

AN ACT TO REPEAL THE CO-OPERATIVE SOCIETY
DECREE AND TO PROVIDE FOR BETTER PROVISIONS
FOR THE ESTABLISHMENT OF CO-OPERATIVE SOCIETIES
AND TO PROVIDE FOR OTHER MATTERS CONNECTED
THEREWITH.

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I ASSENT,

Idris Abdul Wakil

IDRIS ABDUL WAKIL
PRESIDENT OF ZANZIBAR
AND

CHAIRMAN OF THE REVOLUTIONARY
COUNCIL.

.....*21st May*.....1986.

AN ACT TO REPEAL THE CO-OPERATIVE SOCIETY DECREE
AND TO PROVIDE FOR BETTER PROVISIONS FOR THE
ESTABLISHMENT OF CO-OPERATIVE SOCIETIES AND TO
PROVIDE FOR OTHER MATTERS CONNECTED THEREWITH.

ENACTED by the House of Representatives of
Zanzibar.

Short title
and
commencement.

1. This Act may be cited as the Co-operative
Societies Act, 1986 and shall come into operation
on such date as the Minister may by notice in the
Gazette appoint.

Interpretation.

2. In this Act, unless the context otherwise
requires :-

"apex organization" means Washirika, the
membership of which is restricted to secondary
societies and which is established to
facilitate the operations of all primary and
secondary societies within Tanzania;

"agricultural inputs" means supplies needed for
agricultural production and includes
building materials, fertiliser, dip,
veterinary preparations, seed, animal feeding
stuffs, breeding stock, draft animals,
planting material, farm implements land tools,
fencing materials, petroleum products, and
other supplies and equipments normally used
in agricultural production;

"agricultural produce" means the produce of farms, gardens orchards and forests, poultry, beekeeping and other animal products, and includes all dairy produce and all the products of fish and fishing;

"branch" means a branch of Chama cha Mapinduzi and established in accordance with Party Constitution;

"co-operative society" means an association of persons who have voluntarily joined together for the purpose of achieving a common need through the formation of democratically controlled organization and who make equitable contributions to capital, if any, required for the formation of such an organization and who accept the risks and the benefits of the undertaking in which they actively participate;

"dividend" means the sum paid on the share capital invested in a society;

"Industrial society" means a registered society whose principal objectives is manufacturing or making or servicing or assembling of industrial goods and whose members are respectively manufacturers, craftsmen, artisans, industrial workers and apprentices;

"Joint enterprises" means an association of one or more societies which join together for a purpose of operating an economic enterprise;

"Minister" means the Minister for the time being responsible for matters relating to co-operative societies;

"primary society" means a registered society all whose members are individual persons or an association of such individual persons and any co-operative body other than a body registered under the Companies Decree and includes a joint enterprise where all its members are primary societies;

"registered society" means a co-operative society registered or deemed to have been registered under this Act;

"Registrar" means the Registrar of co-operative societies appointed under section 4 of this Act;

"secondary society" means a registered society whose membership is open only to primary societies which are its members.

Objects of co-operative societies.

3. A Co-operative society is an association of persons who have joined together with an object of promoting the economic and social welfare of its members. The society shall be operated democratically on the basis of the principles, methods and procedures of co-operation. It shall thus strive in accordance with its democratic, socialist and co-operative outlook -

- (a) to accelerate the building of socialism by bringing about socialist development both in rural and urban areas;
- (b) to foster the development of co-operative farming in rural areas as a means of modernising and developing agriculture and of eliminating exploitation in the rural areas;
- (c) to satisfy the cultural needs of its members, as well as to increase their social and political awareness;
- (d) to improve the material living condition of its members;
- (e) to promote co-operative education among its members.

President to appoint Registrar and Assistant Registrars.

4.(1) The President shall appoint a public officer to be Registrar of Co-operative Societies and a Deputy Registrar, and the Minister shall appoint such number of Assistant Registrars as may be required to assist the Registrar in carrying out the purposes of this Act.

(2) The Deputy Registrar and the Assistant Registrars shall act under the direction of the Registrar and may exercise any of the functions of the Registrar.

