

**THE BAHAMAS CO-OPERATIVE CREDIT UNIONS (AMENDMENT) BILL, 2025**  
**AN ACT TO AMEND THE BAHAMAS CO-OPERATIVE CREDIT UNIONS ACT, 2015**  
**TO ESTABLISH A RESOLUTION FRAMEWORK FOR CREDIT UNIONS AND**  
**TO STRENGTHEN THE SUPERVISORY POWERS OF THE CENTRAL BANK**

**Enacted by the Parliament of The Bahamas**

**1. Short title and commencement**

- (1) This Act, which amends The Bahamas Co-Operative Credit Unions Act, 2015 may be cited as The Bahamas Co-Operative Credit Unions (Amendment) Act, 2025.
- (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 the insertion in the correct alphabetical sequence of the following definitions:

“**electronic**” has the meaning assigned to it by section 2 of the Electronic Communications and Transactions Act;

“**hybrid meeting**” means a meeting held, simultaneously, at a physical venue or by electronic means, in which attendees, whether by electronic means or present in-person, simultaneously attend and participate in the proceedings of the meeting in real-time;

“**in-person meeting**” means a meeting in which all attendees—

- (a) are physically present together in one location; and
- (b) participate in the business of the meeting and interact with each other, face-to face;

“**show of hands**” includes a show of hands through or by electronic means;

“**virtual meeting**” means a meeting in which the attendees participate from numerous physical locations, whether inside or outside of the Commonwealth of The Bahamas, through the facility of the internet or intranet by use of integrated audio and video, chat and messaging tools, and application-sharing software, by electronic means;

**3. Amendment of section 6 of the principal Act.**

Section 6 of the principal Act is amended by the deletion of the words “32” and the substitution of the words “35”.

**4. Amendment of section 9 of the principal Act.**

Section 9 of the principal Act is amended:

- (a) in subsection (1) by the repeal of paragraph (i) and the replacement of paragraph (i) with the following:
  - “(i) unless its managers, directors, and officers are deemed to be fit and proper persons;”
  - (ii) by the insertion of the following new subsection (2):
    - “(2) The membership of a co-operative credit union registered under this Act shall comprise of at least one hundred members.”

**5. Insertion of new section 9A in the principal Act.**

The principal Act is amended by the insertion of a new section 9A immediately following section 9 of the principal Act:

**“9A Criteria for Bank in determining if a person is fit and proper**

- (1) The Central Bank shall, in considering—
  - (a) an application for registration under this Act;
  - (b) whether to approve the appointment of a member of a co-operative credit union to the Board of Directors of the co-operative credit union, have regard as to whether the applicant is fit and proper.
- (2) In determining whether a person is or remains a fit and proper person for the purposes of this Act, the Bank shall have regard to all the circumstances, including the person's —
  - (a) honesty, integrity and reputation;
  - (b) competence and capability;
  - (c) financial soundness; and
  - (d) previous disciplinary record, general compliance history including whether the Central Bank or any other domestic regulatory authority, a Supervisory Authority, or other foreign regulatory body, has previously imposed a disciplinary sanction on such person.”

**6. Amendment of section 14 of the principal Act.**

Section 14 of the principal Act is amended-

- (a) in paragraph (d) of subsection (2) by the deletion of the words “order or request” and the substitution of the word “directive”;
- (b) in subsection (5) by the insertion of the following new paragraphs immediately following paragraph (c):
  - “(d) the Central Bank is satisfied in respect of any of the matters referred to in paragraphs (a), (b), (c) or (d) of subsection (2);
  - (e) a co-operative credit union is, or appears likely to become, unable to meet its obligations as they fall due;
  - (f) the co-operative credit union is unlikely to meet the demands of its depositors
  - (g) its continuation in business is likely to involve a loss to the members of the co-operative credit union or to the creditors of the co-operative credit union

- (h) in the case of a co-operative credit union that is placed under statutory administration, the Central Bank determines that the co-operative credit union cannot be rehabilitated or restructured.”
- (c) in subsection (6) by the deletion of the reference to “(3)” and the substitution of “(5)”.

**7. Amendment of section 17 of the principal Act.**

Section 17 of the principal Act is amended by the repeal and replacement of subsection (3) with the following new subsection:

- “(3) the business at the first annual general meeting referred to under subsection (1) shall include—
- (a) the adoption of the bye-laws; and
  - (b) the election of directors.”

**8. Amendment of section 20 of the principal Act.**

Section 20 of the principal Act is amended

- (a) by the repeal and replacement of subsection (2) with the following new subsection:

“(2) A notice of an annual general meeting or a special general meeting shall

  - (i) specify the purpose for which the meeting is being called;
  - (ii) specify the venue for an in-person or hybrid meeting;
  - (iii) provide instructions for attendance and participation, including voting by members; and
  - (iv) provide an electronic link for attendees, for a hybrid or a virtual meeting.”
- (b) by the repeal and replacement of subsection (3) with the following new subsection:

“(3) An annual general meeting or special general meeting shall be held, if in-person, at one location within The Bahamas selected by the directors, or multiple locations where attendance is by electronic means”;
- (c) by the insertion immediately after subsection (4) of the following new subsections—

“(5) A co-operative credit union shall provide the Central Bank with notice of an annual general meeting or a special general meeting and the agenda for the meeting, not later than seven days prior to the date of the meeting;

(6) A co-operative credit union shall not cause a general meeting to be held as a virtual meeting, unless satisfied that each attendee is able to attend and fully participate in the meeting, if held in such manner.

**9. Repeal and replacement of section 21 of the principal Act.**

Section 21 of the principal Act is repealed and replaced by the following:

**“21 Annual Declaration**

- (1) The Board shall make, in such form as the Central Bank may determine, an annual declaration at the annual general meeting –

- (a) attesting to the compliance of the co-operative credit union with this Act and the regulations; and
  - (b) providing an updated listing of the composition of the Board, supervisory, audit and credit committees.
- (2) The declaration referred to under subsection (1) shall be submitted to the Central Bank within thirty days prior to the annual general meeting.”

