

## THE CO-OPERATIVE SOCIETIES ACT.

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### CONTENTS.

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#### PRELIMINARY.

#### *Sections.*

1. \* \* \* \*
2. Definitions.
3. Registration.
4. Prohibition of the use of the word "co-operative."
5. \* \* \* \*
6. Power to exempt co-operative societies from provisions of the Act.
7. Power to exempt societies from conditions as to registration.
8. Burma Companies Act not to apply.
9. The Registrar.
10. Liability of members of societies.
11. Limited liability to be set forth in name of society.
12. Conditions of registration.
13. Power of Registrar to decide certain questions.
14. Registration and evidence thereof.
15. Amendment of the bye-laws of a society.
16. Member not to exercise rights till due payment made.
17. Votes of members.
18. Shares or interest not liable to attachment.
19. Nomination of transferees.
20. Disposal of share or interest of a deceased member.
21. Disposal of share or interest of a member if society wound up.
22. Disposal of moneys due to a deceased member other than share or interest.
23. Disposal of share or interest of expelled, resigned or insane members.
24. Application of Government Savings Banks Act.
25. Discharge of persons from liability.
26. Liability of members.
27. Restrictions on transfer of share or interest.

#### DUTIES OF SOCIETIES.

28. Address of co-operative societies.
29. Copy of Act, rules, etc., to be open to inspection.
30. Audit.

#### PRIVILEGES OF CO-OPERATIVE SOCIETIES.

31. Co-operative societies to be bodies corporate.
32. Charge and set-off in respect of shares of interest of member.
33. Admissibility of copy of document or entry as evidence.

*Sections.*

34. Exemption from compulsory registration of instruments relating to shares and debentures of co-operative society.  
 35. Power to exempt from stamp duty and registration fees.

## PROPERTY AND FUNDS OF CO-OPERATIVE SOCIETIES.

36. Restrictions on loans.  
 37. Restrictions on borrowing.  
 38. Restrictions on other transactions with non-members.  
 39. Investment of funds.  
 39A. Contribution to a fund maintained for supervision, etc., of societies.  
 40. Funds not to be divided by way of profit.  
 41. Contribution to charitable purpose.

## INSPECTION OF AFFAIRS.

42. Inquiry by Registrar.  
 43. Inspection of books of indebted society.  
 44. Costs of inquiry.  
 44A. Supersession of Managing Committee.

## LIQUIDATION AND DISSOLUTION.

45. Winding up.  
 46. Winding up where members are less than ten.  
 47. Liquidation.  
 48. Dissolution.  
 49. Jurisdiction of civil Courts.  
 50. Rules.

## MISCELLANEOUS.

51. Recovery of sums due to Government.

**THE CO-OPERATIVE SOCIETIES ACT.**

[BURMA ACT VI. 1927.] (4th June, 1927.)

## PRELIMINARY.

- Extent.**           1. This Act extends to the whole of the Union of Burma.
- Definitions.**    2. In this Act, unless there is anything repugnant in the subject or context.—
- (a) "by-law" means the registered by-laws for the time being in force ;
- (b) "committee" means the governing body to whom the direction of the affairs of a society is entrusted ;

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<sup>1</sup> Inserted by Act XXXIX, 1948.

- (c) a society is said to be "limited" where the liability of its members for the debts of the society in the event of its liquidation is declared by its by-laws to be limited (a) to the amount payable on the shares respectively held by the members or (b) to such amount as the members may respectively undertake to contribute to the assets of the society;
- (d) "officer" includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules or under the by-laws of a society to give directions in regard to the business of such society;
- (e) "co-operative society" means a society registered under this Act;
- (f) "Registrar" means a person appointed to perform the duties of a Registrar of co-operative societies under this Act; and
- (g) "rules" means rules made under this Act.

3. Subject to the provisions hereinafter contained, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Act. Registration.

4. (1) No person other than a co-operative society shall, without the sanction of the President of the Union, trade or carry on business under any name or title of which the word "co-operative" or its vernacular equivalent is part: provided that nothing in this sub-section shall apply to the use by any person or his successor in interest of any name or title under which he lawfully traded or carried on business on the 4th June, 1927.<sup>1</sup> Prohibition of the use of the word "co-operative."

(2) Whoever contravenes the provisions of sub-section (1) shall be punishable with fine which may extend to fifty rupees, and in the case of a continuing offence with further fine of five rupees for each day on which the offence is continued after conviction therefor.

