

THE FRIENDLY SOCIETIES ACT

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## THE FRIENDLY SOCIETIES ACT

[1st November, 1968.]

Acts  
4 of 1966,  
29 of 1967,  
36 of 1976  
Sch.

1. This Act may be cited as the Friendly Societies Act. Short title.
- 2.—(1) In this Act, unless the context otherwise requires— Interpre-  
tation.
- “amendment of rule” includes a new rule and a resolution rescinding a rule;
- “bank” means—
- (a) the Workers Savings and Loan Bank; and
  - (b) any company licensed under the Banking Act, to carry out banking business;
- “bonus” means a share of the profits of a registered society or a branch thereof derived from business done by that society or branch with its members and divided among those members in proportion to the volume of business done by them with that society or branch;
- “branch” means any number of the members of a society under the control of a central body having a separate fund administered by themselves or by a committee of officers appointed by themselves and bound to contribute to a fund under the control of a central body;
- “child” includes an adopted son or adopted daughter and a step-son or step-daughter;
- “committee” means the governing body of a registered society or a branch thereof to whom the management of the affairs of such society or branch is entrusted;

- “dividend” means a share of the profits of a registered society or a branch thereof divided among its members in proportion to the share capital held by them;
- “functions” includes duties and powers;
- “land” includes any interest in land;
- “meeting” includes (where the rules of a registered society or a branch thereof so allow) a meeting of delegates appointed by members;
- “member” includes a person joining in the application for the registration of a society and a person admitted to membership in accordance with the rules of a registered society or a branch thereof;
- “officer” includes the chairman, secretary, treasurer, member of committee or other person empowered by regulations made under this Act or by the rules of a registered society or a branch thereof to give directions in regard to the business of such society or branch;
- “persons claiming through a member” includes the nominees of the member where nomination is allowed;
- “registered society” means a society registered under this Act;
- “Registrar” means the Registrar of societies to which this Act applies, appointed under section 4, and includes any person carrying out such functions of the Registrar as may be assigned to such person;
- “rules” means the registered rules made by a society under this Act;
- “subscription” includes any contribution or dues paid in accordance with the rules of a registered society or a branch thereof.

(2) Where in this Act the expression "this Act" is used, it shall be deemed to include references to regulations made under this Act.

3.—(1) This Act shall apply to the following societies—

Societies  
to which  
this Act  
applies.

(a) societies (in this Act called friendly societies) for the purpose of providing by voluntary subscriptions of the members thereof with or without the aid of donations for—

- (i) the relief or maintenance of the members, their husbands, wives, children, fathers, mothers, brothers, sisters, uncles, aunts, nephews or nieces, or wards being orphans, during sickness or other infirmity, whether bodily or mental, in old age (which means any age after sixty) or in widowhood, or for the relief or maintenance of the orphan children of members during minority; or
- (ii) insuring money to be paid on the birth of a member's child, or on the death of a member, or for the funeral expenses of the husband, wife, child, ward, father, mother, brother, sister, uncle, aunt, nephew or niece of a member, or on the death of the widow of a deceased member or on the death of such other relation of the member's family as is wholly or in part dependent upon the earnings of the member for the ordinary necessities of life :

Provided that as respects sub-paragraphs (i) and (ii) a person shall be deemed to be a father, mother, brother, sister, uncle, aunt, nephew or niece of the member, notwithstanding that he or she is not a legitimate relative of such member; or

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- (iii) the relief or maintenance of the members when on travel in search of employment, or when in distressed circumstances, or in case of shipwreck or loss or damage of or to boats or nets; or
  - (iv) the endowment of members or nominees of members at any age; or
  - (v) the insurance against fire of any amount not exceeding fifty dollars of the tools or implements of the trade or calling of the members; or
  - (vi) the insurance against fire, of any amount not exceeding one hundred dollars of the household furniture, goods and effects of the members; or
  - (vii) insuring money to be paid in the event of the marriage of members;
- (b) societies for any benevolent or charitable purpose (in this Act called benevolent societies);
- (c) societies (in this Act called specially authorized societies), other than societies carrying on the business of banking, for any purpose which the Minister may authorize as a purpose to which the provisions of this Act, or such of those provisions as are specified in the authority, ought to be extended, and where any provisions of this Act are so specified, those provisions only shall be so extended:

Provided that this Act shall not apply to a society which is not registered by virtue of subsection (1) of section 6.

(2) For the purposes of sub-paragraph (ii) of paragraph (a) of subsection (1), the expression "funeral expenses" shall be deemed to include all incidental and ancillary

expenses which a member may incur in connection with the death, and is not restricted to the payment for the funeral.

4.—(1) The Minister may in his discretion designate a public officer as the Registrar and such other public officers as he may think fit to assist the Registrar.

Appoint-  
ment of  
Registrar  
and  
assistants.  
29/1967  
S. 2.

(2) Where there are no public officers designated under subsection (1) the Social Development Commission shall, subject to the approval of the Minister, appoint an officer of the Commission to be the Registrar and such other officers as may be necessary to assist the Registrar.

5.—(1) Every society to which this Act applies shall be registered under this Act:

Societies  
shall be  
registered.

Provided that it shall be deemed to be a sufficient compliance with the provisions of this subsection if, before any subscriptions or fees are collected from any member, the Registrar by writing under his hand permits any person named in such writing (hereafter in this section referred to as a "permitted person") to take the necessary steps for the formation of a society, and if such society is in fact registered within twelve months after the giving of such permission.

(2) In the event of any contravention of the provisions of subsection (1), every secretary, member of the governing body, or other officer of an unregistered society shall be liable to a fine of ten dollars for every day during which such society remains unregistered.

(3) Every permitted person shall, while the society in respect of which he is a permitted person is in process of formation—

(a) cause proper books of account to be kept with respect to all subscriptions or fees received and



all sums of money expended by such person, and the matters in respect of which the receipts and expenditure take place; and

- (b) immediately before the registration of the said society or at the end of the period of twelve months described in subsection (1) whichever shall sooner occur, send to the Registrar a true return signed by him of the receipts and expenditure, funds and effects collected, received and expended by him while such society was in process of formation.

(4) The Registrar shall, on being satisfied that any member or other person has subscribed to the funds collected or received by a permitted person, or has any interest therein, permit such member or other person to inspect without payment of any fee the said return at the office of the Registrar during the usual or customary hours of business.

(5) The Registrar may at any time either before or after the registration of a society order the books, accounts, vouchers, documents, securities and funds of such society during the period in respect of which it was unregistered or in course of formation to be inspected or audited by some fit and proper person appointed by him, and it shall be the duty of the permitted person and of every secretary, treasurer and member of the governing body or other officer of the society to make available to the person so appointed all the books, accounts, vouchers, documents, securities and funds of the society for the purposes of inspection or audit; and the Registrar may order the person so appointed to be paid out of the funds of the said society a fee not exceeding such sum as may be prescribed.

Conditions  
of registra-  
tion.

6.—(1) A society shall not be registered under this Act unless it consists of twenty-one persons at least.

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[The inclusion of this page is authorized by L.N. 480/1973]

(2) A society shall not be registered under this Act under a name identical with that under which any other existing society is registered or so nearly resembling such name as to be likely to mislead the members or the public as to its identity.