**10. The Principal Act is amended by the insertion immediately after section 23 of the following new section—**

**“23A Virtual Meetings**

- (1) Subject to subsection (2), a co-operative credit union may hold an annual general meeting or special meeting as a virtual meeting or a hybrid meeting in accordance with section 20.
- (2) Subject to subsection (3), a hybrid meeting or virtual meeting shall have full effect, in all respects and to the same extent as if that hybrid meeting or virtual meeting was held in the Commonwealth of The Bahamas, as an in-person meeting.
- (3) Subsection (2) shall not apply to a hybrid meeting or a virtual meeting that is not conducted in a manner so as to enable—
  - (a) each attendee to participate in the conduct of the business of the co-operative credit union at that meeting, including the voting by embers entitled to attend and vote;
  - (b) each attendee to see, to be seen by, to hear, to be heard by, to be identified by, and to be able to identify other attendees;
  - (c) effective communication with the chairman or other officer, and among attendees during the meeting;
  - (d) communication between an attendee and the chairman or other officer of any failure of any electronic communications system or computer service enabling virtual participation, which deprives the attendee of the ability to—
    - (i) participate in the meeting;
    - (ii) identify other attendees;
    - (iii) be identified by others; or
    - (iv) effectively communicate under paragraphs (a) and (b)
  - (e) confirmation of the attendees and quorum required for the meeting; and
  - (f) a proper record, including an electronic record, of the business of the meeting to enable and verify compliance with the requirements of section 15 of the Act.
- (4) Subject to section 20, where a general meeting is to be held as a hybrid meeting or virtual meeting, the co-operative credit union shall cause any document, including the notice referred to in section 20 (2) required for the conduct of the business of the co-operative credit union at the meeting, to be delivered by electronic means;
- (5) Where a co-operative credit union holds a hybrid meeting or virtual meeting, the co-operative credit union shall—
  - (a) cause the identity of all attendees participating in the meeting to be verified and the participatory acts, including a vote cast by any attendees participating in the meeting electronically, to be confirmed, to ensure that the conduct of the business of the co-operative credit union is in compliance with the byelaws of the co-operative credit union and any other prescribed requirements; and

- (b) establish procedures and restrictions to secure the conduct of the business of the meeting, including voting.
- (6) All members participating in the virtual meeting are taken for all purposes to be present in person at the meeting while so participating.
- (7) All persons so participating in the hybrid or virtual meeting who are entitled to vote at the meeting:
  - (a) Must be given the opportunity to participate in the vote in real time; and
  - (b) May be given the opportunity to record a vote in advance of the meeting at the election of the voter”.

**11. Amendment of section 24 of the principal Act.**

Section 24 of the principal Act is amended by:

- (a) the deletion of subsections (6) and (7); and
- (b) the substitution of the following:
  - “(6) Without prejudice to anything contained in this section, provision may be made in the bye-laws in respect of qualification for membership”.

**12. Repeal and replacement of section 45 of the principal Act.**

Section 45 of the principal Act is repealed and replaced by the following:

**“45 Dormant Accounts**

- (1) For the purposes of this section\_
  - “**dormant account**” means a deposit account or other facility at a co-operative credit union where the member has initiated no transaction, for a period of seven years, with respect to —
    - (a) the deposit account or other facility; or
    - (b) any other deposit account or facility of the member held with the co-operative credit union;
  - “**transaction**” means an action initiated by a member, in person or by electronic or other non-physical means, in respect of a deposit account or other facility that such member has with a co-operative credit union and includes —
    - (a) a deposit, withdrawal, exchange or transfer of funds whether in cash, by cheque, payment order, or other instrument;
    - (b) a communication, acknowledgement, request, or instruction where evidenced in writing and signed by the member;
    - (c) a contemporaneous record of the member's verbal instruction prepared by the co-operative credit union.
- (2) Where a member of a co-operative credit union has not transacted any business, requested or acknowledged any statement or issued any instructions with respect to that member’s deposit account for a period of seven years, the Board shall serve notice on that member-
  - (a) that the member’s deposit account may be declared dormant; and
  - (b) that a maintenance fee may be imposed.

- (3) The seven- year period referred to under subsection (1) shall be calculated-
- (a) in the case of a deposit made for a fixed period, from the day on which the fixed period terminated;
  - (b) in the case of any other deposit, from the date on which the last transaction occurred or a statement of account was requested or acknowledged by the member or instructions issued by the member, whichever is the later.
- (4) A notice under subsection (2), shall –
- (a) be served on the member at his last known address; and
  - (b) allow a period of ninety days for a response from the member.
- (5) The co-operative credit union shall, on the expiry of the period of notice-
- (a) presume the account to be abandoned;
  - (b) declare the account dormant; and
  - (c) impose the maintenance fee, provided there has been no response from the member.
- (6) Where a deposit account is declared dormant pursuant to subsection (5), the co-operative credit union shall transfer the account, interests and other sums due or standing to the member's account to the Central Bank.
- (7) A co-operative credit union shall, where a liability exists by reason of a dormant account held at such credit union, within two months after the end of the calendar year in which the applicable seven-year period expired –
- (a) pay to the Central Bank an amount equal to the amount owing by the credit union in respect of the dormant account, including cash from a dormant safety deposit box; or
  - (b) subject to subsection (11), liquidate a dormant account, including a safety deposit box, containing precious metals, precious gemstones or securities, and after deducting the reasonable costs incurred in connection with the liquidation of the account, pay the balance of the proceeds of sale of such account to the Bank, provided that, the Bank may exempt a co-operative credit union in writing from this subsection where extenuating circumstances exist.
- (8) Subsection (7) (b) shall not apply where the precious metals, or precious gemstones do not have a ready buyer, cannot be sold, are worthless or are not cost-effective to sell and, in such cases, the co-operative credit union –
- (a) shall transfer the property to the Central Bank or to an agent appointed by the Central Bank; or
  - (b) at the discretion of the Central Bank, shall continue to hold the precious metals, precious gemstones or securities, as the case may be, as an agent for the Central Bank.
- (9) Subject to subsection (13), no person shall have a claim for any act done pursuant to paragraph (b) of subsection (7) against –
- (a) a co-operative credit union;
  - (b) a registrar and transfer agent; or
  - (c) any other person acting for or on behalf of the co-operative credit union.

