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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2091/63 - 2018 ඔක්තෝබර් මස 04 වැනි බ්‍රහස්පතින්දා - 2018.10.04

No. 2091/63 - THURSDAY, OCTOBER 04, 2018

(Published by Authority)

## PART IV (A) — PROVINCIAL COUNCILS

### Provincial Councils Notifications

#### NORTH WESTERN PROVINCE PROVINCIAL COUNCIL

IT is hereby notified that the following amendments to the rules publicized through the *Gazette Extraordinary* Notification No.93/5 dated 1974. 01. 10 are approved and passed by the Provincial Council of North Western Province, on October 02, 2018, in terms of the powers vested in me in the capacity of the Minister in charge of the subject of Co-operative of the Provincial Council of North Western Province under Section 61 of the Co-operative Societies Act, No.5 of 1972 as amended by the Co-operative Societies (Amendment) Act, No.32 of 1983 and Co-operative Societies (Amendment) Act, No.11 of 1992, read with the Provincial Councils (Consequential Provisions) Act, No.12 of 1989.

PIYASIRI RAMANAYAKE,

Minister of Co - operative Development & Trade, Lands, Electricity & Energy, Sports & Youth Affairs, Cultural & Arts Affairs and Information Technology-NWP.

On the 04th day of October 2018, in Kurunegala.

01. Section 2 of the Co-operative rules is hereby amended by the addition of the following sub - section subsequent to the Sub - Section (iii) of Section 2 of the same:

(iv) there shall exist the map depicting the jurisdiction for the societies and regional or Branch committees, determined through the by - laws.

02. Section 8 of the Co - operative rules is hereby amended by the numbering as sub-section 8 (i) and addition of the following sub-section Subsequent to the same:

(ii) the general body shall have the power to make a member inactive for the absence in the Annual General Meetings within a period prescribed by the by-laws or not performing economic transactions as determined by the by-laws or not maintaining the minimum value in the accounts as prescribed by the by-laws.



03. Section 9 of the Co-operative rules is hereby amended by the numbering as Sub section 9 (i) and addition of the following sub-section subsequent to the same:

**(ii) the member so determined to be expelled shall be given a hearing and a period of 14 days for the purpose, before such removal from the membership. The decision so taken shall be notified to the member within 90 days.**

04. Section 12 of the Co-operative rules is hereby amended by the repeal of same and substitution of the following section:

**12 (i) Every registered society shall maintain a members register with the following details, in order :-**

- (a) full name of the member**
- (b) name of the member with initials**
- (c) name of the member with initials (in block capitals)**
- (d) date of birth**
- (e) National Identity Card No.**
- (f) telephone number**
- (g) e-mail address**
- (h) permanent address of the membership**
- (i) number and name of the Grama Niladhari Division**
- (j) membership no.**
- (k) number of shares belonging to the membership**
- (l) date of membership**
- (m) names of the heirs nominated by the member**
- (n) signature or thumb impression of the member**
- (o) date of loss of membership**
- (p) cause for the loss of membership**

**12 (ii) Every registered society shall update the members register on the 30th day of June annually and every such update shall be publicized within 3 months as determined by the Registrar of Co-operative Societies.**

**12 (iii) The registered societies shall also formulate the members register in terms of the above format and the same shall be formulated within a period as prescribed by the Registrar of Co-operative Societies from the date of passing of these rules. The Register so re - formulated shall be publicized within a period of 3 months in the manner prescribed by the Registrar.**

05. Section 16 of the Co-operative rules is hereby amended by the repeal of same and substitution of the following section:

**16 (i) Every registered society shall prescribe the maximum limit of loan receivable from those who are not members, in the form of loan or deposit or whatsoever manner, on the need of the society at an Annual General Meeting and obtain the prior approval of the Registrar.**

**(ii) And also, the Registrar shall have the power to impose regulations on the deposits of the members, when he is of the view that such imposition is necessary for the existence of the society.**

06. Section 17 of the Co-operative rules is hereby amended:

**06.1 by the repeal of Section (a) of the Sub-section (i) and substitution of the following section:**

- (i) to prescribe the maximum limit of loan receivable from members and those are not members in the form of loan or deposits or in any other manner.**

**06.2** by the re-numbering of the first paragraph as (a) and the second paragraph as (b) of the Sub section (ii) and repeal of the third paragraph and substitution of the following as (c):

(ii) (c) The Chairman shall have a ruling vote at an instance of equal votes except at an election. In the case of equal votes at an election, the decision shall be taken by drawing lots.

**06.3** by re numbering the subsection renamed as (ii), as (iii) subsequent to its Sub section (ii).

07. Section 21 of the Co-operative rules is hereby amended:

**07.1** by the repeal of number 21 of the Sub section (i) (a) and substitution of the number 18:

**07.2** by re-numbering the Sub section (e) as Sub section (e) (I) and inserting the Sub section (e) (ii) as follows:

(e) (ii) any person who has neglected a payment to be made to the society or any other registered society or a liquidator for a period of more than three months and has settled the same within a period not exceeding twelve months or any person who has neglected a payment to be made to the society or any other registered society or a liquidator and has settled the same within a period not exceeding twelve months.