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

(2) The application shall be signed by at least seven members and the secretary of the society and shall be accompanied by—

- (a) three copies of the proposed rules of the society;
- (b) a list of the names and addresses of the secretary, treasurer and every member of the governing body; and
- (c) the prescribed registration fee.

8.—(1) When an application for registration is made, the Registrar shall satisfy himself that the society has complied with this Act, and that its proposed rules are in conformity with this Act, and for these purposes the Registrar may make such enquiries and obtain such information as he thinks fit. Registration.

(2) The Registrar upon being satisfied of the foregoing matters shall—

- (a) register the society and its rules and publish a notice of such registration in the *Gazette*; and
- (b) issue to the society to which the application relates a certificate of registration in the prescribed form.

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

(4) If the Registrar refuses to register a society, an appeal shall lie within one month from the date of such refusal to a tribunal appointed by regulations under this Act.

Societies to  
be bodies  
corporate.

9. The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and with power to hold and dispose of land and other property of whatever kind, to enter into contracts, to institute and defend suits and other legal proceedings, and to do all things necessary for the purposes of its constitution.

Power of  
registered  
societies to  
make rules.

10.—(1) Every registered society may, subject to the approval of the Registrar, make rules for all such things as are necessary or desirable for the purpose for which such society is established.

(2) Rules made under this section shall bind the society and every member thereof, and every person claiming through such member to the same extent as if every such member had subscribed his name and affixed his seal thereto and there were contained in such rules a covenant on the part of such member, his heirs, executors, administrators and assigns to be bound thereby.

Amendment  
of rules.

11.—(1) Any registered society may, subject to this Act, amend its rules, including the rule which declares the name of the society.

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

(3) If the Registrar is satisfied that any amendment of the rules is not contrary to this Act, he may register the amendment:

Provided that the Registrar may for reasons to be given to the society, refuse to register an amendment.

(4) If the Registrar refuses to register any amendment of the rules of a registered society, an appeal shall lie within one month from the date of such refusal to the tribunal appointed by regulations made under this Act.

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

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

**12.** A society (other than a benevolent society) shall not be disentitled to registration by reason of any rule or practice of dividing any part of the funds thereof if the rules of the society contain distinct provision for meeting before division of any part of such funds takes place, all claims existing against the society immediately before such division.

Registration  
of dividing  
societies.

**13.** A society providing for the endowment of a member or the nominee of a member at any age, or assuring a certain annuity, shall not be registered unless the tables of contributions for such respective benefits or assurance, certified by an actuary approved by the Registrar, are sent to the Registrar with the application for registration.

Registration  
of insurance  
societies  
and of  
societies  
assuring  
annuities.

Registration  
of societies  
with  
branches.

**14.—(1)** Where a society has branches, the application for registration shall be accompanied by—

- (a) a list of all the branches, and notice of the place where the registered office of each branch will be situated;
- (b) if the rules of all the branches (in this Act called branch rules) are or are intended to be identical, a statement to that effect and four copies of those rules; and
- (c) if the branch rules are not or are not intended to be identical, a statement to that effect and four copies of the rules of each branch.

(2) A society having a fund under the control of a central body to which every branch is bound to contribute may be registered as a single society.

Establish-  
ment of new  
branches.

**15.** There shall be sent under the hand of the secretary of a registered society to the Registrar—

- (a) notice of the establishment of every new branch of the society;
- (b) notice of the place where the registered office of the branch will be situated; and
- (c) a statement whether or not the rules of the branch are identical with those of the other branches of the society, and if not so, four copies of the rules of that branch.

Application  
of certain  
provisions  
of this  
Act to  
branches.

**16.** The provisions of this Act as to—

- (a) the amendment of rules and the effect of such amendment;
- (b) the registration of the amendment of rules and evidence of such registration;
- (c) appeal against refusal to register any amendment of rules,

shall apply to branches and branch rules as they apply to a registered society and its rules.

17.—(1) A body identified, by means of information supplied to the Registrar pursuant to section 14 or section 15, as a branch of a registered society, shall not be registered as a society except on production to the Registrar of a certificate under the hand of the chief secretary or other principal officer of the society of which it was a branch, that the body has wholly seceded or has been expelled from the society.

Requisites for registration of branches as societies.

(2) An appeal shall lie from the refusal of the chief secretary or other principal officer of the society, or his omission, after three months from the receipt of a request in writing made on behalf of the body to grant a certificate, to the tribunal appointed by regulations made under this Act.

18. A body which, having been a branch of a registered society has wholly seceded or been expelled from that society, shall not thereafter use the name of that society or any name implying that it is a branch thereof, or the number by which it was designated as such a branch.

Name of society or expelled branch.

19. A registered society or a branch thereof may contribute to the funds, and take part by delegates or otherwise in the government of any other registered society or branch of a registered society, as provided in the rules of that first named society or branch without becoming a branch under this Act of that other society or branch.

Contributions from one society to another.

20. Every registered society and every branch thereof shall have an office registered in the prescribed manner, to which all notices and communications may be sent, and shall send to the Registrar notice of every change of such registered office.

Registered office.

Publication  
of name.

**21.—(1)** Every registered society shall paint or affix and keep painted or affixed its registered name in letters easily legible, in a conspicuous position on the outside of every office or place in which the business of the society is carried on.

(2) Every branch of a registered society shall paint or affix and keep painted or affixed, in a conspicuous position on the outside of every office or place in which the business of that branch is carried on, the name and number, in letters easily legible, by which that branch was designated as a branch of such society.

Return of  
members  
and  
investments.

**22.** Once in every year not later than the 31st day of January, every registered society and every branch of a registered society shall send to the Registrar a return for the year ending on the 31st day of December last preceding, showing—

- (a) the number of members on its roll, including every person who at any time during the year was a financial member of the society or branch;
- (b) the amount of money on deposit in banks;
- (c) the amount of any money invested in or on the security of the stock, shares or debentures of any bank or of any building society established and registered in Jamaica;
- (d) the amount of money invested in real securities;
- (e) the amount of money invested in shares in any co-operative undertaking with limited liability;
- (f) the amount of money invested in authorized trustee securities; and
- (g) the amount of money in the treasurer's hands, at the close of work on the 31st day of December aforesaid.

**23.**—(1) The Registrar shall audit or cause to be audited Audit.  
by some person authorized by him in writing, the accounts of every registered society and every branch of a registered society once at least in every year.

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

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

- (a) to summon at the time of his audit any officer, agent, servant or member of the society or branch who he has reason to believe can give material information in regard to any transactions of the society or branch or the management of its affairs; and
- (b) to require the production of any book or document relating to the affairs of, or any cash or securities belonging to, the society or branch by the officer, agent, servant or member in possession of such book, document, cash or securities.

**24.**—(1) Every registered society and every branch of a registered society shall, once in every year, not later than the 31st day of May, send to the Registrar a return Annual and other returns.  
(in this Act called the annual return) of the receipts and expenditure, funds and effects of the society or branch as audited.

(2) The annual return shall—

- (a) show separately the expenditure in respect of the several objects of the society or branch; and
- (b) be made out to and include the 31st day of December last preceding.



