingly and wilfully—

- (a) is guilty of the offence; or
- (b) authorises or permits the commission of the offence.

91. (1) A penalty or fine imposed by this Act or by any regulation or rule shall, except where otherwise expressly provided by this Act, be recoverable summarily before two justices.

Recovery
of penalty.
Act No. 1,
1924, s. 112.
Act No. 18,
1967, s. 106.

(2) Any such penalty or fine recoverable summarily shall, if imposed by this Act or by any regulation, be recoverable at the suit of the registrar, and if imposed by any rule shall be recoverable at the suit of the credit union or association.

92. If a credit union, or an association, in making or raising any loan or receiving any deposit or allotting any share contravenes any provision of this Act or any rule of the credit union or association, the civil rights and liabilities of the credit union or association or any other person in respect of the recovery of the loan or deposit or the moneys payable in respect of the shares shall not be affected or prejudiced by the contravention, save that the money shall become immediately payable, and the same remedies may be had for the recovery

Civil
remedies.
Act No. 1,
1924, s. 113.
Act No. 18,
1967, s. 118.

Credit Union.

recovery of the loan or deposit or share capital and for the enforcement of any security therefor as if there had not been a contravention of this Act or of the rules of the credit union or association.

- 5 93. (1) On any application for registration of a credit union, or of an association, or of any rule or document under this Act, the registrar may require from the applicant such information and evidence as may be reasonable in order to show that the application should be granted.

Information and evidence.
Act No. 1, 1924, s. 116.
Act No. 18, 1967, s. 109.

- 10 (2) The registrar may require from any credit union or association such information and evidence as may be reasonable in order to show that the credit union or association is bona fide carrying on business in accordance with the provisions of this Act.

- 15 (3) The registrar may require from a credit union, or from an association, such evidence as he thinks proper of the doing of any matter required to be done, or of the correctness of any entry in any document required to be transmitted to him, under this Act.

20

PART IX.

ADMINISTRATION.

DIVISION 1.—Registrar.

94. (1) There shall be a Registrar of Credit Unions and an office of the registrar.
- 25 (2) The registrar shall be appointed by the Governor and until such an appointment is made the Registrar of Co-operative Societies shall be the registrar and the office of the Registrar of Co-operative Societies shall be the office of the registrar.

Registrar.
Act No. 1, 1924, s. 115.
Act No. 18, 1967, s. 107.

(3)

Credit Union.

(3) All certificates, rules and documents relating to any credit union or association (including any in the custody of the Registrar of Co-operative Societies before its registration under this Act) shall be kept in the office of the registrar.

5 (4) All certificates, rules and documents required to be registered under this Act or to be transmitted to the registrar for record shall be kept in the office of the registrar.

(5) The registrar shall have such duties, powers and authorities as are prescribed.

10 (6) The duties, powers and authorities of the registrar may be performed and exercised by a deputy appointed by the Governor and until such an appointment is made the Deputy Registrar of Co-operative Societies shall hold office as Deputy Registrar of Credit Unions.

15 (7) The deputy registrar shall exercise his office subject to such conditions and restrictions (if any) as the registrar may impose—

(a) generally;

20 (b) in relation to any specified matter or class of matters; or

(c) in relation to all matters other than any specified matter or class of matters.

(8) No person shall be concerned to see or inquire whether, in the case of any dealing or transaction with the
25 deputy registrar, any condition or restriction has been imposed upon the exercise of the powers of the deputy registrar, or as to his authority; and all acts or things done or omitted by the deputy registrar shall be as valid and effectual and shall have the same consequences as if the acts or things had been
30 done or omitted by the registrar.

(9) With the approval of the Minister first obtained, the registrar may delegate any of his duties, powers and authorities to any other officer employed in his office and that officer while he exercises or discharges such delegated duties,
35 powers and authorities shall have all the powers, rights, discretions,

Credit Union.

discretions, duties and obligations of the registrar (other than this power of delegation) and the Minister or the registrar may at any time revoke any such delegation.

No delegation under this subsection shall prevent the exercise or discharge by the registrar of any of his duties, powers or authorities.

(10) The registrar shall have a seal of office.

DIVISION 2.—General.

95. (1) Any person may, except as otherwise provided Inspection of documents.
10 by this Act, on payment of the prescribed fee— Act No. 1, 1924, s. 120.

(a) inspect at the office of the registrar the registration and rules of a credit union, or of an association; Act No. 18, 1967, s. 108.

(b) obtain from the registrar a certificate of the registration of a credit union, or of an association, and a certified copy of the rules of a credit union, or of an association, or of any part thereof;

(c) with the permission of the registrar, inspect at his office and obtain from him a certified copy of any other registered document, or of any part thereof.

(2) A copy of or extract from any document registered by the registrar and certified under the seal of the registrar shall in any proceedings be admissible in evidence as of equal validity with the original document.

96. (1) If, with respect to any credit union or association, the registrar considers it expedient to do so in the interests of members of or of persons who may become members of or deposit moneys with the credit union or association he may, by notice in writing served on the credit union or association with the approval of the Minister, direct that subsection two of this section shall apply to the credit union or association and that subsection shall thereupon apply accordingly until the expiration of such time as may be specified in the notice or until the notice is withdrawn, whichever is the earlier. Power to suspend operations. Act No. 18, 1967, s. 111.

(2)

Credit Union.

(2) Subject to this section, while this subsection applies to a credit union, or an association, the credit union or association shall not—

- (a) make any money available on loan to members;
 - 5 (b) accept the deposit of any money;
 - (c) borrow any money;
 - (d) accept any payment on account of share capital, except calls which fell due before the issue of the notice;
 - 10 (e) repay any moneys paid on shares;
 - (f) repay any moneys on deposit,
- as may be specified in the notice directing the application of this subsection.

(3) The registrar may, with the approval of the
15 Minister and by a further notice, extend the time specified in any notice issued under subsection one of this section.

(4) A credit union, or an association, to which subsection two of this section applies may make representations to the Advisory Committee with respect to the direction and
20 the committee shall report to the Minister. The Minister may direct the registrar to withdraw the direction or to amend the notice directing the application of this subsection.

(5) The registrar may, and shall on the direction of the Minister, withdraw any direction or amend any notice
25 given in accordance with the section.

(6) If a credit union, or an association, contravenes the provisions of subsection two of this section it shall be guilty of an offence and be liable to a penalty not exceeding six hundred dollars; and every officer of the credit union or
30 association who knowingly and wilfully authorises or permits a contravention of subsection two of this section shall be liable on conviction on indictment to a penalty not exceeding six hundred dollars or to a term of imprisonment not exceeding two years or to both or, on summary conviction, to a penalty
35 not exceeding one hundred dollars or to a term of imprisonment not exceeding three months or to both.

Credit Union.

97. (1) The registrar, and any inspector appointed under section ninety-nine of this Act and authorised in writing by the registrar either generally or specially to do so, may inspect any minutes or books or examine the affairs, of a credit union, or of an association, whether or not it is in the course of being wound up and in the case of a credit union, or of an association, that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the credit union or association.

Inspection
by registrar.
Act No. 1,
1924, s. 117.
Act No. 18,
1967, s. 112.

10 (2) The registrar or any such inspector so authorised may, at his discretion, obtain from any bank in which the funds of a credit union, or of an association, are deposited or invested a statement of the amount of such deposit or investment and any other particulars required by him to be
15 furnished in relation to the affairs of the credit union or association.

98. (1) Subject to compliance with any requirement or direction of the registrar pursuant to this section, the registrar may, and shall on the application of a majority of a board or of not less than one-third of the members of a credit union, or of an association—

Special
meeting and
inquiry.
Act No. 1,
1924, s. 118.
Act No. 18,
1967, s. 113.

(a) call a special meeting of the credit union or association;
(b) hold an inquiry into the affairs, including the working and financial condition, of the credit union or
25 association.

(2) An application under this section shall be accompanied by such evidence as the registrar requires for the purpose of showing that the applicants have good reason for
30 requiring the meeting or inquiry and that the application is made without malicious motive.

(3) Notice of an application under this section shall be given to the credit union or association by such persons and in such manner as the registrar directs.

35 (4) Security for the expenses of a meeting or inquiry pursuant to this section shall be given by such persons and in such manner as the registrar directs.

(5)

Credit Union.

(5) The registrar may direct at what time and place a meeting called under this section is to be held, and what matters are to be discussed and determined at the meeting and shall give such notice to members of the holding of the meeting as he deems fit notwithstanding any provision in the rules of the credit union or association as to the giving of notice.

(6) A meeting called under this section shall have all the powers of a meeting called in accordance with the rules of the credit union or association and shall have power to appoint its own chairman, any rule of the credit union or association to the contrary notwithstanding. The registrar or any person nominated by him may attend and address any such meeting.

(7) If a meeting called under this section fails to appoint a chairman, the registrar or any person nominated by him to attend the meeting may act as chairman of the meeting or may appoint a chairman to conduct the meeting or any adjournment thereof.

(8) If the chairman of a meeting called under this section is not a member of the credit union or association in respect of which it was so called, he may exercise a casting vote but shall not otherwise be entitled to vote.

(9) All expenses of and incidental to a meeting called, or inquiry held, under this section shall be defrayed, in such proportions as the registrar directs, by the applicants, or out of the funds of the credit union or association, or by any officer or member or former officer or member, and may be recovered as a debt in any court of competent jurisdiction.

99. (1) The Governor may appoint inspectors for the purposes of this Act.

Inspectors.
Act No. 1,
1924,
s. 118A.
Act No. 18,
1967, s. 114.

(2) The provisions of the Public Service Act, 1902, shall not apply to the appointment of any such inspector who is not a public servant.

Credit Union.

100. (1) The registrar and any inspector appointed under section ninety-nine of this Act may, for the purpose of any inquiry or inspection under this Act—

Powers of registrar and inspectors.

Act No. 1, 1924, s. 121.

Act No. 18, 1967, s. 115.

(a) administer an oath;

5 (b) by notice in writing require the attendance of any person at the time and place specified in the notice and require such person then and there to answer any question put to him by the registrar or such inspector, as the case may be, in relation to the
10 matter of any such inquiry or inspection, and to produce all or any of the books or documents of the credit union or association to which the inquiry relates;

15 (c) require any director or other officer of a credit union, or of an association, to furnish to the registrar or inspector, as the case may be, any information relating to the affairs of the credit union or association or the matter of any inquiry into the working and financial condition of the credit union
20 or association and to produce to the registrar or inspector all or any of the books or documents of the credit union or association.

A notice referred to in paragraph (b) of this subsection may be served, where it is addressed—

25 (i) to a credit union, or to an association, or to a director or other officer of a credit union or of an association, in the appropriate manner specified in subsection three of section thirty of this Act; or

30 (ii) to any other person, by post to the last known address of that person.

(2) Any person, who—

35 (a) when required by the registrar or an inspector pursuant to paragraph (b) of subsection one of this section refuses or fails, without lawful excuse, to attend at any time and place specified in a notice served on such person in accordance with the provisions of that subsection or, having so attended, fails

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- 5 fails then and there to answer any question put to him by the registrar or inspector, as the case may be, in relation to the matter of any inquiry or inspection under this Act or to produce any books or documents as required by the notice; or
- (b) being a director or other officer of a credit union, or of an association, refuses or fails, without lawful excuse, to furnish any information required of him pursuant to paragraph (c) of subsection one of this section or to produce any books or documents required to be produced pursuant to that paragraph,
- 10 shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a period not exceeding six months or to
- 15 both such penalty and imprisonment.

DIVISION 3.—Advisory Committee.

- 101.** (1) There shall be a Credit Union Advisory Committee (in this section referred to as the "Committee") consisting of such number of members as may be determined by the Minister, being not less than five and not exceeding nine or, where some other maximum number is prescribed, not exceeding the prescribed maximum number.
- 20 Advisory Committee.
Act No. 1,
1924,
s. 114c.
Act No. 18,
1967, s. 117.
- (2) One of the members of the Committee shall be the person who for the time being holds the office of registrar and who shall by virtue of such office be the chairman and executive member of the Committee.
- 25
- (3) Each member of the Committee, other than the registrar and one other member, shall be an officer of a credit union, or of an association.
- (4) A deputy or alternate member may be appointed to attend any meeting of the Committee at which a member is unable to be present.
- 30
- (5) The members (other than the chairman) and deputy or alternate members of the Committee shall be appointed by the Minister and shall hold office for such period as he may deem fit and may be removed from office by him.
- 35
- (6)

Credit Union.

(6) Meetings of the Committee may be convened by the chairman or by any two members.

(7) Each member and deputy or alternate member of the Committee shall, unless he is an officer of the Public Service or a member of the Legislative Council or the Legislative Assembly of New South Wales, be paid such fees, allowances and expenses as the Governor may approve.

(8) It shall be the duty of the Committee to submit recommendations to the Minister with respect to—

- 10 (a) proposals to promote the formation of credit unions;
- (b) proposals to improve the method of operation of credit unions;
- (c) such other matters as may be referred to it by the Minister or as may be prescribed.

15 (9) The Committee shall advise the registrar on such matters as may be referred to it by him.

PART X.

MISCELLANEOUS.

102. The registrar shall in every year make a report of his proceedings and of the principal matters transacted by him during the preceding year, and the report shall be laid before Parliament.

Report to Parliament.
Act No. 1, 1924, s. 123.
Act No. 18, 1967, s. 116.

103. (1) The Governor may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for giving effect to this Act, and any such regulation may provide for—

Regulations.
Act No. 1, 1924, s. 124.
Act No. 18, 1967, s. 119.

- 30 (a) a penalty for any breach thereof, and also distinct penalties in cases of successive breaches thereof, provided that no such penalty shall exceed one hundred dollars;

(b)

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(b) a daily or weekly penalty, not exceeding five dollars a day or twenty-five dollars a week, for any continuing breach thereof.

(2) Without prejudice to the generality of the foregoing provisions of this section, the Governor may make regulations prescribing the fees to be taken in the office of the registrar for any matter or thing to be done therein under this Act.

(3) The Governor may make regulations amending the Schedule to this Act and the Schedule, as so amended, shall be the Schedule to this Act.

(4) The regulations shall be published in the Gazette, and shall take effect from the date of publication or from a later date to be specified in the regulations.

(5) The regulations shall be laid before both Houses of Parliament within fourteen sitting days after publication if Parliament is then in session and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution of which notice has been given at any time within fifteen sitting days after the regulations have been laid before such House disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

(7) The registrar shall notify a credit union, and an association, of the publication of any regulation affecting the credit union or association.

104. (1) No instrument or document executed or registered for transferring any property in pursuance of section thirty-three of this Act shall be liable to stamp duty or to any fee chargeable under any Act for registration.

Exemption from stamp duty.

Act No. 1, 1924, ss. 41 (15) and 62.

(2) No stamp duty shall be chargeable upon the certificate of incorporation of a credit union or an association or upon any share certificate or any instrument or document issued in connection with its capital by a credit union, or by an association.

Act No. 18, 1967, s. 121.

Credit Union.

105. (1) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended, is amended— Amendment of Act No. 1, 1924.

- (a) by omitting from the long title the words "credit unions,"; Long title.
- 5 (b) by omitting from section two the words "DIVISION 8.—*Credit unions.*"; Sec. 2. (Division into Parts.)
- (c) by omitting from the definition of "Society" in section five the words ", or credit union,"; Sec. 5. (Interpretation.)
- 10 (d) by omitting paragraph (g) of subsection one of section six; Sec. 6. (Societies.)
- (e) by omitting Division 8 of Part II and the heading thereto; Pt. II, Div. 8. (Credit unions.)
- 15 (f) (i) by omitting from subsection one of section thirty-four the words "And a credit union may become a component society of an association of building societies."; Sec. 34. (Association.)
- (ii) by omitting from subsection three of the same section the words "building societies, and credit unions" and by inserting in lieu thereof the words "and building societies";
- 20 (g) by omitting from subsection one of section forty-eight the words "or credit union,"; Sec. 48. (Reserve funds of building societies and credit unions.)
- (h) by omitting subsection (4B) of section sixty-one; Sec. 61. (Use of word co-operative.)
- 25 (i) by omitting from subsection one of section sixty-eight the words "Notwithstanding the foregoing provisions of this subsection, a credit union shall not invest any of its funds by way of deposit in any society other than an association of credit unions of which such credit union is a member."; Sec. 68. (Investment.)
- 30 (j) (i) by omitting paragraph (b) of subsection one of section seventy-two; Sec. 72. (Name and address.)
- (ii) by omitting subsection (1A) of the same section; (k)

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- (k) (i) by omitting from subsection four of section Sec. 82.
eighty-two the words “, and of a credit (Rules.)
union,”;
- 5 (ii) by omitting from the same subsection the
words “or credit union”;
- (l) (i) by omitting from subsection (12B) of section Sec. 84.
eighty-four the words “or of a credit union”; (Board of
directors.)
- (ii) by omitting from the same subsection the
words “or credit union, as the case may be,”;
- 10 (m) (i) by omitting from subsection four of section Sec. 86.
eighty-six the words “or a credit union”; (Votes of
members.)
- (ii) by omitting from paragraph (c) of subsection
nine of the same section the words “or of a
credit union”;
- 15 (n) (i) by omitting from subsection one of section Sec. 88.
eighty-eight the words “, in the case of a (Officers.)
society other than a credit union,”;
- (ii) by omitting from the same subsection the
words “or, in the case of a credit union, with
20 the approval of all directors present and voting
(such directors not being less in number than
the number that constitutes a quorum of the
board of directors of the credit union) at any
meeting of such directors”;
- 25 (o) by omitting paragraph (bi) of subsection one of Sec. 102.
section one hundred and two. (Restrictions on
powers.)

(2) The Co-operation, Community Settlement, and
Credit Act, 1923, as subsequently amended and as amended
by this Act, may be cited as the Co-operation Act, 1923–1969.

- 30 **106.** (1) The Money-lenders and Infants Loans Act, Amendment
1941, as subsequently amended, is amended by inserting next of Act No.
after paragraph (b1) of the definition of “Money-lender” in 67, 1941.
section three the following new paragraph :— Sec. 3.
(Interpre-
tation.)
- 35 (b2) a credit union, or an association of credit unions,
or a union of associations of credit unions registered
under the Credit Union Act, 1969, or any Act
amending or replacing that Act.

(2)

Credit Union.

(2) The Money-lenders and Infants Loans Act, 1941, as subsequently amended and as amended by this Act, may be cited as the Money-lenders and Infants Loans Act, 1941-1969.

5 **107.** (1) The Companies Act, 1961, as subsequently amended, is amended— Amendment
of Act No.
71, 1961.

(a) (i) by inserting in the definition of "Corporation" in section five after the word "company" the words "other than a foreign company referred to in paragraph (f) of this definition"; Sec. 5.
(Interpre-
tation.)

(ii) by inserting next after paragraph (d) of the same definition the following new paragraphs :—

(e) a credit union, or an association of credit unions, or a union of associations of credit unions, registered under the Credit Union Act, 1969, or any Act amending that Act;

(f) any foreign company in respect of which an exemption from compliance with—

(i) subsection (1) of section sixty-one of the Co-operation, Community Settlement and Credit Act, 1923, as amended by subsequent Acts;

(ii) subsection (1) of section thirty-five of the Permanent Building Societies Act, 1967, as amended by subsequent Acts; or

(iii) subsection (1) of section twenty-eight of the Credit Union Act, 1969,

is for the time being in force.

(b)

Credit Union.

- (b) by inserting in subsection fourteen of section three hundred and seventy-four after the words "Acts" the words "or under the Permanent Building Societies Act, 1967, as subsequently amended, or a credit union, an association of credit unions or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending that Act".
- (2) The Companies Act, 1961, as subsequently amended and as amended by this Act, may be cited as the Companies Act, 1961-1969.

SCHEDULE.

Sec. 24.

- (a) The name of the credit union or association and the location of its first office.
- (b) The objects of the credit union or association.
- (c) The manner in which the capital of the credit union or association is to be raised including the minimum and maximum shareholding to be held by members and the denominations of shares.
- (d) The powers of the credit union or association, in particular and without affecting the generality of this clause—
- (i) the powers to borrow money,
- (ii) the powers to raise money on deposit and the manner in which the board may regulate the withdrawal of such deposits,
- and any limitation on any of the powers of the credit union or association.
- (e) The manner in which investments may be made.
- (f) The manner in which the funds of the credit union or association are to be managed and in particular the mode of drawing and signing cheques, drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the credit union or association.
- (g) The manner in which any gain or surplus which may result from the transactions of the credit union or association is to be distributed among members.
- (h) The mode and conditions of admission to membership and the payment to be made or the share or interest to be acquired before the exercise of the rights of membership.

(i)

Credit Union.

- (i) The number of directors, the qualification of directors and the manner of electing, remunerating and removing directors and filling a vacancy.
- (j) The powers and duties of the board, the requisite notice of 5 meetings, the quorum for meetings, and the procedure at meetings, of the board.
- (k) The intervals between general meetings of the credit union or association, the manner of calling general and special meetings, the requisite notices of meetings and the quorum for meetings of the credit 10 union or association.
- (l) The procedure at meetings of the credit union or association, including the rights of members in voting thereat, the manner of voting and the majority necessary for carrying resolutions.
- (m) The frequency at which the accounts of the credit union or 15 association are to be audited.
- (n) The manner of appointing, remunerating and removing auditors, the powers and duties of auditors and in particular their powers and duties with respect to the inspection of securities belonging to the credit union or association.
- 20 (o) The charges, including any charges on admission or for working expenses or otherwise which are to be payable by a member to the credit union or association in respect of his membership therein.
- (p) The manner of settling disputes between the credit union or association and any of its members, or any person claiming by or 25 through any member under the rules.
- (q) The manner of altering or rescinding the rules and of making additional rules.
- (r) The device, custody and use of the seal of the credit union or association.
- 30 (s) The manner in which the credit union or association may be wound up.
- (t) The circumstances under which shares may be withdrawn or repaid and the terms and conditions in relation thereto; the manner in which the value of shares is to be ascertained for repayment.

BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1969

New South Wales



ANNO OCTAVO DECIMO

ELIZABETHÆ II REGINÆ

Act No. 8, 1969.

An Act to make provision with respect to the registration, incorporation and administration of credit unions and related bodies and to define their powers, authorities, duties and functions; to amend the Co-operation Acts, the Money-lenders and Infants Loans Act, 1941, the Public Accountants Registration Act, 1945, the Companies Act, 1961, and certain other Acts; and for purposes connected therewith. [Assented to, 20th March, 1969.]

BE

Credit Union.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.**PRELIMINARY.**

Short title,
citation and
commence-
ment.

1. (1) This Act may be cited as the "Credit Union Act, 1969".

(2) This Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

Division of
Act.

2. This Act is divided as follows :—

PART I.—PRELIMINARY—ss. 1–3.

PART II.—OBJECTS AND POWERS—ss. 4–19.

PART III.—INCORPORATION—ss. 20–38.

DIVISION 1.—*Incorporation and Rules.*

DIVISION 2.—*Name.*

DIVISION 3.—*Office and Service of Documents.*

DIVISION 4.—*Amalgamation.*

DIVISION 5.—*Associations and Unions of Associations.*

PART IV.—MEMBERS AND FUNDS—ss. 39–51.

DIVISION 1.—*Members.*

DIVISION 2.—*Share Capital.*

DIVISION 3.—*Funds.*

PART V.—MANAGEMENT—ss. 52–69.

DIVISION 1.—*Directors and Officers.*

DIVISION 2.—*Meetings and Voting.*

DIVISION 3.—*Accounts, Audit and Registers.*

DIVISION 4.—*Returns.*

PART

Credit Union.

PART VI.—DISPUTES—s. 70.

PART VII.—OFFICIAL MANAGEMENT AND WINDING UP—ss. 71–75.

PART VIII.—EVIDENCE AND OFFENCES—ss. 76–93.

DIVISION 1.—*Evidence.*

DIVISION 2.—*Offences.*

PART IX.—ADMINISTRATION—ss. 94–101.

DIVISION 1.—*Registrar.*

DIVISION 2.—*General.*

DIVISION 3.—*Advisory Committee.*

PART X.—MISCELLANEOUS—ss. 102–107.

SCHEDULE.

3. (1) In this Act, except to the extent that the context Interpretation or subject matter otherwise indicates or requires—

“Advisory Committee” means the Credit Union Advisory Committee constituted under this Act; Act No. 1, 1924, s. 5.

“association” means association of credit unions registered under this Act and includes a union, so registered, of such associations and an amalgamated association so registered;

“board” means the board of directors of a credit union, or, as the case may require, of an association, and includes a committee of management of a credit union, or, as the case may require, of an association;

“Co-operation Acts” means the Co-operation, Community Settlement, and Credit Act, 1923;

“credit union” means credit union registered under this Act and includes an amalgamated credit union;

“mortgage” includes lien, charge, and any other security over property;

“officer”

Credit Union.

“officer” includes director, secretary, treasurer, official manager, deputy official manager and any other person empowered under the rules of a credit union, or, as the case may require, of an association, or by this or any other Act or the regulations, to give directions in regard to the business of a credit union, or, as the case may require, of an association;

“prescribed” means prescribed by this Act or by regulation;

“registrar” means the Registrar of Credit Unions under this Act;

“regulation” means regulation made under this Act;

“rule” means registered rule of a credit union, or, as the case may require, of an association, for the time being in force;

“share” means share in the share capital of a credit union, or, as the case may require, of an association;

“special rule” means rule the terms of which the registrar has separately and specifically approved before its registration and includes an altered rule, so approved.

(2) In this Act, sections one hundred and five, one hundred and six and one hundred and seven excepted, a reference to an Act includes all amendments of that Act, whether by subsequent Acts or otherwise, and any Act passed in substitution for the Act referred to or incorporating any of its provisions.

PART II.

OBJECTS AND POWERS.

Objects.

Act No. 1,
1924, s. 29.

Act No. 18,
1967, s. 4.

4. The objects of a credit union shall be—

- (a) the raising of a fund by subscriptions of its members and in any way authorised by this Act;

(b)

Credit Union.

- (b) making loans from that fund to its members as provided by or under this Act and the rules of the credit union; and
- (c) to encourage habits of thrift among its members.

5. If so authorised by its rules, a credit union may, subject to this Act and as incidental to its objects—

Powers.
Act No. 1,
1924, s. 30.

- (a) raise money on loan for any of its objects;
- (b) receive money on deposit from a member of the credit union;
- (c) make and enter into arrangements, approved by the Advisory Committee, for the provision of loan protection insurance and life savings insurance;
- (d) acquire and hold shares not exceeding in the aggregate a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in—
 - (i) any association of building societies registered under the Co-operation Acts;
 - (ii) any association or federation referred to in section eighteen of this Act.

6. (1) A credit union shall not make a loan to any person except a natural person who is a member of the credit union and is one of a class of persons specified by a special rule of the credit union as the class of persons to whom loans may be made.

Loans.
Act No. 1,
1924, ss.
31, 31A.

(2) Classification for the purposes of a special rule referred to in subsection one of this section shall be effected in a manner approved by the registrar and may include classification by reason of residence in a specified district so approved.

(3) Application for a loan from a credit union shall be made in the manner prescribed.

(4) Subject to this section, a board may approve an application for a loan, or approve the application in part, on such terms as it may deem proper, including the giving of security

Credit Union.

security by way of a guarantee, or promissory note or promissory notes, or by way of a mortgage, or otherwise, as it thinks necessary.

(5) Where a board approves a loan to a member of a credit union, the board shall, before any part of the loan is made available to the member—

- (a) obtain from the member an acknowledgment in writing of the amount of the loan and the terms and conditions upon which it was approved;
- (b) where the loan was approved subject to specified security for the repayment thereof being given, obtain that security; and
- (c) otherwise do all such things as may be necessary to be done to ensure that, if default is made in repayment of the loan, the credit union may forthwith institute, and may thereafter prosecute, proceedings for recovery of the debt and may proceed to realise upon or enforce any security given.

(6) Subject to subsection seven of this section, the rules of a credit union shall fix the maximum amount (in this section called the “specified amount”) by which the indebtedness of a member of the credit union may exceed the sum of the amount of the member’s paid-up share capital in, and of his deposits with, the credit union.

The rules may fix different specified amounts where different conditions, specified by the rules in each case, apply in respect thereof.

(7) In this subsection “prescribed security” means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

Subject to subsection eight of this section, the specified amount—

- (a) except as provided by paragraph (b) of this subsection shall not, unless the rules applicable in respect thereof require repayment of the indebtedness of a member

Credit Union.

member to be secured by prescribed security, exceed one thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed;

- (b) may, where the rules applicable in respect thereof do not require repayment of the indebtedness of a member to be secured by prescribed security but the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding two thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed;
- (c) may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security, be an amount not exceeding two thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed; and
- (d) may, where the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding four thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed.

(8) Where a rule registered before the first day of August, one thousand nine hundred and sixty-eight, would, but for this subsection, contravene paragraph (a) of subsection seven of this section, that paragraph, and any regulation prescribing for the purposes of that paragraph a specified amount less than that provided for by the rule, shall be read and construed, in relation to that rule, as if the amount prescribed by that paragraph, or by the regulation, were the specified amount provided for by the rule.

(9) A credit union shall not make a loan to a member if the indebtedness of the member to the credit union would thereby exceed the sum of—

- (a) the specified amount applicable in the circumstances;
- (b)

Credit Union.

- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union.

(10) Where the indebtedness of a member to a credit union at any time exceeds the applicable specified amount, the credit union shall not make a refund of share capital to the member, or permit the withdrawal of any deposit of the member with the credit union, if the sum of—

- (a) that specified amount;
- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union,

would thereby be reduced below the amount of the indebtedness at that time.

This subsection shall not operate to prevent a credit union, with the consent of a member, from applying paid-up share capital or deposits in reduction or repayment of the indebtedness of the member to the credit union.

(11) Where a credit union makes a loan or a refund of share capital, or permits withdrawal of a deposit, in contravention of this section, the credit union and every officer who is in default shall be guilty of an offence against this Act and shall be liable to a penalty not exceeding two hundred dollars, and every officer who is in default shall, in addition, be jointly and severally liable to the credit union for any loss on the loan occasioned to the credit union.

Liquidity.
Act No. 18,
1967, s. 63.

7. (1) In this section—

“liquid funds” means—

- (a) cash at the bank or in hand;
- (b) investments in securities authorised by law for the investment of trust funds (not being securities by way of mortgage over real or leasehold property) that are redeemable within ten years of their acquisition;

(c)

Credit Union.

- (c) funds on deposit with any prescribed bank;
- (d) funds on deposit with an association of credit unions of which the depositor is a member;
- (e) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967; and
- (f) investments in prescribed securities or securities approved by the registrar under subsection two of section nineteen of this Act,

but does not include any such funds or investments to the extent that they are subject to a lien or charge or, in the case of deposits, to the extent that they may only be withdrawn on more than one month's notice or, where the regulations so provide, to the extent that the amount of any of those funds or investments specified by the regulations exceeds an amount prescribed by, or calculated as prescribed by, the regulations;

“prescribed proportion” means—

- (a) in the case of a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts—
 - (i) two per centum during the year commencing one year after its registration under this Act;
 - (ii) four per centum during the year commencing two years after its registration under this Act; and
 - (iii) seven per centum thereafter; or
- (b)

Credit Union.

(b) in the case of any other credit union—

- (i) one per centum during the year commencing on the day of its registration under this Act;
- (ii) two per centum during the year commencing one year after its registration under this Act;
- (iii) three per centum during the year commencing two years after its registration under this Act;
- (iv) four per centum during the year commencing three years after its registration under this Act;
- (v) five per centum during the year commencing four years after its registration under this Act; and
- (vi) seven per centum thereafter.

(2) For the purpose of calculating the amount of liquid funds held by a credit union, investments referred to in paragraphs (b) and (f) of the definition of "liquid funds" in subsection one of this section shall be assessed at cost or market value, whichever is the lesser.

(3) This subsection shall not, during the period of one year next succeeding the commencement of this Act, apply to or in respect of a credit union that, immediately before that commencement, was registered under the Co-operation Acts.

A credit union shall not, in any month, make a loan of an amount that, if deducted from the amount of its liquid funds as at the last day of the next preceding month, would produce an amount that bears to the sum of—

- (a) the amount of the paid-up share capital of the credit union; and
- (b) the amount held by the credit union on deposit, as at that day, a proportion less than the prescribed proportion for that credit union.

(4)

Credit Union.

(4) Regulations may be made prescribing an amount, or a method of calculating an amount, as the maximum amount of any funds or investments specified in the regulations that may be taken into consideration in calculating the amount of the liquid funds of a credit union.

The regulations may prescribe different amounts or methods in respect of different funds or investments.

8. (1) The whole of the principal and interest, and any other amount that may lawfully be added thereto, in respect of a loan by a credit union to a member shall forthwith become due and payable—

Default.
Act No. 1,
1924, ss. 24,
31A (12).

- (a) if default is made in payment of the loan or of the interest thereon or any part thereof;
- (b) if the member attempts to sell or dispose of, or in any way part with the possession of, any personal property upon which the credit union has a lien or charge, whether the loan is otherwise due or not, without the previous consent in writing of the credit union to the sale, disposal or parting with possession or if the member suffers or permits any such property to be seized or taken in execution;
- (c) if the member absconds or attempts to abscond from the State;
- (d) if the member fails to insure or to keep insured any property to the extent agreed upon with the credit union;
- (e) if the member makes an assignment for the benefit of or compounds with his creditors or becomes bankrupt;
- (f) if default is made in the performance of any undertaking given by the member in the application for the loan or set out in the terms upon which the loan is granted;

(g)

Credit Union.

- (g) if the member has obtained the loan by fraud, or has made an untrue statement in his application for the loan; or
- (h) if the member becomes a mentally ill person, a protected person or an incapable person within the meaning of the Mental Health Act, 1958.

(2) Upon the occurrence of any of the events referred to in subsection one of this section, the credit union by any person authorised by it, with such assistance as may be required, may at any time during the day enter into or upon any land or premises upon which any property subject to a lien or charge in favour of the credit union may be, and may seize, remove and sell any such property, or any part thereof, by public auction or private contract.