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6. The President of the Union may, by general or special order, exempt any co-operative society from any of the provisions of this Act, or may direct that such provisions shall apply to such society with such modifications as may be specified in the order. Power to exempt co-operative societies from provisions of the Act.

7. Notwithstanding anything contained in this Act, the President of the Union may, by special order in each case and subject to such conditions, if any, as he may impose, exempt any society from any of the requirements of this Act as to registration. Power to exempt societies from conditions as to registration.

8. The provisions of the Burma Companies Act shall not apply to co-operative societies. Burma Companies Act not to apply.

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<sup>1</sup> Date of commencement of this Act.

- The Registrar.** 9. The President of the Union may appoint a person to be Registrar of Co-operative Societies for the whole of the Union of Burma or any portion of it, and may appoint persons to assist such Registrar.
- Liability of members of societies.** 10. Unless the President of the Union, by general or special order, otherwise directs,—
- (a) a society shall be registered as “limited” if any of its members is a society; and
- <sup>1</sup>(b) no society shall be registered as limited by shares unless its by-laws prescribe that no member, other than a co-operative society as member, shall hold more than one-fifth of the share capital of the society, or have any interest in the shares of the society exceeding three thousand rupees.
- Limited liability to be set forth in name of society.** 11. When a society is registered as limited the word “limited” or the vernacular equivalent shall be stated as the last word of the name of the society wherever the name appears.
- Conditions of registration.** 12. Every application for the registration of a society shall conform to the following requirements:—
- (a) the application shall be accompanied by a copy of the proposed by-laws of the society which shall state the objects of the society;
- (b) where all the applicants are individuals they shall include at least ten persons, who thereby undertake to become members of the society;
- (c) every one of the applicants who is an individual shall be above the age of eighteen years;
- (d) where the objects of the society include the creation of funds to be lent to its members and where all the applicants are individuals, all the applicants shall reside in the same town or village or in the same group of villages: provided that the Registrar may consent to registration on the ground that the applicants are of the same tribe, class, caste or occupation;
- (e) the application shall be signed by every one of the applicants who is an individual and by a person duly authorized on behalf of every society which is an applicant;
- (f) the application shall be presented to the Registrar, and the applicants shall furnish to him all such information about the society as he may require.
- Power of Registrar to decide certain questions.** 13. The Registrar shall decide all questions as to whether any application conforms to the requirements of section 12 and whether the objects of the society are in accordance with section 3.

<sup>1</sup> Clause (b) in section 10 was deleted and clause (c) re-numbered as clause (b); and the word “three” was substituted for the word “one” by Act XXX, 1951.

14. If the Registrar is satisfied that the application and the proposed by-laws are in order he shall, unless for reasons given to the applicants he sees fit to refuse, register the society with such by-laws, and shall issue to the applicants a certificate of registration which shall be conclusive evidence that all the requirements of this Act and the rules in respect of registration have been complied with.

Registration and evidence thereof.

15. (1) Every amendment of the by-laws of a co-operative society (whether by way of cancellation, addition or alteration) shall be forwarded by the society to the Registrar who shall, if such amendment is in order, register the amendment and issue to the society a copy thereof certified to be duly registered: provided that the Registrar may, for reasons given to the society, refuse to register the amendment.

Amendment of the by-laws of a society.

(2) No amendment of any by-laws shall be valid until its registration is so certified.

16. No person shall exercise the rights of a member of a co-operative society unless or until he has made such payment to the society in respect of membership, or acquired such interest in the society, as may be prescribed by the rules or by the by-laws of such society.

Member not to exercise rights till due payment made.

17. Each member of a co-operative society shall have one vote only as a member in the affairs of the society: provided that a co-operative society which is a member of any other co-operative society shall have as many votes as may be prescribed by the by-laws of such other society, and may, subject to such by-laws, appoint any number of its members, not exceeding the number of such votes, to exercise its voting power.

Votes of members.

18. Subject to the provisions of section 32, the share or interest of a member in the capital of a co-operative society shall not be liable to attachment or sale under any decree or order of a Court of Justice in respect of any debt or liability incurred by such member, and neither the Official Assignee under the Rangoon Insolvency Act nor a Receiver under the Burma Insolvency Act shall be entitled to or have any claim on such share or interest.

Shares or interest not liable to attachment.