(3) Every registered society and every branch of a registered society shall, together with the annual return, send to the Registrar a copy of any special report of the auditors.

(4) In the case of a branch, the annual return shall be sent to the Registrar through an officer appointed in that behalf by the society of which the branch forms part.

(5) Every registered society and every branch of a registered society shall annually prepare and send to the Registrar together with the annual return of such society or branch, returns relating to sickness and death benefits and to maternity, dental, optical and other benefits of the society or branch in accordance with the prescribed forms made out to and including the 31st day of December, last preceding.

Quinquennial valuation.

25.—(1) Subject to the provisions of this section, the Registrar may require every registered society and every branch of a registered society, not oftener than once in every five years—

- (a) to cause its assets and liabilities to be valued by a valuer to be appointed by the society or branch, and approved by the Registrar, and to send to the Registrar a report on the condition of the society or branch; or
- (b) to send to the Registrar a return of the benefits assured and contributions receivable from all the members of the society or branch, and of all its funds and effects, debts and credits, accompanied by such evidence in support thereof as the Registrar may require.

(2) Every report sent to the Registrar under subsection (1) shall—

- (a) be signed by the valuer;

- (b) state the address and calling or profession of the valuer; and
- (c) contain an abstract to be made by the valuer of the results of his valuation, together with a statement containing such information with respect to the benefits assured and the contributions receivable by the society or branch, and of its funds and effects, debts and credits as the Registrar may require.

(3) Where a registered society or branch sends to the Registrar a return under subsection (1), the Registrar shall cause the assets and liabilities of the society or branch to be valued and reported on by an actuary, and shall send to the society or branch a copy of the report and an abstract of the results of the valuation.

(4) This section shall not apply to—

- (a) a benevolent society or branch thereof; or
- (b) a specially authorized society or branch thereof, unless it is so directed in the authority for registering that society or branch.

(5) The Registrar may dispense with the provisions of this section in respect of registered societies and branches to whose purposes or to the nature of whose operations he may consider those provisions inapplicable.

26. Every registered society and every branch of a registered society shall keep a copy of the last annual balance sheet and of the last quinquennial valuation together with any special report of the prescribed persons, always posted up in a conspicuous place of the registered office of the society or branch.

Copy of  
last balance  
sheet.

27.—(1) A registered society shall be exempt from income tax.

Exemption  
from income  
tax and  
stamp duty.

(2) All instruments executed by or on behalf of a registered society or a branch thereof or by or on behalf of a member relating to the business of such society or branch shall be exempt from stamp duty.

Priority on  
death,  
bankruptcy,  
etc., of  
officer.

28.—(1) In the following cases, namely—

- (a) upon the death or bankruptcy of any officer of a registered society or a branch thereof having in his possession by virtue of his office any money or property belonging to the society or branch; or
- (b) if any execution, attachment or other process is issued against any such officer or against his property,

his executors or administrators, or the Trustee in Bankruptcy or the Bailiff or other person executing the process respectively, shall, notwithstanding anything contained in any other law, upon demand in writing of the society or branch, pay the money and deliver over the property to the society or branch in preference to any other debt or claim against the estate of the officer.

(2) In this section the expression “bankruptcy” includes liquidation of a debtor’s affairs by arrangement.

Membership  
of minors.  
36/1976  
Sch.

29.—(1) The rules of a registered society or a branch thereof may provide for the admission of a person under twenty-one years of age as a member.

(2) Any such member may, if he is over sixteen years of age, by himself, and if he is under that age, by his parent or guardian, execute all instruments and give all acquittances necessary to be executed or given under the rules, but shall not be a member of the committee, or a secretary or treasurer of the society or branch.

**30.**—(1) A registered society, or any branch thereof may subscribe out of its funds to any hospital, infirmary, charitable or provident institution any annual or other sum for the purpose of securing to members of the society or branch and their families the benefits of the hospital, infirmary or other institution according to its rules.

Subscription  
to hospitals,  
etc.

(2) A registered society may apply or donate each year from its funds a sum not exceeding ten cents in respect of every financial member for the purpose or towards the promotion or encouragement of education, science or art in the Island.

**31.** Every registered society and every branch of a registered society shall deliver to every person on demand, on payment of such sum as may be prescribed, a copy of the rules of the society or branch.

Right to  
supply of  
copies of  
the rules.

**32.** Every registered society and every branch of a registered society shall, on the application of any member or any person interested in the funds of such society or branch, supply to him gratuitously—

Right to  
supply of  
annual  
return.

(a) a copy of the last annual return of the society or branch; or

(b) a balance sheet or other document duly audited, containing the same particulars as to the receipts and expenditure, funds and effects of the society or branch as are contained in the annual return.

**33.** A member or person having an interest in the funds of a registered society or a branch thereof may inspect the books of such society or branch, as the case may be, at all

Inspection  
of books.

reasonable hours at the registered office of the society or branch, or at any place where the books are kept, except that the member or person shall not, unless he is an officer of the society or branch, or is specially authorized by a resolution of the society or branch to do so, have the right to inspect, save as herein otherwise provided, the loan account of any other member without the written consent of such member.

Limitation  
of benefits.

**34.—**(1) A member, or a person claiming through a member, of a registered society or a branch thereof shall not be entitled to receive more than—

- (a) one thousand dollars (excluding bonuses or additions declared upon assurance) as a lump sum payment; or in lieu thereof
- (b) two hundred and eight dollars per annum as annuity,

from one or more of such societies or branch.

(2) Any such society or branch may require a member, or person claiming through a member, to make and sign a statutory declaration that the total amount to which that member or person is entitled from one or more such societies or branches does not exceed the sums aforesaid.

Service  
in armed  
and police  
forces.

**35.—**(1) A person shall not, by reason of his enrolment or service as a member of any police, military, naval or air force, lose or forfeit any interest in a registered society or a branch thereof which he possesses at the time of his being so enrolled or serving, or be fined or otherwise penalized for absence from or non-attendance at any meeting of the society or branch, if his absence or non-

attendance is occasioned by the discharge of his police, military, naval or air duty as certified by his commanding officer, any rules of the society or branch to the contrary notwithstanding.

(2) A dispute between any such society or branch and person by reason of that enrolment or service, shall be decided by the Registrar.

(3) In this section "commanding officer", in relation to a member of the police force, means—

- (a) an officer of or above the rank of Assistant Superintendent having command of the division or branch in which such member is posted; or
- (b) such other officer as may be designated by the Commissioner.

36. A registered society or a branch thereof may invest its funds or any part thereof, to any amount in any of the following ways—

Investment  
of funds.

- (a) by deposits in a bank;
- (b) in the purchase of land;
- (c) in or on the security of the stock, shares or debentures of any bank or of any building society established and registered in Jamaica;
- (d) in any co-operative undertaking with limited liability;
- (e) in any investment in which trustees are for the time being by law authorized to invest trust funds.

37.—(1) A registered society and, subject to the rules of the society, a branch thereof, may advance to a member of at least three years' standing any sum not exceeding one-half of the amount of any assurance on his life, on the

Loans to  
assured  
members.

