

SAINT VINCENT AND THE GRENADINES

FRIENDLY SOCIETIES ACT, 2021

ARRANGEMENT OF SECTIONS



SECTION

PART I

PRELIMINARY

- 1. Short title and commencement
- 2. Interpretation

PART II

ADMINISTRATION OF ACT

- 3. Registrar
- 4. Register
- 5. Exemption from Act

PART III

REGISTRATION OF FRIENDLY SOCIETY

- 6. Friendly societies to which this Act applies
- 7. Friendly societies to be registered
- 8. Conditions for registration
- 9. Application for registration
- 10. Registration
- 11. Registered friendly society is body corporate
- 12. Rules
- 13. Amendment of rules
- 14. Registered office

PART IV
DUTIES OF REGISTERED FRIENDLY SOCIETY

15. Limitation of office holders
16. Appointment of trustees
17. Change in list of officers
18. Records
19. Return of members and investments
20. Establishment of reserve fund

PART V
ACCOUNTS AND AUDITS

21. Accounting records
22. Financial statements
23. Appointment of auditor
24. Independence of auditor
25. Special, quarterly and annual financial statements
26. Valuation
27. Copy of annual statements and valuation

PART VI
PRIVILEGES OF REGISTERED FRIENDLY SOCIETY

28. Exemption from stamp duty
29. Priority on death, bankruptcy, etc., of officer
30. Membership of minors

PART VII

RIGHTS OF MEMBERS

31. Right to copies of rules
32. Right to copies of financial statements
33. Inspection of books by member

PART VIII

PROPERTY, FUNDS, AND INVESTMENTS

34. Investments of funds
35. Loans prohibited
36. Holding of land
37. Vesting of property
38. Devolution on death, resignation, removal or end of tenure

PART IX

OFFICER IN RECEIPT OR CHARGE OF MONEY

39. Security by officer
40. Accounts of officer

PART X

PAYMENTS ON DEATH

41. Appointment of nominee
42. Certificate of death
43. Proceedings on death of member
44. Payment in absence of valid nomination
45. Validity of payments

PART XI

MANAGEMENT AND ADMINISTRATION

- 46. Board of registered friendly society
- 47. Functions of board
- 48. Eligibility for election to board
- 49. Fit and proper criteria
- 50. Election to board
- 51. Tenure of directors
- 52. Filling of vacancies
- 53. Duty of care
- 54. Sub-committees of board
- 55. Board meetings
- 56. Management
- 57. Notification

PART XII

MEETINGS

- 58. Annual general meeting
- 59. Special general meeting
- 60. Notice of meeting
- 61. Quorum
- 62. Special resolution

PART XIII

DISPUTES

- 63. Dispute resolution under rules
- 64. Dispute resolution by Registrar
- 65. Dispute resolution by Court

PART XIV
CHANGE OF NAME, AMALGAMATION,
AND TRANSFER OF ASSETS

- 66. Power to change name
- 67. Amalgamation
- 68. Transfer of assets
- 69. Power of Registrar to effect transfer of assets
- 70. Saving for right of creditors
- 71. Registration of special resolution
- 72. Relief for members

PART XV
POWERS OF THE REGISTRAR

- 73. Cancellation
- 74. Procedure for cancellation
- 75. Effect of cancellation
- 76. Right of appeal
- 77. Appointment of liquidator
- 78. Powers of liquidator
- 79. Power to suspend registration
- 80. Access to books and records
- 81. Onsite inspection by Registrar
- 82. Investigations
- 83. Removal of officers
- 84. Liability of officers

PART XVI**DISSOLUTION AND WINDING UP**

- 85. Dissolution of registered friendly society
- 86. Dissolution by consent
- 87. Registration of dissolution
- 88. *Gazette* of notice of dissolution
- 89. Special provisions regarding dissolution of registered friendly society
- 90. Dissolution by Registrar
- 91. *Gazette* of dissolution
- 92. Notice of proceedings or order to set aside dissolution

PART XVII**OFFENCES, PENALTIES AND LEGAL PROCEEDINGS**

- 93. Offences
- 94. Offences by societies to be also offences by officers etc.
- 95. Penalty for falsification
- 96. Penalty for ordinary offences
- 97. Special offences
- 98. Legal proceedings

PART XVIII**GENERAL**

- 99. Fees
- 100. Forms
- 101. Regulations
- 102. Transitional
- 103. Repeal

104. Consequential amendment

SCHEDULE 1: Matters to be provided for by the Rules of a Registered Friendly Society

SCHEDULE 2: Form of Bond

SCHEDULE 3: Administrative Penalties



SAINT VINCENT AND THE GRENADINES

ACT NO. 8 OF 2021

I ASSENT

[L.S.]

SUSAN DOUGAN
Governor-General
16th July, 2021.

AN ACT to provide for the regulation of friendly societies and for related matters.

[BY PROCLAMATION]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Assembly of Saint Vincent and the Grenadines and by the authority of the same, as follows:

PART I

PRELIMINARY

- | | | |
|----|---|------------------------------|
| 1. | (1) This Act may be cited as the Friendly Societies Act, 2021. | Short title and commencement |
| | (2) This Act comes into force on a date appointed by the Governor-General by proclamation published in the <i>Gazette</i> . | |
| 2. | (1) In this Act, unless the context otherwise requires – | Interpretation |
| | “Authority” means the Financial Services Authority established by the Financial Services Authority Act, 2011; | No. 33 of 2011 |
| | “bank” means a bank licensed under the Banking Act, 2015; | No. 4 of 2015 |
| | “board” means the board of a registered friendly society; | |

“Court” means the High Court or a Judge of the High Court;

“financial institution” means –

No. 12 of 2012

(a) a credit union registered under the Cooperative Societies Act, 2012; or

Cap. 450

(b) a building society incorporated under the Building Societies Act;

“land” includes any interest in land;

“meeting” includes (where the rules so allow) a meeting of delegates appointed by members;

“member” in relation to a registered friendly society means any person who pays a subscription in the registered friendly society;

“Minister” means the Minister assigned responsibility for finance;

“officer” in relation to a registered friendly society, means a trustee, treasurer, secretary, or member of the committee of management of a registered friendly society, or a person appointed by the registered friendly society to sue and be sued on its behalf;

“property” includes all property whether real or personal (including books and papers);

“registered” in relation to a friendly society, means registered under section 10;

“Registrar” means the Registrar of Friendly Societies referred to in section 3;

Cap. 242

“Registrar-General of Births and Deaths” means the Registrar-General of Births and Deaths appointed under section 4 of the Registration of Births and Deaths Act;

“regulations” means regulations made under this Act;

“rules” in relation to a registered friendly society, means the rules made under section 12;

“State” means the State of Saint Vincent and the Grenadines;

“subscription” means any contribution or dues paid in accordance with the rules of a registered friendly society;

“Tribunal” means the Financial Services Authority Appeal Tribunal established under the Financial Services Authority Act, 2011.

No. 33 of 2011

(2) For the purpose of this Act, a person claims through a member if the person is –

- (a) an heir of the member;
- (b) an executor or administrator of the member’s estate; or
- (c) an assign of the member.

PART II

ADMINISTRATION OF ACT

3. For the purposes of this Act, the Authority is the Registrar of Friendly Societies and is responsible for the administration of this Act. Registrar

4. The Registrar shall maintain a register of friendly societies registered under this Act. Register

5. (1) The Registrar may, under exceptional circumstances, and on such conditions and for such periods as the Registrar may determine, temporarily exempt a registered friendly society from compliance with a provision of this Act. Exemption from Act

(2) The Registrar may at any time withdraw an exemption granted under subsection (1) in respect of that registered friendly society.

(3) A registered friendly society which contravenes a condition on which it has been exempted from a provision of this Act is liable to pay to the Registrar the appropriate administrative penalty set out in Schedule 3.

PART III

REGISTRATION OF FRIENDLY SOCIETY

6. (1) This Act applies to the following friendly societies – Friendly societies to which this Act applies
- (a) a friendly society established for the purpose of providing, by voluntary subscriptions of the members of the friendly society, for –

- (i) payment of monies on the death of a member for funeral expenses in whole or in part; and
- (ii) encouraging savings and thrift among members; or

(b) a friendly society established for any benevolent purpose.

(2) For the purposes of this section, "benevolent purpose" means the making of donations, the raising of funds or any other activity carried on for a charitable purpose or for any other similar purpose.