- (10) A co-operative credit union shall retain—
- (a) for a period of fifteen years after the co-operative credit union makes a payment to the Central Bank pursuant to subsection (7); or
  - (b) for a period of five years after the co-operative credit union makes a payment to a claimant pursuant to subsection (13), all records relating to the dormant account in respect of which such payment was made including all—
    - (i) registers;
    - (ii) signature cards;
    - (iii) signature authorities;
    - (iv) microfilm or electronically stored copies of such records.
- (11) Notwithstanding subsection (7), a co-operative credit union shall—
- (a) subject to paragraph (b), not make payment to the Central Bank with respect to –
    - (i) dormant accounts which may have any one or more of the following characteristics—
      - (aa) are non-cash collateral;
      - (bb) are a custody account or safety deposit box, except for cash, precious metals, precious gemstones or securities found in such boxes; or
    - (iii) such other characteristics as the Governor may, by regulation, determine;
  - (b) continue to administer the dormant accounts referred to in paragraph (a) in the best interest of the member in accordance with the co-operative credit union's contractual obligations and subject to heightened internal monitoring by the co-operative credit union, in accordance with guidance issued by the Central Bank;
  - (c) deduct a reasonable sum for the administration of the dormant account referred to in paragraph (a) only where –
    - (i) there is an enforceable written contract between the co-operative credit union and the member under which the co-operative credit union may impose a charge; and
    - (ii) the co-operative credit union regularly imposes the charge and the charge is not regularly reversed or otherwise cancelled.
- (12) A co-operative credit union which holds a dormant account of the kind referred to in subsection (11)(a) shall make a report to the Central Bank at such intervals, and in such form containing such particulars, as the Central Bank may require.
- (13) Where a co-operative credit union has made a payment to the Central Bank pursuant to subsection (7) and —
- (a) the co-operative credit union represents to the Central Bank that it is satisfied that a person is entitled to receive an equal amount; and
  - (b) the person has brought a claim to the co-operative credit union for the amount so paid prior to the expiry of ten years from the date of the Central Bank's receipt of such amount, a liability shall arise —
    - (i) on the Central Bank, to repay to the co-operative credit union an equal amount, together with interest if interest was payable by the co-operative credit union, at a rate and computed in a manner that the Central Bank may by written notice determine; and
    - (ii) on the co-operative credit union, to pay the amount received from the Central Bank under sub-paragraph (i) to the claimant.

- (14) A co-operative credit union which makes a payment to the Central Bank pursuant to subsection (7), or transfers property to the Central Bank or an agent of the Central Bank pursuant to subsection (13)(a) shall be discharged from further liability in respect of such payment or transfer.
- (15) The Central Bank shall, where the Central Bank makes a payment pursuant to subsection (10) of this section or section 27(2) of the Central Bank of The Bahamas Act, 2020, be discharged from further liability in respect of such payment.
- (16) A co-operative credit union shall maintain a register of dormant accounts containing in respect of each account the —
- (a) full name and last known address of each member;
  - (b) last known telephone number or other contact of each member;
  - (c) name of the co-operative credit union and location of the branch at which the dormant account is held;
  - (d) account number;
  - (e) type of facility;
  - (f) full description of assets, including amount and currency where appropriate;
  - (g) fee status, indicating whether the account was subject to any fees immediately prior to transfer to the Central Bank and the amount of such fees;
  - (h) interest status, indicating whether the account was subject to any interest earned immediately prior to transfer to the Central Bank and the amount of such interest;
  - (i) date of last transaction on the account;
  - (j) measures, briefly described, taken to contact the member;
  - (k) in the case of funds in transit, file copy of the instrument or transfer;
  - (l) date funds were paid to the Central Bank pursuant to subsection (6), where applicable; and
  - (m) other information that the Central Bank may, in writing, require a co-operative credit union to maintain in the register; and
  - (n) such other information as the Central Bank may require.

**13. Amendment of section 47 of the principal Act.**

Section 47(h) of the principal Act is amended by the deletion of the word “supervisory” and the substitution of the word “audit”.

**14. Amendment of section 48 of the principal Act.**

Section 48 of the principal Act is repealed and replaced as follows--

“48. Establishment and appointment of committees.

(1) The Board--

- “(a) may establish committees, and determine their composition, duties, and procedures;”
  - (i) composed of members of the Board and or members of the co-operative credit unions who are qualified or experienced in matters relating to accounts, finance, business administration, commerce or law, for the proper carrying out of the functions of the Board, as it considers necessary; and
  - (ii) composed of no less than three members, for the more efficient management of the co-operative credit union;



- (b) may, by resolution, delegate to any committee any power or duty that it considers necessary for the efficient conduct of its affairs and business of the co-operative credit union except the duty to —
  - (i) fill a vacancy among the directors;
  - (ii) declare a bonus, dividend or patronage rebate;
  - (iii) approve any financial statements of the cooperative credit union;
  - (iv) submit to the members any questions or matter requiring the approval of members;
  - (v) make decisions where this Act or the bye-laws require a two- thirds majority or unanimous vote of the Board.
- (2) Every committee shall —
  - (a) fix its quorum at a majority of its members;
  - (b) keep minutes of its proceedings;
  - (c) submit to the Board at each meeting of the Board, the minutes of the committee's proceedings.”.

**15. Amendment of section 49 of the principal Act.**

Section 49 of the principal Act is amended by—

- (a) the insertion immediately after subsection 49(5), of the following new subsections—
  - “(6) Notwithstanding the provisions of subsections (1) and (4), a member of the co-operative credit union shall, before being
    - (a) elected to the Board of a co-operative credit union at an annual general meeting; or
    - (b) appointed to fill a vacancy on the Board pursuant to subsection (4), be approved by the Bank, in the manner prescribed by regulations.”
- (7) A member of the credit union elected to the Board of directors shall be eligible for re-election.”

**16. Amendment of section 50 of the principal Act.**

Section 50 of the principal Act is amended by--

- (a) the repeal of paragraph (g) of section 50; and
- (b) the deletion of paragraph (h) of section 50 and the substitution of the following:
  - “is ninety days or more in arrears of his debt obligation at any co-operative credit union or other financial institution.”

**17. Amendment of section 60 of the principal Act.**

Section 60 of the principal Act is amended—

- (a) by the deletion of subsection (1) and the substitution of the following:-
  - “(1) A director of the Board of a co-operative credit union who -
    - (a) fails to discharge his duties effectively;
    - (b) incurs, at any time after election, any disqualification specified in section 50;
    - (c) is involved in financial indiscipline or mismanagement;

- (d) acts in a manner prejudicial to the interests of the credit union; or
- (e) contravenes any provision under this Act, the regulations or bye-laws,

may be removed from office by a resolution of a majority of members of the credit union present and voting at a special general meeting convened for that purpose.

- (b) by the renumbering of subsection (3) as subsection (4).
- (c) by the insertion immediately after subsection (2), of the new subsection (3) as follows—

“(3) The Central Bank shall, where it proposes to remove a director from office, issue a warning notice to the Director, who may, within a period of seven days commencing the day after which the notice is served whether electronically or by hand, or within such further period as the Central Bank may allow, make written representations to the Central Bank which the Central Bank shall take into account in determining whether to confirm, vary or revoke the notice.