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[The inclusion of this page is authorized by L.N. 31/1977]

written security of himself and two satisfactory sureties for repayment.

(2) The amount so advanced, with all interest thereon, may be deducted from the sum assured, without prejudice in the meantime to the operation of the security.

Loans out  
of separate  
loan fund.

38. A registered society may, out of any separate loan fund to be formed by contributions or deposits of its members, make loans to members on their personal security, with or without sureties, as may be provided by the rules, subject to the following restrictions—

- (a) a loan shall not at any time be made out of money contributed for the other purposes of the society;
- (b) a member shall not be capable of holding any interest in the loan fund exceeding four hundred dollars;
- (c) a society shall not make any loan to a member on personal security beyond the amount fixed by the rules, or make any other loan which, together with any money owing by a member to the society, exceeds two-thirds of the amount standing to the credit of such member;
- (d) a society shall not hold at any one time on deposit from its members any money beyond the amount fixed by the rules, and the amount so fixed shall not exceed two-thirds of the total sums owing to the society by the members who have borrowed from the loan fund;
- (e) no member who is indebted to a society in respect of a loan made to him by such society shall be accepted as surety for another member of the said society.

39.—(1) A member of a registered society or a branch thereof, not being under the age of sixteen years may, by writing under his hand delivered at or sent to the registered office of the society or branch, or made in a book kept at that office, nominate a person or persons to whom any sum of money payable by the society or branch on the death of that member, not exceeding two hundred dollars, shall be paid on his decease.

Power of member to dispose of sums payable on his death by nomination.

(2) The sum of money payable by a registered society or a branch thereof on the death of a member shall include the sums of money contributed to or deposited in the separate loan account, and any sums of money accumulated for the use of the member under the provisions of regulations made under this Act with interest thereon.

(3) The person nominated under this section shall not be an officer or servant of the society or branch, unless that officer or servant is the husband, wife, father, mother, child, brother, sister, uncle, aunt, nephew or niece of the nominator.

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(4) A nomination made under this section may be revoked or varied by any similar document under the hand of the nominator, delivered, sent or made as aforesaid.

(5) The marriage of a member of a registered society or a branch thereof shall operate as a revocation of any nomination theretofore made by that member under this section.

(6) A nomination or a variation or revocation of a nomination by writing or mark under the hand of a member of a branch and delivered at or sent to the registered office of that branch, or made in a book kept at that office, shall be effectual, notwithstanding that the money to which the nomination relates or some part thereof, is not payable by that branch, but is payable by the society or some other branch.



Proceedings  
on death of  
nominator.

40.—(1) On receiving satisfactory proof of the death of a nominator, the registered society or branch shall pay to the nominee the amount due to the deceased member, not exceeding the said sum of two hundred dollars.

(2) The receipt of a nominee over sixteen years of age for any amount so paid shall be valid.

(3) Where the nominee is unwilling or refuses to be responsible for the funeral expenses of a deceased nominator, or has not applied for the moneys payable by the society or branch on the death of such nominator within twelve hours after knowledge of the death of such nominator has come to the secretary of the society or branch of which the said deceased nominator was a member, the secretary shall have power in his discretion to make arrangement for the funeral of the deceased nominator and to defray his funeral expenses out of moneys payable by the society or branch in respect of the death of the said nominator.

Payments  
in absence  
of valid  
nomination.

41.—(1) If any member of a registered society or of a branch of a registered society entitled from the funds thereof to a sum not exceeding two hundred dollars dies intestate and without having made a valid nomination in respect thereof then subsisting, the committee of such society or branch may defray thereout the funeral expenses of the deceased member, and may, without letters of administration, distribute the balance among such persons as appear to the society or branch, upon such evidence as it may deem satisfactory, to be entitled by law to receive that sum.

(2) If any such deceased member is illegitimate and unmarried, the committee may distribute such balance among the persons who, in the opinion of the society or branch would have been entitled thereto if that member

had been legitimate, and if there are no such persons the society or branch shall deal with the money in such manner as the Minister may direct.

(3) If within the period of three months after the death of such member the committee fail or are unwilling or neglect to exercise the power of distribution vested in them under the provisions of this section, the moneys payable on the death of the said member shall be paid to the Administrator-General to be dealt with by him according to law.

42.—(1) A payment made by a registered society or branch under the foregoing provisions of this Act with respect to payments on death generally, to the person who at the time appears to the society or a branch thereof to be entitled thereon, shall be valid and effectual against any demand made upon the society or branch by any other person, but the next of kin or lawful representative of the deceased member shall have remedy for recovery of the money so paid as aforesaid, against the person who has received that money.

Validity of  
payments.

(2) Where a registered society or a branch thereof has paid money to a nominee in ignorance of a marriage subsequent to the nomination, the receipt of the nominee shall be a valid discharge to the society or branch.

(3) Where an infant or other person under disability is entitled to receive from a registered society or a branch thereof moneys payable on the death of a member, such moneys shall be paid by the society or branch to the Administrator-General to the credit of such infant or other person under disability, and the receipt of the Administrator-General shall be a good discharge.

(4) The Administrator-General may retain out of the said moneys for fees of office, three *per centum* thereof

and shall pay or apply the remainder to or for the care, maintenance, education or benefit of such infant or such person under disability as he may think fit.

Certificate  
of death.

**43.**—(1) Subject to the provisions of subsections (2) and (3), a registered society or a branch of a registered society shall not pay any sum of money upon the death of a member or other person whose death is required by law to be registered except upon the production of either a certified copy of the entry of death under the hand of the Registrar-General or a certificate of the kind described in section 28 of the Registration (Births and Deaths) Act.

(2) Where the death of such member or other person takes place in a public institution, a certificate of that death under the hand of the superintendent or other person authorized in that behalf by the superintendent, shall be accepted as proof of death.

(3) This section shall not apply to deaths at sea, nor to any death certified by a Coroner to be the subject of a pending inquest.

Amount  
payable on  
death of  
children of  
certain ages.

**44.** A registered society or a branch thereof shall not give an assurance to pay or pay—

- (a) on the death of a child under five years of age, any sum of money which, when added to any amount payable on the death of that child by any other registered society or branch of a registered society, exceeds sixty dollars; or
- (b) on the death of a child of five years of age and over but under ten years of age, any sum of money which, when added to any amount payable on the death of that child by any other registered society or branch of a registered society, exceeds seventy dollars.

**45.**—(1) A registered society or a branch thereof shall not pay any sum on the death of a child under ten years of age except to the parent or guardian of the child, or to the personal representative of the parent or guardian, and upon the production by the parent or guardian or his personal representative of a certified copy of the entry of death under the hand of the Registrar-General.

Person to whom payment may be made on death of children.

(2) A registered society or a branch thereof shall before paying any sum on the death of a child, obtain information as to what, if any, sum of money has been paid on the death of that child by any other registered society or branch of a registered society.

**46.**—(1) If any dispute touching the business of a registered society or a branch thereof arises—

Settlement of disputes.

