

Cooperative Rules, 2075

The Government of Nepal has made the following rules in exercise of the powers conferred by Section 149 of the Cooperative Act, 2074, published in the Nepal Gazette on 23.1.2076.

Chapter-1

Introduction

1. Short title and commencement: (1) The title of these rules is "Cooperative Rules, 2075".

(2) These rules shall come into force immediately.

2. Definition: In these rules, unless the subject or context requires otherwise,-

(a) "Act" means the Cooperative Act, 2074.

(b) "Loan" means the principal, interest and principal amount of the loan given by the cooperative society to the members without taking any security or deposit or with or without taking any other necessary security or deposit.

(c) "Loan Settlement Authority" means the loan settlement authority formed under Rule 42 of the Act.

(d) "Loan Information Centre" means the Cooperative Loan Information Centre as per Rule 37.

(e) "Savings and Loan Guarantee Fund" means the Cooperative Savings and Loan Guarantee Fund as per Section 101 of the Act.

(f) "Universal Cooperative Society" means a cooperative society formed under Section 9 of this Act.

2

(g) "Manager" means the manager of a cooperative society and this term also includes the General Manager or Chief Executive Officer.

(h) "Institutional Capital" means the amount of the reserve fund and the deficit recovery fund of the society or society for the previous financial year.

Chapter-2 Formation, operation and management of the society

3. Formation of the organization: (1) In accordance with sub-section (5) of section 3 of this Act, an organization shall be formed on the basis of a professional organization, provided that the following restrictions are fulfilled:-

(a) Only members of the professional organization registered under the prevailing law shall be members,

(b) The scope of the organization shall not exceed one district,

(c) The sole primary organization of its professional organization shall be formed in one district.

(2) The recommendation of the professional organization concerned shall be attached to the organization.

(3) If an institution is established in an office where less than one hundred employees, teachers or professors are working, then such office shall be deemed to have a permanent post of thirty in number approved and working.

(4) In an institution established on the basis of a school, university or an organized institution under sub-rule (3), the professors, teachers or employees working in it may become members.

3

(5) A professor, teacher or employee working in a school, university or an organized institution may not become a member of any other institution of the same nature as that established under this rule.

(6) The institutions established under this rule may only carry out the following activities:-

(a) Collecting from the members the moral savings of the limit specified in the regulations,

(b) Utilizing the accumulated savings as per clause (a) in the form of loans and advances to the members,

(c) Carrying out creative activities in the fields of intellectual development, art and literature of the members.

(7) The formation and other arrangements of the institutions established under this rule shall be made in accordance with the procedure approved by the Ministry.

4. Date of formation of a globalized cooperative society and its operation: (1) The following conditions shall be fulfilled when a globalized cooperative society is formed:-

(a) The aggregate share capital of the applicant institutions does not exceed fifteen crore rupees,

(b) The aggregate institutional capital of the applicant institutions does not exceed thirty crore rupees,

(c) The aggregate share capital of the society purchased by the applicant institutions does not exceed one crore rupees,

(d) The applicant institutions are not incurring losses.

4

(2) The amount of shares purchased by the applicant organization under clause (c) of sub-rule (1) shall be equal to the amount of the original authorized capital fund and the amount of the savings of the organization and shall be purchased only from the reserve fund and the share capital.

(3) The operation of a specialized cooperative society shall be as follows:-

(a) The cooperative society shall only carry out the same activities for the purpose for which it was formed,

(b) The specialized cooperative society shall operate only without obtaining any approval, approval or license as per the law in force.

(4) Specialized cooperative societies shall be formed on the basis of self-employment and value-added activities, including the accumulation, production, marketing and export-oriented activities.

5. Arrangements for the formation of cooperative banks: (1) A cooperative bank may be formed by not more than five hundred and one institutions or societies representing all the districts.

(2) The share capital of a cooperative bank formed under sub-rule (1) shall be as prescribed by the Nepal Rastra Bank.

(3) The institution or association applying for the establishment of a cooperative bank under sub-rule (1) shall have fulfilled the following conditions:-

(a) The total capital of the applicant institution or association shall not exceed three hundred thousand rupees,

(b) The total capital of the applicant institution or association shall not exceed fifty crore rupees,

5

(c) The applicant institution or association shall have been in continuous operation for a period of three years.

(4) The recommendation of the National Cooperative Federation shall also be required for the establishment of a cooperative bank.

6. Format and details of application for registration of institution or association: (1) An application for registration of institution or association shall be made to the Registrar or an officer authorized by the Registrar in accordance with sub-section (1) of section 14 of this Act in the format given in Schedule-1. (2) While submitting an application for the data of an institution or association under sub-rule (1), the report as per clause (b) of sub-section (2) of section 14 of this Act shall be submitted in the format of Schedule-2 and the details as per clause (c) shall be submitted in the format of Schedule-3 along with the application. (3) While submitting an application for the data of an institution under sub-rule (1), in addition to the documents mentioned in sub-section (2) of section 14 of this Act, the following details shall also be submitted

It also includes:-

- (a) Initial meeting agenda,
- (b) Business plan in the format of Schedule-4,
- (c) Refund of amount collected from members for share puja and entry form in the format of Schedule-5,
- (d) Details of members of the Ad-hoc Management Committee in the format of Schedule-6,
- (e) Self-declaration in the format of Schedule-7,
- (f) Power of Attorney in the format of Schedule-8,

6

(g) Certificate that the applicants have obtained one day pre-cooperative education in the number specified by the department,

(h) Nepali of the applicants Copy of citizenship certificate or national identity card, (i) in the case of an organization established on the basis of a professional organization, a copy of the identity card of the owner of such professional organization, (j) proof of residence in the working area of the organization, (k) proof that each of the applicants has used the services of the organization in accordance with its working plan. (4) While applying for registration of a cooperative society as per sub-rule (1), the following documents and particulars shall be enclosed with the application:-

- (a) Documents mentioned in clauses (a), (b), (d) and (f) of sub-rule (3),
- (b) Amount collected from members for share subscription and entrance fee

Bank slip showing deposit of amount in a bank account opened in a bank licensed under category 'A' as per prevailing law relating to banks or financial institutions,

- (c) Details of the applicant institution or society as per Schedule-9,
 - (d) In the case of a central thematic cooperative society Recommendation of the National Cooperative Federation.
- (5) While applying for a government bank account, the following details shall be enclosed:-

7

(a) The minimum number of members of the applicant organization or association, shareholding, institutional shareholding and financial status, in the format of Schedule-10, as mentioned in Rule 5,

(b) The documents mentioned in clauses (a), (b), (d), (f) of sub-rule (2), sub-rule (3) and clause (b) of sub-rule (4).

(6) While applying for registration of a registered association as specified in sub-rule (1), the following particulars shall be enclosed:-

(a) The applicant shall furnish the following particulars in the format of Schedule-11, including the subject matter of the organization, number of members, share capital, institutional capital and details of the business to be opened,

(b) The documents referred to in sub-rule (2), clauses (a), (b), (d), (f) of sub-rule (3) and clause (b) of sub-rule (4).

7. Criteria for the establishment of savings and credit cooperative institutions: (1) In the case of a metropolitan municipality or a sub-metropolitan municipality, one institution shall be established for every five thousand households in each ward, one institution for every two thousand households in each municipality, and one institution for every five hundred households in each village municipality. (2) In determining the number of institutions under sub-rule (1), only the savings and loan institutions registered in the common building of the municipality or residence, which are limited to the district office area in the metropolitan municipality and the deputy metropolitan municipality and have ward office, and in the case of the village municipality or the municipality, which are limited to the office area of the village municipality or the municipality, shall be taken as the basis.

8

(3) The savings and loan institutions whose value exceeds the criteria under sub-rules (1) and (2) shall be consolidated as per rule 39 of this Act.

8. Priority of application: In case more than one application is received for the registration of an association, priority shall be given to the first application duly filed.

9. Certificate of registration: (1) The Registrar or an officer authorized by the Registrar shall issue a certificate of registration in the format given in Schedule-12 to the institution or association registered under Section 15 of this Act.

(2) Notwithstanding anything contained elsewhere in these Regulations, an organization having jurisdiction only at a local level shall be governed by the law of the local level having jurisdiction, an organization having jurisdiction at more than one local level shall be governed by the law of the relevant region, and an organization having jurisdiction over an inter-regional territory shall be governed by the law of the relevant region and by these Regulations.

10. Scope of Cooperative Society: (1) As per clause (b) of sub-section (1) of section 18 of this Act, the scope of the society shall be a local body if the skill, profession and nature of the members of the society so require. (2) Notwithstanding anything contained in sub-rule (1), if the applicants of the society reside in any ward of the proposed scope of work, such ward shall be included in the scope of work. (3) The scope of work shall not be expanded in accordance with sub-section (3) of section 18 of this Act unless the following special business requirements are met:-

(a) The minimum import (volume) of the product has become necessary in view of the collection, storage, and production facilities;

9

(b) The production area has been established in a specific geographical area;

(c) The appropriate level of irrigation facilities, administrative supervision, and disease control has been established;

(d) The expansion of the scope has become necessary due to the demand for services, unit cost, operating expenses, administrative supervision, and use of arms and ammunition.

Provided that the scope of the organization shall not be expanded unless and until a reasonable level of membership and professional service extension is achieved in the existing scope of the organization.

(4) In such a case, the scope of the organization shall be expanded as per these Rules, after the following process has been completed:

(a) An account of the membership and service extension of the organization in the existing scope has been taken,

(b) The services of the organization have been demanded in the scope to be covered,

(c) It has been confirmed that there is no dual membership contrary to sub-section (1) of Section 32 of this Act,

(d) The process of amending the regulations has been completed.

(5) The institutions in operation at the time of commencement of this Act shall be required to submit a report on the operations of such institutions for the purpose of maintaining the operational status of the institution as referred to in sub-section (5) of section 18 of this Act.

In addition to the written statements, the following statements shall also be attached:

10

(a) Statement of the operating expenses, turnover and profit of the branch office, service center or insurance center of the organization in the current area of operation,

(b) Statement of the names, addresses, shares and savings of the insurance members in the region, district, local level and ward of the current area of operation,

(c) Statement of the industries, investments and professional service facilities operated by the organization in the region, district, local level and ward .

(6) In accordance with clause (a) of sub-section (6) of section 18 of this Act, while giving a direction to reduce the existing working area of a cooperative society at the provincial, district, local level and ward levels, the number of members shall be reduced to less than fifteen percent of the number of members.