Friendly societies to be registered

7. (1) A friendly society to which this Act applies shall be registered under this Act.

(2) A friendly society which contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of one hundred dollars for every day during which the friendly society remains unregistered.

Conditions for registration

8. (1) To be registered under this Act, a friendly society must consist of a minimum of fifty members.

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

Application for registration

9. (1) For the purposes of registration under this Act, a friendly society shall apply to the Registrar in the prescribed form.

(2) An application under subsection (1) –

- (a) shall be signed by the president and the secretary of the friendly society; and
- (b) shall be accompanied by –
 - (i) two copies of the proposed rules of the friendly society;
 - (ii) a list of the names and addresses of the secretary, each trustee and all proposed members of the board and prospective members of the friendly society; and
 - (iii) the prescribed application fee.

(3) The list of names mentioned in subsection (2) (b) (ii) and any change in the list communicated to the Registrar under section 17 (1) shall be signed by the secretary, and when received by the Registrar shall be entered in the register and a copy of an entry of the register purporting to be certified by the Registrar is *prima facie* evidence that a person named in the copy of the entry has been duly appointed to the office.

10. (1) On receipt of an application, the Registrar shall ensure – Registration
- (a) that the friendly society has complied with this Act; and
 - (b) that the proposed rules of the friendly society are in conformity with this Act.

(2) For the purpose of subsection (1), the Registrar may make enquiries and obtain any information the Registrar thinks fit.

(3) On being satisfied of the matters mentioned in subsection (1), the Registrar shall –

- (a) on payment of the prescribed registration fee and the prescribed annual fee, register the friendly society and its rules;
- (b) issue a certificate of registration to the friendly society in the approved form; and
- (c) publish a notice of the registration in the *Gazette*.

(4) A certificate of registration signed by the Registrar is conclusive evidence that a friendly society is duly registered unless it is proved that the registration of the friendly society has been cancelled.

(5) If the Registrar refuses to register a friendly society, the friendly society may, not later than fourteen days from the date of the notification of the refusal, appeal against the decision to the Tribunal.

(6) In this section, “approved form” means a form approved by the Registrar.

11. (1) The Registration of a friendly society makes it a body corporate by the name under which it is registered, with perpetual succession and with the power to hold and dispose of interest in 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 objectives. Registered friendly society is body corporate

(2) All property held immediately before registration by a person in trust for a registered friendly society shall become by virtue of this subsection the property of the registered friendly society on registration.

(3) A registered friendly society shall continue to be entitled to all rights and subject to all liabilities to which it was entitled or subject immediately before registration.

Rules

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

(2) Rules made under this section bind the registered friendly society, each member of the registered friendly society and every person claiming through the member.

(3) The rules of the registered friendly society shall –

(a) include the requirements set out in Schedule 1; and

(b) prescribe that a single member's contribution is limited to a maximum of two thousand dollars per month.

Amendment of
rules

13. (1) A registered friendly society may amend its rules, including the rule which declares the name of the registered friendly society.

(2) No amendment to the rules of a registered friendly society shall be valid until the amendment is registered under this Act, for which purpose three copies of the amendment, signed by the secretary and the president shall be sent to the Registrar within five working days of the amendment.

(3) The Registrar shall, on being satisfied that the amendment of a rule is not contrary to this Act, register the amended rules.

(4) The Registrar may, for reasons to be given to a registered friendly society, refuse to register an amendment to its rules.

(5) If the Registrar refuses to register an amendment of the rules, the registered friendly society aggrieved by the decision, may, not later than thirty days from the date of the refusal, appeal against the decision to the Tribunal.

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

(7) When the Registrar registers an amendment of the rules of a registered friendly society, the Registrar shall issue to the registered friendly society a certified copy of the amendment, which is conclusive evidence of the fact that the amendment has been duly registered.

14. (1) A registered friendly society shall –

Registered office

- (a) have a registered office to which all communications and notices may be addressed;
- (b) send to the Registrar notice of the location of that office, and of every change of its location.

(2) A registered friendly society shall affix its name in legible letters in a conspicuous position on the outside of the office or place in which the business of the registered friendly society is carried on.

(3) A registered friendly society shall display its certificate of registration at its registered office.

PART IV

DUTIES OF REGISTERED FRIENDLY SOCIETY

15. (1) No person –

Limitation of
office holders

- (a) who is an undischarged bankrupt shall act as the president, secretary, treasurer, or trustee of a registered friendly society;
- (b) shall hold both the offices of president and treasurer or secretary and treasurer of the same registered friendly society;
- (c) shall hold the office of treasurer in more than one registered friendly society; and
- (d) who is an officer of a registered friendly society shall be or act as the auditor or actuary of that registered friendly society.

(2) If the Registrar is of the opinion that a person is contravening subsection (1), the Registrar may issue an order removing that person from the position or positions held with one or more registered friendly societies.

16. (1) A registered friendly society shall have three or more trustees who shall be responsible –

Appointment of
trustees

- (a) for the assets or property of the registered friendly society; and
- (b) for any sums which they have received on behalf of the registered friendly society.

(2) In exercising the duties under subsection (1), a trustee shall act in the best interests of the registered friendly society.

(3) A trustee shall be appointed at a meeting of a registered friendly society by a resolution of a majority of the members present and entitled to vote.

(4) A registered friendly society shall provide to the Registrar a copy of every resolution appointing a trustee.

(5) The same person shall not be secretary or treasurer of a registered friendly society and a trustee of that registered friendly society.

Change in list of officers

17. (1) A change in the list of officers of a registered friendly society shall be filed with the Registrar within seven days of the change.

(2) A registered friendly society which contravenes this section commits an offence and is liable on summary conviction to a fine of one thousand dollars.

Records

18. (1) A registered friendly society shall maintain at its registered office—

- (a) a register of members containing members' details;
- (b) a record of contribution received from members;
- (c) ongoing accounting information;
- (d) minutes of meetings and resolutions of its members and board;
- (e) a copy of its rules;
- (f) a register of directors and trustees;
- (g) the certificate issued to it by the Registrar;
- (h) any other information relevant to the general business of the registered friendly society; and
- (i) any other information prescribed by this Act or any other written law.

(2) A registered friendly society shall maintain the records referred to in this section for seven years.

(3) A registered friendly society which contravenes this section is liable to pay to the Registrar the appropriate administrative penalty set out in Schedule 3.

19. A registered friendly society shall, no later than the 31st day of January of each year, send to the Registrar, a return for the year ending on the 31st day of December of the preceding year, showing –

Return of
members and
investments

- (a) the number of members;
- (b) the amount of contribution received from each member in the preceding year;
- (c) the amount of pay out made to each member in the preceding year;
- (d) the amount of money held in its account or accounts at any bank or other financial institution;
- (e) the amount of money invested in or on the security of stock, shares or debentures of any bank or other financial institution;
- (f) the amount of money invested in authorised securities;
- (g) the amount of cash at hand as at the close of business on the 31st day of December; and
- (h) any property owned by the registered friendly society, whether wholly or partially, and any interests in any property.

20. (1) A registered friendly society shall establish and maintain a reserve fund.

Establishment of
reserve fund

(2) Where a registered friendly society realises a surplus in a financial year, it shall credit ten per cent of the surplus to its reserve fund.

(3) The reserve fund shall, with the written consent of the Registrar, be utilised in expenditure of an extraordinary nature which may be necessary or desirable in carrying out the objects of the registered friendly society.

(4) A registered friendly society may, with the written consent of the Registrar, apply any part of its reserve fund not exceeding fifty per cent of the amount at which the reserve fund then stands, for any of the objects or purposes defined or established under the rules of the registered friendly society.

(5) A registered friendly society shall ensure that the amount standing to its reserve fund is, at no stage, less than five per cent of its total assets.

(6) If at the end of a financial year the amount standing to its reserve fund before any transfer under this section is less than five per cent of its total assets, a registered friendly society shall transfer to its reserve fund such sum as may be required to increase the amount standing to its reserve fund to five per cent of its total assets.

(7) The sums set aside for the reserve fund under this section shall be deposited and kept deposited in a special account established for that purpose in the name of the registered friendly society, in a bank or other financial institution approved by the Registrar.

(8) The Registrar shall grant such period of time as the Registrar considers reasonable to enable the management of a registered friendly society to make good any deficiency in the adequacy of its reserve fund.