- (a) among members, past members, or persons claiming through members, past members or deceased members; or
- (b) between a member, past member or person claiming through a member, past member or deceased member, and the society or branch, its committee or any officer of the society or branch; or
- (c) between the society or its committee and any officer of the society or branch; or
- (d) between the society and any other registered society or branch of another registered society; or
- (e) between the branch and any other branch of a registered society; or
- (f) between the branch and any registered society (including the society of which it is a branch),

such dispute shall be referred to the Registrar. A claim by a registered society or branch for any debt or demand allegedly due to it from a member, past member or the nominee, heir or legal representative of a deceased

member, shall unless admitted by him be deemed to be a dispute touching the business of the society or branch *within the meaning of this subsection.*

(2) The Registrar shall, on receipt of a reference under subsection (1), refer it for disposal to an arbitrator or two or more arbitrators.

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

Amalgama-  
tion and  
transfer of  
engage-  
ments.

47.—(1) Any two or more registered societies may, by special resolution of both or all such societies, become amalgamated together as one society, with or without any dissolution or division of the funds of those societies or either of them.

(2) A registered society may, by special resolution transfer its engagements to any other registered society which may undertake to fulfil the engagements of that society.

(3) A special resolution by a registered society for an amalgamation or transfer of engagements under this Act shall not be valid without—

- (a) the assent thereto of three-fourths in value of the members given either at the meetings at which the resolution is, according to the provisions of this Act, passed and confirmed or at one of them, or, if the members were not present thereat, in writing; and
- (b) the written consent of every person receiving or entitled to any relief, annuity or other benefit from the funds of the society, unless the claim of that person is first duly specified, or adequate provision is made for satisfying that claim.

(4) On the application of the committee of a registered society desiring to amalgamate or transfer its engagements, and upon notice of that application being published in the *Gazette*, the Registrar, after hearing the committee and other persons whom he considers entitled to be heard upon the application, may order that any of the assents, consents and conditions required by this Act be dispensed with, and may confirm the amalgamation or transfer.

(5) A registered society or a branch thereof, consisting wholly of members under 21 years of age and—

- (a) a registered society having members above 21 years of age; or
- (b) any number of branches of a registered society having members above 21 years of age,

may, by resolution registered in the manner required for the registration of an amendment of rules, become amalgamated together as one society or a branch or provide for distributing among several branches the members of a registered society or a branch thereof consisting wholly of members under 21 years of age, and the other provisions of this section shall not apply to that amalgamation.

(6) The value of members shall be ascertained by giving one vote to every member and an additional vote for every five years that he has been a member, so, however, that not more than five votes in all shall be given to one member.

(7) If any member of a registered society or a branch thereof which has amalgamated or transferred its engagements, or if any person claiming any relief, annuity, or other benefit from the funds thereof is dissatisfied with the provision made for satisfying his claim, that member or person may apply to the Registrar for

relief and the Registrar shall have the same powers in the matter as in regard to the settlement of disputes under this Act.

Conversion  
of society  
into com-  
pany or  
co-operative  
society.

**48.**—(1) A registered society may by special resolution determine to convert itself into a company under any statute for the time being in force relating to the incorporation of companies (in this Act referred to as the Companies Act) or into a co-operative society under the Co-operative Societies Act or to amalgamate with or transfer its engagements to any such company or co-operative society.

(2) If a special resolution for converting a registered society into a company contains the particulars required by the Companies Act to be contained in the memorandum of association of a company, and a copy thereof has been registered with the Registrar, a copy of that resolution under the hand of the Registrar shall have the same effect as a memorandum of association duly signed and attested under the said Act.

(3) If a registered society is registered as, or amalgamates with, or transfers all its engagements to, a company or a co-operative society, the registration of the society under this Act shall thereupon become void and shall be cancelled by the Registrar; but the registration of a registered society as a company or a co-operative society shall not affect any right or claim subsisting against that society or any penalty incurred by that society; and for the purpose of enforcing any such right, claim or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company or a co-operative society, as the case may be; and every such right or claim, or the liability to any such penalty shall have priority, as against the prop-

erty of the company or co-operative society, over all other rights or claims against or liabilities of the company or co-operative society.

49. An amalgamation or transfer of engagements under this Act shall not prejudice any right of a creditor against any registered society or branch of a registered society which is party thereto.

Saving for  
right of  
creditors.

50.—(1) A registered society may, by resolution passed by a majority of the members or delegates present and entitled to vote at any general meeting of which notice specifying the intention to propose any such resolution has been duly given according to the rules, determine to become a branch of any other registered society and also, if thought fit, of any branch of such other society.

Conversion  
of a society  
into a  
branch.

(2) A copy of the rules of the society marked to show the amendments, if any, made at the meeting, and two copies of the resolution and of such amendment of rules, if any, as aforesaid, each signed by the chairman of the meeting and by the secretary of the society so determining to become a branch of another society, and countersigned by the secretary of that other society, shall be sent to the Registrar.

(3) If the Registrar finds that the rules, with or without any such amendment as aforesaid, comply with the provisions of this Act, he shall cancel the registration of the first named society and register it as a branch of that other society, and also, if so specified in the resolution referred to in subsection (1), of any branch of that other society without further request or notice, and shall register such amendment of rules without further application or evidence, and until such registration, the resolution shall not take effect.

(4) Every cancellation of registration under this section shall be advertised in the *Gazette*.



Meaning of special resolution.

**51.** For the purposes of this Act a special resolution means a resolution which is—

- (a) passed by a majority of not less than three-fourths of such members of a registered society entitled under the rules to vote as may be present in person or by proxy (where the rules allow proxies) at any general meeting of which notice specifying the intention to propose that resolution has been duly given according to the rules; and
- (b) confirmed by a majority of such members, entitled under the rules to vote, as may be present in person or by proxy (where the rules allow proxies) at a subsequent general meeting of which notice has been duly given, held not less than fourteen days nor more than one month from the day of the meeting at which such resolution was first passed.

At any meeting mentioned in this section, a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

Registration of special resolutions.

**52.** A copy of every special resolution for any of the purposes mentioned in this Act, signed by the chairman of the meeting and countersigned by the secretary, shall be sent to the Registrar's office and registered by him, and until that copy is so registered, the special resolution shall not take effect.

Power of Registrar to inspect books, etc.

**53.** The Registrar or any person authorized in writing by him shall, at all times have access to all the books, accounts, papers and securities of a registered society or any branch thereof and shall be entitled to inspect the cash in hand; and every officer of the society or branch

shall furnish such information in regard to the transactions and working of the society or branch as the person making such inspection may require.

54. The Registrar may enter and inspect, or may authorize any person in writing to enter and inspect the registered office or place of meeting of any registered society or any branch thereof at any reasonable time by day or night, and may examine the condition and affairs of such society or branch and make such enquiries as are necessary to ascertain its condition and ability to provide for the payment of the benefits payable under its rules, and whether or not it has complied with the provisions of this Act.

Inspection  
of societies'  
premises.

55.—(1) The Registrar may of his own motion, and shall, upon an application in terms of subsection (2) in writing—

Inquiry and  
inspection.

- (a) of a majority of the committee; or
- (b) of five hundred members in the case of a registered society or branch thereof having more than ten thousand members; or
- (c) of one hundred members in the case of a registered society or branch thereof having more than one thousand but not more than ten thousand members; or
- (d) of one-fifth of the number of members of a registered society or branch thereof in any other case,

hold an inquiry or direct any person authorized by him in writing in that behalf to hold an inquiry into the constitution, working and financial condition of the registered society or branch as the case may be.

