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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART IV (A) - PROVINCIAL COUNCILS

Provincial Councils Notifications

WESTERN PROVINCE PROVINCIAL COUNCIL

Co-operative Societies (Amendment) Charter No. 04 of 2011 of the Provincial Council Western Province

I, Hewa Matarage Upali Kodikara, being the Honourable Minister of Transport, Sports and Youth Affairs, Art and Cultural Affairs, Cooperative Development, Food Supply and Distribution and Rural Development of the Western Province Council hereby order that the Co-operative Societies (Amendment) Charter No. 04 of 2011 of the Western Province, Provincial Council. Which has been approved by the Western Province, Provincial Council on 10th October 2011 and authorized (as legal) by the Honourable Governor of the Western Province on 14th May 2012 should be in operation with effect from 14th May 2012.

HEWA MATARAGE UPALI KODIKARA,
Minister of Transport, Sports and Youth Affairs,
Art and Cultural Affairs, Co-operative Development,
Food Supply and Distribution, Rural Development
of the Western Province, Provincial Council.

Ministry of Transport, Sports and Youth Affairs,
Art and Cultural Affairs, Co-operative Development,
Food Supply and Distribution, Rural Development
of the Western Province, Provincial Council,
No. 204, Denzil Kobbekaduwa Mawatha,
Battaramulla.

CO-OPERATIVE SOCIETIES (AMENDMENT) STATUTE BEARING No. 04 OF 2011 OF
WESTERN PROVINCIAL COUNCIL

This is a statute for the purpose of amending the Co-operative Societies Statute bearing No. 03 of 1998 of Western Provincial Council.

Be it enacted by the Western Provincial Council of Democratic Socialist Republic of Sri Lanka as follows :

01. This statute may be cited as the Co-operative Societies (Amendment) Statute bearing No. 04 of 2011 of Western Province Provincial Council and shall come into effect on receipt of the approval of the Governor by an order published in the Government *Gazette* as from a date to be determined by the Minister.

The short title
and the effective
date.

Amendment to the Preamble of the Principal Statute.

02. In place of such words as “incomparable with the amendment acts” in the Preamble of the Co-operative Societies Statute No. 03 of the Western Provincial Council, hereinafter mentioned as “Principal Statute” the said section is hereby amended by the substitution of such words as “inconsistent with the Act”.

Amendment to the Section 02 of the Principal Statute.

03. While the following new Section is inserted immediately after the Sub-Section (4) of the Section 02 of the Principal Statute, the said Sub-Section shall take effect as the Sub-Section (5).

“(5) The Commissioner of Co-operative Development and the Registrar may confer powers on an inspector of Co-operative Societies a Co-operative Development Officer or the individuals holding posts not below the said rank for the purpose of the implementation of the provisions of this Statute.

Amendment to the Section 03 of the Principal Statute.

04. Section 03 of the Principal Statute is hereby amended as follows :

(1) While the paragraph (a) and (b) of the Section 3(1) of the Principal Statute are removed, the said paragraphs are hereby amended by the substitution of the following new paragraphs to replace them :

“(a) A Society comprising persons possessing the qualifications mentioned in the Section 04(1)(a) of this Statute and having as its objectives the maintenance of the same as an organization and an enterprise consisting of a democratic governance in keeping with the co-operative principles and moral values by improving economic, educational, social and cultural potentials of the members preserving Co-operative identity by getting organized voluntarily ; or

(b) A Union of Societies consisting only of Societies registered as its Members which were established with the objective of facilitating the functions of the Societies mentioned in the Paragraph (a) above ;

May be registered as a Society with limited liabilities.”

(2) While the following new paragraph will be inserted immediately after the paragraphs (a) and (b) of the Sub Section 3(1) of the Principal Statute, the said paragraph shall take effect as the paragraph 3(1)(c) :-

(c) If every Society mentioned under 03(1) (a) and (b) above would not prove the ability in functioning as a Co-operative Society having functioned as a former Co-operative Organizations at least for a period of six months, every such society shall not be treated as a society which may be registered under this Statute.

Amendment to the Section 04 of the Principal Statute.

05. By the substitution of the following Sub-Section in place of the Sub-Section upto the such words as “Shall not be applicable” from the such words as “Further, a school Co-operative Society” appearing immediately after the provisions of the paragraphs 04(1)(g) of the Provincial Statute, the said Sub-Section is hereby amended :-

“However, even when it is regarding a school Co-operative Society, in keeping with the objectives of the By-laws of a certain Preliminary Society expected to be established under the provisions of the Paragraphs 04(1)(a) and 04(1)(f) above, if the persons eligible for obtaining membership of the said society shall comprise the persons belonging to the age group of 36 or above, even with regard to such a Preliminary Society, the provisions of the paragraph 04(1)(f) shall not be applicable”.

06. While the Section 06 of the Principal Statute is hereby removed, by the substitution of the following section to replace the same, the said section is hereby amended :-

Amendment to the Section 06 of the Principal Statute.

“As per the provisions of the Section 05 above, if the Registrar is satisfied that a Society requesting for the registration has acted in compliance with the provisions of this statute and the Rules and the Regulations made under the same and that the activities intended to be engaged in by the said Society are economically feasible and that the proposed By-laws of this Society are not contrary to this Statute or the Rules and the Regulations made under the same and that if he considers it to be fitting, the said Society and the By-laws may be registered by him. Or else, the registration may be rejected. It is incumbent upon the Registrar to inform the Secretary of the proposed Society of the decision on registration or rejection within 45 days on receipt of the documents by him which should be submitted under the provisions of the Section 05 of this Statute. Further, the Committee of the said proposed Society shall be entitled to forward an appeal to the Minister concerned against a rejection by the Registrar of the request which has been submitted by a certain Society for the registration of the same. While such an appeal shall be forwarded within 45 days from the date of the decision of the said Registrar, the decision of the Minister concerned shall be awarded within 45 days from the date on which such an appeal was forwarded.”

07. By renumbering Sub-Section 7(1) as 7(2) and Sub-Section 7(2) as 7(1), the said Sub-Sections are hereby amended.

Amendment to the Section 07 of the Principal Statute.

When a Society registered under the Sub-Section 06, a certificate of Registration shall be issued to the said Society by the Registrar.

A certificate of registration signed by the Registrar shall be the conclusive evidence to the effect that the said society has been duly registered except for the fact that it has been proved that the registration of the Society mentioned in the said certificate has been cancelled.

08. The Section 09 of the Principal Statute is hereby amended as follows :

Amendment to the Section 09 of the Principal Statute.