(7) In accordance with clause (b) of sub-section (6) of section 18 of this Act, while giving directions to reduce the existing scope of work of a cooperative society at the provincial, district, local level and ward levels, the scope of work shall be reduced by five crore rupees or fifteen percent of the turnover, whichever is less, if it is found that less professional services are being provided. Explanation: For the purposes of this sub-rule, the term "business" shall include the business activities carried on by an institution or association, including the liability of the savings introduced in the previous financial year and the purchase or sale of membership shares in the previous financial year. 11. Classification of Institutions or Associations: (1) The classification of institutions or associations on the basis of subject matter is as follows:-

11

(a) Producer Institutions or Associations: Agriculture, sugarcane, tea, coffee, sugarcane, cotton, sapuri, herbs, seeds, beekeeping, vegetables and fruits, poultry farming and fisheries, other production-oriented institutions or associations formed for the purpose of implementing such institutions on the basis of specific subject matter and production plans.

(b) Utility institution or association: Utility institution or association formed for the purpose of financing other utility institutions or associations formed for the purpose of financing such institutions on the basis of the specific and primary needs and service plans of utility stores, electricity, communication and health.

(c) Financial institution or association: Institutions engaged in savings and loans only or associations formed for the purpose of financing such institutions.

(d) Labor organization or association: Handicraft, food processing, non-food industrial production, workshops and labor contracts, including special thematic skills or labor specialization and self-employment schemes, and other labor-based organizations or associations formed for the purpose of implementing such organizations.

(e) Multipurpose organization or association: Multipurpose organizations or associations formed for the purpose of implementing such organizations, including production, consumption, financial and labor- or skill-based self-employment services.

12

(2) The Government of Nepal may, by notification in the Nepal Gazette, specify the subjects referred to in clauses (a), (b) and (c) of sub-rule (1), taking into account the development of specialization, general trends and practices.

(3) The classification of associations shall be as follows:-

(a) Subject-specific district, provincial and central associations referred to in clauses (a), (b), (c) and (d) of sub-rule (1),

(b) Multi-purpose district, provincial and central associations referred to in clause (e) of sub-rule (1),

- (c) District and provincial cooperative associations,
- (d) Specialized associations and
- (e) National Cooperative Federation.

But the provisions contained herein shall not affect the formation of other organizations at the primary level as per sub-rule (1).

(4) The classification of cooperative banks shall be as prescribed by the Nepal Rastra Bank.

12. Arrangements for change of subject matter: (1) If the members of any cooperative society wish to change the subject matter of the said society on the basis of their business needs, they may, after getting a decision by a majority of the total number of members remaining within the normal limits, amend the by-laws of the society accordingly and submit an application to the competent authority for its approval.

(2) The regulations for the purpose of amending the subject matter under sub-rule (1) shall come into force on the date and time specified by the Ministry in accordance with this Regulation.

13

(3) If any application is received under sub-rule (1), the authorized authority shall, after necessary investigation, approve the amended regulations.

13. Basis for conducting business, business, industry or project: (1) As per sub-section (5) of Section 21 of this Act, two or more institutions or associations of the same or different nature may, by way of cooperative cooperation, jointly or in partnership, conduct business, business, industry or project for the marketing of their products or services on the following basis:-

(a) Based on the needs of the members of the cooperative, the value of the product, the development of the market, the market access or the purpose of the specified management,

(b) The ownership of the proposed business, business, industry or project, the source of operation, the operating budget, the members' (c) The proposal under clause (b) has been approved by a majority of the total number of members of each of the potential entities, (d) The proposal passed under clause (c) has been implemented jointly or in partnership, and a five-year contract has been entered into between the potential entities, (e) The proposed joint or partnership business, business, industry or project has been exported to a country that is likely to be developed through a feasibility study,

14

(f) In accordance with applicable law (g) Where the proposed joint venture or partnership has been registered with the local authority or other body, For the purpose of conducting business, no authorization, approval or license has been obtained from any body as per the prevailing law.

(2) After completing the work under sub-rule (1), the relevant institution or association shall submit an application to the Registrar or an officer authorized by the Registrar along with all the relevant documents.

(3) On the application received under sub-rule (2), the Registrar or an officer authorized by the Registrar shall, after conducting the necessary investigation, grant permission to conduct business, business, industry or project in a joint venture or partnership.

(4) A separate record of the information furnished under sub-rule (3) shall be maintained by the Registrar or the person authorised by the Registrar.

(5) Any association or partnership carrying on a business, business, industry or project in a joint venture or partnership, which has been granted permission under this rule, shall submit a progress statement and an annual audit report regularly in the format prescribed by the Registrar.

14. Procedure and basis for issuing a certificate of origin: (1) The procedure and basis for issuing a certificate of origin for goods produced by an institution or association in accordance with sub-section (8) of Section 21 of this Act shall be as follows:-

(a) The production institution or association shall have satisfied the requirement of adding value to the specified imports,

15

(b) The establishment of a quality control mechanism, effective development and quality control mechanism for the goods produced by the production institution or association,

(c) The implementation of the applicable procedures in the production (d) The necessary mechanisms and procedures have been established by the relevant institution or association to ensure compliance with the prescribed bylaws (bylaws), member training, documentation and other provisions (specifications), (e) The procedure for recording the quantity, time and place of production and certification of the goods produced by the relevant producer institution or association has been implemented.

(2) The National Cooperative Federation may issue a certificate of origin on the recommendation of the relevant subject central association.

(3) The National Cooperative Federation shall issue a certificate of origin under sub-rule (2) and shall act in accordance with the instructions of the competent body of the Government.

(4) The National Cooperative Federation may, in accordance with sub-rule (2), make necessary arrangements for the issuance of a certificate of origin, including the arrangements for the examination of the certificate of origin, subject to the provisions of sub-rule (3). Such arrangements shall be published in the public domain.

15. Regulations of the Cooperative Society: The Cooperative Society shall include the matters specified in Schedule-13 while making regulations.

16

Chapter-3

Membership

16. Membership of the Association: In accordance with sub-section (8) of Section 33 of this Act, the following procedure shall be followed for the purpose of applying for membership of the Association:-

(a) In the case of a thematic cooperative association, double membership in the thematic association of the same level as referred to in sub-rule (1) of Rule 11

(b) The basis and procedure specified in the regulations of the relevant association have been completed.

17. Termination of Membership: (1) The membership of any member shall be terminated under clauses (b), (c) and (d) of sub-section (1) of section 34 of this Act only if the following conditions are met:-

(a) The information on the basis of termination of membership of the member concerned is received by the institution or is shown in the records of the institution;

(b) The Board of Directors has not constituted a sub-committee to examine the termination of membership of the member concerned and has not taken a report;

(c) The sub-committee has given the member concerned who has terminated membership a reasonable opportunity to present his/her defence in accordance with clause (b);

(d) The membership of a member shall cease to exist until the decision of the Board of Directors is made.

(2) A member who is aggrieved by a decision made by the Board of Directors under clause (d) of sub-rule (1) may appeal to the Registrar or an authority authorized by the Registrar and the decision made by the Registrar or an authority authorized by the Registrar shall be final.

(3) Notwithstanding anything contained in sub-rules (1) and (2), the institution in respect of which dual membership has been obtained under sub-rule (1) of section 32 of this Act, shall give notice to its members by way of self-declaration within three months from the date of commencement of these Rules. (4) In the case of a member who has dual membership contrary to sub-rule (1) of section 32 of this Act, on the basis of the notice received under sub-rule (3), the membership of such member shall cease to exist unless he is appointed to another institution while retaining his membership. (5) Notwithstanding anything contained elsewhere in these rules, if the Registrar or an officer authorized by the Registrar, in the course of inspection or investigation or by any other means, finds that any member has dual membership contrary to sub-section (1) of section 32 of this Act, he may direct that the member retain membership of only one body and cancel the membership of the other body and the competent body shall terminate the membership of such member in accordance with the same direction.

Chapter-4

General Provisions

18. Special provisions regarding the general meeting: (1) In case the general meeting of the body referred to in sub-section (5) of section 40 of this Act is held at the same place, the committee may convene a general meeting to discuss the work plan for the general meeting.

18

(2) In the ordinary meeting called under sub-rule (1), in the presence of the directors and members of the audit committee, in the presence of the majority of the members in the unit as per sub-rule (5), after discussing the work plan fixed for such ordinary meeting, the final decision of the ordinary meeting shall be taken as per the decision of the majority of the members and the number of representatives as mentioned in the by-laws shall be decided.

(3) In sub-rule (2)) The representatives who were left in Bmoshjam learned the truth Ashantam Ninthaya Pramashant Gith is over.

(4) Subject to sub-rule (3), the final certificate of the ordinary person shall be certified. Subject to unanimity among the representatives who have been absent.

The decision made by the majority of the representatives is final.

(5) The meeting of the General Assembly held under sub-rule (1) shall be held as follows:-

(a) The area of work of the organization shall be divided on the basis of the number of members in the various units,

(b) The number of representatives shall be allotted on the basis of the number of members in the respective units,

(c) The allotted Representatives were selected on the basis of numbers, and

(d) the general agenda was discussed among the members of the unit

and the views of the members of the unit were represented by the selected representatives.

(6) The meeting of the Committee shall be held in accordance with the provisions of sub-rule (1) and other provisions regarding participation in the meeting of the Committee shall be made in accordance with the provisions of the Rules.

19

19. Meeting of the Committee: (1) The meeting of the Committee shall be convened by the Secretary on the instructions of the Chairman.

(2) The meeting of the Committee shall be held at such time, place and place as may be determined by the Chairman, as the case may be.

Provided that the interval between two meetings shall not exceed forty-five days.

(3) The meeting shall be presided over by the Chairman of the Committee, if he is absent, by the Vice-Chairman, and if he is absent, by a member elected from among the Directors.

(4) Notwithstanding anything contained in sub-rule (2), the time limit between the two meetings of the Central Thematic Cooperative Association and the National Cooperative Federation may be extended to three months. (5) If a meeting is called in accordance with sub-rules (2) and (4), a majority of the members shall sign and The Chairman may call a meeting by submitting a written request to the Committee and if such a request is received, the Chairman shall call a meeting within seven days.

(6) In the event that a meeting is called under sub-rule (5), a meeting of the Committee of Directors may be called with a majority of the Directors present.

(7) The meeting convened under sub-rule (6) shall be chaired by a director elected from among the directors.

(8) The decision of the meeting of the committee shall be confirmed by a majority of the directors who are present.

