

**Summary Table on Proposed Amendments to the Co-operative Societies Act**

<b>S/ N</b>	<b>Proposed Legislative Changes</b>	<b>Remarks</b>	<b>Relevant Sections in Proposed Amended Co-operative Societies Act</b>
<b>A.</b>	<b>Raise Governance Standards</b>		
1)	Conversion from non-credit co-op to credit co-op	Provide clarification that a co-op is not allowed to provide new non-credit service after registration as a credit co-op. It may continue to provide non-credit service/s that was/were started before the registration.	Section 16A(7A)
2)	Audit committee	Members of the audit committee need not be from the committee of management; At least one member of the audit committee must meet the required competency requirements* (to be prescribed in the subsidiary legislation).	Section 36(2)
3)	Statement of Accounts to Members	A credit co-op must provide statement of accounts to each individual member within 6 months from the close of the financial year, and within 5 working days at the request of any member.	Section 42(A)
4)	Co-option of 2 new members to the committee of management	A co-op may co-opt up to 2 new members to the committee of management, even if there is no vacancy. The co-option is subject to the approval by a majority of the existing committee of management or it may be directed by the Registrar. The intent is to facilitate a co-op in bringing in competent persons to strengthen the committee of management.	Section 59(11), 59(12) and 59(13)

S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
5)	Appointment of key positions	To require a co-op or a class of co-ops to appoint certain key employees. This is to facilitate the introduction of competency requirements* for key employees of credit co-ops.	Section 59(A)(1)
6)	Qualifying criteria for key employees	To allow the Minister to make Rules relating to the qualifying criteria for key employees. This is to facilitate the introduction of competency requirements* for key employees of credit co-ops.	Section 59(A)(2), 60(5) and 60(6)
7)	Eligibility for membership of Committee of Management or key employee of credit co-op	To make clear that the bankruptcy can be effected by a Singapore court or a foreign court having jurisdiction in bankruptcy, and an officer who was previously removed or suspended by the Registrar will no longer be allowed to serve in the Committee of Management of any co-op or key employee of any credit co-op.	Section 60(1)(c) and 60(1)(g)
8)	Eligibility for membership of Committee of Management – eligibility for re-election or co-option	A person is not eligible to be re-elected or co-opted to the Committee of Management if he fails to attend or complete such training or other requirements within such time as may be required under the Rules.	Section 60(7) and 95(2)(g)
9)	Improper use of position in co-op or information obtained from co-op	An officer or agent must not make improper use of his position in the co-op or information obtained from co-op to gain advantage for himself or cause detriment to the co-op.	Section 63(4)
10)	Dividend restrictions for not meeting prudential requirements	To allow Registrar to impose dividend restrictions for a credit co-op that does not meet any prudential requirement.	Section 72(2)
11)	Measures for non-compliance with prudential requirements	To deal with non-compliance of prudential requirements, the Registrar may restrict a credit co-op from taking in deposits and cancel its registration as credit co-op.	Section 93A

S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
<b>B.</b>	<b>Facilitate Co-ops' Operations</b>		
12)	Interpretations – added definition for “ordinary shares” and “permanent shares”	To provide the definition for “ordinary shares” and “permanent shares”	Section 2
13)	Refine the functions of apex organisation	The functions of an apex organisation will include to “provide centralised services for consultancy” and “promote good governance standards in societies”	Section 13(2)
14)	A member is not bound by by-law amendments under certain circumstances, unless the member has given consent in writing	Technical edits for more clarity	Section 16(2)
15)	Conversion from non-credit to credit co-op	Provide more clarity on the conversion process and requirements to be met.	Section 16A
16)	Conversion from credit co-op to non-credit co-op	State the conversion process, transitional arrangement and requirements to be met.	Section 16BA
17)	Notice of change of address	A co-op must inform the Registrar and its creditors of any change in their address within 30 days after the change.	Section 17(3)
18)	Notice of change of names, occupations and addresses of all officers	A co-op must inform the Registrar of any change in officers' particulars within 30 days after the change.	Section 19(2)
19)	Update of terms relating to members who lack mental capacity	Update of terms relating to members who lack mental capacity (in line with Mental Capacity Act), in relation to transfer of shares and voting.	Section 26 and 42(4)