(3) The Registrar shall have a seal of such device as may be approved by the Minister.

Functions
of a
Registrar.

5.(1) The functions of Registrar shall be -

- (a) to register and to exercise control over Co-operative societies in accordance with the provisions of this Act;
- (b) to advise the Minister on any matter relating to co-operative societies, and in particular in respect of any assistance, financial or otherwise, which may be required by co-operative societies;
- (c) to encourage the establishment of co-operative societies in all sectors of the economy and to assist co-operative societies to increase their efficiency;
- (d) to provide services designed to assist in the formation, organisation and operation of societies and to give advice on co-operative management to all kinds of societies registered under this Act;
- (e) to perform such other functions in relation to the development and well being of co-operative societies such as he may, from time to time be directed by the Minister.

(2) The Registrar may gradually delegate his duties of promoting and of giving advice to co-operative societies to the apex organisation as soon as such an apex organisation is registered and employs competent staff to take over these duties, and the Minister is satisfied that the organisation can undertake those duties.

Structure
of the co-
operative
movement

6. The structure of the co-operative movement shall be a three tier system comprising of -
(a) the primary society;
(b) the secondary society; and
(c) the apex organization.

Formation
of
society.

7.(1) A primary society may be formed within a branch or in a constituency and where it is economically viable, it may be formed in the area.

(2) Subject to this Act, ten or more persons may form a producer primary society.

(3) Subject to this Act twenty five or more people may form a consumer primary society.

(4) A co-operative union may be formed for a region, and where it is economically viable, it may, with the approval of the Minister, be formed for a district or districts.

Societies
may
affiliate.

8. Primary societies may form secondary societies, and secondary societies may form an apex organization.

Objects and
functions
of secondary
societies.

9.(1) The objects of secondary societies shall be to facilitate the operation of primary societies which are its members.

(2) Without prejudice to the generality of subsection (1), secondary societies may perform the following functions :-

- (a) to collect, from primary societies to process, and to deliver for marketing agricultural or natural products;
- (b) to procure and distribute agricultural inputs required by its member primary societies;
- (c) to provide finance for the purchase of agricultural products from its member primary societies;
- (d) to establish, operate and maintain large scale farms for agricultural production;

- (e) to establish and operate a co-operative savings and credit service for member societies;
- (f) to provide management and other services required by building construction or housing societies ;
- (g) to manage, to supervise and to co-ordinate the activities of other societies providing special production services to agriculturists;
- (h) to acquire, maintain and operate building and equipment for the assembling, warehousing, and transporting of agricultural products belonging to member primary co-operative societies;
- (i) to operate services for the transportation of agricultural products and other commodities;
- (j) to provide accounting and audit services to member societies.

(3) Subject to the provisions of subsection (2) and any other written law, secondary societies may purchase, procure and distribute consumer goods for sale at wholesale to its member societies.

Objects of
the apex
organization.

10.(1) The apex organization, when formed and registered, shall provide, organize and supervise effective centralized services for the member societies and for co-operative education and training and such other services as may be necessary or expedient for its members.

(2) Without prejudice to the generality of subsection (1), the apex organization may perform any of the following functions :-

- (a) to co-ordinate the economic plans of the member societies and to forward them to the Minister for the incorporation in the national plan;
- (b) to render services designed to ensure efficiency and uniformity in the conduct

- of the business of its member societies, standardising their book-keeping, accounting and other procedures, and providing audit services to those societies;
- (c) to formulate, maintain and regulate the terms and conditions of service of persons employed in the apex organisation, secondary societies and such other registered societies^{as} the Minister may, by notice in the Gazette direct;
 - (d) to carry on, to encourage and assist educational and advisory work relating to co-operative enterprise, and without limiting the generality of the foregoing, to advise the government on co-operative education and operating methods and for that purpose may prepare and provide correspondence courses regarding co-operative principles and operating methods and may disseminate information on co-operative principles and practices;
 - (e) to reduce operating costs by arranging for group bonding of co-operative society employees, and by making bulk purchasing of book-keeping, stationary and other supplies for sale to its members;
 - (f) to print, publish and circulate any newspaper or other publication designed to foster or increase interest in co-operative enterprises, principles and practices;
 - (g) to represent its member societies in collective bargaining;
 - (h) to represent its member societies in international conferences;
 - (i) to provide consultative services to member societies;
 - (j) to do any other thing which in its opinion is connected with or is ancillary to the above anumerated objects.