(9) The quorum for a meeting of the committee shall be a majority of the total number of members of the committee for the time being. 20. Functions, duties and powers of the Committee: In addition to the functions, duties and powers mentioned in Section 43 of this Act, the functions, duties and powers of the Committee shall be as follows:-

20

(a) To ensure the constructive participation of the members in the overall functioning of the organization,

(b) To regularly inform the members of the cooperative (c) To make arrangements for the implementation of all instructions received in connection with the supervision, advance work and cooperation in accordance with these regulations; (d) To implement the suggestions received from the Audit Committee. (e) To ensure transparency in the functioning of the institution and to ensure the implementation of the provisions of the prevailing laws and regulations for the prevention of money laundering, (f) To establish, dissolve and assign responsibilities to sub-committees as required, (g) To appoint members And the code of conduct for the officials shall be implemented.

(h) Other functions as mentioned in the regulations shall be performed.

21. Formation of Ad Hoc Committee: (1) In case of dissolution of the Committee as per sub-section (3) of Section 47 of this Act, the Registrar or an officer authorized by the Registrar shall constitute an Ad Hoc Committee of seven members from among the members to conduct the day-to-day business of the institution and to elect another Committee. (2) An ad hoc committee may be constituted under sub-rule (1) on the following grounds:-

21

(a) If a member has any outstanding loan or other outstanding dues from the bank or other branch of the organization in his/her name;

(b) If more than one member from the same family is on the committee. (c) Be a member of a committee or a member of such a family, (d) Twenty-three percent of the members of the available SBI shall be women.

22. Qualifications of the office bearers of the Audit Committee: The coordinator and members of the Audit Committee as per sub-section (1) of section 48 of this Act shall have the following qualifications:-

(a) Three years have been completed in the period of not being a member of a cooperative society, but have been elected from the initial general assembly This section shall apply to the coordinator and members of the Audit Committee. (b) The institution has not, or is not aware of, any outstanding amount of debt or outstanding amount due to the unapproved branch,

(c) The institution has not taken all possible precautions with the accounting or audit conducted by itself or on behalf of other bodies.

22

Chapter-5

Operation of Savings and Loans

23. Basis and procedure for determining the fixed interest rate: (1) The Committee under Section 51 of this Act shall, while determining the fixed interest rate, take into account the following factors:-

(a) The average interest rate of the central thematic associations and associations engaged in the business of savings and loans,

(b) The average interest rate of the cooperative banks ,

(c) Average interest rates of banks licensed under the Banking and Financial Institutions Act,

(d) Study reports on interest rates by ministries, agencies and the Nepal Rastra Bank of Nepal of the Government of Nepal,

(e) National Cooperative Federation, subject-specific central associations (f) Other grounds as the Committee may deem fit. (2) In determining the rate of interest under sub-rule (1), the following principles shall generally be followed: (a) The average rate of interest charged on savings is generally higher; (b) The rate of interest charged on loans is generally higher. The average interest rate generally decreases,

(c) The difference between the interest rates on savings and loans decreases by six percentage points.

(3) While determining the interest rate in accordance with this rule, separate rates may be fixed for urban and rural areas, taking into account the type and purpose of savings and loans.

23

(4) The interest rate determined in accordance with this rule shall be subject to the requirement of the interest rate.

(5) Section 51 of this Act The decision of the Committee shall be taken by a majority of the members present at the meeting.

(6) The Committee shall annually assess the situation of the fixed interest rate and submit a report to the Ministry of Finance, including any necessary adjustments, in accordance with Section 51 of this Act.

(7) The information on the determination of the fixed interest rate in accordance with these rules shall be sent to the Ministry and the Nepal Rastra Bank and shall also be published in any national daily newspaper.

(8) The National Cooperative Federation and the Central Thematic Cooperative Federations shall inform their members of the determination of the fixed interest rate and shall also take steps to ensure that the same is not violated.

24. Payment of Member's Amount: (1) In the event of a member resigning from membership, the amount due under sub-section (1) of section 64 of this Act shall be paid to him by the competent body within thirty days of the passing of the audit report for the year following the year in which he resigned from membership:-

(a) An amount equal to the nominal value of his share,

(b) The amount for the remaining share capital not taken into account,

(c) The amount for the remaining reserved puja fee not taken into account.

(2) Notwithstanding anything contained in sub-rule (1), in the event of a loss, the amount of the loss shall be deducted from the share capital and the remaining balance shall be paid to the member only after the amount of the loss has been deducted.

24

(3) The savings deposited in the institution in accordance with sub-section (2) of section 64 of this Act shall be paid immediately with interest on demand by the member.

However, the amount of annual savings shall be paid to the member for an indefinite period.

Chapter-6 Fund Management

25. Basis for distribution of funds from the reserved puja fund: (1) In accordance with sub-section (3) of section 69 of this Act, funds shall be distributed to members from the reserved puja fund on the basis of the following annual transactions:-

(a) In a producer organization, the purchase price of the produce sold by the member to the organization,

(b) In a financial organization, the interest not accrued on the savings deposited by the member and the loan amount not taken,

(c) In a consumer-related organization, the price of goods or services purchased by the member from the organization,

(d) In a labor-related organization, the wages received by the member from the organization,

(e) In a multipurpose organization, the amount specified in clauses (a), (b), (c) and (d) as mentioned in the basis.

(2) Notwithstanding anything written in clause (a) of sub-rule (1), if the producer organization does not sell the necessary materials to the member, such transaction shall also be counted.

25

(3) Notwithstanding anything written in clause (b) of sub-rule (1), the member who has paid the loan shall be given the reserved money based on the interest not paid on such loan.

(4) The distribution of the amount of the fund as per clause (b) of sub-rule (1) shall be calculated by giving forty percent for the amount of savings and sixty percent for the amount of interest not paid on the loan.

(5) The amount of the reserved Puja Fund for the previous financial year may be distributed in the current financial year.

(6) The amount remaining after distribution in any financial year as per sub-rule (5) shall be deposited in the reserve fund at the end of that financial year.

(7) Other arrangements regarding reserved Puja Fund may be made as per the decision of the Department.

26. Cooperative Fund: (1) The Ministry shall provide the necessary amount in the Cooperative Fund as per Section 70 of this Act by including it in the annual budget.

(2) The amount of the Cooperative Development Fund shall be made available to the associations referred to in sub-section (6) of section 70 of this Act as follows:-

(a) Thirty percent of the resources to the National Cooperative Federation,

(b) Twenty-five percent of the resources to the Central Cooperative Societies,

(c) Ten percent of the resources to the Provincial Cooperative Societies,

26

(d) Two percent of the resources to the Provincial Cooperative Societies,

(e) Fifteen percent of the resources to the District Cooperative Societies,

(f) Ten percent of the resources to the District Cooperative Societies.

(3) The amount distributed among the central thematic cooperative societies under clause (b) of sub-rule (2) shall be based on the number of members of the society, annual turnover and contribution made to the fund.

(4) The amount received by the society under sub-rule (2) shall be made available to the initial institutions as per the provisions of sub-section (7) of section 70 of this Act as expenditure for the work as per sub-section (8) of that section.

Provided that the National Cooperative Federation shall provide funds to the associations for the purpose of carrying out the work as per sub-section (8) of section 70 of this Act.

(5) Notwithstanding anything contained in sub-rule (2), the Committee under sub-section (7) of section 70 of this Act shall not take into account the proposals received from the affiliated associations while providing funds to the associations.

(6) For the purpose of sub-rule (5), the affiliated associations may request proposals from their respective member organisations or associations.

(7) The cooperative society shall submit the details of the amount received from the fund in accordance with sub-section (9) of section 70 of this Act to the committee and department of the cooperative society and shall also publish it on its website.

27

(8) While making available the amount from the cooperative society fund in accordance with sub-rule (2), it shall also be made available to the multipurpose society classified in accordance with clause (b) of sub-rule (3) of rule 11.

(9) The committee may, in accordance with sub-section (7) of section 70 of this Act, take action against the cooperative society fund operator.

27. Other Fund Management Arrangements: (1) Twenty-five percent of the annual savings of a cooperative society shall be deposited in the Reserve Fund as per Section 68 of this Act and the remaining amount shall be deposited in the Reserve Fund as per Section 69 of this Act and the remaining amount shall be deposited in the Cooperative Income Fund as per Section 70 of this Act as per the following schedule:

The funds of the Cooperative shall be distributed at the rate of five per cent of the amount in the following funds:-

(a) Cooperative Education Fund,

(b) Share Dividend Fund,

(c) Employee Compensation Fund,

(d) Cooperative Development Fund,

(e) Deficit Compensation Fund,

(f) Community Development Fund,

(g) Armament Fund approved by the General Assembly in accordance with sub-section (5) of section 103 of this Act,

(h) Other Risk Management Fund.

(2) Where the amount is distributed from the Employee Compensation Fund in accordance with clause (c) of sub-rule (1), the amount shall be distributed in excess of the salary of three months at the most.

28. Records: (1) In accordance with sub-section (2) of section 72 of this Act, a cooperative society shall maintain records of its operations and transactions in the manner and format prescribed by the accounting department. (2) In addition to the records and accounts kept under sub-rule (1), the following books, ledgers and statements shall be kept: (a) Membership register as per Schedule-3, Schedule-9, Schedule-10 or Schedule-11; (b) Initial general meeting, general meeting, special general meeting and minutes of meetings of committees, audit committees and sub-committees; (c) Account book; (d) If the cooperative society has transacted any business with any other person or organization or association or body, a book showing such business; (e) Share ledger, (f) Stock ledger, (g) Loan ledger, (h) Debt collection and audit account, (i) Separate accounts for receivables, expenses, liabilities and other liabilities and subsidiary accounts,

(j) Audit list, income and expenditure and balance sheet,
(k) Other records and accounts as may be prescribed by the Department from time to time.

(3) Cooperative societies with assets exceeding five crore rupees shall maintain the records and records of the accounts as prescribed by the Accounts Department in accordance with sub-rule (1) in a duly completed electronic accounting system (Alikaid software). (4) Cooperative societies shall maintain the details of their institutional and business transactions in an information system prescribed by the Department. Provided that nothing contained herein shall be deemed to preclude the separate protection of personal savings of members and other assets kept in the register as per prevailing laws. (5) The cooperative society shall maintain basic records and records of transactions, including backup arrangements.

Chapter-7

Exemptions, exemptions and tolerances

29. Exemption, concession and concession: (1) In accordance with clause (b) of sub-section (1) of section 78 of this Act, a cooperative society shall, having obtained exemption, concession or concession from the income tax deed or registration deed, purchase immovable property including land, submit an application to the Registrar along with the following particulars:-

(a) In the case of purchase of immovable property without obtaining exemption, concession or concession from the registration deed, copy of the land certificate and concession document,

30

(b) A certificate from the general meeting of the house owner stating that the house and land are Certified copy of the decision taken in the purchase committee including the contract, other information, area and price, (c) Financial statement certified by the auditor of the purchase of immovable property using the savings amount from the reserve fund and share purchase, (d) Financial statement certified by the auditor of the last share purchase, reserve fund and savings amount mentioned in the audit report of the previous year, (e) Advance and inspection of the cooperative institution The documents and the work plan of the department in which the order has been issued for the sale of the goods shall be submitted to the Registrar.