(9) Notwithstanding anything in this section, a friendly society in operation on the date of commencement of this Act shall establish and maintain a reserve fund within three years after the date of commencement of this Act.

PART V

ACCOUNTS AND AUDITS

Accounting
records

21. (1) A registered friendly society shall keep proper and adequate accounting records with respect to its transactions and its assets and liabilities which –

- (a) are sufficient to show and explain the transactions of the registered friendly society; and
- (b) will at any time enable the financial position of the registered friendly society to be determined with reasonable accuracy.

(2) A registered friendly society shall establish and maintain a satisfactory system of control of its accounting records, its cash holdings and all its receipts and remittances.

(3) Accounting records may be kept either by making entries in bound books or in electronic form.

(4) A registered friendly society shall ensure that –

- (a) its accounts are updated on a daily, weekly or monthly basis;

- (b) separate accounts are kept of all moneys received from or paid out to members; and
- (c) a separate account is kept of all expenditure of the registered friendly society.

(5) For the purposes of this section, "accounting records" means all books, vouchers, invoices, contracts, financial statements and any other relevant records pertaining to the financial affairs, including the assets and liabilities of a registered friendly society.

(6) A registered friendly society shall keep the records referred to in this subsection at its registered office.

(7) A registered friendly society which contravenes this section is liable to pay to the Registrar the appropriate administrative penalty set out in Schedule 3.

22. (1) A registered friendly society shall in respect of each year cause to be prepared, financial statement of the affairs of the registered friendly society.

Financial
statements

(2) The financial statement of a registered friendly society shall give a true and fair view of the state of the affairs of the registered friendly society as at the date of the financial statement.

(3) A registered friendly society shall not publish its financial statements unless it has been previously audited by an auditor approved by the Registrar and has been signed by at least two directors of the registered friendly society.

(4) A registered friendly society which contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of ten thousand dollars.

23. (1) A registered friendly society shall appoint an independent qualified auditor by ordinary resolution at its annual general meeting who shall be approved by the Registrar.

Appointment of
auditor

(2) An auditor is responsible for the annual audit of the accounts of the registered friendly society.

(3) An auditor has the power when necessary—

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

registered friendly society by the officer, agent, or member in possession of the book, document, cash or securities.

(4) An auditor shall not be appointed to serve for a period exceeding five consecutive years.

(5) An auditor shall not assume office unless he has confirmed in writing to the registered friendly society his willingness to serve as auditor.

(6) In this section, "qualified auditor" means a person who is a member of a recognised professional body satisfactory to the Registrar and who is qualified to conduct audits.

Independence of
auditor

24. (1) An auditor shall be independent of a registered friendly society and of the directors and officers of the registered friendly society.

(2) An auditor shall be presumed not to be independent of a registered friendly society if he or his partner or associate –

- (a) is a director, an officer or an employee of the registered friendly society or a business partner or employee of a director or an officer or employee of the registered friendly society;
- (b) is a member of a committee of the registered friendly society;
- (c) transacts a substantial amount of business with the registered friendly society;
- (d) was a senior officer, or a person serving in an equivalent position for the registered friendly society or was employed by the registered friendly society and participated in any capacity in the audit of that registered friendly society during the one year period preceding the date of the initiation of the audit; or
- (e) provides to the registered friendly society contemporaneously with the audit, a non-audit service including –
 - (i) bookkeeping or other services relating to the accounting records or financial statements of the registered friendly society;
 - (ii) financial information systems design and implementation;
 - (iii) appraisal or valuation services, fairness opinions, or contributions-in-kind reports;

- (iv) actuarial services;
- (v) internal audit outsourcing services;
- (vi) management functions or human resources;
- (vii) broker dealer or investment adviser services;
- (viii) legal services and expert services unrelated to the audit; or
- (ix) any other service that the Registrar determines is not permissible.

(3) An auditor who becomes disqualified under this section or has been replaced or whose term has expired shall immediately notify the Registrar in writing and state the reasons for termination of his appointment.

25. (1) Unless exempted by the Registrar, a registered friendly society shall submit annual audited financial statements to the Registrar within six months after the start of every calendar year.

Special, quarterly
and annual
financial
statements

(2) Every member of a registered friendly society is entitled to receive from the registered friendly society, a copy of the annual audited financial statements at least ten days before the annual general meeting of the registered friendly society.

(3) A registered friendly society shall present the audited annual financial statements to the membership at every annual general meeting.

(4) The Registrar, may in writing require a registered friendly society to make a special statement for a stated period or quarterly statement in connection with the business and affairs of the registered friendly society.

(5) A registered friendly society which contravenes this section is liable to pay to the Registrar the appropriate administrative penalty set out in Schedule 3.

26. (1) A registered friendly society shall once every five years cause its assets and liabilities to be valued by a qualified valuator to be appointed by the registered friendly society and approved by the Registrar.

Valuation

(2) A registered friendly society shall send a report of the valuation to the Registrar which report shall –

- (a) be signed by the valuator;
- (b) state the address and profession of the valuator; and

- (c) contain an abstract to be made by the valuator of the results of his valuation, together with a statement containing information with respect to the benefits assured and the contributions receivable by the registered friendly society and of its funds and effects, debts and credits, as the Registrar may require.

(3) Where a registered friendly society sends to the Registrar a report under subsection (2), the Registrar –

- (a) may cause the assets and liabilities of the registered friendly society to be valued and reported on by an actuary, at the expense of the registered friendly society; and
- (b) shall send to the registered friendly society a copy of the report and an abstract of the results of the valuation.

Copy of annual
statements and
valuation

27. A registered friendly society shall keep a copy of the last annual audited financial statements and last valuation report and, if applicable, the report of the actuary, posted in a conspicuous place at the registered office of the registered friendly society.

PART VI

PRIVILEGES OF REGISTERED FRIENDLY SOCIETY

Exemption from
stamp duty

28. A registered friendly society is exempt from stamp duty with which, under a law for the time being in force, instruments executed by or on behalf of the registered friendly society or by an officer or a member and relating to the business of the registered friendly society, or any class of the instruments, are respectively charged.

Priority on
death,
bankruptcy, etc.,
of officer

29. (1) In the following cases, namely –

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

his executors or administrators, or trustee in bankruptcy, or the person executing the process, respectively, shall on demand in writing by the registered friendly society pay the money and deliver over the property to the trustees of the registered friendly society in preference to any other debt or claim against the estate of the officer.

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

Membership of
minors

30. (1) The rules of a registered friendly society may provide for the admission of a person under eighteen years of age as a member.

(2) A member referred to in subsection (1) 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 necessary to be executed or given under the rules, but shall not be a member of the board, a trustee, manager, or treasurer of the registered friendly society.

PART VII

RIGHTS OF MEMBERS

31. A registered friendly society shall make available to its members, a copy of the rules of the registered friendly society. Right to copies of rules
32. A registered friendly society shall, on the application of a member of the registered friendly society supply to him – Right to copies of financial statements
- (a) a copy of the last annual return of the registered friendly society; or
 - (b) a financial statement or other document duly audited, containing the same particulars as to the receipts and expenditure, funds and effects of the registered friendly society as are contained in the annual return.
33. A member of a registered friendly society may inspect the books at all reasonable hours at the registered office of the registered friendly society. Inspection of books by member

PART VIII

PROPERTY, FUNDS, AND INVESTMENTS

34. (1) A registered friendly society may, in accordance with this Act, invest its funds or any part of its funds, to any amount in any of the following ways – Investment of funds
- (a) by deposits in an account at a bank or other financial institution in the State, where the funds shall be deposited on a daily basis or at such period approved by the Registrar;
 - (b) in the purchase of land, or in the erection of offices or other buildings on the land;
 - (c) in or on any other security expressly directed by the rules of the registered friendly society, other than personal security; or

(d) in any other investment of a kind which is approved by the Registrar.

(2) A registered friendly society shall establish appropriate insurance coverage over its funds and assets as is appropriate.

Loans prohibited

35. (1) A registered friendly society shall not, directly or indirectly, give a loan to a member, director, officer or employee of the registered friendly society or an associate of any such person for any purpose.

(2) A registered friendly society who contravenes this section commits an offence and is liable on summary conviction to a fine of ten thousand dollars.

Holding of land

36. (1) A registered friendly society may, if its rules so provide, hold, purchase, or lease land on a special resolution made by a majority of the members present at a special meeting called for that purpose.

(2) Except with the approval of the Registrar, a registered friendly society shall not hold lands, the aggregate market value of which exceeds fifteen percent of its total assets.