(3) A purchaser on a sale pursuant to this section shall not be concerned to inquire whether the sale is authorised by this section, or to see to the application of the purchase money.

(4) The proceeds of a sale pursuant to this section shall be applied in the first place in paying and reimbursing the credit union all such moneys as may be due, owing, and accruing under the terms of the loan, and all costs and expenses that may have been incurred by the credit union in consequence of the default, neglect, or failure of the member to pay those moneys or any of them.

(5) Any surplus that remains after the proceeds of a sale pursuant to this section have been applied in accordance with subsection four of this section shall be payable to the member or other person entitled thereto.

Credit Union.

9. A member of a credit union shall be liable not only for the payment of the amount of any loan to him by the credit union and interest thereon, but also for any charges and costs of collection of that amount and that interest.

Liability of borrower.
Act No. 1,
1924, ss. 27,
31A (12).

10. A credit union, and an association, shall each be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and shall have power to enter into contracts, to institute and defend actions, suits and legal proceedings, and to do all things necessary for the purpose of its constitution.

Body corporate.
Act No. 1,
1924, s. 60.
Act No. 18,
1967, s. 15.

11. (1) A credit union, or an association, may acquire by lease, purchase, donation, devise, bequest or otherwise any real or personal property necessary for the carrying out of any of the objects of the credit union or association and may sell or lease any such real or personal property.

Property.
Act No. 1,
1924, s. 64.
Act No. 18,
1967, s. 16.

The acquisition by a credit union, or by an association, of real or personal property primarily or mainly required for business or office accommodation of the credit union or association, or of the credit union or association and other credit unions or associations, shall be a valid exercise of its powers.

(2) Subject to subsection three of this section, a credit union, or an association, may acquire shares in any company registered under the Companies Act, 1961, or any company or body corporate registered or incorporated under any other Act, that has agreed to render special services to that credit union or association in the furtherance of its objects.

(3) Except as provided by sections five and eighteen of this Act, no credit union or association shall, without the prior approval of the Advisory Committee, apply funds in excess of two thousand dollars in the acquisition of shares pursuant to subsection two of this section in any one company or body corporate.

Credit Union.

Raising
loans and
receipt of
money on
deposit.

Act No. 1,
1924, ss. 65
and 66.

Act No. 18,
1967, s. 20.

12. (1) Subject to this section, a credit union may, if authorised by its rules and within the limits provided in this section, raise money on loan or receive money on deposit at interest to be applied to the purposes of the credit union.

(2) The maximum rate which may be paid by way of interest on deposits with a credit union shall not exceed seven per centum per annum or, where some other rate has been fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate so fixed.

(3) Where a credit union is authorised by its rules to raise money on loan the credit union may raise the money in such manner as the board may think fit and in particular by legal or equitable mortgage charged upon all or any part of the property and rights (both present and future) of the credit union, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

(4) Subject to subsection five of this section, a credit union shall not in any month raise a loan of an amount that, if added to the amount owing as at the last day of the next preceding month by the credit union in respect of all loans made to it would produce an amount greater than twenty-five per centum of the sum of—

(a) the amount of the paid-up share capital of the credit union; and

(b) the amount of the deposits held by the credit union,
as at that day.

(5) If the registrar so approves, and subject to such limits, terms and conditions as the registrar may impose when giving his approval, subsection four of this section shall not apply to or in respect of—

(a) a credit union that, immediately before the commencement of this Act was registered under the Co-operation Acts and was first so registered not earlier than four years before that commencement;
or

(b)

Credit Union.

- (b) a credit union registered under this Act (section twenty-two excepted),

until the expiration of the period of four years next succeeding the day on which it was first so registered.

(6) A credit union shall not raise money on loan to the extent authorised by subsection four or five of this section if the amount owing by the credit union in respect of all loans made to it would thereby exceed the amount specified by the rules of the credit union as the maximum amount that may be owed by the credit union in respect of loans made to it or, where no such maximum amount is so specified, two thousand dollars.

(7) Subject to subsection eight of this section, where a credit union is authorised by its rules to receive money on deposit, it shall not so receive money unless—

- (a) the deposit is received on terms whereby not less than one month's notice may be required by the board before repayment;
- (b) the depositor is a member of the credit union; and
- (c) the rules of the credit union include special rules specifying the manner in which the board may regulate the withdrawal of deposits.

Nothing in this subsection or the rules of a credit union shall be construed as derogating from the provisions of subsection ten of section six of this Act.

(8) In so far as paragraph (c) of subsection seven of this section would, but for this subsection, affect a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts, subsection seven of this section shall not apply to or in respect of that credit union until the expiration of the period of one year next succeeding the commencement of this Act.

(9) No member or other person lending money to or depositing money with a credit union shall be bound to see to the application thereof or be in any way affected or prejudiced by the fact that the credit union, in borrowing the money or receiving the deposit, has contravened the provisions of this Act, the regulations or the rules of the credit union.

Credit Union.

(10) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge created by a credit union, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(11) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of the property of a credit union, to and in respect of such a receiver or manager and to and in respect of a credit union of whose property a receiver or manager has been appointed.

For the purpose of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

Disposal of
certain
securities.

Act No. 1,
1924, s. 68
(4).

Act No. 18,
1967, s. 17.

13. Any property to which a credit union, or an association, has become absolutely entitled by foreclosure, surrender or other extinguishment of the right of redemption shall as soon afterwards as may be conveniently practicable be sold or converted into money.

Staff super-
annuation.

Act No. 18,
1967, s. 18.

14. A credit union, and an association, shall each have power to create, operate and maintain or join with any other person or bodies of persons in the creation, operation and maintenance of a fund for the purpose of providing pension and superannuation benefits for officers and employees of the credit union or association and for their dependants.

Contracts.

Act No. 1,
1924, s. 71.

Act No. 18,
1967, s. 19.

15. (1) Contracts on behalf of a credit union, and of an association, may be made, varied or discharged as provided in this section.

(2)

Credit Union.

(2) Any contract which, if made between private persons, would be by law required to be in writing and under seal, may be made on behalf of the credit union or association in writing under the common seal of the credit union or association, and the contract may be in the same manner varied or discharged.

(3) Any contract which, if made between private persons, would be by law required to be in writing and signed by the party to be charged therewith, may be made on behalf of the credit union or association in writing signed by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(4) Any contract which, if made between private persons, would by law be valid, although made by parol only and not reduced into writing, may be made by parol on behalf of the credit union or association by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(5) Any contract made according to the provisions of this section shall be effectual in law and shall be binding upon the credit union or association and all other parties thereto.

16. Any receipt or acknowledgment given to a credit union, or to an association, by a person under the age of twenty-one years, in respect of the payment to him of any amount deposited by him with the credit union or association, or of interest thereon, or in respect of any dividend on, or repayment of, capital in the credit union or association shall not be invalid on the ground that he is under that age.

Depositor
under age
of 21 years.
Act No. 18,
1967, s. 22.

17.

Credit Union.

Credit union
or associa-
tion as
collecting
agent.

Act No. 18,
1967, s. 24.

17. (1) A credit union, or an association, may act as a collecting agent on behalf of any company, credit union or association, person or body of persons for the collection and payment to such company, credit union or association, person or body of persons, of any premiums payable by a member in respect of any policy of insurance covering any property held by the credit union or association as security for a loan to the member or in respect of any life, endowment, sickness or accident policy taken out by a member as a result of any terms and conditions imposed upon the granting of a loan or under any arrangement entered into by the member whereby the proceeds of the policy would be payable to the credit union or association in repayment of the whole or part of the member's liability under any mortgage to the credit union or association.

(2) A credit union, or an association, may act as collecting agent for any other credit union or association in respect of any money due to that credit union or association by its members.

Power to
join asso-
ciation.

Act No. 1,
1924, s. 34.

Act No. 18,
1967, s. 25.

18. (1) A credit union, or an association, may join an association or federation of credit unions of whatsoever kind, whether incorporated or unincorporated.

(2) Nothing in subsection one of this section shall authorise a credit union, or an association, to subscribe by any means to the funds of any such association or federation a sum which, together with all sums so subscribed before the commencement of this Act exceeds the amount of funds it is authorised, by section five of the Act, to apply in the acquisition of shares.

Investment
of surplus
funds.

Act No. 1,
1924, s. 68.

Act No. 18,
1967, s. 21.

19. (1) Subject to this section, a credit union, or an association, may invest any of its funds not immediately required for any of its objects, or for purposes incidental thereto, in—

- (a) securities authorised by law for the investment of trust funds not being securities by way of mortgage over real or leasehold property;

(b)

Credit Union.

- (b) deposits with any prescribed bank ;
- (c) deposits with an association of credit unions of which the credit union or association is a member ;
- (d) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967 ;
- (e) shares not exceeding a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in any co-operative insurance society registered under the Co-operation Acts ; or
- (f) prescribed securities.

(2) No credit union or association shall, pursuant to paragraph (a) of subsection one of this section, invest in any securities which are not redeemable within ten years of their acquisition by the credit union or association unless the registrar, in a particular case, approves.

(3) Nothing in this section shall affect the validity of any investment made, before the commencement of this Act, by a credit union, or by an association, that, immediately before that commencement, was registered under the Co-operation Acts, but any reinvestment thereof shall be made only in conformity with this section.

PART III.

INCORPORATION.

DIVISION 1.—*Incorporation and Rules.*

20. (1) A proposed credit union may be formed by twenty-five or more adult persons who are by the proposed rules of the credit union qualified to be members.

(2) Formation.
Act No. 1,
1924, s. 39.
Act No. 18,
1967, s. 27.

Credit Union.

(2) No proposed credit union formed after the commencement of this Act shall be registered unless there has been a meeting for the purpose of forming the credit union (in this Part called the "formation meeting") at which there have been present twenty-five or more such persons.

(3) At the meeting there shall be presented—

- (a) a written statement showing the objects of the proposed credit union and the reasons for believing that, if registered, it will be able to carry out its objects successfully; and
- (b) a copy of the rules which it is proposed shall be tendered for registration.

(4) If, at the same or any subsequent or adjourned meeting, after consideration of the statement and rules, twenty-five or more such persons approve the rules with or without amendment and sign applications for membership and shares, they shall proceed to elect the first directors of the proposed credit union in accordance with the rules as so approved.

Following the election of the first directors, the persons who have signed applications for membership and shares may proceed to elect the members of such committees as may be provided for in the rules of the proposed credit union.

(5) The expenses of and incidental to the formation of the proposed credit union may be paid either out of capital or out of income.

Registration.
Act No. 1,
1924, s. 39.
Act No. 18,
1967, s. 28.

21. (1) A proposed credit union formed under section twenty of this Act shall not be registered under this Act unless within two months after the election of the first directors referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed credit union accompanied by—

- (a) a statutory declaration by the chairman and secretary of the formation meeting as to compliance with the requirements of section twenty of this Act;
- (b)

Credit Union.

- (b) a copy of the statement presented to the formation meeting signed by the chairman and secretary of the meeting;
- (c) two copies of the proposed rules signed by the chairman and secretary of the formation meeting and certified by them as being the rules approved in accordance with subsection four of section twenty of this Act;
- (d) a list containing the full name and the occupation and address of each director;
- (e) a list containing the full name and the occupation and address of twenty-five persons who attended the formation meeting and signed applications for membership and shares; and
- (f) such other particulars as may be prescribed.

(2) The statutory declaration mentioned in subsection one of this section may be accepted by the registrar as sufficient evidence of compliance with the requirements of section twenty of this Act.

(3) If the registrar is satisfied—

- (a) that the proposed credit union has complied with the provisions of this Act and the regulations in so far as they are applicable;
- (b) that the rules of the proposed credit union are not contrary to this Act or the regulations and are such as may reasonably be approved by him;
- (c) that there are reasonable grounds for believing that the proposed credit union, if registered, will be able to carry out its objects successfully; and
- (d) that there is no reasonable cause why the proposed credit union and its rules should not be registered,

the registrar shall register the proposed credit union and its rules and shall issue a certificate that the credit union is incorporated under this Act.

Credit Union.

Certain
bodies
deemed
to be
registered.

22. (1) A corporation that, immediately before the commencement of this Act, was registered under the Co-operation Acts as a credit union or an association of credit unions shall, on and from that commencement be deemed, subject to this Act, to be registered under this Act as a credit union or an association of credit unions, as the case may be, and the rules thereof in force immediately before that commencement shall, on and from that commencement, be deemed, subject to this Act, to be the rules thereof registered under this Act.

(2) The identity of a corporation registered under this Act by virtue of subsection one of this section shall not be affected and it shall continue as the same entity.

(3) A reference in any document, or in any other Act, to a credit union or an association of credit unions, or to the Co-operation Acts shall, in so far as it affects a corporation registered under this Act by virtue of subsection one of this section, be deemed to be a reference to a credit union or an association of credit unions, as the case may be, registered under this Act.

(4) Where a corporation registered under this Act by virtue of subsection one of this section so applies, the registrar may, upon surrender of its certificate of incorporation under the Co-operation Acts, issue a substitute certificate of incorporation in or to the effect of the prescribed form.

Certificate
of incor-
poration.

Act No. 1,
1924, s. 45.

Act No. 18,
1967, s. 29

23. (1) A certificate of incorporation under this Act shall be in or to the effect of the prescribed form.

(2) The certificate shall be conclusive evidence that all the requirements of this Act in respect of registration have been complied with, but this subsection shall not affect any provisions of this Act for the winding-up or dissolution of a credit union, or of an association, or the cancellation of its registration.

24.

Credit Union.

24. The rules of a credit union, and of an association, shall, in addition to rules otherwise required by this Act to be included, include rules relating to the matters set forth in the Schedule to this Act.

Rules.
Act No. 1,
1924, s. 82.
Act No. 18,
1967, s. 31.

25. (1) The rules of a credit union, and of an association, shall bind the credit union or association and all members thereof and all persons claiming through them respectively to the same extent as if the rules were incorporated in a deed executed by each member and there were contained in the rules a covenant on the part of each member and, in the case of a member of a credit union, on the part of his legal representatives, to observe all the provisions of the rules, subject to the provisions of this Act.

Rules.
Act No. 1,
1924, ss. 73,
78 (4) and
82 (8).
Act No. 18,
1967, s. 32.

(2) No credit union or association shall impose or levy a charge upon a member in respect of his membership unless the charge is imposed by, and specified in, a special rule.

(3) A credit union, and an association, shall furnish any person with a copy of its rules upon application and payment of an amount not exceeding, where an amount is specified in the rules, the amount so specified or, where there is no amount so specified, an amount of fifty cents or, where some other amount is prescribed, that other amount.

26. (1) No rule of a credit union, or of an association, shall be altered unless the alteration has been approved by a special resolution.

Alteration of
rules.
Act No. 1,
1924, s. 83.

(2) A credit union, or an association, that resolves to alter its rules shall, within the prescribed time and in the prescribed manner, apply to the registrar to have the alteration registered.

Act No. 18,
1967, s. 33.

(3) If the registrar is satisfied that the alteration is not contrary to this Act or to the regulations and is such as may reasonably be approved by him and that there is no reasonable cause why the alteration should not be registered, the registrar shall register the alteration as prescribed and, until the alteration is so registered, it shall not take effect.

(4)

Credit Union.

(4) In this Act the expression "alteration of a rule" includes addition to, or rescission of, a rule or any part thereof.

DIVISION 2.—*Name.*

Name.

Act No. 1,
1924, ss. 72
and 40.

Act No. 71,
1961, s. 22.

Act No. 18,
1967, s. 34.

27. (1) Except with the consent of the Minister a credit union, or an association, shall not be registered by a name that, in the opinion of the registrar, is undesirable, or is a name, or a name of a kind, that the Minister has directed the registrar not to accept for registration.

(2) The Minister shall cause a direction given by him under subsection one of this section to be published in the Gazette.

(3) A credit union, and an association, shall have the word "Limited" or the abbreviation "Ltd." as part of and at the end of its name and shall include in its name the words "credit union" or, in the case of an association, the words "credit unions" in consecutive form.

(4) If a credit union, or an association, through inadvertence or otherwise is registered by a name by which the credit union or association could not be registered without contravention of this section the credit union or association shall, if the registrar, with the approval of the Minister, so directs, change its name.

(5) Where a credit union, or an association, was, immediately before the commencement of this Act, registered under the Co-operation Acts, the registrar shall not require the credit union or association to change its name except with the approval of the Minister.

(6) Subject to this section, a credit union, or an association, may, by an alteration of its rules in the manner provided by this Act, change its name to a name by which it could be registered under this Act without contravention of this section.

(7)

Credit Union.

(7) Upon registration of an alteration of the rules of a credit union, or an association, pursuant to subsection six of this section the registrar shall register the change of name and either note the change of name on the certificate of incorporation of the credit union or association or, upon surrender to the registrar of the certificate of incorporation of the credit union or association or production of such evidence as to its loss as the registrar may require, issue a new certificate of incorporation in lieu thereof.

(8) A change of name of a credit union, or of an association, shall be published, at the expense of the credit union or association, in the manner prescribed.

(9) A change of name shall not affect any right or obligation of a credit union, or of an association, or of any member or other person or render defective any legal proceedings by or against the credit union or association.

(10) After a credit union, or an association, has changed its name, any legal proceedings that might have been continued or commenced against the credit union or association by its former name may be continued or commenced against it by its new name.

(11) No description of a credit union, or of an association, shall be deemed to be inadequate or incorrect by reason of the use of—

- (a) the abbreviation "Ltd." in lieu of the word "Limited" contained in the name of the credit union or association;
- (b) the symbol "&" in lieu of the word "and" contained in the name of the credit union or association; or
- (c) any of those words in lieu of the corresponding abbreviation or symbol contained in the name of the credit union or association.

(12)

Credit Union.

(12) Subsection one of section sixty-one of the Co-operation Acts shall not, during the period of three years next succeeding the commencement of this Act, apply to or in respect of a credit union, or an association, registered by virtue of section twenty-two of this Act.

Use of words
"credit
union".

Act No. 1,
1924, s. 61.

Act No. 18,
1967, s. 35.

28. (1) Subject to this section, no person or body of persons, whether incorporated or unincorporated, other than a credit union, or an association of credit unions, registered under this Act shall—

- (a) trade or carry on business (which expression shall include establishing or using an office for the receipt of share capital, deposits or loan funds, advertising for share capital, deposits or loan funds, or the making of loans to members residing in New South Wales, whether by servants or agents or otherwise) under any name or title of which the words "credit union", or any other words importing a similar meaning, form part; or
- (b) in any other manner hold out that its trade or business is that of a credit union, or an association of credit unions, registered under this Act.

(2) Any society or company formed or incorporated outside New South Wales that desires to trade or carry on business in New South Wales may apply to the registrar for exemption from the provisions of subsection one of this section, and that subsection and subsection (4A) of section sixty-one of the Co-operation Acts shall not apply to any such society or company in respect of which the registrar has granted exemption, while that exemption subsists.

(3) The registrar may grant any exemption referred to in subsection two of this section for such time and upon such conditions as he thinks fit and may, upon non-compliance with any such conditions, revoke any such exemption, but the
registrar

Credit Union.

registrar shall not grant any such exemption unless he is satisfied that the society or company would be able to trade or carry on business in New South Wales in accordance with the principles contained in this Act for the carrying on of the business of a credit union or, as the case may require, of an association and, if he does grant any such exemption, he shall notify the Registrar of Companies accordingly.

(4) Every person contravening this section and every director or other person having the control and management of any unincorporated body of persons contravening this section shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

29. (1) The name of a credit union, and of an association, shall appear in legible characters on its seal and in legible characters on all business letters, notices, advertisements and other official publications of the credit union or association and on all bills of exchange, cheques, promissory notes, endorsements, orders for money or goods, invoices, receipts and other documents required in the business of the credit union or association.

Publication of name.
Act No. 71,
1961, s. 113.
Act No. 18,
1967, s. 37.

(2) Subject to subsection eleven of section twenty-seven of this Act no credit union or association shall use any name or title other than its registered name.

(3) A credit union, and an association, shall paint or affix and keep painted or affixed on the outside of every office or place in which its business is carried on in a conspicuous position in letters easily legible its name and also, in the case of the registered office, the words "Registered Office".

(4) A credit union, or an association, which contravenes the provisions of this section and any officer in default shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

DIVISION

Credit Union.

 DIVISION 3.—*Office and Service of Documents.*

Office and
service of
documents.
Act No. 1,
1924, s. 72.
Act No. 18,
1967, s. 36.

30. (1) A credit union, and an association, shall have a registered office, and the registered office of the credit union or association shall be situated—

- (a) in the case of a credit union, or of an association, that, immediately before the commencement of this Act, was registered under the Co-operation Acts— at the address of its registered office under those Acts immediately before that commencement; or
- (b) in the case of any other credit union or association —at the address specified in the rules as the address of its first office.

(2) A credit union, and an association shall, not later than fourteen days after a change in the address of its registered office, notify the registrar, in the prescribed manner, of the change of address.

(3) A document may be served on a credit union, or on an association, or on an officer of a credit union or association other than a director, by leaving it at the registered office of the credit union or association with some person apparently in the service of the credit union or association, or by post enclosed in a prepaid registered letter addressed to the credit union or association at its registered office.

A document may be served on a director of a credit union, or of an association, by post enclosed in a prepaid registered letter addressed to the last address of the director as disclosed in returns transmitted to the registrar pursuant to this Act.

Service by post shall be deemed to be effected at the time at which the letter would be delivered in the ordinary course of post.

Exemption
from fees.
Act No. 1,
1924, s. 62.

31. No fee shall be chargeable for the registration of a credit union, or of an association, or of any rules, or of any alteration of rules.

32.

Credit Union.

32. (1) Where the registrar refuses to register a proposed credit union, or a proposed association, or any of its proposed rules, or any proposed alteration of the rules of a credit union or of an association, or directs a change of its name, the registrar shall, if so required by the applicant for registration or, as the case may be, the credit union or association, set forth in writing under his hand within two months of the date of receipt of the requisition, the grounds of his refusal or, in the case of a direction, the grounds upon which the direction was given.

Appeal from registrar.

Act No. 1, 1924, s. 122.

Act No. 18, 1967, s. 38.

(2) The applicant for registration or, as the case may be, the credit union or association may, unless the grounds of the registrar's refusal or direction are that the credit union or association would be, or is, registered by a name, or a name of a kind, that the Minister has directed the registrar not to accept for registration, summon the registrar to appear before a judge of the Supreme Court to substantiate and uphold the grounds of the refusal or direction.

(3) The judge may direct any question of fact to be determined in such manner as he may deem fit, and may make such order, including an order as to costs, as may be proper in the circumstances.

(4) The judges of the Supreme Court or any three of them may make rules of court for the practice and procedure in applications under this section.

DIVISION 4.—*Amalgamation.*

33. (1) Subject to this section, any two or more credit unions may apply to be registered as an amalgamated credit union, and any two or more associations, may apply to be registered as an amalgamated association, with or without any

Amalgamation.

Act No. 1, 1924, ss. 41 and 43.

winding-up Act No. 18, 1967, s. 39.

Credit Union.

winding-up or any division of the funds of the credit unions or associations or any of them, but no such application shall be considered by the registrar unless—

- (a) the amalgamation and the terms thereof have been approved by a special resolution of each of the credit unions, or associations, as the case may be; and
- (b) if the registrar so requires in the case of credit unions, certificates have been furnished by the secretary of each of the credit unions that the amalgamation has been approved in writing by the holders of not less than two-thirds of the whole number of shares in the credit union of which he is the secretary.

(2) An application under subsection one of this section shall be in or to the effect of the form prescribed and shall be accompanied by—

- (a) two copies of the proposed rules of the amalgamated credit union or association; and
- (b) such other particulars as may be prescribed.

(3) If the registrar is satisfied that the credit unions or associations have complied with the provisions of this Act, and of the regulations, in relation to the application, and that the proposed rules of the amalgamated credit union or association are not contrary to this Act or the regulations, and are such as may reasonably be approved by him, the registrar shall upon the surrender to him of the certificates of incorporation of the amalgamating credit unions or associations or production of such evidence as to the loss of any of them as the registrar may require, register the amalgamated credit union or association and its rules, issue a certificate that the credit union or association is incorporated as an amalgamated credit union or association under this Act, and notify the issue of the certificate in the Gazette.

(4)

Credit Union.

(4) Subject to subsection five of this section, the registrar may, not earlier than one year after the registration of an amalgamated credit union or association, remove from the register the names of the credit unions or associations that were parties to the amalgamation.

(5) The power conferred on the registrar by subsection four of this section shall not be exercised until after the registrar has given to the amalgamated credit union or association notice of his intention so to do and where the registrar, on the application of the amalgamated credit union or association made within a time specified in the notice for the purpose, or a subsequent notice to the like effect, so applies, until after the expiration of any further period approved by the registrar.

(6) An amalgamation of credit unions or associations shall not prejudice any right of a creditor of any credit union or association that is a party to the amalgamation.

(7) Upon the issue of the certificate of incorporation of an amalgamated credit union or association being notified in the Gazette, the property of each credit union or association that is a party to the amalgamation shall, as from the date of the notification and by virtue of this Act, without any conveyance, transfer or assignment, except as otherwise provided in this section, vest in the amalgamated credit union or association.

(8) For the purposes of this section the property of credit unions or associations that are parties to an amalgamation shall include all estates and interests in property, whether real or personal, vested or contingent.

(9) In the case of—

(a) any land subject to the provisions of the Real Property Act, 1900; or

(b)

Credit Union.

- (b) any property a transfer of which is required to be registered by any other Act,

the land or property shall not vest under subsection seven of this section until an appropriate transfer is registered.

(10) In the case of any property that is only transferable in books kept by a corporation, company or other body or in any manner directed by or under any Act, the property shall not vest under subsection seven of this section until it is duly transferred.

(11) If any property does not vest under this section until transfer or registration, an amalgamated credit union or association shall have the right to call for a transfer of the property to the amalgamated credit union or association or to such person as the board may direct, and to sue for or recover the property, and in the case of a memorandum of mortgage under the Real Property Act, 1900, may exercise any power conferred on the mortgagee by any Act or by the mortgage, or may discharge the mortgage, as if the amalgamated credit union or association were the registered proprietor thereof.

(12) Any property vested in or transferred to an amalgamated credit union or association by virtue of or in pursuance of this section shall be subject to any debt, liability, or obligation specially charged on or affecting that property.

(13) All debts and liabilities, whether certain or contingent, and whether then existing or capable of arising at a future time, to or with which any credit union or association that is a party to an amalgamation is, at the date of the

certificate

Credit Union.

certificate of incorporation of the amalgamated credit union or association liable or charged, shall by virtue of this Act become and be the debts and liabilities of the amalgamated credit union or association.

34. (1) A credit union desiring to amalgamate with one or more other credit unions, or an association desiring to amalgamate with one or more other associations, shall, unless exempted in writing by the registrar, send to each of its members a statement, the contents of which have been approved by the registrar, concerning—

Supplementary provisions as to amalgamation.
Act No. 18, 1967, s. 41.

- (a) the financial position of the credit union or association sending the statement and that of the other credit union or association or credit unions or associations concerned;
- (b) the interest of the directors of the credit union or association sending the statement in the amalgamation and that of the directors of the other credit union or association or credit unions or associations concerned;
- (c) the compensation or other consideration proposed to be paid to the directors or other officers of the credit union or association sending the statement and of the other credit union or association or credit unions or associations concerned;
- (d) the payments to be made to members of the credit union or association sending the statement and of the other credit union or association or credit unions or associations concerned, in consideration of the amalgamation; and
- (e) such other matters as the registrar may direct.

(2) A statement under subsection one of this section shall be sent so that it will in due course of post reach each member not later than the time at which he would receive notice of the meeting called to pass the special resolution referred to in subsection one of section thirty-three of this Act.

Credit Union.

(3) Where the registrar has required a credit union to furnish the certificate referred to in paragraph (b) of subsection one of section thirty-three of this Act, the credit union may apply to the registrar to confirm an amalgamation notwithstanding that the consents in writing of the holders of two-thirds of the whole number of shares of that credit union or association have not been obtained. Where any such application is made the credit union shall give notice of the application in such manner, at such times and in such newspapers as the registrar may direct.

(4) Where application has been made under subsection three of this section, the registrar may, after hearing the credit union and any other person whom he may consider entitled to be heard, confirm the amalgamation accordingly.

DIVISION 5.—Associations and Unions of Associations.

Associations,
etc.

Act No. 1,
1924, s. 34.

Act No. 18,
1967, s. 47.

35. (1) An association of credit unions may be formed by two or more credit unions, and a union of associations may be formed by two or more associations, in accordance with the provisions of section thirty-seven of this Act.

(2) The objects of an association, and of a union of associations, shall be such of the following as may be authorised by the rules of the association or union of associations :—

- (a) To promote the interests of, and co-operation among, credit unions and associations.
- (b) To formulate, and to promote the adoption and observance by credit unions of, conditions governing the carrying on of their business.
- (c) To render services to, and to act on behalf of, its component members and other credit unions in such ways as may be specified in or authorised by special rules of the association or union of associations.

(d)

Credit Union.

- (d) To advocate and promote such legislation, practices and reforms as may be conducive to any of the objects of the association or union of associations.
- (e) To co-operate with other bodies with similar objects.
- (f) To provide facilities for savings by, and loans to, its employees.
- (g) To establish and operate a stabilisation fund.
- (h) To encourage and assist in the formation of credit unions.
- (i) To do all such other things as may be incidental or conducive to the attainment of all or any of the foregoing objects.
- (j) To do such other things as may be prescribed.

(3) Where the registrar registers a rule adopting paragraph (f) of subsection two of this section he may impose and, having imposed, may vary or revoke, such terms and conditions on the carrying out of that object as he thinks fit, and a contravention of any such term or condition for the time being in force shall be deemed to be a contravention of this Act.

(4) An association, or a union of associations, may—

- (a) raise money on loan for any of its objects,
- (b) receive money on deposit.

36. (1) An association, or a union of associations, may if authorised by its rules and within the limits provided in this section raise money on loan or receive money on deposit at interest to be applied for the purposes of the association or union of associations.

Raising loans and receipt of money on deposit by associations, etc.

Act No. 1, 1924, ss. 65 and 66.

Act No. 18, 1967, s. 20.

(2)

Credit Union.

(2) Where an association, or a union of associations, is authorised by its rules to raise money on loan the association or union of associations may raise money in such manner as the association or union of associations may think fit and in particular by legal or equitable mortgage charged upon all or any part of the property and rights (both present and future) of the association or union of associations, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

(3) No association or union of associations shall raise money on loan in accordance with the provisions of this section so that at any time it owes in respect of loans made to it an aggregate amount exceeding two thousand dollars unless the rules of the association or union of associations specifically authorise the raising on loan of an aggregate amount in excess of two thousand dollars and specify the higher aggregate amount that may be raised on loan by the association or union of associations.

(4) No member or other person lending money to or depositing money with an association, or a union of associations, shall be bound to see to the application thereof or be in any way affected or prejudiced by the fact that the association or union of associations, in borrowing the money or receiving the deposit, has contravened the provisions of this Act or of the rules of the association or union of associations.

(5) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge created by an association or a union of associations, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(6)

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(6) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of an association or a union of associations, to and in respect of a receiver or manager so appointed and to and in respect of an association, or a union of associations, of whose property a receiver or manager has been appointed.

For the purpose of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

37. For the purposes of the formation of an association, or a union of associations—

- (a) there shall be a meeting at which there shall be at least two representatives of each of the credit unions proposing to form the association, or the associations proposing to form the union of associations; Formation of association or union of associations. Act No. 1, 1924, s. 39 (8). Act No. 18, 1967, s. 48.
- (b) at that meeting there shall be—
- (i) read by the chairman a written statement setting forth the objects of the proposed association or union of associations and the reasons for believing that if registered, it will be able to carry out its objects successfully;
 - (ii) presented a copy of the rules of the proposed association or union of associations;
- (c) if at the same or any subsequent or adjourned meeting, two representatives of each of the credit unions proposing to form the association, or associations proposing to form the union of associations, agree to the formation of the association or union of associations and to the adoption of rules to be tendered for registration and sign on behalf of the credit union or association of which they are the representatives an application for membership

Credit Union.

membership and for the minimum number of shares necessary for membership of the association or union of associations, they shall proceed to elect the first directors of the association or union of associations in accordance with the rules so adopted.

Registration
of
association
or union of
associations.

Act No. 1,
1924, s. 39
(8).

Act No. 18,
1967, s. 48.

38. (1) No proposed association or union of associations formed under section thirty-seven of this Act shall be registered under this Act unless, within two months after the election of the first directors referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed association or union of associations, accompanied by—

- (a) a statutory declaration by the chairman and the secretary of the meeting referred to in that section as to compliance with the requirements of that section;
- (b) a copy of the statement read at that meeting signed by the chairman and secretary of the meeting;
- (c) two copies of the rules adopted for registration signed on behalf of each credit union or association agreeing to form the association or union of associations by at least one representative of each of the credit unions or associations that have agreed to their adoption;
- (d) a list containing the full name and the occupation and address of each director and the name of the component credit union or association of which he is a member; and
- (e) a list containing the names of each component credit union or association and the number of shares applied for by it.

(2) The statutory declaration referred to in subsection one of this section may be accepted by the registrar as sufficient compliance with the requirements of section thirty-seven of this Act.

(3)

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- (3) If the registrar is satisfied—
- (a) that the association or union of associations has been formed in accordance with this Act;
 - (b) that the rules as submitted are not contrary to the provisions of this Act or the regulations and are such as may be reasonably approved by him;
 - (c) that there are reasonable grounds for believing that the association or union of associations, if registered, will be able to carry out its objects successfully; and
 - (d) that there is no reasonable cause why the association or union of associations and its rules should not be registered,

the registrar shall register the association or union of associations and its rules and shall issue a certificate that the association or union of associations is incorporated under this Act.

PART IV.

MEMBERS AND FUNDS.

DIVISION 1.—*Members.*

39. (1) The members of a credit union formed under this Act shall be the persons who signed applications for membership on the formation of the credit union and any other persons who are admitted to membership in accordance with its rules. **Members.** Act No. 1, 1924, s. 46. Act No. 18, 1967, s. 49.

