



THE COOPERATIVE SOCIETIES (AMENDMENT) ACT, 1998

ARRANGEMENT OF SECTIONS

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ACT NO. 3 OF 1998

I ASSENT

Salmin Amour

**SALMIN AMOUR
PRESIDENT OF ZANZIBAR
AND
CHAIRMAN OF THE REVOLUTIONARY COUNCIL**

28th April, 1998

**AN ACT TO AMEND THE COOPERATIVE SOCIETIES
ACT, 1986**

ENACTED by the House of Representatives of Zanzibar.

Short title
and
commencement

1. This Act may be cited as the Cooperative Societies (Amendment) Act, 1998 and shall be read as one with the Cooperative societies Act, No. 4 of 1986 hereinafter referred to as the "principal Act".

Amendment
of section 2.

2. Section 2 of the principal Act is hereby amended by -

(a) repealing the definition of "Apex organization" and substituting for it the following;

"Apex organization" means the Co-operative Union of Zanzibar (CUZA) the membership of which is open to both primary and secondary Societies operating in Zanzibar.

(b) repealing the definition of the word "branch" and substituting for it the word "shehia" as follows:

"Shehia" means every area of jurisdiction established in accordance with the Acts relating to the Local Governments;



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(c) adding the following new definitions:-

"bonus" means such portion of the annual net balance as may be distributed to members in consideration and on the basis of their patronage of the society's business or their participation in such business;

"By law" means the by-laws made by the co-operative societies in the exercise of the powers conferred by this Act;

"Committee" means the governing body of a registered society to whom the management of its affairs is entrusted;

"economic viability" means the ability of society to conduct its business affairs as provided in the rules;

"Federation" means an association formed by Apex societies;

"Member" includes a person or a registered society joining in the application for the registration of a society;

Amendment of section 3. 3. Section 3 of the principal Act is hereby amended by:-

(a) deleting the word "socialist" appearing in the fifty line of that section;

(b) deleting the whole of paragraph (a) and substituting for the following:

"(a) to accelerate the building of economic development both in rural and urban areas;"

(c) deleting the word "political" appearing in paragraph (c) of that



section and substituting for it the word "economic".

Amendment of section 5. 4. Section 5 of the principal Act is hereby amended in subsection (1)-

(a) by deleting the whole paragraph (a) and substituting for the following:

(a) to register, promote, inspect, audit, extend technical advice and economic business consultancy to registered cooperative societies and help in conflict resolutions in accordance with the provisions of this Act;"

(b) by adding new paragraph (f) immediately after paragraph (e) as follows:

"(f) to promote and facilitate education and training to members and staff of cooperative societies."

Amendment of section 7. 5. Section 7 of the principal Act is hereby amended:-

(a) in subsection (1) by deleting that subsection and substituting for the following:

"(1) A primary society may be formed within an area where it is economically viable."

(b) by deleting subsections (2) and (3) and substituting for the following subsection:-

"(2) Subject to this Act five persons may form any primary society."

(c) by renumbering subsection (4) as subsection (3).



- Amendment of section 8. 6. Section 8 of the principal Act is hereby amended -
- (a) by renumbering the section as subsection (1);
 - (b) by adding the following new subsection (2)
" (2) The apex organization may affiliate with any other cooperative institution outside Zanzibar."
- Amendment of section 9. 7. Section 9 of the principal Act is hereby amended in subsection (2) -
- (a) by deleting the words "agricultural or natural" appearing in paragraph (a) and the word "agricultural" appearing in paragraphs (b) and (c) and substituting for them the word "various";
 - (b) by deleting the whole of paragraph (g) and substituting for the following:
" (g) to manage, supervise and coordinate the activities of member societies"
- Amendment of section 12. 8. Section 12 of the principal Act is hereby amended by deleting the word "rural" appearing in that section.
- Amendment of section 13. 9. Section 13 of the principal Act is hereby amended in subsection (1) -
- (a) by deleting the word "branch" and substituting for it the word "shehia";
 - (b) by deleting the whole of subsection (2) thereof;
 - (c) by deleting subsection (1).



Amendment of
section 14.

10. Section 14 of the principal Act is hereby amended -

- (a) by deleting the word "branch" and substituting for it the word "shehia";
- (b) by renumbering the section as subsection (1);
- (c) by adding the following new subsections;
 - (2) The control of the affairs of a registered society shall be vested in the general meeting summoned in accordance with the rules of the society.
 - (3) The general meeting shall have the following functions:-
 - (a) to elect, suspend or remove from the post any member of the committee;
 - (b) to approve the admission of new members;
 - (c) to consider and adopt the financial reports and annual estimates;
 - (d) to dispose any sum available for distribution.
 - (4) Every society shall hold a general meeting at least once a year and the quorum of this meeting shall be half the number of members of the general meeting.
 - (5) The Registrar or any other person authorised by him may convene a special general meeting of the society in such a manner and at such a time and place as he may direct.
 - (6) The meeting mentioned in subsection (5) shall have the same powers as the meeting called in accordance with the rules of the society.



(7) A special meeting shall be held by a society where at least one-third of the members signify in writing their intention to hold such meeting.