(1) “Having removed the words, *Viz* from the words “a registered Society” up to the words “by an adopted proposal” in the Sub-Section 9 (1) of the Principal Statute, the said Sub-Section is hereby amended by substituting following words to replace the same :-

“With the approval of the Registrar previously obtained by each of the registered Societies and by a proposal adopted by a majority of votes of more than two thirds (2/3) of the Members or the Representatives eligible to cast their votes by attending a general meeting of each of the Societies.”

(2) While the following new paragraph is inserted immediately before the paragraph (a) and (b) of the Sub-Section 9(1) of the Principal Statute, Clauses (a) and (b) of the Principal Statute should become (b) and (c) respectively, the said paragraph shall be effective as paragraph (c) :-

“(c) However, if the Registrar is satisfied that it is unable to convene members to form a quorum of two thirds (2/3) of the Membership who are having voting rights of a Co-operative Society registered for the purpose under Sub-section 9(2) and that the business activities of the said Society are unable to be carried on by that society, the Registrar shall have the authority to grant approval for the purposes of the Sub-Section 9(1) with the consent of the majority at a routine General Meeting held in compliance with the By-laws relevant to the said Society”.

09. The Section 11 of the Principal Statute is hereby amended as follows :-

Amendment to the Section 11 of the Principal Statute.

(1) By the substitution of the such words as “an institution recognized by the Government or a Provincial Council” to replace the such words as “of the Paddy Marketing Board” in the Sub-Section (2) of the Section 11 of the Principal Statute, the said Sub-Section is hereby amended.

(2) By renumbering the Sub-Paragraphs 11(a) (I) and II(a), (II) as Sub-paragraphs II(2)(a) (I) and II(2)(a) (II) and by renumbering the paragraphs II(b), II(c), II(d) and II(c) as paragraphs II(2)(b), II(2)(c), II(2)(d) and II(2)(c) respectively, the said sub paragraphs and the said paragraph are hereby amended.

(3) Sub-Section II(a) (i) of the Principal Statute is removed and following words are substituted and for the second part of the said sub-section is amended to change as “Six Months” in place of “One Year”.

“(1). The minimum value of a Members’ share shall be Rupees One Hundred (Rs. 100). That value shall be paid of within six months in installments. The total value of Member’s share may also be paid at one and the same time.

Likewise, the above provisions shall not be an impediment for the value of a Member’s share to be prescribed by the By-laws of a certain registered Society in a value more than Rupees One Hundred (Rs. 100) “However the full privileges of full membership and rights to voting and holding office shall not be exercised by members for a period of six months from the date of commencement of the membership of the society or until the full payment of at least one share.

However under the Principal Statute and as per the clauses 4(1)(a) and 4(1)(b) and 5(1) and 5(2), said procedural requirements should not be applicable to personnel applying for registration of a new society to the registrar.

(4) the Section II, subsection (2) (a) (ii) of the Principal Statute is hereby removed, by substituting the following such-paragraphs to replace the same, the said Sub-paragraph is hereby amended :-

(a) (II) However, when it comes to a School Co-operative Society, the provisions of the paragraph (2)(a)(I) above and the Sub-Section appearing immediately after the same and when it comes to the Societies which are Member Societies, the provisions of the Sub-Section appearing immediately after the paragraph (2)(a)(I) above shall not be effective. Further, for the purpose of attending a General Meeting with a view to reactivating any registered Co-operative Society which is currently non-functional having reorganized the same, in place of the provisions of the Sub-Section appearing immediately after the Paragraph (2)(1)(I) above, the provisions of the registered by-laws of the said Society shall take effect so as to be relevant for the Members or the Representatives authorized by the By-laws of the said Society until such time a period only of one year has elapsed from the first General Meeting of reorganizing each of the Societies”.

(4) While the Paragraph (2) (b) of the Section 11 of the Principal Statute is hereby removed, the said Paragraph is hereby amended by substituting the following Paragraph to replace the same :-

“(b) When it comes to every Co-operative Society except for School Co-operative Societies, it is only after securing full membership that a member shall be entitled to vote at a meeting of that Society and to be elected to an office.

Amendment to
the Section 19 of
the Principal
Statute.

10. While the Sub-section (2) of the Section 19 of the Principal Statute is hereby removed, the said Section is hereby amended by substituting the following Sub-Section to replace the same :-

“(2) Every registered Society shall maintain a register containing following details of its members :

- (a) Membership number, name, address and occupation ;
- (b) Number of shares agreed upon to be purchased ;
- (c) Age of each member as at the date of enrolment ;

- (d) The date on which each member's name was entered in the Membership register ;
- (e) The date on which the Membership was dispossessed of and the reason for the same ;
- (f) The successor named by each of the Members and the relationship existing between them ;
- (g) Signature of each of the Members or the finger mark of left thumb ;
- (h) The N.I.C. Number and the date of issue of the same.

11. The Section 22 of the Principal statute is hereby amended as follows :

Amendment to
the Section 22 of
the Principal
Statute.

(1) By the substitution of the such words as "Every amendment shall be effective as from the date on which the same is published in the *Governemnt Gazette*" to replace the such words as "Every amendment order shall be effective as from the date on which the same is published in the *Government Gazette*" appearing in the Paragraph (a) of the Sub-Section 22(6) of the Principal Statute, the said Paragraph is hereby amended.

(2) By placing the punctuation mark immediately after the words as "a Society to Society" in the Sub-Section 22(10) of the Principal Statute, the said Sub-Section is hereby amended.

(3) By the insertion of the word "further" immediately after the such words as "a certain portion of the same shall be deducted ; "appearing in the Paragraph (II) (a) of the Section 22 of the Principal Statute, the said Paragraph is hereby amended.

(4) In place of the word "shall be" which is the last word in the Paragraph (b) of the Sub-Section 22(II) of the Principal Statute, the said Paragraph is hereby amended by substituting the word "may be".

12. By the removal of the Sub-Section (3) of the Section 23 of the Principal Statute, the said Section is hereby amended.

Amendment to
the Section 23 of
the Principal
Statute.

According to Section 22 and Section 23 (1), (2), "instances of purchasing and distribution at the discretion of the honourable minister in charge of the subject as stated in the relevant sections." Discretion of the minister should be effective for the purchases and distribution of essential goods under situation of declaration of emergency laws or similar situation in the Western Province or under such circumstances that the minister in charge of the subject decides to prevent irregularities in the market or to control trade monopoly in the market.

13. The Section 24 of the Principal Statute is hereby amended as follows :-

Amendment to
the Section 24 of
the Principal
Statute.

(1) By renumbering the Sub-Section 24(a) of the Principal Statute as Sub-Section 24(1) and also by renumbering the paragraphs 24 (1), (2), (3) as paragraphs 24(1), (a), (b) and (c) the said section is hereby amended.