(2) The members of a credit union, or of an association, that, immediately before the commencement of this Act, was registered under the Co-operation Acts shall be the persons who, or credit unions or associations that, immediately before that commencement, were members of the credit union or

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or association and any other persons who, or credit unions or associations that, are admitted to membership in accordance with its rules.

(3) The members of an amalgamated credit union shall be the persons who, at the date of amalgamation, were members of the credit unions that are parties to the amalgamation, and any other persons who are admitted to membership in accordance with the rules of the amalgamated credit union.

(4) The members of an association formed under this Act shall be the credit unions or associations by which the association is formed, and any other credit unions or associations that are admitted to membership in accordance with the rules of the association.

(5) The members of an amalgamated association shall be the credit unions or associations that were members of the associations that were parties to the amalgamation, and any other credit unions or associations that are admitted to membership in accordance with the rules of the amalgamated association.

(6) No rights of membership of a credit union, or of an association, shall be exercised unless the member has made such payments to the credit union or association in respect of membership, or has acquired fully paid shares in the credit union or association, of such total nominal value, being in either case not less than two dollars, as may be specified in the rules of the credit union or association.

Corporate
body as
member.
Act No. 1,
1924, s. 46
(7).
Act No. 18,
1967, s. 51.

40. (1) Subject to this section, where a body corporate is a member of a credit union it may appoint a person to represent it in respect of the shares held by it.

(2) Such appointee—

(a) shall be entitled to receive notice of all meetings in like manner as the members and shall be entitled to exercise the same rights to vote as a member; and

(b)

Credit Union.

(b) shall be eligible to be elected to the board of directors if the body corporate holds such qualifications, other than those relating to age, as may be requisite for holding office as a director.

(3) A credit union which is a member of an association may appoint such number of its members, not exceeding three, as may be provided for in the rules of the association to represent it on the association and the provisions of subsection two of this section shall apply to any such appointees.

(4) An association which is a member of a union of associations may appoint such number of persons, not exceeding three, as may be provided for in the rules of the union to represent it on the union and the provisions of subsection two of this section shall apply to any such appointees.

No person shall be appointed under this subsection unless he is a member of a credit union that is a member of the association.

41. (1) Unless otherwise provided by the rules, a person under the age of twenty-one years may be a member of a credit union and may, to the extent required by reason of his membership, execute all instruments and give all necessary acquittances.

Minors as members.
Act No. 1, 1924, ss. 17 and 38.
Act No. 18, 1967, ss. 8 and 50.

(2) A member of a credit union who is under the age of twenty-one years shall not be competent to hold any office in the credit union or to be one of the persons by whom a credit union may be formed and, if he is under the age of eighteen years shall not be entitled to vote.

(3) Where a member of a credit union under the age of twenty-one years borrows money from a credit union and—

(a) is married; or

(b) being unmarried, is of the age of eighteen years or over at the time the loan is approved,

he

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he shall, in respect of his agreement to repay the loan and in respect of any security for repayment of the loan given by him to the credit union, be subject to the same liabilities and obligations as he would have been subject to, and shall have the same rights as he would have had if he had been of the full age of twenty-one years at the time the loan was made.

(4) Any guarantee or surety by any person in respect of a loan referred to in subsection three of this section shall be as binding and effectual as if the person who borrowed the money had been of the full age of twenty-one years when the guarantee or surety was given or entered into.

Cessation of
membership.
Act No. 1,
1924, s. 46
(9).

42. The rules of a credit union, and of an association, shall specify the circumstances, including, in the case of a credit union, those relating to bankruptcy and death, in which membership thereof shall cease.

DIVISION 2.—*Share Capital.*

Share
capital.
Act No. 1,
1924, ss. 47
and 50.
Act No. 18,
1967, ss. 52
and 53.

43. (1) The capital of a credit union, and of an association, shall vary in amount according to the nominal value of shares from time to time allotted.

(2) All shares shall be of one class, all ranking equally and of a fixed amount which shall be specified in the rules of the credit union or association.

(3) The liability of a member to a credit union, or to an association, shall be limited to the amount, if any, unpaid on the shares held by the member, together with any charges payable by the member to the credit union or association as specified by the rules, and any moneys owing by the member to the credit union or association.

(4) A member shall subscribe for such minimum number of shares, having a total nominal value of not less than two dollars, as may be specified by the rules.

(5)

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(5) Any balance unpaid in respect of shares at the time of allotment shall be paid by periodic subscriptions or in such manner as may be specified by the rules.

(6) No member shall, in his own right or through nominees, hold more than one-fifth of the shares or, where the rules specify a proportion less than one-fifth, more than the proportion so specified.

(7) A share may be held by two or more persons jointly, and, where a share is so held—

(a) the joint holder who is named first in the register of shares shall be the “primary joint holder” for the purposes of this subsection;

(b) except where the rules of the credit union or association otherwise provide, but without prejudice to the right under this Act of a member of a credit union or an association to obtain from the credit union or association on demand a copy of the balance sheet, any notice or other document may be given or sent by the credit union or association to the joint holders by being given or sent to the primary joint holder;

(c) for the purpose—

(i) of determining who is qualified to vote on a resolution at a meeting of the credit union or association; and

(ii) of determining the number or proportion of any members required to give effect to any provisions of this Act or the rules of a credit union or an association,

the shares shall be treated as being held by the primary joint holder alone;

(d) the register of members and shares shall indicate whether a person is a joint holder and whether or not he is the primary joint holder; and

(e)

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- (e) the joint holders shall be entitled to choose the order in which they are named in the register of shares, but failing any such choice the credit union or association may enter their names in such order as the board thinks fit.

(8) A share may not be sold or transferred without the consent of the board.

(9) Subject to this section, the board of a credit union, or of an association, may, if authorised by the rules, declare to be forfeited the shares of any member who has not for a period of three years had any dealings with the credit union or association and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

(10) No share of a member of a credit union, or of an association, shall be forfeited under this section where the total amount paid to that credit union or association in respect of any shares held by that member exceeds one hundred dollars.

(11) No credit union or association shall declare the shares of a member to be forfeited unless it has given, in a newspaper circulated in the district in which the registered office of the credit union or association is situated, at least one month's notice of its intention so to do.

(12) Upon forfeiture of any shares under this section there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.

Repayment
of capital.
Act No. 1,
1924, s. 54.

44. (1) Subject to subsection ten of section six of this Act a credit union, or an association, may, with the consent of a member repay the whole or any part of the amount paid up on any share held by the member at any time.

(2)

Credit Union.

(2) No credit union or association shall approve any application for a loan until all applications for withdrawal of the whole or any part of the amount paid up on any share have been satisfied or are, in the opinion of the board, capable of being satisfied within thirty days of the date of the approval to the loan.

(3) Subject to this section, where a member has been expelled from a credit union, or an association, in accordance with the rules of the credit union or association, the credit union or association shall repay to the member the amount paid up on the shares held by him at the date of his expulsion, less any amount owing by the member to the credit union or association at the date of his expulsion under the rules or under any contract or otherwise.

(4) Where the balance sheet of a credit union, or of an association, last issued before the date of expulsion of a member of the credit union or association discloses a loss or deficiency there shall be deducted from the capital to be repaid to the member expelled an amount that bears to the amount of that loss or deficiency the same proportion as the number of shares held by that member bore to the total number of shares held by all members of the credit union or association as at the date of expulsion of that member.

(5) Payment of any amount due to a member pursuant to this section shall be made at such time as may be determined by the board, being a time not later than one year after the date of expulsion of the member.

45. A credit union, and an association, shall cancel any share forfeited to the credit union or association in accordance with the rules or in respect of which the credit union or association has repaid to the member the whole of the amount paid up thereon.

Cancellation
of shares.

Act No. 1,
1924, s. 53.

Act No. 18,
1967, s. 56.

46. Nothing in this Act shall affect the validity of any nomination properly made in accordance with the provisions of section fifty-eight of the Co-operation Acts, or of any action properly taken in accordance with such nomination.

Death of
member.

Act No. 1,
1924, s. 58.

Act No. 18,
1967, s. 59.

47.

Credit Union.

**Small
estates.**

Act No. 1,
1924, s. 59.
Act No. 18,
1967, s. 60.

47. (1) If any member, or any other person, entitled in respect of any share in, loan to or deposit with a credit union, to a sum of money not exceeding four hundred dollars or, where a greater sum is prescribed by the regulations, the sum so prescribed, dies intestate, the board may, upon such evidence as it deems sufficient, pay the money or transfer the shares to any person who appears to the board to be entitled to obtain a grant of letters of administration of the estate of the deceased, and that person shall hold the money or shares on the same trusts as if he had obtained such a grant.

(2) If any member or other person so entitled dies testate, the board may, upon such evidence as it deems sufficient, pay the money or transfer the shares to the person appearing to the board to be entitled thereto under the will of the deceased member or other person.

(3) The provisions of this section shall extend to any surplus, not exceeding four hundred dollars or, where a greater sum is prescribed by the regulations, the sum so prescribed, arising on the sale by a credit union as mortgagee of any property mortgaged by the deceased to the credit union.

(4) The provisions of this section are subject to section one hundred and twenty-two of the Stamp Duties Act, 1920.

(5) Any payment or transfer made by the board in accordance with the provisions of this section shall be valid and effectual against any demand made upon the credit union by any other person.

(6) No payment or transfer pursuant to this section shall be made after evidence has been produced to the credit union that letters of administration of the estate, or probate of the will, of the deceased member or other person have or has been granted.

**Charge and
set off.**

Act No. 1,
1924, s. 57.
Act No. 18,
1967, s. 58.

48. A credit union, and an association, shall have a charge upon the share or interest in the capital, and on the credit balance, of a member or past member and upon any dividend, interest or rebate payable to a member or past member

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member in respect of any debt due from the member or past member to the credit union or association and may set off any amount paid on account of that share or otherwise, or any amount credited or payable to the member or past member, in or towards payment of the debt.

The charge created by this section may be enforced, at any time after seven days' notice to the member or past member, by the appropriation by the credit union or association of the capital or interest subject to the charge. Any share in respect of which capital has been so appropriated shall be cancelled.

DIVISION 3.—*Funds.*

49. (1) Subject to this section and section fifty of this Act, any part of the surplus arising from the operations of a credit union or an association may, if the rules so provide—

Surplus from
operations.
Act No. 1,
1924, s. 48.
Act No. 18,
1967, ss.
61 and 62.

(a) be paid to a member by way of a dividend in respect of fully paid shares held by him; or

(b) be paid to a member by way of rebate based on the business done by him with the credit union or association.

(2) If the rules of a credit union, or of an association, so provide, a dividend or rebate payable under this section, or any part thereof, may be credited in reduction or repayment of any amount owed to the credit union or association by the member entitled to the dividend or rebate.

(3) Nothing in this section shall preclude the payment of a bonus to an employee of a credit union, or of an association, in accordance with the terms of his employment.

(4) The maximum rate of dividend in respect of any share shall not exceed seven per centum per annum or, where some other rate is fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate so fixed.

(5) Notwithstanding any other provision of this section, cumulative dividends may be paid by a credit union, or by an association, if the surplus from which any cumulative dividend

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dividend is paid arose within a period not exceeding five years prior to the declaration of the dividend and if that declaration would not result in any dividend exceeding the rate authorised by subsection four of this section.

(6) If authorised by the rules, a credit union, or an association, may apply part of the surplus arising in any year from the business of the credit union or association to any charitable purpose or for promoting co-operation or credit unions but the part to be so applied shall not, except with the approval of the Advisory Committee, exceed ten per centum of that surplus.

(7) In calculating the surplus for the purposes of this section no regard shall be had to any funds which have been appropriated to any reserve or reserve fund.

Reserves.

Act No. 1,
1924, s. 48.Act No. 18,
1967, s. 64.

50. (1) In this section, in relation to a financial year of a credit union, or of an association—

“prescribed amount” means an amount equal to five per centum or, where some lower proportion is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—

- (a) the amount of the surplus of the credit union or association arising in that financial year; and
- (b) the amount of interest paid, or payable, by the credit union or association in respect of that financial year on deposits held by it;

“prescribed reserve amount” means an amount equal to seven per centum or, where some lower proportion is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—

- (a) the amount of the paid-up share capital of the credit union or association; and
- (b) the amount of the deposits held by it,
at the end of that financial year.

(2)

Credit Union.

(2) Where at the end of its financial year a credit union, or an association, has no reserve, or a reserve amounting to less than the prescribed reserve amount for that financial year, the credit union or association shall thereupon transfer to reserve an amount not less than—

(a) where it has no reserve—

(i) the prescribed amount for that financial year; or

(ii) the amount required to create a reserve of the prescribed reserve amount for that financial year,

whichever is the lesser; or

(b) where it has a reserve amounting to less than the prescribed reserve amount for that financial year—

(i) the prescribed amount for that financial year; or

(ii) the amount required to increase the reserve to the prescribed reserve amount for that financial year,

whichever is the lesser.

(3) Regulations may be made prescribing, for the purposes of the definitions of “prescribed amount” and “prescribed reserve amount” in subsection one of this section, proportions lower than five per centum and seven per centum respectively.

(4) Moneys appropriated to reserve pursuant to this section shall not be distributed among members of the credit union or association except in the event of winding-up.

(5) In arriving at the amount of the surplus referred to in the definition of “prescribed amount” in subsection one of this section the credit union or association shall make proper allowance for depreciation in the value of property and for contingent liability for loss.

Credit Union.

Fines.Act No. 1,
1924, s. 79.

51. A credit union, or an association, may impose a fine not exceeding five dollars on a member for any infringement by the member of its rules, but no fine exceeding one dollar shall be imposed until written notice of intention to impose the fine and of the reason for its imposition has been given to the member and he has had an opportunity of appearing before the board in person with or without witnesses, or of sending to the board a written statement for the purpose of showing cause against the imposition of the fine.

PART V.**MANAGEMENT.****DIVISION 1.—*Directors and Officers.*****Board of
directors.**Act No. 1,
1924, s. 84.Act No. 18,
1967, s. 65.

52. (1) The business and operations of a credit union, and of an association, shall be managed and controlled by a board of directors, and for that purpose the board, except as provided in this section, shall have and may exercise the powers of the credit union or association as if they had been expressly conferred on the board by a general meeting of the credit union or association.

(2) The powers of a board shall be subject to any restrictions imposed thereon by this Act or by the rules of the credit union or association.

(3) Every director acting in the business or operations of a credit union, or of an association, in pursuance of a resolution duly passed by the board, shall be deemed to be the agent of the credit union or association for all the purposes within the objects of the credit union or association.

(4) The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his election, appointment or qualification.

(5)

Credit Union.

(5) A director shall not be held liable to a credit union, or an association, for any loss that the credit union or association may sustain, unless the loss was due to his wilful misconduct or gross negligence or to his failure to comply with any of the provisions of this Act or of the regulations or of the rules of the credit union or association.

(6) Meetings of the board shall be held as often as may be necessary for properly conducting the business and operations of the credit union or association and shall be held at least monthly in the case of a credit union, and quarterly in the case of an association.

(7) A quorum of a meeting of a board shall be as prescribed by the rules of the credit union or association but shall not in any case be less than half the number of directors.

(8) A director shall not vote upon any question in which he, or any body corporate of which he is the appointee, has any direct or indirect pecuniary interest and if he does so vote his vote shall not be counted.

53. (1) Subject to this section no person of or over the age of seventy-two years shall be elected or appointed a director of a credit union, or of an association.

Age limits
for directors.
Act No. 1,
1924, s. 84.

(2) The office of a director of a credit union, and of an association, shall become vacant at the conclusion of the annual general meeting next following the day on which he attains the age of seventy-two years.

Act No. 71,
1961, s. 121.
Act No. 18,
1967, s. 66.

(3) Any act done by a person as a director shall be valid notwithstanding that it is afterwards discovered that his office had become vacant by virtue of subsection two of this section.

(4) Where the office of a director has become vacant by virtue of subsection two of this section no provision in the rules of the credit union or association for the automatic re-election or re-appointment of retiring directors in default of another election or appointment shall apply in relation to that director.

(5)

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(5) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.

(6) Notwithstanding anything in this section, a person of or over the age of seventy-two years may be elected or re-elected as a director of a credit union or association to hold office until the next annual general meeting of the credit union or association or be authorised to continue in office as a director until the next annual general meeting of the credit union or association if—

- (a) the election or re-election is made by not less than two-thirds of the members who lodged valid voting papers pursuant to a postal ballot; or
- (b) at a meeting of the credit union or association a special resolution is passed authorising that director to remain in office until the next annual general meeting.

(7) Nothing in this section shall limit or affect the operation of any provision of the rules of a credit union, or of an association, preventing any person from being elected or appointed as a director or requiring any director to vacate his office at any age less than seventy-two years.

Election of
directors.

Act No. 1,
1924, s. 84.

Act No. 71,
1961, s. 118.

Act No. 18,
1967, s. 67.

54. (1) The number of directors of a credit union, and of an association, shall not be less than five.

(2) The directors shall, subject to this section and sections twenty and thirty-seven of this Act, be elected or appointed, hold office and retire, and may be removed from office, in such manner as may be specified in special rules of the credit union or association and by this Act.

(3) At a meeting of a credit union, or of an association, a motion for the election or appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it,

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it, but, notwithstanding the passing of such a resolution, no such motion shall be made if one of the directors to whom the motion would relate is a director required to be appointed in accordance with subsection six of section fifty-three of this Act.

(4) A resolution passed in pursuance of a motion made in contravention of subsection three of this section shall be void, whether or not its being so moved was objected to at the time, and where such a resolution is so passed no provision for the automatic re-election of retiring directors in default of another election shall apply.

(5) For the purposes of this section, a motion for approving a person's election or for nominating a person for election shall be treated as a motion for his election.

(6) Nothing in this section shall apply to a resolution altering the rules of a credit union, or of an association, or prevent the election of two or more directors by ballot or poll.

(7) The chairman of a board may be elected from among the directors and shall be elected, hold office and retire, and may be removed from office, as specified by the rules of the credit union or association.

55. (1) Except as otherwise provided in this Act, no person shall be qualified to be a director of a credit union, or of an association, unless—

Director's qualification and vacation of office.
Act No. 1, 1924, s. 84.
Act No. 18, 1967, s. 68.

(a) in the case of a credit union—

- (i) he is a member of the credit union; or
- (ii) he is the appointee, under section forty of this Act, of a corporation that is a member of the credit union;

(b) in the case of an association, he is an appointee, under section forty of this Act, of a credit union that is a member of the association; or

(c)

Credit Union.

- (c) in the case of a union of associations, he is an appointee, under section forty of this Act of an association that is a member of the union of associations.

(2) In the absence of a director from a meeting of a board a person appointed by the board in accordance with the rules of the credit union or association to act as deputy for that director may act in the place of that director at that meeting. Such rules may include provisions regulating the term of office of, vacation of office by, or removal from office of, any such deputy, and his remuneration.

(3) The office of a director shall be vacated in such circumstances, if any, as may be prescribed by the rules of the credit union or association, and—

- (a) if he becomes bankrupt or assigns his estate for the benefit of, or compounds with, his creditors;
- (b) if he becomes a mentally ill person, a protected person or an incapable person within the meaning of the Mental Health Act, 1958;
- (c) if he is convicted of any offence and sentenced to any period of imprisonment without the option of a fine;
- (d) if he absents himself from three consecutive ordinary meetings of the board without its leave;
- (e) if he ceases to be qualified as provided by subsection one of this section;
- (f) if he gives one month's notice in writing to the board of his intention to resign office and his resignation is accepted by the board;

(g)

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- (g) if he is removed from office by resolution of a general meeting of the credit union or association;
- (h) if his partner or a person in his employment or his employer acts as solicitor, valuer, auditor or accountant to the credit union or association or if he so acts;
- (i) if within two months after any money becomes due from him to the credit union he does not pay the same; or
- (j) if, being the appointee of a body corporate, his appointor ceases to be a member of the credit union, association or union of associations, as the case may be, or revokes his appointment by writing under its seal addressed to the board.

(4) Any casual vacancy occurring on a board shall be filled as prescribed by the rules of the credit union or association, as the case may be.

56. (1) Subject to this section, a director of a credit union, or of an association, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the credit union or association shall declare the nature of his interest to the board in accordance with this section.

Disclosure
of interest
by directors.
10 & 11
Eliz. 2,
c. 37, s. 73.
Act No. 18,
1967, s. 69.

(2) In the case of a proposed contract, the declaration required by this section to be made by a director shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration or, if the director was not present at that meeting or was not at the date of that meeting interested in the proposed contract,

at

Credit Union.

at the next meeting of the directors at which he is present, or the next such meeting held after he becomes interested in the proposed contract, as the case may be.

(3) Where the director becomes interested in a contract with the credit union or association after it is made, the declaration required by this section shall be made at the first meeting of the directors held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice in writing given by a director to all the other directors to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm is a sufficient declaration for the purposes of this section of the interest of the director by whom it is given in any contract made after that date with that company or firm.

(5) A director need not make a declaration or give a notice under this section by attending in person at a meeting of the directors, if he takes reasonable steps to secure that the declaration or notice is brought up and read at the meeting.

(6) A director who fails to comply with the provisions of subsection one of this section shall be liable to a penalty not exceeding five hundred dollars.

(7) Nothing in this section shall be taken to prejudice the operation of any rule of law restricting directors of a credit union, or of an association, from having any interest in contracts with the credit union or association.

(8) Any declaration made pursuant to this section shall be reported by the directors to members at the annual general meeting.

Credit Union.

57. (1) A director or other officer of a credit union, whether on his own account or in partnership with any other person or body of persons, incorporated or unincorporated, shall not, without the approval of not less than two-thirds of the directors present and voting at a meeting of directors at which a quorum is present—

Certain dealings prohibited.
Act No. 1, 1924, ss. 88 and 88A.
Act No. 18, 1967, s. 70.

- (a) accept as payment in whole or in part of any moneys due to him by a member of the credit union the whole or part of any loan made by the credit union to such member; or
- (b) borrow from the credit union.

(2) Any person who fails to comply with the provisions of this section shall be guilty of an offence and be liable to a penalty not exceeding five hundred dollars.

58. (1) No director of a credit union, or of an association, shall be paid any remuneration for his services as a director other than such fees as may be approved at a general meeting of the credit union or association.

Remuneration of directors.
Act No. 1, 1924, s. 88 (2A).

(2) The total amount payable by way of fees in accordance with subsection one of this section in any one year shall not exceed such amount as may be determined by the Advisory Committee.

Act No. 18, 1967, s. 71.

59. No officer or other person shall be employed by a credit union, or by an association, to have the receipt or charge of any money of the credit union or association unless security as prescribed for rendering a just and true account of all money received and paid by such officer or person for the credit union or association and for payment of all money due from him to the credit union or association has first been obtained.

Fidelity guarantee.
Act No. 1, 1924, s. 88 (3).
Act No. 18, 1967, s. 72.

DIVISION 2.—Meetings and Voting.

60. (1) Every credit union, and every association, shall, within three months after the close of its financial year, or within such further time as may be allowed by the registrar, hold its annual general meeting.

Meetings of credit union or association.
Act No. 1, 1924, s. 85.

(2) Act No. 18, 1967, s. 73.

Credit Union.

(2) Any other meetings of a credit union, or of an association, shall be held or may be called as prescribed by the rules of the credit union or association.

(3) At any meeting of a credit union, or of an association, no item of business shall be transacted unless a quorum of members, as prescribed by the rules of the credit union or association, is present during the time when the meeting is considering that item.

(4) Subject to subsection five of this section, notice of every meeting of a credit union, and of an association, shall be given to all members as at the date of calling the meeting in such manner as shall be provided for in the rules of the credit union or association, but personal or postal service shall be given in respect of the following meetings—

- (a) the annual general meeting of the credit union or association;
- (b) a meeting of the credit union or association called as a result of a requisition of members or by such requisitionists; and
- (c) a meeting called for the purpose of passing a special resolution.

(5) Not less than seven days' notice shall be given of every meeting of a credit union, and of an association.

Minutes.

Act No. 1,
1924, s. 87.
Act No. 18,
1967, s. 74.

61. (1) A credit union, and an association, shall cause minutes of every meeting of the board and of every meeting of the credit union or association, to be kept and confirmed as prescribed.

(2) A credit union, or an association, that fails to comply with the provisions of subsection one of this section and every officer in default shall be guilty of an offence and be liable to a penalty not exceeding two hundred dollars. Default penalty.

62.

Credit Union.

62. (1) Except as is otherwise provided by this Act or the rules of the credit union or association, every question for decision by a meeting of a credit union, and of an association, shall be determined by a majority of those persons entitled to vote as are present in person thereat, and unless a poll is demanded by at least five such persons in the case of a meeting of a credit union, or not less than one-fifth of those persons so entitled and so present in the case of a meeting of an association, the question shall be determined on a show of hands. Notwithstanding any provisions of the rules of the credit union or association to the contrary, no person may vote by proxy.

Voting.
Act No. 1,
1924, s. 86.
Act No. 18,
1967, s. 75.

(2) Except as is otherwise provided by this Act, at a meeting of a credit union each member shall have one vote, and at a meeting of an association each appointee pursuant to section forty of this Act, shall have one vote.

(3) At any meeting of a board, or of a credit union, or of an association, the chairman shall, in the event of an equality in voting, be entitled to exercise a casting vote in addition to any other vote to which he may be entitled.

63. Notwithstanding any other provision of this Act, a member who has borrowed from a credit union, and a representative of a credit union that has borrowed from an association of which it is a member, any money which is still unpaid shall not be entitled to vote upon any question in respect of which his right to vote is excluded by special rules of the credit union or association, and if he votes on any such question his vote shall not be counted.

Voting by
borrowing
members.
Act No. 1,
1924, s. 86.
Act No. 18,
1967, s. 75.

64. (1) For the purposes of this Act a special resolution means a resolution which is passed by a majority of not less than two-thirds of such persons as, being entitled so to do, vote in person at any general meeting of a credit union, or of an association, of which notice specifying the intention to propose the resolution as a special resolution has been duly given in accordance with the provisions of this Act and of the rules of the credit union or association.

Special
resolution.
Act No. 1,
1924, s. 80.
Act No. 18,
1967, s. 77.

(2)

Credit Union.

(2) At any meeting referred to in this section, unless a poll is demanded, a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

(3) A credit union, and an association, shall within the prescribed time and in the prescribed manner apply to the registrar to have a special resolution registered and a special resolution shall not take effect until so registered.

(4) A certificate of registration of any special resolution or of any alteration of the rules of a credit union, or of an association, given by the registrar shall, in favour of any person lending money to the credit union or association on the faith of such a certificate, or in favour of any guarantor of any such loan, be conclusive evidence that the resolution was duly passed or the alteration in the rules was duly made, as the case may be.

DIVISION 3.—Accounts, Audit and Registers.

Financial
year.

Act No. 1,
1924, s. 90.

Act No. 18,
1967, s. 80.

65. (1) Subject to this section, the financial year of a credit union, and of an association, shall end on such day in each year as is provided for by the rules of the credit union or association.

(2) The first financial year of a credit union, and of an association, may extend from the date of registration of the credit union or association to a date not later than eighteen months from that date of registration.

(3) On an alteration of the rules of a credit union, or of an association, altering its financial year, the alteration may provide either that the financial year (not being the first financial year) current at the date of alteration shall be extended for a period not exceeding six months or that the financial year next following the financial year that is so current shall be a period exceeding twelve months but not exceeding eighteen months.

Credit Union.

66. (1) The accounts of a credit union, and of an association, shall be audited annually or, where the rules of the credit union or association so provide, more frequently.

Accounts
and audit.
Act No. 1,
1924, s. 89.
Act No. 18,
1967, s. 81.

(2) The provisions of section twenty-eight of the Public Accountants Registration Act, 1945, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to an auditor of a credit union, and of an association.

For the purposes of that extension—

- (a) the words “first day of January, one thousand nine hundred and forty-six” shall be deemed to have been omitted from that section and the words “commencement of the Credit Union Act, 1969” to have been inserted in lieu thereof; and
- (b) this Act, and any Act amending this Act, shall be deemed to have been prescribed under subparagraph (ii) of paragraph (b) of subsection one of that section.

(3) A body corporate shall not be qualified for appointment, or to act, as auditor of a credit union, or of an association, nor shall any person be qualified to be so appointed, or so to act, if—

- (a) otherwise than as an auditor, he is an officer or servant of the credit union or association; or
- (b) he is the partner of, or in the employment of, or the employer of, a person who is, otherwise than as an auditor, an officer or servant of the credit union or association.

(4) Appointment as the public officer of a credit union, or of an association, for the purposes of any law relating to taxation shall not be a disqualification for appointment as auditor of the credit union or association.

(5) The auditors shall make a report to the members on the accounts examined by them and on the register of members and other records which the credit union or association is required to keep by law or by its rules, and on every balance

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balance sheet and every income and expenditure account laid before the credit union or association in general meeting during their tenure of office, and their report shall state—

- (a) whether they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of their audit;
- (b) whether, in their opinion, proper books of account have been kept by the credit union or association so far as appears from their examination of those books, and proper returns adequate for the purposes of their audit have been received from branches not visited by them;
- (c) whether the balance sheet, appropriation account and income and expenditure account dealt with by the report are in agreement with the books of account and returns;
- (d) whether, in their opinion, and to the best of their information and according to the explanations given to them, the accounts give the information required by or under this Act in the manner so required and give a true and fair view—
 - (i) in the case of the balance sheet, of the state of the affairs of the credit union or association as at the end of its financial year;
 - (ii) in the case of the income and expenditure account, of the surplus or deficit for that financial year;
- (e) whether, in their opinion, the register of members and other records which the credit union or association is required to keep by or under this Act or by its rules have been properly kept; and
- (f) whether the rules relating to the administration of the funds of the credit union or association have been observed.

Credit Union.

(6) Every auditor of a credit union, and of an association, shall have a right of access at all times to the books, accounts, vouchers, securities and documents of the credit union or association, and shall be entitled to require from the directors and other officers of the credit union or association such information and explanations as he thinks necessary for the performance of the duties of the auditors.

(7) The auditors of a credit union, and of an association, shall be entitled to attend any general meeting of the credit union or association and to receive all notices or other communications relating to any general meeting which any member of the credit union or association is entitled to receive and to be heard at any general meeting which they attend on any part of the business of the meeting which concerns them as auditors.

(8) A credit union, and an association, shall—

(a) send to each member, with the notice of the annual general meeting, a copy of the balance sheet, appropriation account and income and expenditure account, duly audited, and a copy of the auditors' report thereon; or

(b) if the rules so provide—

(i) make available for inspection by members at the office of the credit union or association, during a period before the annual general meeting specified by the rules, a copy of the balance sheet, appropriation account and income and expenditure account, duly audited, and a copy of the auditors' report thereon; and

(ii) at the request of a member, supply the member, without charge, with a copy of all documents so made available for inspection,

and where paragraph (a) of this subsection is not complied with shall, with the notice of the annual general meeting, include notice of the obligations of the credit union or association pursuant to paragraph (b) of this subsection.

(9)

Credit Union.

(9) Subject to subsection ten of this section, any provisions, whether contained in the rules of a credit union, or of an association, or in any contract with a credit union or an association, or otherwise, for exempting any auditor from, or indemnifying him against, any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default or breach of duty of which he may be guilty in relation to the credit union or association shall be void.

(10) A credit union, or an association, may, in pursuance of any provision referred to in subsection nine of this section, indemnify any auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under subsection twelve of this section in which relief is granted to him by the court.

(11) If, in any proceedings for negligence, default or breach of duty against an auditor of a credit union, or of an association, it appears to the court hearing the case that that person is or may be liable in respect of the negligence, default or breach of duty but that he has acted honestly and reasonably and that, having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default or breach of duty, that court may relieve him, either wholly or partly, from his liability on such terms as the court thinks fit.

(12) Where any auditor of a credit union, or of an association, has reason to apprehend that any claim will or might be made against him in respect of any negligence, default or breach of duty he may apply to the Supreme Court in its equitable jurisdiction for relief, and that Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a court before which proceedings against that auditor for negligence, default or breach of duty had been brought.

(13) Where any case to which subsection eleven of this section applies is being tried by a judge with a jury, the judge, after hearing the evidence, may, if he is satisfied that the

Credit Union.

the defendant ought in pursuance of that subsection to be relieved either in whole or in part from the liability sought to be enforced against him, withdraw the case in whole or in part from the jury and forthwith direct judgment to be entered for the defendant on such terms as to costs or otherwise as the judge may think proper.

67. (1) A credit union, and an association, shall keep such registers and accounts as may be prescribed.

Registers
and
accounts.

(2) The registers shall include—

- (a) registers of directors, members and shares;
- (b) registers of any loans raised, securities given and deposits received by the credit union or association;
- (c) registers of any loans made, and of any securities taken, by the credit union or association;
- (d) a register of investments made by the credit union or association; and
- (e) except in the case of an association, a register of any nominees to whom any share or interest is to be transferred or the value thereof paid on the death of a member, in accordance with nominations made under the provisions of section fifty-eight of the Co-operation Acts.

Act No. 1,
1924, s. 74.

Act No. 18,
1967, s. 78.

(3) The registers shall be kept in such manner and shall contain such particulars as may be prescribed.

(4) No notice of any express, implied or constructive trust shall be entered in any register, or be received by the registrar.

68. (1) A credit union, and an association, shall keep at its registered office and open at all reasonable hours to inspection by any member without fee—

Inspection.

Act No. 1,
1924, s. 75.

Act No. 18,
1967, s. 79.

- (a) a copy of this Act and the regulations;
- (b) a copy of the rules of the credit union or association;
- (c) a copy of the last balance sheet and income and expenditure account, together with a copy of the report of the auditors thereon;

(d)

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- (d) the prescribed registers of directors, members and shares;
- (e) the prescribed registers of loans raised and securities given by the credit union or association; and
- (f) the prescribed register of investments made by the credit union or association.