- (d) by the insertion immediately after subsection (4), of the following new subsection—

- “(5) (a) The co-operative credit union shall—  
provide the director with a written notice of the decision to remove him as member of the board at the meeting referred to in subsection (1), at least fourteen days before the meeting in order for the member to be afforded a reasonable opportunity to be heard.
- (b) The co-operative credit union shall notify the Central Bank, in writing of—
- (i) the meeting referred to in subsection (1) and the reason for the meeting within three working days of issuing the written notice under subsection (4)); and
  - (ii) the removal of a director within three days of such removal”.

## **18. Amendment of section 68 of the principal Act.**

Section 68 of the principal Act is amended by the deletion of subsection (2) and the substitution of the following:

- “(2) A loan to a director, and any committee member, or an employee of a co-operative credit union or any person associated with any of them shall be approved by the Board in such manner as may be prescribed by regulations.”

**19. Repeal and replacement of section 73 of the principal Act.**

Section 73 of the principal Act is repealed and replaced as follows--

**“ 73 Credit Committee**

- (1) The Credit Committee shall comprise --
  - (a) four directors; and
  - (b) one credit risk expert of the co-operative credit union, who—
    - (i) has not been a director, or employee of the co-operative credit union for three years preceding the appointment to the committee; and
    - (ii) does not fall within section 50 of the Act.”
- (2) A credit risk expert under subsection (1) shall be appointed to the board of directors and shall be eligible for re-appointment.”

**20. Repeal of section 75 of the principal Act.**

Section 75 of the principal Act is repealed.

**21. Repeal of section 76 of the principal Act.**

Section 76 of the principal Act is repealed.

**22. Amendment of the heading of Part XII of the principal Act.**

The heading of Part XII of the principal Act is amended by

- (i) the addition of the words “ AND AUDIT”; and
- (ii) the deletion of the word “Committee” and the substitution of the word “Committees”

**23. The Principal Act is amended by the insertion immediately after section 79 of the following new section—**

**“79A. Audit Committee**

- (1) The Audit Committee shall comprise of:
  - (a) No fewer than one independent non-executive director; and
  - (b) At least two financial experts, one of whom shall be an independent non-executive director;

Who:-

- (i) have not been a director, officer, or employee of the credit union for three years preceding their appointment to the committee;
- (ii) have recognized experience and expertise in either accounting, auditing, or risk management, (provided that all three areas of expertise are represented among the directors); and
- (iii) do not fall within section 50 of the Act.

- (2) Subject to section 49(6) of the Act, the members of the audit committee shall be selected in the manner to be determined by the directors or established in the by-laws of the credit union.

### **Tenure**

- (3) Members of the audit committee shall be appointed for a term of five (5) years and eligible for re-appointment for no more than one additional term.

### **Duties of the audit committee**

- (4) The audit committee of a credit union shall perform the following functions:
- a. oversee the internal and external audit of the credit union;
  - b. review and make recommendations to the Board on the appointment and remuneration of the external and internal auditor;
  - c. ensure the independence of the internal and external auditor;
  - d. meet with the external auditor of the credit union prior to the annual financial audit;
  - e. meet with the external auditors in the absence of management, at least once a year and review the external audit plan;
  - f. review the annual audited financial statements of the credit union before they are approved by the Board and make recommendations to the Board as the Audit Committee considers appropriate;
  - g. meet with the internal and external auditor after the completion of an audit to discuss the internal audit and annual financial audit findings;
  - h. ensure that a full and correct record of all proceedings of the audit committee is kept readily available to the Central Bank;
  - i. report to the Central Bank any conflicts between the auditor and the management of the credit union that the Committee had been unable to resolve within a reasonable time frame; and
  - j. perform any other duty that is necessary to carry out the purposes of the co-operative credit union in accordance with this Act.

## **24. The Principal Act is amended by the insertion immediately after section 80 of the following new section:-**

### **“80A. Nominations Committee**

- (1) The Board of Directors, shall cause to be established a Nominations Committee.

- (2) The Nomination Committee shall comprise three directors who shall have experience in or shown capacity in human resources administration, accounts, finance, business, administration, commerce or law.”

**25. Amendment of section 81 of the principal Act.**

Section 81 of the principal Act is amended in subsection (1) by the insertion of the words “or audit” immediately following the word “supervisory”.

**26. Amendment of section 82 of the principal Act.**

Section 82 of the principal Act is amended:

- (a) in subsection (4)
  - (i) by the insertion of the words “and audit” immediately following the word “supervisory”, and;
  - (ii) by the deletion of the word “committee” and the replacement with the word “committees”

**27. Insertion of new sections 88A, 88B and 88C into the principal Act.**

The principal Act is amended by the insertion immediately after section 88 of the following new sections 88A to 88C as follows:

**“88A. Power to Make Directives.**

“Where the Central Bank is satisfied that a co-operative credit union –

- (a) has failed to comply with a condition imposed or has failed to carry out measures required by the Central Bank,
- (b) has breached any provision under this Act or any other written law, direction of the Central Bank, or bye-law or written policy of the co-operative credit union;
- (c) has acted or is likely to act in a manner that amounts to an unsafe or unsound practice or
- (d) no longer possesses or is not maintaining or not in a position to maintain adequate capital resources, or no longer provides security for funds entrusted to it, the Central Bank may—
  - (i) issue a written directive to require the co-operative credit union to cease and desist from such infractions and to undertake remedial action;
  - (ii) impose on the co-operative credit union, special prudential requirements that differ from those normally applicable;

- (iii) issue written directives to the co-operative credit union to suspend the payment of dividends or any other form of net income or accumulated surplus distribution;
- (iv) require the co-operative credit union to suspend for a specified period of time, alter, reduce, or terminate any activity that in the opinion of the Central Bank has caused material losses to the co-operative credit union, is detrimental to the interest of members or presents excessive risk to the co-operative credit union;
- (v) prohibit the co-operative credit union from making a distribution on shares or bonus shares to members or to any person claiming under their authority;
- (vi) require the co-operative credit union to increase its capital; and
- (vii) require any such action to be taken by the co-operative credit union as the Central Bank considers necessary.”

**88B. Appointment of an Advisor.**

The Central Bank may, at the expense of the co-operative credit union, appoint a person to advise the co-operative credit union on the proper conduct of its affairs and to report to the Central Bank thereon within three months of the date of his appointment.”