(3) A registered friendly society shall seek the approval of the Registrar for an investment in land.

(4) A registered friendly society may with the approval of the Registrar sell, exchange, mortgage, lease, or build on the land obtained under this section.

Vesting of property

37. (1) All property belonging to a registered friendly society shall vest in trust in the trustees for the use and benefit of the registered friendly society and the members of the registered friendly society, and of all persons claiming through the members according to the rules of the registered friendly society.

(2) The trustees shall be liable for sums of money actually received by them respectively on account of the registered friendly society.

Devolution on death, resignation or removal or end of tenure

38. On the death, resignation, or removal or the end of tenure of a trustee of a registered friendly society, the property vested in trust in that trustee shall, until the appointment of succeeding trustees, vest in trust in the remaining or new trustees.

PART IX**OFFICERS IN RECEIPT OR CHARGE OF MONEY**

39. An officer of a registered friendly society having receipt or charge of money shall, before taking on himself the execution of his office, become bound with one sufficient surety at the least in a bond in the form contained in Schedule 2 –

Security officer by

- (a) for his rendering a just and true account of all sums of money received and paid by him on account of the registered friendly society at such times as its rules appoint, or as the registered friendly society requires him to do; and
- (b) for the payment by him of all sums due from him to the registered friendly society.

40. (1) An officer of a registered friendly society having receipt or charge of money shall render account, or on demand made, or by written notice given or left at his last or usual place of residence, produce his account as may be required by the registered friendly society, for examination and shall on the like demand or notice, pay over all sums of money and deliver all property in his hands, or custody to the person the registered friendly society appoints.

Accounts officer of

(2) In case of any neglect or refusal of an officer to deliver the account, or to pay over the sums of money or to deliver the property under subsection (1), the registered friendly society may sue on the bond or security of the officer, or may apply to the Magistrate's Court for an order for the delivery of the account or property or the payment over of the sums of money with costs.

(3) An officer who fails to deliver an account or pay over the sums of money commits an offence and is liable on summary conviction to a fine of ten thousand dollars and to imprisonment for six months.

PART X**PAYMENTS ON DEATH**

41. (1) A member of a registered friendly society, not being under the age of sixteen years, may by writing under his hand delivered at or sent to the registered office of the registered friendly society, or made in a book kept at that office, nominate a person to whom a sum of money payable by the registered friendly society on the death of that member shall be paid.

Appointment of nominee

(2) A person nominated under subsection (1) must not be an officer of the registered friendly society unless that officer is the husband, wife, father, mother, guardian, child, brother, sister, nephew, or niece of the member.

(3) A nomination under subsection (1) may be revoked and varied by a similar document under the hand of the member which is delivered, sent, or made under subsection (1)

Certificate of death

42. (1) A registered friendly society shall not pay a sum of money on the death of a member or other person whose death is or ought to be entered in any register of deaths, except on the production of a certificate of the death, under the hand of the Registrar-General of Births and Deaths.

(2) Subsection (1) shall not apply to deaths at sea or to any death certified by a coroner to be the subject of a pending inquest.

Proceedings on death of member

43. On receiving satisfactory proof of the death of a nominator, a registered friendly society shall pay to the nominee the amount due to the deceased member.

Payment in absence of valid nomination

44. If a member of a registered friendly society entitled from the funds of the registered friendly society to a sum, dies intestate and without having made a nomination then subsisting, the registered friendly society may, without letters of administration, distribute the sum among the persons as appear to the registered friendly society, on evidence as they may consider satisfactory, to be entitled by law to receive that sum.

Validity of payments

45. A payment made by a registered friendly society under this Part with respect to payments on death to the person who at the time appears to the registered friendly society to be entitled to the payment, is valid and effectual against a demand made on the registered friendly society by another person.

PART XI

MANAGEMENT AND ADMINISTRATION

Board of registered friendly society

46. (1) A registered friendly society shall be managed by a board of directors with a minimum of five members elected from among the membership of the registered friendly society at an annual general meeting.

(2) A board shall appoint one of its members to be president or chairman of the board.

(3) The members of a board shall be approved by the Registrar prior to their appointment.

47. Together with the trustees, a board is responsible for the general oversight of the affairs of a registered friendly society. Functions of board

48. (1) Subject to subsection (2), a member of a registered friendly society may be elected as a member of its board. Eligibility for election to board

(2) A person elected as a member of a board shall be approved by the Registrar and shall satisfy the fit and proper criteria set out in section 49.

49. (1) A person may be considered fit and proper to serve as a member of a board having regard to – Fit and proper criteria

- (a) the person's integrity, probity, competence and soundness of judgment;
- (b) the diligence with which that person is fulfilling or is likely to fulfil the responsibilities of that position; and
- (c) whether the interest of the registered friendly society is likely to be in any way threatened by that person holding that position.

(2) Without limiting subsection (1), regard may also be had to whether the person –

- (a) is under the age of eighteen years;
- (b) is in good financial standing with the registered friendly society for at least two years;
- (c) has been convicted of an offence involving fraud or dishonesty, an offence under this Act or another criminal offence;
- (d) has been or is engaged in any activity or business practices that appear to be deceitful or oppressive or otherwise improper, whether lawful or not;
- (e) has an employment record which indicates that the person carried out acts of impropriety in the handling of his employer's business;
- (f) is of unsound mind and has been so found by a court in the State;

- (g) is bankrupt, or has been associated with an organisation that has become bankrupt or has had its licence revoked;
- (h) has not been a member of the registered friendly society for twelve consecutive months;
- (i) is part of the management of the registered friendly society or of another registered friendly society; or
- (j) is an employee of a registered friendly society or is a partner or employee of the registered friendly society's auditor.

Election to board

50. (1) Members of a board shall be elected in accordance with this Act and the rules of the registered friendly society at the annual general meeting of the registered friendly society.

(2) A registered friendly society shall establish a nominations committee which shall present to the general meeting of members, the nominees to fill the vacant positions on its board.

(3) A member of the nominations committee shall not be named as a nominee to fill a vacant position on the board.

Tenure of directors

51. (1) A member of a board shall be elected for a term of three years.

(2) A member of a board shall not serve for more than two consecutive terms (an aggregate of six years), but thereafter the person is eligible for re-election to a board after the expiration of two years.

(3) On and after the commencement of this Act, on the formation of each new friendly society, or on the reconstitution of a previously registered friendly society, at the next annual general meeting of members, the members of a board and nomination committee of the friendly society shall be elected on a rotational basis as follows –

(a) one third shall be elected to serve for one year;

(b) one third shall be elected to serve for two years; and

(c) the remainder shall be elected to serve for three years,

and thereafter each member of the board or nomination committee shall serve for a term of three years.

Filling of vacancies

52. (1) Where there is a vacancy on a board but the remaining directors constitute a quorum, they shall call a special meeting of the

board for the purpose of appointing members to fill the vacancy until the next annual general meeting.

(2) Where there is a vacancy on a board and the remaining directors do not constitute a quorum, the remaining directors shall call a special meeting of the registered friendly society for the purpose of electing members to fill a vacancy.

(3) Notice of this meeting shall be given in accordance with section 59.

53. (1) In exercising his powers and discharging his functions, a director or officer of a registered friendly society shall – Duty of care

- (a) act honestly and in good faith with a view to the best interest of the registered friendly society; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(2) If a director or officer acts outside the scope of his duty or acts in a manner, whether by omission or negligence, which results in a substantial loss to the registered friendly society, the Registrar may issue an order –

- (a) removing the director or officer from office; and
- (b) prohibiting that person from acting in any capacity in a friendly society in the State.

54. (1) A board may establish sub-committees for the purpose of carrying out its functions under this Act. Sub-committees of board

(2) Without limiting subsection (1), a board shall establish the following sub-committees –

- (a) monitoring and compliance committee;
- (b) audit committee; and
- (c) nominations committee.

(3) A committee of a registered friendly society may not –

- (a) declare a bonus or dividend;
- (b) approve the financial statement of the registered friendly society; or
- (c) make decisions where this Act or the rules of the registered friendly society prescribes a vote of the board.

Board meetings

55. (1) Subject to subsection (2), a board shall meet on a monthly basis at a place and time to discuss the business of the registered friendly society.

(2) The president or chairman of a board may call a meeting at any time or on the written request of at least two directors, shall call a meeting within ten days of the receipt of the request.