(2) An application under subsection (1) shall—

- (a) state that the funds of the society or branch are insufficient to meet the existing claims thereon, or that the rates of contribution fixed in the rules of the society or branch are insufficient to cover the benefits assured;
- (b) state forthwith the grounds on which the insufficiency is alleged; and
- (c) request an inquiry into the affairs of the society with a view to the cancellation of the registration of the society.

(3) The officers and members of a society or branch in respect of which an inquiry is being held under subsection (1) shall furnish such information in regard to the affairs of the society or branch and produce the cash in hand and such books, accounts, papers and securities of the society or branch as the Registrar or the person authorized by him may require.

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

- (a) proves that an ascertained sum of money is then due to him and that he has demanded payment thereof, and has not received satisfaction within a reasonable time; and
- (b) deposits with the Registrar such sum as security for the cost of the proposed inspection as the Registrar may require.

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

(6) Where an inquiry is held under subsection (1) or any inspection is made under subsection (4), the Registrar may direct that the costs, or such part of the costs as he may think right, be repaid by the registered society or branch, any members demanding an inquiry, the officers or former officers of the society or branch or any creditor, on whose application the inquiry was made.

(7) Any sum awarded by way of costs against any society or branch or person under this section, may be recovered, on application to the Resident Magistrate having jurisdiction in the place where the registered office of the society or branch is situated, in like manner as money payable under a judgment of the Resident Magistrate.

56.—(1) If at any time it appears to the satisfaction of the Registrar after due inquiry into the facts, the officer or other person being afforded a full opportunity of being heard, that an officer of a registered society or a branch thereof or a person holding office in a registered society or a branch thereof, whether elected or otherwise, has been guilty of negligence, irregularity or misconduct, such officer or person may be removed from office by order of the Registrar, and the Registrar shall notify the society or branch concerned and direct that it proceed to the appointment or election of a substitute in the place of such officer or person removed as aforesaid. If the society or branch fails to appoint or elect an officer to fill the vacant office within two months of the date of such direction, the Registrar may thereupon appoint a new officer to fill such vacant office.

Removal  
of officer.

(2) Where any officer or other person who is removed by order of the Registrar has the custody of any books, ledgers, vouchers, registers, bills, documents, moneys or other property belonging to the society or

branch from which he is so removed he shall forthwith deliver up to the Registrar or to any person authorized by him, such books, ledgers, vouchers, registers, bills, documents, moneys or other property.

(3) Any officer or other person who is removed by order of the Registrar may within thirty days from the day on which such order was made, appeal to a tribunal appointed by regulations under this Act.

(4) Any officer or other person removed from office by order of the Registrar under the provisions of this section shall unless reinstated pursuant to an appeal under subsection (3) cease to hold office in the said society or branch from the date of such order for the remainder of his then current term of office, and shall be disqualified for being elected and for being an officer of any registered society or branch for such period, not exceeding five years, as the Registrar shall determine, next after the end of his aforesaid current term of office.

Respons-  
ibility of  
officers and  
declaration  
of liability.

57.—(1) If at any time it appears that—

- (a) the funds or the property of any registered society or branch of a registered society have been wrongfully withheld, misapplied or applied for unauthorized purposes; or
- (b) the business of the society or branch has been carried on with intent to defraud the society or branch or any member thereof or any other person; or
- (c) the conduct of its proceedings or affairs has been carried on corruptly or perversely,

the Resident Magistrate having jurisdiction in the place where the registered office of the society or branch is situated may, on the application of the Registrar or any

person authorized by the Registrar in writing, if the Resident Magistrate thinks proper so to do, declare that any of the officers, whether past or present, of the society or branch, who were knowingly parties to the wrongful withholding, misapplication or unauthorized use of the said funds or property of the society or branch or to the carrying on of the business of the society or branch in manner aforesaid, shall be personally liable to such extent for the debts or other liabilities of the society or branch as the Resident Magistrate may direct :

Provided that any person who has not held office in the society or branch within a period of six years previous to the time at which any contravention of the provisions of this section as respects such society or branch is discovered, shall not be called upon to account under this subsection.

(2) The Resident Magistrate may, on the application of the Registrar or any person authorized by him in writing, in the case of any person in respect of whom a declaration has been made by the Resident Magistrate under this section, order such person to repay or restore the money or property or any part thereof respectively with interest at such rate as the Resident Magistrate thinks just, or to contribute such sum to the funds of the society or branch by way of compensation in respect of the withholding, misapplication or unauthorized use as the Resident Magistrate thinks just. Where an order for the payment of any money is made as aforesaid under this section, the order shall be deemed to be a judgment debt due to the society or branch entitled to receive the same from the person against whom the said order has been made, and such order for the payment of money or restoration of property may be enforced in the same manner as a judgment or order of the Resident Magistrate in civil cases may be enforced.

(3) Where the Resident Magistrate makes any such declaration he may, notwithstanding the provisions of subsection (2), and that such person is then dead, add such further directions as he thinks proper for the purpose of giving effect to that declaration, and in particular, for making the liability of any such person under the declaration a charge in priority to all other claims, legal or equitable under any law, or any benefits, moneys, credits, debt or obligation due or to accrue from the society or branch to the said person or on any share, insurance, mortgage, charge or interest in, on, or upon any of the funds or assets of the said society or branch held by or vested in the said person or any society or person on his behalf, or any person claiming as assignee from or through the society or person, and may from time to time make such further order as may be necessary for the purpose of enforcing any charge imposed under this subsection. For the purpose of this subsection the expression "assignee" includes any person to whom or in whose favour the benefits, credits, debt, obligation, mortgage or charge was created, issued or transferred or the interest created, but does not include an assignee for valuable consideration other than consideration by way of mortgage, given in good faith and without notice of any of the matters on the ground of which the declaration was made.

(4) The Resident Magistrate may, in the case of any person in respect of whom a declaration has been made under subsection (1), order that the person shall not, without the leave of the Resident Magistrate, be an officer of or in any way, whether directly or indirectly, be concerned or take part in the management of any registered society or branch of a registered society for such period not exceeding ten years, from the date of the declaration as may be specified in the order.

(5) The provisions of this section shall have effect notwithstanding that the person concerned may be criminally liable in respect of the matters on the ground of which the declaration is to be made.

**58.**—(1) If the Registrar, after holding an inquiry or making an inspection under section 55, or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may decide to cancel the registration of the society and shall publish in the *Gazette* and at least one daily newspaper printed and circulating in Jamaica notice of such decision. Dissolution.

(2) Where the Registrar decides to cancel the registration of a registered society—

- (a) any member of that society may, within two months from the date of first publication of the notice mentioned in subsection (1), appeal against such decision to the tribunal appointed by regulations under this Act;
- (b) the Registrar may make such order as he thinks fit for the custody of the books and documents and the protection of the assets of the society until its registration is cancelled or, if there is an appeal against such decision until the determination or abandonment of the appeal;
- (c) the Registrar may cancel that registration at the expiration of two months from the date of first publication of the notice mentioned in subsection (1), if there is no appeal under paragraph (a) or, if there is an appeal, on the dismissal or abandonment thereof.