(2) After examining the application received under sub-rule (1), the Registrar may send a written request for exemption to the competent authority.

Chapter-8 Debts and outstanding dues

30. If the loan is outstanding: (1) In terms of section 79 of this Act, the co-operative society Report on outstanding dues of the cooperative society under loan and section 83 exemption. The above-mentioned cooperative societies are based on individual assessment. The following procedures are followed:-

31

(a) on behalf of the person adjudged above, in respect of the remaining arrears;

Thirty-five days apart from fear of the road

No matter the amount or amount, if the amount has already been paid, get proof of it
Issue and send a letter

(b) Clause (a) does not constitute a threat to the issuance of a threat

Whether or not the amount due has been paid, whether or not the amount has been paid.

If the evidence is given, the list will not be opened on his behalf

go light,

(c) Withholding from the registered house, land, public property

If it has been done, the proof of the same should be attached to the stop sign.

(d) Nallam Nabi Gadath Nito of Chal Achal Sabapashi of Nito

Details, including the amount of interest, interest and loss

It is mentioned that there are movable and immovable elements

The fear of thirty-five dadi In case of non-payment of the loan, the notice regarding the sale of the loan by auction and the recovery of the principal, interest and interest shall be published in a daily newspaper of the local level, regional or national level, in the office of the institution, the local level regional office and the public sector, but if the notice is found to have been sold by the interested person or if he is found to have sold the loan, the procedure for the sale by auction shall be extended as per the notice published in the daily newspaper. 32

(e) The auction shall commence from the opening time of the office and shall end one hour before the closing time, but if the auction is not held before the appointed date, the auction shall be held again at the same place and time.

(f) The representative of the ward concerned, Land Revenue Office or the The committee comprising the officials in charge of revenue affairs at the national level, the administrators of the relevant affairs, and the administrators of the relevant institutions shall fix the price of the property and start the auction from the same amount. The auction shall be held and the highest bidder shall be accepted among the bidders. However, the officials of the Board of Directors, the officials of the Audit Committee, the officials of the Sub-committees, the employees working in the institutions and their relatives shall not participate in the auction.

(g) The bidder who has started the bidding shall state the number of the bid and shall have his signature affixed on the form of the format prescribed in the regulations or internal procedures of the organization.

33

(2) The auction shall be held in accordance with sub-rule (1) in the presence of the representatives of the District Administration Office or any government office in the place where the auction is held and the local ward office.

(3) If a representative of any office is present under sub-rule (2), including a written objection, the auction shall be held in the presence of the representative present and the representative of the local ward office.

(4) A notice of the time and place of the auction shall be sent to the person whose movable and immovable property is to be auctioned.

However, if the auction is not held in such a manner, even if the person concerned is present, the auction shall be deemed to have been concluded.

31. Auction may be postponed: If, after the list of auctions has been published as per Rule 30, a debtor member comes to the credit union or if the debtor member and the society agree to postpone the auction by depositing the amount specified by the committee, the list of auctions published may be postponed for some time by the cooperative society or the registrar without holding such auction. 32. Amounts already paid on the property shall be recovered from other assets: (1) If the amount of interest, penalty and penalty has been recovered from the amount received by the person who has been given the loan, the remaining arrears shall be recovered from the other assets of the person who has been given the loan, in accordance with the prevailing law, by taking the steps mentioned in Rule 30 and by auctioning the property.

(2) In the case of a loan not taken by the tenant, the amount of interest, penalty and penalty shall be recovered from the person who has not taken the loan.

34

(3) If the property is not sold by auction under sub-rules (1) and (2), the remaining amount after deducting the interest, penalty and the amount of the fine shall be paid to the person concerned.

33. Sale or auction not to be sold or auctioned: Notwithstanding anything contained elsewhere in these Rules, the property of the institution referred to in Section 135 shall not be sold or auctioned or auctioned or sold or auctioned for a period exceeding five years without the approval of the Government of Nepal.

However, the house or land which has not been paid by such an institution for loan or other outstanding dues or which has been paid by the institution itself, shall not be auctioned without the approval of the Government of Nepal as per these Rules.

34. Amount to be collected from the person who accepted the auction: (1) The auctioneer shall collect the amount of the price accepted from the person who accepted the auction on the same day without taking any refund and the remaining amount shall be paid within seven days by the auctioneer. If the amount is not paid within that period, the amount kept as refund shall be seized and a deed of forfeiture shall be made.

(2) If the auctioneer pays a percentage of the price accepted by the auctioneer on the same day, the auctioneer shall be registered in the name of the person who has bid the highest price.

(3) If the auctioneer pays the full price accepted by the auctioneer under this rule, the cooperative society shall send a written request to the competent office for registration or cancellation of the registration in accordance with the law in force in that country.

35

35. If the auction is not held, the property remains in the ownership of the cooperative society: If anyone claims that the property is not held at auction and is not sold at auction as per Rule 30 and Rule 32, the cooperative society cannot take ownership of the said property and in such a situation, the competent offices shall cancel the registration or entry in the register of the cooperative society in their office.

36. Grant of a valid certificate: If a member of the cooperative society, who is a member of the cooperative society and is a member of the cooperative society, does not want to receive a certificate of payment for the amount of the loan, interest, interest on the loan and the amount of the loan, the amount of the loan and the amount of the loan, the amount of the loan and the amount of the loan, the cooperative society shall grant a certificate of payment after following the necessary procedures. 37. Credit Information Center: (1) The Ministry shall establish a Credit Information Center within the framework of a globalized cooperative society. (2) The basis of establishment of the Credit Information Center, membership, worship structure, organizational structure, etc. shall be as approved by the Ministry.

(3) All institutions engaged in the business of savings and loans, as well as multi-purpose or other thematic institutions engaged in the business of savings and loans, may become members of the Credit Information Center.

(4) The Ministry, Nepal Savings and Credit Central Cooperative Society, Nepal Multipurpose Central Cooperative Society, Central Agricultural Cooperative Society, National Cooperative Development Board, National Cooperative Federation and other bodies of the Government of Nepal may also have shareholding in the Credit Information Centre.

36

(5) The minimum authorized capital for the establishment of the Credit Information Centre shall be five crore rupees and sixty percent of the amount shall be contributed by the institutions.

(6) The operator of the Credit Information Centre shall be one of the following:

The Directors shall consist of:-

- (a) A person elected from the public - Chairman
 - (b) Joint Secretary, Ministry - Member
 - (c) Joint Secretary, Ministry of Finance - Member
 - (d) Registrar, Cooperative Department - Member
 - (e) Director, Nepal Rastra Bank - Member
 - (f) Member-Secretary, National Cooperative Development Board - Member
 - (g) Executive Director, National Cooperative Federation - Member
 - (h) Executive Director, Nepal Savings and Loan Central Cooperative Society - Member
 - (i) Executive Director, Nepal Multipurpose Central Cooperative Society - Member
 - (j) Executive Director, National Cooperative Bank - Member
 - (k) Executive Director, Nepal Agricultural Cooperative Central Association - Member
 - (l) One district in a month elected from the general assembly
 - (m) Executive Director, Cooperative Credit Information Centre - Member-Secretary
- (7) The term of office of the officer elected under clauses (a) and (l) of sub-rule (6) shall be four years and he shall be eligible for re-election once.

37

(8) The functions, duties and powers of the Debt Information Centre shall be as follows:-

- (a) To receive from the member institutions the details of the debts of the debtor members,
 - (b) To analyse and classify the details received under clause (a),
 - (c) To make arrangements for the protection and confidentiality of the received details and details,
 - (d) To provide the member institutions with the debt information of the affected persons on the basis of the demand of the member institutions in the course of the debt flow,
 - (e) To use the high-level management for the compilation, protection and dissemination of the list. All other measures have been taken,
 - (f) Other functions mentioned in the regulations of the Center have been carried out.
- (9) The Registrar shall not take the advice of Nepal Rastra Bank while approving the regulations of the Credit Information Center.
- (10) The structure of the services provided by the Credit Information Center shall be as mentioned in the regulations passed by the General Assembly.
- (11) The work of the Credit Information Center shall be carried out in accordance with these regulations and the regulations and in accordance with the regulations approved by the General Assembly.
- (12) The bodies which have purchased shares of the Credit Information Centre under sub-rule (4) shall send representatives to the general body at the rate of one rupee.

38

38. Procedure for blacklisting: (1) The Credit Information Centre shall publish a blacklist, including the names of persons who have misused funds or have defaulted on loans or interest on loans, in accordance with sub-section (1) of section 80 of this Act.
- (2) The black list published under sub-rule (1) shall be prepared on the basis of a report containing recommendations from the respective member institutions as per the criteria laid down by the Credit Information Centre.
- (3) The names of the persons included in the black list under sub-rule (2) may be removed from the black list on the basis of a report containing recommendations from the member institutions as per the criteria laid down.

Chapter-9

Merger, Dissolution and Cancellation of Data

39. Merger of Cooperative Institutions: (1) In the case of merger of two or more institutions under Section 87 of this Act, the following restrictions shall be fulfilled: (a) The area of operation shall be merged or merged with one another, (b) The institutions of the same subject or nature shall merge or, although of different subject or nature, shall compete in the same subject, (c) The direct participation and democratic control of the members shall be maintained. (2) In the case of merger under sub-rule (1), the existing organization shall be merged into a ward, local level, district or provincial area on the basis of its area of operation. (3) Notwithstanding anything contained in sub-rule (1), the joint (cooperative) organizations established on or after 2nd Jestha, 2049 without the prior approval of the Ministry shall not be merged into another organization. (4) Organizations with only women members shall be given priority for merger into organizations with only women members. Provided that the merger shall be carried out without affecting the constituent activities of the organizations established in the backward communities.

(5) The merger of the organizations shall be carried out in a manner that the thematic work is consolidated.

Provided that this sub-rule shall not apply in the case of the organizations which are merged as per sub-rule (7).

(6) The Registrar shall not obtain the prior approval of the Nepal Rastra Bank for the merger of the cooperative banks.

(7) The district or central thematic or multipurpose cooperative societies included in the district or the special subject cooperative societies mentioned in sub-rule (1) of rule 11, which have attained the minimum number of members as per Section 4 and Section 8 of this Act and are in existence at the time of commencement of these rules, shall be merged into the respective cooperative societies as per these rules.