(3) A majority of directors shall constitute a quorum at a meeting of directors.

(4) Subject to the rules of a registered friendly society, where all the directors consent, a meeting of a board or of a committee may be held by means of –

- (a) a telephone system; or
- (b) any other communication facility,

that allows all persons participating in the meeting to hear and speak to each other, and a person so participating is deemed to be present at the meeting.

(5) A director of a registered friendly society is entitled to receive notice of and to attend and be heard at every meeting of its board.

Management

56. (1) The management of a registered friendly society shall be undertaken by a manager appointed by its board and approved by the Registrar.

(2) The manager is responsible for the conduct of the overall operations of a registered friendly society.

(3) A board shall take all reasonable steps to ensure that the person appointed as manager has the requisite knowledge and experience to discharge the functions of his office.

(4) The secretary of a registered friendly society shall be appointed by the board or, if the rules of the registered friendly society so provide, elected to office in accordance with the rules.

(5) Anything required or authorized to be done by or to the secretary or manager of a registered friendly society may, if the office is vacant or there is for any other reason no secretary or manager capable of acting, be done by or to –

- (a) the assistant or deputy secretary or assistant or deputy manager, as the case may be; or
- (b) if there is no assistant or deputy capable of acting, a member of the registered friendly society's staff who is authorized generally or specially for that purpose by the board.

57. (1) Where a person becomes or ceases to be a member of a board, the registered friendly society shall immediately give written notice to the Registrar of that fact, stating the person's full name and address and the date on which he became, or ceased to be a member of the board.

Notification

(2) Where a person becomes or ceases to be the manager of a registered friendly society, the registered friendly society shall immediately give written notice to the Registrar of that fact, stating the person's full name and address and the date on which he became, or ceased to be manager.

(3) On receipt of a notice under this section, the Registrar shall record the name of the person to whom the notice relates and the date on which he began to hold, or, ceased to hold office, in the public file of the registered friendly society.

(4) A registered friendly society which contravenes subsection (1) or (2) is liable to pay to the Registrar the appropriate administrative penalty set out in Schedule 3.

PART XII

MEETINGS

58. (1) A registered friendly society shall hold an annual general meeting within six months of the end of each calendar year.

Annual general meeting

(2) An annual report shall be made available to members at least two weeks prior to the date of the annual general meeting.

(3) The president of a registered friendly society shall chair all annual general meetings except where in his absence, annual general meetings shall be chaired by the vice president.

(4) Notwithstanding subsection (1), where the Registrar receives a written request from a board prior to the expiration of the period of six months referred to in subsection (1), the Registrar may authorise the registered friendly society to hold the annual general meeting at any date not later than three months after the end of the period of six months referred to in subsection (1).

(5) Where a registered friendly society fails to hold an annual general meeting, the Registrar may—

- (a) call, or direct the calling of, an annual general meeting; and
- (b) give any additional or consequential directions as the Registrar thinks expedient, including directions modifying or supplementing the operation of the rules of the registered friendly society concerned in relation to the calling, holding and conducting of the meeting.

(6) Where a registered friendly society fails to comply with any directions of the Registrar given under subsection (5), the registered friendly society is liable to pay to the Registrar the appropriate administrative penalty set out in Schedule 3.

Special general
meeting

59. (1) A board may call a special general meeting of the members of a registered friendly society at any time.

(2) Subject to subsection (3), a board shall call a special general meeting of the members on receipt of a written request, specifying the purpose of the meeting, from such number of members as may be specified in the rules.

(3) A board shall call the special general meeting mentioned in subsection (2) within twenty-one days of their receipt of the request and the special general meeting shall dispose of the business specified in the request.

(4) The Registrar may call a special general meeting of a registered friendly society where the registered friendly society fails to hold an annual general meeting in accordance with section 58, or for any purpose the Registrar considers necessary

60. (1) A registered friendly society shall give no less than fourteen days' notice of an annual general meeting or special general meeting to members by – Notice of meeting

- (a) publishing the notice in at least two newspapers of weekly circulation in the State;
- (b) posting the notice in a prominent and conspicuous place at the registered office of the registered friendly society; and
- (c) publishing the notice by any other reasonable means as may be provided in its rules and which is accessible by members.

(2) The notice under subsection (1) shall be given for two consecutive weeks.

(3) The rules of a registered friendly society may require a longer period for the giving of the notice under subsection (1).

61. (1) The quorum at an annual general meeting or special general meeting shall be as specified by the rules of the registered friendly society. Quorum

(2) Except where all the members are directors, the number of members present at an annual general meeting or special general meeting shall not be less than the number of director plus three.

(3) Subject to its rules, where a quorum is present at the opening of a general meeting of a registered friendly society, the members present may proceed with the business of the meeting.

(4) Where a quorum is not present thirty minutes after the time fixed for the commencement of a general meeting –

- (a) the members present may adjourn the meeting to a time and place to be determined by the board but not later than thirty days after the date of the adjourned meeting; or
- (b) the Registrar or the Registrar's representative may direct that the meeting proceed if the Registrar is satisfied that the meeting was convened in accordance with this Act and that the members present were properly notified and constitute at least seventy-five per cent of the amount required for a quorum.

(5) If at the continuation of the meeting adjourned under subsection (4) (a), there is no quorum, the members present constitute a quorum and may proceed with the meeting.

**S p e c i a l
resolution**

62. No resolution of a registered friendly society shall be passed as a special resolution unless—

- (a) it is required to be so passed by or under this Act or by the rules of the registered friendly society;
- (b) at least fourteen days' notice, or such longer period as the rules may require, is given to members in the manner as is prescribed by the rules; and
- (c) it is passed by not less than a majority of the number of the members of the registered friendly society present at the meeting and entitled to vote on it.

PART XIII

DISPUTES

**D i s p u t e
resolution under
rules**

63. A dispute between —

- (a) a member or person claiming through a member or under the rules of a registered friendly society, and the registered friendly society or an officer of the registered friendly society; or
- (b) a person aggrieved who has ceased to be a member of a registered friendly society, or a person claiming through the person aggrieved, and the registered friendly society or an officer of the registered friendly society;

shall, subject to this Part, be decided in the manner directed by the rules of the registered friendly society.

**D i s p u t e
resolution by
Registrar**

64. (1) Where the rules of a registered friendly society contain no direction as to disputes, or where no decision is made on a dispute within forty days after application to the registered friendly society for a reference under its rules, the member or person aggrieved may apply to the Registrar who may hear and determine the matter in dispute.

(2) Where a dispute is referred under subsection (1), the Registrar may hear and determine the dispute, and may order the expenses of determining the dispute to be paid, either out of the funds of the registered friendly society or by a party to the dispute as the Registrar thinks fit.

(3) A determination and order made under subsection (2) has the same effect and is enforceable in like manner as a decision made in the manner directed by the rules of the registered friendly society.

(4) The Registrar may require the attendance of all parties concerned, and of witnesses, and the production of all books and documents relating to the matter in question.

(5) A person who refuses to attend or to produce any documents, or to give evidence before the Registrar commits an offence.

65. (1) Where the rules of a registered friendly society direct that disputes shall be referred to the Court, or where the Registrar refuses to hear and determine a dispute, the member or person aggrieved may apply to the Court which may hear and determine the matter in dispute.

D i s p u t e
resolution by
Court

(2) The parties to a dispute may consent to refer a dispute to the Court, which may hear and determine the matter in dispute.

PART XIV

CHANGE OF NAME, AMALGAMATION AND TRANSFER OF ASSETS

66. (1) A registered friendly society may, by special resolution, with the approval in writing of the Registrar, change its name.

Power to change
name

(2) A change of name shall not affect a right or obligation of the registered friendly society, or of a member of the registered friendly society, and any pending legal proceedings may be continued by or against the registered friendly society, or any other officer who may sue or be sued on behalf of the registered friendly society, notwithstanding its new name.

67. (1) Two or more registered friendly societies may by special resolution become amalgamated together as one registered friendly society.

Amalgamation

(2) A special resolution by a registered friendly society for an amalgamation under this Act shall not be valid without a vote by a majority of the members present at the special meeting called for that purpose.

(3) Where a resolution referred to in subsection (1) is passed, each registered friendly society shall apply to the Registrar for cancellation of its registration and the registered friendly societies shall jointly apply for the registration of the amalgamated society no less than fourteen days after the resolution has been passed.