(2) While the paragraph 24(1)(b) of the Principal Statute is hereby removed, the said paragraph is hereby amended by substituting the following paragraph :-

in full or a part of a certain loan granted to a present or a former Member in cash or kind shall be a first interest in cattle fodder for cattle, agricultural or industrial equipment or raw materials for production or factories stores or business places provided to him or purchased by him. However, whatever is included here, any such cultivation or another agricultural materials, cattle fodder for cattle or agricultural or industrial equipment or raw materials to be used for production purchase of which is made by a buyer or an assignee in good faith shall not be applicable to the claims of the said person without any notice being conveyed to him. Further,

(3) In place of such words as “Of Paddy Marketing Board” appearing in the Paragraph 24(1) (c) of the Principal Statute, the said Paragraph is hereby amended by substituting such words as “An Institution recognized by the Government or a Provincial Council.”

Amendment to the Section 25 of the Principal Statute.

14. (1) By numbering the Sub-Sections (a), (b), (c) of the Section 25 of the Principal Statute as Sub-Sections (1), (2), (3) respectively, the said section is hereby amended.

(2) While the following new section is inserted immediately after the Sub-Section 25(3) of the Principal Statute, the said Sub-Section shall be effective as sub-section (4) :-

Another sum of money due to be recovered to the said Society or another registered Society.

(4) Sum of money due to be recovered from a transaction between the said Society or another registered Society and the relevant member.

Amendment to the Section 27 of the Principal Statute.

15. In place of the such words as “To the said Society by a Member of a registered Society” appearing in the Sub-Section 27(2) of the Principal Statute, the said Sub-Section is hereby amended by substituting the such words as “To a deceased member by a registered Society”.

Amendment to the Section 30 of the Principal Statute.

16. In place of the such words as “There shall be evidences” which are the last words in the Section 30 of the Principal Statute, the said Section is hereby amended by substituting the such words as “Shall be evidence to”.

Amendment to the Section 31 of the Principal Statute.

17. In place of the word called “Provisions” appearing in the Sub-Section 31(2) of the Principal Statute, the said Sub-Section is hereby amended by substituting the word called “Orders”.

Amendment to the Section 33 of the Principal Statute.

18. The section 33 of the Principal Statute is hereby amended as follows :-

(1) By re-numbering the Sub-section 33(1) of the Principal Statute as 33(1), the said sub-section is hereby amended.

(2) By re-numbering the paragraph 33(II) (a) of the Principal Statute as the paragraph 33(2) (a) and by the insertion of the following new provision immediately after the provisions of the said paragraph, the said paragraph is hereby amended :-

“(a) “However, if the annual turnover of a certain registered society exceeds Rupees Ten Million, some movable properties up to the value of Rupees Five Lakhs relating to such a Society may be acquired or purchased or sold out or disposed of without the prior approval being obtained in writing from the General Council or the Registrar”.

(3) By-renumbering the paragraph 33(II) (b) of the Principal Statute as the paragraphs 33(2)(b) and by the insertion of the following new provision immediately after the provisions of the said paragraph, the said paragraph is hereby amended :-

(a) “However, certain registered Societies may acquire or dispose still assets three times per year without prior approval of the General Council or the written approval of the Registrar up to a value of one percent (01%) of the turnover of the preceding year or Rupees One Million whichever is the lower figure. Full report on each of the said transactions should be forwarded to the Commissioner within a month and to the next General Council meeting followed by the transactions.

(b) However, if the annual turnover of a certain registered Society exceeds Rupees One Million, immovable properties upto Rupees One Million relating to such a Society may be acquired or disposed of or buildings may be constructed in any manner as mentioned above without the prior approval being

obtained in writing from the General Council or the Registrar. Likewise, when lands are purchased with the objective of re-selling the same as authorized by the registered By-laws of the said society, the provisions of this Section subject to the rules and regulations applicable as per the provisions of this Statute, shall not be applicable with regard to the said purchased”.

19. Sub-Section 34(2) of the Principal Statute is hereby amended to read in place of such words as “the Government” is substituted with the words “Central Government”.

Amendment to the Section 34 of the Principal Statute.

20. While the Sub-Section 35(1) of the Principal Statute is hereby removed, the said sub-section is hereby amended by substituting the following sub-section to replace the same.

Amendment to the Section 35 of the Principal Statute.

Every Member of the said society shall be duty bound to adhere to the provisions of all By-laws which have been registered and which are deemed to have been registered by the Registrar in accordance with the provisions of this statute. In this clause member includes everyone who held membership after or prior to the registration of the society.

If each of the Members of that Society has signed the said By-laws or if a pledge, given by each of the Members to adhere to the provisions of the said By-laws, has been included in the By-laws of the said society each of the Members of that Society shall be duty - bound to adhere to the provisions of the registered By-laws of the said society as in the manner they are duty - bound.

21. While the Sub-Section 38(1) of the Principal Statute is hereby removed, the said sub-section is hereby amended by substituting the following sub-section to replace the same :-

Amendment to the Section 38 of the Principal Statute.

No loans whatsoever either in cash or kind shall be granted by a registered society to a Non-Member of that society. However, loans may be granted by a registered society to another registered society having entered into a formal agreement with the second party prepared with the prior approval of its General Council and in accordance with the conditions to be stipulated by the General Council. Or else, goods may be supplied on credit to an Associate member or a Government Department or a State affiliated Institution.

22. Section 39 of the Principal Statute is hereby amended as follows :-

Amendment to the Section 39 of the Principal Statute.

(1) While the following new sub-section is inserted having removed the sub-section 39(1) of the Principal Statute, the said sub-section shall be effective as the sub-section 39(1) :-

A registered society shall accept deposits and loans from non-members only to an extent which may be so stipulated by the rules or the By-laws and under the conditions which may be so stipulated.

(2) While the Sub-Section 39(2) of the Principal Statute is re-numbered as the Sub-Section 39(4) and while the following new Sub-Section is inserted as the Sub-Section 39(2), the said sub-Section shall be effective as the Sub-section 39(2) :-

Money provided by the Government or the Provincial Council as loans or aids may be accepted by a certain registered Co-operative Society. However, it is the responsibility of the Board of Management of that Society to utilize the loans or aid money so provided, in accordance with the conditions stipulated for the relevant purpose.

(3) After the Sub-section 39(2) of the Principal Statute, following new section is included and the said sub-section should be effective as sub-section 39(3).

Registered Co-operative Society may accept Aids, loans or grants from foreign or Non Governmental Organizations (N.G. O.) subjected to the approval of the minister in charge of the subject.

(4) By the insertion of following new section immediately after the sub-section 39(4) and the said new section shall be effective as sub-section 39(5).