Society
which may
be
registered.

11.(1) Subject to the provisions of this Act, any society having its objects in the promotion of economy in the area and the achievement of socialism and self-reliance may on application to the Registrar be registered as a co-operative society.

(2) Without prejudice to the generality of the provisions of subsection (1) of this section, the Registrar may register the following co-operative societies either in the rural or urban areas :-

- (a) Producer Co-operative Society;
- (b) Consumer Co-operative Society;
- (c) Housing Co-operative Society;
- (d) Fisheries Co-operative Society;
- (e) Building Construction Co-operative Society;
- (f) Multipurpose Co-operative Society;
- (g) Saving and Credit Co-operative Society;
- (h) Industrial Co-operative Society.

Rural Co-
operative
society as
a multipur-
pose co-
operative
society.

12. Every rural co-operative society may be a multipurpose society and may be registered to undertake and carry on all kinds of business operations.

One or more
societies may
be formed
within a
branch or
constituency.

13.(1) There may be more than one primary co-operative society within a branch or constituency.

(2) Notwithstanding the provisions of subsection (1) persons who are residents in a particular branch or constituency and who possess a special skill relevant to a trade, may organize themselves into a co-operative group for the purpose of pursuing that trade, but that co-operative group shall operate as a specialized line of production, and shall perform its functions as a specialized branch of the rural co-operative society and shall be under the general guidance of the co-operative development committee.

Membership
of a rural
co-operative
society.

14. Every person who -
- (a) has attained the age of eighteen years;
 - (b) is a resident of that branch or constituency, in occupation of land or is following a trade such as provided under subsection (2) of section 13 or is following an occupation relevant to the rural society's objects within its area of operation as defined in its regulations may be a member of the rural co-operative society of the branch or constituency in which he is a resident.

Co-operative
Development
Committee
for every
rural co-
operative
society.

15.(1) For the purpose of this Act, there shall be elected in accordance with the provisions of this Act a co-operative development committee for every rural co-operative society.

(2) The co-operative development committee shall be elected by the general meeting.

(3) Each co-operative development committee shall consist of such number of members, not exceeding such number as may be prescribed, as the registrar may determine.

Qualification
for election
as a member
of a co-
operative
development
committee.

16. No person shall be qualified for election as a member of the co-operative development committee unless -

- (a) he has attained the apparent age of eighteen years;
- (b) he is a member of a household within the village and is ordinarily residing in the village.

Duties of the
co-operative
development
committee.

17. The co-operative development committee shall be the managing and the executive agency of the rural co-operative society and shall co-ordinate all the co-operative economic activities, within the village or villages as the case may be, and in particular it may -

- (a) deal with the economic and organizational affairs of the co-operative society in accordance with the approved plans for its work;

- (b) take measures such as are necessary to develop production, increase labour productivity, reduce the cost of production, and to improve the quality of production;
- (c) draw up the economic and financial plans of the rural co-operative society as well as plans for distribution of income and submit these plans for approval to the general meeting;
- (d) run the office of the rural co-operative society and keep all the records as well as the accounts of the rural co-operative society;
- (e) at appropriate intervals, as may be prescribed by the general meeting, submit at the ordinary general meetings of the rural co-operative society reports on the current economic, organizational and financial state of the rural co-operative society and on its economic activity;
- (f) do any other thing which in the opinion of the co-operative development committee is necessary for the efficient functioning of the rural co-operative society.

The functions
of a rural
co-operative
society.

18. The basic functions of a rural co-operative society shall be -

- (a) to prepare, in consultation with the constituent government, the economic plan of the society;
- (b) to purchase, preserve and distribute agricultural inputs and other resources for use in the economic activities of the society;
- (c) to provide, operate and maintain machinery for the processing of agricultural products;
- (d) to seek and employ the best methods of agricultural production so as to ensure an improved yield of agricultural products in the rural areas;

- (e) to provide, operate and maintain farm machinery and other equipment for use by or on behalf of the members in the production of agricultural products and to ensure their efficient use for the mechanisation of collective farming and intensification of production;
- (f) to collect agricultural products from the co-operative society and to deliver those products for sale;
- (g) to establish, operate and maintain large scale farms for agricultural production;
- (h) to co-ordinate all the economic activities of the village;
- (i) to arrange and provide education for peasants.