(2) No credit union or association shall be obliged to disclose to a member inspecting the register of members under paragraph (d) of subsection one of this section any particulars contained in the register other than the names of the members and their addresses, and the register may be constructed in such a way that it is possible to open the names and addresses to inspection without exposing any other particulars.

*DIVISION 4.—Returns.***Returns.**

Act No. 1,
1924, s. 76.
Act No. 18,
1967, s. 82.

69. (1) A credit union, and an association, shall, within fourteen days after any change in the membership of the board, inform the registrar in writing of the change.

(2) A credit union, and an association, shall, within three months after the close of each of its financial years or within such further time as the registrar may authorise, transmit to the registrar—

- (a) a list of the directors for the year then current;
- (b) the balance sheet of the credit union or association at the close of its financial year then last past and of the accounts of the credit union or association for that financial year;
- (c) a copy of any report by the auditors on the balance sheet and those accounts; and
- (d) a return containing such other particulars as may be prescribed.

(3) A credit union, and an association, shall, if so directed by the registrar, transmit to him within such time and in such manner as may be prescribed a list of the members of the credit union or association, together with such particulars with regard thereto as may be prescribed.

(4)

Credit Union.

(4) Any information or return to be transmitted to the registrar under subsection one, two or three of this section shall be in such form as may be prescribed.

(5) A credit union, and an association, shall, if so directed by the registrar at any time, submit to the registrar a special return in the form and within the time specified by the registrar when giving the direction.

(6) The registrar shall not give a direction under subsection five of this section unless he considers it to be in the interests of the members of, or depositors with, the credit union or association the subject of the direction.

(7) A credit union, and an association, shall, if the regulations so require, transmit to the registrar a return in the form and within the time prescribed by the regulations.

PART VI.

DISPUTES.

70. (1) For the purposes of this section "credit union" and "association" shall include the board or any officer of the credit union or association and "member" shall include—

Disputes.
Act No. 1,
1924, s. 91.
Act No. 18,
1967, s. 85.

- (a) any person aggrieved who has not for more than three months ceased to be a member;
- (b) any person claiming through or under a member, or through or under a person referred to in paragraph (a) of this subsection.

(2) Subject to this section, every dispute between a member, in his capacity as a member, and a credit union, or an association, shall be determined in the manner prescribed by the rules of the credit union or association.

(3) Any party to a dispute referred to in this section may refer the dispute to the registrar, if it has not been referred to arbitration in accordance with the rules of the credit union or association or, in the case of such a dispute that has been so referred to arbitration, if one month has elapsed without an award being made.

(4)

Credit Union.

(4) Where a dispute is referred to the registrar, the registrar or any person deputed by him may hear and determine the dispute, and may order the expenses of the hearing to be paid out of the funds of the credit union or association or by such party to the dispute as he may think fit.

(5) Where the registrar decides not to hear or depute the hearing of a dispute, he shall, within one month of receipt of the reference, notify the parties in writing of his decision and the dispute shall be determined in the manner (other than by reference to the registrar under this section) prescribed by the rules of the credit union or association, but where the only manner prescribed by those rules for the determination of the dispute is by reference to the registrar the dispute shall be determined by arbitration in accordance with the Arbitration Act, 1902, in which case subsections eight, nine, ten and eleven of this section shall not apply.

(6) Where a dispute is referred to the registrar and the registrar decides to hear or depute the hearing of the dispute, the registrar or person deputed by him may administer an oath, and may, by a notice in writing served in the manner provided by section one hundred of this Act, require the attendance of any party or witness and the production of any book or document relating to the matter in question.

(7) The provisions of section nineteen of the Arbitration Act, 1902, and of any general rules or orders made under that Act that relate to the operation of that section, shall apply, *mutatis mutandis*, to and in respect of a dispute as if the registrar or person deputed by him to hear the dispute were an arbitrator and as if the reference of the dispute to the registrar were a reference under that Act.

(8) Any determination or order in accordance with this section, whether made on a reference to the registrar or otherwise, shall be binding and conclusive on all parties without appeal, and shall not be removable into any court or be restrainable by injunction.

(9) The determination or order may on application by any person interested, be enforced by the District Court for the district within which the office of the credit union or association is situated.

(10)

Credit Union.

(10) The District Court may give such relief and make such orders, including an order as to costs, and give such directions in relation to the matter as may be necessary.

(11) Any order made or direction given by a District Court under this section may be enforced by any process or procedure which would be applicable if the order had been made upon the hearing of an action in the District Court, or by such process or procedure as the District Court may direct.

(12) The judges of the District Courts or any four of them may make rules of court for the practice and procedure in applications to a District Court under this section.

(13) Nothing in this section shall extend to any dispute as to the construction or effect of this Act or the regulations, or of any mortgage or other security or of any contract contained in any document other than the rules of the credit union or association.

(14) Any person who fails, without lawful excuse, to comply with a requirement of the registrar, or person deputed by him, pursuant to subsection six of this section shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a term not exceeding six months or to both such penalty and imprisonment.

PART VII.

OFFICIAL MANAGEMENT AND WINDING UP.

71. The provisions of Part IX of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to a credit union or association.

Official
manage-
ment.
Act No. 1,
1924, s. 91A.
Act No. 18,
1967, s. 86.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

Credit Union.

Winding up.
Act No. 1,
1924, s. 92.
Act No. 18,
1967, s. 87.

72. (1) A credit union, or an association, may be wound up voluntarily or by the court or upon a certificate of the registrar.

(2) In the case of a winding up voluntarily, or by the court, a credit union, and an association, may, subject to the provisions of this Part of this Act, be wound up in the same manner and in the same circumstances as those in which a company formed and registered under the Companies Act, 1961, may be so wound up.

(3) In the case of a winding up upon a certificate of the registrar, a credit union, or an association, may be wound up in accordance with this Part of this Act if the registrar certifies—

- (a) that the number of members is reduced to less than twenty-five or, in the case of an association, to less than two;
- (b) that the credit union or association has not commenced business within six months of registration or has suspended business for a period of more than six months;
- (c) that the registration of the credit union or association, whether under the Co-operation Acts or under this Act, has been obtained by mistake or fraud;
- (d) that the credit union or association has, after notice by the registrar of any breach of, or non-compliance with, this Act, the regulations, or the rules of the credit union or association, failed, within the time referred to in the notice, to remedy the breach or has committed any further breach specified in the notice;
- (e) that there are, and have been for a period of one month immediately before the date of the registrar's certificate, insufficient directors of the credit union or association to constitute a quorum as provided by the rules of the credit union or association; or
- (f)

Credit Union.

- (f) following an inquiry pursuant to the provisions of the Act into the affairs of the credit union or association or the working and financial condition of the credit union or association, that in the interests of members or creditors of the credit union or association, the credit union or association should be wound up.

(4) The registrar shall not so certify, unless the event has been proved to his satisfaction, and unless in the case of paragraphs (c), (d), (e) and (f) of subsection three of this section, the Governor consents to the issue of the certificate.

(5) Where the registrar issues a certificate under this section he may appoint a person to be the liquidator of the credit union or association, and the liquidator shall give such security as may be prescribed and shall be entitled to receive such fees as shall be fixed by the Advisory Committee. Any vacancy occurring in the office of a liquidator so appointed shall be filled by a person appointed by the registrar for the purpose.

(6) A winding up upon a certificate of the registrar shall be deemed to commence at the time the certificate is given and the liquidator shall within ten days after his appointment give notice thereof by advertisement in the Gazette.

(7) In the case of any winding up or dissolution of a credit union or association the provisions of Part X of the Companies Act, 1961, with respect to the winding up or dissolution of a company formed and registered under that Act shall, subject to this Part of this Act, apply to the winding up or dissolution of the credit union or association.

(8) In the application of the provisions of Part X of the Companies Act, 1961, to the winding up or dissolution of a credit union, or of an association—

- (a) a reference in any of those provisions to a special resolution or an extraordinary resolution shall be construed as a reference to a special resolution within the meaning of this Act;

(b)

Credit Union.

- (b) a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act;
- (c) paragraph (d) of subsection one of section two hundred and eighteen shall be deemed to be amended by inserting after the words "past member" the words "together with the amount of the contingent liability, if any, attached thereto, and together with any charges payable by him to the credit union or association in accordance with the rules";
- (d) a reference in sections two hundred and twenty-one and two hundred and twenty-two to a proprietary company shall be construed as a reference to an association; and
- (e) a winding up of a credit union, and of an association, upon the certificate of the registrar shall be deemed to be a voluntary winding up and, without prejudice to the generality of this or any other provision of this Part of this Act, the provisions of sections two hundred and seventy, two hundred and seventy-one and two hundred and seventy-two of the Companies Act, 1961, shall apply to and in respect of the winding up of the credit union or association as if it were a members' voluntary winding up within the meaning of that Act.

Liquidator.
 Act No. 1,
 1924, s. 92A.
 Act No. 18,
 1967, s. 88.

73. Where a credit union, or an association, is being wound up voluntarily (otherwise than upon the certificate of the registrar) and a vacancy occurs in the office of liquidator which in the opinion of the registrar is unlikely to be filled in the manner provided by the Companies Act, 1961, the registrar may appoint a person to be liquidator.

Remuneration of liquidator.
 Act No. 1,
 1924, s. 92B.
 Act No. 18,
 1967 s. 88.

74. Notwithstanding anything contained in this Act or in the Companies Act, 1961, the remuneration paid to the liquidator of a credit union, or of an association, wound up voluntarily shall not exceed the amount fixed by the Advisory Committee.

75.

Credit Union.

75. As soon as may be practicable after a credit union or association is dissolved or deemed to be dissolved, the registrar shall register the dissolution, and cancel the registration of the credit union or association.

Cancellation.
Act No. 1,
1924, s. 95.
Act No. 18,
1967, s. 90.

PART VIII.

EVIDENCE AND OFFENCES.

DIVISION 1.—*Evidence.*

76. (1) A certificate of incorporation given by the registrar shall be received in evidence as if it were the original certificate.

Certificates
and docu-
ments.

Act No. 1,
1924, s. 96.

(2) A certificate of registration or other official document relating to a credit union, or to an association, signed by or bearing the seal of the registrar shall be received in evidence without further proof.

Act No. 18,
1967, s. 91.

(3) Judicial notice shall be taken of the signature and of the seal of any person who holds or has held the office of registrar or deputy registrar, and of the signature of a delegate appointed pursuant to subsection nine of section ninety-four of this Act, if the signature or seal purports to be attached to any certificate or other official document.

(4) The provisions of this section shall be deemed to extend to any copy of the rules of a credit union, or of an association, certified by the registrar, deputy registrar or delegate appointed pursuant to subsection nine of section ninety-four of this Act to be a true copy of its registered rules.

77. A printed copy of the rules of a credit union, or of an association, certified by the secretary of the credit union or association to be a true copy of its registered rules shall be received as evidence of the rules.

Evidence of
rules.

Act No. 1,
1924, s. 97.

Act No. 18,
1967, s. 92.

Credit Union.

Registers.

Act No. 1,
1924, s. 98.
Act No. 18,
1967, s. 93.

78. The registers referred to in section sixty-seven of this Act, or prescribed pursuant to that section, shall be evidence of the particulars directed or authorised by or under this Act to be inserted therein.

**Minutes—
Effect as
evidence.**

Act No. 1,
1924, s. 99.
Act No. 18,
1967, s. 94.

79. (1) An entry in the minutes purporting to be a minute of the business transacted at a meeting of a credit union, or of an association, or of a board, and to be signed by the chairman at a subsequent meeting shall be evidence that the business as therein recorded was transacted at the meeting and that the meeting was duly convened and held.

(2) An entry in the minutes of a meeting of a credit union, or of an association, to the effect that a resolution was carried or carried unanimously, or was lost, shall be evidence of the fact without proof of the number or proportion of votes recorded for or against the resolution.

Entries.

Act No. 1,
1924, s. 100.
Act No. 18,
1967, s. 95.

80. A copy of any entry in a book of a credit union, or of an association, regularly kept in the course of business shall, if certified by statutory declaration of the secretary to be a true copy of the entry, be received in evidence in any case where, and to the same extent as, the original entry itself is admissible.

DIVISION 2.—Offences.

**Default by
credit
union or
association.**

Act No. 1,
1924, s. 101.
Act No. 18,
1967, s. 96.

81. (1) If a credit union, or an association, fails—

- (a) to keep any register or account, or to make any entry therein, as required by this Act;
- (b) to have at any office of the credit union or association and open to inspection a copy of this Act and the regulations, or of the rules or of the last balance-sheet or income and expenditure account, together with the report of the auditor, or any register, as required by this Act; or
- (c) to transmit to the registrar any notice or return as required by this Act,

it shall be guilty of an offence.

(2)

Credit Union.

(2) If a credit union, or an association, refuses or wilfully neglects to furnish any information lawfully required by the registrar or by any other person authorised under this Act, it shall be guilty of an offence.

(3) Where a credit union, or an association, is guilty of an offence under this section, every director or officer of the credit union or association shall be guilty of the like offence unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.

(4) If a director of a credit union, or of an association, continues to act as such after his office as a director has been vacated, he shall be guilty of an offence.

(5) If a credit union, an association, a director or an officer is guilty of an offence under this section, it or he shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding ten dollars.

82. (1) If a credit union, or an association, contravenes any restriction imposed by its rules or by this Act on its power to carry on business and, in particular, if it raises money on loan or receives deposits except as authorised by its rules and within the limits provided in this Act, it shall be guilty of an offence.

**Restriction
of power.**
Act No. 1,
1924, s. 102.
Act No. 18,
1967, s. 98.

(2) If a credit union makes a loan to a person who is not a member of the class of persons specified in the rules of the credit union as the class of persons to whom loans may be made, it shall be guilty of an offence.

(3) Where a credit union, or an association, is guilty of an offence under this section, the credit union or association shall be liable to a penalty not exceeding two hundred dollars for every such offence and every director or officer who knowingly or wilfully authorises or permits any such contravention shall be guilty of an offence and liable to a penalty not exceeding one hundred dollars for every such offence.

Credit Union.

Too few
members.
Act No. 1,
1924, s. 103.
Act No. 18,
1967, s. 99.

83. (1) If a credit union, or an association, continues for a period of one month to carry on business after the number of its members is reduced below the number necessary for the formation of a credit union or an association, as the case may be, every person who is a director of the credit union or association during the time that it continues to carry on business after that period shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding fifty dollars, unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.

(2) A person who is guilty of an offence under this section shall further be liable to satisfy all obligations of the credit union or association incurred during such time as it carries on business in contravention of this section and may be sued in respect of that liability without any other member being joined in the action.

Allotment
of shares.
Act No. 1,
1924, s. 106.
Act No. 18,
1967, s. 97.

84. If, before a credit union, or an association, is registered, any person takes any money in consideration of the allotment of any share or interest in, or grant of a loan by, the credit union or association, he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

False copies
of rules.
Act No. 1,
1924, s. 107.
Act No. 18,
1967, s. 100.

85. If a person gives to any member of a credit union, or of an association, or to any person intending or applying to become a member of a credit union, or of an association, a copy of any rules or of any alterations of rules other than those which have been duly registered, representing that they are binding on the members of the credit union or association, or if any person makes any alteration in any copy of the rules of a credit union or association and circulates the copy, representing that the rules therein, as altered, have been duly registered, when they have not been so registered, he shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars.

86.

Credit Union.

86. If any person wilfully makes, orders or allows to be made any entry or erasure in, or any omission from, any balance sheet of a credit union, or of an association, or any return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same, or to evade any of the provisions of this Act, he shall be guilty of a misdemeanour.

Falsification.
Act No. 1,
1924, s. 108.
Act No. 18,
1967, s. 101.

87. (1) If any person, by false representation or imposition obtains possession of any property of a credit union, or of an association or, having any such property in his possession, withholds or misapplies it or wilfully applies any part thereof to purposes other than those specified or authorised in the rules of the credit union or association or by this Act he shall be guilty of an offence, and shall be liable to a penalty not exceeding four hundred dollars.

Fraud or misappropriation.
Act No. 1,
1924, s. 109.
Act No. 18,
1967, s. 102.

(2) A person who is guilty of an offence under subsection one of this section shall, if so ordered by the court, deliver up all such property and repay all money improperly applied and in default of delivery or repayment be liable on summary conviction to imprisonment for any term not exceeding six months.

(3) Nothing in this section shall prevent any person from being proceeded against by way of indictment, if he has not been previously convicted of the same offence under this Act.

88. (1) If any person—

- (a) seeks, claims or receives any commission, fee or reward, whether pecuniary or otherwise, from any person as a consideration or charge for procuring or obtaining, or offering or attempting to procure or obtain, for any person a loan from any credit union or association; or
- (b) advertises or otherwise holds himself out as being able to arrange or obtain finance for any persons through or from any credit union or association,

Certain acts prohibited in relation to loans.
Act No. 1,
1924, s. 109A
Act No. 18,
1967, s. 103.

he

Credit Union.

he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

(2) Any sum received in contravention of this section or section eighty-four of this Act may be recovered by the person who paid it from the person by whom it was received in an action for debt in any court of competent jurisdiction.

Commission. **89.** (1) If any officer of a credit union, or of an association, accepts any commission, fee or reward, whether pecuniary or otherwise, from any person for or in connection with a transaction had or to be had by that person with the credit union or association, he shall be guilty of an offence and shall, upon summary conviction, be liable to imprisonment for any term not exceeding six months or to a penalty not exceeding two hundred dollars.

Act No. 1,
1924, s. 110.
Act No. 18,
1967, s. 104.

(2) An officer who is guilty of any offence under subsection one of this section shall further be liable to pay to the credit union or association double the value or amount of such commission, fee or reward.

Contraven-
tion of
Act. **90.** (1) Any credit union or association which, or person who, fails to comply with any requirements of this Act within the time or in the manner prescribed by this Act for compliance therewith or commits any other contravention thereof, shall, where no penalty is expressly provided, be liable to a penalty not exceeding one hundred dollars.

Act No. 1,
1924, s. 111.
Act No. 18,
1967, s. 105.

(2) Where in, or at the foot of, any section or part of a section of this Act there appears the expression "default penalty" it shall indicate that any person who is convicted of an offence in relation to that section or part shall be guilty of a further offence if the offence continues after he is so convicted and liable to an additional penalty for each day during which the offence so continues of not more than the amount expressed in the section or part as the amount of the default penalty or, if an amount is not so expressed, of not more than twenty dollars.

(3)

Credit Union.

(3) Where any offence is committed by a person by reason of his failure to comply with any provision of this Act by or under which he is required or directed to do anything within a particular period, that offence, for the purposes of subsection two of this section, shall be deemed to continue so long as the thing so required or directed to be done by him remains undone, notwithstanding that such period has elapsed.

(4) For the purposes of any provision of this Act which provides that a director or an officer of a credit union, or an association, who is in default is guilty of an offence or is liable to a penalty or punishment the phrase "director or officer who is in default" or any like phrase means any director or officer of the credit union or association who knowingly and wilfully—

(a) is guilty of the offence; or

(b) authorises or permits the commission of the offence.

91. (1) A penalty or fine imposed by this Act or by any regulation or rule shall, except where otherwise expressly provided by this Act, be recoverable summarily before two justices.

Recovery
of penalty.
Act No. 1,
1924, s. 112.
Act No. 18,
1967, s. 106.

(2) Any such penalty or fine recoverable summarily shall, if imposed by this Act or by any regulation, be recoverable at the suit of the registrar, and if imposed by any rule shall be recoverable at the suit of the credit union or association.

92. If a credit union, or an association, in making or raising any loan or receiving any deposit or allotting any share contravenes any provision of this Act or any rule of the credit union or association, the civil rights and liabilities of the credit union or association or any other person in respect of the recovery of the loan or deposit or the moneys payable in respect of the shares shall not be affected or prejudiced by the contravention, save that the money shall become immediately payable, and the same remedies may be had for the recovery

Civil
remedies.
Act No. 1,
1924, s. 113.
Act No. 18,
1967, s. 118.

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recovery of the loan or deposit or share capital and for the enforcement of any security therefor as if there had not been a contravention of this Act or of the rules of the credit union or association.

Information
and
evidence.

Act No. 1,
1924, s. 116.

Act No. 18,
1967, s. 109.

93. (1) On any application for registration of a credit union, or of an association, or of any rule or document under this Act, the registrar may require from the applicant such information and evidence as may be reasonable in order to show that the application should be granted.

(2) The registrar may require from any credit union or association such information and evidence as may be reasonable in order to show that the credit union or association is bona fide carrying on business in accordance with the provisions of this Act.

(3) The registrar may require from a credit union, or from an association, such evidence as he thinks proper of the doing of any matter required to be done, or of the correctness of any entry in any document required to be transmitted to him, under this Act.

PART IX.

ADMINISTRATION.

DIVISION 1.—*Registrar.*

Registrar.

Act No. 1,
1924, s. 115.

Act No. 18,
1967, s. 107.

94. (1) There shall be a Registrar of Credit Unions and an office of the registrar.

(2) The registrar shall be appointed by the Governor and until such an appointment is made the Registrar of Co-operative Societies shall be the registrar and the office of the Registrar of Co-operative Societies shall be the office of the registrar.

(3)

Credit Union.

(3) All certificates, rules and documents relating to any credit union or association (including any in the custody of the Registrar of Co-operative Societies before its registration under this Act) shall be kept in the office of the registrar.

(4) All certificates, rules and documents required to be registered under this Act or to be transmitted to the registrar for record shall be kept in the office of the registrar.

(5) The registrar shall have such duties, powers and authorities as are prescribed.

(6) The duties, powers and authorities of the registrar may be performed and exercised by a deputy appointed by the Governor and until such an appointment is made the Deputy Registrar of Co-operative Societies shall hold office as Deputy Registrar of Credit Unions.

(7) The deputy registrar shall exercise his office subject to such conditions and restrictions (if any) as the registrar may impose—

- (a) generally;
- (b) in relation to any specified matter or class of matters; or
- (c) in relation to all matters other than any specified matter or class of matters.

(8) No person shall be concerned to see or inquire whether, in the case of any dealing or transaction with the deputy registrar, any condition or restriction has been imposed upon the exercise of the powers of the deputy registrar, or as to his authority; and all acts or things done or omitted by the deputy registrar shall be as valid and effectual and shall have the same consequences as if the acts or things had been done or omitted by the registrar.

(9) With the approval of the Minister first obtained, the registrar may delegate any of his duties, powers and authorities to any other officer employed in his office and that officer while he exercises or discharges such delegated duties, powers and authorities shall have all the powers, rights, discretions,

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discretions, duties and obligations of the registrar (other than this power of delegation) and the Minister or the registrar may at any time revoke any such delegation.

No delegation under this subsection shall prevent the exercise or discharge by the registrar of any of his duties, powers or authorities.

(10) The registrar shall have a seal of office.

DIVISION 2.—General.

Inspection of documents.
 Act No. 1,
 1924, s. 120.
 Act No. 18,
 1967, s. 108.

95. (1) Any person may, except as otherwise provided by this Act, on payment of the prescribed fee—

- (a) inspect at the office of the registrar the registration and rules of a credit union, or of an association;
- (b) obtain from the registrar a certificate of the registration of a credit union, or of an association, and a certified copy of the rules of a credit union, or of an association, or of any part thereof;
- (c) with the permission of the registrar, inspect at his office and obtain from him a certified copy of any other registered document, or of any part thereof.

(2) A copy of or extract from any document registered by the registrar and certified under the seal of the registrar shall in any proceedings be admissible in evidence as of equal validity with the original document.

Power to suspend operations.
 Act No. 18,
 1967, s. 111.

96. (1) If, with respect to any credit union or association, the registrar considers it expedient to do so in the interests of members of or of persons who may become members of or deposit moneys with the credit union or association he may, by notice in writing served on the credit union or association with the approval of the Minister, direct that subsection two of this section shall apply to the credit union or association and that subsection shall thereupon apply accordingly until the expiration of such time as may be specified in the notice or until the notice is withdrawn, whichever is the earlier.

(2)

Credit Union.

(2) Subject to this section, while this subsection applies to a credit union, or an association, the credit union or association shall not—

- (a) make any money available on loan to members;
- (b) accept the deposit of any money;
- (c) borrow any money;
- (d) accept any payment on account of share capital, except calls which fell due before the issue of the notice;
- (e) repay any moneys paid on shares;
- (f) repay any moneys on deposit,

as may be specified in the notice directing the application of this subsection.

(3) The registrar may, with the approval of the Minister and by a further notice, extend the time specified in any notice issued under subsection one of this section.

(4) A credit union, or an association, to which subsection two of this section applies may make representations to the Advisory Committee with respect to the direction and the committee shall report to the Minister. The Minister may direct the registrar to withdraw the direction or to amend the notice directing the application of this subsection.

(5) The registrar may, and shall on the direction of the Minister, withdraw any direction or amend any notice given in accordance with this section.

(6) If a credit union, or an association, contravenes the provisions of subsection two of this section it shall be guilty of an offence and be liable to a penalty not exceeding six hundred dollars; and every officer of the credit union or association who knowingly and wilfully authorises or permits a contravention of subsection two of this section shall be liable on conviction on indictment to a penalty not exceeding six hundred dollars or to a term of imprisonment not exceeding two years or to both or, on summary conviction, to a penalty not exceeding one hundred dollars or to a term of imprisonment not exceeding three months or to both.

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Inspection
by registrar.

Act No. 1,
1924, s. 117.

Act No. 18,
1967, s. 112.

97. (1) The registrar, and any inspector appointed under section ninety-nine of this Act and authorised in writing by the registrar either generally or specially to do so, may inspect any minutes or books or examine the affairs, of a credit union, or of an association, whether or not it is in the course of being wound up and in the case of a credit union, or of an association, that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the credit union or association.

(2) The registrar or any such inspector so authorised may, at his discretion, obtain from any bank in which the funds of a credit union, or of an association, are deposited or invested a statement of the amount of such deposit or investment and any other particulars required by him to be furnished in relation to the affairs of the credit union or association.

Special
meeting and
inquiry.

Act No. 1,
1924, s. 118.

Act No. 18,
1967, s. 113.

98. (1) Subject to compliance with any requirement or direction of the registrar pursuant to this section, the registrar may, and shall on the application of a majority of a board or of not less than one-third of the members of a credit union, or of an association—

- (a) call a special meeting of the credit union or association;
- (b) hold an inquiry into the affairs, including the working and financial condition, of the credit union or association.

(2) An application under this section shall be accompanied by such evidence as the registrar requires for the purpose of showing that the applicants have good reason for requiring the meeting or inquiry and that the application is made without malicious motive.

(3) Notice of an application under this section shall be given to the credit union or association by such persons and in such manner as the registrar directs.

(4) Security for the expenses of a meeting or inquiry pursuant to this section shall be given by such persons and in such manner as the registrar directs.

(5)

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(5) The registrar may direct at what time and place a meeting called under this section is to be held, and what matters are to be discussed and determined at the meeting and shall give such notice to members of the holding of the meeting as he deems fit notwithstanding any provision in the rules of the credit union or association as to the giving of notice.

(6) A meeting called under this section shall have all the powers of a meeting called in accordance with the rules of the credit union or association and shall have power to appoint its own chairman, any rule of the credit union or association to the contrary notwithstanding. The registrar or any person nominated by him may attend and address any such meeting.

(7) If a meeting called under this section fails to appoint a chairman, the registrar or any person nominated by him to attend the meeting may act as chairman of the meeting or may appoint a chairman to conduct the meeting or any adjournment thereof.

(8) If the chairman of a meeting called under this section is not a member of the credit union or association in respect of which it was so called, he may exercise a casting vote but shall not otherwise be entitled to vote.

(9) All expenses of and incidental to a meeting called, or inquiry held, under this section shall be defrayed, in such proportions as the registrar directs, by the applicants, or out of the funds of the credit union or association, or by any officer or member or former officer or member, and may be recovered as a debt in any court of competent jurisdiction.

99. (1) The Governor may appoint inspectors for the purposes of this Act.

Inspectors.
Act No. 1,
1924,
s. 118A.
Act No. 18,
1967, s. 114.

(2) The provisions of the Public Service Act, 1902, shall not apply to the appointment of any such inspector who is not a public servant.

Credit Union.

Powers of
registrar and
inspectors.
Act No. 1,
1924, s. 121.
Act No. 18,
1967, s. 115.

100. (1) The registrar and any inspector appointed under section ninety-nine of this Act may, for the purpose of any inquiry or inspection under this Act—

- (a) administer an oath;
- (b) by notice in writing require the attendance of any person at the time and place specified in the notice and require such person then and there to answer any question put to him by the registrar or such inspector, as the case may be, in relation to the matter of any such inquiry or inspection, and to produce all or any of the books or documents of the credit union or association to which the inquiry relates;
- (c) require any director or other officer of a credit union, or of an association, to furnish to the registrar or inspector, as the case may be, any information relating to the affairs of the credit union or association or the matter of any inquiry into the working and financial condition of the credit union or association and to produce to the registrar or inspector all or any of the books or documents of the credit union or association.

A notice referred to in paragraph (b) of this subsection may be served, where it is addressed—

- (i) to a credit union, or to an association, or to a director or other officer of a credit union or of an association, in the appropriate manner specified in subsection three of section thirty of this Act; or
- (ii) to any other person, by post to the last known address of that person.

(2) Any person, who—

- (a) when required by the registrar or an inspector pursuant to paragraph (b) of subsection one of this section refuses or fails, without lawful excuse, to attend at any time and place specified in a notice served on such person in accordance with the provisions of that subsection or, having so attended,
fails

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fails then and there to answer any question put to him by the registrar or inspector, as the case may be, in relation to the matter of any inquiry or inspection under this Act or to produce any books or documents as required by the notice; or

- (b) being a director or other officer of a credit union, or of an association, refuses or fails, without lawful excuse, to furnish any information required of him pursuant to paragraph (c) of subsection one of this section or to produce any books or documents required to be produced pursuant to that paragraph,

shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a period not exceeding six months or to both such penalty and imprisonment.

DIVISION 3.—Advisory Committee.

101. (1) There shall be a Credit Union Advisory Committee (in this section referred to as the "Committee") consisting of such number of members as may be determined by the Minister, being not less than five and not exceeding nine or, where some other maximum number is prescribed, not exceeding the prescribed maximum number.

**Advisory
Committee.
Act No. 1,
1924,
s. 114c.
Act No. 18,
1967, s. 117.**

(2) One of the members of the Committee shall be the person who for the time being holds the office of registrar and who shall by virtue of such office be the chairman and executive member of the Committee.

(3) Each member of the Committee, other than the registrar and one other member, shall be an officer of a credit union, or of an association.

(4) A deputy or alternate member may be appointed to attend any meeting of the Committee at which a member is unable to be present.

(5) The members (other than the chairman) and deputy or alternate members of the Committee shall be appointed by the Minister and shall hold office for such period as he may deem fit and may be removed from office by him.

(6)

Credit Union.

(6) Meetings of the Committee may be convened by the chairman or by any two members.

(7) Each member and deputy or alternate member of the Committee shall, unless he is an officer of the Public Service or a member of the Legislative Council or the Legislative Assembly of New South Wales, be paid such fees, allowances and expenses as the Governor may approve.

(8) It shall be the duty of the Committee to submit recommendations to the Minister with respect to—

- (a) proposals to promote the formation of credit unions;
- (b) proposals to improve the method of operation of credit unions;
- (c) such other matters as may be referred to it by the Minister or as may be prescribed.

(9) The Committee shall advise the registrar on such matters as may be referred to it by him.

PART X.

MISCELLANEOUS.

Report to
Parliament.
Act No. 1,
1924, s. 123.
Act No. 18,
1967, s. 116.

102. The registrar shall in every year make a report of his proceedings and of the principal matters transacted by him during the preceding year, and the report shall be laid before Parliament.

Regula-
tions.
Act No. 1,
1924, s. 124.
Act No. 18,
1967, s. 119.

103. (1) The Governor may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for giving effect to this Act, and any such regulation may provide for—

- (a) a penalty for any breach thereof, and also distinct penalties in cases of successive breaches thereof, provided that no such penalty shall exceed one hundred dollars;

(b)

Credit Union.

(b) a daily or weekly penalty, not exceeding five dollars a day or twenty-five dollars a week, for any continuing breach thereof.

(2) Without prejudice to the generality of the foregoing provisions of this section, the Governor may make regulations prescribing the fees to be taken in the office of the registrar for any matter or thing to be done therein under this Act.

(3) The Governor may make regulations amending the Schedule to this Act and the Schedule, as so amended, shall be the Schedule to this Act.

(4) The regulations shall be published in the Gazette, and shall take effect from the date of publication or from a later date to be specified in the regulations.

(5) The regulations shall be laid before both Houses of Parliament within fourteen sitting days after publication if Parliament is then in session and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution of which notice has been given at any time within fifteen sitting days after the regulations have been laid before such House disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

(7) The registrar shall notify a credit union, and an association, of the publication of any regulation affecting the credit union or association.

104. (1) No instrument or document executed or registered for transferring any property in pursuance of section thirty-three of this Act shall be liable to stamp duty or to any fee chargeable under any Act for registration.

Exemption from stamp duty.

Act No. 1, 1924, ss. 41 (15) and 62.

(2) No stamp duty shall be chargeable upon the certificate of incorporation of a credit union or an association or upon any share certificate or any instrument or document issued in connection with its capital by a credit union, or by an association.

Act No. 18, 1967, s. 121.

Credit Union.