19. If the by-laws of a co-operative society so provide, any member of the society may nominate a person by name or designation to whom on such member's death his share or interest shall be transferred and any money due to him from the society shall be paid.

Nomination of transferees.

20. When any member of a co-operative society dies (a) the committee may transfer his share or interest to the nominee, if any, nominated in accordance with section 19, or if the existence and residence of such nominee cannot be ascertained by the committee or for any other reason such transfer cannot be made without unreasonable delay, the committee may transfer such share or interest to any person who (notwithstanding the absence of probate, letters of administration or succession certificate) appears

Disposal of share or interest of a deceased member.

to the committee to be entitled to possession of such share or interest as part of the estate of the deceased member: provided always that the transferee shall be a person who is qualified to be the transferee of such share or interest in accordance with section 27; (b) if the nominee nominated in accordance with section 19 or the person appearing to be entitled as aforesaid is not qualified in accordance with section 27 to be the transferee of the share or interest of the deceased member—(i) in the case of a limited society the committee shall pay to the nominee, or to the person appearing to be entitled as aforesaid, the value, as determined in accordance with the rules, of the share or interest of the deceased member, and shall transfer the said share or interest to another person qualified in accordance with section 27 to be the transferee of the said share or interest on receiving from such person the value thereof; (ii) in the case of an unlimited society the committee shall pay to the nominee or the person appearing to be entitled as aforesaid the value, determined in accordance with the rules, of the said share or interest.

Disposal of share or interest of a member if society wound up.

**21.** When a member of a limited co-operative society being itself a co-operative society is ordered to be wound up under section 45 or section 46, and a liquidator has been appointed under section 47, the value of the share or interest of the society ordered to be wound up shall on the application of the liquidator be paid to him, and the share or interest shall be transferred by the committee to another person or co-operative society qualified in accordance with section 27 to be the transferee on receiving from such person or society the value aforesaid.

Disposal of moneys due to a deceased member other than share or interest.

**22.** All moneys due from a co-operative society to a deceased member other than payments in respect of his share or interest in the society shall be paid to the person nominated in accordance with section 19: provided that, if no person has been so nominated or if the existence or residence of the nominee cannot be ascertained by the committee or if for any other reason payment cannot be made to him without unreasonable delay, the committee may pay such moneys to any person appearing to the committee to be entitled to possession of the money as part of the estate of the deceased member.

Disposal of share or interest of expelled, resigned or insane members.

**23.** When a member of a co-operative society is expelled or resigns in accordance with the rules or the by-laws of the society, or when a member becomes insane,—

(a) in the case of a limited society the committee shall transfer his share or interest to another person qualified in accordance with section 27 to be the transferee, on payment to the member who is expelled or resigns or to the guardian of the member who becomes insane of the value, determined in accordance with the rules, of the said share or interest;

(b) in the case of an unlimited society the committee may either transfer the said member's share or interest to another person qualified

under section 27 to be the transferee, on payment of the value thereof to the expelled or resigned member or the guardian of the insane member, or, if the by-laws so provide, may pay to the said member or guardian the value, determined in accordance with the rules, of the said share or interest.

24. Subject to the provisions of sections 20, 21, 22 and 23, if any person to whom any money is due from a co-operative society dies or is a minor or becomes insane or otherwise incapable of managing his affairs, the provisions of the Government Savings Banks Act shall apply *mutatis mutandis* to the payment of such money and the powers conferred by that Act upon the secretary or any officer empowered under section 4 of that Act shall be exercised by the committee of the society.

Application of Government Savings Banks Act.

25. When any transfer or payment is made in accordance with the provisions of sections 20, 21, 22, 23, or 24 the society and all persons shall be discharged from all liability to make such transfer or payment.

Discharge of persons from liability.

26. (1) The liability of the members of every co-operative society for payment of the debts of the society on its dissolution shall be joint and several, but subject in the case of a limited society to such limitation of amount as shall be provided by the by-laws.

Liability of members

(2) Subject to any limitation of liability existing at the date of dissolution, persons who have ceased to be members of a co-operative society shall, for a period of two years, retain their liability as members: provided that a past member shall not be liable to contribute in respect of any debts of the society which can be satisfied by contributions from present members, or in respect of any debt contracted after he ceased to be a member.

(3) The estate of a deceased member shall be liable in like manner, and subject to the same restrictions, for a period of one year from the time of his decease.