Certain Co-Operative Society intend to commence business activities with a private, foreign or Non Governmental Organization shall present a full report to the General Council for approval and it shall be forwarded to the cabinet by the minister and thereafter the business agreements may be concluded.

Amendment to
the Section 41 of
the Principal
Statute.

23. By the insertion of the following new provisions immediately after the Sub-section 41(1) of the Principal Statute, the said Section is hereby amended :-

Every Preliminary Society and every Non-Preliminary Society operating with funds advanced from the Preliminary Society shall deposit their funds in a State Bank. However with the approval of the registrar funds can be deposited in a bank, Co-operative bank, or Co-operative affiliated financial institution approved by the Central Bank of Sri Lanka.

“However, every Preliminary Society functioning with the funds including a loan or an advance or an award or an amount of money granted by the Government or the Provincial Council and every Non-Preliminary Society which has obtained funds from such a society, before investing the funds in an institution other than in Central Bank, or in a Bank recognized by the Central Bank as per the provision of the Section 41(1), prior approval of the Registrar shall be obtained in writing for that purposes”.

Amendment to
the Section 44 of
the Principal
Statute.

24. The Section 44 of the Principal Statute is hereby amended as follows :

(1) By the removal of the Section up to the such words as “Shall be audited” from the such words as “A Board of Management of the Department of Co-operative functioning” in the Sub-Section 44(1) of the Principal Statute, the said Section is hereby removed.

By removal of the Section up to such words as “A Board of management of the Department of Co-operative functioning up to the words shall be Audited” and substituting the word “accounts” in place of the word “Figures”, said Sub Section 44(1) of the Principal Statute is hereby amended.

(2) By the Substitution of the such words as “Of this Statute or Regulations” to replace the such words as “In the Regulations of the statute” in the Paragraph (d) of the Sub-Section 44(2) of the Principal Statute, the said paragraph is hereby amended.

Amendment to
the Section 46 of
the Principal
Statute.

25. Section 46 of the Principal Statute is hereby amended as follows :-

(1) By the removal of the words up to such words as “Registered with the Registrar of Co-operatives” appearing in the Sub-Section 46(1) of the Principal Statute, the said Section is hereby amended by substituting the word called “Registered to replace the same.

(2) In place of the provisions up to the such words as “Shall be forwarded to the Council” from the such words as “When the votes are equally divided” in the Sub-Section 46(3) of the Principal Statute, the said Sub-Section is hereby amended by substituting the following provisions :-

“In the event of the votes being equally divided, the reasons for the taking of the vote or the proposal shall be deemed as having quashed”.

Amendment to
the Section 47 of
the Principal
Statute.

26. While the following new Sub-Section is inserted immediately after the Sub-Section 47(8) of the Principal Statute, the said Section shall be effective as sub-Section (9) ;

The provisions of the Sub-Section 46(3) of this Statute shall be applicable even in relation to a General Meeting to be convened as per the provisions of the Sub-Section 8(d) above.

27. While the Section 48 of the Principal Statute is removed, following new section is inserted to replace the same and the said section shall be effective as Section (48) :-

Amendment to the Section 48 of the Principal Statute.

(1) (a) After an inquiry under Section 46 or after an inspection or investigation under Section 47 being conducted, if it is the conclusion of the Registrar that a Committee of any registered Co-operative Society or any Members of the said Committee have not duly performed its or there duties and if there are any objections against dissolution of the said Committee or regarding removal of any Member or Members of the said Committee from the respective offices, a charge sheet shall be issued by him to the said Committee or any Member or Members of that Committee so as for the objections if any to be registered in writing. For the replies being received in response to the said charge sheets to be reviewed, the same shall be submitted to a Board of Review appointed under Sub-Section (5) of this Section. If the said Board of Review makes recommendations, after the same being considered, by a directive issued in writing by the Registrar :-

(i) Either the said Committee may be dissolved or any Members of the said Committee may be removed from their respective offices.

(ii) When measures have been taken by the Commissioner of Co-operative Development and the Registrar under Sub-paragraph (a) (I), it may be ordered by the Commissioner of Co-operative Development and the Registrar that the functions of the Society shall be managed and administered by an eligible person or the persons to be appointed as per the provisions made available hereinafter. A person or the persons to be so appointed shall compulsorily be public officers. Term of office of officers so appointed shall be limited to one year.

(iii) Or Investigation or inquiry under clause 47 shall be initiated within 18 months and action shall be taken as per sub-section 48(1)(a) and Sub-Paragraph 48(1)(a)(i).

Establishment of the Board of Review.

(b) Members and Committee Members of the Committee to be dissolved under Sub-Paragraph 48(a)(I) above, shall not be entitled to be re-elected to an office of the said society or another Co-operative Society until such time a period of seven (07) years has elapsed from the date so dissolved or removed. Or else, it shall not be lawful to be so re-elected.

(c) After an inquiry under Section 46 or after an inspection or investigation under Section 47 of this Statute being conducted, if it is the conclusion of the Registrar that a former Committee of any registered Co-operative Society or any former Member or any Members of a Committee have not duly performed their duties, charges and the replies received by him shall be forwarded to the legally constituted General Council of the said Society, if any, and if there are objections against taking of any course of action as per the provisions of this Section, after an opportunity being provided to a Member or Members of the said former Committee to express his/their objections in writing, the Registrar shall order having considered the said objections that they are ineligible to be re-elected until such time a period of seven (07) years has elapsed from the date of the said order. Any person who is subjected to such an order shall be unlawful to be elected to a Committee of any registered Co-operative Society until such time a period of seven (07) years has elapsed from the date of the said order. However a person subjected to a sentence seven years prior to the incorporation of the Statute may apply to a Board of Review for a review of his punishment.

(d) The term of office of a person or persons to be appointed under the orders given as per the Sub-paragraph (II) of the paragraph (a) shall be limited to the remaining term of office of the persons who were removed under Sub-paragraph 48 (1) (a) (I).

However, if a General Council has not been established as per the By-laws of a certain registered co-operative society, until such time a Committee is appointed having established such a General Council, the Commissioner and the Registrar shall possess the power to extend the term of office of a person or persons so appointed.

Further, if there are provisions of any By-laws causing obstructions to establish such a General Council, the Registrar shall possess the power to codify the terms to establish the General Council having exempted from the relevant provisions.

(e) On an occasion when an order is given by the Registrar under paragraph (a), while an eligible and a right person or two persons or more than that number shall be appointed to manage and administer activities of the said society by the said order itself or a subsequent order, any persons so appointed may either be removed from time to time or another person may be appointed in his place or additional persons may also be appointed.

(f) Subject to the ordinary orders and the control of the Registrar, any person or persons who were appointed under this Section for the purpose of management of the activities of a registered society.