Amendment of Act No. 1, 1924. **105.** (1) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended, is amended—

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|--|---|
| Long title. | (a) by omitting from the long title the words "credit unions,"; |
| Sec. 2.
(Division into Parts.) | (b) by omitting from section two the words "DIVISION 8.— <i>Credit unions.</i> "; |
| Sec. 5.
(Interpretation.) | (c) by omitting from the definition of "Society" in section five the words ", or credit union,"; |
| Sec. 6.
(Societies.) | (d) by omitting paragraph (g) of subsection one of section six; |
| Pt. II,
Div. 8.
(Credit unions.) | (e) by omitting Division 8 of Part II and the heading thereto; |
| Sec. 34.
(Association.) | (f) (i) by omitting from subsection one of section thirty-four the words "And a credit union may become a component society of an association of building societies."; |
| | (ii) by omitting from subsection three of the same section the words "building societies, and credit unions" and by inserting in lieu thereof the words "and building societies"; |
| Sec. 48.
(Reserve funds of building societies and credit unions.) | (g) by omitting from subsection one of section forty-eight the words "or credit union,"; |
| Sec. 61.
(Use of word co-operative.) | (h) by omitting subsection (4B) of section sixty-one; |
| Sec. 68.
(Investment.) | (i) by omitting from subsection one of section sixty-eight the words "Notwithstanding the foregoing provisions of this subsection, a credit union shall not invest any of its funds by way of deposit in any society other than an association of credit unions of which such credit union is a member."; |
| Sec. 72.
(Name and address.) | (j) (i) by omitting paragraph (b) of subsection one of section seventy-two; |
| | (ii) by omitting subsection (1A) of the same section; |
| | (k) |

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- (k) (i) by omitting from subsection four of section Sec. 82. eighty-two the words “, and of a credit (Rules.) union,”;
- (ii) by omitting from the same subsection the words “or credit union”;
- (l) (i) by omitting from subsection (12B) of section Sec. 84. eighty-four the words “or of a credit union”; (Board of directors.)
- (ii) by omitting from the same subsection the words “or credit union, as the case may be,”;
- (m) (i) by omitting from subsection four of section Sec. 86. eighty-six the words “or a credit union”; (Votes of members.)
- (ii) by omitting from paragraph (c) of subsection nine of the same section the words “or of a credit union”;
- (n) (i) by omitting from subsection one of section Sec. 88. eighty-eight the words “, in the case of a (Officers.) society other than a credit union,”;
- (ii) by omitting from the same subsection the words “or, in the case of a credit union, with the approval of all directors present and voting (such directors not being less in number than the number that constitutes a quorum of the board of directors of the credit union) at any meeting of such directors”;
- (o) by omitting paragraph (bi) of subsection one of section one hundred and two. Sec. 102. (Restrictions on powers.)

(2) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended and as amended by this Act, may be cited as the Co-operation Act, 1923–1969.

106. (1) The Money-lenders and Infants Loans Act, 1941, as subsequently amended, is amended by inserting next after paragraph (b1) of the definition of “Money-lender” in section three the following new paragraph :—

- (b2) a credit union, or an association of credit unions, or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending or replacing that Act.

(2)

Credit Union.

(2) The Money-lenders and Infants Loans Act, 1941, as subsequently amended and as amended by this Act, may be cited as the Money-lenders and Infants Loans Act, 1941-1969.

Amendment
of Act No.
71, 1961.

Sec. 5.
(Interpre-
tation.)

107. (1) The Companies Act, 1961, as subsequently amended, is amended—

- (a) (i) by inserting in the definition of "Corporation" in section five after the word "company" the words "other than a foreign company referred to in paragraph (f) of this definition";
- (ii) by inserting next after paragraph (d) of the same definition the following new paragraphs :—
 - (e) a credit union, or an association of credit unions, or a union of associations of credit unions, registered under the Credit Union Act, 1969, or any Act amending that Act;
 - (f) any foreign company in respect of which an exemption from compliance with—
 - (i) subsection (1) of section sixty-one of the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts;
 - (ii) subsection (1) of section thirty-five of the Permanent Building Societies Act, 1967, as amended by subsequent Acts; or
 - (iii) subsection (1) of section twenty-eight of the Credit Union Act, 1969,

is for the time being in force.

(b)

Credit Union.

- (b) by inserting in subsection fourteen of section three hundred and seventy-four after the word "Acts" the words "or under the Permanent Building Societies Act, 1967, as subsequently amended, or a credit union, an association of credit unions or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending that Act".

Sec. 374.
(Restriction on offering shares, debentures, &c., for subscription or purchase.)

(2) The Companies Act, 1961, as subsequently amended and as amended by this Act, may be cited as the Companies Act, 1961-1969.

SCHEDULE.

Sec. 24.

(a) The name of the credit union or association and the location of its first office.

(b) The objects of the credit union or association.

(c) The manner in which the capital of the credit union or association is to be raised including the minimum and maximum shareholding to be held by members and the denominations of shares.

(d) The powers of the credit union or association, in particular and without affecting the generality of this clause—

(i) the powers to borrow money,

(ii) the powers to raise money on deposit and the manner in which the board may regulate the withdrawal of such deposits,

and any limitation on any of the powers of the credit union or association.

(e) The manner in which investments may be made.

(f) The manner in which the funds of the credit union or association are to be managed and in particular the mode of drawing and signing cheques, drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the credit union or association.

(g) The manner in which any gain or surplus which may result from the transactions of the credit union or association is to be distributed among members.

(h) The mode and conditions of admission to membership and the payment to be made or the share or interest to be acquired before the exercise of the rights of membership.

(i)

Credit Union.

(i) The number of directors, the qualification of directors and the manner of electing, remunerating and removing directors and filling a vacancy.

(j) The powers and duties of the board, the requisite notice of meetings, the quorum for meetings, and the procedure at meetings, of the board.

(k) The intervals between general meetings of the credit union or association, the manner of calling general and special meetings, the requisite notices of meetings and the quorum for meetings of the credit union or association.

(l) The procedure at meetings of the credit union or association, including the rights of members in voting thereat, the manner of voting and the majority necessary for carrying resolutions.

(m) The frequency at which the accounts of the credit union or association are to be audited.

(n) The manner of appointing, remunerating and removing auditors, the powers and duties of auditors and in particular their powers and duties with respect to the inspection of securities belonging to the credit union or association.

(o) The charges, including any charges on admission or for working expenses or otherwise which are to be payable by a member to the credit union or association in respect of his membership therein.

(p) The manner of settling disputes between the credit union or association and any of its members, or any person claiming by or through any member under the rules.

(q) The manner of altering or rescinding the rules and of making additional rules.

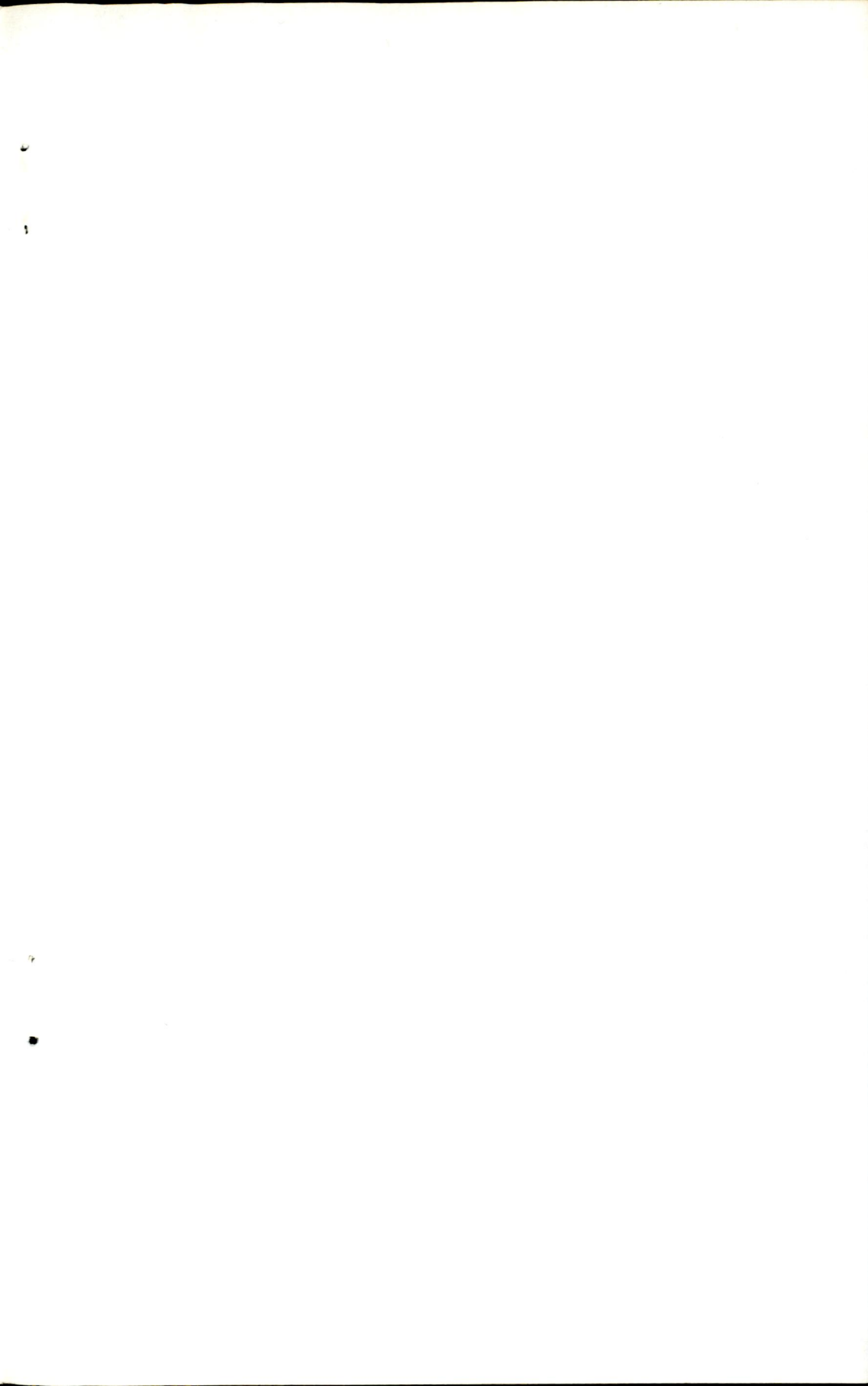
(r) The device, custody and use of the seal of the credit union or association.

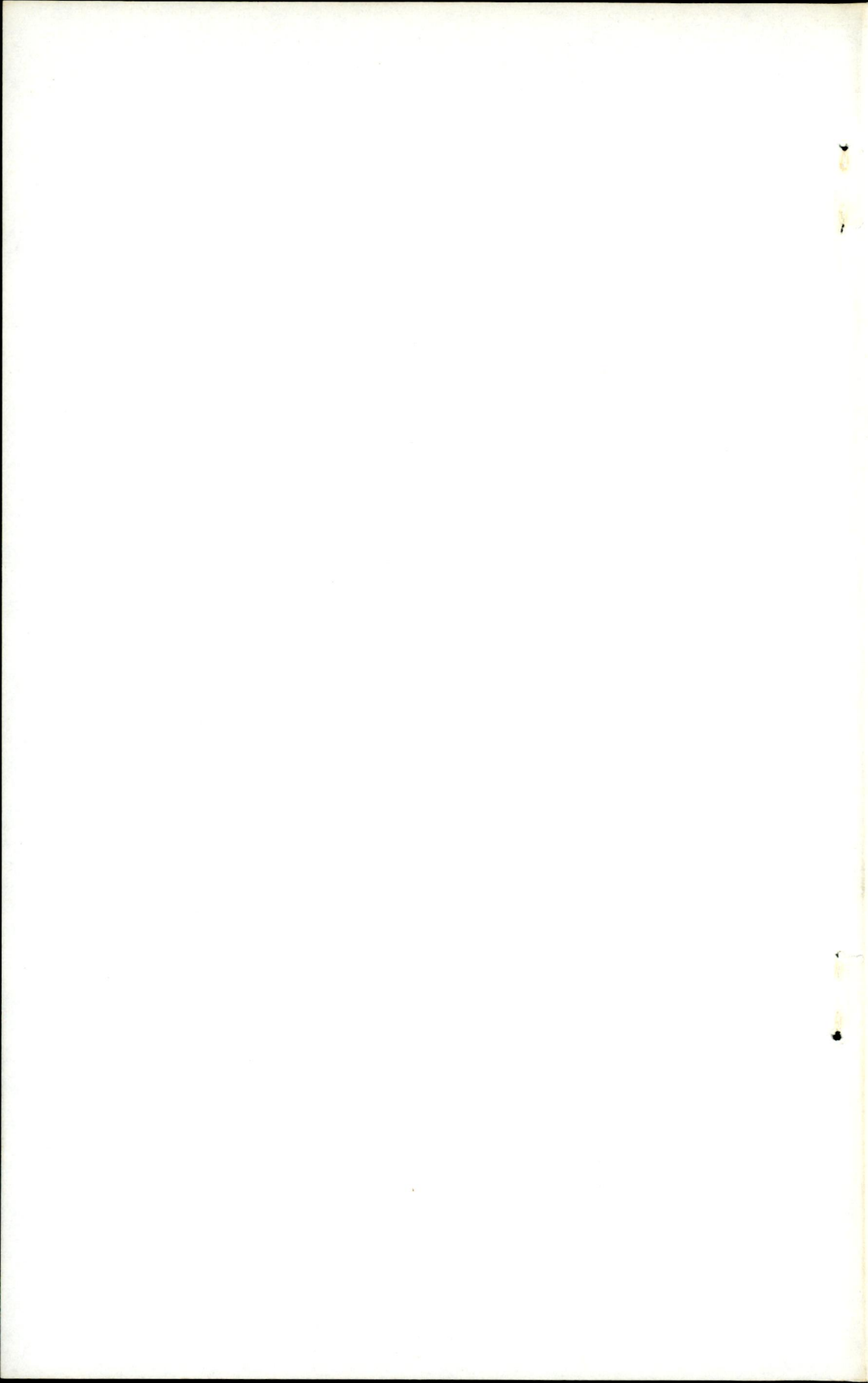
(s) The manner in which the credit union or association may be wound up.

(t) The circumstances under which shares may be withdrawn or repaid and the terms and conditions in relation thereto; the manner in which the value of shares is to be ascertained for repayment.

BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1969





I certify that this PUBLIC BILL, which originated in the LEGISLATIVE ASSEMBLY, has finally passed the LEGISLATIVE COUNCIL and the LEGISLATIVE ASSEMBLY of NEW SOUTH WALES.

I. P. K. VIDLER,
Clerk of the Legislative Assembly.

*Legislative Assembly Chamber,
Sydney, 12 March, 1969.*

New South Wales



ANNO OCTAVO DECIMO

ELIZABETHÆ II REGINÆ

Act No. 8, 1969.

An Act to make provision with respect to the registration, incorporation and administration of credit unions and related bodies and to define their powers, authorities, duties and functions; to amend the Co-operation Acts, the Money-lenders and Infants Loans Act, 1941, the Public Accountants Registration Act, 1945, the Companies Act, 1961, and certain other Acts; and for purposes connected therewith. [Assented to, 20th March, 1969.]

BE

I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.

L. A. PUNCH,
Chairman of Committees of the Legislative Assembly.

Credit Union.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.**PRELIMINARY.**

Short title,
citation and
commence-
ment.

1. (1) This Act may be cited as the "Credit Union Act, 1969".

(2) This Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

Division of
Act.

2. This Act is divided as follows :—

PART I.—PRELIMINARY—ss. 1–3.

PART II.—OBJECTS AND POWERS—ss. 4–19.

PART III.—INCORPORATION—ss. 20–38.

DIVISION 1.—*Incorporation and Rules.*

DIVISION 2.—*Name.*

DIVISION 3.—*Office and Service of Documents.*

DIVISION 4.—*Amalgamation.*

DIVISION 5.—*Associations and Unions of Associations.*

PART IV.—MEMBERS AND FUNDS—ss. 39–51.

DIVISION 1.—*Members.*

DIVISION 2.—*Share Capital.*

DIVISION 3.—*Funds.*

PART V.—MANAGEMENT—ss. 52–69.

DIVISION 1.—*Directors and Officers.*

DIVISION 2.—*Meetings and Voting.*

DIVISION 3.—*Accounts, Audit and Registers.*

DIVISION 4.—*Returns.*

PART

Credit Union.

PART VI.—DISPUTES—s. 70.

PART VII.—OFFICIAL MANAGEMENT AND WINDING UP—ss. 71–75.

PART VIII.—EVIDENCE AND OFFENCES—ss. 76–93.

DIVISION 1.—*Evidence.*

DIVISION 2.—*Offences.*

PART IX.—ADMINISTRATION—ss. 94–101.

DIVISION 1.—*Registrar.*

DIVISION 2.—*General.*

DIVISION 3.—*Advisory Committee.*

PART X.—MISCELLANEOUS—ss. 102–107.

SCHEDULE.

3. (1) In this Act, except to the extent that the context or subject matter otherwise indicates or requires—

Interpretation.

Act No. 1,
1924, s. 5.

“Advisory Committee” means the Credit Union Advisory Committee constituted under this Act;

“association” means association of credit unions registered under this Act and includes a union, so registered, of such associations and an amalgamated association so registered;

“board” means the board of directors of a credit union, or, as the case may require, of an association, and includes a committee of management of a credit union, or, as the case may require, of an association;

“Co-operation Acts” means the Co-operation, Community Settlement, and Credit Act, 1923;

“credit union” means credit union registered under this Act and includes an amalgamated credit union;

“mortgage” includes lien, charge, and any other security over property;

“officer”

Credit Union.

“officer” includes director, secretary, treasurer, official manager, deputy official manager and any other person empowered under the rules of a credit union, or, as the case may require, of an association, or by this or any other Act or the regulations, to give directions in regard to the business of a credit union, or, as the case may require, of an association;

“prescribed” means prescribed by this Act or by regulation;

“registrar” means the Registrar of Credit Unions under this Act;

“regulation” means regulation made under this Act;

“rule” means registered rule of a credit union, or, as the case may require, of an association, for the time being in force;

“share” means share in the share capital of a credit union, or, as the case may require, of an association;

“special rule” means rule the terms of which the registrar has separately and specifically approved before its registration and includes an altered rule, so approved.

(2) In this Act, sections one hundred and five, one hundred and six and one hundred and seven excepted, a reference to an Act includes all amendments of that Act, whether by subsequent Acts or otherwise, and any Act passed in substitution for the Act referred to or incorporating any of its provisions.

PART II.
OBJECTS AND POWERS.

Objects.

Act No. 1,
1924, s. 29.

Act No. 18,
1967, s. 4.

4. The objects of a credit union shall be—

(a) the raising of a fund by subscriptions of its members and in any way authorised by this Act;

(b)

Credit Union.

- (b) making loans from that fund to its members as provided by or under this Act and the rules of the credit union; and
- (c) to encourage habits of thrift among its members.

5. If so authorised by its rules, a credit union may, Powers.
 subject to this Act and as incidental to its objects— Act No. 1,
 1924, s. 30

- (a) raise money on loan for any of its objects;
- (b) receive money on deposit from a member of the credit union;
- (c) make and enter into arrangements, approved by the Advisory Committee, for the provision of loan protection insurance and life savings insurance;
- (d) acquire and hold shares not exceeding in the aggregate a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in—
 - (i) any association of building societies registered under the Co-operation Acts;
 - (ii) any association or federation referred to in section eighteen of this Act.

6. (1) A credit union shall not make a loan to any Loans.
 person except a natural person who is a member of the credit Act No. 1,
 1924, ss.
 31, 31A. union and is one of a class of persons specified by a special rule of the credit union as the class of persons to whom loans may be made.

(2) Classification for the purposes of a special rule referred to in subsection one of this section shall be effected in a manner approved by the registrar and may include classification by reason of residence in a specified district so approved.

(3) Application for a loan from a credit union shall be made in the manner prescribed.

(4) Subject to this section, a board may approve an application for a loan, or approve the application in part, on such terms as it may deem proper, including the giving of security

Credit Union.

security by way of a guarantee, or promissory note or promissory notes, or by way of a mortgage, or otherwise, as it thinks necessary.

(5) Where a board approves a loan to a member of a credit union, the board shall, before any part of the loan is made available to the member—

- (a) obtain from the member an acknowledgment in writing of the amount of the loan and the terms and conditions upon which it was approved;
- (b) where the loan was approved subject to specified security for the repayment thereof being given, obtain that security; and
- (c) otherwise do all such things as may be necessary to be done to ensure that, if default is made in repayment of the loan, the credit union may forthwith institute, and may thereafter prosecute, proceedings for recovery of the debt and may proceed to realise upon or enforce any security given.

(6) Subject to subsection seven of this section, the rules of a credit union shall fix the maximum amount (in this section called the “specified amount”) by which the indebtedness of a member of the credit union may exceed the sum of the amount of the member’s paid-up share capital in, and of his deposits with, the credit union.

The rules may fix different specified amounts where different conditions, specified by the rules in each case, apply in respect thereof.

(7) In this subsection “prescribed security” means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

Subject to subsection eight of this section, the specified amount—

- (a) except as provided by paragraph (b) of this subsection shall not, unless the rules applicable in respect thereof require repayment of the indebtedness of a member

Credit Union.

member to be secured by prescribed security, exceed one thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed;

(b) may, where the rules applicable in respect thereof do not require repayment of the indebtedness of a member to be secured by prescribed security but the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding two thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed;

(c) may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security, be an amount not exceeding two thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed; and

(d) may, where the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding four thousand dollars or, where the regulations prescribe some other amount for the purposes of this paragraph, the amount so prescribed.

(8) Where a rule registered before the first day of August, one thousand nine hundred and sixty-eight, would, but for this subsection, contravene paragraph (a) of subsection seven of this section, that paragraph, and any regulation prescribing for the purposes of that paragraph a specified amount less than that provided for by the rule, shall be read and construed, in relation to that rule, as if the amount prescribed by that paragraph, or by the regulation, were the specified amount provided for by the rule.

(9) A credit union shall not make a loan to a member if the indebtedness of the member to the credit union would thereby exceed the sum of—

(a) the specified amount applicable in the circumstances;

(b)

Credit Union.

- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union.

(10) Where the indebtedness of a member to a credit union at any time exceeds the applicable specified amount, the credit union shall not make a refund of share capital to the member, or permit the withdrawal of any deposit of the member with the credit union, if the sum of—

- (a) that specified amount;
- (b) the amount of the member's paid-up share capital in the credit union; and
- (c) the amount of the member's deposits with the credit union,

would thereby be reduced below the amount of the indebtedness at that time.

This subsection shall not operate to prevent a credit union, with the consent of a member, from applying paid-up share capital or deposits in reduction or repayment of the indebtedness of the member to the credit union.

(11) Where a credit union makes a loan or a refund of share capital, or permits withdrawal of a deposit, in contravention of this section, the credit union and every officer who is in default shall be guilty of an offence against this Act and shall be liable to a penalty not exceeding two hundred dollars, and every officer who is in default shall, in addition, be jointly and severally liable to the credit union for any loss on the loan occasioned to the credit union.

Liquidity.
Act No. 18,
1967, s. 63.

7. (1) In this section—

“liquid funds” means—

- (a) cash at the bank or in hand;
- (b) investments in securities authorised by law for the investment of trust funds (not being securities by way of mortgage over real or leasehold property) that are redeemable within ten years of their acquisition;
- (c)

Credit Union.

- (c) funds on deposit with any prescribed bank;
- (d) funds on deposit with an association of credit unions of which the depositor is a member;
- (e) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967; and
- (f) investments in prescribed securities or securities approved by the registrar under subsection two of section nineteen of this Act,

but does not include any such funds or investments to the extent that they are subject to a lien or charge or, in the case of deposits, to the extent that they may only be withdrawn on more than one month's notice or, where the regulations so provide, to the extent that the amount of any of those funds or investments specified by the regulations exceeds an amount prescribed by, or calculated as prescribed by, the regulations;

“prescribed proportion” means—

- (a) in the case of a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts—
 - (i) two per centum during the year commencing one year after its registration under this Act;
 - (ii) four per centum during the year commencing two years after its registration under this Act; and
 - (iii) seven per centum thereafter; or
- (b)

Credit Union.

- (b) in the case of any other credit union—
- (i) one per centum during the year commencing on the day of its registration under this Act;
 - (ii) two per centum during the year commencing one year after its registration under this Act;
 - (iii) three per centum during the year commencing two years after its registration under this Act;
 - (iv) four per centum during the year commencing three years after its registration under this Act;
 - (v) five per centum during the year commencing four years after its registration under this Act; and
 - (vi) seven per centum thereafter.

(2) For the purpose of calculating the amount of liquid funds held by a credit union, investments referred to in paragraphs (b) and (f) of the definition of "liquid funds" in subsection one of this section shall be assessed at cost or market value, whichever is the lesser.

(3) This subsection shall not, during the period of one year next succeeding the commencement of this Act, apply to or in respect of a credit union that, immediately before that commencement, was registered under the Co-operation Acts.

A credit union shall not, in any month, make a loan of an amount that, if deducted from the amount of its liquid funds as at the last day of the next preceding month, would produce an amount that bears to the sum of—

- (a) the amount of the paid-up share capital of the credit union; and
- (b) the amount held by the credit union on deposit, as at that day, a proportion less than the prescribed proportion for that credit union.

(4)

Credit Union.

(4) Regulations may be made prescribing an amount, or a method of calculating an amount, as the maximum amount of any funds or investments specified in the regulations that may be taken into consideration in calculating the amount of the liquid funds of a credit union.

The regulations may prescribe different amounts or methods in respect of different funds or investments.

8. (1) The whole of the principal and interest, and any other amount that may lawfully be added thereto, in respect of a loan by a credit union to a member shall forthwith become due and payable—

Default.
Act No. 1,
1924, ss. 24,
31A (12).

- (a) if default is made in payment of the loan or of the interest thereon or any part thereof;
- (b) if the member attempts to sell or dispose of, or in any way part with the possession of, any personal property upon which the credit union has a lien or charge, whether the loan is otherwise due or not, without the previous consent in writing of the credit union to the sale, disposal or parting with possession or if the member suffers or permits any such property to be seized or taken in execution;
- (c) if the member absconds or attempts to abscond from the State;
- (d) if the member fails to insure or to keep insured any property to the extent agreed upon with the credit union;
- (e) if the member makes an assignment for the benefit of or compounds with his creditors or becomes bankrupt;
- (f) if default is made in the performance of any undertaking given by the member in the application for the loan or set out in the terms upon which the loan is granted;

(g)

Credit Union.

- (g) if the member has obtained the loan by fraud, or has made an untrue statement in his application for the loan; or
- (h) if the member becomes a mentally ill person, a protected person or an incapable person within the meaning of the Mental Health Act, 1958.

(2) Upon the occurrence of any of the events referred to in subsection one of this section, the credit union by any person authorised by it, with such assistance as may be required, may at any time during the day enter into or upon any land or premises upon which any property subject to a lien or charge in favour of the credit union may be, and may seize, remove and sell any such property, or any part thereof, by public auction or private contract.

(3) A purchaser on a sale pursuant to this section shall not be concerned to inquire whether the sale is authorised by this section, or to see to the application of the purchase money.

(4) The proceeds of a sale pursuant to this section shall be applied in the first place in paying and reimbursing the credit union all such moneys as may be due, owing, and accruing under the terms of the loan, and all costs and expenses that may have been incurred by the credit union in consequence of the default, neglect, or failure of the member to pay those moneys or any of them.

(5) Any surplus that remains after the proceeds of a sale pursuant to this section have been applied in accordance with subsection four of this section shall be payable to the member or other person entitled thereto.

Credit Union.

9. A member of a credit union shall be liable not only for the payment of the amount of any loan to him by the credit union and interest thereon, but also for any charges and costs of collection of that amount and that interest.

Liability of
borrower.
Act No. 1,
1924, ss. 27,
31A (12).

10. A credit union, and an association, shall each be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and shall have power to enter into contracts, to institute and defend actions, suits and legal proceedings, and to do all things necessary for the purpose of its constitution.

Body
corporate.
Act No. 1,
1924, s. 60.
Act No. 18,
1967, s. 15.

11. (1) A credit union, or an association, may acquire by lease, purchase, donation, devise, bequest or otherwise any real or personal property necessary for the carrying out of any of the objects of the credit union or association and may sell or lease any such real or personal property.

Property.
Act No. 1,
1924, s. 64.
Act No. 18,
1967, s. 16.

The acquisition by a credit union, or by an association, of real or personal property primarily or mainly required for business or office accommodation of the credit union or association, or of the credit union or association and other credit unions or associations, shall be a valid exercise of its powers.

(2) Subject to subsection three of this section, a credit union, or an association, may acquire shares in any company registered under the Companies Act, 1961, or any company or body corporate registered or incorporated under any other Act, that has agreed to render special services to that credit union or association in the furtherance of its objects.

(3) Except as provided by sections five and eighteen of this Act, no credit union or association shall, without the prior approval of the Advisory Committee, apply funds in excess of two thousand dollars in the acquisition of shares pursuant to subsection two of this section in any one company or body corporate.

Credit Union.

Raising
loans and
receipt of
money on
deposit.

Act No. 1,
1924, ss. 65
and 66.

Act No. 18,
1967, s. 20.

12. (1) Subject to this section, a credit union may, if authorised by its rules and within the limits provided in this section, raise money on loan or receive money on deposit at interest to be applied to the purposes of the credit union.

(2) The maximum rate which may be paid by way of interest on deposits with a credit union shall not exceed seven per centum per annum or, where some other rate has been fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate so fixed.

(3) Where a credit union is authorised by its rules to raise money on loan the credit union may raise the money in such manner as the board may think fit and in particular by legal or equitable mortgage charged upon all or any part of the property and rights (both present and future) of the credit union, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

(4) Subject to subsection five of this section, a credit union shall not in any month raise a loan of an amount that, if added to the amount owing as at the last day of the next preceding month by the credit union in respect of all loans made to it would produce an amount greater than twenty-five per centum of the sum of—

(a) the amount of the paid-up share capital of the credit union; and

(b) the amount of the deposits held by the credit union,
as at that day.

(5) If the registrar so approves, and subject to such limits, terms and conditions as the registrar may impose when giving his approval, subsection four of this section shall not apply to or in respect of—

(a) a credit union that, immediately before the commencement of this Act was registered under the Co-operation Acts and was first so registered not earlier than four years before that commencement;
or

(b)

Credit Union.

(b) a credit union registered under this Act (section twenty-two excepted),
until the expiration of the period of four years next succeeding the day on which it was first so registered.

(6) A credit union shall not raise money on loan to the extent authorised by subsection four or five of this section if the amount owing by the credit union in respect of all loans made to it would thereby exceed the amount specified by the rules of the credit union as the maximum amount that may be owed by the credit union in respect of loans made to it or, where no such maximum amount is so specified, two thousand dollars.

(7) Subject to subsection eight of this section, where a credit union is authorised by its rules to receive money on deposit, it shall not so receive money unless—

- (a) the deposit is received on terms whereby not less than one month's notice may be required by the board before repayment;
- (b) the depositor is a member of the credit union; and
- (c) the rules of the credit union include special rules specifying the manner in which the board may regulate the withdrawal of deposits.

Nothing in this subsection or the rules of a credit union shall be construed as derogating from the provisions of subsection ten of section six of this Act.

(8) In so far as paragraph (c) of subsection seven of this section would, but for this subsection, affect a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts, subsection seven of this section shall not apply to or in respect of that credit union until the expiration of the period of one year next succeeding the commencement of this Act.

(9) No member or other person lending money to or depositing money with a credit union shall be bound to see to the application thereof or be in any way affected or prejudiced by the fact that the credit union, in borrowing the money or receiving the deposit, has contravened the provisions of this Act, the regulations or the rules of the credit union.

(10)

Credit Union.

(10) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall *mutatis mutandis* and with such modifications, if any, as may be prescribed, extend to any mortgage or charge created by a credit union, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(11) The provisions of Part VIII of the Companies Act, 1961, shall, *mutatis mutandis*, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of the property of a credit union, to and in respect of such a receiver or manager and to and in respect of a credit union of whose property a receiver or manager has been appointed.

For the purpose of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

Disposal of
certain
securities.

Act No. 1,
1924, s. 68
(4).

Act No. 18,
1967, s. 17.

13. Any property to which a credit union, or an association, has become absolutely entitled by foreclosure, surrender or other extinguishment of the right of redemption shall as soon afterwards as may be conveniently practicable be sold or converted into money.

Staff super-
annuation.

Act No. 18,
1967, s. 18.

14. A credit union, and an association, shall each have power to create, operate and maintain or join with any other person or bodies of persons in the creation, operation and maintenance of a fund for the purpose of providing pension and superannuation benefits for officers and employees of the credit union or association and for their dependants.

Contracts.

Act No. 1,
1924, s. 71.
Act No. 18,
1967, s. 19.

15. (1) Contracts on behalf of a credit union, and of an association, may be made, varied or discharged as provided in this section.

(2)

Credit Union.

(2) Any contract which, if made between private persons, would be by law required to be in writing and under seal, may be made on behalf of the credit union or association in writing under the common seal of the credit union or association, and the contract may be in the same manner varied or discharged.

(3) Any contract which, if made between private persons, would be by law required to be in writing and signed by the party to be charged therewith, may be made on behalf of the credit union or association in writing signed by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(4) Any contract which, if made between private persons, would by law be valid, although made by parol only and not reduced into writing, may be made by parol on behalf of the credit union or association by any person acting under the express or implied authority of the credit union or association, and the contract may in the same manner be varied or discharged.

(5) Any contract made according to the provisions of this section shall be effectual in law and shall be binding upon the credit union or association and all other parties thereto.

16. Any receipt or acknowledgment given to a credit union, or to an association, by a person under the age of twenty-one years, in respect of the payment to him of any amount deposited by him with the credit union or association, or of interest thereon, or in respect of any dividend on, or repayment of, capital in the credit union or association shall not be invalid on the ground that he is under that age.

Depositor
under age
of 21 years.
Act No. 18,
1967, s. 22.

Credit Union.

Credit union
or associa-
tion as
collecting
agent.

Act No. 18,
1967, s. 24.

17. (1) A credit union, or an association, may act as a collecting agent on behalf of any company, credit union or association, person or body of persons for the collection and payment to such company, credit union or association, person or body of persons, of any premiums payable by a member in respect of any policy of insurance covering any property held by the credit union or association as security for a loan to the member or in respect of any life, endowment, sickness or accident policy taken out by a member as a result of any terms and conditions imposed upon the granting of a loan or under any arrangement entered into by the member whereby the proceeds of the policy would be payable to the credit union or association in repayment of the whole or part of the member's liability under any mortgage to the credit union or association.

(2) A credit union, or an association, may act as collecting agent for any other credit union or association in respect of any money due to that credit union or association by its members.