27. No transfer or mortgage by a member of his share or interest in a co-operative society shall be valid unless—

Restrictions on transfer of share or interest.

- (a) he has held such share or interest for not less than one year; and
- (b) the transferee or mortgagee is a member of such society or a person whose application for membership has been accepted, or is another society; and
- (c) the transferee or mortgagee is not prohibited from holding such share or interest by the provisions of this Act or the rules or the by-laws of the society relating to the maximum amount of a member's holding.

#### DUTIES OF SOCIETIES.

28. Every co-operative society shall have an address, registered in accordance with the rules, to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof within thirty days of such change.

Address of co-operative societies.

Copy of Act, rules, etc. to be open to inspection.

**29.** Every co-operative society shall keep open to inspection free of charge at all reasonable times at the registered address of the society—

- (a) a copy of this Act,
- (b) a copy of the rules governing such society,
- (c) a copy of the by-laws of such society, and
- (d) a register of its members.

Audit.

**30. (1)** Every co-operative society shall cause its accounts to be audited once at least in every year by a person authorized in this behalf by the Registrar by special or general order.

(2) Every audit shall include an examination of overdue debts, a verification of the existence of cash balances and securities, and a valuation of the assets and liabilities of the society.

(3) The auditor shall have a right of access to all books, papers, and things in the possession or power of the society for the purposes of such audit, and may call upon any officer, agent, servant or member of the society to furnish such information and to render such assistance as may be reasonably required for the purpose of such audit.

(4) If any person fails to furnish information or render assistance as required by sub-section (3) he shall, on conviction by a Magistrate of the first class, be liable to a fine of rupees two hundred in respect of such default.

#### PRIVILEGES OF CO-OPERATIVE SOCIETIES.

Co-operative societies to be bodies corporate.

**31.** The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold property, 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.

Charge and set-off in respect of shares or interest of member.

**32.** Every co-operative society shall have a charge upon the share or interest in the capital and upon the deposits of a member or past member, and upon any dividend, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society and may set-off any sum credited or payable to a member or past member in or towards payment of any such debt.

Admissibility of copy of document or entry as evidence.

**33. (1)** A copy of any entry in any book, register or list regularly kept in the course of business in the possession of a co-operative society shall, if certified in such manner as may be prescribed by the rules, be admissible in evidence of the existence of the document or entry.

(2) In the case of such co-operative societies as the President of the Union by general or special order may direct, no officer of a society shall, in any legal proceedings to which the society is not a party, be compelled to produce any of the society's books the contents of which can be proved under sub-section (1), or to appear as a witness to prove the matters,



transactions and accounts therein recorded, unless by order of the Court or a Judge made for special cause.

34. Nothing in section 17, sub-section (1), clauses (b) and (c), of the Registration Act shall apply to—

- (a) any instrument relating to shares in a co-operative society, notwithstanding that the assets of such society consist in whole or in part of immoveable property ; or
- (b) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immoveable property, except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immoveable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures ; or
- (c) any endorsement upon or transfer of any debenture issued by any such society.

Exemption from compulsory registration of instruments relating to shares and debentures of co-operative society.

35. The President of the Union may, by notification, in the case of any co-operative society or class of co-operative societies, remit—

- (a) the stamp-duty with which, under any law for the time being in force, instruments executed by or on behalf of a co-operative society, or by an officer or member and relating to the business of such society, or any class of such instruments, are respectively chargeable ; and
- (b) any fee payable under the law of registration for the time being in force.

Power to exempt from stamp duty and registration fees.

#### PROPERTY AND FUNDS OF CO-OPERATIVE SOCIETIES.

36. (1) A co-operative society shall not make a loan to any person other than a member : provided that, with the general or special sanction of the Registrar, a co-operative society may make loans to another co-operative society.

Restrictions on loans.

(2) The President of the Union may, by general or special order, prohibit or restrict the lending of money on mortgage of immoveable property by any co-operative society or class of co-operative societies.

37. A co-operative society shall receive deposits and loans from persons who are not members only to such extent and under such conditions as may be prescribed by the rules or by-laws, and shall in respect of such deposits or loans make such provision for the maintenance of fluid resource as the Registrar may, by general or special order in this behalf, prescribe.

Restrictions on borrowing.

Restrictions  
on other  
transactions  
with non-  
members.

**38.** (1) The transactions of a co-operative society with persons other than members shall be subject to such other prohibitions and restrictions, if any, as the President of the Union may, by rule, prescribe.

