

CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 2013

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OBJECTS AND REASONS

CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 2013

A BILL FOR AN ACT TO AMEND THE CO-OPERATIVE SOCIETIES ACT

ENACTED BY THE PARLIAMENT OF THE BAHAMAS

PART I - PRELIMINARY

1. Short title and commencement.

- (1) This Act which amends the Co-operative Societies Act (*Ch. 314*), may be cited as Co-operative Societies (Amendment) Act, 2013.
- (2) This Act shall come into force on such date as the Minister may appoint by Notice published in the Gazette.

2. Amendment of Section 2 of the principal Act.

Section 2 of the principal Act is amended by deleting the definition and expression of “deposits”.

3. Repeal and replacement of Section 4 of the principal Act.

Section 4 of the principal Act is repealed and replaced by the following —

4. Application of Act and use of the word “Co-operatives”.

- (1) This Act applies to societies which are registered under this Act or deemed, by virtue of section 167 to be registered under this Act.
- (2) No person other than a registered society or a credit union registered under The Bahamas Co-operative Credit Unions Act, 2013 shall trade or carry on business under any name or title of which the word "co-operative" or "co-operation" or any abbreviation thereof, is a part.

- (3) The name of the co-operative must not imply that it is connected with the Government of The Bahamas or any local government authority or any particular political party.
- (4) Save as expressly provided in this Act or in The Bahamas Co-operative Credit Unions Act, 2013, this Act shall not apply to credit unions registered under The Bahamas Co-operative Credit Unions Act, 2013.
- (5) Subsection (1)(c) of section 7 of the principal Act shall apply to credit unions.”.

4. Amendment of section 7 of the principal Act.

Section 7 of the principal Act is amended—

- (a) by the deletion of subsection (1)(e);
- (b) by the deletion of subsection (2) and the substitution therefor of the following as new subsections (2) and (3):
 - “(2) In the exercise of his functions, the Director of Societies shall satisfy himself that registered societies are complying with the provisions of the Financial Transactions Reporting Act (*Ch. 368*).
 - (3) The Director of Societies may, in writing delegate a function specified in subsection (1) other than the function specified in paragraph (d), to an individual or organization and a function so delegated shall be performed in such a manner as the Director of Societies may determine.”.

5. Amendment of section 9 of the principal Act.

Section 9(3) of the principal Act is amended by the deletion of the words “and in the case of a credit union, its membership must consist of at least thirty members”.

6. Amendment of section 15 of the principal Act.

Section 15(2) of the principal Act is amended by the deletion of paragraph (a) and the substitution therefor of the following as a new paragraph (a)—

- “(a) at any time it is proven that the number of members has been reduced to less than ten;”

7. Repeal of and replacement of section 115 of the principal Act.

Section 115 of the principal Act is repealed and replaced by the following section—

“115. Establishment and Constitution of apex Body

There shall be an apex Body which shall be called the National League and which shall be composed of such member representatives of all societies registered under this Act and under The Bahamas Co-operative Credit Unions Act, 2013.”

8. Repeal and replacement of section 117 of the principal Act

Section 117 of the principal Act is repealed and replaced by the following—

“117. Management.

- (1) The directors of the apex Body shall be elected at the first meeting of that body and shall hold office for a period of one, two or three years in accordance with the bye-laws of the apex Body.
- (2) No director of an apex Body may hold office —
 - (a) for more than two consecutive terms;
 - (b) in any case where such person has ceased to be a director of a credit union that is a member of the Apex Body.
- (3) The board of an apex Body shall be subject to the requirements of section 21 of the Bahamas Co-operative Credit Unions Act, 2013.
- (4) Directors of an apex Body are subject to such qualification requirements as may be prescribed pursuant to the Bahamas Co-operative Credit Unions Act, 2013.
- (5) Notwithstanding any other provision in this Act, the apex Body shall be subject to the provisions of section 35 of the Bahamas Co-operative Credit Unions Act, 2013.

(6) The Apex Body is exempt from establishing a liquidity deposit fund.”.

9. Repeal of sections 119 to 142 of the principal Act

Sections 119 to 142 of the principal Act are hereby repealed.

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OBJECTS AND REASONS

The purpose of the amendment is to restrict the application of the principal Act in respect of co-operative credit unions registered under The Bahamas Co-operative Credit Unions Act, 2013 and for related purposes.

Clause 1 of the Bill empowers the Minister to appoint a commencement date for its enforcement.

Clause 2 amends section 2 of the principal Act by deleting the definition of “deposits”.

Clause 3 repeals and replaces section 4 of the principal Act.

Clause 4 amends section 7 of the principal Act by deleting subsections (1)(e) and (2) and by replacing subsection (2) with new subsections (2) and (3).

Clause 5 amends section 9(3) of the principal Act by deleting certain words.

Clause 6 amends section 15 of the principal Act by deleting and replacing paragraph (2)(a).

Clause 7 repeals and replaces section 115 of the principal Act.

Clause 8 repeals and replaces section 117 of the principal Act.

Clause 9 repeals sections 119 – 142 of the principal Act.