(i) In recovering the assets of the Society and fulfilling the obligations shall have the power to take other measures which may be necessary for the benefit of the same.

(ii) While the duly established Committee of the Society shall have its all powers, rights and privileges, they may be implemented. Further, on an occasion when it is necessary to efficiently manage the activities of that society, while the powers so necessary out of the powers belonging to the General Council shall be available so as for the said General Council to be exempted, they may be implemented.

(g) Regarding any damage which had to be incurred by the Society as a result of the activities caused in contravention of the law or the By-laws of the Society by the persons appointed under this paragraph for the purpose of the management of the activities of a registered society, they shall be jointly and severally responsible.

(h) The remunerations payable to a certain person or persons, appointed by the Registrar under this paragraph for the management of the activities of a registered Society, may be prescribed by him. The said remuneration and the other expenses if any which have to be met in respect of the management of that society shall also be paid with the funds of the said society.

(i) After being appointed under this Paragraph for the purpose of the management of the activities of a Registered Society, it is his or their duty who is or are holding the office, on the day prior to the date on which the order coming under the sub-paragraph (II) of the Paragraph (a) ceases to come into operations, to make arrangements to appoint a new Committee prior to the said day as per the By-laws of the Society.

(j) If the registrar is of the opinion that an allegation has been proved against the Committee in a preliminary inspection prior to the completion of an inquiry under Section 46 or an inspection or an investigation under Section 47, he shall have the power to suspend the said Committee for a period of six months and appoint an interim body to manage and administer the activities of the society. While the said inquiry or inspection or investigation shall be completed by the registrar within a period of six months from the date on which the said Committee was suspended, a conclusion shall be arrived at regarding the dissolution of the said Committee under paragraph (a).

(2) (a) After an inquiry under Section 46 or after an inspection or investigation under Section 47 being conducted, if the Registrar is of the view that a certain officer or an employee is not duly performing his respective duty or he is ineligible to perform the respective duty or in another manner he is incapable of performing the respective duty, whatever is mentioned in this statute or the Co-operative Employees' Commission Statute bearing No. 01 of 1994 of the Provincial Council or in another Law in Contravention of the same, while the service of the said officer or the Employee may be suspended or they may be interdicted from service as the case may be by an order through a letter issued by him until such time the necessary inquiry is over, subjected to providing an opportunity to the said officer or the employee to express their protests subsequent to which the said officer or the Employee may be removed from the office.

However, an Employee who is unsatisfied with an order of removal given under this Sub-section may submit an appeal against the same to the Co-operative Employees' Commission established under the Statute bearing No. 01 of 1994 of the Provincial Council within a period of 30 days. Further, the decision of the said Commission shall be final.

(b) On an occasion when any officer or an Employee has been removed under the paragraph (a) or when the said removal order has been confirmed by the Co-operative Employees' Commission or when an appeal has not been submitted against the said order, another officer or an employee may be elected or appointed as per the provisions relating to the same.

(3) For the purpose of assuring the efficient management of the activities of a registered Society which is functioning with public funds or Provincial Council funds or for the purpose of assuring the safety of the investments made by the Government or the Provincial Council in that Society or the loans or the advances or the awards granted in cash or kind to the society, if it is the conclusion of the Registrar that it is necessary or opportune to name a certain number of persons as members to the Committee of the said registered society, for the purpose of obtaining a management report concerning the Society for the safety of said conditions, a certain number of persons may be named as Members of the Committee of the said registered society as and when it is necessary or opportune. At least two persons should be public officers from among the persons so to be named. As the case may be, a retired public servant possessing the competency in the field of Co-operative may also be named. The Chairman and the Vice Chairman of the Society may be named out of the said individuals. Accordingly as soon as the appointment of new Chairman and Vice Chairman comes in to force the ex-Chairman and Vice Chairmans' positions are abolished. But however, the number of Members so to be appointed shall be less than the half of the total number of Members of the said Committee.

(4) (a) If a request is made to the registrar, to appoint a Board of management to maintain the Management activities of a Registered Co-operative Society continuously and formally, by a proposal adopted with majority vote at a General Meeting duly held as per the provisions of the registered By-laws of the said society, the Registrar possesses the power to appoint a Board of Management comprising not more than three persons to maintain the management activities of the said society and name the Chairman and the Vice Chairman from among the said persons from the said society. At least two officers should be public servants from among the officers so to be appointed. Officers so appointed shall be limited for a period of one year.

The Registrar also possesses the power to extend the said period for a further period of not more than two (02) years at the request made at the General Meeting of the said society from time to time.

(b) due to the resignation of all or a majority of members of the Committee of a certain registered society on the disqualifications to the Committee Membership mentioned in the registered By-laws of the said society, except for the removal of all or a majority of the Committee as per the provision of the paragraph 48(1)(b) of this statute, if the Committee Meeting of the said Society cannot be held due to the loss of Membership of all or a majority of the then Committee Members, the Registrar possesses the power to order the Secretary of the said Society to take necessary measures to hold a Special General Meeting of the said Society within 30 days from the day of issuance of the said order to select the persons eligible for the vacancies of the Committee (All vacancies of the Committee for the time being). Whatever is mentioned in this Statute or another Law, such an order is lawful and effective.

If it was unable to hold a General Meeting of the said Society within 30 days from the day of issuance of such an order or if it was rejected by the General Meeting to select the persons eligible for the vacancies of the Committee (All vacancies of the Committee for the time being), the Registrar possesses the power to appoint a Board of Management comprising a number of persons not more than three (03) for the maintenance of the management activities of that society continuously and formally and to name and appoint the Chairman and the vice Chairman from among them. Whatever is mentioned in this Statute or another Law, such an appointment and an appointment to be given having named shall be lawful and effective.

Further, if there is a certain number of Committee Members holding offices of that society at the time of such an appointment being made, their offices will be abolished with the said appointment being made. The period of the said appointment and the naming shall be limited to a period of one (01) years.

(c) Members of the Board of Management to be appointed under paragraphs (a) and (b) above shall compulsorily be public servants.

(d) The Board of management to be appointed under paragraphs (a) and (b) above will have the power, to implement all powers devolved upon the General Council by the Registered By-laws of that society, so as for the said General Council to be exempted.

(e) The Registrar will have the power to prescribe the remunerations payable to the Members of the Board of Management to be appointed under paragraphs (a) and (b) above. The said remunerations and the other expenditure if any to be met on behalf of the Management of that society shall be borne with the funds of the said society.

(f) The provisions of the paragraphs 48(1)(g) and (i) of this Statute shall be applicable to the Members of the Board of Management to be appointed under Sub-Sections (a) and (b) above.