S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
20)	Submission of returns and documents in English	Submission of returns and documents to the Registry must be in English.	Section 32(A)
21)	Retention of co-op's records	The co-op's records must be retained for at least 5 years. The records can be kept in hardcopy or in electronic form.	Section 32B
22)	Format for Annual Report	The annual report must be prepared based on the format or manner as issued by the Registrar.	Section 34(1A)
23)	Keeping of accounting and other records	To provide greater clarity on a co-op's obligation to keep such accounting and other records which will explain the co-op's transactions and financial position.	Section 34(2A)
24)	Update accounting terms	To update the accounting terms mentioned in the Act.	Section 34(7), 34(8), 35(2) and 36(4)
25)	Co-op membership to be more inclusive	To facilitate a more inclusive co-op movement that reaches out to various segments of society who may benefit from the services of co-ops. The membership prohibitions are removed for persons who are legally/mentally disabled, bankrupt or have conviction(s) relating to any offence punishable with imprisonment.	Section 39(1)
26)	Conduct of Annual General Meeting (AGM)	To make clear that a co-op must conduct its AGM within 6 months from the close of the financial year.	Section 53(1)

S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
27)	Documents to be provided to members before the AGM	A co-op must make available the following documents to its members before the AGM (at least 15 clear days): Annual Report, Audited Financial Statements and Auditor's Report.	Section 53(3)
28)	Appointment of external auditors at AGM	The words "where necessary" is deleted to make clear that the power to appoint auditors lies with the general meeting.	Section 54(g)
29)	Functions of AGM to include approval for purchase and sale of immovable property	Members' approval is required for the purchase and sale of immovable property as such transactions generally involve substantial funds.	Section 54(ha)
30)	Minutes of General Meeting	A co-op must enter the minutes of meeting in the minute book within 30 days after the general meeting was held.	Section 58(1)
31)	Eligibility for membership of Committee of Management - Lower minimum age from 21 to 18 years old	The minimum age of 18 years old is aligned to the Companies Act's eligibility criteria for company directors.	Section 60(1)(a)
32)	Minutes of Meeting to be promptly prepared	The minutes of meeting of the committee of management must be recorded in the minute book within 30 days after the date of meeting.	Section 62(4)
33)	Capital of a co-op – ordinary and permanent Shares	<p>The capital of a co-op shall now include "permanent shares".</p> <p>A co-op may issue permanent shares to any institutional member, provided that the institutional members had obtained Registrar's approval. Permanent shares cannot be transferred back to the issuing co-op. By issuing such shares, a co-op can raise funds and meet any applicable capital requirement. Such</p>	Section 18, 44, 66(1), 66A (formerly incorporated under section 66) and 66(B).

S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
		<p>shares are limited to institutional members as they are in a better position to commit their funds on permanent basis.</p> <p>Permanent shares issued must be included in the register of shares.</p>	
34)	Maximum liability of a credit co-op	<p>Registrar's approval is required for the maximum liability of a credit co-op. Should the Registrar decide to reduce the maximum liability, a credit co-op is given the opportunity to make written representations and may subsequently appeal to the Minister.</p> <p>For non-credit co-ops, Registrar's approval is no longer required for the maximum liability.</p>	Section 68(4), 68(4A), 68(4B), 68(4C), 68(4D) and 68(4E)
35)	Investment of funds by a credit co-op	To clarify that a credit co-op must invest or deposit its funds in accordance to any written direction issued by the Registrar.	Section 69
36)	Central Co-operative Fund	Changes to the contribution rates may be prescribed in subsidiary legislation. Remission or refund of contributions for a particular co-op or a particular class of co-ops may be allowed.	Section 71(2) and 71(8)
37)	Bonus certificates and bonus shares relating to permanent shares	Bonus certificates and bonus shares relating to permanent shares cannot be withdrawn by members. Also, they cannot be transferred unless the co-op's approval is obtained.	Section 73(4)
38)	Bonus certificates and bonus shares relating to foreign workers	To provide in the Act for the circumstances where a foreign worker is eligible to receive the value of his bonus certificates and bonus shares (this is currently provided for in a Modification Order).	Section 73(5)

