

**SUBSIDIARY LEGISLATION 442.03****CENTRAL CO-OPERATIVE FUND REGULATIONS**

13th November, 2001

*LEGAL NOTICE 288 of 2001, as amended by Legal Notices 116 of 2003 and 370 of 2004.*

- 1.** The title of these regulations is the Central Co-operative Fund Regulations. Title.
- 2.** (1) In these regulations - Interpretation.
- "Act" means the Co-operative Societies Act; Cap. 442.
- "annual general meeting" means the annual general meeting of the committees of management of registered co-operative societies, referred to in regulation 11;
- "Chairman" means the Chairman of the Committee of the Central Co-operative Fund;
- "Committee" means the Committee of the Central Co-operative Fund;
- "Malta" has the same meaning assigned to it in article 124 of the Constitution.
- (2) Words and phrases not defined in these regulations shall have the same meaning as is assigned to them in the Act.
- 3.** (1) There shall be a Committee which shall be known as the Central Co-operative Fund Committee whose functions shall be - Establishment of Central Co-operative Fund Committee.
- (a) to administer the Central Co-operative Fund;
  - (b) to promote co-operative education and training for the general development of the co-operative movement in Malta, and to carry out all activities relating thereto;
  - (c) to finance educational and training programmes relating to the promotion and development of the co-operative movement for members of and personnel engaged by co-operatives and other persons who may actively contribute to the promotion of the co-operative movement;
  - (d) to commission studies and research on particular areas of co-operative activity or any individual co-operative society in Malta, with a view to assessing past performance and discovering possible potential for future operation;
  - (e) to produce or publish co-operative educational material for use by members of co-operative societies, students and the general public with a view to promoting co-operative ideals and practice;
  - (f) to sponsor participation by co-operatives in trade fairs

or specialised fairs for the promotion of co-operative societies or the co-operative movement in general;

- (g) to support and intensify the participation of the Maltese co-operative movement in relevant organisations, activities and projects on an international level;
- (h) to support the existence and development of co-operative societies in all sectors of the economy and society;
- (i) to consider and, where deemed appropriate, to support the educational programmes proposed by the Board from time to time;
- (j) to collect, recover and institute proceedings for the payment of sums to the Central Co-operative Fund, in terms of article 91(6) of the Act.

Minister to appoint  
Committee of the  
Central Co-  
operative Fund.

4. (1) The Minister shall, upon the advice of the Chairman of the Board, appoint the Committee of the Central Co-operative Fund, in accordance with the provisions of this regulation.

(2) The Committee shall consist of -

- (a) four members representing co-operative societies elected in accordance with regulation 11(2)(c). For this purpose, every society has the right to nominate one representative who shall be a committee member or full-time employee occupying a managerial post:

Provided that in no event may a single co-operative society nominate more than one member.

- (b) two members nominated by the Board from amongst the members of the Board, and chosen by means of a vote by the same Board;
- (c) one member nominated by the Apex organization.

(3) (a) The Committee shall have a Secretary who shall be appointed by the Committee members and who shall not be entitled to vote.

(b) The duties of the Secretary shall include the following:

- (i) to convene and attend meetings of the Committee and the annual general meetings;
- (ii) to maintain correctly and up-to-date all the Fund's records, papers and registers, and to conduct its correspondence;
- (iii) to keep an inventory of the property belonging to the Fund;
- (iv) to perform any other duties as may be specified by the Committee.

(4) The members of the Committee shall be appointed for a period of two years:

Provided that subject to the foregoing provisions of this subregulation, the members nominated in terms of subregulation

(2)(a) and (b) shall retain office only as long as they remain members of the Board, or of the committee of management of the society, or in the employment of the society which had submitted their nomination, as the case may be.

(5) At the end of their term of office, all members of the Committee shall be eligible for re-election or re-appointment without limitation, as the case may be.

(6) A member of the Committee, as well as the Secretary of the Committee, shall be paid such honorarium as the Committee, with the approval of the annual general meeting, may from time to time determine. Such honorarium shall be paid out of the Central Co-operative Fund.

(7) When a vacancy occurs for whatever reason in respect of a member of the Committee appointed in terms of subregulation (2)(a), such vacancy shall be filled by the person who had obtained the highest number of votes from among the non-elected candidates in the last preceding elections:

Provided that a member who assumes office in virtue of subregulation (7) shall only hold office for the remaining period of the original term of office of the member he replaces.

(8) When a vacancy occurs for whatever reason in respect of a member of the Committee appointed in terms of subregulation (2)(b), such vacancy shall be filled by another member of the Board nominated by the said Board.

(9) When a vacancy occurs for whatever reason in respect of a member of the Committee appointed in terms of subregulation (2)(c), such vacancy shall be filled by another member nominated by the Apex organisation.

(10) Every member of the Committee who absents himself for three consecutive meetings of the Committee without a valid reason shall be considered as having resigned from the Committee. In this case, the procedure for the filling of a vacancy on the Committee shall be as described in subregulations (7), (8) and (9).

(11) The members of the Committee shall appoint a Chairman from amongst themselves. At the request of any member of the Committee, such an appointment shall be made by secret ballot.

(12) Any member of the Committee who is directly or indirectly interested otherwise than as a member of the Committee or in common with all the other members of the Committee, in any contract or agreement made or proposed to be made by the Committee, or in any other matter or interest being raised or discussed by the Committee, shall withdraw from the meeting while the contract or agreement is discussed or decided upon by the Committee.