Business which may be undertaken by the Co-operative Societies.

19. A rural co-operative society as a multi-purpose society may undertake and carry on all kinds of business operations connected with :-

- (a) the marketing, collecting receiving, taking delivery of, buying, handling, feeding, fattening, fishing, slaughtering preserving, harvesting, drying, processing, manufacturing, canning, cleaning, grading, storing, transporting, selling, or otherwise disposing of or utilising any agricultural products produced or delivered to it by members of connected with the manufacturing or buying, selling of marketing of the by-product thereof;
- (b) purchasing, procuring, processing, manufacturing exchanging, hiring, dealing in and distributing agricultural inputs consumer goods and household necessities for sale at retail to its members;
- (c) providing farming services to its members including -
 - (i) developing, maintaining, and operating land as a farming enterprise on behalf of its members; or

- (ii) acquiring land for farming purposes and using such land by -
 - (aa) dividing a portion thereof amongst its members for their individual use and operation as producers; and
 - (bb) developing, maintaining and operating the remainder of such land as farming enterprise on behalf of its members;
- (d) providing assistance to producers of livestock of various kinds including dairy cattle and poultry;
- (e) producing, preparing, adapting, processing and manufacturing goods, wares and merchandise from materials of every description for sale or under contract.

Co-operative
development
committee
to make
regulations.

20. The co-operative development committee may, in relation to a society for which it was elected, and with approval of the general meeting make regulations to prescribe any matter which is necessary or desirable for the efficient operation of the society and without prejudice to the generality of this section, it may make regulations which may provide for -

- (a) the manner in which work in the co-operative society is to be organised;
- (b) the manner in which the products of the co-operative society are to be distributed to the members of the society;
- (c) the manner in which the funds of the society are to be managed;
- (d) the manner in which the furnishing of labour, services or materials by a member may be valued in payment for any services received by him through the society.

Restriction
on holding
of shares.

21.(1) No member of a registered society shall hold more than one fifth of the share capital of any co-operative society.

(2) Subject to the provisions of this Act, no person shall be a member of more than one registered society of the same objectives and in the same locality or areas.

Registration.

22.(1) The Registrar may upon receipt of an application and if he is satisfied that -

- (a) a society has complied with the provisions of this Act; and
 - (b) the objects of the society are not contrary to the Party policy; and
 - (c) a proper provision has been made for the financing of the society; and
 - (d) the regulations of that society contain sufficient safeguards for the proper administration of the society,
- may register that society and issue a certificate to that effect.

(2) Any person who is not satisfied with the decision of the Registrar may appeal against that decision to the Minister whose decision shall be final.

Evidence of
Registration.

23. A Certificate of Registration duly signed by the Registrar shall be conclusive evidence that the society therein mentioned is registered unless it is proved that the registration of the society has been cancelled.

Registered
society to
be body
corporate.

24.(1) Any Society registered under this Act shall be a body corporate, and in its corporate name be capable of suing and being sued and shall have perpetual succession, common seal and have power to enter in contract, capable of acquiring, purchasing, disposing of movable or immovable property, have power to receive or give loan, borrow or lend money.

(2) Notwithstanding any provision of this Act no registered society shall make a loan to any person other than a member of that society unless that society is a savings and credit society.

Register of
members.

25.(1) Every registered society shall maintain a register of its members in such a manner as may be prescribed and shall enter therein such particulars as may be prescribed.

(2) The register of members shall be prima facie evidence of any matter required by rules to be entered therein.

Member not to
exercise
right till
due payment
is made.

26. No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership, if any, or has acquired such interest in the society as may be prescribed by the rules or by-laws of the society.

Address of
societies.

27. Every registered society shall have an address, registered in accordance with the rules, to which all notices and communications may be sent, and shall send to the Registrar a notice of every change thereof.