(g) On an occasion when the persons appointed are public servants, when there is an occurrence of mistakes, fraudulent activities or irregularities in the management process causing financial losses to the Society, in the activities of management of a registered society, all activities relating to them shall be dealt with in accordance with the provisions of the Establishment Code after an audit or an inquiry being held.

Establishment of
the Board of
Review.

(5) (a) A Board of Review is hereby established for the purpose of reviewing the replies to be received in response to the charge sheets which have been issued by the Commissioner of Co-operative Development and the Registrar under the paragraph 48(1)(a) of the Principal Statute.

Members of the
Board of Review.

(b) While the Members to the said Board of Review shall be appointed by the Secretary to the Ministry of Co-operatives with the advice of the Chief Secretary, said Board of Review shall comprise following persons :-

- (i) A Deputy or an Assistant Commissioner of the Department of Co-operative Development of Western Province.
- (ii) A staff officer to be nominated by the Secretary of the Co-operative, Ministry of Western Province.
- (iii) A retired Government Staff Officer possessing the proficiency in the field of Co-operatives.

Chairman of the
Board of Review.

(c) The Chairman of the Board of Review will be appointed from among the Members of the Board of Review by the Secretary to the Ministry of Co-operatives.

(d) Quorum of the Review Board shall consist of two members. Participation of the Review Board if limited to two members and a division on a decision arises, and then the full membership of the Review Board shall meet and recommend a decision by majority.

(e) While the term of office of the Members of the Board of Review is 03 years, except for the removal from the office of a Member of the Board of Management by the Secretary to the Ministry of Co-operatives, he/she shall be eligible to be re-elected as a Member.

(f) (b) Except that the relevant office has fallen vacant due to the resignation or the death or unless he is removed by the discretion of the Secretary to the Ministry, the Member appointed under the paragraph (b), the said member shall hold the office for a period of 03 years.

(g) By the insertion of following new provision immediately after the Section 48(5) (f) as (g) and the said new Section shall be effective as clause 48(5) (g). Emoluments of the Review Board shall be decided by the Secretary to the Ministry of Co-operatives and it shall be borne by the Co-operative fund.

28. By the insertion of the following new provisions appearing immediately after the section up to the such words as “may be appointed by the registrar” from the such words as “registration of a society” in the Sub-Section 49(4) of the Principal Statute, the said Sub-Section is hereby amended.

Amendment to the Section 49 of the Principal Statute.

“The person or persons so to be appointed shall be a public servant” / servants of staff grade or Secondary grade presently in service or who was/were formally in the service.”

29. By the insertion of the following new provision appearing immediately after the words as “may be appointed by the Registrar” from such words as “Section 49 or” in the Section 52 of the Principal Statute, the said section is hereby amended.

Amendment to the Section 52 of the Principal Statute.

“Person or persons so appointed shall be public servants”, besides under such appointments ; performance of the appointee shall be considered to perform duties of the liquidator which is being carried out by the public servant.

“Every person so to be appointed shall be treated as public servants”.

30. Section 53 of the Principal Statute is hereby amended as follows :

Amendment to the Section 53 of the Principal Statute.

- (1) By substituting the word called “pudgalayan” (Sinhala term for persons) to replace the word called “Padgalayan” appearing in the paragraph (1) (e) of the Section 53 of the Principal Statute, the said Paragraph is hereby amended.
- (2) By substituting the word called “Meeting” to replace the word called “Meeting” appearing in the paragraph (1) (b) of the Section 53 of the Principal Statute, the said paragraph is hereby amended.

31. Section 54 of the Principal Statute is hereby amended as follows :

Amendment to the Section 54 of the Principal Statute.

- (1) By substituting the words as “(53) (1) (d)” in place of the words as “(53) (1) (c) in the paragraph (1) of the Principal Statute, the said paragraph is hereby amended.”
- (2) While the sub-section (2) of the Section 54 of the Principal Statute is removed, the said sub-section is hereby amended by substituting following sub-section to replace the same.

While an account known as “Liquidation Account” shall be established, all monies collected by the Liquidators shall be credited to the said account. Further, the said account shall be operated by the Registrar in accordance with the rules concerned. Further, submission of annually audited accounts of the said funds to the Provincial Council is the responsibility of the Registrar.

32. In place of the words called “Surplus Funds” in the section called “the surplus so deposited may be used at the discretion of the Registrar for the purposes of this Statute “appearing in the Sub-Section 57(3) of the Principal Statute the said sub-section is hereby amended by substituting as “Surplus Account”.

Amendment to the Section 57 of the Principal Statute.

33. Section 58 of the Principal Statute is hereby amended as follows :

Amendment to the Section 58 of the Principal Statute.

- (1) “Between Members, former members and members, former members and persons claiming to rights of the deceased members or between present or past officers or workers of the Society or between deceased officers or workers or between heirs of deceased officers or workers or their legitimate representatives”.

- (2) By the substitution of the word called “Society” in place of the word called “of the Society” appearing in the paragraph (1) (d) of the Section 58 of the Principal Statute, the said paragraph is hereby amended.
- (3) By the insertion of the word called “Adjudicator” immediately after the word called “Arbitrator” and by the insertion of the word called “Adjudicators” immediately after the word called “Arbitrators” appearing in the paragraph 58(2) (b) of the Principal Statute, the said paragraph is hereby amended.
- (4) By the substitution of the following new provisions immediately after the paragraph (2) (b) of the Section 58 of the Principal Statute, the said paragraph is hereby amended :

“Person or persons so appointed shall be public servants”.

- (5) (i) By the insertion of the word called “Adjudicator” immediately after the word called “Arbitrator” and by the insertion of the word called “Adjudicators” immediately after the word called “Arbitrators” appearing in the Sub-Section 58(3) of the Principal Statute, the said Sub-Section is hereby amended.
- (ii) By removing the words called (except weekends and public holidays) together with the said brackets appearing in the Sub-Section 58(3) of the Principal Statute, the said Section is hereby amended.
- (iii) By the substitution of the word “Dena” in place of the word “dela” appearing between the words “further, if the judgment and were awarded to some party” and by the substitution of the word “requested” in place of the word “requesting” appearing in the Sub-Section 58(3) of the Principal Statute, the said Sub-Section is hereby amended.
- (6) By the insertion of the word called “Adjudicator” immediately after the word called “Arbitrator” and by the insertion of the word called “Adjudicators” immediately after the word called “Arbitrators” in the Sub-Section 58(6) of the Principal Statute, the said Sub-Section is hereby amended.

Amendment to the Section 59 of the Principal Statute.

34. By the insertion of the word called “Adjudicator” immediately after the word called “Arbitrator” appearing in the Sub-section 59(1) of the Principal Statute, the said sub section is hereby amended.

Amendment to the Section 60 of the Principal Statute.