Power to
join asso-
ciation.

Act No. 1,
1924, s. 34.

Act No. 18,
1967, s. 25.

18. (1) A credit union, or an association, may join an association or federation of credit unions of whatsoever kind, whether incorporated or unincorporated.

(2) Nothing in subsection one of this section shall authorise a credit union, or an association, to subscribe by any means to the funds of any such association or federation a sum which, together with all sums so subscribed before the commencement of this Act exceeds the amount of funds it is authorised, by section five of the Act, to apply in the acquisition of shares.

Investment
of surplus
funds.

Act No. 1,
1924, s. 68.

Act No. 18,
1967, s. 21.

19. (1) Subject to this section, a credit union, or an association, may invest any of its funds not immediately required for any of its objects, or for purposes incidental thereto, in—

- (a) securities authorised by law for the investment of trust funds not being securities by way of mortgage over real or leasehold property;

(b)

Credit Union.

- (b) deposits with any prescribed bank;
- (c) deposits with an association of credit unions of which the credit union or association is a member;
- (d) shares in, or deposits with, a permanent building society registered under the Permanent Building Societies Act, 1967;
- (e) shares not exceeding a total nominal value of ten thousand dollars or, where some other amount is prescribed, the prescribed amount, in any co-operative insurance society registered under the Co-operation Acts; or
- (f) prescribed securities.

(2) No credit union or association shall, pursuant to paragraph (a) of subsection one of this section, invest in any securities which are not redeemable within ten years of their acquisition by the credit union or association unless the registrar, in a particular case, approves.

(3) Nothing in this section shall affect the validity of any investment made, before the commencement of this Act, by a credit union, or by an association, that, immediately before that commencement, was registered under the Co-operation Acts, but any reinvestment thereof shall be made only in conformity with this section.

PART III.

INCORPORATION.

DIVISION 1.—*Incorporation and Rules.*

20. (1) A proposed credit union may be formed by twenty-five or more adult persons who are by the proposed rules of the credit union qualified to be members.

(2) Formation.
Act No. 1,
1924, s. 39.
Act No. 18,
1967, s. 27.

Credit Union.

(2) No proposed credit union formed after the commencement of this Act shall be registered unless there has been a meeting for the purpose of forming the credit union (in this Part called the "formation meeting") at which there have been present twenty-five or more such persons.

(3) At the meeting there shall be presented—

- (a) a written statement showing the objects of the proposed credit union and the reasons for believing that, if registered, it will be able to carry out its objects successfully; and
- (b) a copy of the rules which it is proposed shall be tendered for registration.

(4) If, at the same or any subsequent or adjourned meeting, after consideration of the statement and rules, twenty-five or more such persons approve the rules with or without amendment and sign applications for membership and shares, they shall proceed to elect the first directors of the proposed credit union in accordance with the rules as so approved.

Following the election of the first directors, the persons who have signed applications for membership and shares may proceed to elect the members of such committees as may be provided for in the rules of the proposed credit union.

(5) The expenses of and incidental to the formation of the proposed credit union may be paid either out of capital or out of income.

Registration. **21.** (1) A proposed credit union formed under section twenty of this Act shall not be registered under this Act unless within two months after the election of the first directors referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed credit union accompanied by—

- (a) a statutory declaration by the chairman and secretary of the formation meeting as to compliance with the requirements of section twenty of this Act;
- (b)

Credit Union.

- (b) a copy of the statement presented to the formation meeting signed by the chairman and secretary of the meeting;
- (c) two copies of the proposed rules signed by the chairman and secretary of the formation meeting and certified by them as being the rules approved in accordance with subsection four of section twenty of this Act;
- (d) a list containing the full name and the occupation and address of each director;
- (e) a list containing the full name and the occupation and address of twenty-five persons who attended the formation meeting and signed applications for membership and shares; and
- (f) such other particulars as may be prescribed.

(2) The statutory declaration mentioned in subsection one of this section may be accepted by the registrar as sufficient evidence of compliance with the requirements of section twenty of this Act.

(3) If the registrar is satisfied—

- (a) that the proposed credit union has complied with the provisions of this Act and the regulations in so far as they are applicable;
- (b) that the rules of the proposed credit union are not contrary to this Act or the regulations and are such as may reasonably be approved by him;
- (c) that there are reasonable grounds for believing that the proposed credit union, if registered, will be able to carry out its objects successfully; and
- (d) that there is no reasonable cause why the proposed credit union and its rules should not be registered,

the registrar shall register the proposed credit union and its rules and shall issue a certificate that the credit union is incorporated under this Act.

Credit Union.

Certain
bodies
deemed
to be
registered.

22. (1) A corporation that, immediately before the commencement of this Act, was registered under the Co-operation Acts as a credit union or an association of credit unions shall, on and from that commencement be deemed, subject to this Act, to be registered under this Act as a credit union or an association of credit unions, as the case may be, and the rules thereof in force immediately before that commencement shall, on and from that commencement, be deemed, subject to this Act, to be the rules thereof registered under this Act.

(2) The identity of a corporation registered under this Act by virtue of subsection one of this section shall not be affected and it shall continue as the same entity.

(3) A reference in any document, or in any other Act, to a credit union or an association of credit unions, or to the Co-operation Acts shall, in so far as it affects a corporation registered under this Act by virtue of subsection one of this section, be deemed to be a reference to a credit union or an association of credit unions, as the case may be, registered under this Act.

(4) Where a corporation registered under this Act by virtue of subsection one of this section so applies, the registrar may, upon surrender of its certificate of incorporation under the Co-operation Acts, issue a substitute certificate of incorporation in or to the effect of the prescribed form.

Certificate
of incor-
poration.

Act No. 1,
1924, s. 45.
Act No. 18,
1967, s. 29

23. (1) A certificate of incorporation under this Act shall be in or to the effect of the prescribed form.

(2) The certificate shall be conclusive evidence that all the requirements of this Act in respect of registration have been complied with, but this subsection shall not affect any provisions of this Act for the winding-up or dissolution of a credit union, or of an association, or the cancellation of its registration.

Credit Union.

24. The rules of a credit union, and of an association, shall, in addition to rules otherwise required by this Act to be included, include rules relating to the matters set forth in the Schedule to this Act.

Rules.
Act No. 1,
1924, s. 82.
Act No. 18,
1967, s. 31.

25. (1) The rules of a credit union, and of an association, shall bind the credit union or association and all members thereof and all persons claiming through them respectively to the same extent as if the rules were incorporated in a deed executed by each member and there were contained in the rules a covenant on the part of each member and, in the case of a member of a credit union, on the part of his legal representatives, to observe all the provisions of the rules, subject to the provisions of this Act.

Rules.
Act No. 1,
1924, ss. 73,
78 (4) and
82 (8).
Act No. 18,
1967, s. 32.

(2) No credit union or association shall impose or levy a charge upon a member in respect of his membership unless the charge is imposed by, and specified in, a special rule.

(3) A credit union, and an association, shall furnish any person with a copy of its rules upon application and payment of an amount not exceeding, where an amount is specified in the rules, the amount so specified or, where there is no amount so specified, an amount of fifty cents or, where some other amount is prescribed, that other amount.

26. (1) No rule of a credit union, or of an association, shall be altered unless the alteration has been approved by a special resolution.

Alteration of
rules.
Act No. 1,
1924, s. 83.
Act No. 18,
1967, s. 33.

(2) A credit union, or an association, that resolves to alter its rules shall, within the prescribed time and in the prescribed manner, apply to the registrar to have the alteration registered.

(3) If the registrar is satisfied that the alteration is not contrary to this Act or to the regulations and is such as may reasonably be approved by him and that there is no reasonable cause why the alteration should not be registered, the registrar shall register the alteration as prescribed and, until the alteration is so registered, it shall not take effect.

(4)

Credit Union.

(4) In this Act the expression "alteration of a rule" includes addition to, or rescission of, a rule or any part thereof.

DIVISION 2.—*Name.*

Name.

Act No. 1,
1924, ss. 72
and 40.Act No. 71,
1961, s. 22.Act No. 18,
1967, s. 34.

27. (1) Except with the consent of the Minister a credit union, or an association, shall not be registered by a name that, in the opinion of the registrar, is undesirable, or is a name, or a name of a kind, that the Minister has directed the registrar not to accept for registration.

(2) The Minister shall cause a direction given by him under subsection one of this section to be published in the Gazette.

(3) A credit union, and an association, shall have the word "Limited" or the abbreviation "Ltd." as part of and at the end of its name and shall include in its name the words "credit union" or, in the case of an association, the words "credit unions" in consecutive form.

(4) If a credit union, or an association, through inadvertence or otherwise is registered by a name by which the credit union or association could not be registered without contravention of this section the credit union or association shall, if the registrar, with the approval of the Minister, so directs, change its name.

(5) Where a credit union, or an association, was, immediately before the commencement of this Act, registered under the Co-operation Acts, the registrar shall not require the credit union or association to change its name except with the approval of the Minister.

(6) Subject to this section, a credit union, or an association, may, by an alteration of its rules in the manner provided by this Act, change its name to a name by which it could be registered under this Act without contravention of this section.

(7)

Credit Union.

(7) Upon registration of an alteration of the rules of a credit union, or an association, pursuant to subsection six of this section the registrar shall register the change of name and either note the change of name on the certificate of incorporation of the credit union or association or, upon surrender to the registrar of the certificate of incorporation of the credit union or association or production of such evidence as to its loss as the registrar may require, issue a new certificate of incorporation in lieu thereof.

(8) A change of name of a credit union, or of an association, shall be published, at the expense of the credit union or association, in the manner prescribed.

(9) A change of name shall not affect any right or obligation of a credit union, or of an association, or of any member or other person or render defective any legal proceedings by or against the credit union or association.

(10) After a credit union, or an association, has changed its name, any legal proceedings that might have been continued or commenced against the credit union or association by its former name may be continued or commenced against it by its new name.

(11) No description of a credit union, or of an association, shall be deemed to be inadequate or incorrect by reason of the use of—

- (a) the abbreviation "Ltd." in lieu of the word "Limited" contained in the name of the credit union or association;
- (b) the symbol "&" in lieu of the word "and" contained in the name of the credit union or association; or
- (c) any of those words in lieu of the corresponding abbreviation or symbol contained in the name of the credit union or association.

(12)

Credit Union.

(12) Subsection one of section sixty-one of the Co-operation Acts shall not, during the period of three years next succeeding the commencement of this Act, apply to or in respect of a credit union, or an association, registered by virtue of section twenty-two of this Act.

Use of words
"credit
union".

Act No. 1,
1924, s. 61.

Act No. 18,
1967, s. 35.

28. (1) Subject to this section, no person or body of persons, whether incorporated or unincorporated, other than a credit union, or an association of credit unions, registered under this Act shall—

- (a) trade or carry on business (which expression shall include establishing or using an office for the receipt of share capital, deposits or loan funds, advertising for share capital, deposits or loan funds, or the making of loans to members residing in New South Wales, whether by servants or agents or otherwise) under any name or title of which the words "credit union", or any other words importing a similar meaning, form part; or
- (b) in any other manner hold out that its trade or business is that of a credit union, or an association of credit unions, registered under this Act.

(2) Any society or company formed or incorporated outside New South Wales that desires to trade or carry on business in New South Wales may apply to the registrar for exemption from the provisions of subsection one of this section, and that subsection and subsection (4A) of section sixty-one of the Co-operation Acts shall not apply to any such society or company in respect of which the registrar has granted exemption, while that exemption subsists.

(3) The registrar may grant any exemption referred to in subsection two of this section for such time and upon such conditions as he thinks fit and may, upon non-compliance with any such conditions, revoke any such exemption, but the registrar

Credit Union.

registrar shall not grant any such exemption unless he is satisfied that the society or company would be able to trade or carry on business in New South Wales in accordance with the principles contained in this Act for the carrying on of the business of a credit union or, as the case may require, of an association and, if he does grant any such exemption, he shall notify the Registrar of Companies accordingly.

(4) Every person contravening this section and every director or other person having the control and management of any unincorporated body of persons contravening this section shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

29. (1) The name of a credit union, and of an association, shall appear in legible characters on its seal and in legible characters on all business letters, notices, advertisements and other official publications of the credit union or association and on all bills of exchange, cheques, promissory notes, endorsements, orders for money or goods, invoices, receipts and other documents required in the business of the credit union or association.

Publication
of name.
Act No. 71,
1961, s. 113.
Act No. 18,
1967, s. 37.

(2) Subject to subsection eleven of section twenty-seven of this Act no credit union or association shall use any name or title other than its registered name.

(3) A credit union, and an association, shall paint or affix and keep painted or affixed on the outside of every office or place in which its business is carried on in a conspicuous position in letters easily legible its name and also, in the case of the registered office, the words "Registered Office".

(4) A credit union, or an association, which contravenes the provisions of this section and any officer in default shall be guilty of an offence and be liable to a penalty not exceeding one hundred dollars. Default penalty.

DIVISION

Credit Union.

DIVISION 3.—Office and Service of Documents.

Office and
service of
documents.
Act No. 1,
1924, s. 72.
Act No. 18,
1967, s. 36.

30. (1) A credit union, and an association, shall have a registered office, and the registered office of the credit union or association shall be situated—

- (a) in the case of a credit union, or of an association, that, immediately before the commencement of this Act, was registered under the Co-operation Acts—
at the address of its registered office under those Acts immediately before that commencement; or
- (b) in the case of any other credit union or association—
at the address specified in the rules as the address of its first office.

(2) A credit union, and an association shall, not later than fourteen days after a change in the address of its registered office, notify the registrar, in the prescribed manner, of the change of address.

(3) A document may be served on a credit union, or on an association, or on an officer of a credit union or association other than a director, by leaving it at the registered office of the credit union or association with some person apparently in the service of the credit union or association, or by post enclosed in a prepaid registered letter addressed to the credit union or association at its registered office.

A document may be served on a director of a credit union, or of an association, by post enclosed in a prepaid registered letter addressed to the last address of the director as disclosed in returns transmitted to the registrar pursuant to this Act.

Service by post shall be deemed to be effected at the time at which the letter would be delivered in the ordinary course of post.

Exemption
from fees.
Act No. 1,
1924, s. 62.

31. No fee shall be chargeable for the registration of a credit union, or of an association, or of any rules, or of any alteration of rules.

32.

Credit Union.

32. (1) Where the registrar refuses to register a proposed credit union, or a proposed association, or any of its proposed rules, or any proposed alteration of the rules of a credit union or of an association, or directs a change of its name, the registrar shall, if so required by the applicant for registration or, as the case may be, the credit union or association, set forth in writing under his hand within two months of the date of receipt of the requisition, the grounds of his refusal or, in the case of a direction, the grounds upon which the direction was given.

Appeal from registrar.
Act No. 1, 1924, s. 122.
Act No. 18, 1967, s. 38.

(2) The applicant for registration or, as the case may be, the credit union or association may, unless the grounds of the registrar's refusal or direction are that the credit union or association would be, or is, registered by a name, or a name of a kind, that the Minister has directed the registrar not to accept for registration, summon the registrar to appear before a judge of the Supreme Court to substantiate and uphold the grounds of the refusal or direction.

(3) The judge may direct any question of fact to be determined in such manner as he may deem fit, and may make such order, including an order as to costs, as may be proper in the circumstances.

(4) The judges of the Supreme Court or any three of them may make rules of court for the practice and procedure in applications under this section.

DIVISION 4.—Amalgamation.

33. (1) Subject to this section, any two or more credit unions may apply to be registered as an amalgamated credit union, and any two or more associations, may apply to be registered as an amalgamated association, with or without any winding-up

Amalgamation.
Act No. 1, 1924, ss. 41 and 43.
Act No. 18, 1967, s. 39.

Credit Union.

winding-up or any division of the funds of the credit unions or associations or any of them, but no such application shall be considered by the registrar unless—

- (a) the amalgamation and the terms thereof have been approved by a special resolution of each of the credit unions, or associations, as the case may be; and
- (b) if the registrar so requires in the case of credit unions, certificates have been furnished by the secretary of each of the credit unions that the amalgamation has been approved in writing by the holders of not less than two-thirds of the whole number of shares in the credit union of which he is the secretary.

(2) An application under subsection one of this section shall be in or to the effect of the form prescribed and shall be accompanied by—

- (a) two copies of the proposed rules of the amalgamated credit union or association; and
- (b) such other particulars as may be prescribed.

(3) If the registrar is satisfied that the credit unions or associations have complied with the provisions of this Act, and of the regulations, in relation to the application, and that the proposed rules of the amalgamated credit union or association are not contrary to this Act or the regulations, and are such as may reasonably be approved by him, the registrar shall upon the surrender to him of the certificates of incorporation of the amalgamating credit unions or associations or production of such evidence as to the loss of any of them as the registrar may require, register the amalgamated credit union or association and its rules, issue a certificate that the credit union or association is incorporated as an amalgamated credit union or association under this Act, and notify the issue of the certificate in the Gazette.

(4)

Credit Union.

(4) Subject to subsection five of this section, the registrar may, not earlier than one year after the registration of an amalgamated credit union or association, remove from the register the names of the credit unions or associations that were parties to the amalgamation.

(5) The power conferred on the registrar by subsection four of this section shall not be exercised until after the registrar has given to the amalgamated credit union or association notice of his intention so to do and where the registrar, on the application of the amalgamated credit union or association made within a time specified in the notice for the purpose, or a subsequent notice to the like effect, so applies, until after the expiration of any further period approved by the registrar.

(6) An amalgamation of credit unions or associations shall not prejudice any right of a creditor of any credit union or association that is a party to the amalgamation.

(7) Upon the issue of the certificate of incorporation of an amalgamated credit union or association being notified in the Gazette, the property of each credit union or association that is a party to the amalgamation shall, as from the date of the notification and by virtue of this Act, without any conveyance, transfer or assignment, except as otherwise provided in this section, vest in the amalgamated credit union or association.

(8) For the purposes of this section the property of credit unions or associations that are parties to an amalgamation shall include all estates and interests in property, whether real or personal, vested or contingent.

(9) In the case of—

(a) any land subject to the provisions of the Real Property Act, 1900; or

(b)

Credit Union.

- (b) any property a transfer of which is required to be registered by any other Act,

the land or property shall not vest under subsection seven of this section until an appropriate transfer is registered.

(10) In the case of any property that is only transferable in books kept by a corporation, company or other body or in any manner directed by or under any Act, the property shall not vest under subsection seven of this section until it is duly transferred.

(11) If any property does not vest under this section until transfer or registration, an amalgamated credit union or association shall have the right to call for a transfer of the property to the amalgamated credit union or association or to such person as the board may direct, and to sue for or recover the property, and in the case of a memorandum of mortgage under the Real Property Act, 1900, may exercise any power conferred on the mortgagee by any Act or by the mortgage, or may discharge the mortgage, as if the amalgamated credit union or association were the registered proprietor thereof.

(12) Any property vested in or transferred to an amalgamated credit union or association by virtue of or in pursuance of this section shall be subject to any debt, liability, or obligation specially charged on or affecting that property.

(13) All debts and liabilities, whether certain or contingent, and whether then existing or capable of arising at a future time, to or with which any credit union or association that is a party to an amalgamation is, at the date of the

certificate

Credit Union.

certificate of incorporation of the amalgamated credit union or association liable or charged, shall by virtue of this Act become and be the debts and liabilities of the amalgamated credit union or association.

34. (1) A credit union desiring to amalgamate with one or more other credit unions, or an association desiring to amalgamate with one or more other associations, shall, unless exempted in writing by the registrar, send to each of its members a statement, the contents of which have been approved by the registrar, concerning—

Supplementary provisions as to amalgamation.
Act No. 18, 1967, s. 41.

- (a) the financial position of the credit union or association sending the statement and that of the other credit union or association or credit unions or associations concerned;
- (b) the interest of the directors of the credit union or association sending the statement in the amalgamation and that of the directors of the other credit union or association or credit unions or associations concerned;
- (c) the compensation or other consideration proposed to be paid to the directors or other officers of the credit union or association sending the statement and of the other credit union or association or credit unions or associations concerned;
- (d) the payments to be made to members of the credit union or association sending the statement and of the other credit union or association or credit unions or associations concerned, in consideration of the amalgamation; and
- (e) such other matters as the registrar may direct.

(2) A statement under subsection one of this section shall be sent so that it will in due course of post reach each member not later than the time at which he would receive notice of the meeting called to pass the special resolution referred to in subsection one of section thirty-three of this Act.

(3)

Credit Union.

(3) Where the registrar has required a credit union to furnish the certificate referred to in paragraph (b) of subsection one of section thirty-three of this Act, the credit union may apply to the registrar to confirm an amalgamation notwithstanding that the consents in writing of the holders of two-thirds of the whole number of shares of that credit union or association have not been obtained. Where any such application is made the credit union shall give notice of the application in such manner, at such times and in such newspapers as the registrar may direct.

(4) Where application has been made under subsection three of this section, the registrar may, after hearing the credit union and any other person whom he may consider entitled to be heard, confirm the amalgamation accordingly.

DIVISION 5.—*Associations and Unions of Associations.*

Associations,
etc.
Act No. 1,
1924, s. 34.
Act No. 18,
1967, s. 47.

35. (1) An association of credit unions may be formed by two or more credit unions, and a union of associations may be formed by two or more associations, in accordance with the provisions of section thirty-seven of this Act.

(2) The objects of an association, and of a union of associations, shall be such of the following as may be authorised by the rules of the association or union of associations :—

- (a) To promote the interests of, and co-operation among, credit unions and associations.
- (b) To formulate, and to promote the adoption and observance by credit unions of, conditions governing the carrying on of their business.
- (c) To render services to, and to act on behalf of, its component members and other credit unions in such ways as may be specified in or authorised by special rules of the association or union of associations.

(d)

Credit Union.

- (d) To advocate and promote such legislation, practices and reforms as may be conducive to any of the objects of the association or union of associations.
- (e) To co-operate with other bodies with similar objects.
- (f) To provide facilities for savings by, and loans to, its employees.
- (g) To establish and operate a stabilisation fund.
- (h) To encourage and assist in the formation of credit unions.
- (i) To do all such other things as may be incidental or conducive to the attainment of all or any of the foregoing objects.
- (j) To do such other things as may be prescribed.

(3) Where the registrar registers a rule adopting paragraph (f) of subsection two of this section he may impose and, having imposed, may vary or revoke, such terms and conditions on the carrying out of that object as he thinks fit, and a contravention of any such term or condition for the time being in force shall be deemed to be a contravention of this Act.

(4) An association, or a union of associations, may—

- (a) raise money on loan for any of its objects,
- (b) receive money on deposit.

36. (1) An association, or a union of associations, may if authorised by its rules and within the limits provided in this section raise money on loan or receive money on deposit at interest to be applied for the purposes of the association or union of associations.

Raising loans and receipt of money on deposit by associations, etc.

Act No. 1, 1924, ss. 65 and 66.

Act No. 18, 1967, s. 20.

(2)

Credit Union.

(2) Where an association, or a union of associations, is authorised by its rules to raise money on loan the association or union of associations may raise money in such manner as the association or union of associations may think fit and in particular by legal or equitable mortgage charged upon all or any part of the property and rights (both present and future) of the association or union of associations, including its uncalled or unpaid capital, subscriptions, loan payments and other moneys.

(3) No association or union of associations shall raise money on loan in accordance with the provisions of this section so that at any time it owes in respect of loans made to it an aggregate amount exceeding two thousand dollars unless the rules of the association or union of associations specifically authorise the raising on loan of an aggregate amount in excess of two thousand dollars and specify the higher aggregate amount that may be raised on loan by the association or union of associations.

(4) No member or other person lending money to or depositing money with an association, or a union of associations, shall be bound to see to the application thereof or be in any way affected or prejudiced by the fact that the association or union of associations, in borrowing the money or receiving the deposit, has contravened the provisions of this Act or of the rules of the association or union of associations.

(5) The provisions of sections seventy and seventy-three and of Division 7 of Part IV of the Companies Act, 1961, shall mutatis mutandis and with such modifications, if any, as may be prescribed, extend to any mortgage or charge created by an association or a union of associations, not being a mortgage, charge or encumbrance of specific lands duly registered under the Real Property Act, 1900, or the Registration of Deeds Act, 1897, or of a specific lease, claim or tenement under and subject to the laws relating to mining.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

(6)

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(6) The provisions of Part VIII of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications, if any, as may be prescribed, extend to and in respect of the appointment of a receiver or manager of an association or a union of associations, to and in respect of a receiver or manager so appointed and to and in respect of an association, or a union of associations, of whose property a receiver or manager has been appointed.

For the purpose of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

37. For the purposes of the formation of an association, or a union of associations—

- (a) there shall be a meeting at which there shall be at least two representatives of each of the credit unions proposing to form the association, or the associations proposing to form the union of associations; Formation of association or union of associations.
Act No. 1, 1924, s. 39 (8).
Act No. 18, 1967, s. 48.
- (b) at that meeting there shall be—
 - (i) read by the chairman a written statement setting forth the objects of the proposed association or union of associations and the reasons for believing that if registered, it will be able to carry out its objects successfully;
 - (ii) presented a copy of the rules of the proposed association or union of associations;
- (c) if at the same or any subsequent or adjourned meeting, two representatives of each of the credit unions proposing to form the association, or associations proposing to form the union of associations, agree to the formation of the association or union of associations and to the adoption of rules to be tendered for registration and sign on behalf of the credit union or association of which they are the representatives an application for membership

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membership and for the minimum number of shares necessary for membership of the association or union of associations, they shall proceed to elect the first directors of the association or union of associations in accordance with the rules so adopted.

Registration
of
association
or union of
associations.

Act No. 1,
1924, s. 39
(8).

Act No. 18,
1967, s. 48.

38. (1) No proposed association or union of associations formed under section thirty-seven of this Act shall be registered under this Act unless, within two months after the election of the first directors referred to in that section, or within such further period as the registrar may allow, application in the prescribed manner is made to the registrar for registration of the proposed association or union of associations, accompanied by—

- (a) a statutory declaration by the chairman and the secretary of the meeting referred to in that section as to compliance with the requirements of that section;
- (b) a copy of the statement read at that meeting signed by the chairman and secretary of the meeting;
- (c) two copies of the rules adopted for registration signed on behalf of each credit union or association agreeing to form the association or union of associations by at least one representative of each of the credit unions or associations that have agreed to their adoption;
- (d) a list containing the full name and the occupation and address of each director and the name of the component credit union or association of which he is a member; and
- (e) a list containing the names of each component credit union or association and the number of shares applied for by it.

(2) The statutory declaration referred to in subsection one of this section may be accepted by the registrar as sufficient compliance with the requirements of section thirty-seven of this Act.

(3)

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- (3) If the registrar is satisfied—
- (a) that the association or union of associations has been formed in accordance with this Act;
 - (b) that the rules as submitted are not contrary to the provisions of this Act or the regulations and are such as may be reasonably approved by him;
 - (c) that there are reasonable grounds for believing that the association or union of associations, if registered, will be able to carry out its objects successfully; and
 - (d) that there is no reasonable cause why the association or union of associations and its rules should not be registered,

the registrar shall register the association or union of associations and its rules and shall issue a certificate that the association or union of associations is incorporated under this Act.

PART IV.

MEMBERS AND FUNDS.

DIVISION 1.—*Members.*

39. (1) The members of a credit union formed under this Act shall be the persons who signed applications for membership on the formation of the credit union and any other persons who are admitted to membership in accordance with its rules. Members.
Act No. 1,
1924, s. 46.
Act No. 18,
1967, s. 49.

(2) The members of a credit union, or of an association, that, immediately before the commencement of this Act, was registered under the Co-operation Acts shall be the persons who, or credit unions or associations that, immediately before that commencement, were members of the credit union

or

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or association and any other persons who, or credit unions or associations that, are admitted to membership in accordance with its rules.

(3) The members of an amalgamated credit union shall be the persons who, at the date of amalgamation, were members of the credit unions that are parties to the amalgamation, and any other persons who are admitted to membership in accordance with the rules of the amalgamated credit union.

(4) The members of an association formed under this Act shall be the credit unions or associations by which the association is formed, and any other credit unions or associations that are admitted to membership in accordance with the rules of the association.

(5) The members of an amalgamated association shall be the credit unions or associations that were members of the associations that were parties to the amalgamation, and any other credit unions or associations that are admitted to membership in accordance with the rules of the amalgamated association.

(6) No rights of membership of a credit union, or of an association, shall be exercised unless the member has made such payments to the credit union or association in respect of membership, or has acquired fully paid shares in the credit union or association, of such total nominal value, being in either case not less than two dollars, as may be specified in the rules of the credit union or association.

Corporate
body as
member.

Act No. 1,
1924, s. 46
(7).

Act No. 18,
1967, s. 51.

40. (1) Subject to this section, where a body corporate is a member of a credit union it may appoint a person to represent it in respect of the shares held by it.

(2) Such appointee—

- (a) shall be entitled to receive notice of all meetings in like manner as the members and shall be entitled to exercise the same rights to vote as a member; and

(b)

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(b) shall be eligible to be elected to the board of directors if the body corporate holds such qualifications, other than those relating to age, as may be requisite for holding office as a director.

(3) A credit union which is a member of an association may appoint such number of its members, not exceeding three, as may be provided for in the rules of the association to represent it on the association and the provisions of subsection two of this section shall apply to any such appointees.

(4) An association which is a member of a union of associations may appoint such number of persons, not exceeding three, as may be provided for in the rules of the union to represent it on the union and the provisions of subsection two of this section shall apply to any such appointees.

No person shall be appointed under this subsection unless he is a member of a credit union that is a member of the association.

41. (1) Unless otherwise provided by the rules, a person under the age of twenty-one years may be a member of a credit union and may, to the extent required by reason of his membership, execute all instruments and give all necessary acquittances.

Minors as members.
Act No. 1,
1924, ss. 17B
and 38.
Act No. 18,
1967, ss. 8
and 50.

(2) A member of a credit union who is under the age of twenty-one years shall not be competent to hold any office in the credit union or to be one of the persons by whom a credit union may be formed and, if he is under the age of eighteen years shall not be entitled to vote.

(3) Where a member of a credit union under the age of twenty-one years borrows money from a credit union and—

(a) is married; or

(b) being unmarried, is of the age of eighteen years or over at the time the loan is approved,

he

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he shall, in respect of his agreement to repay the loan and in respect of any security for repayment of the loan given by him to the credit union, be subject to the same liabilities and obligations as he would have been subject to, and shall have the same rights as he would have had if he had been of the full age of twenty-one years at the time the loan was made.

(4) Any guarantee or surety by any person in respect of a loan referred to in subsection three of this section shall be as binding and effectual as if the person who borrowed the money had been of the full age of twenty-one years when the guarantee or surety was given or entered into.

Cessation of
membership.
Act No. 1,
1924, s. 46
(9).

42. The rules of a credit union, and of an association, shall specify the circumstances, including, in the case of a credit union, those relating to bankruptcy and death, in which membership thereof shall cease.

DIVISION 2.—Share Capital.

Share
capital.
Act No. 1,
1924, ss. 47
and 50.
Act No. 18,
1967, ss. 52
and 53.

43. (1) The capital of a credit union, and of an association, shall vary in amount according to the nominal value of shares from time to time allotted.

(2) All shares shall be of one class, all ranking equally and of a fixed amount which shall be specified in the rules of the credit union or association.

(3) The liability of a member to a credit union, or to an association, shall be limited to the amount, if any, unpaid on the shares held by the member, together with any charges payable by the member to the credit union or association as specified by the rules, and any moneys owing by the member to the credit union or association.

(4) A member shall subscribe for such minimum number of shares, having a total nominal value of not less than two dollars, as may be specified by the rules.

(5)

Credit Union.

(5) Any balance unpaid in respect of shares at the time of allotment shall be paid by periodic subscriptions or in such manner as may be specified by the rules.

(6) No member shall, in his own right or through nominees, hold more than one-fifth of the shares or, where the rules specify a proportion less than one-fifth, more than the proportion so specified.

(7) A share may be held by two or more persons jointly, and, where a share is so held—

(a) the joint holder who is named first in the register of shares shall be the “primary joint holder” for the purposes of this subsection;

(b) except where the rules of the credit union or association otherwise provide, but without prejudice to the right under this Act of a member of a credit union or an association to obtain from the credit union or association on demand a copy of the balance sheet, any notice or other document may be given or sent by the credit union or association to the joint holders by being given or sent to the primary joint holder;

(c) for the purpose—

(i) of determining who is qualified to vote on a resolution at a meeting of the credit union or association; and

(ii) of determining the number or proportion of any members required to give effect to any provisions of this Act or the rules of a credit union or an association,

the shares shall be treated as being held by the primary joint holder alone;

(d) the register of members and shares shall indicate whether a person is a joint holder and whether or not he is the primary joint holder; and

(e)

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(e) the joint holders shall be entitled to choose the order in which they are named in the register of shares, but failing any such choice the credit union or association may enter their names in such order as the board thinks fit.

(8) A share may not be sold or transferred without the consent of the board.

(9) Subject to this section, the board of a credit union, or of an association, may, if authorised by the rules, declare to be forfeited the shares of any member who has not for a period of three years had any dealings with the credit union or association and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

(10) No share of a member of a credit union, or of an association, shall be forfeited under this section where the total amount paid to that credit union or association in respect of any shares held by that member exceeds one hundred dollars.

(11) No credit union or association shall declare the shares of a member to be forfeited unless it has given, in a newspaper circulated in the district in which the registered office of the credit union or association is situated, at least one month's notice of its intention so to do.

(12) Upon forfeiture of any shares under this section there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.

Repayment
of capital.
Act No. 1,
1924, s. 54.

44. (1) Subject to subsection ten of section six of this Act a credit union, or an association, may, with the consent of a member repay the whole or any part of the amount paid up on any share held by the member at any time.

(2)

Credit Union.

(2) No credit union or association shall approve any application for a loan until all applications for withdrawal of the whole or any part of the amount paid up on any share have been satisfied or are, in the opinion of the board, capable of being satisfied within thirty days of the date of the approval to the loan.