Copy of Act,
and by-
laws to be
open to
inspection.

28. Every registered society shall keep a copy of this Act and of its by-laws open to inspection, free of charge, at all reasonable times at the registered address of the society.

Power to
make
regulations.

29.(1) Every registered society shall have power to make regulations for any such things as are necessary or desirable for the purpose for which such a society is established.

(2) Without prejudice to the generality of subsection (1) every registered society may make by-laws in respect of the following matters -

- (a) the name and registered address of the society;
- (b) the area of the operation of the society;
- (c) the object for which the society is established;
- (d) the purpose to which the funds of the society may be applied and the mode of custody and investment of such funds;
- (e) the qualifications for membership of the society; the terms of admission of members,

the entrance fees, if any, and the mode of election;

- (f) the nature and extent of the liability of members;
- (g) the withdrawal and expulsion, suspension of members and the payment, if any to be made to such members;
- (h) the transfer of shares or interest of members;
- (i) the manner of conducting meetings of the society and the powers of such meetings;
- (j) the appointment, suspension and removal of members of the committee and officers and the powers and duties of the committee and officers;
- (k) the authorization of an officer to sign documents and to use the seal on behalf of the society.

(3) Where the objects of the registered society include the creation of funds to be lent to the members, additional by-laws shall be made in respect of the following matters -

- (a) the conditions on which loans may be made to members which shall include -

- (i) the rate of interest;
- (ii) the maximum period which can be granted for the repayment of a loan;
- (iii) the maximum amount of money which may be lent to a member;
- (iv) the purpose of loans;
- (v) security for payment;
- (vi) the consequences of default in payment of any sum due on account of shares of loans and the consequences of failure to use a loan for the purpose for which it was granted; and

- (b) the disposal of the annual net surplus.

(4) A by-law made under this section may empower a registered society to impose a fine upon a member of the society for the breach of the by-law which fine shall be

recoverable by the society as a civil debt:

Provided that no fine may be imposed under the regulations, on any member unless -

- (a) the member on whom the fine is intended to be imposed has been served with a notice, in writing, of the intention to impose the fine; and
- (b) the member within fourteen days, has failed to show cause why the fine may not be imposed on him.

Bank Account
with P.B.Z.
or N.B.C.

30. Every registered society shall open an account with People's Bank of Zanzibar, or any other Bank approved by the Minister.

Book of
Account.

31.(1) Every registered society shall ensure that books of account, annual accounts, annual budget forecast, operational cost and all matters related to the accounts of the Society are kept in a proper and acceptable form.

(2) For the implementation of the provisions of subsection (1) of this section the Committee of every registered society shall take steps as may be necessary to ensure that the accounts of the registered society are in a proper and acceptable form and prepared and finalized for auditing within a period of three months after the close of the financial year of the Society.

(3) For the purpose of this section financial year starts from July.

Audit.

32.(1) The Registrar or any person authorised by the Registrar shall audit the accounts of every registered society at least once in every year.

(2) The Registrar or any other person duly authorised by the Registrar shall for the purpose of auditing have access to all books of accounts and any other documents related to financial management and expenditure of the registered society.

(3) When the accounts of a society are being audited, the Registrar or any other person authorised by the Registrar may summon any officer, agent or member of the Society to give relevant explanation with regard to the account, expenditure or financial management of the registered society.

(4) The report of the audited account of every registered society shall be submitted to the Registrar for approval.

(5) The approved audited accounts report of a registered society shall be adopted by a general meeting of the society.

Revenue of
registered
society.

33.(1) The revenues and funds of a registered society shall consist of -

- (a) all moneys derived from fees or charges specified by any by-laws made by the society;
- (b) all moneys derived from payment of subscription and issue of shares where this is applicable;
- (c) all revenue accruing to the registered society from deposits and loans from persons who are not members as provided under the by-law of the registered society;
- (d) all revenue accruing to the registered societies from savings deposits made by its members;
- (e) all moneys derived from the sale of any produce of the registered society or of any of its property;
- (f) all moneys which a registered society may borrow from lending institution or any other source under its general powers of raising money by borrowing;
- (g) all moneys derived from fines imposed in respect of any contravention of any by-law made by registered society.