**07.3** by addition of Sub sections (i) and (j):

(i) any person who is not eligible to hold the membership in the Committee or District Committee or Branch Committee, in terms of the by-law of the society;

(ii) any person declared by the general body of the society as inactive member.

**07.4** by the addition of Sub section (g) subsequent to Sub section (e)(ii) therein:

(g) any person who has neglected a payment to be made to the society or any other registered society or a liquidator for a period of more than three months or neglect of any other payment to be made to the society or any other society or a liquidator.

**07.5** by removing the number 21 in Sub section (iii) and substitution of the number 18.

**07.6** by repeal of Sub section (iv) and substitution of the following:

(iv) Any person appointed to the committee of a registered society or a district committee or Branch committee, shall submit an affidavit as per the by laws of the society, within 14 days to the effect that he is not eligible to be so appointed.

08. Section 43 of the Co-operative rules is hereby amended by the repeal of same and substitution of the following section:

**43. (i)** Notwithstanding the series of rules of the Co-operative Fund enacted under Section 46 of the Co-operative Societies Ordinance (Chapter 107) by the Hon. Minister in charge of the subject of Food and Co-operative affairs and established under the series of rules published in the Government Gazette No.10086 dated 1950. 03. 24, are repealed by the rule 55 of these Rules, shall stand and shall be administered by a Fund Committee subject to any general or special rules of the Minister.

(ii) The composition of the said Fund Committee shall be as follows:

a. Secretary to the Ministry in charge of the subject of Co-operative societies of the Provincial Council of North Western Province shall be the Chairman of the Fund Committee.

- b. Deputy Chief Secretary of the Provincial Council of North Western Province (Financial Management)**
  - c. Co-operative Development Commissioner and Registrar shall be the Secretary to the Fund Committee.**
  - d. Chairman of the Wayamba Co-operative Rural Bank Union Ltd.**
  - e. A chairman of Co-operative District Council.**
- (iii) The tenure of such members so appointed shall be terminated at the end of such tenure.
  - (iv) the quorum of a meeting of the Fund Committee shall be three members.
  - (v) an allowance as approved by the Minister shall be paid to the said Committee.
  - (vi) the money of the said fund shall be used:
    - (a) to establish and conduct Co-operative education, training, promotion and expansion work and Co-operative training centres,
    - (b) to enhance the management and efficiency of the Co-operative societies -
      - to assist the Co-operative societies,
      - to provide financial facilities for the Co-operative Employees' Pension Scheme.
  - (vii) Every registered society shall pay either ten (10%) percent of its annual net profit or Rupees Five Hundred (Rs.500) or whichever more higher, to the Co-operative Fund as contributions annually.
  - (viii) The said contributions shall be audited and be finalized within six months from the date of handing over the audit report to the society.
  - (ix) Provided however, the societies which finalize the payment of contributions of the Fund within three months in total, shall be entitled to recover a sum of 25% of the sum paid to a members' development fund of the society. The manner of appropriation of the said members' development fund shall be passed by the by laws and regulations and approved by the Registrar.
  - (x) In the case where it takes more than 6 months from the date of handing over the audit report to the society to finalize the contributions to the Co-operative Fund, the society shall pay he said sum along with a fine of one percent (1%) each per month from such date as it exceeds the said 6 months.
  - (xi) The criteria for the administration and management of the Co-operative Fund shall be formulated and approval for the same shall be obtained from the Minister incharge of the subject.
  - (xii) All expenses incurred for the administration of the Fund shall not be a financial burden on the Co-operative Fund.
  - (xiii) The fund shall be audited by the Auditor General, annually.

09. Section 48 of the Co-operative rules is hereby amended:

**09.1** by re-numbering its Sub section (i) as (i) (a) and by removing the number Rs.5,000 therein and substitution of Rs.25,000;

**09.2** by addition of Sub sections (b) and (c) Subsequent to the Sub section (i) (a) therein :

- (b) **Provided, the Registrar shall have the power to grant prior approval to purchase any movable property, to be personal to each society, subject to Rupees Five Hundred Thousand (Rs.500,000) based on the approval by the general body of the society and the functioning of each society.**
- (c) **In all the instances where each society as previously approved exceeds the limit or the other societies which have not so approved the limit exceeds the limit of Rupees Twenty Five Thousand (Rs.25,000) as at (i) (b), the prior approval of the Registrar shall be obtained for the purchase of each movable property with the approval of the general body.**

**09.3 by addition of a Sub section as 48(iii);**

**48(iii) The relevant procurement procedures as declared by the Registrar shall be adopted, when purchasing movable or immovable property as indicated in Sub sections (i) and (ii) above.**

10. Section 49 of the Co-operative rules is hereby amended by repeal of Sub section (xii) (a) and substitution of the following:—

- (xii) (a) **Every appeal against an award by an arbitrator(s) indicating the grounds in a document, shall be made within 30 days from date of granting such an award. And, in the case where such award has been granted against any of the parties, such party at the time of making an appeal, shall forward Rupees Fifty Thousand (Rs.50,000) and five percent (5%) of the value of the award or the lesser amount as a deposit along with the appeal. In the case that the appeal is made by a claimant party, the appeal shall accompany with Rupees Fifty Thousand (Rs.50,000) and five percent (5%) of the first claim or the lesser amount as a deposit.**