(8) Other dates, bases and procedures of merger shall be as per the arrangements approved by the Ministry.

40. Division of Cooperative Institutions: (1) In accordance with Section 87 of this Act, the following conditions shall be fulfilled when the division of a cooperative institution or more than two institutions is established: -

(a) The area of operation of a cooperative institution carrying on savings and credit business has increased to one ward at the local level,

(b) The full participation and democratic control of the members in the functioning of the institutions nationalized through the process of division is maintained.

(2) The cooperative society shall be divided into different geographical areas, taking into account the nature of the existing business, in accordance with the thematic classification as per Rule 11.

(3) The Registrar or the officer authorized by the Registrar may take the opinion of the concerned association in the matter of merger or dissolution of cooperative societies.

(4) Other dates, basis and procedure of dissolution shall be as per the procedure approved by the Ministry.

41. Prior consent not taken: Notwithstanding anything contained in Rule 39 or 40, the Government of Nepal, the Provincial Government or In case of consolidation or division of loans, grants or other types of assistance from a local level office, agency, bank, financial institution or donor agency, such agency shall not take prior consent of the competent authority.

Chapter-10

Justification of Debts

42. Establishment of Judicial Service Commission: (1) The Government of Nepal may, by notification in the Nepal Gazette, establish Judicial Service Commissions as follows:-

41

(a) A person who has qualified as a Judge of a District Court and is a Gazetted Second Class Officer of the Nepal Judicial Service - Chairman

(b) A person who has passed the Independent Level in Cooperatives, Economics or Management and has served in the Government of Nepal, Nepal Administrative Service at the Gazetted Second Class Officer level for three years - Member

(c) A person who has passed the Chartered Accountant or equivalent examination or has passed the Management Examination A person who has obtained a certificate of audit of class 'B' and has not less than three years' experience in auditing, shall be appointed as the Chairman under clause (a) of sub-section (1) without the approval of the Judicial Service Commission. (3) The term of office of the Chairman and members of the Judicial Service Commission shall be for a period of three years and they shall be eligible for re-appointment for one term. 43. Scope of the Judicial Committee: (1) The judicial committee of a cooperative society shall be the judicial committee of the cooperative society.

(2) If the members of the committee collectively agree to the exercise of the jurisdiction of the judicial committee, the decision of the majority shall be valid.

(3) Notwithstanding anything contained in sub-rule (2), the judicial committee shall be constituted in the presence of the chairman and the chairman of the committee.

42

44. Procedure for filing a complaint: (1) If a cooperative organization has already filed a complaint against a debtor, it shall file a complaint with the court of competent jurisdiction. However, in filing a complaint in this manner, the complainant cooperative organization shall be deemed to have made reasonable efforts and taken action against the debtor.

(2) When filing a complaint under sub-rule (1), the cooperative organization concerned shall pay five percent of the amount claimed by it, including the amount due, to the court of competent jurisdiction.

(3) The application under sub-rule (1) shall be filed within four years of the date of commencement of the case.

Provided that in the case of a case which has been filed for more than five years from the date of commencement of these Rules, the application shall be filed within two years of the date of commencement of these Rules.

45. Filing of appeal: The trial court shall, from the date of receipt of the appeal under Rule 44, grant the defendants fifteen days to file a reply with all the evidence in their defence and the defendant shall file a reply without delay.

Provided that if the defendant, after the hearing of the case, files a reply within fifteen days, setting out the reasons for the same, and if he duly shows the circumstances of such a reply, the period of fifteen days shall be extended.

46. Interim order may be issued: (1) The Court of Appeal may issue an interim order in the name of the competent court in any case pending before it, if it is necessary to freeze any movable or immovable property owned or possessed by a person who has given a security deposit or a debt in connection with any matter pending before it, in order to effect the transfer, conveyance or sale of such property. (2) The duty of the office concerned shall be to comply with the order made under sub-rule (1).

47. Action taken by the court: The court may, within twenty days from the date of filing of the reply, take immediate action against the accused.

Provided that, the action taken under rule 44 shall not be taken by the court unless the accused has been convicted.

48. (1) Notwithstanding anything contained elsewhere in these Rules, if the plaintiff and the defendant file a written statement of their case with the court for the purpose of filing a written statement of their case, the court may, if it is approved by both parties, order the court to issue a written statement of case, regardless of the stage at which the case has progressed. (2) Sub-rule (1) Settlement of Claim Amount with Debtor

Less than five per cent also complained about the lack of formalities.

Both the petitioner and the petitioner have stood up for the justification.

Subject to sub-rule (2) of Rule 44 of the Act, in advance

It is not taken by cutting from the fire.

44

49. Provisions regarding appeal: (1) An appeal may be filed in the High Court of the area where the cooperative society is located within thirty-five days of the date of receipt of the

copy of the decision made by the Court of Cassation within thirty-five days of the date of receipt of the copy of the decision.

(2) In the event of an appeal being filed under sub-rule (1), thirty percent of the amount paid to the cooperative society as compensation for the decision made by the Court of Cassation shall be deposited in the treasury.

50. Execution of decision: (1) If the Court of Cassation has already passed a decision under rule 47, an appeal may be filed against that decision.

If the decision is received from the High Court and the appeal is filed, the court shall issue an order in the name of the court of the original judgment.

(2) The court of the original judgment may issue an order under sub-rule (1) and may also order the execution of the decision.

51. Court of the original judgment: (1) The Ministry may, in the case of the execution of the decision of the court of the original judgment, appoint any person working in the Ministry or Department as a court of the original judgment.

(2) The creditor shall act even in the absence of the administrative head of the creditor's court.

52. Creditor's Court: (1) The creditor shall, after receiving an order for creditor's court, recover the amount of the debt from the debtor within the period specified in the order and pay it to the cooperative society concerned.

(2) The creditor may, subject to the provisions of the prevailing law, take the following actions against the creditor:

45

(a) seize or sell at auction any movable or immovable property held or deposited by the debtor,

(b) seize or sell at auction any movable or immovable property of the person who has given the security,

(c) arrest any person, especially the debtor or the person who has given the security, and keep such person in custody in accordance with the prevailing law.

53. Liability of the person giving the guarantee: (1) The liability of the person giving the guarantee on behalf of the debtor shall be limited to the amount of the guarantee.

(2) Subject to the provisions of the prevailing law, the liability for the guarantee shall be borne by the person giving the guarantee directly against the original.

54. Order of the creditor to be disqualified as an order Staff and Budget Management
For this, the Nepal government will provide the necessary staff and budget.

56. Co-operative society shall pay the amount: (1) As per the provisions of this regulation. There may also be a prepayment of a certain amount of the amount due.

As with most cooperative societies, justice is more and more difficult.

(2) Subject to sub-rule (1) of rule 44 when a cooperative society withdraws the amount. By deducting the amount paid during the sub-rule (2), only the remaining amount will be paid.

(3) The amount received under sub-rule (1) shall be deposited in the consolidated account of the Judicial Council of Nepal as prescribed by the Government.

57. Other arrangements regarding the Judicial Council of Nepal: (1) The constitutional structure of the Judicial Council of Nepal shall be as approved by the Government of Nepal.

(2) The remuneration and other arrangements regarding the service and working hours of the Chairman and members of the Judicial Council of Nepal shall be as approved by the Government of Nepal.

58. Actions may be taken: The Court of Cassation may take necessary action on matters such as the procedure for filing a complaint, proceedings, execution of a decision, etc.

Chapter-11

Provisions relating to liquidation

59. Appointment of liquidator: (1) In the case of an institution with assets exceeding five lakh rupees, the Registrar may appoint an authorised officer under him as a liquidator under sub-section (2) of section 89 of this Act.

(2) The Registrar may give necessary directions to the liquidator appointed under sub-rule (1) in the conduct of the liquidation proceedings.

60. Functions, duties and powers of the liquidator: (1) The functions, duties and powers of the liquidator of a cooperative society dissolved under Section 88 of this Act shall be as follows:-

(a) To recover the amount remaining from the dissolved cooperative society, the amount remaining from the accounts of the current or former members or associate members of that cooperative society shall be paid in accordance with Rule 30 and Rule 32,

(b) To recover any amount remaining from any member of the dissolved cooperative society and the amount has been paid into the accounts of that society, The amount of the claim shall be distributed to the beneficiary or the beneficiary shall be declared as arrears, and a list of the claims shall be issued, (c) If a question arises as to which of the creditors shall be given priority, it shall be decided, (d) In the event of dissolution of the cooperative society, the necessary instructions shall be given for the distribution of the claim, (e) In the event of the dissolution of the cooperative society, the necessary instructions shall be given for the settlement of the claim made by or against the cooperative society, (f) If it is deemed necessary for the dissolution, a meeting of the members shall be called, (g) The accounts, documents, writings and (h) The assets of the cooperative society are not taken into consideration, (i) The plan for the distribution of the assets of the cooperative society is prepared in consultation with the stakeholders and distributed. (2) In exercising the power under sub-rule (1), the liquidator may, if he deems it necessary, call upon the members, directors, witnesses and any employee of the society or association to appear before him and inquire into the matter.

61. Power of Registrar to Control Liquidation: The Registrar may, in exercise of the power under Rule 60, review the work done by the Liquidator and do the following:-

- (a) set aside or vary any order issued by the Liquidator contrary to the directions or issue any other order as may be necessary,
- (b) cause the books of accounts, documents, instruments and accounts of the institution or association to be produced,
- (c) impose such restrictions as he thinks fit on the Liquidator under Rule 60,
- (d) obtain a report on the accounts examined by the Liquidator,
- (e) issue a notice under Clause (e) of Rule 60 and as per clause (i) of that rule
- (f) To make necessary directions regarding the remuneration and allowances to be paid to the liquidator, (g) To remove the liquidator from office and appoint another. (62) Liability: (1) The funds of a cooperative society dissolved or dissolved under Section 88 of this Act shall be used for the following purposes in the following order:-

- (a) Reimbursement of expenses incurred in the course of the dissolution,
- (b) Payment of savings to members,
- (c) Payment of salaries to employees,
- (d) Payment of loans,

49

- (e) Payment of other amounts due,
- (f) Payment of share premium,
- (g) Distribution of profits in the case of timeshares.

(2) Even after the winding up of a cooperative society has been completed, if any member of that society has not received the amount due, such member may claim the amount due from the treasury of that society for the amount due to him within three months from the date of the winding up and no action shall be taken on the claim made against him.