35. While the following new Sub-Section inserted as the Sub-Section 60(3) (a), 60 (03) (b) and 60(04) of the Principal Statute, the said Sub-Section shall be effective as Sub-Section 60(3) :-

- “(a) Every registered society shall hold elections to elect committee members prior to the expiry of three years. However due to some special reasons, if the society is unable to hold elections within three years. Commissioner has powers to extend the term of office only for a period of 03 months. Commissioner shall appoint a Management Board consisting of three members, if the elections cannot be held during the period of three months. Officers so appointed shall be public servants and their term of office shall be limited to one year.
- (b) If there are provisions of any By-laws causing obstructions for the establishment of a registered society, the Registrar shall have the power to issue orders necessary to establish the General Council having exempted from the relevant provisions.
- (c) Further, if necessary ; a General Council shall be established within a specified period determined by the Registrar by taking action under the sub-clause (3) of the above Principal Section.

36. By removing the Section 61 of the Principal Statute, while the following new Section is inserted to replace the same, the said Section shall be effective as Section 61 :-

Amendment to the Section 61 of the Principal Statute.

- (1) All rules which may be necessary for the purpose of implementing and empowering the policies and the provisions of this Statute may be codified by the Minister-in-charge of the subject of Co-operatives of the Provincial Council.
- (2) Out of the said rules, in particular and generally causing no harm to the powers vested by the Sub-Section (1) :-
 - (a) The conditions which shall be followed in applying for the registration of a society and also the procedure to adhere to in the submission of the said application may be stipulated ;
 - (b) While the conditions which shall be followed by the persons applying for enrolment as Members or the persons who were enrolled as Members may be stipulated, provisions may be made available regarding election of Members and enrolment of the Members from time to time and payments to be made before making use of the rights of Membership and the connections which shall be obtained and also for the imposition of fines on Members for violation of By-laws ;
 - (c) Provisions may be made available for the resignation and the removal of Members or for the payments to be made to the Members who resign or the Members who are removed and also for the responsibilities of the former Members ;
 - (d) The number of the Membership of a registered Society on which a limit can be imposed by the said Society may also be stipulated ;
 - (e) Provisions may also be made available as to how the value of the connection of a deceased Member shall be determined and to nominate a person whom the value of the connection may be paid or transferred ;
 - (f) Maximum number of shares of the capital of a registered society or the dividend which may be possessed by a Member under the provisions of the Section 11 may be stipulated ;
 - (g) Payments to be made by the Members applying for loans or monetary credits, conditions to be followed and form of lawful documents or other documents of the bonds which shall be signed, periods of loans or credits grantable, maximum amount of money to be imposed upon individual Members and the maximum amount of credits to be granted to them may be stipulated ;
 - (h) If it is subject to any conditions that dividends can be distributed among the Members of a registered society, the said conditions and the maximum amount relating to the dividends which may be paid by the Societies may be stipulated ;
 - (i) The manner as to how funds may be obtained by shares or credit notes or in another manner and the rate of interest payable regarding deposits may be streamlined ;
 - (j) Provisions may be made available for the Members' General Meeting regarding procedures of the said meetings, regarding procedures of the said meetings and the powers to be used during meeting ;

- (k) Stipulation of disqualifications to be elected as a member of a registered society, as a Member of the Management Committee or a regional or an outlet Committee ;
- (l) Provisions may also be made available regarding appointment of members of Committees and other officers, suspensions of their service and removing them from the service, for the procedures of the Committee Meetings and for the powers to be made use of by the other officers and the duties to be performed ;
- (m) Matters on behalf of which By-laws may be or should be made by a Society and the procedure to be followed in making, changing and revoking By-laws and the conditions to be fulfilled prior to enforcing, changing or revoking By-laws may be stipulated ;
- (n) It may be stipulated to publish from time to time a balance sheet indicating accounts and books to be kept by a society which can be registered and assets and liabilities of a registered society ;
- (o) Provisions may be made available for the audit of accounts of the registered Societies and to pay the fees if any which should be paid for the said audit and provisions may also be made available for auditing of the existing societies, administration of the same and assisting them and provisions may also be made available for the purpose of charging contribution money from all registered societies to a fund known as co-operative fund for the purpose of utilizing the same for co-operative propaganda activities, co-operative education and training and provisions may also be made available for the administrations of the said fund ;
- (p) The periodic reports which should be submitted to the Registrar by the registered societies and by whom and the manner in which the said periodic reports should be submitted may also be stipulated ;
- (q) Provisions may be made available as to who may certify the copies of the notes entered in the books belonging to the registered societies and as to the manner in which the same can be done ;
- (r) Provisions may be made available to maintain a register of names of the members and if the liabilities of the members are limited by the shares, a shares register may be maintained ;
- (s) Having established a Reserve Fund, provisions may be made available for the maintenance of the same and the objectives for which the same can be utilized and for investment of any fund coming under the control of a registered society ;
- (t) The manner as to how a solution is given to any problem regarding a violation of any By-laws relating to the sale of goods to a society or through a society and as to how the damage to be caused as a result of the said violation is determined or assessed may be stipulated ;
- (u) Rules may be codified regarding the Board of Review to be established under Sub-Section 48 (5) ;
- (v) The methods of appointing an Arbitrator or Arbitrators and the procedure which should be followed in the investigations to be conducted before the registrar or the said Arbitrator or the Arbitrators and as to how the decision of the Registrar or the decisions of the Arbitrators shall be brought into effect, may be stipulated ;

- (w) The conditions, which should be followed by a registered society applying for financial assistance from the Central Government or the Provincial Council, may be stipulated ;
- (x) The facts, that it should be able to submit an appeal to the Minister against the orders issued by the Registrar and that no provisions have been expressly made available under this Statute, may be determined ;
- (y) The procedure, which should be followed by a liquidator appointed under Section 52 and the instances where it is able to submit appeals against the said Arbitrator, may be stipulated ;
- (z) Making available the provisions for the establishment of such accounts as Liquidation Account mentioned in the Sub-Section 54(2) and Surplus Account mentioned in the Sub-Section 57 (3) and maintenance of the same and to determine as to how the monies in the said Accounts are spent and the functions of the said Accounts ;
- (y) Submission and hearing of appeals under this Statute or under the rules made under the Statute and the forms which should be used to do the needful in regard to the same, charges payable, procedure to be followed and all other matter related or consequential thereto, may be stipulated ;
- (z) Provisions may also be made available so as for the Registrar to be vested with powers to conduct an ordinary inspection and/or a sudden inspection for the administration of the registered Co-operative Societies or to get executed the same from a person authorized by him.
 - (i) Except only if it is approved by the Provincial Council, no rule shall take effect. The notice with regard to the said approval and rules shall be published in the *Gazette*.
 - (ii) After the *Gazette* notification being published by the Sub-Section (3) in the Government *Gazette*, every rule shall be valid as if the same has been enforced here and shall be effective.