(4) On the application of the registered friendly societies desiring to amalgamate and on notice of that application being published in the *Gazette* and two newspapers of weekly circulation in the State, the Registrar, after considering the circumstances of the registered friendly societies to be amalgamated, may approve the amalgamation.

(5) The registration of an amalgamated registered friendly society shall be sufficient to vest the assets and liabilities in the amalgamated registered friendly society.

Transfer of
assets

68. (1) A registered friendly society may by special resolution passed by a majority of the members present at a special meeting called for that purpose, transfer its assets and liabilities to another registered friendly society which has agreed to accept them by a special resolution.

(2) Where the resolutions referred to in subsection (1) are passed, the transferor registered friendly society shall apply to the Registrar for cancellation of its registration and the transferee registered friendly society shall submit to the Registrar, a copy of its resolution agreeing to the transfer, no less than fourteen days after the resolution has been passed.

(3) Subject to subsection (4), the cancellation of registration and the submission of the resolution agreeing to accept the transfer shall be sufficient to vest the assets and liabilities of the transferor registered friendly society to the transferee registered friendly society.

(4) Where the vesting of the assets of a registered friendly society includes real property, a copy of the resolution referred to in subsection (1), certified by the Registrar shall be recorded at the Registry of the Court.

Power of
Registrar to
effect transfer of
assets

69. (1) Subject to this section, the Registrar may give a direction under this section providing for the transfer of the assets and liabilities of a registered friendly society.

(2) The Registrar may give a direction if the Registrar considers that—

- (a) the registered friendly society is unable to manage its affairs satisfactorily in relation to the assets and liabilities specified in the direction;
- (b) a transfer of those assets and liabilities would be expedient to protect the interests of the members of the registered friendly society; and

(c) the proposed transferee has resolved to undertake to fulfill the assets and liabilities by special resolution.

(3) The Registrar shall publish a notice of the proposed direction in the *Gazette*, and at least one newspaper of weekly circulation in the State.

(4) A notice published under subsection (3) shall—

(a) state that an interested party has the right to make representations to the Registrar with respect to the proposed direction;

(b) specify a date determined by the Registrar before which written representations or notice of a person's intention to make oral representations must be received by the Registrar; and

(c) specify a date determined by the Registrar as the day on which the Registrar intends to hear oral representations.

70. An amalgamation or transfer of assets under this Act shall not prejudice a right of a creditor of either registered friendly society party to the amalgamation or transfer of assets.

Saving for right of
creditors

71. A copy of every special resolution for any of the purposes mentioned in this Part, signed by the chairman of the meeting and countersigned by the secretary, shall be filed with the Registrar to be registered by the Registrar, and until that copy is registered the special resolution shall not take effect.

Registration of
special resolution

72. If a member of a registered friendly society which has amalgamated or transferred its assets, or if a person claiming relief, or other benefit from the funds of the registered society is dissatisfied with the provision made for satisfying his claim, that member or person may apply to the Registrar for relief and the Registrar may exercise the same powers in the matter as in regard to the settlement of disputes under this Act.

Relief for
members

PART XV

POWERS OF THE REGISTRAR

73. The Registrar may cancel the registration of a registered friendly society —

Cancellation

- (a) if the Registrar thinks fit, after carrying out an investigation or inspection into the affairs of the registered friendly society;
- (b) at the request of a registered friendly society;
- (c) on proof that –
 - (i) a certificate of registration has been obtained by fraud or mistake;
 - (ii) that a registered friendly society exists for an illegal purpose; or
 - (iii) that a registered friendly society has wilfully and after notice from the Registrar violated this Act;
- (d) if there is reduction of membership below the minimum requirement; or
- (e) if the registered friendly society ceases to exist.

Procedure for
cancellation

74. (1) Where the Registrar intends to exercise powers under section 73, the Registrar shall give the registered society two months' notice in writing outlining the grounds for the proposed cancellation, before the certificate of registration is cancelled.

(2) Notice of a decision to cancel the registration of a registered friendly society shall be published by the Registrar in the *Gazette* and at least two newspapers of weekly circulation in the State as soon as practicable.

(3) The Registrar may cancel the registration of a registered friendly society at the expiration of two months from the date of first publication of the notice referred to in subsection (1), if there is no appeal under section 76 or, if there is an appeal, on the dismissal or abandonment of the appeal.

(4) The Registrar may make any order the Registrar may think fit for the custody of the books and documents and the protection of the assets of the registered friendly society until its registration is cancelled or, if there is an appeal against the decision until the determination or abandonment of the appeal.

Effect of
cancellation

75. (1) A registered friendly society which has been cancelled shall from the time of the cancellation immediately cease to benefit from the privileges of a registered friendly society, but without prejudice to any liability incurred by the registered friendly society, which may be enforced

against the registered friendly society as if the cancellation had not taken place.

(2) Where the registration of a registered friendly society is cancelled, the registered friendly society shall, except for the purpose of winding up, cease to exist as a corporate body from the date on which the cancellation of registration takes effect.

76. A registered friendly society or a member of the registered friendly society may, within one month of the date of the publication of the Registrar's decision to cancel, appeal against cancellation to the Tribunal.

Right of appeal

77. (1) Where the registration of a registered friendly society is cancelled under section 73, the Registrar may appoint one or more persons to be the liquidator or liquidators of the registered friendly society.

Appointment of liquidator

(2) A person appointed as a liquidator under subsection (1) is subject to the direction and control of the Registrar.

78. (1) A liquidator appointed under section 77 may –

Powers of liquidator

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

friendly society as may appear to him to be necessary for winding up the affairs of the registered friendly society;

- (h) appoint by notice published in a local weekly newspaper, a day by which creditors whose claims are not already recorded in the books of the registered friendly society shall state their claims for admission or be excluded from any distribution made before the claims have been proved;
- (i) compromise a claim by or against the registered friendly society;
- (j) sell the property of the registered friendly society;
- (k) call a general meeting of the registered friendly society as may be necessary;
- (l) carry on the business of the registered friendly society as far as may be necessary for winding it up beneficially; and
- (m) arrange for the distribution of the assets of the registered friendly 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 to compel the attendance and examination of witnesses and the production of documents.

Power to suspend
registration

79. (1) In any case in which the Registrar may cancel the registration of a registered friendly society under section 73, the Registrar, may suspend the registration of the registered friendly society for a period not exceeding three months and may from time to time suspend the registration for the same period.

(2) This Part shall apply, subject to any necessary modifications, in relation to suspension of the registration of a registered friendly society for any cause, other than for reduction of membership below the minimum requirement as they apply in relation to cancellation of the registration.

(3) Where the registration of a registered friendly society is suspended, the registered friendly society shall, while the suspension lasts, cease to enjoy the rights and privileges of a registered friendly

society but without prejudice to any liability incurred by the registered friendly society and any liability may be enforced after the suspension as if the suspension had not taken place.

80. (1) The Registrar or a person authorized by the Registrar shall, at all times, have access to the books, accounts, papers and securities of a registered friendly society, and is entitled to inspect the cash in hand.

Access to books
and records

(2) An officer of a registered friendly society shall furnish information in regard to the transactions and working of the registered friendly society as the person making a request under subsection (1) may require.

81. (1) The Registrar or a person authorized by the Registrar may enter and inspect the registered office of a registered friendly society at any reasonable time and may examine the condition and affairs of the registered friendly society and make enquiries as are necessary to ascertain its condition and ability to provide for the payment of the benefits payable under the rules of the registered friendly society, and whether or not it has complied with this Act.

Onsite inspection
by Registrar

(2) A person, whether connected with the registered friendly society or not, who hinders, obstructs, or molests a person appointed by the Registrar to inspect the books of the registered friendly society commits an offence and is liable on summary conviction to a fine of five thousand dollars and to imprisonment for three months.

82. (1) The Registrar may of its own motion or on an application made in writing by a member or creditor of a registered friendly society, investigate or direct a person authorized by the Registrar to investigate the affairs and financial condition of the registered friendly society.

Investigations

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

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

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

Removal
of officers

83. (1) If after investigations into the affairs of a registered friendly society, the Registrar finds that an officer or a person holding office in the registered friendly society, whether elected or otherwise, has been negligent or has engaged in misconduct –

(a) the officer or person may be removed from office by order of the Registrar; and

(b) the Registrar shall notify the registered friendly society concerned and direct that it proceed to the appointment or election of a substitute in the place of the officer or person removed.