<sup>1</sup> (2) In making any rule under sub-section (1), the President of the Union may direct that a breach thereof shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

Investment  
of funds.

**39.** (1) A co-operative society may invest or deposit its funds—

(a) in the Government Savings Bank, or

(b) in any of the securities specified in section 20 of the Trusts Act, or

(c) in the shares or on the security of any other co-operative society, or

(d) with any bank or person carrying on the business of banking, approved for this purpose by the Registrar, or

(e) in any other mode permitted by the rules.

(2) Any investments or deposits made before the 4th June, 1927<sup>2</sup>, which would have been valid if this Act had been in force are hereby ratified and confirmed.

Contribution  
to a fund  
maintained  
for supervi-  
sion, etc., of  
societies.

<sup>3</sup> **39A.** Every co-operative society shall pay, out of its annual gross profits a contribution at such rate and in such manner as may be prescribed by rules, towards a fund to be maintained for the supervision, organization and education of co-operative societies, or for such other similar purposes as may be determined by the Registrar.

Funds not to  
be divided by  
way of profit.

**40.** No part of the funds of a co-operative society shall be divided by way of bonus or dividend or otherwise among its members :

Provided that after at least one-fourth of the net profits in any year have been carried to a reserve fund, payments from the remainder of such profits and from any profits of past years available for distribution may be made among the members to such extent and under such conditions as may be prescribed by the rules or by-laws :

Provided also that in the case of a co-operative society which is not limited no distribution of profits shall be made without the general or special order of the President of the Union in this behalf.

Contributio  
to charitable  
purpose.

**41.** Any co-operative society may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to the reserve fund, contribute an amount not exceeding ten per cent. of the remaining net profits to any charitable purpose, as defined in section 2 of the Charitable Endowments Act.

<sup>1</sup> Inserted by Act XXX, 1951.

<sup>2</sup> Date of commencement of this Act.

<sup>3</sup> Inserted by Act XLIX, 1954.

## INSPECTION OF AFFAIRS.

42. (1) The Registrar may of his own motion, by himself or by a person duly authorized by him in writing in this behalf, hold an inquiry into the constitution, working and financial condition of a co-operative society. Inquiry by Registrar.

(2) The Registrar shall hold such an inquiry as is contemplated in sub-section (1)—

- (a) on the application of a majority of the committee of the society ;
- (b) on the application of not less than one-third of the members of the society.

(3) All officers and members of the society whose affairs are investigated shall furnish such information in their possession in regard to the affairs of the society as the Registrar or the person authorized by the Registrar may require.

(4) The result of any inquiry under this section shall be communicated to the society whose affairs have been investigated.

43. (1) The Registrar shall, on the application of a creditor of a co-operative society, inspect, or direct some person authorized by him by order in writing in this behalf to inspect, the books of the society : provided that— Inspection of books of indebted society.

- (a) the applicant satisfies the Registrar that the debt is a sum then due and that he has demanded payment thereof and has not received satisfaction within a reasonable time ; and
- (b) the applicant deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(2) The Registrar shall communicate the results of any such inspection to the creditor.

44. Where an inquiry is held under section 42, or an inspection is made under section 43, the Registrar may apportion the costs, or such part of the costs as he may think right, between the society, the members or creditor demanding the inquiry or inspection, the officers or former officers, and members or past members of the society. Costs of inquiry.

<sup>1</sup> 44A. (1) If, in the opinion of the Registrar, the committee of any registered society is mismanaging the affairs of the society, he may, by order in writing, after giving the committee an opportunity to state its objections, if any, dissolve the committee and direct that all or any of its members shall be disqualified from being elected to the committee of the society for a period to be specified in the order not exceeding three years :

Provided that the Registrar may from time to time extend the period specified in such order for further periods not exceeding one year at a time, and not exceeding in the aggregate, two years.

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<sup>1</sup> Inserted by Act XXIII, 1948,

Every order of the Registrar under this sub-section shall state the reasons for which it is made and shall be communicated by registered post to the registered society concerned.

(2) When a committee is dissolved under sub-section (1), the society shall elect a fresh committee :

Provided that so long as an order under sub-section (1) remains in force, no member shall hold office except with the approval of the Registrar.