37. By the substitution of the word called “Aikkiya” (අයිකියා) in place of the word called “Aikikiya” (අයිකිකියා) in the Sub-Section 65(1) of the Principal Statute, the said Section is hereby amended.

Amendment to the Section 65 of the Principal Statute.

38. By insertion of the words “Another Act or Statute” substituting the words “Another Act”, in the Sub-Clause 66(1) of the Principal Statute is hereby amended.

39. By the insertion of the following new provision immediately after the Sub-Section 67(1) of the Principal Statute, the said Section is hereby amended :

Amendment to the Section 67 of the Principal Statute.

“However, when it comes to school Co-operative Societies, the provisions in the Sub-Section (1) above shall not be applicable”.

40. While the Sub-Section 72(2) of the Principal Statute is hereby removed, the said Section is hereby amended by substituting following Sub-Section to replace the same :-

Amendment to the Section 72 of the Principal Statute.

(2) The Co-operative Society rules, which were in force at the time when this statute came into effect which were made under the Co-operative Society Act bearing No. 05 of 1972 or under any Statute revoked by the said Act which reads with the Co-operative Society (Amendment) Act bearing No. 11 of 1992 and No. 32 of 1983 which were in force when this Statute came into effect, the said rules shall take effect continuously until such time the provisions of the said rules are enforced having newly codified the rules under the Section 61 of this Statute.

“(4) (a) Every registered Society.

- (i) By a registered Society or on behalf or, in relation to any legal document written and signed to the advantage of such a society, certain legal document rendered before a court of law under the provisions of section 59, if not exempted by this sub-section, of instances where the fees have been subjected to be paid by the said society for the relevant legal document or another document where stamp fees are subjected to be levied under a written law and ;
- (ii) Shall be free from any charges applicable to document registration fees, by the currently effective laws.

(b) With respect to a Legal document written and signed by a Member of a registered society to the advantage of the said registered society or business affairs of the said society, if not exempted by this sub-clause, on instances where the member may be subjected to pay fees, every member shall be free from paying any stamp duty levied under any written law in relation to the said legal document.

Amendment to the Section 74 of the Principal Statute.

41. By the substitution of the such words as “another person on whom the power was duly devolved on behalf of the same” to replace the such words as “another person who was duly devolved on behalf of the same” appearing in the Sub-Section 74(1) of the Principal Statute, the said Sub-Section is hereby amended.

Amendment to the Section 76 of the Principal Statute.

42. While the Sub-Section (i), (ii) and (iii) of the Section 76 of the Principal Statute is hereby removed, by the substitution of the following new sections to replace the same and by re-numbering the said new sections as Sub-Sections 76(1), (2) and (3) respectively, the said Section is hereby amended.

(01) (a) The Registrar or a person authorized by the Registrar in writing for that purpose by an ordinary or special order, will be empowered to summon a special General Meeting of every Co-operative Society or a Special Meeting of any outlet General Council of such a society at a time and venue on any occasion as is prescribed by him. For the purpose of the proceedings of the General Council at such a meeting to be conducted, the quorum shall not be less than ten percent of the Member / Representatives authorized to attend each of the General Meetings as per the registered By-laws of the Society concerned. Further, such a General Meeting or a General Meeting of an outlet Society is entitled to all powers specifically vested in each of the General meetings by the registered By-Laws of the said society.

(b) The Registrar or a person authorized by the Registrar in writing for that purpose by an ordinary or special order, will be empowered to summon a Special General Meeting of every outlet of such a society at a time and a venue on any occasion as is prescribed by him. The quorum of a Special Committee Meeting mentioned above shall not be less than twenty percent (20%) of the number of Members authorized by the registered By-Laws of the said Society to attend a Committee Meeting or a Committee Meeting of an outlet. The said Special Committee Meeting or the Special Committee of an outlet is entitled to all powers specifically vested in each of the Committees by the registered By-Laws of the Society.

(c) When a Special General Meeting is summoned under Sub-Section (1) above or a Special Committee Meeting is summoned under Sub-Section (2) above by the Registrar or a person authorized by him, the Registrar or the person so authorized will be empowered to order that the books and the documents of the said society which are perceived by him as necessary to do so. It is the duty of the person/persons to whom such order is referred to act in conformity with every such order.

The Registrar or the person authorized by the Registrar may take the chair at every meeting so summoned under sub-sections (1) and (2) above. They shall not be entitled to ordinary voting right relating to decide on the matters mentioned in the agenda of the said Meeting.

(2) By re-numbering the Sub-section 76 (iv) of the Principal Statute as the Sub-Section 76 (4), the said Section is hereby amended.

43. The Section 77 of the Principal Statute is amended as follows :-

Amendment to
the Section 77 of
the Principal
Statute.

While the interpretations cited as “Preliminary Society”, “Minister” and “Public Funds” appearing in the Section 77 of the Principal Statute are amended as follows, by the insertion of the such new interpretations as “Provincial Council”, “Statute”, “Associate Member” and “Deputy, Senior Assistant or Assistant Registrar”, the said Section is hereby amended.

“Preliminary Society” means a registered society which is not a society (comprising registered society members) and established with a certain objective or for some purpose mentioned in the paragraph (b) of the Sub-section 3(1).

“Member” means the individual who has been appointed in due time to act as the Minister in-charge of the subject of Co-operative Development of Western Provincial Council.

While “Public Funds” means loans, advances and awards granted or to be granted by the Government or the Provincial Council in cash or kind, the same also means some loan, an award and an advance granted or to be granted to a registered society by the Registrar with the Co-operative Funds which is established or considered as having established under Co-operative Society rules as per the provisions of the section 42 of this statute or under the surplus fund which is established under sections 54 and 57 of this statute.

“Provincial Council” means the Western Province Provincial Council.

“Statute” means the Co-operative Society Statute bearing No. 03 of 1998 of Western Provincial Council.

“Associate Member” means a customer who is not possessing voting right and shares.

A Deputy, a Senior Assistant or and an Assistant Registrar means a Deputy Commissioner, A Senior Assistant Commissioner and an Assistant Commissioner.

“Establishment Code” means the volumes first and second of the Establishment Code issued by the Secretary to the Ministry of Public Administration.

44. While the Section 78 of the Principal Statute is hereby removed, the said Section is hardly amended by substituting the following section to replace the same.

Amendment to
the Section 78 of
the Principal
Statute.

If there is any inconsistency between the versions of Sinhala, Tamil and English, the Sinhala version shall prevail.

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