**88C. Appointment of a statutory administrator.**

- (1) The Central Bank may, at the expense of a co-operative credit union, appoint a statutory administrator of the bank, who meets the qualifications established by the Bank including fit and proper person criteria required to be met by directors and officers of co-operative credit unions, to manage the co-operative credit union on its behalf.
- (2) Notwithstanding the provisions of section 14, where a co-operative credit union under statutory administration cannot be rehabilitated or restructured the Bank may, issue a decision to cancel the co-operative credit union’s registration.

**28. Repeal of section 92 of the principal Act.**

Section 92 of the principal Act is repealed and replaced as follows—  
“92 Registered Co-Operative Credit Unions Appeal Tribunal.

- (1) Subject to subsection (2) the League shall cause to be established a panel referred to as the Appeals Panel.
- (2) The Appeals Panel shall comprise of three persons appointed by the League, of whom—
  - (a) one shall be a counsel and attorney of at least ten years standing;
  - (b) one shall be a person with expertise in the credit union sector having at least ten years experience in the credit union sector; and
  - (c) one shall be a person recommended by the Central Bank;

- (3) A person may be appointed as a member of the Appeals Panel unless the Central Bank has given its prior written approval of such appointment.
- (4) The persons who shall constitute the Appeals Panel shall be appointed for a period not exceeding three years and may be eligible for re-appointment for no more than two additional terms.
- (5) The decision of the Appeals Panel on a question of fact shall be final and may not be called into question in any court and shall be enforced in the same manner as if the decision had been a judgment of a civil court; but a decision of the Appeals Panel on a question of law may be appealed to the Supreme Court.
- (6) The Central Bank may prescribe the procedure of the Appeals Panel.
- (7) The members of the Appeals Panel shall receive such remuneration as the League determines, being a minimum of Five Hundred dollars per hearing.
- (8) For the purposes of this section—  
“the League” means The Co-operative League Limited;  
“Appeals Panel” means the Co-operative Credit Union Appeals Panel.”

**29. Insertion of a new section 92A in the principal Act**

The principal Act is amended by the insertion of the following new heading and sections immediately following section 92—

**“92A. Conflict of Interest**

The League shall establish a Code of Conduct requiring members of the Appeals Panel to avoid any situation likely to give rise to a conflict of their personal interests with the interests of the Appeals Panel.”

**30. Repeal and replacement of section 93 of the principal Act.**

Section 93 of the principal Act is repealed and replaced as follows:--

**“93. Settlement of disputes.**

- (1) Where any dispute that relates to the business of a co-operative credit union arises-- —
  - (a) among members, past members and persons claiming through members, and deceased members;
  - (b) between a member, past member, or a person claiming through a member, and the co-operative credit union, its Board or any officer of the co-operative credit union;
  - (c) between the co-operative credit union and any other co-operative credit union;
  - (d) between the co-operative credit union or its Board and any officer or employee of the co-operative credit union, the dispute shall be referred to the Appeals Panel for a decision.

- (2) The League, may before proceeding to hear or determine a dispute, make or cause to be made a preliminary investigation with the object of ascertaining the causes, defining the issues and endeavouring to bring about a voluntary settlement between the parties to the dispute.
- (3) Where a dispute is referred to the Appeals Panel under subsection (1), the Appeals Panel may decide the dispute within ninety days after the lodging of the appeal and the aggrieved person shall be informed of the decision forthwith.
- (4) For the purpose of hearing any dispute, the League, may administer oaths and may require the attendance of all parties concerned and witnesses, and the production of all books, documents and things relating to the dispute.
- (5) The Appeals Panel shall also have the power to order the expenses of determining any dispute including fees to legal practitioners to be paid either out of the funds of the co-operative credit union or by such parties as the Appeals Panel determines.
- (6) Where there is no appeal under subsection (1), the decision of the Appeals Panel –
  - (a) may be filed in the Supreme Court or in the Magistrate’s Court for the district where the co-operative credit union is located and shall be registered in the court in which it is filed;
  - (b) after the expiration of fourteen days after it is filed and registered, the decision of the Appeals Panel shall be deemed to have the same force and effect as a judgment of the court in which it is registered and shall be enforced accordingly by the person who filed the decision or award.
- (7) Notwithstanding anything in this section, a co-operative credit union may exercise any rights arising under any charges, mortgages, bills of sale or other securities duly executed in accordance with this Act or any other law without recourse to the Appeals Panel.
- (8) For the purposes of subsection (1) a claim by a co-operative credit union for a debt or demand due to it from a member, former member or a personal representative of a deceased member is a dispute that relates to the business of a co-operative credit union within the meaning of subsection (1).”

### **31. Repeal and replacement of section 94 of the principal Act.**

Section 94 of the principal Act is repealed and replaced as follows:--

#### **“94. Appeals from decisions of the Central Bank**

- (1) An appeal shall lie to the Supreme Court from any decision of the Central Bank —
  - (a) suspending a co-operative credit union’s registration under section 14(2);
  - (b) cancelling any registration under section 14(5);
  - (c) Removing a director under section 60(2);
  - (d) Issuing a directive under section 88A;
  - (e) Taking any action under section 91(1);
  - (f) appointing a statutory administrator pursuant to section 88C;
  - (g) appointing a liquidator pursuant to section 99; and



- (h) making an order pursuant to section 107(1).
- (2) An appeal against the decision of the Central Bank shall be on motion and the appellant within twenty-one days after the day on which the Central Bank has given its decision shall serve on the Attorney-General a notice in writing signed by the appellant or his counsel and attorney-at-law of his intention to appeal and of the general ground for his appeal:
- Provided that any person aggrieved by the decision of the Central Bank may upon notice to the Attorney-General apply to the Supreme Court for leave to extend the time within which the notice of appeal prescribed by this section may be served, and the Supreme Court upon the hearing of such application may extend the time prescribed in this section as it deems fit.
- (3) The Attorney-General shall upon receiving the notice of appeal transmit to the Registrar of the Supreme Court without delay a copy of the Central Bank's decision and all papers relating to the appeal: Provided that the Attorney-General shall not be compelled to disclose any information if he considers that the public interest would suffer by such disclosure.
- (4) The Registrar shall set the appeal down for hearing on such day, and shall cause notice of the same to be published in such manner, as the Supreme Court may direct.
- (5) At the hearing of the appeal the appellant shall, before going into the case, state all the grounds of appeal on which he intends to rely and shall not, unless by leave of the Supreme Court, go into any matters not raised by such statement.
- (6) The provisions of section 62 of the Central Bank of The Bahamas Act, 2020 (No. 24 of 2020) shall apply mutatis mutandis to this Act."

**32. Amendment of section 95 of the principal Act**

Section 95 of the principal Act is amended--

- (a) By the insertion, immediately before the word "restructuring" of the word "voluntary;
- (b) by the insertion, immediately before the word "restructuring" of the word "voluntary" In the headnote."