63. Use of assets of the dissolved cooperative society: (1) In accordance with Section 91 of this Act, the remaining assets of the dissolved cooperative society, after discharging all liabilities under Section 62, shall be transferred to the following persons as per the directions of the Registrar:-

- (a) Any other cooperative society of the same nature, which is capable of performing its functions in the field of the dissolved cooperative society,

(b) Any other association of the same nature, of which the dissolved cooperative society is a member.

(2) Notwithstanding anything contained in sub-rule (1), the Government of Nepal may, on the advice of the Ministry, transfer the remaining amount of the fund of a cooperative society to any other body or to any local community education or health care institution or to any community development project directly benefiting women, children and senior citizens.

50

Chapter-12

Savings and Loans

64. Establishment of Cooperative Savings and Credit Union Fund: (1) A Cooperative Savings and Credit Union Fund shall be established in the framework of a specialized cooperative society as per sub-section (1) of section 101 of this Act.

(2) The basis for establishment of a savings and credit union fund, membership, organizational structure, and other arrangements including the constitution of the society shall be as approved by the Government of Nepal.

(3) A multi-purpose or thematic institution which has been engaged in the business of savings and credit as well as savings and credit in the savings and credit union fund established under sub-rule (1) may also become a member.

(4) The Government of Nepal, the Provincial Government, the local level, Nepal Rastra Bank, the National Cooperative Development Board, the Nepal Multipurpose Central Cooperative Society, the Central Agricultural Cooperative Society, the National Cooperative Federation and other bodies of the Government of Nepal may also have shares in the Savings and Credit Guarantee Fund. (5) The minimum capital and expenditure for the establishment of the Savings and Credit Guarantee Fund shall be sixty crore rupees and sixty percent of that amount shall be contributed by the institutions. 65. Committee of Directors of Savings and Loans Fund: (1) There shall be a Committee of Directors as follows for the management of the Savings and Loans Fund:-

(a) A person elected from the general assembly - Chairman

(b) Joint Secretary, Ministry - Member

(c) Joint Secretary, Ministry of Finance - Member

(d) Registrar, Cooperative Department - Member

51

(e) Director, Nepal Rastra Bank - Member

(f) Member-Secretary, National Cooperative Development Board - Member

(g) Executive Director, National Cooperative Federation - Member

(h) Executive Director, Nepal Savings and Loans Central Cooperative Society - Member

- (i) Executive President, Nepal Multipurpose Central Cooperative Society - Member
- (j) Executive President, National Cooperative Bank - Member
- (k) Executive President, Nepal Agricultural Cooperative Central Society - Member
- (l) Three districts including one woman from each district, elected from the general assembly - Member
- (m) Executive President, Savings and Credit Union Fund - Member-Secretary

(2) The term of office of the officer elected under clauses (a) and (l) of sub-rule (1) shall be four years and he shall be eligible for re-election once.

66. Savings and Loan Fund Arrangements: (1) The Cooperative Savings and Loan Fund may fund savings of up to three lakh rupees deposited by its members in its member institutions. (2) The Savings and Loan Fund may raise loans from its member institutions as follows:-

- (a) Emergency needs loan of thirty thousand rupees,
- (b) Repayment loan of one lakh rupees,
- (c) Small, medium and medium enterprise loan of three lakh rupees,
- (d) Agribusiness loan of five lakh rupees,

52

- (e) Other loans of two lakh rupees.

(3) Notwithstanding anything contained in sub-rule (2), a loan of up to one lakh rupees shall be sold without the prior approval of the Savings and Loans Guarantee Fund.

(4) The limit of the amount of savings or loans deposited under this rule shall be fixed along with interest.

However, if a member has made more than one type of savings or taken a loan, the limit shall be fixed along with interest on all such types of savings or loans.

67. Provision: Notwithstanding anything contained in Rule 66, the following savings and loans shall be deposited in the Savings and Loans Fund:-

- (a) Savings and loans not taken by the Society from non-members and loans given to non-members,
- (b) Savings and loans not taken from members and members of the Society in accordance with the directions issued under the prevailing laws for the prevention of money laundering,
- (c) Any amount collected in contravention of these Rules, Regulations and the internal working procedures of the Society A savings or loan provided.

68. Compensation may be given: (1) The Savings and Loan Fund may give compensation in installments of eighty percent of the loan provided.

(2) A member institution may claim compensation under sub-rule (1) if the branch of the loan has not been established for two years.

53

(3) The amount of the savings deposited by the Savings and Loans Guarantee Fund shall be paid in full on the basis of the recommendation of the liquidator appointed under section 89 of this Act or the Management Committee constituted under section 105.

69. Other arrangements relating to the Savings and Loans Guarantee Fund: The establishment, structure of the Savings and Loans Guarantee Fund, the procedure for receiving the amount of the deposited amount and other arrangements relating to its operation shall be as per the act approved by the Government of Nepal.

70. Operation of Mutual Aid Service: (1) As per sub-section (2) of section 102 of this Act, the minimum criteria for an organization operating a mutual aid service are as follows:-

(a) The organization must have completed three years of existence at the time of its incorporation,

(b) The organization must have been operating for the past two years,

(c) The number of members cultivating the crops or raising the animals must not be less than three hundred,

(d) The reserve fund must have not less than fifty lakh rupees and the deficit fund must have not less than twenty-five lakh rupees,

(e) The share capital must not be less than one crore Rupees,

(f) An institution operating savings, and operating only savings of a limited regular nature as specified in sub-section

(2) of section 50 of this Act, and having paid share premium and institutional premium, the amount of savings liability has reached twenty percent.

(2) Other arrangements for mutual benefit shall be made as per the work plan approved by the Ministry.

54

Chapter-13

Inspection and Advance

71. Nepal Rastra Bank may conduct inspection and audit: (1) Nepal Rastra Bank may conduct inspection or audit of the transactions of savings and loans exceeding fifty crore rupees of cooperative banks, in accordance with sub-section (2) of section 95 of this Act.

(2) The Registrar shall make arrangements for the implementation of the recommendations of the inspection or audit report made by Nepal Rastra Bank under sub-rule (1).

72. Special arrangements for inspection and advance payment: (1) In the case of cooperative societies engaged in the business of savings and credit as per sub-section (4) of section 97 of this Act, a joint team of the Ministry, Nepal Rastra Bank, the Department, the Provincial Government and the local level shall be formed to make advance payment: (a) By the local level and the cooperative regulatory body of the provincial government of the cooperative society having savings liabilities exceeding five crore rupees, (b) By the local level or provincial government of the cooperative society having savings liabilities exceeding twenty-five crore rupees (c) Cooperatives having savings liabilities exceeding fifty crore

rupees, from the local level of the cooperative society or the cooperative regulatory body and department of the provincial government,

55

However, the same shall not be applicable to any cooperative society having a turnover exceeding fifty crore rupees.

(2) If a cooperative institution engaged in the business of savings and credit has a savings liability of five crore rupees or more, it shall be registered in the integrated management information system approved by the Ministry within one year from the date of commencement of these regulations, and within three years if the savings liability is less than that.

(3) Cooperative institutions shall comply with the standards set by the Ministry in terms of structure, financial structure, level of capital, liquidity, investment sector, etc.

(4) The Department may, on the basis of the information system as per sub-rule (2), issue an immediate order if it is found that the regular monitoring of the status of the premises of the premises prescribed under sub-rule (3) has been carried out.

(5) The inspection and other arrangements for monitoring under this rule shall be made in accordance with the procedure approved by the Ministry.

(6) The Ministry may, in approving the procedure under sub-rule (5), take the advice of the Nepal Rastra Bank.

73. Details to be included in the annual report: In addition to the details mentioned in sub-section (3) of section 100 of this Act, the Registrar shall include such other matters as may be determined by the Ministry in the annual inspection report.

56

Chapter-14

74. Arrangements relating to the Armament Fund: (1) The cooperative society participating in the Armament Fund under section 103 of this Act may contribute the amount as per clause (g) of sub-rule (1) of rule 27.

(2) Sub-rule (1) regarding the administration of the Fund of the Fund is as follows:
Sanmanat remains:-

(a) Member, PayPal Savings and Loans Central Cooperative Society D-Member

(b) Pranatanini, Ministry - Member

(c) Pranatanini, Ministry of Finance - Member

(d) Representative, Nepal Rashtra Bank - Member

(e) Pranatanini, Co-operative Department - Member

(f) Pranathanini, Ravashtraya Cooperative Development Board - Member

(g) Pranatanini, Ravashtraya Sahakari Mahasang D - Member

(h) Pranatanini of Adhi or Nijletoke, Ravashtraya Sahakari Bank - Member

(i) Co-operative Societies contributing to the Militarization Fund

Fund management from among others Two districts including one district woman in the number of districts elected by the committee - Member

(j) Executive Chairman, Nepal Savings and Loan Central Cooperative Society - Member-Secretary

(3) The term of office of the representatives elected under clause (i) of sub-rule (2) shall be for a maximum of four years, including the period during which they have been the head of their cooperative society.

(4) An initial contribution of at least two crore rupees shall be required for the establishment of a strengthening fund under section 103 of this Act.

(5) The amount of the strengthening fund shall be used as mentioned in sub-rule (4) The minimum balance shall be maintained in the fund and shall be utilized only after collecting contributions for a period of six months.

(6) If the minimum required balance as per sub-rule (5) is exceeded only by the amount of contributions of the participating cooperative institutions and other bodies as per sub-section (2) of section 103 of this Act due to the establishment of the fund or the utilization of the fund amount, the Government of Nepal may pay the amount as contribution through the Ministry.

(7) The amount paid by the Government of Nepal under sub-rule (6) shall be credited to the Government of Nepal when it is used to offset the contribution of all other bodies of the cooperative society participating in the Fund.

(8) In addition to the expenditure referred to in sub-section (7) of Section 103 of this Act, the amount of the Additional Armament Fund shall be used for the management expenses of the Border Fund as determined by the Fund Management Committee, subject to a fixed percentage of the contribution of the Fund.

(9) The amount utilized under clauses (b) and (c) of sub-section (7) of Section 103 of this Act may be transferred to the Fund in accordance with the provisions of Section 108, if the liabilities of the relevant institutions are discharged, or if such institutions are reactivated, if any.

If necessary, the Fund shall be transferred to the Fund in accordance with the provisions of the Fund Management Act.

(10) The establishment of the Armament Fund, the eligibility of the participating institutions, the date and time of participation, the utilization of the Fund and other provisions for the operation of the Fund shall be in accordance with the provisions of the Act approved by the Ministry.