(2) If within two months of the date of the order, the registered friendly society fails to appoint or elect an officer to fill the vacant office, the Registrar may appoint a new officer to fill the vacant office.

(3) Before exercising the powers under subsection (1), the Registrar shall afford the officer or person the opportunity to be heard.

(4) If the officer or other person who is removed by order of the Registrar has custody of books, ledgers, vouchers, registers, bills, documents, moneys or other property belonging to the registered friendly society from which he is so removed he shall forthwith deliver up to the Registrar or to a person authorized by the Registrar, the books, ledgers, vouchers, registers, bills, documents, moneys or other property.

(5) An officer or other person who is removed by the order of the Registrar may within thirty days from the day on which the order was made, appeal to the Tribunal.

(6) An officer or other person removed from office by the order of the Registrar under this section shall unless reinstated under an appeal under subsection (5), cease to hold office in the registered friendly society from the date of the order, and shall be disqualified from being elected and from being an officer of a registered friendly society in the State for a period, not exceeding five years, as the Registrar may determine.

Liability
of officers

84. (1) Where it appears that –

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

the Registrar may declare that any of the officers, whether past or present, of the registered friendly society, who were knowingly parties to the wrongful withholding, misapplication or unauthorized use of the funds or property of the registered friendly society or to the carrying on of the business of the registered friendly society in manner described in this section, are personally liable for the debts or other liabilities of the registered friendly society.

(2) A person who has not held office in a registered friendly society within a period of six years prior to the time at which a contravention of this section as respects the registered friendly society is discovered, shall not be called on to account under this section.

PART XVI

DISSOLUTION AND WINDING UP

85. A registered friendly society may terminate or be dissolved—

- (a) on the happening of an event declared by the rules of the registered friendly society to be the termination of the registered friendly society;
- (b) by consent of members of the registered friendly society;
- (c) by the Registrar; or
- (d) by the Court.

Dissolution of
registered friendly
society

86. (1) A registered friendly society may be dissolved by an instrument of dissolution approved by a special resolution voted on by a majority of the members of the registered friendly society at a special meeting called for that purpose.

Dissolution by
consent

- (2) The instrument of dissolution shall set out —

- (a) the liabilities and assets of the registered friendly society in detail;
- (b) the number of members and the nature of their interests in the registered friendly society;
- (c) the claims of creditors, if any, and the provision to be made for payment of the claims; and
- (d) the intended appropriation or division of the funds and property of the registered friendly society unless the appropriation or division is stated in the instrument of dissolution or in the order of the Registrar for dissolution.

(3) Alterations in the instrument of dissolution may be made with the like consents as provided in subsection (1).

Registration of
dissolution

87. (1) A registered friendly society shall within fourteen days of the passing of a special resolution approving the dissolution of the registered friendly society, give notice to the Registrar of the intended dissolution and the date of commencement of the dissolution, enclosing a copy of the special resolution.

(2) The notice under subsection (1) shall include a declaration to the effect that this Act has been complied with.

(3) Where a person knowingly makes a false or fraudulent declaration under subsection (2), he commits an offence and is liable on summary conviction to a fine of ten thousand dollars and to imprisonment for three years.

Gazette of notice
of dissolution

88. (1) The Registrar shall cause a notice of the dissolution to be published for two consecutive weeks in the *Gazette* and in two newspapers of weekly circulation in the State, at the expense of the registered friendly society.

(2) A registered friendly society is legally dissolved from the date of the publication of the notice of dissolution in the *Gazette* unless within three months from the date of publication of the notice in the *Gazette* a member or other person interested in or having a claim on the funds of the registered friendly society commences proceedings to set aside the dissolution and the dissolution is set aside.

(3) The requisite consents to an instrument of dissolution shall be considered to have been duly obtained without proof of the signatures to the instrument.

(4) The Registrar shall require from a registered friendly society, liquidator or trustee appointed by a registered friendly society or any other person who is required to provide information, a return showing –

- (a) the progress of the dissolution of the registered friendly society;
- (b) the distribution of any undistributed surplus or reserve; and
- (c) any other information that the Registrar may require.

(5) Despite subsection (1), where the Registrar receives an affidavit from a registered friendly society stating that the registered friendly society has no assets and no liabilities and the Registrar is satisfied that it is appropriate to do so, the Registrar may –

- (a) exempt the registered friendly society from subsection (4); and
- (b) cause, at the Registrar's expense, a notice of the special resolution passed under section 86 (1) to be published in the *Gazette*.

89. (1) An instrument of dissolution shall not, direct or contain a provision for a division or appropriation of the funds of a registered friendly society, or any part of the funds, otherwise than for the purpose of carrying into effect the objects of the registered friendly society as declared in the rules of the registered friendly society, unless the claim of every member or person claiming a relief or other benefit from the funds is first satisfied, or adequate provisions are made for satisfying those claims.

Special provisions
r e g a r d i n g
d i s s o l u t i o n o f
r e g i s t e r e d f r i e n d l y
s o c i e t y

(2) An officer or person who aids or abets in the dissolution of a registered friendly society, otherwise than in accordance with this Act commits an offence.

(3) If a member of a dissolved registered friendly society, or person claiming a relief, or other benefit from the funds of the dissolved registered friendly society, is dissatisfied with the provision made for satisfying his claim, the member or other person may apply to the Court for relief or other order.

90. (1) If on investigation it appears that the funds of a registered friendly society are insufficient to meet the existing claims on the funds, or that the rates of contribution fixed in the rules of the registered friendly

Dissolution by
Registrar

society are insufficient to cover the benefits assured to be given by the registered friendly society, the Registrar –

(a) may, if the Registrar considers it expedient so to do, order that the registered friendly society be dissolved, and its affairs wound up; and

(b) shall direct in what manner the assets of the registered friendly society is to be divided.

(2) An order for dissolution or distribution of funds –

(a) is final and conclusive on the registered friendly society in respect of which the order is made, and on all members and other persons having a claim on the funds of the registered friendly society; and

(b) shall be enforced in the same manner as a decision on a dispute under this Act.

(3) The expenses of an investigation and order for dissolution by the Registrar, and of publishing a notice of dissolution, shall be paid out of the funds of the registered friendly society before any other appropriation of the funds is made.

(4) Despite subsection (1), the Registrar may suspend the order referred to in subsection (1) (a) for a period as the Registrar considers necessary to enable the registered friendly society to make alterations and adjustment of contributions and benefits as will in the Registrar's judgment prevent the necessity of the order of dissolution being made.

Gazette of
dissolution

91. (1) Within twenty one days of making an order for the dissolution of a registered friendly society, the Registrar shall cause a notice of the order for dissolution to be published for two consecutive weeks in the *Gazette* and in two newspapers of weekly circulation in the State.

(2) A registered friendly society is legally dissolved from the date of publication of a notice of an order for dissolution in the *Gazette* unless within three months from the date of the publication of the notice, a member or other person interested in or having a claim on the funds of the registered friendly society commences proceedings to set aside the dissolution and the dissolution is set aside.

92. (1) Where a person commences a proceeding to set aside the dissolution of a registered friendly society he shall give notice of the proceeding to the Registrar not less than seven days before the proceeding begins.

Notice of proceedings or order to set aside dissolution

(2) Where an order is made setting aside the dissolution of a registered friendly society, the registered friendly society shall give notice of the order to the Registrar within seven days after the order is made.

PART XVII

OFFENCES, PENALTIES AND LEGAL PROCEEDINGS

93. (1) Unless otherwise provided in this Act, a registered friendly society or an officer or member of a registered friendly society who fails to give a notice, send a return or document or do or allow to be done anything, which the registered friendly society or officer or member is by this Act required to give, send, do, or allow to be done commits an offence.

Offences

(2) Unless otherwise provided in this Act, a registered friendly society or an officer or member of a registered friendly society who willfully neglects or refuses to do an act or to furnish any information required for the purposes of this Act by the Registrar or by any other person authorised under this Act, or does anything forbidden by this Act commits an offence.

(3) A registered friendly society or an officer or member of a registered friendly society who makes a return or willfully furnishes information which in any respect is false or misleading commits an offence.

(4) A person who commits an offence under this section is liable on summary conviction to a fine of ten thousand dollars.

94. If a registered friendly society commits an offence under this Act and it is proved that the offence was committed with the consent or connivance of, or to be attributable to any neglect on the part of, a director, manager, secretary or similar officer of the registered friendly society, or a person who was purporting to act in such a capacity, that person, as well as the registered friendly society commits the offence.