S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
39)	Disposal of assets in liquidation	In the liquidation process, members' deposits will be paid back in the same order as subscription capital and other liabilities.	Section 88(2)
40)	Allow net liquidation moneys to be used for charitable purposes, instead of going to the Co-operative Societies Liquidation Account (CSLA)	Net liquidation moneys can be donated for charitable purposes after obtaining the approval from the co-op's members and the Registrar.	Section 89(3A), 89(6)
41)	Central Co-operative Fund – payment of contributions shortfall, imposition of late payment penalty etc	To allow Minister to prescribe rules (subsidiary legislation) in relation to payment of contributions shortfall, imposition of late payment penalty etc.	Section 95(2)(da)
<b>C.</b>	<b>Enhance Regulatory Powers</b>		
42)	Refuse registration when the application is not in public or national interest	The Registrar may refuse registering a proposed co-op when the application is deemed to be against public or national interest.	Section 9(2)
43)	Vary or revoke terms of registration of a co-op	Registrar may register co-ops, subject to terms and conditions. The amendment allows the Registrar to vary or revoke existing conditions.	Section 9A
44)	Vary or revoke terms and conditions, or add new terms and conditions for conversion of co-op	Allow the Registrar to vary or revoke any term or condition, or add new terms and conditions in relation to conversion from (i) non-credit co-op to credit co-op; and (ii) credit co-op to non-credit co-op.	Section 16BB
45)	A credit co-op must inform the Registrar of certain developments	A credit co-op must inform the Registry of any development that may adversely affect the interest of members or its ability to meet financial obligations.	Section 32(C)

<b>S/ N</b>	<b>Proposed Legislative Changes</b>	<b>Remarks</b>	<b>Relevant Sections in Proposed Amended Co-operative Societies Act</b>
46)	Conduct special audits	The Registrar or authorised person may conduct special audits on any co-op, and communicate the defects arising from the special audits to the co-op.	Section 33A, Section 81
47)	Present other documents at AGM	The Registrar may direct the committee of management to present any other documents at AGM.	Section 61(2)(e)
48)	Power of Registrar to inspect documents	To enhance the Registrar's powers to inspect co-op's documents and information. For example, the Registrar or an authorised person may enter and search the premises of a co-op for investigation and enforcement purposes.	Section 77
49)	Power of Registrar to conduct inquiry	To enhance the Registrar's powers to conduct an inquiry on a co-op. For example, the Registrar or an authorised person may require any person related to any facts or circumstances of the inquiry to be examined or to furnish any relevant materials.	Section 79
50)	Power of Registrar to examine materials of an indebted co-op	To enhance the Registrar's powers to examine materials of an indebted co-op. For example, the Registrar or an authorised person may require any person relating to any matter in the examination to furnish any relevant materials.	Section 80
51)	Dissolution of co-ops as directed by the Registrar	To provide for additional circumstances where the Registrar may direct a co-op to be wound up. This includes for example, when a co-op contravenes any conditions as imposed by the Registrar at the point of registration.	Section 83



S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
52)	Uses of Co-operative Societies Liquidation Account (CSLA) for resolution and liquidation actions	To expand the possible uses of CSLA.	Section 89(4)
53)	Written Directions on Prudential Requirements	To make clear that the Registrar may issue written directions with respect to prudential requirements for credit co-ops.	Section 93(3)(ca)
54)	Written Directions on engaging a suitable person to prepare the books and accounts of a co-op	To allow the Registrar to require a co-op to engage a suitable person to prepare the books and accounts of a co-op	Section 93(3)(cb)
55)	Powers of the Registrar where the committee of management is not performing duties properly	Original Section 94 will be replaced to provide for the Registrar's powers to take relevant actions when the committee of management is not performing its duties.	Section 94
56)	Powers of the Registrar to protect interest of members or property of the co-op	To empower the Registrar to take appropriate actions so as to protect the interests of members and property of the co-op.	Section 94(A)
57)	Provision of false and misleading information	Under general penalty, to add a new offence for the provision of false and misleading information to the Registrar or authorised person.	Section 100(1)(ba)
58)	Hindering, delaying or obstructing the discharge of Registrar's duties	Under general penalty, to add a new offence for hindering, delaying or obstructing the discharge of the Registrar's duties.	Section 100(1)(h)
59)	Wilful falsification of books, records or other documents; concealing and omitting information etc	It shall be an offence for any person who wilfully falsifies co-op's books, records or other documents as well as conceals or omits etc information. Applicable penalties are provided.	Section 100AA