75. Grant of exemptions, concessions and concessions: (1) The procedure for obtaining exemptions, concessions and concessions referred to in sub-sections (3), (4), (5) and (9) of section 78 of this Act shall be as per the schedule published in the Nepal Gazette by the Government of Nepal.

(2) The exemptions, concessions and concessions under sub-sections (6) and (8) of section 78 of this Act shall be obtained on the recommendation of the Ministry.

(3) The exemptions, concessions and concessions under sub-section (7) of section 78 of this Act shall be obtained in accordance with the budget and work arrangements approved by the Ministry.

(4) The Ministry shall, in accordance with sub-rules (2) and (3), recommend the date, basis and procedure for obtaining exemption, concession and tolerance.

76. Functions, duties and powers of the Registrar: (1) In addition to the functions, duties and powers mentioned in this Act, the functions, duties and powers of the Registrar shall be as follows: –

- (a) To conduct necessary investigations on the application for registration of a cooperative society and issue a certificate of registration of the cooperative society,
- (b) To approve the regulations made by the cooperative society for its functioning in accordance with this Act and these Regulations,
- (c) To carry out the work of consolidation, division and re-determination of the scope of work of the cooperative society in accordance with this Act and these Regulations,

59

- (d) To inspect and inspect the cooperative society on a regular basis (e) Regularly inspect and report on the cooperatives and give necessary instructions, (f) Regularly inspect and report on the cooperatives and conduct regular audits of (g) To provide assistance to the organizers of cooperative business, price indexation of agricultural produce and inter-cooperative transactions, (h) To coordinate the activities of organizing, operating and expanding cooperative education and training activities, (i) To issue necessary instructions for the development of cooperative institutions, the promotion of cooperative principles, values and norms and to establish a good governance in cooperative institutions, (j) To provide compensation and other services to the cooperative institutions working in accordance with the directives, standards, procedures and regulations issued under these Regulations. Action taken,
- (k) The annual inspection report of the cooperative institutions for the three months ending the financial year was submitted to the Ministry,
- (l) Necessary work was done to make the inactive cooperative institutions active,
- (m) Approval was given to operate the service center, collection center and new sale center of the cooperative institution after determining the necessary criteria,
- (n) Other work was done as per these regulations and the directives, standards, work rules and instructions received from the Ministry.

(2) The Registrar may delegate some of the powers conferred on him under this rule to the officers under him, as may be necessary.

77. Special Provisions for the Management of the Institution: (1) The Directors of the Institutions referred to in Section 135 of this Act shall be constituted as follows:-

- (a) A person elected from the General Assembly - Chairman
- (b) Joint Secretary, Ministry - Member
- (c) Joint Secretary, Ministry of Finance - Member
- (d) Joint Secretary of the relevant Ministry - Member
- (e) A person appointed by the Government of Nepal - Member

(f) A representative of the National Cooperative Development Board as provided in the regulations

61

or a District Head from among the local levels that have purchased shares of the Institution

Or in the number specified by him, a gazetted second class unqualified representative - member (g) in the number of members elected from the general assembly, one woman from each district (2) The chief executive officer of the institution shall act as the secretary of the committee appointed by the board of directors as per sub-rule (1). (3) The Ministry may, after conducting the necessary studies and approving the restructuring plan, adopt the cooperative principles, values and recognition of the institutions referred to in sub-rule (1) in a manner that is effective. (4) At the time of the commencement of these rules, the provisions of section 39 of this Act shall apply.

The institutions referred to in Section 135 of the Act, which have constituted the Committee for Annual General Meeting under Section (2) or the Accounts Committee under Sub-section (1) of Section 48 of the Act, may, within three months from the commencement of these Rules, elect the Committee for Annual General Meeting or the Accounts Committee. (5) In the case of procurement of goods or services required by a government body, priority shall be given to the goods or services produced by such institutions as are produced by the institutions referred to in Section 135 of the Act. (6) Other arrangements regarding the operation of the institutions referred to in sub-rule (1) shall be as specified in the regulations.

62

78. Delegation of representatives: (1) While sending representatives within the general limits of the Association as per Section 136 of this Act, a maximum of five representatives may be sent based on the number of members of the member institutions as per the regulations of the Association.

(2) While sending representatives under sub-rule (1), the affiliated institution shall designate one representative from each district by using the ballot.

79. Validation of Co-operative Public Financial Transactions: (1) Co-operative Education Management

Educational arrangements for co-operative societies or bodies or such societies

A certification of the following is permitted for certification purposes:-

(a) Sachachav, Ministry - Sec

(b) A member of the Ravashtraya Sahakari Mahasang or Nijletokee pranatanini—member

(c) Joint Secretary, Ministry of Education - Member

(d) Joint Planning Commission - Member

(e) Co-ordinating Ministry - Member

(f) Registrar, Co-operative Division - Member

(g) Associate Professor, Nativu University, Central Division
Vaivaga -Member

(h) One person appointed by the Ministry from among the cooperative experts - Member

- (i) Principal, Cooperative Training and Development Center - Member-Secretary
- (2) The committee under sub-rule (1) may invite subject experts to the meeting as per the requirement.
- (3) The functions, duties and powers of the Committee under sub-rule (1) shall be as follows:-

63

- (a) To prescribe the institutional specifications of the cooperative training institutions or bodies,
 - (b) To determine the minimum specifications including the annual and monthly training programmes conducted by the cooperative training institutions or bodies,
 - (c) To certify the training activities conducted by the cooperative institutions or bodies in accordance with the specifications laid down in clauses (a) and (b),
 - (d) To (e) To inspect and provide feedback on the cooperative education and training activities conducted by various institutions or bodies; (f) To provide guidance to cooperative organizations for the upgradation of cooperative education and training activities; (g) To carry out other activities related to the certification of cooperative education and training activities.
- (4) Notwithstanding anything contained in sub-rule (3), certification shall be provided in the case of initial cooperative member education programs conducted by cooperative institutions or bodies.

64

- (5) The Certification Committee under sub-rule (1) may organize its own activities.

80. Inter-cooperative transactions: (1) Inter-cooperative transactions under section 140 of this Act shall not be conducted without taking into account the needs of the members as specified in the regulations of the institutions concerned.

(2) The Association may coordinate the value of local products at the member level with the development of the agricultural sector in such a way as to promote the most efficient inter-cooperative transactions.

(3) Various institutions involved in inter-cooperative transactions may operate an integrated scheme by combining the production, processing and marketing of the produce produced by their members under the leadership of a leading institution (lead co-operative). (4) Cooperative institutions may, by making arrangements in the regulations, conduct inter-cooperative transactions by allowing their members to receive and transfer money from any cooperative institution in Nepal to their accounts through an electronic system. (5) In the case of inter-cooperative transactions related to savings and loans, all cooperative institutions shall comply with the criteria prescribed by the Ministry, including the definition of a relevant thematic association or cooperative bank. (6) Other arrangements related to inter-cooperative transactions shall be made in accordance with the procedures approved by

the Ministry. 81. Membership in the Committee or Audit Committee: (1) Notwithstanding anything contained elsewhere in these rules, an official holding a public office directly connected with the affairs and affairs of a cooperative society or an employee working in an office or body of the Government of Nepal, the Provincial Government or the local level may be elected or appointed to the Committee or Audit Committee of a cooperative society. (2) If, at the time of the commencement of this rule, the officer or employee referred to in sub-rule (1) is a member of any committee or audit committee of a cooperative society and is a member of the statutory body of the cooperative society, he shall not be deemed to have been removed from the monthly audit committee or audit committee or any of such bodies on the date of the commencement of this rule.

82. Provisions for the representation of the matter: In case of a dispute or a dispute in any court or executive body regarding the decision or action taken by the Administrative Committee of a problematic institution or association as per Section-18 of this Act, the representation shall be made by a government lawyer appointed by the Office of the Attorney General. 83. Form of declaration of dispute: (1) Declaration of dispute under Section 143 of this Act

The composition of Sanmanat is as follows:-

- (a) Officers appointed by the Registrar - Coordinator
- (b) Members of Rawashtraya Sahakari Mahasang d
- (c) Ravashtraya Cooperative Development Board

Representative of - Member

(2) The committee under sub-rule (1) shall invite representatives of all the cooperative institutions concerned to the meeting.

(3) The committee under sub-rule (1) may determine its own procedure.

84. Arrangements for incentives: (1) The Ministry may, by making arrangements in the annual programme, award certificates, prizes or both to individuals, cooperative institutions or bodies.

66

(2) Separate criteria shall be fixed and approved for the individuals, cooperative institutions or bodies to be honored or rewarded under sub-rule (1).

(3) A committee shall be constituted in the Ministry to select the individuals, cooperative institutions or bodies eligible for promotion under sub-rule (1).

(4) The committee under sub-rule (3) may determine its own procedure.

85. Information Disclosure: (1) Notwithstanding anything contained elsewhere in these Rules, a cooperative organization under the jurisdiction of a union or a province shall provide information to the province or local level where it operates its services through offices, service centers or other means.

(2) The details of the cooperative organizations referred to in sub-rule (1) shall be sent to the relevant local level or provincial or regional department.

86. Amendment or modification of the list may be made: If the Ministry deems it necessary, it may make necessary amendments or modifications to the list by publishing a notice in the Official Gazette.

87. Repeal and Protection: (1) The Cooperative Rules, 2049 are repealed.

(2) The acts and proceedings done under the Cooperative Rules, 2049 shall be deemed to have been done under these Rules.

67

Schedule-1

(Sub-rule (1) of Rule 6 with the same)

Form of Application

Minutes: 20... . . .

Shri

.....Office

Subject: Registration of Cooperative Institution.

Sir,

We, the following persons, hereby apply for registration of the following institution by filing the following application. In view of the above, the institution has submitted a copy of the proposed scheme of work and the regulations of the proposed institution.

Contextual description

(a) Object of the proposed structure:-

(b) Address :-

(c) Purpose :-

(d) Muay Thai:-

(e) Theater :-

(f) Liability :-

(g) Member No. :-

(1) Mawhala Ji

(2) Male Ji

68

(h) Amount of share premium received: Rs.

(i) Amount of revenue received: Rs.

On behalf of the applicants-

Name:-

Signature:-

Designation:- Chairman of the Ad Hoc Management Committee

(Proposed

Cooperative Society No.)