(3) Subject to this section, where a member has been expelled from a credit union, or an association, in accordance with the rules of the credit union or association, the credit union or association shall repay to the member the amount paid up on the shares held by him at the date of his expulsion, less any amount owing by the member to the credit union or association at the date of his expulsion under the rules or under any contract or otherwise.

(4) Where the balance sheet of a credit union, or of an association, last issued before the date of expulsion of a member of the credit union or association discloses a loss or deficiency there shall be deducted from the capital to be repaid to the member expelled an amount that bears to the amount of that loss or deficiency the same proportion as the number of shares held by that member bore to the total number of shares held by all members of the credit union or association as at the date of expulsion of that member.

(5) Payment of any amount due to a member pursuant to this section shall be made at such time as may be determined by the board, being a time not later than one year after the date of expulsion of the member.

45. A credit union, and an association, shall cancel any share forfeited to the credit union or association in accordance with the rules or in respect of which the credit union or association has repaid to the member the whole of the amount paid up thereon. Cancellation of shares.
Act No. 1,
1924, s. 53.
Act No. 18,
1967, s. 56.

46. Nothing in this Act shall affect the validity of any nomination properly made in accordance with the provisions of section fifty-eight of the Co-operation Acts, or of any action properly taken in accordance with such nomination. Death of member.
Act No. 1,
1924, s. 58.
Act No. 18,
1967, s. 59.

47. 1967, s. 59.

Credit Union.

Small
estates.
Act No. 1,
1924, s. 59.
Act No. 18,
1967, s. 60.

47. (1) If any member, or any other person, entitled in respect of any share in, loan to or deposit with a credit union, to a sum of money not exceeding four hundred dollars or, where a greater sum is prescribed by the regulations, the sum so prescribed, dies intestate, the board may, upon such evidence as it deems sufficient, pay the money or transfer the shares to any person who appears to the board to be entitled to obtain a grant of letters of administration of the estate of the deceased, and that person shall hold the money or shares on the same trusts as if he had obtained such a grant.

(2) If any member or other person so entitled dies testate, the board may, upon such evidence as it deems sufficient, pay the money or transfer the shares to the person appearing to the board to be entitled thereto under the will of the deceased member or other person.

(3) The provisions of this section shall extend to any surplus, not exceeding four hundred dollars or, where a greater sum is prescribed by the regulations, the sum so prescribed, arising on the sale by a credit union as mortgagee of any property mortgaged by the deceased to the credit union.

(4) The provisions of this section are subject to section one hundred and twenty-two of the Stamp Duties Act, 1920.

(5) Any payment or transfer made by the board in accordance with the provisions of this section shall be valid and effectual against any demand made upon the credit union by any other person.

(6) No payment or transfer pursuant to this section shall be made after evidence has been produced to the credit union that letters of administration of the estate, or probate of the will, of the deceased member or other person have or has been granted.

Charge and
set off.
Act No. 1,
1924, s. 57.
Act No. 18,
1967, s. 58.

48. A credit union, and an association, shall have a charge upon the share or interest in the capital, and on the credit balance, of a member or past member and upon any dividend, interest or rebate payable to a member or past member

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member in respect of any debt due from the member or past member to the credit union or association and may set off any amount paid on account of that share or otherwise, or any amount credited or payable to the member or past member, in or towards payment of the debt.

The charge created by this section may be enforced, at any time after seven days' notice to the member or past member, by the appropriation by the credit union or association of the capital or interest subject to the charge. Any share in respect of which capital has been so appropriated shall be cancelled.

DIVISION 3.—*Funds.*

49. (1) Subject to this section and section fifty of this Act, any part of the surplus arising from the operations of a credit union or an association may, if the rules so provide—

Surplus from
operations.
Act No. 1,
1924, s. 48.

(a) be paid to a member by way of a dividend in respect of fully paid shares held by him; or

Act No. 18,
1967, ss.
61 and 62.

(b) be paid to a member by way of rebate based on the business done by him with the credit union or association.

(2) If the rules of a credit union, or of an association, so provide, a dividend or rebate payable under this section, or any part thereof, may be credited in reduction or repayment of any amount owed to the credit union or association by the member entitled to the dividend or rebate.

(3) Nothing in this section shall preclude the payment of a bonus to an employee of a credit union, or of an association, in accordance with the terms of his employment.

(4) The maximum rate of dividend in respect of any share shall not exceed seven per centum per annum or, where some other rate is fixed by the Minister by order published in the Gazette on the recommendation of the Advisory Committee, the rate so fixed.

(5) Notwithstanding any other provision of this section, cumulative dividends may be paid by a credit union, or by an association, if the surplus from which any cumulative dividend

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dividend is paid arose within a period not exceeding five years prior to the declaration of the dividend and if that declaration would not result in any dividend exceeding the rate authorised by subsection four of this section.

(6) If authorised by the rules, a credit union, or an association, may apply part of the surplus arising in any year from the business of the credit union or association to any charitable purpose or for promoting co-operation or credit unions but the part to be so applied shall not, except with the approval of the Advisory Committee, exceed ten per centum of that surplus.

(7) In calculating the surplus for the purposes of this section no regard shall be had to any funds which have been appropriated to any reserve or reserve fund.

Reserves.
Act No. 1,
1924, s. 48.
Act No. 18,
1967, s. 64.

50. (1) In this section, in relation to a financial year of a credit union, or of an association—

“prescribed amount” means an amount equal to five per centum or, where some lower proportion is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—

- (a) the amount of the surplus of the credit union or association arising in that financial year; and
- (b) the amount of interest paid, or payable, by the credit union or association in respect of that financial year on deposits held by it;

“prescribed reserve amount” means an amount equal to seven per centum or, where some lower proportion is prescribed by regulation for the purposes of this definition, the proportion so prescribed, of the sum of—

- (a) the amount of the paid-up share capital of the credit union or association; and
- (b) the amount of the deposits held by it, at the end of that financial year.

(2)

Credit Union.

(2) Where at the end of its financial year a credit union, or an association, has no reserve, or a reserve amounting to less than the prescribed reserve amount for that financial year, the credit union or association shall thereupon transfer to reserve an amount not less than—

(a) where it has no reserve—

- (i) the prescribed amount for that financial year; or
- (ii) the amount required to create a reserve of the prescribed reserve amount for that financial year,

whichever is the lesser; or

(b) where it has a reserve amounting to less than the prescribed reserve amount for that financial year—

- (i) the prescribed amount for that financial year; or
- (ii) the amount required to increase the reserve to the prescribed reserve amount for that financial year,

whichever is the lesser.

(3) Regulations may be made prescribing, for the purposes of the definitions of “prescribed amount” and “prescribed reserve amount” in subsection one of this section, proportions lower than five per centum and seven per centum respectively.

(4) Moneys appropriated to reserve pursuant to this section shall not be distributed among members of the credit union or association except in the event of winding-up.

(5) In arriving at the amount of the surplus referred to in the definition of “prescribed amount” in subsection one of this section the credit union or association shall make proper allowance for depreciation in the value of property and for contingent liability for loss.

Credit Union.

Fines.Act No. 1,
1924, s. 79.

51. A credit union, or an association, may impose a fine not exceeding five dollars on a member for any infringement by the member of its rules, but no fine exceeding one dollar shall be imposed until written notice of intention to impose the fine and of the reason for its imposition has been given to the member and he has had an opportunity of appearing before the board in person with or without witnesses, or of sending to the board a written statement for the purpose of showing cause against the imposition of the fine.

PART V.**MANAGEMENT.****DIVISION 1.—*Directors and Officers.*****Board of
directors.**Act No. 1,
1924, s. 84.
Act No. 18,
1967, s. 65.

52. (1) The business and operations of a credit union, and of an association, shall be managed and controlled by a board of directors, and for that purpose the board, except as provided in this section, shall have and may exercise the powers of the credit union or association as if they had been expressly conferred on the board by a general meeting of the credit union or association.

(2) The powers of a board shall be subject to any restrictions imposed thereon by this Act or by the rules of the credit union or association.

(3) Every director acting in the business or operations of a credit union, or of an association, in pursuance of a resolution duly passed by the board, shall be deemed to be the agent of the credit union or association for all the purposes within the objects of the credit union or association.

(4) The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his election, appointment or qualification.

(5)

Credit Union.

(5) A director shall not be held liable to a credit union, or an association, for any loss that the credit union or association may sustain, unless the loss was due to his wilful misconduct or gross negligence or to his failure to comply with any of the provisions of this Act or of the regulations or of the rules of the credit union or association.

(6) Meetings of the board shall be held as often as may be necessary for properly conducting the business and operations of the credit union or association and shall be held at least monthly in the case of a credit union, and quarterly in the case of an association.

(7) A quorum of a meeting of a board shall be as prescribed by the rules of the credit union or association but shall not in any case be less than half the number of directors.

(8) A director shall not vote upon any question in which he, or any body corporate of which he is the appointee, has any direct or indirect pecuniary interest and if he does so vote his vote shall not be counted.

53. (1) Subject to this section no person of or over the age of seventy-two years shall be elected or appointed a director of a credit union, or of an association.

Age limits
for directors.
Act No. 1,
1924, s. 84.

(2) The office of a director of a credit union, and of an association, shall become vacant at the conclusion of the annual general meeting next following the day on which he attains the age of seventy-two years.

Act No. 71,
1961, s. 121.
Act No. 18,
1967, s. 66.

(3) Any act done by a person as a director shall be valid notwithstanding that it is afterwards discovered that his office had become vacant by virtue of subsection two of this section.

(4) Where the office of a director has become vacant by virtue of subsection two of this section no provision in the rules of the credit union or association for the automatic re-election or re-appointment of retiring directors in default of another election or appointment shall apply in relation to that director.

(5)

Credit Union.

(5) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.

(6) Notwithstanding anything in this section, a person of or over the age of seventy-two years may be elected or re-elected as a director of a credit union or association to hold office until the next annual general meeting of the credit union or association or be authorised to continue in office as a director until the next annual general meeting of the credit union or association if—

- (a) the election or re-election is made by not less than two-thirds of the members who lodged valid voting papers pursuant to a postal ballot; or
- (b) at a meeting of the credit union or association a special resolution is passed authorising that director to remain in office until the next annual general meeting.

(7) Nothing in this section shall limit or affect the operation of any provision of the rules of a credit union, or of an association, preventing any person from being elected or appointed as a director or requiring any director to vacate his office at any age less than seventy-two years.

Election of
directors.

Act No. 1,
1924, s. 84.

Act No. 71,
1961, s. 118.

Act No. 18,
1967, s. 67.

54. (1) The number of directors of a credit union, and of an association, shall not be less than five.

(2) The directors shall, subject to this section and sections twenty and thirty-seven of this Act, be elected or appointed, hold office and retire, and may be removed from office, in such manner as may be specified in special rules of the credit union or association and by this Act.

(3) At a meeting of a credit union, or of an association, a motion for the election or appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it,

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it, but, notwithstanding the passing of such a resolution, no such motion shall be made if one of the directors to whom the motion would relate is a director required to be appointed in accordance with subsection six of section fifty-three of this Act.

(4) A resolution passed in pursuance of a motion made in contravention of subsection three of this section shall be void, whether or not its being so moved was objected to at the time, and where such a resolution is so passed no provision for the automatic re-election of retiring directors in default of another election shall apply.

(5) For the purposes of this section, a motion for approving a person's election or for nominating a person for election shall be treated as a motion for his election.

(6) Nothing in this section shall apply to a resolution altering the rules of a credit union, or of an association, or prevent the election of two or more directors by ballot or poll.

(7) The chairman of a board may be elected from among the directors and shall be elected, hold office and retire, and may be removed from office, as specified by the rules of the credit union or association.

55. (1) Except as otherwise provided in this Act, no person shall be qualified to be a director of a credit union, or of an association, unless—

Director's qualification and vacation of office.

(a) in the case of a credit union—

Act No. 1, 1924, s. 84.

(i) he is a member of the credit union; or

Act No. 18, 1967, s. 68.

(ii) he is the appointee, under section forty of this Act, of a corporation that is a member of the credit union;

(b) in the case of an association, he is an appointee, under section forty of this Act, of a credit union that is a member of the association; or

(c)

Credit Union.

- (c) in the case of a union of associations, he is an appointee, under section forty of this Act of an association that is a member of the union of associations.

(2) In the absence of a director from a meeting of a board a person appointed by the board in accordance with the rules of the credit union or association to act as deputy for that director may act in the place of that director at that meeting. Such rules may include provisions regulating the term of office of, vacation of office by, or removal from office of, any such deputy, and his remuneration.

(3) The office of a director shall be vacated in such circumstances, if any, as may be prescribed by the rules of the credit union or association, and—

- (a) if he becomes bankrupt or assigns his estate for the benefit of, or compounds with, his creditors;
- (b) if he becomes a mentally ill person, a protected person or an incapable person within the meaning of the Mental Health Act, 1958;
- (c) if he is convicted of any offence and sentenced to any period of imprisonment without the option of a fine;
- (d) if he absents himself from three consecutive ordinary meetings of the board without its leave;
- (e) if he ceases to be qualified as provided by subsection one of this section;
- (f) if he gives one month's notice in writing to the board of his intention to resign office and his resignation is accepted by the board;

(g)

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- (g) if he is removed from office by resolution of a general meeting of the credit union or association;
- (h) if his partner or a person in his employment or his employer acts as solicitor, valuer, auditor or accountant to the credit union or association or if he so acts;
- (i) if within two months after any money becomes due from him to the credit union he does not pay the same; or
- (j) if, being the appointee of a body corporate, his appointor ceases to be a member of the credit union, association or union of associations, as the case may be, or revokes his appointment by writing under its seal addressed to the board.

(4) Any casual vacancy occurring on a board shall be filled as prescribed by the rules of the credit union or association, as the case may be.

56. (1) Subject to this section, a director of a credit union, or of an association, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the credit union or association shall declare the nature of his interest to the board in accordance with this section.

Disclosure
of interest
by directors.
10 & 11
Eliz. 2,
c. 37, s. 73.
Act No. 18,
1967, s. 69.

(2) In the case of a proposed contract, the declaration required by this section to be made by a director shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration or, if the director was not present at that meeting or was not at the date of that meeting interested in the proposed contract,

at

Credit Union.

at the next meeting of the directors at which he is present, or the next such meeting held after he becomes interested in the proposed contract, as the case may be.

(3) Where the director becomes interested in a contract with the credit union or association after it is made, the declaration required by this section shall be made at the first meeting of the directors held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice in writing given by a director to all the other directors to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm is a sufficient declaration for the purposes of this section of the interest of the director by whom it is given in any contract made after that date with that company or firm.

(5) A director need not make a declaration or give a notice under this section by attending in person at a meeting of the directors, if he takes reasonable steps to secure that the declaration or notice is brought up and read at the meeting.

(6) A director who fails to comply with the provisions of subsection one of this section shall be liable to a penalty not exceeding five hundred dollars.

(7) Nothing in this section shall be taken to prejudice the operation of any rule of law restricting directors of a credit union, or of an association, from having any interest in contracts with the credit union or association.

(8) Any declaration made pursuant to this section shall be reported by the directors to members at the annual general meeting.

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57. (1) A director or other officer of a credit union, whether on his own account or in partnership with any other person or body of persons, incorporated or unincorporated, shall not, without the approval of not less than two-thirds of the directors present and voting at a meeting of directors at which a quorum is present—

Certain dealings prohibited.
Act No. 1, 1924, ss. 88 and 88A.
Act No. 18, 1967, s. 70.

- (a) accept as payment in whole or in part of any moneys due to him by a member of the credit union the whole or part of any loan made by the credit union to such member; or

- (b) borrow from the credit union.

(2) Any person who fails to comply with the provisions of this section shall be guilty of an offence and be liable to a penalty not exceeding five hundred dollars.

58. (1) No director of a credit union, or of an association, shall be paid any remuneration for his services as a director other than such fees as may be approved at a general meeting of the credit union or association.

Remuneration of directors.
Act No. 1, 1924, s. 88 (2A).

(2) The total amount payable by way of fees in accordance with subsection one of this section in any one year shall not exceed such amount as may be determined by the Advisory Committee.

Act No. 18, 1967, s. 71.

59. No officer or other person shall be employed by a credit union, or by an association, to have the receipt or charge of any money of the credit union or association unless security as prescribed for rendering a just and true account of all money received and paid by such officer or person for the credit union or association and for payment of all money due from him to the credit union or association has first been obtained.

Fidelity guarantee.
Act No. 1, 1924, s. 88 (3).
Act No. 18, 1967, s. 72.

DIVISION 2.—Meetings and Voting.

60. (1) Every credit union, and every association, shall, within three months after the close of its financial year, or within such further time as may be allowed by the registrar, hold its annual general meeting.

Meetings of credit union or association.
Act No. 1, 1924, s. 85.

- (2) Act No. 18, 1967, s. 73.

Credit Union.

(2) Any other meetings of a credit union, or of an association, shall be held or may be called as prescribed by the rules of the credit union or association.

(3) At any meeting of a credit union, or of an association, no item of business shall be transacted unless a quorum of members, as prescribed by the rules of the credit union or association, is present during the time when the meeting is considering that item.

(4) Subject to subsection five of this section, notice of every meeting of a credit union, and of an association, shall be given to all members as at the date of calling the meeting in such manner as shall be provided for in the rules of the credit union or association, but personal or postal service shall be given in respect of the following meetings—

- (a) the annual general meeting of the credit union or association;
- (b) a meeting of the credit union or association called as a result of a requisition of members or by such requisitionists; and
- (c) a meeting called for the purpose of passing a special resolution.

(5) Not less than seven days' notice shall be given of every meeting of a credit union, and of an association.

Minutes.

Act No. 1,
1924, s. 87.

Act No. 18,
1967, s. 74.

61. (1) A credit union, and an association, shall cause minutes of every meeting of the board and of every meeting of the credit union or association, to be kept and confirmed as prescribed.

(2) A credit union, or an association, that fails to comply with the provisions of subsection one of this section and every officer in default shall be guilty of an offence and be liable to a penalty not exceeding two hundred dollars. Default penalty.

62.

Credit Union.

62. (1) Except as is otherwise provided by this Act or the rules of the credit union or association, every question for decision by a meeting of a credit union, and of an association, shall be determined by a majority of those persons entitled to vote as are present in person thereat, and unless a poll is demanded by at least five such persons in the case of a meeting of a credit union, or not less than one-fifth of those persons so entitled and so present in the case of a meeting of an association, the question shall be determined on a show of hands. Notwithstanding any provisions of the rules of the credit union or association to the contrary, no person may vote by proxy.

Voting.
Act No. 1,
1924, s. 86.
Act No. 18,
1967, s. 75.

(2) Except as is otherwise provided by this Act, at a meeting of a credit union each member shall have one vote, and at a meeting of an association each appointee pursuant to section forty of this Act, shall have one vote.

(3) At any meeting of a board, or of a credit union, or of an association, the chairman shall, in the event of an equality in voting, be entitled to exercise a casting vote in addition to any other vote to which he may be entitled.

63. Notwithstanding any other provision of this Act, a member who has borrowed from a credit union, and a representative of a credit union that has borrowed from an association of which it is a member, any money which is still unpaid shall not be entitled to vote upon any question in respect of which his right to vote is excluded by special rules of the credit union or association, and if he votes on any such question his vote shall not be counted.

Voting by
borrowing
members.
Act No. 1,
1924, s. 86.
Act No. 18,
1967, s. 75.

64. (1) For the purposes of this Act a special resolution means a resolution which is passed by a majority of not less than two-thirds of such persons as, being entitled so to do, vote in person at any general meeting of a credit union, or of an association, of which notice specifying the intention to propose the resolution as a special resolution has been duly given in accordance with the provisions of this Act and of the rules of the credit union or association.

Special
resolution.
Act No. 1,
1924, s. 80.
Act No. 18,
1967, s. 77.

(2)

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(2) At any meeting referred to in this section, unless a poll is demanded, a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

(3) A credit union, and an association, shall within the prescribed time and in the prescribed manner apply to the registrar to have a special resolution registered and a special resolution shall not take effect until so registered.

(4) A certificate of registration of any special resolution or of any alteration of the rules of a credit union, or of an association, given by the registrar shall, in favour of any person lending money to the credit union or association on the faith of such a certificate, or in favour of any guarantor of any such loan, be conclusive evidence that the resolution was duly passed or the alteration in the rules was duly made, as the case may be.

DIVISION 3.—Accounts, Audit and Registers.

Financial
year.

Act No. 1,
1924, s. 90.

Act No. 18,
1967, s. 80.

65. (1) Subject to this section, the financial year of a credit union, and of an association, shall end on such day in each year as is provided for by the rules of the credit union or association.

(2) The first financial year of a credit union, and of an association, may extend from the date of registration of the credit union or association to a date not later than eighteen months from that date of registration.

(3) On an alteration of the rules of a credit union, or of an association, altering its financial year, the alteration may provide either that the financial year (not being the first financial year) current at the date of alteration shall be extended for a period not exceeding six months or that the financial year next following the financial year that is so current shall be a period exceeding twelve months but not exceeding eighteen months.

Credit Union.

66. (1) The accounts of a credit union, and of an association, shall be audited annually or, where the rules of the credit union or association so provide, more frequently.

Accounts
and audit.
Act No. 1,
1924, s. 89.
Act No. 18,
1967, s. 81.

(2) The provisions of section twenty-eight of the Public Accountants Registration Act, 1945, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to an auditor of a credit union, and of an association.

For the purposes of that extension—

- (a) the words “first day of January, one thousand nine hundred and forty-six” shall be deemed to have been omitted from that section and the words “commencement of the Credit Union Act, 1969” to have been inserted in lieu thereof; and
- (b) this Act, and any Act amending this Act, shall be deemed to have been prescribed under subparagraph (ii) of paragraph (b) of subsection one of that section.

(3) A body corporate shall not be qualified for appointment, or to act, as auditor of a credit union, or of an association, nor shall any person be qualified to be so appointed, or so to act, if—

- (a) otherwise than as an auditor, he is an officer or servant of the credit union or association; or
- (b) he is the partner of, or in the employment of, or the employer of, a person who is, otherwise than as an auditor, an officer or servant of the credit union or association.

(4) Appointment as the public officer of a credit union, or of an association, for the purposes of any law relating to taxation shall not be a disqualification for appointment as auditor of the credit union or association.

(5) The auditors shall make a report to the members on the accounts examined by them and on the register of members and other records which the credit union or association is required to keep by law or by its rules, and on every balance

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balance sheet and every income and expenditure account laid before the credit union or association in general meeting during their tenure of office, and their report shall state—

- (a) whether they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of their audit;
- (b) whether, in their opinion, proper books of account have been kept by the credit union or association so far as appears from their examination of those books, and proper returns adequate for the purposes of their audit have been received from branches not visited by them;
- (c) whether the balance sheet, appropriation account and income and expenditure account dealt with by the report are in agreement with the books of account and returns;
- (d) whether, in their opinion, and to the best of their information and according to the explanations given to them, the accounts give the information required by or under this Act in the manner so required and give a true and fair view—
 - (i) in the case of the balance sheet, of the state of the affairs of the credit union or association as at the end of its financial year;
 - (ii) in the case of the income and expenditure account, of the surplus or deficit for that financial year;
- (e) whether, in their opinion, the register of members and other records which the credit union or association is required to keep by or under this Act or by its rules have been properly kept; and
- (f) whether the rules relating to the administration of the funds of the credit union or association have been observed.

(6)

Credit Union.

(6) Every auditor of a credit union, and of an association, shall have a right of access at all times to the books, accounts, vouchers, securities and documents of the credit union or association, and shall be entitled to require from the directors and other officers of the credit union or association such information and explanations as he thinks necessary for the performance of the duties of the auditors.

(7) The auditors of a credit union, and of an association, shall be entitled to attend any general meeting of the credit union or association and to receive all notices or other communications relating to any general meeting which any member of the credit union or association is entitled to receive and to be heard at any general meeting which they attend on any part of the business of the meeting which concerns them as auditors.

(8) A credit union, and an association, shall—

(a) send to each member, with the notice of the annual general meeting, a copy of the balance sheet, appropriation account and income and expenditure account, duly audited, and a copy of the auditors' report thereon; or

(b) if the rules so provide—

(i) make available for inspection by members at the office of the credit union or association, during a period before the annual general meeting specified by the rules, a copy of the balance sheet, appropriation account and income and expenditure account, duly audited, and a copy of the auditors' report thereon; and

(ii) at the request of a member, supply the member, without charge, with a copy of all documents so made available for inspection,

and where paragraph (a) of this subsection is not complied with shall, with the notice of the annual general meeting, include notice of the obligations of the credit union or association pursuant to paragraph (b) of this subsection.

(9)

Credit Union.

(9) Subject to subsection ten of this section, any provisions, whether contained in the rules of a credit union, or of an association, or in any contract with a credit union or an association, or otherwise, for exempting any auditor from, or indemnifying him against, any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default or breach of duty of which he may be guilty in relation to the credit union or association shall be void.

(10) A credit union, or an association, may, in pursuance of any provision referred to in subsection nine of this section, indemnify any auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under subsection twelve of this section in which relief is granted to him by the court.

(11) If, in any proceedings for negligence, default or breach of duty against an auditor of a credit union, or of an association, it appears to the court hearing the case that that person is or may be liable in respect of the negligence, default or breach of duty but that he has acted honestly and reasonably and that, having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default or breach of duty, that court may relieve him, either wholly or partly, from his liability on such terms as the court thinks fit.

(12) Where any auditor of a credit union, or of an association, has reason to apprehend that any claim will or might be made against him in respect of any negligence, default or breach of duty he may apply to the Supreme Court in its equitable jurisdiction for relief, and that Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a court before which proceedings against that auditor for negligence, default or breach of duty had been brought.

(13) Where any case to which subsection eleven of this section applies is being tried by a judge with a jury, the judge, after hearing the evidence, may, if he is satisfied that
the

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the defendant ought in pursuance of that subsection to be relieved either in whole or in part from the liability sought to be enforced against him, withdraw the case in whole or in part from the jury and forthwith direct judgment to be entered for the defendant on such terms as to costs or otherwise as the judge may think proper.

67. (1) A credit union, and an association, shall keep such registers and accounts as may be prescribed.

Registers
and
accounts.

(2) The registers shall include—

Act No. 1,
1924, s. 74.

- (a) registers of directors, members and shares;
- (b) registers of any loans raised, securities given and deposits received by the credit union or association;
- (c) registers of any loans made, and of any securities taken, by the credit union or association;
- (d) a register of investments made by the credit union or association; and
- (e) except in the case of an association, a register of any nominees to whom any share or interest is to be transferred or the value thereof paid on the death of a member, in accordance with nominations made under the provisions of section fifty-eight of the Co-operation Acts.

Act No. 18,
1967, s. 78.

(3) The registers shall be kept in such manner and shall contain such particulars as may be prescribed.

(4) No notice of any express, implied or constructive trust shall be entered in any register, or be received by the registrar.

68. (1) A credit union, and an association, shall keep at its registered office and open at all reasonable hours to inspection by any member without fee—

Inspection.
Act No. 1,
1924, s. 75.

- (a) a copy of this Act and the regulations;
- (b) a copy of the rules of the credit union or association;
- (c) a copy of the last balance sheet and income and expenditure account, together with a copy of the report of the auditors thereon;

Act No. 18,
1967, s. 79.

(d)

Credit Union.

- (d) the prescribed registers of directors, members and shares;
- (e) the prescribed registers of loans raised and securities given by the credit union or association; and
- (f) the prescribed register of investments made by the credit union or association.

(2) No credit union or association shall be obliged to disclose to a member inspecting the register of members under paragraph (d) of subsection one of this section any particulars contained in the register other than the names of the members and their addresses, and the register may be constructed in such a way that it is possible to open the names and addresses to inspection without exposing any other particulars.

DIVISION 4.—*Returns.*

Returns.

Act No. 1,
1924, s. 76.
Act No. 18,
1967, s. 82.

69. (1) A credit union, and an association, shall, within fourteen days after any change in the membership of the board, inform the registrar in writing of the change.

(2) A credit union, and an association, shall, within three months after the close of each of its financial years or within such further time as the registrar may authorise, transmit to the registrar—

- (a) a list of the directors for the year then current;
- (b) the balance sheet of the credit union or association at the close of its financial year then last past and of the accounts of the credit union or association for that financial year;
- (c) a copy of any report by the auditors on the balance sheet and those accounts; and
- (d) a return containing such other particulars as may be prescribed.

(3) A credit union, and an association, shall, if so directed by the registrar, transmit to him within such time and in such manner as may be prescribed a list of the members of the credit union or association, together with such particulars with regard thereto as may be prescribed.

(4)

Credit Union.

(4) Any information or return to be transmitted to the registrar under subsection one, two or three of this section shall be in such form as may be prescribed.

(5) A credit union, and an association, shall, if so directed by the registrar at any time, submit to the registrar a special return in the form and within the time specified by the registrar when giving the direction.

(6) The registrar shall not give a direction under subsection five of this section unless he considers it to be in the interests of the members of, or depositors with, the credit union or association the subject of the direction.

(7) A credit union, and an association, shall, if the regulations so require, transmit to the registrar a return in the form and within the time prescribed by the regulations.

PART VI.

DISPUTES.

70. (1) For the purposes of this section "credit union" and "association" shall include the board or any officer of the credit union or association and "member" shall include—

Disputes.
Act No. 1,
1924, s. 91.
Act No. 18,
1967, s. 85.

- (a) any person aggrieved who has not for more than three months ceased to be a member;
- (b) any person claiming through or under a member, or through or under a person referred to in paragraph (a) of this subsection.

(2) Subject to this section, every dispute between a member, in his capacity as a member, and a credit union, or an association, shall be determined in the manner prescribed by the rules of the credit union or association.

(3) Any party to a dispute referred to in this section may refer the dispute to the registrar, if it has not been referred to arbitration in accordance with the rules of the credit union or association or, in the case of such a dispute that has been so referred to arbitration, if one month has elapsed without an award being made.

(4)

Credit Union.

(4) Where a dispute is referred to the registrar, the registrar or any person deputed by him may hear and determine the dispute, and may order the expenses of the hearing to be paid out of the funds of the credit union or association or by such party to the dispute as he may think fit.

(5) Where the registrar decides not to hear or depute the hearing of a dispute, he shall, within one month of receipt of the reference, notify the parties in writing of his decision and the dispute shall be determined in the manner (other than by reference to the registrar under this section) prescribed by the rules of the credit union or association, but where the only manner prescribed by those rules for the determination of the dispute is by reference to the registrar the dispute shall be determined by arbitration in accordance with the Arbitration Act, 1902, in which case subsections eight, nine, ten and eleven of this section shall not apply.

(6) Where a dispute is referred to the registrar and the registrar decides to hear or depute the hearing of the dispute, the registrar or person deputed by him may administer an oath, and may, by a notice in writing served in the manner provided by section one hundred of this Act, require the attendance of any party or witness and the production of any book or document relating to the matter in question.

(7) The provisions of section nineteen of the Arbitration Act, 1902, and of any general rules or orders made under that Act that relate to the operation of that section, shall apply, *mutatis mutandis*, to and in respect of a dispute as if the registrar or person deputed by him to hear the dispute were an arbitrator and as if the reference of the dispute to the registrar were a reference under that Act.

(8) Any determination or order in accordance with this section, whether made on a reference to the registrar or otherwise, shall be binding and conclusive on all parties without appeal, and shall not be removable into any court or be restrainable by injunction.

(9) The determination or order may on application by any person interested, be enforced by the District Court for the district within which the office of the credit union or association is situated.

(10)

Credit Union.

(10) The District Court may give such relief and make such orders, including an order as to costs, and give such directions in relation to the matter as may be necessary.

(11) Any order made or direction given by a District Court under this section may be enforced by any process or procedure which would be applicable if the order had been made upon the hearing of an action in the District Court, or by such process or procedure as the District Court may direct.

(12) The judges of the District Courts or any four of them may make rules of court for the practice and procedure in applications to a District Court under this section.

(13) Nothing in this section shall extend to any dispute as to the construction or effect of this Act or the regulations, or of any mortgage or other security or of any contract contained in any document other than the rules of the credit union or association.

(14) Any person who fails, without lawful excuse, to comply with a requirement of the registrar, or person deputed by him, pursuant to subsection six of this section shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a term not exceeding six months or to both such penalty and imprisonment.

PART VII.

OFFICIAL MANAGEMENT AND WINDING UP.

71. The provisions of Part IX of the Companies Act, 1961, shall, mutatis mutandis, and with such modifications as may be prescribed, extend to a credit union or association.

Official
manage-
ment.
Act No. 1,
1924, s. 91A.
Act No. 18,
1967, s. 86.

For the purposes of that extension, a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act.

72.

Credit Union.

Winding up.
Act No. 1,
1924, s. 92.
Act No. 18,
1967, s. 87.

72. (1) A credit union, or an association, may be wound up voluntarily or by the court or upon a certificate of the registrar.

(2) In the case of a winding up voluntarily, or by the court, a credit union, and an association, may, subject to the provisions of this Part of this Act, be wound up in the same manner and in the same circumstances as those in which a company formed and registered under the Companies Act, 1961, may be so wound up.

(3) In the case of a winding up upon a certificate of the registrar, a credit union, or an association, may be wound up in accordance with this Part of this Act if the registrar certifies—

- (a) that the number of members is reduced to less than twenty-five or, in the case of an association, to less than two;
- (b) that the credit union or association has not commenced business within six months of registration or has suspended business for a period of more than six months;
- (c) that the registration of the credit union or association, whether under the Co-operation Acts or under this Act, has been obtained by mistake or fraud;
- (d) that the credit union or association has, after notice by the registrar of any breach of, or non-compliance with, this Act, the regulations, or the rules of the credit union or association, failed, within the time referred to in the notice, to remedy the breach or has committed any further breach specified in the notice;
- (e) that there are, and have been for a period of one month immediately before the date of the registrar's certificate, insufficient directors of the credit union or association to constitute a quorum as provided by the rules of the credit union or association; or
- (f)

Credit Union.

- (f) following an inquiry pursuant to the provisions of the Act into the affairs of the credit union or association or the working and financial condition of the credit union or association, that in the interests of members or creditors of the credit union or association, the credit union or association should be wound up.