(3) No registered society shall be wound up except in accordance with the provisions of this section.



Cancellation of registration due to lack of membership.

**59.** The Registrar may cancel the registration of any registered society if at any time he is satisfied that the number of members has been reduced to less than twenty-one and such cancellation shall take effect forthwith.

Effect of cancellation of registration.

**60.** Where the registration of a society is cancelled under section 58, the society shall, except for the purpose of winding up as hereinafter provided, cease to exist as a corporate body from the date on which the cancellation of registration takes effect.

Appointment of liquidator.

**61.** Where the registration of a society is cancelled under section 58, the Registrar may appoint one or more persons to be, subject to his direction and control, the liquidator or liquidators of the society.

Powers of a liquidator.

**62.—(1)** A liquidator appointed under section 61 shall, subject to the direction and control of the Registrar and to any limitations imposed by the Registrar under section 63, have power—

- (a) to institute and defend suits and other legal proceedings by and on behalf of the society by his name or office, and to appear in court as a litigant in person on behalf of the society;
- (b) to refer disputes to arbitration;
- (c) to determine the contribution to be made by the members and past members and by estates of deceased members of the society respectively, to the assets of the society;
- (d) to investigate all claims against the society and, subject to the provisions of this Act, to decide questions of priority arising between claimants;
- (e) to determine from time to time by what persons and in what proportion the costs of the liquidation are to be borne;

- (f) to take possession of the books, documents and assets of the society;
- (g) to give such directions in regard to the collection of the assets of the society and the disposal of the books and documents of the society as may appear to him to be necessary for winding up the affairs of the society;
- (h) to appoint by notice published in a local daily newspaper, a day before which creditors whose claims are not already recorded in the books of the society shall state their claims for admission or be excluded from any distribution made before such claims have been proved;
- (i) to compromise any claims by or against the society;
- (j) to sell the property of the society;
- (k) to call such general meeting of the society as may be necessary;
- (l) to carry on the business of the society as far as may be necessary for winding it up beneficially;
- (m) to arrange for the distribution of the assets of the society in a convenient manner, when a scheme of distribution has been approved by the Registrar.

(2) A liquidator appointed under this section shall, in so far as such powers are necessary for carrying out the purpose of this section, have all the powers of a Resident Magistrate to compel the attendance and examination of witnesses and the production of documents.

**63.** A liquidator shall exercise his powers subject to the control and direction of the Registrar who may—

- (a) rescind or vary any order made by a liquidator and make whatever new order is required;

Power of  
Registrar  
to control  
liquidation.

- (b) remove a liquidator from office;
- (c) call for all books, documents and assets of the society;
- (d) by order in writing limit the powers of a liquidator under section 62;
- (e) require accounts to be rendered to him by the liquidator;
- (f) procure the auditing of the accounts of the liquidator and authorize the distribution of the assets of the society;
- (g) make an order for the remuneration of the liquidator;
- (h) refer any subject of dispute between the liquidator and any third party to arbitration, if that party consents in writing to be bound by the decision of the arbitrator.

Suspension  
of registra-  
tion.

64.—(1) The Registrar, in any case in which he might under section 58 or 59 cancel the registration of a registered society, may suspend the registration of such society for any term not exceeding three months and may from time to time suspend the registration for the like period.

(2) The provisions of section 58 shall apply, subject to any necessary modifications, in relation to suspension of the registration of a society for any cause other than for reduction of membership below twenty-one as they apply in relation to cancellation of such registration.

(3) Where the registration of a society is suspended the society shall, while the suspension lasts, cease to enjoy the rights and privileges of a registered society but without prejudice to any liability whether civil or criminal incurred by the society, and any such liability may be enforced after the suspension as if the suspension had not taken place.

65.—(1) No person shall hold both the offices of president and treasurer or secretary and treasurer of the same registered society or branch of a registered society. Limitation  
of office  
holders.

(2) No person shall hold the office of treasurer in more than one registered society.

(3) No officer of a registered society or a branch of a registered society shall—

(a) if such society is a benevolent society, be or act as the auditor or actuary; or

(b) in any other case, be or act as the medical officer, dentist, optician, druggist, auditor or actuary, of such society or branch.

66. Every document purporting to be signed by the Registrar or any person authorized in accordance with the provisions of this Act to perform any functions or valuer under this Act shall, in the absence of any evidence to the contrary, be received in evidence without proof of the signature. Evidence of  
documents.

67.—(1) A registered society or a branch of a registered society shall, if its rules so provide, have power in general meeting to declare once in every year a bonus, payable in cash to its members. Bonus.

(2) No bonus shall be declared except in accordance with the rules of the society or branch and until all the debts, actual and contingent, of the society or branch, have been paid or provided for, and after, setting aside a sum sufficient to meet all claims against the society or branch.

(3) No bonus shall be payable except out of the excess of revenue over expenditure for the year in respect of which bonus is declarable of a society or branch,

and no bonus shall carry interest against the society or branch.

(4) No member of a registered society or branch of a registered society shall be entitled to a bonus—

- (a) if he has been a member of the society or branch for a period of less than fifty-two weeks immediately preceding the date of the last meeting before the end of the bonus year; or
- (b) if he has failed to pay, at or before the end of the bonus year, any amount due to be paid by him to the society or branch at or before the end of the bonus year.

Establish-  
ment of  
reserve  
funds.

**68.**—(1) Every registered society and every branch of a registered society shall establish and maintain a reserve fund.

(2) Where a registered society or branch declares in any year the payment of a bonus to members in respect of the twelve months preceding such declaration of bonus, it shall, before such declaration, set aside out of the excess of revenue over expenditure for that period such sum or proportion thereof as the society or branch may deem expedient, being a sum not less than five *per centum* of such excess, and shall forthwith credit the same to the reserve fund.

(3) Where in any year a registered society or branch does not declare a bonus, it shall, out of the excess of revenue over expenditure in such year, credit such reserve fund with a sum not less than five *per centum* of such excess.

(4) The reserve fund shall, with the consent of the Registrar, be utilized in expenditure of any extraordinary nature which may be necessary or desirable in carrying

out the objects of the society, but the reserve fund shall not be utilized in paying a bonus or making any payment whatsoever in the nature of a bonus.

(5) All moneys accruing to the reserve fund shall from time to time be invested by the society or branch in manner provided by section 36. An investment under this section shall not include the lending out of moneys to members under the provisions of this Act.

(6) A registered society or branch may, with the permission in writing of the Registrar, at the end of every five years from the 1st November, 1968, or from the date of registration of the society, whichever is the later, apply any part of its reserve fund not exceeding fifty *per centum* of the amount at which such reserve fund then stands, for any of the objects or purposes defined or established under the rules of the society or branch, save that no portion thereof shall be applied in paying a bonus or in making any payment whatsoever in the nature of a bonus.