(2) Any other money lawfully derived by a registered society from any source not mentioned specifically in subsection (1) shall be and form part of the revenue and funds of that registered society.

(3) All revenue of registered society shall be paid into the general fund of the registered society:

Provided that any receipt derived from any trade, industry, works, service or undertaking carried on or belonging to a registered society may, with the approval of the Registrar, be paid either in whole or in part into a separate fund.

Dividend
and
Bonus.

34.(1) Subject to approval by the Registrar, every registered society shall distribute amongst its members any dividend accrued to its member, equitably and according to the number of shares owned.

(2) Notwithstanding the provisions of subsection (1) of this section no registered society shall distribute or pay dividend or any part of its profit if any before the balance sheet is audited by the Registrar or by auditor authorized by him and approved by the Registrar after a resolution of the members at a general meeting.

Merger of
the
Registered
Society.

35. The members of any two or more registered societies may, by a resolution passed at a general meeting of each society at which more than two thirds of the members were present and vote, after declaring such intention in writing to the Registrar, the Registrar being satisfied that the resolution is in accordance with the provisions of this Act, may by order in the Gazette merge the Societies.

Inquiry by
Registrar.

36.(1) The Registrar may of his own motion, and shall, on the application of the majority of the committee or of not less than one-third of the members, direct some person authorized by him by order in writing in this behalf to hold an inquiry into the constitution, activities and financial affairs of the registered society.

(2) All officers and members of the society shall produce such kind of books and documents of the society and furnish such information in regard to the affairs of the society, as the person authorised by the registrar may require.

Inspection.

37.(1) The Registrar shall make or cause to be made a continuous inspection on the constitution, activities and financial affairs of a registered society.

(2) Without prejudice to the generality of subsection (1) the Registrar shall, on the application of a creditor of a registered society inspect or direct some person authorized by him by order in writing in this behalf to inspect, the books of the society:

Provided that no inspection under this subsection shall be carried out or directed unless -

- (a) the creditor satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and
- (b) the creditor deposits with the Registrar such sum as security for costs of the proposed inspection as the Registrar may require.

(2) The Registrar shall communicate the results of any inspection carried out under subsection (1) to the creditor.

Dissolution.

38. If the Registrar after an inquiry has been held under section 36 or after an inspection has been made under section 37 or on receipt of an application made by three-fourths of the members of a registered society, is of the opinion that the society ought to be dissolved, he may, by order in writing and after due consultation with the Secretary General of the apex organisation, cancel the registration of the society.

Cancellation
of
registration
of society.

39.(1) Where it is a condition of the registration of a society that it should consist of at least ten members the Registrar may, by order in writing, cancel the registration of the society if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten.

(2) When the Registrar has reasonable cause to believe that a registered society has not commenced, or has ceased to carry on business, he may, after the expiry of three months from the date of publishing a notice to that effect in the Gazette, by order in writing, cancel the registration of such society.

(3) The Registrar may, after inquiry, by order in writing, cancel the registration of any primary society which, having been a member of a secondary society, is expelled or withdrawn from membership of such secondary society.

Winding-up.

40. Where the registration of a society is cancelled under any of the sections of this Act the Registrar may appoint a competent person to be liquidator of the society and all assets and liabilities of the society shall vest in the liquidator as from the date when cancellation takes effect.

Powers of
liquidator.

41. A liquidator appointed under section 40 shall have the power subject to the guidance and control of the Registrar, and to any limitations imposed by the Registrar -

- (a) to institute and defend suits and other legal proceedings by and on behalf of the society by his name or office and to appear in court as a litigant in person on behalf of the society;
- (b) to refer disputes to arbitration;
- (c) to determine the contribution to be made by the members and past members and by the estates of deceased members of the society respectively to the assets of the society;

- (d) to investigate all claims against the society, and, subject to the provisions of this Act, to decide questions of priority arising between claimants;
- (e) to determine from time to time by what persons and in what proportion the costs of the liquidation are to be borne;
- (f) to examine and investigate any claim which the society may have against any person;
- (g) to take possession of the books, documents and assets of the society; and
- (h) to give such directions in regard to the collection and distribution of the assets of the society and the disposal of the books and documents of the society as may appear to him to be necessary for winding up the affairs of the society.