(4) The registrar shall not so certify, unless the event has been proved to his satisfaction, and unless in the case of paragraphs (c), (d), (e) and (f) of subsection three of this section, the Governor consents to the issue of the certificate.

(5) Where the registrar issues a certificate under this section he may appoint a person to be the liquidator of the credit union or association, and the liquidator shall give such security as may be prescribed and shall be entitled to receive such fees as shall be fixed by the Advisory Committee. Any vacancy occurring in the office of a liquidator so appointed shall be filled by a person appointed by the registrar for the purpose.

(6) A winding up upon a certificate of the registrar shall be deemed to commence at the time the certificate is given and the liquidator shall within ten days after his appointment give notice thereof by advertisement in the Gazette.

(7) In the case of any winding up or dissolution of a credit union or association the provisions of Part X of the Companies Act, 1961, with respect to the winding up or dissolution of a company formed and registered under that Act shall, subject to this Part of this Act, apply to the winding up or dissolution of the credit union or association.

(8) In the application of the provisions of Part X of the Companies Act, 1961, to the winding up or dissolution of a credit union, or of an association—

- (a) a reference in any of those provisions to a special resolution or an extraordinary resolution shall be construed as a reference to a special resolution within the meaning of this Act;

(b)

Credit Union.

- (b) a reference in any of those provisions to the Registrar shall be construed as a reference to the registrar under this Act;
- (c) paragraph (d) of subsection one of section two hundred and eighteen shall be deemed to be amended by inserting after the words "past member" the words "together with the amount of the contingent liability, if any, attached thereto, and together with any charges payable by him to the credit union or association in accordance with the rules";
- (d) a reference in sections two hundred and twenty-one and two hundred and twenty-two to a proprietary company shall be construed as a reference to an association; and
- (e) a winding up of a credit union, and of an association, upon the certificate of the registrar shall be deemed to be a voluntary winding up and, without prejudice to the generality of this or any other provision of this Part of this Act, the provisions of sections two hundred and seventy, two hundred and seventy-one and two hundred and seventy-two of the Companies Act, 1961, shall apply to and in respect of the winding up of the credit union or association as if it were a members' voluntary winding up within the meaning of that Act.

Liquidator.

Act No. 1,
1924, s. 92A.
Act No. 18,
1967, s. 88.

73. Where a credit union, or an association, is being wound up voluntarily (otherwise than upon the certificate of the registrar) and a vacancy occurs in the office of liquidator which in the opinion of the registrar is unlikely to be filled in the manner provided by the Companies Act, 1961, the registrar may appoint a person to be liquidator.

Remuneration of liquidator.

Act No. 1,
1924, s. 92B.
Act No. 18,
1967, s. 88.

74. Notwithstanding anything contained in this Act or in the Companies Act, 1961, the remuneration paid to the liquidator of a credit union, or of an association, wound up voluntarily shall not exceed the amount fixed by the Advisory Committee.

75.

Credit Union.

75. As soon as may be practicable after a credit union or association is dissolved or deemed to be dissolved, the registrar shall register the dissolution, and cancel the registration of the credit union or association.

Cancellation.
Act No. 1,
1924, s. 95.
Act No. 18,
1967, s. 90.

PART VIII.

EVIDENCE AND OFFENCES.

DIVISION 1.—Evidence.

76. (1) A certificate of incorporation given by the registrar shall be received in evidence as if it were the original certificate.

Certificates
and docu-
ments.
Act No. 1,
1924, s. 96.

(2) A certificate of registration or other official document relating to a credit union, or to an association, signed by or bearing the seal of the registrar shall be received in evidence without further proof.

Act No. 18,
1967, s. 91.

(3) Judicial notice shall be taken of the signature and of the seal of any person who holds or has held the office of registrar or deputy registrar, and of the signature of a delegate appointed pursuant to subsection nine of section ninety-four of this Act, if the signature or seal purports to be attached to any certificate or other official document.

(4) The provisions of this section shall be deemed to extend to any copy of the rules of a credit union, or of an association, certified by the registrar, deputy registrar or delegate appointed pursuant to subsection nine of section ninety-four of this Act to be a true copy of its registered rules.

77. A printed copy of the rules of a credit union, or of an association, certified by the secretary of the credit union or association to be a true copy of its registered rules shall be received as evidence of the rules.

Evidence of
rules.
Act No. 1,
1924, s. 97.
Act No. 18,
1967, s. 92.

78.

Credit Union.

Registers.
Act No. 1,
1924, s. 98.
Act No. 18,
1967, s. 93.

78. The registers referred to in section sixty-seven of this Act, or prescribed pursuant to that section, shall be evidence of the particulars directed or authorised by or under this Act to be inserted therein.

Minutes—
Effect as
evidence.
Act No. 1,
1924, s. 99.
Act No. 18,
1967, s. 94.

79. (1) An entry in the minutes purporting to be a minute of the business transacted at a meeting of a credit union, or of an association, or of a board, and to be signed by the chairman at a subsequent meeting shall be evidence that the business as therein recorded was transacted at the meeting and that the meeting was duly convened and held.

(2) An entry in the minutes of a meeting of a credit union, or of an association, to the effect that a resolution was carried or carried unanimously, or was lost, shall be evidence of the fact without proof of the number or proportion of votes recorded for or against the resolution.

Entries.
Act No. 1,
1924, s. 100.
Act No. 18,
1967, s. 95.

80. A copy of any entry in a book of a credit union, or of an association, regularly kept in the course of business shall, if certified by statutory declaration of the secretary to be a true copy of the entry, be received in evidence in any case where, and to the same extent as, the original entry itself is admissible.

DIVISION 2.—Offences.

Default by
credit
union or
association.
Act No. 1,
1924, s. 101.
Act No. 18,
1967, s. 96.

81. (1) If a credit union, or an association, fails—

- (a) to keep any register or account, or to make any entry therein, as required by this Act;
- (b) to have at any office of the credit union or association and open to inspection a copy of this Act and the regulations, or of the rules or of the last balance-sheet or income and expenditure account, together with the report of the auditor, or any register, as required by this Act; or
- (c) to transmit to the registrar any notice or return as required by this Act.

it shall be guilty of an offence.

(2)

Credit Union.

(2) If a credit union, or an association, refuses or wilfully neglects to furnish any information lawfully required by the registrar or by any other person authorised under this Act, it shall be guilty of an offence.

(3) Where a credit union, or an association, is guilty of an offence under this section, every director or officer of the credit union or association shall be guilty of the like offence unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.

(4) If a director of a credit union, or of an association, continues to act as such after his office as a director has been vacated, he shall be guilty of an offence.

(5) If a credit union, an association, a director or an officer is guilty of an offence under this section, it or he shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding ten dollars.

82. (1) If a credit union, or an association, contravenes any restriction imposed by its rules or by this Act on its power to carry on business and, in particular, if it raises money on loan or receives deposits except as authorised by its rules and within the limits provided in this Act, it shall be guilty of an offence.

Restriction
of power.
Act No. 1,
1924, s. 102.
Act No. 18,
1967, s. 98.

(2) If a credit union makes a loan to a person who is not a member of the class of persons specified in the rules of the credit union as the class of persons to whom loans may be made, it shall be guilty of an offence.

(3) Where a credit union, or an association, is guilty of an offence under this section, the credit union or association shall be liable to a penalty not exceeding two hundred dollars for every such offence and every director or officer who knowingly or wilfully authorises or permits any such contravention shall be guilty of an offence and liable to a penalty not exceeding one hundred dollars for every such offence.

83.

Credit Union.

Too few
members.
Act No. 1,
1924, s. 103.
Act No. 18,
1967, s. 99.

83. (1) If a credit union, or an association, continues for a period of one month to carry on business after the number of its members is reduced below the number necessary for the formation of a credit union or an association, as the case may be, every person who is a director of the credit union or association during the time that it continues to carry on business after that period shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars and a default penalty not exceeding fifty dollars, unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.

(2) A person who is guilty of an offence under this section shall further be liable to satisfy all obligations of the credit union or association incurred during such time as it carries on business in contravention of this section and may be sued in respect of that liability without any other member being joined in the action.

Allotment
of shares.
Act No. 1,
1924, s. 106.
Act No. 18,
1967, s. 97.

84. If, before a credit union, or an association, is registered, any person takes any money in consideration of the allotment of any share or interest in, or grant of a loan by, the credit union or association, he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

False copies
of rules.
Act No. 1,
1924, s. 107.
Act No. 18,
1967, s. 100.

85. If a person gives to any member of a credit union, or of an association, or to any person intending or applying to become a member of a credit union, or of an association, a copy of any rules or of any alterations of rules other than those which have been duly registered, representing that they are binding on the members of the credit union or association, or if any person makes any alteration in any copy of the rules of a credit union or association and circulates the copy, representing that the rules therein, as altered, have been duly registered, when they have not been so registered, he shall be guilty of an offence and shall be liable to a penalty not exceeding one hundred dollars.

86.

Credit Union.

86. If any person wilfully makes, orders or allows to be made any entry or erasure in, or any omission from, any balance sheet of a credit union, or of an association, or any return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same, or to evade any of the provisions of this Act, he shall be guilty of a misdemeanour.

Falsification.

Act No. 1,
1924, s. 108.

Act No. 18,
1967, s. 101.

87. (1) If any person, by false representation or imposition obtains possession of any property of a credit union, or of an association or, having any such property in his possession, withholds or misapplies it or wilfully applies any part thereof to purposes other than those specified or authorised in the rules of the credit union or association or by this Act he shall be guilty of an offence, and shall be liable to a penalty not exceeding four hundred dollars.

Fraud or misappropriation.

Act No. 1,
1924, s. 109.

Act No. 18,
1967, s. 102.

(2) A person who is guilty of an offence under subsection one of this section shall, if so ordered by the court, deliver up all such property and repay all money improperly applied and in default of delivery or repayment be liable on summary conviction to imprisonment for any term not exceeding six months.

(3) Nothing in this section shall prevent any person from being proceeded against by way of indictment, if he has not been previously convicted of the same offence under this Act.

88. (1) If any person—

- (a) seeks, claims or receives any commission, fee or reward, whether pecuniary or otherwise, from any person as a consideration or charge for procuring or obtaining, or offering or attempting to procure or obtain, for any person a loan from any credit union or association; or
- (b) advertises or otherwise holds himself out as being able to arrange or obtain finance for any persons through or from any credit union or association,

Certain acts prohibited in relation to loans.

Act No. 1,
1924, s. 109A

Act No. 18,
1967, s. 103.

he

Credit Union.

he shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

(2) Any sum received in contravention of this section or section eighty-four of this Act may be recovered by the person who paid it from the person by whom it was received in an action for debt in any court of competent jurisdiction.

Commission.
Act No. 1,
1924, s. 110.
Act No. 18,
1967, s. 104.

89. (1) If any officer of a credit union, or of an association, accepts any commission, fee or reward, whether pecuniary or otherwise, from any person for or in connection with a transaction had or to be had by that person with the credit union or association, he shall be guilty of an offence and shall, upon summary conviction, be liable to imprisonment for any term not exceeding six months or to a penalty not exceeding two hundred dollars.

(2) An officer who is guilty of any offence under subsection one of this section shall further be liable to pay to the credit union or association double the value or amount of such commission, fee or reward.

Contraven-
tion of
Act.
Act No. 1,
1924, s. 111.
Act No. 18,
1967, s. 105.

90. (1) Any credit union or association which, or person who, fails to comply with any requirements of this Act within the time or in the manner prescribed by this Act for compliance therewith or commits any other contravention thereof, shall, where no penalty is expressly provided, be liable to a penalty not exceeding one hundred dollars.

(2) Where in, or at the foot of, any section or part of a section of this Act there appears the expression "default penalty" it shall indicate that any person who is convicted of an offence in relation to that section or part shall be guilty of a further offence if the offence continues after he is so convicted and liable to an additional penalty for each day during which the offence so continues of not more than the amount expressed in the section or part as the amount of the default penalty or, if an amount is not so expressed, of not more than twenty dollars.

(3)

Credit Union.

(3) Where any offence is committed by a person by reason of his failure to comply with any provision of this Act by or under which he is required or directed to do anything within a particular period, that offence, for the purposes of subsection two of this section, shall be deemed to continue so long as the thing so required or directed to be done by him remains undone, notwithstanding that such period has elapsed.

(4) For the purposes of any provision of this Act which provides that a director or an officer of a credit union, or an association, who is in default is guilty of an offence or is liable to a penalty or punishment the phrase "director or officer who is in default" or any like phrase means any director or officer of the credit union or association who knowingly and wilfully—

- (a) is guilty of the offence; or
- (b) authorises or permits the commission of the offence.

91. (1) A penalty or fine imposed by this Act or by any regulation or rule shall, except where otherwise expressly provided by this Act, be recoverable summarily before two justices.

Recovery
of penalty.
Act No. 1,
1924, s. 112.
Act No. 18,
1967, s. 106.

(2) Any such penalty or fine recoverable summarily shall, if imposed by this Act or by any regulation, be recoverable at the suit of the registrar, and if imposed by any rule shall be recoverable at the suit of the credit union or association.

92. If a credit union, or an association, in making or raising any loan or receiving any deposit or allotting any share contravenes any provision of this Act or any rule of the credit union or association, the civil rights and liabilities of the credit union or association or any other person in respect of the recovery of the loan or deposit or the moneys payable in respect of the shares shall not be affected or prejudiced by the contravention, save that the money shall become immediately payable, and the same remedies may be had for the recovery

Civil
remedies.
Act No. 1,
1924, s. 113.
Act No. 18,
1967, s. 118.

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recovery of the loan or deposit or share capital and for the enforcement of any security therefor as if there had not been a contravention of this Act or of the rules of the credit union or association.

Information
and
evidence.
Act No. 1,
1924, s. 116.
Act No. 18,
1967, s. 109.

93. (1) On any application for registration of a credit union, or of an association, or of any rule or document under this Act, the registrar may require from the applicant such information and evidence as may be reasonable in order to show that the application should be granted.

(2) The registrar may require from any credit union or association such information and evidence as may be reasonable in order to show that the credit union or association is bona fide carrying on business in accordance with the provisions of this Act.

(3) The registrar may require from a credit union, or from an association, such evidence as he thinks proper of the doing of any matter required to be done, or of the correctness of any entry in any document required to be transmitted to him, under this Act.

PART IX.**ADMINISTRATION.****DIVISION 1.—Registrar.**

Registrar.
Act No. 1,
1924, s. 115.
Act No. 18,
1967, s. 107.

94. (1) There shall be a Registrar of Credit Unions and an office of the registrar.

(2) The registrar shall be appointed by the Governor and until such an appointment is made the Registrar of Co-operative Societies shall be the registrar and the office of the Registrar of Co-operative Societies shall be the office of the registrar.

(3)

Credit Union.

(3) All certificates, rules and documents relating to any credit union or association (including any in the custody of the Registrar of Co-operative Societies before its registration under this Act) shall be kept in the office of the registrar.

(4) All certificates, rules and documents required to be registered under this Act or to be transmitted to the registrar for record shall be kept in the office of the registrar.

(5) The registrar shall have such duties, powers and authorities as are prescribed.

(6) The duties, powers and authorities of the registrar may be performed and exercised by a deputy appointed by the Governor and until such an appointment is made the Deputy Registrar of Co-operative Societies shall hold office as Deputy Registrar of Credit Unions.

(7) The deputy registrar shall exercise his office subject to such conditions and restrictions (if any) as the registrar may impose—

- (a) generally;
- (b) in relation to any specified matter or class of matters; or
- (c) in relation to all matters other than any specified matter or class of matters.

(8) No person shall be concerned to see or inquire whether, in the case of any dealing or transaction with the deputy registrar, any condition or restriction has been imposed upon the exercise of the powers of the deputy registrar, or as to his authority; and all acts or things done or omitted by the deputy registrar shall be as valid and effectual and shall have the same consequences as if the acts or things had been done or omitted by the registrar.

(9) With the approval of the Minister first obtained, the registrar may delegate any of his duties, powers and authorities to any other officer employed in his office and that officer while he exercises or discharges such delegated duties, powers and authorities shall have all the powers, rights, discretions,

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discretions, duties and obligations of the registrar (other than this power of delegation) and the Minister or the registrar may at any time revoke any such delegation.

No delegation under this subsection shall prevent the exercise or discharge by the registrar of any of his duties, powers or authorities.

(10) The registrar shall have a seal of office.

DIVISION 2.—*General.*

Inspection of documents.
Act No. 1,
1924, s. 120.
Act No. 18,
1967, s. 108.

95. (1) Any person may, except as otherwise provided by this Act, on payment of the prescribed fee—

- (a) inspect at the office of the registrar the registration and rules of a credit union, or of an association;
- (b) obtain from the registrar a certificate of the registration of a credit union, or of an association, and a certified copy of the rules of a credit union, or of an association, or of any part thereof;
- (c) with the permission of the registrar, inspect at his office and obtain from him a certified copy of any other registered document, or of any part thereof.

(2) A copy of or extract from any document registered by the registrar and certified under the seal of the registrar shall in any proceedings be admissible in evidence as of equal validity with the original document.

Power to suspend operations.
Act No. 18,
1967, s. 111.

96. (1) If, with respect to any credit union or association, the registrar considers it expedient to do so in the interests of members of or of persons who may become members of or deposit moneys with the credit union or association he may, by notice in writing served on the credit union or association with the approval of the Minister, direct that subsection two of this section shall apply to the credit union or association and that subsection shall thereupon apply accordingly until the expiration of such time as may be specified in the notice or until the notice is withdrawn, whichever is the earlier.

(2)

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(2) Subject to this section, while this subsection applies to a credit union, or an association, the credit union or association shall not—

- (a) make any money available on loan to members;
- (b) accept the deposit of any money;
- (c) borrow any money;
- (d) accept any payment on account of share capital, except calls which fell due before the issue of the notice;
- (e) repay any moneys paid on shares;
- (f) repay any moneys on deposit,

as may be specified in the notice directing the application of this subsection.

(3) The registrar may, with the approval of the Minister and by a further notice, extend the time specified in any notice issued under subsection one of this section.

(4) A credit union, or an association, to which subsection two of this section applies may make representations to the Advisory Committee with respect to the direction and the committee shall report to the Minister. The Minister may direct the registrar to withdraw the direction or to amend the notice directing the application of this subsection.

(5) The registrar may, and shall on the direction of the Minister, withdraw any direction or amend any notice given in accordance with this section.

(6) If a credit union, or an association, contravenes the provisions of subsection two of this section it shall be guilty of an offence and be liable to a penalty not exceeding six hundred dollars; and every officer of the credit union or association who knowingly and wilfully authorises or permits a contravention of subsection two of this section shall be liable on conviction on indictment to a penalty not exceeding six hundred dollars or to a term of imprisonment not exceeding two years or to both or, on summary conviction, to a penalty not exceeding one hundred dollars or to a term of imprisonment not exceeding three months or to both.

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Inspection
by registrar.
Act No. 1,
1924, s. 117.
Act No. 18,
1967, s. 112.

97. (1) The registrar, and any inspector appointed under section ninety-nine of this Act and authorised in writing by the registrar either generally or specially to do so, may inspect any minutes or books or examine the affairs, of a credit union, or of an association, whether or not it is in the course of being wound up and in the case of a credit union, or of an association, that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the credit union or association.

(2) The registrar or any such inspector so authorised may, at his discretion, obtain from any bank in which the funds of a credit union, or of an association, are deposited or invested a statement of the amount of such deposit or investment and any other particulars required by him to be furnished in relation to the affairs of the credit union or association.

Special
meeting and
inquiry.
Act No. 1,
1924, s. 118.
Act No. 18,
1967, s. 113.

98. (1) Subject to compliance with any requirement or direction of the registrar pursuant to this section, the registrar may, and shall on the application of a majority of a board or of not less than one-third of the members of a credit union, or of an association—

- (a) call a special meeting of the credit union or association;
- (b) hold an inquiry into the affairs, including the working and financial condition, of the credit union or association.

(2) An application under this section shall be accompanied by such evidence as the registrar requires for the purpose of showing that the applicants have good reason for requiring the meeting or inquiry and that the application is made without malicious motive.

(3) Notice of an application under this section shall be given to the credit union or association by such persons and in such manner as the registrar directs.

(4) Security for the expenses of a meeting or inquiry pursuant to this section shall be given by such persons and in such manner as the registrar directs.

(5)

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(5) The registrar may direct at what time and place a meeting called under this section is to be held, and what matters are to be discussed and determined at the meeting and shall give such notice to members of the holding of the meeting as he deems fit notwithstanding any provision in the rules of the credit union or association as to the giving of notice.

(6) A meeting called under this section shall have all the powers of a meeting called in accordance with the rules of the credit union or association and shall have power to appoint its own chairman, any rule of the credit union or association to the contrary notwithstanding. The registrar or any person nominated by him may attend and address any such meeting.

(7) If a meeting called under this section fails to appoint a chairman, the registrar or any person nominated by him to attend the meeting may act as chairman of the meeting or may appoint a chairman to conduct the meeting or any adjournment thereof.

(8) If the chairman of a meeting called under this section is not a member of the credit union or association in respect of which it was so called, he may exercise a casting vote but shall not otherwise be entitled to vote.

(9) All expenses of and incidental to a meeting called, or inquiry held, under this section shall be defrayed, in such proportions as the registrar directs, by the applicants, or out of the funds of the credit union or association, or by any officer or member or former officer or member, and may be recovered as a debt in any court of competent jurisdiction.

99. (1) The Governor may appoint inspectors for the purposes of this Act.

Inspectors.
Act No. 1,
1924,
s. 118A.
Act No. 18,
1967, s. 114.

(2) The provisions of the Public Service Act, 1902, shall not apply to the appointment of any such inspector who is not a public servant.

Credit Union.

Powers of
registrar and
inspectors.
Act No. 1,
1924, s. 121.
Act No. 18,
1967, s. 115.

100. (1) The registrar and any inspector appointed under section ninety-nine of this Act may, for the purpose of any inquiry or inspection under this Act—

- (a) administer an oath;
- (b) by notice in writing require the attendance of any person at the time and place specified in the notice and require such person then and there to answer any question put to him by the registrar or such inspector, as the case may be, in relation to the matter of any such inquiry or inspection, and to produce all or any of the books or documents of the credit union or association to which the inquiry relates;
- (c) require any director or other officer of a credit union, or of an association, to furnish to the registrar or inspector, as the case may be, any information relating to the affairs of the credit union or association or the matter of any inquiry into the working and financial condition of the credit union or association and to produce to the registrar or inspector all or any of the books or documents of the credit union or association.

A notice referred to in paragraph (b) of this subsection may be served, where it is addressed—

- (i) to a credit union, or to an association, or to a director or other officer of a credit union or of an association, in the appropriate manner specified in subsection three of section thirty of this Act; or
- (ii) to any other person, by post to the last known address of that person.

(2) Any person, who—

- (a) when required by the registrar or an inspector pursuant to paragraph (b) of subsection one of this section refuses or fails, without lawful excuse, to attend at any time and place specified in a notice served on such person in accordance with the provisions of that subsection or, having so attended, fails

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fails then and there to answer any question put to him by the registrar or inspector, as the case may be, in relation to the matter of any inquiry or inspection under this Act or to produce any books or documents as required by the notice; or

- (b) being a director or other officer of a credit union, or of an association, refuses or fails, without lawful excuse, to furnish any information required of him pursuant to paragraph (c) of subsection one of this section or to produce any books or documents required to be produced pursuant to that paragraph,

shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding six hundred dollars or to imprisonment for a period not exceeding six months or to both such penalty and imprisonment.

DIVISION 3.—Advisory Committee.

101. (1) There shall be a Credit Union Advisory Committee (in this section referred to as the "Committee") consisting of such number of members as may be determined by the Minister, being not less than five and not exceeding nine or, where some other maximum number is prescribed, not exceeding the prescribed maximum number.

Advisory
Committee.
Act No. 1,
1924,
s. 114c.
Act No. 18,
1967, s. 117.

(2) One of the members of the Committee shall be the person who for the time being holds the office of registrar and who shall by virtue of such office be the chairman and executive member of the Committee.

(3) Each member of the Committee, other than the registrar and one other member, shall be an officer of a credit union, or of an association.

(4) A deputy or alternate member may be appointed to attend any meeting of the Committee at which a member is unable to be present.

(5) The members (other than the chairman) and deputy or alternate members of the Committee shall be appointed by the Minister and shall hold office for such period as he may deem fit and may be removed from office by him.

(6)

Credit Union.

(6) Meetings of the Committee may be convened by the chairman or by any two members.

(7) Each member and deputy or alternate member of the Committee shall, unless he is an officer of the Public Service or a member of the Legislative Council or the Legislative Assembly of New South Wales, be paid such fees, allowances and expenses as the Governor may approve.

(8) It shall be the duty of the Committee to submit recommendations to the Minister with respect to—

- (a) proposals to promote the formation of credit unions;
- (b) proposals to improve the method of operation of credit unions;
- (c) such other matters as may be referred to it by the Minister or as may be prescribed.

(9) The Committee shall advise the registrar on such matters as may be referred to it by him.

PART X.

MISCELLANEOUS.

**Report to
Parliament.**
Act No. 1,
1924, s. 123.
Act No. 18,
1967, s. 116.

102. The registrar shall in every year make a report of his proceedings and of the principal matters transacted by him during the preceding year, and the report shall be laid before Parliament.

**Regula-
tions.**
Act No. 1,
1924, s. 124.
Act No. 18,
1967, s. 119.

103. (1) The Governor may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for giving effect to this Act, and any such regulation may provide for—

- (a) a penalty for any breach thereof, and also distinct penalties in cases of successive breaches thereof, provided that no such penalty shall exceed one hundred dollars;

(b)

Credit Union.

(b) a daily or weekly penalty, not exceeding five dollars a day or twenty-five dollars a week, for any continuing breach thereof.

(2) Without prejudice to the generality of the foregoing provisions of this section, the Governor may make regulations prescribing the fees to be taken in the office of the registrar for any matter or thing to be done therein under this Act.

(3) The Governor may make regulations amending the Schedule to this Act and the Schedule, as so amended, shall be the Schedule to this Act.

(4) The regulations shall be published in the Gazette, and shall take effect from the date of publication or from a later date to be specified in the regulations.

(5) The regulations shall be laid before both Houses of Parliament within fourteen sitting days after publication if Parliament is then in session and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution of which notice has been given at any time within fifteen sitting days after the regulations have been laid before such House disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

(7) The registrar shall notify a credit union, and an association, of the publication of any regulation affecting the credit union or association.

104. (1) No instrument or document executed or registered for transferring any property in pursuance of section thirty-three of this Act shall be liable to stamp duty or to any fee chargeable under any Act for registration.

Exemption from stamp duty.

Act No. 1, 1924, ss. 41 (15) and 62.

(2) No stamp duty shall be chargeable upon the certificate of incorporation of a credit union or an association or upon any share certificate or any instrument or document issued in connection with its capital by a credit union, or by an association.

Act No. 18, 1967, s. 121.

Credit Union.

Amendment of Act No. 1, 1924. **105.** (1) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended, is amended—

- Long title. (a) by omitting from the long title the words "credit unions,";
- Sec. 2. (b) by omitting from section two the words "DIVISION 8.—*Credit unions.*";
- (Division into Parts.)
- Sec. 5. (c) by omitting from the definition of "Society" in section five the words ", or credit union,";
- (Interpretation.)
- Sec. 6. (d) by omitting paragraph (g) of subsection one of section six;
- (Societies.)
- Pt. II, Div. 8. (e) by omitting Division 8 of Part II and the heading thereto;
- (Credit unions.)
- Sec. 34. (f) (i) by omitting from subsection one of section thirty-four the words "And a credit union may become a component society of an association of building societies.";
- (Association.)
- (ii) by omitting from subsection three of the same section the words "building societies, and credit unions" and by inserting in lieu thereof the words "and building societies";
- Sec. 48. (g) by omitting from subsection one of section forty-eight the words "or credit union,";
- (Reserve funds of building societies and credit unions.)
- Sec. 61. (h) by omitting subsection (4B) of section sixty-one;
- (Use of word co-operative.)
- Sec. 68. (i) by omitting from subsection one of section sixty-eight the words "Notwithstanding the foregoing provisions of this subsection, a credit union shall not invest any of its funds by way of deposit in any society other than an association of credit unions of which such credit union is a member.";
- (Investment.)
- Sec. 72. (j) (i) by omitting paragraph (b) of subsection one of section seventy-two;
- (Name and address.)
- (ii) by omitting subsection (1A) of the same section;
- (k)

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- (k) (i) by omitting from subsection four of section Sec. 82. eighty-two the words “, and of a credit union,”; (Rules.)
- (ii) by omitting from the same subsection the words “or credit union”;
- (l) (i) by omitting from subsection (12B) of section Sec. 84. eighty-four the words “or of a credit union”; (Board of directors.)
- (ii) by omitting from the same subsection the words “or credit union, as the case may be,”;
- (m) (i) by omitting from subsection four of section Sec. 86. eighty-six the words “or a credit union”; (Votes of members.)
- (ii) by omitting from paragraph (c) of subsection nine of the same section the words “or of a credit union”;
- (n) (i) by omitting from subsection one of section Sec. 88. eighty-eight the words “, in the case of a society other than a credit union,”; (Officers.)
- (ii) by omitting from the same subsection the words “or, in the case of a credit union, with the approval of all directors present and voting (such directors not being less in number than the number that constitutes a quorum of the board of directors of the credit union) at any meeting of such directors”;
- (o) by omitting paragraph (bi) of subsection one of section one hundred and two. Sec. 102. (Restrictions on powers.)

(2) The Co-operation, Community Settlement, and Credit Act, 1923, as subsequently amended and as amended by this Act, may be cited as the Co-operation Act, 1923–1969.

106. (1) The Money-lenders and Infants Loans Act, 1941, as subsequently amended, is amended by inserting next after paragraph (b1) of the definition of “Money-lender” in section three the following new paragraph :—
 Amendment of Act No. 67, 1941. Sec. 3. (Interpretation.)

- (b2) a credit union, or an association of credit unions, or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending or replacing that Act.

(2)

Credit Union.

(2) The Money-lenders and Infants Loans Act, 1941, as subsequently amended and as amended by this Act, may be cited as the Money-lenders and Infants Loans Act, 1941-1969.

Amendment
of Act No.
71, 1961.

Sec. 5.
(Interpre-
tation.)

107. (1) The Companies Act, 1961, as subsequently amended, is amended—

(a) (i) by inserting in the definition of "Corporation" in section five after the word "company" the words "other than a foreign company referred to in paragraph (f) of this definition";

(ii) by inserting next after paragraph (d) of the same definition the following new paragraphs :—

(e) a credit union, or an association of credit unions, or a union of associations of credit unions, registered under the Credit Union Act, 1969, or any Act amending that Act;

(f) any foreign company in respect of which an exemption from compliance with—

(i) subsection (1) of section sixty-one of the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts;

(ii) subsection (1) of section thirty-five of the Permanent Building Societies Act, 1967, as amended by subsequent Acts;
or

(iii) subsection (1) of section twenty-eight of the Credit Union Act, 1969,

is for the time being in force.

(b)

Credit Union.

- (b) by inserting in subsection fourteen of section three hundred and seventy-four after the word "Acts" the words ", or under the Permanent Building Societies Act, 1967, as subsequently amended, or a credit union, an association of credit unions or a union of associations of credit unions registered under the Credit Union Act, 1969, or any Act amending that Act".
- Sec. 374. (Restriction on offering shares, debentures, &c., for subscription or purchase.)

(2) The Companies Act, 1961, as subsequently amended and as amended by this Act, may be cited as the Companies Act, 1961-1969.

SCHEDULE.

Sec. 24.

- (a) The name of the credit union or association and the location of its first office.
- (b) The objects of the credit union or association.
- (c) The manner in which the capital of the credit union or association is to be raised including the minimum and maximum shareholding to be held by members and the denominations of shares.
- (d) The powers of the credit union or association, in particular and without affecting the generality of this clause—
- (i) the powers to borrow money,
 - (ii) the powers to raise money on deposit and the manner in which the board may regulate the withdrawal of such deposits,
- and any limitation on any of the powers of the credit union or association.
- (e) The manner in which investments may be made.
- (f) The manner in which the funds of the credit union or association are to be managed and in particular the mode of drawing and signing cheques, drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the credit union or association.
- (g) The manner in which any gain or surplus which may result from the transactions of the credit union or association is to be distributed among members.
- (h) The mode and conditions of admission to membership and the payment to be made or the share or interest to be acquired before the exercise of the rights of membership.

(i)

Credit Union.

(i) The number of directors, the qualification of directors and the manner of electing, remunerating and removing directors and filling a vacancy.

(j) The powers and duties of the board, the requisite notice of meetings, the quorum for meetings, and the procedure at meetings, of the board.

(k) The intervals between general meetings of the credit union or association, the manner of calling general and special meetings, the requisite notices of meetings and the quorum for meetings of the credit union or association.

(l) The procedure at meetings of the credit union or association, including the rights of members in voting thereat, the manner of voting and the majority necessary for carrying resolutions.

(m) The frequency at which the accounts of the credit union or association are to be audited.

(n) The manner of appointing, remunerating and removing auditors, the powers and duties of auditors and in particular their powers and duties with respect to the inspection of securities belonging to the credit union or association.

(o) The charges, including any charges on admission or for working expenses or otherwise which are to be payable by a member to the credit union or association in respect of his membership therein.

(p) The manner of settling disputes between the credit union or association and any of its members, or any person claiming by or through any member under the rules.

(q) The manner of altering or rescinding the rules and of making additional rules.

(r) The device, custody and use of the seal of the credit union or association.

(s) The manner in which the credit union or association may be wound up.

(t) The circumstances under which shares may be withdrawn or repaid and the terms and conditions in relation thereto; the manner in which the value of shares is to be ascertained for repayment.

In the name and on behalf of Her Majesty I assent to this Act.

K. W. STREET,
By Deputation from
His Excellency the Governor.

Government House,
Sydney, 20th March, 1969.