5. The legal and judicial representation of the Committee shall be vested in the Chairman or, in his absence, in any other member of the Committee whom the Committee may from time to time appoint for the purpose:

Committee's  
representation.

Provided that, additionally, the Committee may appoint

any one or more of its members to appear in its name and on its behalf in any judicial proceedings, or on any act, contract or document whatsoever.

Meetings of the  
Committee.

**6.** (1) Meetings of the Committee shall be convened by the Secretary acting on instructions of the Chairman, or upon a request by at least two members, and shall be held as frequently as necessary but in any case not less than once in every three months.

(2) The quorum at meetings of the Committee shall consist of four members, including at least two members nominated in terms of regulation 4(2)(a) and at least one member nominated in terms of regulation 4(2)(b).

(3) Notwithstanding the provisions of subregulation (2), the Committee shall not be precluded from holding any meeting or from acting in any matter merely by reason of any vacancy in its membership.

(4) All decisions of the Committee shall be taken by a simple majority of votes taken by the members present and voting. The Chairman shall not have, in the case of an equality of votes, a casting vote in addition to his original vote.

Administration of  
funds.

**7.** (1) The Committee shall exercise a high degree of diligence in administering the funds under its responsibility. The Committee shall at all times keep at least ten per cent (10%) of the total fund of the Central Co-operative Fund in a current or savings account opened with a local bank.

(2) The Committee shall submit a complete report of its activities and operations to the annual general meeting.

Payments out of  
the Fund.

**8.** (1) Every payment made out of the Central Co-operative Fund shall be supported by a voucher signed by the Chairman and one other member of the Committee.

(2) Payments shall be made by cheque which shall be signed by the Chairman and any other member of the Committee.

Proper accounts.

**9.** The Committee shall keep proper accounts and all other necessary records in respect of the financial transactions and operations of the Fund.

Auditing of the  
Fund.  
*Amended by:  
L.N. 116 of 2003.*

**10.** (1) The accounts of the Fund shall be made up to the 30th September of each year and shall be audited by a person in possession of a warrant to practise as a certified public accountant and auditor and who shall be appointed by the annual general meeting. The auditor so appointed shall at all reasonable times have full and free access to all accounting and other records relating to the financial transactions of the Fund.

(2) The auditor shall in particular report on -

(a) whether the financial statements show a true and fair view of the financial transactions and the state of affairs of the Fund;

(b) whether proper accounting and other records have been kept;

(c) whether the receipts, payments, deposits and

investments of monies in respect of the Fund have been effected in accordance with the provisions of the Act and of these regulations; and

(d) any other relevant matters arising from the audit.

(3) The auditor shall forthwith inform the Committee, as well as the Board, of any material irregularity disclosed in the course of his audit.

**11.** (1) There shall be held at least once in every year an annual general meeting of the Committees of Management of all registered co-operative societies.

Annual general meeting.  
Amended by:  
L.N. 370 of 2004.

(2) The functions of the annual general meeting shall include the following:

(a) to receive and consider the report of the Committee;

(b) to receive and consider the auditor's report on the accounts and workings of the Fund and to examine and, if deemed fit, approve the audited financial statements of the Fund;

(c) to elect, once every two years, the representatives of the co-operative societies to sit on the Committee in terms of regulation 4(2)(a);

(d) to appoint the auditors of the Fund.

(3) Every co-operative society shall be entitled to nominate two delegates to represent it at the annual general meeting. Each delegate shall be entitled to attend and vote at the annual general meeting.

(4) Fourteen days notice shall be given to all co-operative societies, as well as to the Board, of the date and venue of an annual general meeting.

(5) (a) No business shall be transacted at any general meeting unless a quorum of delegates is present. The quorum necessary for the transaction of business shall be fifteen or one-fourth of all delegates qualified to vote, whichever is the less.

(b) If within thirty minutes after the time fixed for a general meeting the delegates present are not sufficient to form a quorum, such meeting shall be considered as dissolved if it is convened on the request of delegates; in all other cases it shall stand adjourned to the same day in the next week at the same time and place and a notice to this effect shall be sent by post to the registered addresses of the delegates and of whoever is entitled to attend, by the secretary within forty-eight hours of the adjournment; and if at the adjourned meeting a quorum is not present within thirty minutes from the time fixed for the meeting the delegates present shall form a quorum.

(c) Notwithstanding the provisions of regulation 4, the present members of the Committee shall continue to remain members until the forthcoming annual general

meeting is held in accordance with this regulation. The next annual general meeting shall be held by not later than the 16<sup>th</sup> August 2004.

(6) The Board shall receive a copy of the audited accounts of the Fund and shall be entitled to attend all annual general meetings.

Authority to sign.

**12.** Any notice, communication or other document, and any other authorization issued by or on behalf of the Committee shall be signed by the Chairman or by the Secretary or by any other person, duly authorized in writing by the Chairman to act for the purpose.

Communications to Chairman.

**13.** Any notice, communication or other document addressed to the Committee shall be addressed to the Chairman.

Transitory provision.

**14.** The persons elected at the annual general meeting of 16th December 2001 in terms of regulation 11(2)(c) of the Co-operative Societies (Central Co-operative Fund) Regulations, 2001 (repealed by these regulations) for the purpose of satisfying the provisions of regulation 4(2)(a) of the said repealed regulations, are deemed to have been duly elected under these regulations, *mutatis mutandis*.

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