S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
60)	Unlawful alteration, suppression etc of documents	It shall be an offence for any person who intentionally alters, suppresses, conceals or destroys any document, information or property which the person is required, by or under this Act or the Rules, to produce or furnish to the Registrar. Applicable penalties are provided.	Section 100AB
61)	Making or disseminating false or misleading statement or information	It shall be an offence for any co-op member or officer to make or disseminate any statement or information that is false or misleading, with the intention of inducing another person to: <ul style="list-style-type: none"> <li>(a) become a member of the society; or</li> <li>(b) enter into any contract, transaction or arrangement with co-ops.</li> </ul> Applicable penalties are provided.	Section 100 BA
<b>D</b>	<b>Miscellaneous</b>		
62)	Interpretations – refine the definition for “apex organisation”, “committee of management”, “dividend”, “key employee”, “primary society”, “registrar”, “secondary society”, and “share”	To provide more clarity for the mentioned terms.	Section 2(1)
63)	Define “authorised person”, “Assistant Registrar” and “Deputy Registrar”	To provide definition for “authorised person”, “Assistant Registrar” and “Deputy Registrar”.	Section 2(1)
64)	Clarify what it means by “a society is insolvent”	To define insolvency under this Act.	Section 2(3)

<b>S/ N</b>	<b>Proposed Legislative Changes</b>	<b>Remarks</b>	<b>Relevant Sections in Proposed Amended Co-operative Societies Act</b>
65)	Appointment of Deputy Registrar	To provide for the appointment of Deputy Registrar	Section 3
66)	Introduce the term "Association of Persons"	"Association of Persons" is used when referring to a group of persons who are applying to register a co-op.	Section 4 and 5
67)	Application for registration as co-op	Reworded for more clarity.	Section 7(1)
68)	Proposed society	The term "proposed society" is being used to differentiate it from a registered society.	Section 9
69)	Production of moneys and books of societies	Section 31 is deleted as it has been subsumed under the new section 77.	Section 31 deleted
70)	Surcharge and attachment	Section 90(1) is reorganised with technical amendments.	Section 90(1)
71)	Special order in relation to exemption from requirements for registration	To make clear that such special orders must be published in the Government Gazette.	Section 96
72)	Power of Minister to exempt co-ops from provisions of the Act	To make clear that such exemptions must be published in the Government Gazette.	Section 97
73)	General exemption by Minister	The Minister may impose conditions when exempting any person or class of persons from any provisions under the Act or the rules made thereunder.	Section 97A
74)	Freezing of bank accounts	It is more appropriate to place previous section 93A on freezing of bank accounts under PART IX of the Act ("Miscellaneous").	Section 97(C) [replacing section 93(A) that is repealed]

S/ N	Proposed Legislative Changes	Remarks	Relevant Sections in Proposed Amended Co-operative Societies Act
		Hence, the section is relocated and reflected as new section 97(C).	
75)	Replace the term “manager” with “Chief Executive Officer”	To be in line with the definition of key employees.	Various sections
76)	Computation of time	To provide more clarity and standardise the computation of time to mean that a period starts to run on the next day of the triggering event, references like “within [period] from” and “within [period] of” is replaced with “within [period] after”.	Various sections

\* Note: The details of the competency requirements will be subsequently prescribed in subsidiary legislation i.e. the Co-operative Societies Rules. A separate credit co-op sector specific consultation will be held before the details are finalised.