69

Schedule-2

(Supposed with sub-rule (2) of rule 6)

Structure of Feasibility Study Report

1. Introduction

2. Reasons for formation of the organization

3. Genetic basis of membership

4. Appropriateness of membership

5. Business viability

5.1 Approval of business transactions on the basis of member centrality

5.2 Guaranteed basis for protection of members

5.3 Remittance of savings from transactions

6. Needs and resources for the organization

6.1 Identification of needs

6.2 Resources

6.3 Criteria for selecting the organization

7. Market analysis

7.1 Local market

7.2 Distant market

7.3 Level of competition and the criteria for competing

8. Number of cooperatives of the same nature in the area of operation, suitability of the proposed organization in terms of services and membership

9. Reasons for joining already established cooperatives of the same nature

70

10. Dimensions of women empowerment and social inclusion

11. Capacity building

12. Foundations of development and ownership of the institution.

71

Schedule-3

(Supplied with sub-rule (2) of rule 6 and clause (a) of sub-rule (2) of rule 28)

Form of particulars of applicants

No.

Name of father, mother, father's name, wife's name, name of applicant, age, details of shares accepted by the member

Affidavit

No.

Fingerprint

Photograph and signature on photograph

Copies and amount in Rs.

Purchased Shares Amount of Shares Rs.

1.

2.

3.

4.

72

5.

6.

7.

8.

9.

73

Schedule-4

(Sub-rule (3) of Rule 6 with clause (b))

Structure of Business Plan

Name of Institution/Association/Bank:-

Address:-

A. Objective:-

1.

2.

3.

B. Activities:-

1.

2.

3.

4.

5.
6.

C. Projection of the next three years

1. Membership expansion target

Description First year Second year

Third year Qualification

Number of members [associations]

— Female

74

— Male

— Insurance

Insurance members

2. Professional Service Expansion Target

Description First

Year

Second

Year Third

Year Qualification

Number of members [association organizations]

— Amount (.....)

— Amount (Rs.)

— Beneficiary member (District)

Sale of goods and services to members [association organizations]

— Amount (.....)

— Amount (Rs.)

— Beneficiary member (District)

Employment opportunities created for members [members of organizations]

— Direct completion

(District)

— Indirect Full-time Work (Annual

2,080 Hours

75

Insured District)

Loan Service to Members [Members of the Organization]

(Annual)

— Amount (Rs.)

— District

— Savings Service to Members [Members of the Organization]

(Balance)

— Amount (Rs.)

— District

3. Cooperative Activities Expansion Target

Details First Year Second Year Third Year Scope

Member Education (Annual District)

Village/Toll/Sub-Regional Member Meetings Organized (Annual Times)

Community Development Schemes Implemented

D. Source and use of worship

Details First year Second year Third year Category

Need

— Physical worship assets (house, land,
factory, equipment, furniture, etc.)

76

— Current worship assets (stock of goods,

.

.

77

.

g. Responsibilities of the Accounts Committee

.

.

.

j. Responsibilities of the Management Staff

.

.

.

.

j. Responsibilities of each member

.

.

.

.

.

j. Indicators of the impact of the action plan on the lives of members [members of the organization]

k. Review of implementation progress and accountability statement

78

Schedule-5

(Supplied with clause (c) of sub-rule (3) of rule 6)

Remuneration structure

Remuneration proposed..... Cooperative Organization No. The Ad Hoc Managing Committee of the Shri The members of the aforementioned Cooperative Society have been informed of the following: The amount received is currently in my Account No. and I have deposited it in the bank account. I will keep the said amount in my account as per the rules and regulations of the institution and I have deposited it immediately after opening the bank account of the institution. In case of any discrepancy, I have my consent to take legal action.

This is the year 20..... Year Month Date Day.

79

Schedule-6

(Sub-rule (3) of Rule 6 with clause (d))

Form of the statement form of the members of the Ad Hoc Management Committee

No.
played
yam,
rr
Dad
yam,
rr
Panat or
of letter
Yam, rr

of the operator
Yam, rr

Get the position

Niwathshachat
nod

restore
remained
Avani
fingerprint

Photo and
in the photo

by drinking
right print

Sabhapakath Ibbar Kaivafayat

- 1.
- 2.
- 3.
- 4.
- 5.

80
Schedule-7

(Supplied with clause (e) of sub-rule (3) of rule 6)

Form of self-declaration

The proposed Shri..... Cooperative Society Ltd. has applied for the post of
We, the applicants, hereby declare that we have established a cooperative society under the
prevailing law and have not carried out any other work other than the work of achieving our
economic and social objectives and that we are not eligible to avail the services of the
cooperative society due to any other reason mentioned in the body:-

We, the applicants,-
are members of any other cooperative society of the same nature;

We are not persons who are blacklisted by any bank, financial institution or any other
cooperative institution/cooperative/bank as per the law;

We are not persons who have been prosecuted for embezzling the funds of the members of
this cooperative institution or are absconding;

We are not persons who have been convicted of any crime related to corruption and

We agree to operate this institution for our own economic development in accordance with
the cooperative principles, principles, values, norms and the law of self-reliance and
reciprocity.

The above information is correct and true. The following is the signature of the person who
has been found to be false:-

81

No.

Name of the applicant,

Citizenship No. and

District of residence and

Representative details

Signature

1

2

3

82

List-8

(Sub-rule (3) of Rule 6 with clause (f))

Form of letter of refusal

Minutes: 20.....

Mr. Registrar!

.....

Subject: Delegation of refusal.

Sir,

This proposal is made by..... Cooperative Society/Society/Banking Company.

Minutes: 20.....

In accordance with the decision of the second preliminary meeting held on , the institution has been registered and the necessary actions including verification have been taken on our behalf in accordance with the usual procedures and signed by us. We hereby declare that the powers have been delegated to Mr., Mr. and Mr. of the Executive Committee. We accept without taking responsibility for all the work done by them as our representatives. Name, position and signature of the person to whom the powers have been delegated 1. Mr. 2. Mr.

..... 3. Mr.

83

Applicants-

Name, address and signature

1

2
3
4
5

Note: The details of all the applicants are included in the power of attorney.

84
Schedule-9

Details of the institutions for which the application is made in accordance with clause (c) of sub-rule (4) of rule 6 and clause (a) of sub-rule (2) of rule 28

No. Name of the applicant

Name of the institution

and
nod
Address subject
Classification

Theater member
No
Share
Puja
back up
fund
Details of the shares sold are confirmed
of Pranatanini
Ram, rr

Correct printing

Pranatiye and
amount
Rs.
scratch
share
Sanya
of stock
when
Amount
Rs.

85
Schedule-10

(With reference to clause (a) of sub-rule (5) of rule 6 and clause (a) of sub-rule (2) of rule 28)

Details of Application Forms for Co-operative Bank Data

vein.

No.

applicant

Sang Ghsan

Srako

yam

Data

No.

and

nod

stay

sing

or

Kayath

eyes

sad

Mr

S

No

pay

and

poo

G

woke up

Dr

fund

Financial opportunity to buy shares

Description

Anika

Rock

Pranatanini

for

rr

correct

seal

Kaiwaf

here

J

bhama

escape
so
Rock
i
Rs.
J
bhama
loan
don't take
who
Amount
Rs.
loan
don't take
who
Nika
Ya
J
bhama
loan
felt
G
Rs.
last
A.W.
who
coffee/
loss
amount
Rs.

prostrate
Yer
Amount
Rs.
Number of shares purchased and amount of shares Rs.

86
Schedule-11

(Section (a) of sub-rule (6) of rule 6 and clause (a) of sub-rule (2) of rule 28)

Details of the institutions applying for registration of special purpose registration

No.
No.
Name of the applicant institution
No.

and address
Subject classification
Office
Number of members
Shares
Pujari
Reserve fund
Status of business
Details of shares purchased
Signature
Amount saved
Rs.
when
loan
wear
Rs.
last
A.W.
who
when
scratch
Rs.
last
A.W.
who
when
Nabi
Rs.
last
A.W. who
Profit/Loss
Amount Rs

Pranatiye and
Amount
Rs.
scratch
share
Sanya
of stock
when
Amount
Rs.

87
Schedule-12
(Rule 9 Sang Sabashanti)
Format of cultural data certificate

Government of Nepal

.....Ministry

.....

Data certificate

Data no. :

This certificate along with the approved regulations has been issued to Shri.. ...
... in accordance with Section ... of the Co-operative Act,

Classification:

Oath signed:

Signature:

Name of the officer who signed:

Designation:

Seal of the office:

88

Schedule-13

(with Rule 15)

Subjects mentioned in the regulations

Preamble

1. Short title and preamble
2. Name and address of the organization
3. Constitution
4. Objectives
5. Functions
6. Scope
7. Members of the organization
8. Qualifications for membership
9. Application for and receipt of membership
10. Termination of membership
11. Expulsion of member
12. Withdrawal from membership
13. Re-membership
14. Functions, duties and powers of member
15. Membership open
16. Voluntary withdrawal from membership, re-admission and withdrawal
17. Share worship

89

18. How many shares can be purchased to become a member
19. Shares can be purchased together
20. Shares issued or transferred

21. Entry form
22. Artificial fencing
23. Share certificates
24. Limited liability of member
25. Initial general meeting
26. Annual General Meeting
27. Special General Meeting
28. Meeting of the General Meeting
29. Functions, duties and powers of the General Meeting
30. Decision of the General Meeting is mandatory
31. Village/Tol/Sub-Regional Meeting
32. Functions of the Village/Tol/Sub-Regional Meeting
33. Procedure of the Village/Tol/Sub-Regional Meeting
34. Board of Directors
35. Functions, duties and powers of the Committee
36. Meeting of the Committee
37. Audit Committee
38. Accountability

90

39. Functions, duties and powers of the Chairman
40. Appointment of the Manager
41. Functions, duties and powers of the manager
42. Special responsibilities
43. Appointment of employees and terms of service
44. Fund of the organization
45. Establishment of the fund
46. Use of the fund
47. Reserve fund
48. Payment of prescribed prayers
49. Distribution of benefits
50. Deposit of funds in the reserve fund
51. Savings can be made or withdrawn
52. Limits on savings can be made
53. Loans can be given
54. Limits on credit flow
55. Investment of savings in projects other than loans
56. General approval not obtained
57. Membership centrality
58. Prohibition on participation in self-interested activities
59. Regulation on transactions with employees

91

60. Risk assessment
61. Transactions
62. Transaction accounting
63. Account books
64. Internal audit
65. Annual audit

- 66. Risk assessment of the use of electronic systems
- 67. Other supporting documents
- 68. Access to the integrated information system
- 69. Reporting to the registrar or an authorized official by the registrar
- 70. Reporting to the financial information unit
- 71. Disclosure of information within the general scope
- 72. Declaration of beneficiaries
- 73. Claim or Transfer
- 74. Election
- 75. Acquisition
- 76. Merger or Separation
- 77. Executive Authority
- 78. Mediation
- 79. Conciliation and Equity
- 80. Amendment of Regulations