**33. Amendment of the heading to Part XVI of the principal Act.**

The principal Act is amended in the heading of "PART XVI - WINDING UP AND ANCILLARY MATTERS" and the substitution of the following:  
'PART XVI – LIQUIDATION OF CREDIT UNIONS'

**34. Amendment of section 99 of the principal Act**

Section 99 of the principal Act is amended—

- (a) by the deletion of subsection (1) and the substitution of the following:
  - “(1) Where the Central Bank, cancels the registration of a co-operative credit union, the Central Bank may make an order directing it to be wound up and may appoint a liquidator for that purpose and fix his remuneration;”

- (b) in subsection (2), by the insertion, immediately following the words “twelve months”, of the words “and the Central Bank shall have in respect of those assets and liabilities, the powers of a liquidator under section 103”.
  - (c) by the insertion, immediately after subsection (2), of the new subsections (3) to (7), as follows --
- (3) Where a statutory administration of a co-operative credit union is terminated pursuant to section 76(2)(c) of the Central Bank of The Bahamas Act, 2020, (No. 24 of 2020) the Central Bank shall appoint a liquidator of the co-operative credit union.
- (4) The liquidator shall be a person or persons from the private sector or an officer of the Central Bank who meets the qualifications established by the Central Bank.
- (5) The Central Bank shall —
  - (a) have the power to vary or revoke the appointment of the liquidator at any time upon written notice to the person so appointed, and that person immediately shall cease to act as liquidator; and
  - (b) appoint a replacement who shall be a person or persons from the private sector or an officer of the Central Bank who meets such qualifications as may be established by the Central Bank.
- (6) The compensation of the liquidator and experts that he engages, reimbursement of their expenses and expenses of the Central Bank in execution of provisions of this section with respect to a co-operative credit union, shall be paid from the assets of the co-operative credit union.
- (7) The Central Bank may issue regulations, rules orders, directions or other instruments regarding the winding up of a co-operative credit union pursuant to this Act.”

### **35. Repeal and replacement of section 101 of the principal Act**

Section 101 of the principal Act is repealed and replaced by the following:--

#### **“101. Voluntary winding-up**

- (1) A co-operative credit union may be wound-up voluntarily, except with the prior written approval of the Central Bank.
- (2) The Central Bank may, subject to such terms and conditions as it deems appropriate, approve the voluntary winding-up of a co-operative credit union if it ---
  - (a) receives notice in a form satisfactory to the Central Bank, of the authorization to wind up a co-operative credit union; and
  - (b) is satisfied that--
    - (i) it is in the best interest of the co-operative credit union and its members;
    - (ii) the co-operative credit union is solvent and has sufficient liquid assets to repay its members in full and without delay; and

- (iii) there are clear procedures for repayment of the co-operative credit union's members within three days.
- (3) The authorization approved pursuant to subsection (2) shall specify—
  - (a) the assets and liabilities of the co-operative credit union;
  - (b) the claim of any creditors;
  - (c) the number of members of the co-operative credit union; and
  - (d) the nature and extent of the members' interest in the co-operative credit union.
- (4) Subject to subsection (1), the members of a co-operative credit union may, by resolution supported by at least two-thirds of all the members present at a special general meeting called for that purpose, authorize the winding up of that co-operative credit union.
- (5) The Board shall cause a notice of a general meeting of the members to be sent to each member for the purpose of authorizing the winding-up.
- (6) The members of a co-operative credit union may, at the meeting to be held for the purpose of authorizing the winding-up, appoint a liquidator approved by the Central Bank.
- (7) Where the Central Bank approves the voluntary winding up of a co-operative credit union pursuant to subsection (1), the co-operative credit union shall —
  - (a) surrender its certificate of registration and all copies thereof to the Central Bank which shall forthwith accept the surrender of such certificate;
  - (b) cease to do business, retaining only such staff as is necessary for an orderly winding-up under the supervision of the voluntary liquidator appointed with the approval of the Central Bank, and thereafter exercise its powers only to the extent, necessary to effect its orderly liquidation;
  - (c) repay in full its members within three days and other creditors within a reasonable period of time; and
  - (d) wind-up all operations which were commenced or undertaken prior to the receipt of the approval to wind-up.
- (8) A voluntary winding-up is deemed to commence from the time the Central Bank approves the voluntary winding-up pursuant to subsection (2).
- (9) Where a voluntary liquidator appointed pursuant to subsection 101(5) intends to resign, he shall notify the Central Bank of his intention prior to his resignation.
- (10) A notice of a voluntary winding-up shall be filed, served or published within ten days of the special general meeting at which authorization to wind up the co-operative credit union was given.
- (11) The voluntary liquidator shall submit a report and an account of the winding-up to the Central Bank, every six months.
- (12) The voluntary liquidator shall submit a report and an account of the winding-up within twenty-one days of the date on which the co-operative credit union's affairs are fully wound up.

- (13) The Central Bank shall have power to issue directions to a voluntary liquidator and require the voluntary liquidator to produce such other reports as the Central Bank may require.”

**36. Repeal of section 103 of the principal Act.**

Section 103 of the principal Act is repealed and replaced by the following—

**“103. Powers of a liquidator**

- (1) Where the Central Bank appoints a liquidator of a co-operative credit union pursuant to section 99(1), the liquidator shall become the sole legal representative of the co-operative credit union, and, shall succeed to all rights and powers of the directors and officers responsible for the management of the co-operative credit union.
- (2) The liquidator may borrow money guaranteed with the co-operative credit union’s assets, or without guarantee, with the prior written approval of the Central Bank.
- (3) The liquidator may —
  - (a) not take any new deposits;
  - (b) extend credit only to an existing member in accordance with the terms of an agreement in force at the time of the appointment of the liquidator and with the prior written approval of the Central Bank:

Provided however that the liquidator shall have the power to repudiate such loan commitments where such repudiation is in the best interest of the insolvency estate.
- (4) The liquidator shall have unrestricted access to and control over the offices, books of account and other records, and other assets of the co-operative credit union.
- (5) The liquidator may request the assistance of law enforcement officials, who shall, if necessary, use force to assist the liquidator to gain access to any premises of the co-operative credit union, to gain control over and to secure such properties, offices, assets, books and records of the co-operative credit union.
- (6) Any person who wilfully obstructs the liquidator in the exercise of his functions under this Act, commits an offence and shall be liable on summary conviction thereof to a fine not exceeding one hundred thousand dollars or to imprisonment for a term of not less than one year nor more than five years or to both, and in the case of a continuing offence, to an additional fine of one thousand dollars for each day during which the offence continues.
- (7) The liquidator shall secure the property, offices, books, records and assets of the co-operative credit union to prevent their dissipation by theft or other improper action, by taking actions including, but not limited to, the following—
  - (a) changing the locks and limiting access to the new keys on external entrances to the co-operative credit union’s offices and on doors to internal offices which contain financial assets or information or equipment which could enable a person to gain unlawful access to financial assets;
  - (b) changing or establishing access codes to the co-operative credit union’s computers and granting access only to a limited number of trustworthy employees;