Power of
Registrar
to control
liquidation.

42. A liquidator shall exercise his powers, subject to control and revision by the Registrar, who may -

- (a) rescind or vary any order made by a liquidator and make whatever new order is required;
- (b) remove a liquidator from Office;
- (c) call for all books, documents and assets of the society;
- (d) by order in writing limit the powers of the liquidator under the provisions of the foregoing section;
- (e) require accounts to be rendered to him by the liquidator;
- (f) procure the auditing of the liquidator's accounts and authorize the distribution of the assets of the society;
- (g) make an order for the remuneration of the liquidator;

- (h) refer any subject of dispute between a liquidator and any third party to settlement if that party shall have consented in writing to be bound by the decision to be given on the dispute.

Rules.

43.(1) The Minister may, for any registered society or class of such societies, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may -

- (a) subject to the provisions of section 21 prescribe the maximum number of shares or portion of the capital of a society which may be held by a member;
- (b) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society and the procedure in the matter of such applications;
- (c) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and abrogating by-laws, and the conditions to be satisfied prior to such making, alteration or abrogation;
- (d) prescribe the conditions to be complied with by persons applying for admission or admitted as members and provide for the election and admission of members, and the payment to be made and the interest to be acquired before the exercise of the right of membership and to provide for the termination of membership;
- (e) regulate the manner in which funds may be raised by means of shares, or debentures or otherwise and the form in which any application for financial assistance from Government, any bank or any financial institutions shall be made;

- (f) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings and for the method of summoning members to such meetings and giving notice of such meetings to members;
- (g) provide for the appointment, remuneration, suspension and removal of the members of the committee and other officers and for the procedure at meetings of the committee and for the powers to be exercised and the duties to be performed by the committee and other officers and to provide for the delegation of the powers of the committee;
- (h) provide for the appointment and terms of service of employees of a society;
- (i) provide for the submission of annual estimates for the approval of the registrar;
- (j) provide for the periodical publication of a balance sheet showing the assets and liabilities of a society;
- (k) provide for the persons by whom and the form which copies of entries in books of societies may be certified;
- (l) provide for the form of the register of members and for the particulars to be entered therein;
- (m) provide that any dispute touching the business of a society between the members or past members of the society or persons claiming through a member or past member or between a member or past member or persons so claiming and the committee or any officer shall be referred to Registrar for decision or if he so directs to arbitration under the Arbitration Act;

- (n) provide for the withdrawal and expulsion of members and for the payments, if any, to be made to members who withdraw or are expelled and for the liability of past members;
- (o) provide for the mode in which the value of a deceased member's interest shall be ascertained and for the nomination of a person to whom such interest may be paid or transferred;
- (p) provide for the mode in which the value of the interest of a member who has become of unsound mind and incapable of managing his affairs shall be ascertained and for the nomination of any person to whom such interest may be paid or transferred;
- (q) prescribe the payments to be made and the condition to be complied with by members applying for loans, the period for loans, the period for which loans may be made and amount which may be lent, to an individual member and the manner in which such loans shall be repaid;
- (r) provide for the formation and maintenance of resources, funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society;
- (s) prescribe the extent to which a society may limit the number of its members;
- (t) prescribe the conditions under which accumulated funds may be distributed to the members of a society with unlimited liability and the maximum rate of dividend which may be paid by societies;
- (u) prescribe the procedure for amalgamation and division of societies and conditions subject to which such amalgamation or division may be affected;
- (v) prescribe the procedure to be followed by a liquidator appointed under section 40 and the case in which an appeal shall lie from any order of such liquidator;

- (w) provide for the powers to be exercised and the duties to be performed by and the remuneration and other terms of service of a supervising Manager;
- (x) provide for the audit of the accounts of registered societies and for the charges if any, to be made for such audit and provide for the levy of contributions from all or any registered societies to a fund to be used for the audit and supervision of existing societies and prescribed for the administration of such a fund; and
- (y) prescribe anything that may be, or is required to be prescribed under this Act.