(8) In the event such special meeting fails to be held according to the procedure laid down in the rules of the society, an appeal to hold such a meeting shall be lodged to the Minister.

Amendment of section 15.

11. Section 15 of the principal Act is hereby amended by adding the following new subsection (4) -

"(4) The Committee shall hold office for a period of not more than five years but shall be eligible for re-election for another one period."

Amendment of section 16.

12. Section 16 of the principal Act is hereby repealed.

Amendment of section 17.

13. Section 17 of the principal Act is hereby amended by deleting the whole section and substituting for the following:

"Duties of the Cooperative Management Committee."

17. (1) The Cooperative Management Committee shall be the managing and the executive agency of the cooperative society, and shall coordinate all the cooperative economic activities within the cooperative or cooperatives as the case may be and in particular it may-

- (a) deal with the economical affairs of the cooperative society in accordance with the approved plans for its work;
- (b) take measures that are necessary to increase production, increase labour productivity, reduce the cost of production, and to improve the quality of production;



- (c) draw up the economical and financial plans of the cooperative society as well as plans for distribution of income and submit such plans for approval to the general meeting;
- (d) run the office of the cooperative society and keep all records and accounts of the cooperative society;
- (e) at appropriate intervals, as may be prescribed by the general meeting, submit at the ordinary meetings of the cooperative society reports on the current economic, organisational and financial state of cooperative society and on its economic activities;
- (f) exercise all powers necessary to ensure the full and proper administration of the society subject to the by-laws or rules of the society and any resolution passed at the general meeting;
- (g) do any other thing which in the opinion of the cooperative management committee is necessary for the efficient functioning of the cooperative society.

(2) If the Registrar is of the opinion that the committee of a registered cooperative is not performing its duties properly he shall cause to be held special general meeting by notice in writing and advise it as appropriate, if the special general meeting resolve to suspend the management committee, it shall elect a caretaker committee to administer the affairs of the society.

(3) It shall be the duty of the caretaker committee elected under this section to manage the affairs of a registered society and to comply with the direction which the special general meeting may give.



(4) No order under this section shall be made by the Registrar in respect of the registered society if the society is indebted to any Bank except with prior notification with the Bank in regard to the dissolution of the committee.

(5) The Committee shall, without delay, comply with any direction contained in an inspection report of the Registrar or in an audit report.

Amendment of section 18.

14. Section 18 of the principal Act is hereby amended by deleting the whole section and substituting it the following:

"The functions of a primary cooperative society. 18. The basic functions of a primary cooperative society shall be:="

- (a) to prepare the economic plan of the society;
- (b) to purchase, preserve and distribute inputs and other resources for use in the economic activities of the society;
- (c) to coordinate all the economic activities of the society;
- (d) to arrange and provide education for members, committee members and staff.

Repeal of section 19.

15. Section 19 of the principal Act is hereby repealed.

Amendment of section 29.

16. Section 29 of the principal Act is hereby amended by adding new subsections immediately after subsection (4) as follows:

"(5) Any registered society may, subject to the provision of this section, amend its by-laws and no amendment of the by laws shall be valid until such



amendment has been registered by the Registrar if he is satisfied that such amendment is not contrary to this Act.

(6) All by-law of a registered society shall, upon registration be binding upon the society and members thereof.

(7) Any dispute arising out of the interpretation of a by-law of a registered society shall be referred to the Registrar.

Amendment of section 30.

17. Section 30 of the principal Act is hereby amended by adding a new subsection (2) as follows:

"(2) Notwithstanding anything in any other written law the Registrar may, if he considers it necessary to do so require any Bank:-

- (a) to furnish any information regarding the transaction of any registered society with the Bank;
- (b) to produce a copy showing the accounts of the society with the bank from the ledger kept by the Bank;
- (c) to produce any cheque paid to the accounts of the society or endorsed by the society.

Amendment of section 38.

18. Section 38 of the principal Act is hereby amended by deleting the phrase "..... and after due consultation with the Secretary General of the apex organization" appearing in the last 2 lines of that section.

Addition of a new section 45A.

19. The principal Act is hereby amended by a new section as follows:



"Establishment of central Cooperative Fund. 45A(1) There shall be a Central Cooperative Fund (hereinafter referred to as the Fund) which shall be administered in such manner as the Minister may prescribe.

(2) The Fund shall be used in furtherance of cooperative education, training and research, audit and for the general development of the Cooperative Societies in Zanzibar.

(3) Every secondary and apex societies shall contribute to the Fund a fixed amount to be determined by the general meeting of societies in consultation with the Registrar."

Amendment of section 46.

20. Section 46 of the principal Act is hereby amended in subsection (2) by deleting the words "ten thousand shillings" appearing in that section and substituting for the words "fifty thousand shillings".

Amendment of section 47.

21. Section 47 of the principal Act is hereby amended in subsection (2) by deleting the words "three thousand shillings" and "ten thousand shillings" and substituting for them the words "thirty thousand shillings" and "hundred thousand shillings" respectively.

1998. Passed in the House on the 10th day of February,

Khande

KHAMIS JUMA CHANDE
CLERK OF THE HOUSE OF
REPRESENTATIVES OF ZANZIBAR