- (c) issuing new photo identification passes for entrance of authorized employees to the co-operative credit union's premises and controlling the access of other persons to the co-operative credit union's premises;
- (d) cancelling authorization of persons to conduct a financial transaction for or on behalf of the co-operative credit union and issuing new authorizations, as appropriate, and notifying third parties;
- (e) informing correspondent financial institutions, registrars and transfer agents of securities, and external asset managers of the co-operative credit union's assets that persons who previously had authorization to give instructions on behalf of the co-operative credit union with respect to dealing in the co-operative credit union's assets or assets held in trust by the co-operative credit union are no longer so authorized and that only the liquidator and persons authorized by the liquidator have such authority; and
- (f) suspending the payment of capital distributions in general and payment of any kind to directors and officers:  
Provided, however, that base compensation may be paid to directors and officers for services rendered to the liquidator;
- (g) investigate all claims against the co-operative credit union and, subject to the provisions of the Act and the approval of the Central Bank, and pay rateably according to the amount of such debts, the surplus, if any, being applied in payment of interest from the date of liquidation at a rate to be fixed by the Central Bank and not exceeding five per cent;
- (h) fix the time within which creditors shall have to prove their debts and claims or be included for the benefit of any distribution made before those debts or claims are proved;
- (i) make any compromise or arrangement with creditors having and alleging to have any claims, present or future, for which the co-operative credit union may be rendered liable;
- (j) compromise all claims or liabilities to calls and debts and liabilities capable of resulting in debts and all claims, present and future, certain or contingent, subsisting or supposed to subsist between the co-operative credit union and a contributory or alleged contributory or other debtor or person apprehending liability to the co-operative credit union and all questions in any way relating to or affecting the assets or winding up of the co-operative credit union on such terms as may be agreed and take any security for the discharge of any such call, liability, debt or claim and give complete discharge in respect thereof;
- (k) from time to time, determine the contribution to be made or remaining to be made by the members or past members or by the estates or nominees or legal personal representatives of deceased members or by any officer to the assets of the co-operative credit union, and such contribution shall include debts due from members or persons;
- (l) determine by what persons and in what proportions the cost of liquidation shall be borne;
- (m) arrange for the distribution of the assets of the co-operative credit union in a convenient manner when a scheme of distribution has been approved by the Central Bank;
- (n) call such general meetings of the co-operative credit union as may be necessary; and
- (o) administer oaths, require the attendance of witnesses and other persons concerned with the management of the co-operative credit union and to require such persons to

produce books, documents and other like matters relevant to the co-operative credit union.

- (8) Within one month of taking possession of a co-operative credit union —
  - (a) the liquidator shall make an inventory of the assets and property of the co-operative credit union and transmit a copy thereof to the Central Bank; and
  - (b) the Central Bank shall make a copy of the inventory available for examination by the members of the co-operative credit union.
- (9) The powers of the directors and officers responsible for the management of the co-operative credit union shall be terminated upon the appointment of the liquidator; Provided, however, that —
  - (a) directors or officers may be instructed by the liquidator to exercise specified functions for the co-operative credit union; and
  - (b) such persons shall be subject to dismissal by the liquidator from their positions at the co-operative credit union and shall thereupon cease to receive compensation from the co-operative credit union.
- (10) The liquidator shall immediately, following his appointment —
  - (a) post in each branch of the co-operative credit union a notice of —
    - (i) the cancellation of the registration of the co-operative credit union in liquidation; and
    - (ii) his appointment as liquidator of the co-operative credit union and specify in such notice --
      - (aa) the effective date and time when he took possession of the co-operative credit union; and
      - (bb) specify that persons who previously had authorization to act or give instructions on behalf of the co-operative credit union are no longer so authorized.
- (11) The liquidator shall —
  - (a) publish notice of his appointment in a local newspaper of general circulation, each week for four consecutive weeks; and
  - (b) co-ordinate such publication with the Deposit Insurance Corporation for the purpose of payment of insured deposits to eligible members pursuant to the Protection of Depositors Act (Ch. 317).
- (12) Within sixty days after the appointment of a liquidator, the liquidator shall —
  - (a) deliver a notice of his appointment to all known members, creditors and lessees of safe-deposit boxes held by the co-operative credit union;
  - (b) publish in a local newspaper of general circulation a notice specifying the manner and time in which any claim against the co-operative credit union may be filed with the liquidator, not being earlier than sixty days from the date of delivery or publication of the notice.
- (13) As of the date of appointment of a liquidator —
  - (a) any claim or right of the co-operative credit union which would expire or be extinguished upon the expiration of a statutory, contractual or other term, shall be suspended;

- (b) the calculation of interest and penalties against the co-operative credit union's obligations shall be suspended and no other charge or liability shall accrue on the obligations of the co-operative credit union;
- (c) all legal proceedings against the co-operative credit union are stayed and the exercise of any right in respect of the co-operative credit union's assets shall be suspended;
- (d) no right shall be exerted over the co-operative credit union's assets during the co-operative credit union's liquidation, except rights given to the liquidator;
- (e) no creditor may attach, sell or take possession of any assets of the co-operative credit union as a means of enforcing his claim or initiate or continue any legal proceeding to recover the debt or perfect security interests in the co-operative credit union's assets;
- (f) Any attachment or security interest (except one existing six months prior to the effective date of the liquidation) shall be vacated, and no attachment or security interest, except one created by the liquidator in the application of this section shall attach to any of the assets or property of the co-operative credit union so long as such liquidation continues."