(3) In any case where the Registrar is satisfied that a substantial number of members of any society are unacquainted with the English language he shall cause such rules to be translated into a language with which such members are acquainted, an additionally to be made known in such manner as is customary for the community concerned, but in the event of any dispute the English version shall be deemed to be the correct version.

Power of the Registrar to make regulations.

44. The Registrar shall, in consultation with the Secretary General of the apex organisation have power to make regulations prescribing -

- (a) the accounts and books to be kept by a society;
- (b) the returns to be submitted by a society to the Registrar and the persons by whom and the form and language in which such returns shall be submitted;
- (c) the maximum loan which may be made by a society to any of the member thereof without the prior consent of the Registrar;
- (d) the maximum amount which a society may without the prior consent of the Registrar borrow either from members or from non-members;

- (e) any form to be used for any purpose under this Act;
- (f) anything for ensuring the proper administration of the affairs of registered societies.

Fees.

45.(1) Such fees as may be prescribed shall be charged in respect of the following matters -

- (a) an application for registration;
- (b) the issue of a registration certificate
- (c) the registration of by-laws;
- (d) the registration of amendments to by-laws;
- (e) a search in the registration register;
- (f) inspection of documents;
- (g) certified or uncertified copies of documents;
- (h) translations of documents;
- (i) the registration of charges;
- (j) the inspection of registers of charges;
- (k) any other matter in respect of which a fee is chargeable under the provision of this Act:

Provided that the registrar may in his discretion vary or waive any of the said fees in the case of a primary society.

(2) Different fees may be prescribed for different classes or kind of societies.

Offences.

46.(1) It shall be an offence under this Act if -

- (a) a registered society or an officer or member thereof wilfully neglects to do any act or to furnish any information required for the purposes of this Act by the Minister, the Registrar or any other person duly authorized in that behalf by the Minister or the Registrar, as the case may be; or

- (b) a registered society or any officer or member thereof wilfully makes a false return or furnishes false information; or
- (c) any person wilfully or without any reasonable excuse disobeys any summons requisition or lawful written order issued under the provisions of this Act or does not furnish any information lawfully required from him by a person authorized to do so under the provision of this Act; or
- (d) any person acts or purports to act as committee member when not entitled to do so; or
- (e) a registered society, or an officer or a member thereof, wilfully performs any act which requires the consent or approval of the Registrar without first having obtained such consent or approval;
- (f) a registered society or an officer or a member thereof wilfully omits to do or to cause to be done an act or thing which is required by or under this Act to be done;
- (g) a registered society or an officer or a member thereof wilfully does or causes to be done any act or thing prohibited by or under this Act.

(2) Every registered society, officer or member of a society or other person guilty of an offence under this section shall be liable to a fine not exceeding ten thousand shillings and, where such offence has been committed by an individual, to imprisonment for a term not exceeding six months in addition to or in lieu of such fine.

Prohibition
of the use
of word
"co-opera-
tive".

47.(1) No person other than a registered society may trade, carry on business or do any activity whether charitable or otherwise under the name or title of which the word "co-operation" or equivalent in any other language is part without sanction of the Registrar.

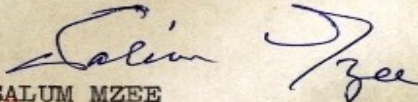
(2) Any person who contravenes any provision of this section is guilty of an offence and on conviction is liable to a fine not less than three thousand shillings but not exceeding ten thousand shillings for each offence or to imprisonment for a term not exceeding six months and shall in addition be ordered to pay to the society concerned such damages to the Registrar.

Repeal of
Decree No.3
of 1979 and
savings.

48.(1) Decree No.3 of 1979 is hereby repealed.

(2) Notwithstanding the repeal of the Co-operative Societies Decree No.3 of 1979, anything done under the provision of the Decree No.3 of 1979 shall be deemed to have been done under the corresponding provisions of this Act.

Passed in the House of Representatives
on the 2nd day of April, 1986.



SALUM MZEE

ACTING CLERK TO THE HOUSE OF
REPRESENTATIVES,
ZANZIBAR.