(7) (a) Where the business of a registered society or branch of a registered society includes the issuing of insurance policies or the providing for an endowment of a member or the nominee of a member at any age, or the assuring of a certain annuity, such society or branch shall, in each year in general meeting, set aside out of the contributions received by way of premium payments during the preceding year as shown by the annual return of the society or branch to the 31st day of December last preceding—

- (i) as respects the first three years immediately following the registration of the society under this Act, such sum as the society or branch may consider expedient, not being less than ten *per centum* of the contributions received in the relevant year; and

- (ii) as respects each year after those three years, such sum as the Registrar shall determine, not being less than twenty *per centum* of such contributions,

to be accumulated in a special reserve fund for the purposes of this subsection.

(b) The sums set aside for the special reserve fund under this subsection shall be deposited and kept deposited in an account in the name of the society or branch, as the case may be, in a bank approved by the Registrar and shall be specifically appropriated to meet the liabilities of the society or branch in respect of claims and demands arising under or in connection with insurance policies, endowments and annuities issued, provided for or assured, as the case may be, by the society or branch:

Provided that such special reserve fund or part thereof may be invested by the society or branch, as the case may be, in securities or investments authorized by this Act, and the interest accruing due on all such securities or investments shall be paid directly to such special reserve fund and shall not be applied for any purpose other than the purposes for the which sums set aside for such special reserve fund may be specifically appropriated.

(c) Every registered society or branch transacting the business described in paragraph (a) shall, whenever it is intended to make a distribution by way of bonus, cause an investigation to be made into its financial condition including a valuation of its liabilities by an auditor approved by the Registrar, and shall, before making any such distribution, file with the Registrar a report of such auditor approving or sanctioning such distribution as aforesaid.

(d) This subsection shall not apply to registered societies—

- (i) which were friendly societies existing on the 1st November, 1968; and
- (ii) which are exempted by the Registrar.

69.—(1) The Minister may make regulations generally for the proper carrying out of the purposes and provisions of this Act. Regulations.

(2) In particular, and without prejudice to the generality of the power conferred by subsection (1), regulations made under this section may—

- (a) prescribe the forms to be used and the conditions to be complied with in applying for the registration of a society and the procedure in the matter of such applications;
- (b) provide for the withdrawal and expulsion of members, for the payments to be made to members who withdraw or are expelled, and for the liabilities of past members;
- (c) prescribe provisions respecting levies and the form and particulars of a record to be kept of the levies made by a registered society or branch of a registered society;
- (d) provide for general meetings of the members of registered societies or branches of registered societies, for the procedure at and the powers to be exercised by such meetings;
- (e) provide for the appointment, suspension and removal of the members of the committee and other officers of a registered society or branch of a registered society, for the procedure at meetings of the committee and for the powers to be exercised and duties to be performed by the committee and other officers;



- (f) provide for the payment of and other matters affecting bonus moneys, prescribe the mode of recording such payments and the form and particulars relating thereto and provide for the payment of extra remuneration or allowances to officers and members in respect of duties connected with the payment of bonus moneys;
- (g) prescribe the matters in respect of which a registered society and a branch of a registered society may or shall make rules, the procedure to be followed in making, altering and rescinding rules and the conditions to be satisfied prior to such making, alteration or rescission;
- (h) prescribe the payments to be made, the conditions to be complied with and the forms of the bonds, instruments or other documents to be executed by members applying for loans or cash credits, the period for which loans may be made or credits granted, the maximum amount which may be lent and the maximum credits which may be allowed to individual members;
- (i) provide for the mode in which the value of the interest of a deceased member shall be ascertained;
- (j) provide for the mode in which the value of the interest of a member who has become of unsound mind incapable of managing himself or his affairs shall be ascertained, and for the nomination of any person to whom such interest may be paid or transferred;
- (k) provide for the formation and maintenance of reserve funds, the objects to which such funds may be applied and the investment of any funds under the control of any registered society or branch of a registered society;

- (l) provide for the control of the funeral expenses of members;
- (m) prescribe the conditions under which profits may be distributed to the members of a registered society or of a branch thereof, and the maximum rate of dividend which may be paid by registered societies and their branches;
- (n) prescribe the accounts and books to be kept by registered societies and their branches and require the periodical publication of balance sheets showing the assets and liabilities of registered societies;
- (o) provide for the audit of the accounts of registered societies and their branches, for the charges, if any, to be made for such audit, for the levy of contributions from any registered society or all registered societies to a fund to be used for the audit and supervision of existing registered societies, and provide for the administration of such a fund;
- (p) prescribe the returns to be submitted by registered societies to the Registrar, and the persons by whom and the form in which such returns are to be made;
- (q) prescribe the persons by whom, and the form in which copies of entries in the books of registered societies and their branches may be certified;
- (r) provide for the formation and maintenance of a register of members and, where the liability of members is limited by shares, of a register of shares;
- (s) provide for the inspection of documents and registers at the Registrar's office, and the fees to be paid for such inspection and for the issue of copies of such documents and registers;

- (t) prescribe the mode of appointing arbitrators and the procedure to be followed in proceedings before such arbitrators;
- (u) provide for the appointment of a tribunal to hear appeals under this Act, prescribe the fees to be paid, the procedure to be observed and all other matters connected with such appeals;
- (v) prescribe the procedure for making any application to a Resident Magistrate under this Act;
- (w) prescribe anything required to be prescribed under this Act.

## Offences.

70.—(1) Where any registered society or any officer or member of a society to which this Act applies, or of a branch of any such society—

- (a) wilfully neglects or refuses to do any act or to furnish any information required for the purposes of this Act by the Registrar or any other person duly authorized by him in writing in that behalf; or
- (b) is required by this Act to give any notice, to deliver up, return or send any contribution card, report, return or document, or to do or allow to be done any other act, and fails to comply with such requirement; or
- (c) wilfully makes a false return or furnishes any false information,

such registered society, or such officer or member, as the case may be, shall be guilty of an offence against this Act.

(2) Every person who—

- (a) wilfully or without any reasonable excuse disobeys any summons or lawfully written order issued under the provisions of this Act; or

- (b) fails to furnish any information lawfully required from him by a person authorized to do so under the provisions of this Act; or
- (c) being a parent or personal representative of a parent claiming money on the death of a child, produces a false certificate of the death, or one fraudulently obtained, or in any way attempts to defeat the provisions of this Act with respect to payments on the death of children; or
- (d) being an officer or member of a body which, having been a branch of a registered society, has wholly seceded or been expelled from that society, thereafter uses the name of that society or any name implying that the body is a branch of that society, or uses the number by which the body was designated as such branch; or
- (e) being an officer of a registered society or of a branch of a registered society, either in addition to or in substitution for the remuneration authorized by the rules of the society or branch, receives from any other person any gift, bonus, commission or benefit for or in connection with any benefit paid or any loan made by the society or branch; or
- (f) contravenes any of the provisions of this Act, shall be guilty of an offence against this Act.

71.—(1) Every person who is guilty of an offence against this Act shall be liable upon summary conviction before a Resident Magistrate to a fine not exceeding one hundred dollars or in default of payment to imprisonment with or without hard labour for a term not exceeding six months. Penalties.

(2) Where a registered society is guilty of an offence against this Act, every member of the committee of such society shall, unless he is proved to have been ignorant of or to have attempted to prevent the commission of that offence, be liable to the same penalty as if he had committed the offence.