**37. Insertion of the new sections 103A to 103 C into the principal Act.**

**The principal Act is amended by the insertion, immediately after section 103, of the new sections 103A to 103 C as follows—**

**103A Termination of Contracts.**

- (1) A liquidator may, within thirty days of the date of his appointment, repudiate any unfulfilled or partially fulfilled contract the extent that the fulfilment of such contract is determined to be burdensome for the co-operative credit union and the repudiation would promote the orderly administration of the co-operative credit union's affairs and protect members' interests.
- (2) Notwithstanding any other law, any liability arising from a repudiation pursuant to subsection (1) shall be determined as of the date of repudiation and shall be limited to actual direct damages incurred and shall not include any damage for lost profits or opportunity or non-monetary damages.
- (3) Subject to any law governing conditions of employment, the liquidator of a co-operative credit union may terminate, not later than three months after his appointment —
  - (a) any employment contract of the co-operative credit union;
  - (b) any contract for services to which the co-operative credit union is a party; and
  - (c) any obligations of the co-operative credit union as a lessee of property.
- (4) A lessor of any property referred to in subsection (3) —
  - (a) shall be given notice of not less than thirty days of the intended termination of the obligations of a co-operative credit union;
  - (b) has no claim for rent other than rent accrued up to and including the date of the termination of the obligation of the co-operative credit union; and
  - (c) has no right to consequential or other damages which arise by reason only of any termination of the obligations of the co-operative credit union, notwithstanding any term of the lease to the contrary.

**103 B. Priority of claims.**

- (1) In any liquidation of a co-operative credit union's assets, allowed secured claims shall be paid to the extent of the realization of the security or the security shall be delivered to the secured creditor.
- (2) The following unsecured claims have priority against the general assets of a co-operative credit union being compulsorily wound-up under this Act, namely —
  - (a) subrogated claims of the Deposit Insurance Corporation under the Protection of Depositors Act(*Ch. 317*) in respect of insured deposits;
  - (b) necessary and reasonable expenses incurred by the statutory administrator or liquidator, including professional fees in carrying out their functions under this Act;
  - (c) deposits that are uninsured but not excluded from the definition of "deposits" under section 2(1) of the Protection of Depositors Act(*Ch. 317*);
  - (d) credits extended to the co-operative credit union by the trustee of the liquidation fund until the appointment of the liquidator to the extent not sufficiently secured by collateral;
  - (e) wages and salaries of the officers and employees of the co-operative credit union (whether or not earned wholly or in any part by way of commission) including any amount payable by way of allowance or reimbursement under any contract of employment or award or agreement regulating conditions of employment, that accrued during the three months immediately preceding the appointment of a statutory administrator or liquidator under this Act, provided that such amount does not exceed ten thousand dollars per person;
  - (f) all taxes due and other imposts owing to the Government of The Bahamas;
  - (g) the fees, and assessments owing to the Central Bank;
  - (h) credits extended to the co-operative credit union after the appointment of the liquidator;
    - (i) all other unsecured claims of creditors;
    - (j) subordinated debt.
- (3) After payment of all other claims against the co-operative credit union, all remaining claims against the co-operative credit union that were not filed within the time limited therefore under this Act may then be paid.
- (4) Where the amount available to pay the claims of any class of claimant specified in this section in respect of priorities is not sufficient to provide payment in full to all claimants in that class, the amount available shall be distributed by the liquidator on a *pro rata* basis among the claimants in that class.

### **103C Final reporting.**

- (1) A liquidator appointed pursuant to section 99 shall, prepare a report and an account of the winding up showing how it has been conducted and how the co-operative credit union's property has been disposed of and thereupon shall call a general meeting of the co-operative credit union for the purpose of laying before it the account and giving an explanation for it.



- (2) The liquidator shall submit the report and an account of the winding up described in subsection (1) to the Central Bank.
- (3) The liquidator shall, at least twenty-one days before the meeting, send a notice specifying the time, place and object of the meeting to each contributory in any manner authorized by the co-operative credit union's byelaws published in the Gazette.
- (4) The liquidator shall, no later than seven days after the meeting, make a return to the Registrar in the prescribed form specifying —
  - (a) the date upon which the meeting was held; and
  - (b) if a quorum was present, particulars of the resolutions, if any, passed at the meeting.
- (5) A liquidator who fails to call a general meeting of the co-operative credit union as required by subsection (1) or fails to make a return as required by subsection (3) shall be liable to pay a penalty not exceeding ten thousand dollars."

**38. Repeal and replacement of section 104 of the principal Act.**

**Section 104 of the principal Act is repealed and replaced as follows—**

**"104. Power of Central Bank to control liquidator**

A liquidator shall exercise his powers subject to the powers of the Central Bank and the Central Bank may —

- (a) rescind or vary an order made by a liquidator and make whatever new order it deems appropriate;
- (b) remove the liquidator from office;
- (c) call for all books, documents and assets of a co-operative credit union;
- (d) by order in writing limit the powers of the liquidator under section 103;
- (e) require accounts to be rendered to the Central Bank by the liquidator;
- (f) procure the auditing of the accounts of the liquidator and authorise the distribution of the assets of a co-operative credit union;
- (g) make an order for the remuneration of the liquidator; and
- (h) refer any subject of dispute between a liquidator and any third party to arbitration if that party consents in writing to be bound by the decision of the arbitrator.

**39. Amendment of section 108 of the principal Act.**

Section 108 of the principal Act is amended in the chapeau, by the deletion of the words "an arbitrator" and the substitution of the words "the Cooperative League".

**40. Amendment of the section 112 of the principal Act**

Section 112 of the principal Act is repealed and replaced as follows--

“112. Functions of Apex Body.

- (1) For the purpose of this Act, the Apex Body shall be a co-operative credit union and shall co-ordinate, assist and promote all co-operative credit unions and shall perform such functions as may be determined by its constituent members.
- (2) The Apex Body shall —
  - (a) advise and assist its credit unions by providing programs and services such as education and training, management consultation, accounting, compliance and internal auditing services, standardized systems, brokering of investments, supplies and forms, marketing and procurement, risk management, payment and settlement systems, insurance, liquidity management and advocacy of credit unions before the government and the general public.
  - (b) pay market rates of return on money under its administration;
  - (c) invest in cash, government securities, government guaranteed investments or other investments as approved by the Central Bank; and
  - (d) establish an investment committee.
- (3) The Apex Body shall be directed by a board of directors elected by member credit unions at the annual general meeting. The bye-laws shall prescribe the duties of the officers and the organizational structure of the organization.”

**41. Amendment of the heading of PART XVII of the principal Act.**

The principal Act is amended by

- (a) the insertion of the words “and AUDIT immediately after the word “SUPERVISORY”; and
- (b) the deletion of the word “COMMITTEE” and replacement with the word “COMMITTEES”.

**42. Amendment of section 123 of the principal Act**

Section 123 of the principal Act is amended by the deletion of the words “Valued Added Tax Act (No. 118 of 2014).”