Offences by societies to be also offences by officers etc.

95. If a person wilfully makes, orders, or allows to be made, an entry, deletion, or omission from a financial statement of a registered friendly society, or a return or document required to be sent, produced, or delivered, for the purposes of this Act, with intent to falsify the same, or

Penalty for falsification

to evade this Act, the person commits an offence and is liable on summary conviction to a fine of five thousand dollars.

Penalty for
ordinary
offences

96. A registered friendly society or an officer or member of a registered friendly society, or other person who commits an offence under this Act for which a penalty is not expressly provided is liable on summary conviction to a fine of three thousand dollars.

Special offences

97. If an officer of a registered friendly society or any other person aids or abets in the amalgamation or transfer of assets or in the dissolution of a registered friendly society otherwise than in accordance with this Act, the officer or person commits an offence and is liable on summary conviction to imprisonment for two years.

Legal
proceedings

98. (1) The trustees of a registered friendly society, or any other officer authorised by the rules of the registered friendly society, may bring or defend, or cause to be brought or defended, an action or other legal proceeding in a court, touching or concerning any property, right, or claim of the registered friendly society, and may sue and be sued in their proper names, without other description than the title of their office.

(2) A legal proceeding shall not abate or be discontinued by the death, resignation or removal from office of an officer or by an act of the officer after the commencement of the proceedings.

PART XVIII

GENERAL

Fees

99. (1) Where a friendly society is registered under this Act, the friendly society shall pay for the year in which the friendly society is registered, a prescribed annual fee.

(2) On or before the 31st day of December every year following the year in which a friendly society is registered, the registered friendly society shall pay the prescribed annual fee.

(3) Where a registered friendly society fails to pay the prescribed annual fee under subsection (2), the Registrar may cancel its certificate of registration.

(4) A scale of fees to be paid for matters to be transacted under this Act may be prescribed by the Minister by regulations.

Forms

100. (1) The forms to be used for the making of applications under this Act shall be set out in the regulations.

(2) An annual or other return, abstract of valuation and other document required for the purposes of this Act shall be in the form and contain the particulars approved by the Registrar.

101. The Minister may make regulations generally for the proper carrying out of the purposes and provisions of this Act. Regulations

102. (1) On the commencement of this Act – Transitional

- (a) a friendly society which before the date of commencement of this Act was purportedly registered or deemed to be registered under the former Act shall be taken to be registered under this Act;
- (b) the rules of a friendly society referred to in paragraph (a), including any amendment to those rules, as registered under the former Act, shall be taken as if registered under this Act;
- (c) a register purportedly kept in accordance with the requirements of the former Act shall be taken to be part of the corresponding register to be kept under this Act;
- (d) a document referring to a provision of the former Act shall be construed as referring to the corresponding provision of this Act; and
- (e) all orders, directions, appointments and other acts lawfully made or done under a provision of the former Act and in force immediately before the date of commencement of this Act shall be taken to have been made or done under the corresponding provisions of this Act and shall continue to have effect accordingly.

(2) The directors and officers of a friendly society in operation on the date of commencement of this Act shall continue to hold office in accordance with the former Act and the rules of the friendly society.

(3) Where new directors of a registered friendly society are to be elected after the date of commencement of this Act, the directors shall be elected in accordance with this Act.

(4) Notwithstanding anything in this Act, a friendly society in operation on the date of commencement of this Act but not registered under the former Act, shall continue to operate –

- (a) for a period of six months beginning with that date; and
- (b) if before the expiration of that period the friendly society applies for registration under this Act, until the application is finally disposed of or withdrawn and, if the application is refused, for a further period of six months.

(5) In this section and section 103, "former Act" means the Friendly Societies Act repealed by section 103.

Repeal No. 49 of
1843

103. (1) The Friendly Societies Act 1843 is repealed.

(2) All rules made under the former Act shall continue in force with any necessary amendments and shall be taken as having been made under this Act until such time as new rules are made.

Consequential
amendment

104. Schedule 2 of the Financial Services Authority Act is amended by deleting item 1 and inserting the following item –

- 1. Friendly Societies Act, 2021.

SCHEDULE 1

(section 12 (3))

MATTERS TO BE PROVIDED FOR BY THE RULES OF A REGISTERED FRIENDLY SOCIETY

1. The name and place of office of the registered friendly society.
2. The objects for which the registered friendly society is to be established.
3. The purposes for which the funds thereof shall be applicable.
4. The terms of admission of members including the maximum amount for deposits contributed by each member should not exceed EC\$24,000.00 annually.
5. The conditions under which any member may become entitled to any benefit assured thereby.
6. The fines and forfeitures to be imposed on any member.
7. The consequences of non-payment of any subscription or fine.
8. The mode of holding meetings and right of voting, and the manner of making, altering, or rescinding rules.
9. The appointment and removal of the board and officers.
10. The investment of the funds, the keeping of the accounts, and the audit of the same once a year at least.
11. Annual returns to the Registrar of the receipts, funds, effects, and expenditure and numbers of members, of the registered friendly society.
12. The inspection of the books of the society by a person having an interest in the funds of the registered friendly society.
13. The manner in which disputes shall be settled.
14. The manner of calling the annual general meeting and special general meetings of members, the quorum necessary for the transaction of business at such meetings and the manner of voting.
15. The keeping of separate accounts of all moneys received or paid on account of every particular fund or benefit assured for which a separate table of contributions payable shall have been adopted, and the keeping separate accounts of the expenses of management, and of all contributions on account thereof.

16. A valuation once at least in every five years of the assets and liabilities of the registered friendly society, including the estimated risks and contributions.
17. The voluntary dissolution of the registered friendly society by consent of not less than a majority of the members present at a meeting.
18. The right of members to apply to the Registrar for an investigation of the affairs of the society, or for winding up the same.

SCHEDULE 2

(section 39)

FORM OF BOND

Know all men by these presents that we, A.B. of _____ one of the officers of _____ the registered friendly society having its registered office at _____, in the Island of _____, and C. D. of _____ (as surety on behalf of the said A.B.) are jointly and severally held and firmly bound to E. F. of _____, G.H. of _____, and Z.K. of _____, the trustees of the said registered friendly society, in the sum of _____ to be paid to the said E.F., G. H., and I. K., as such trustees or their successors, trustees for the time being, or their certain attorney; for which payment well and truly to be made we jointly and severally bind ourselves, and each of us by himself, our and each of our heirs, executors, and administrators, firmly by these presents.

Dated the _____ day of _____ in the year of our Lord

Whereas the above bounden A. B. has been duly appointed to the office of

of the _____ registered friendly society having its registered office situate as aforesaid, and he, together with the above bounden C.D. as his surety, have entered into the above written bond, subject to the condition hereafter contained:

Now therefore the condition of the above written bond is such, that if the said A. B. do render a just and true account of all moneys received and paid by him on account of the registered friendly society, at such times as the rules of the registered friendly society appoint, and do pay over all the moneys remaining in his hands, and assign and transfer or deliver all property (including books and papers) belonging to the said society in his hands or custody to such person or persons as the registered friendly society, or the trustees or

the board of the registered friendly society, shall appoint, according to the rules of the registered friendly society together with the proper and legal receipts or vouchers for the payments, then the above-written bond shall be void, otherwise shall remain in full force.

Signed and delivered in the presence of [two witnesses.]

SCHEDULE 3

(sections 5 (3); 18 (3); 21 (7); 25 (5); 57 (4); 58 (5))

ADMINISTRATIVE PENALTIES

Section	Penalty
5 (3) - Contravention of conditions of exemption	\$100 for each day the contravention continues up to a maximum of \$500.00
18 (3) - Failure to keep records	\$500.00
21 (7) - Failure to keep accounting records	\$500.00
25 (5) - Failure to file special, quarterly and annual financial statements	\$500.00 and \$5.00 for each day that the financial statements remain outstanding up to a maximum of \$500.00.
57 (4) - Failure to notify the Registrar	\$200.00
58 (5) Failure to comply with directions of the Registrar	\$50 for each day that the failure continues up to a maximum of \$500.00

Passed in the House of Assembly this 6th day of July, 2021.

NICOLE HERBERT
Clerk of the House of Assembly.

Printed by the Government Printer at the Government Printing Office,
Campden Park Industrial Estate, St. Vincent and the Grenadines.