(3) If the society fails or refuses to elect a fresh committee under sub-section (2), the Registrar may—

(a) require an officer of the society to call a general meeting at such time and place at the headquarters of the society, and require the society to take into consideration such matters, as he may direct, and

(b) if such officer refuses or fails to call such a meeting or if there be no quorum at a meeting so convened, call such meeting himself by giving notice to the members in such manner as he may consider reasonable, notwithstanding any rules or by-laws prescribing the period of notice for calling a general meeting of the society. Any meeting so convened by the Registrar shall have all the powers of a general meeting convened under the by-laws of the society.

(4) Nothing in this section shall be deemed to affect the powers of the Registrar to order the winding up of a society under section 45 or to cancel the registration of the society under sub-section (2) of section 48.

(5) An appeal shall lie from an order of the Registrar under sub-section (1) to the Government on application made by any member of the committee within three months from the date of communication of the order to the registered society concerned, and the order of the Government thereon shall be final.

#### LIQUIDATION AND DISSOLUTION.

Winding up. **45.** (1) If the Registrar, after an inquiry has been held under section 42 or after an inspection has been made under section 43 or on receipt of an application made by three-fourths of the members of a co-operative society, is of opinion that the society ought to be dissolved, he may order the society to be wound up.

(2) Any member of a co-operative society may, within two months from the date of an order made under sub-section (1), appeal from such order.

(3) Where no appeal is presented within two months from the making of an order for the winding up of a co-operative society the order shall take effect on the expiry of that period.

(4) Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the appellate authority.

(5) The authority to which appeals under this section shall lie shall be the President of the Union ; provided that the President of the Union may,

by notification, direct that appeals shall lie to such other authority as may be specified in the notification.

**46.** In the case of a co-operative society of which all the members are individuals, the Registrar may order the society to be wound up if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten. Winding up when members are less than ten.

**47. (1)** Where the Registrar has passed an order under section 45 or section 46 for the winding up of a co-operative society, he may forthwith appoint a competent person to be liquidator, and such person, notwithstanding anything in section 45 relating to the time when the order for winding up shall take effect, shall have power to take immediate possession of all assets belonging to the society, and of all books, records and other documents pertaining to the business thereof, and to carry on the business of the society so far as may be necessary for the beneficial winding up of the same. Liquidation.

(2) A liquidator appointed under sub-section (1) shall, as soon as the order of winding up takes effect, have power—

- (a) to institute and defend suits and other legal proceedings on behalf of the society by his name or office ;
- (b) from time to time to determine the debts payable and the contribution to be made or remaining to be made by the members or past members, or by the estates or nominees, heirs or legal representatives of deceased members, or by any officer, to the assets of the society. In the case of a society which is not limited such contributions shall be determined at the discretion of the liquidator both as to the persons who shall be called upon to pay and the amounts which they shall pay, but without prejudice to any right of contribution amongst themselves ;
- (c) to investigate all claims against the society, and, subject to the provisions of this Act, to decide questions of priority arising between claimants ;
- (d) to determine by what persons and in what proportions the costs of the liquidation are to be borne ;
- (e) in the case of a society which is a member of a co-operative society established with the object of guaranteeing sums borrowed by co-operative societies which are its members, to determine, in accordance with the by-laws of such guaranteeing society, at any stage of the proceedings the amounts which the other members of such guaranteeing society shall severally contribute towards the discharge of the debts guaranteed by it.

(3) Subject to any rules, a liquidator appointed under this section shall, in so far as such powers are necessary for carrying out the purposes of this section, have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means and (so far as

may be) in the same manner as is provided in the case of a civil Court under the Code of Civil Procedure.

(4) Where an appeal from any order made by a liquidator under this section is provided for by the rules, it shall lie to the Court of the District Judge.

(5) Orders made under this section shall, save as provided for by section 51, on application, be enforced as follows :—

- (a) when made by a liquidator, by any civil Court having local jurisdiction in the same manner as a decree of such Court ;
- (b) when made by the Court of the District Judge on appeal, in the same manner as a decree of such Court made in any suit pending therein.

Dissolution.

**48.** (1) The Registrar may cancel an order for the winding up of a co-operative society in any case where, in his opinion, the society should continue to exist.

(2) In any other case the Registrar shall, after considering the final report of the liquidator, if any has been appointed, order the registration of the society to be cancelled, and thereupon the society shall cease to exist as a corporate body.

Jurisdiction  
of civil  
Courts.

**49.** Save in so far as is hereinbefore expressly provided, no civil Court shall have any jurisdiction in respect of any matter connected with the dissolution or winding up of a co-operative society under this Act.

Rules.

**50.** (1) The President of the Union may, for the whole or any part of the Union of Burma and for any co-operative society or class of co-operative societies, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may—

- (a) prescribe, subject to the provisions of section 10, the maximum number of shares or portion of the capital of a society which may be held by a member ;
- (b) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society, and the procedure in the matter of such applications ;
- (c) prescribe the matters in respect of which a co-operative society may or shall make by-laws, and for the procedure to be followed in making, altering and abrogating by-laws, and the conditions to be satisfied prior to such making, alteration or abrogation ;
- (d) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members, and the payments to be made and the interests to be acquired before the exercise of the right of membership ;
- (e) regulate the manner in which funds may be raised by means of shares or debentures or otherwise ;

- (f) provide for general and special meetings of the members, and for the procedure at such meetings, and the resolutions to be passed at, and the powers to be exercised by, such meetings ;
- (g) provide for the appointment, suspension and removal of the members of the committee and other officers, and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers ;
- (h) prescribe the accounts and books to be kept by a co-operative society, and provide for the audit of such accounts and the charges, if any, to be made for such audit, and for the periodical publication of a balance sheet showing the assets and liabilities of a society ;
- (i) prescribe the returns to be submitted by a co-operative society to the Registrar, and provide for the persons by whom and the form in which such returns shall be submitted ;
- (j) provide for the persons by whom and the form in which copies of entries in books of co-operative societies may be certified, and for the charges to be levied for such copies ;
- (k) provide for the formation and maintenance of a register of members and, where the liability of the members is limited by shares, of a register of shares ;
- (l) provide that any dispute touching the business of a co-operative society between members or past members of the society, or persons claiming through a member or past member, or between a member or past member or persons so claiming and the committee or any officer, shall be referred to the Registrar for decision or, if he so directs, to arbitration, and prescribe the mode of appointing an arbitrator or arbitrators, and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators, and the enforcement of the decisions of the Registrar or the awards of arbitrators ;
- (m) provide for the mode in which the value of the share or interest shall be ascertained for the purposes of sections 20, 21 and 23, and for the nomination of transferees under section 19 ;
- (n) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the periods for which loans may be made, and the amount which may be lent to an individual member ;
- (o) provide for the formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society ;
- (p) prescribe the extent to which a co-operative society may limit the number of its members ;
- (q) prescribe the conditions under which profits may be distributed to the members of a co-operative society with unlimited liability.

and the maximum rate of dividend which may be paid by co-operative societies;

(r) subject to the provisions of section 45, determine in what cases an appeal shall lie from the orders of the Registrar, and prescribe the procedure to be followed in presenting and disposing of such appeals;

(s) prescribe the procedure to be followed by a liquidator appointed under section 47, and the cases in which an appeal shall lie from the order of such liquidator; and

(t) prescribe the remuneration which shall be payable to headmen or others employed to collect sums recoverable under section 51 in the same manner as arrears of land-revenue.

(3) The President of the Union may delegate, subject to such conditions, if any, as he thinks fit, all or any of his powers to make rules under this section to any authority specified in the order of delegation.

(4) The power to make rules conferred by this section is subject to the condition of the rules being made after previous publication.

(5) All rules made under this section shall be published in the Gazette.

#### MISCELLANEOUS.

Recovery of  
sums due to  
Government.

51. (1) All sums due from a co-operative society, or from an officer or member or past member of a society as such, to the Government, and all sums awarded as costs under section 44, or payable by order of a liquidator under section 47, shall be recovered in the same manner as arrears of land-revenue on a requisition being made by the Registrar to the Collector.

(2) Sums due from a co-operative society and recoverable under sub-section (1) may be recovered, firstly, from the property of the society, and secondly, in the case of a society of which the liability of the members is limited, from the members subject to the limit of their liability, and, in the case of other societies, from the members.

## THE BURMA COMPANIES ACT.

### CONTENTS.

#### PART I.

##### PRELIMINARY.

##### Sections.

- |    |                             |   |   |   |
|----|-----------------------------|---|---|---|
| 1. | *                           | * | * | * |
| 2. | Definitions.                |   |   |   |
| 3. | Jurisdiction of the Courts. |   |   |   |

#### PART II.

##### CONSTITUTION AND INCORPORATION.

4. Prohibition of partnerships exceeding certain number.