

INDUSTRIAL AND PROVIDENT SOCIETIES

[Extended by section 57(2) of the Finance Act
(No. 2) 1948 (NZ), reproduced after section 1.

The 1965 and 1967 amendment Acts were extended
by Acts 1966/8 and 1968/7]

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THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1908

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THE INDUSTRIAL AND PROVIDENT SOCIETIES
ACT 1908

1908, No. 81

An Act to consolidate certain enactments of the General Assembly relating to industrial and provident societies

[4 August 1908]

1. Short Title, etc.—(1) The Short Title of this Act is the Industrial and Provident Societies Act 1908.

(2) This Act is a consolidation of the enactments mentioned in the First Schedule hereto, and with respect to those enactments the following provisions shall apply:

(a) All societies, corporations, offices, appointments, rules, regulations, registers, records, orders, scales, instruments, and generally all acts of authority which originated under any of the said enactments or any enactment thereby repealed, and are subsisting or

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in force on the coming into operation of this Act, shall enure for the purposes of this Act as fully and effectually as if they had originated under the corresponding provisions of this Act, and accordingly shall, where necessary, be deemed to have so originated:

Provided that every such society and corporation respectively shall be deemed to be the same society and corporation respectively under this Act without change of corporate entity or otherwise:

- (b) All matters and proceedings commenced under any such enactment, and pending or in progress, on the coming into operation of this Act, may be continued, completed, and enforced under this Act.

Act in force in Cook Islands—Section 57 (2) of the Finance Act (No. 2) 1948 provides as follows:

57. (2) The Industrial and Provident Societies Act 1908 shall extend to and be in force in the Cook Islands with the following modifications:

- (a) Every reference in that Act to a Magistrate's Court shall be read as a reference to the High Court of the Cook Islands:
- (b) Offences punishable on summary conviction under that Act shall, if committed in the Cook Islands, be punishable by the High Court of the Cook Islands in the ordinary course of its criminal jurisdiction.

2. Interpretation—In this Act, if not inconsistent with the context,—

"Amendment of rule" includes a new rule and a resolution rescinding a rule:

"Committee" means the committee of management or other directing body of a society:

"Land" includes hereditaments and chattels real:

"Meeting" includes (when the rules of a society so allow) a meeting of delegates appointed by members:

"Officer" extends to any trustee, treasurer, secretary, member of the committee of management of a society, manager, or servant other than a servant appointed by the committee of a society:

"Persons claiming through a member" includes the executors, administrators, and assigns of a member, and also his nominees where nomination is allowed:

"Property" means all real and personal estate (including books and papers):

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"Registered society" means a society registered or deemed to be registered under this Act:

["Registrar" means the Registrar of Industrial and Provident Societies appointed under this Act; and "District Registrar", in relation to any society, means the District Registrar of Industrial and Provident Societies in whose office the records relating to the society are kept;]

"Rules" means rules for the time being.

Cf. 1877, No. 11, s. 2

3. Existing societies—Every incorporated society now subsisting whose rules have been registered or certified under any enactment mentioned in the First Schedule hereto, or under any Act thereby repealed, shall be deemed to be a society registered under this Act, and its rules shall, so far as the same are not contrary to any express provision of this Act, continue in force until altered or rescinded under this Act.

Cf. 1877, No. 11, s. 4

[3A. Registrar of Industrial and Provident Societies—For the purposes of this Act there shall from time to time be appointed under the Public Service Act 1912 a Registrar of Industrial and Provident Societies.]

[3B. Deputy Registrar of Industrial and Provident Societies—(1) There may also from time to time be appointed under the Public Service Act 1912^a a Deputy Registrar of Industrial and Provident Societies, who shall, under the control of the Registrar, perform such general official duties as he is called upon to perform by the Registrar.

(2) On the occurrence from any cause of a vacancy in the office of Registrar (whether by reason of death, resignation, or otherwise), and in case of the absence from duty of the Registrar (from whatever cause arising), and so long as any such vacancy or absence continues, the Deputy Registrar shall have and may exercise all the powers, duties, and functions of the Registrar.

(3) The fact that the Deputy Registrar exercises any power, duty, or function as aforesaid shall be conclusive evidence of

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his authority to do so, and no person shall be concerned to enquire whether the occasion has arisen requiring or authorising him to do so.]

[*Not Cook Islands law]

[3c. District and Assistant Registrars of Industrial and Provident Societies—(1) There shall from time to time be appointed under the Public Service Act 1912*as many District Registrars of Industrial and Provident Societies and Assistant Registrars of Industrial and Provident Societies as may be found necessary for the purposes of this Act.

(2) Subject to the control of the Registrar, every District Registrar shall have and may exercise all the duties and powers of the Registrar. Subject to the control of the Registrar and of the District Registrar, every Assistant Registrar shall have and may exercise all the duties and powers of the Registrar. The fact that a District Registrar or an Assistant Registrar exercises any powers or functions conferred by this Act on the Registrar shall be conclusive evidence of his authority to do so.]

[Not Cook Islands law]

[3n. Registers to be kept—(1) The Registrar shall cause to be kept in the office of each District Registrar such registers as he considers necessary, in which shall be recorded all matters required by this Act or by regulations made under this Act to be recorded by the Registrar.

(2) Whenever any act is by this Act or by any regulations under this Act directed to be done to or by the Registrar in respect of any society, it shall, unless the context otherwise requires, be done to or by the District Registrar in whose office the records relating to the society are kept, or to or by an Assistant Registrar in that office.]

4. Repealed by s. 2 (2) of the Industrial and Provident Societies Amendment Act 1923.

Societies which may be registered—Section 2 (1) of the Industrial and Provident Societies Amendment Act 1923 provides as follows:

2. (1) A society which may be registered under the principal Act (therein called "an industrial and provident society") is a society for carrying on any industry, business,

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or trade, whether wholesale or retail, specified in or authorised by its rules, including dealings of any description with land, but excepting the business of banking:

Provided that no member other than a registered society shall have or claim any interest in the [shares] of the society exceeding two thousand dollars.

[Amended Act 1968/7]

Limitation on registration of societies—Section 33 (2) and (3) of the Statutes Amendment Act 1939 provides as follows:

33. (2). Notwithstanding anything to the contrary in section two of the Industrial and Provident Societies Amendment Act 1923, a society shall not be registered under the principal Act unless it is shown to the satisfaction of the Registrar—

(a) That the society is a *bona fide* cooperative society; or

(b) That, in view of the fact that the business of the society is being, or is intended to be, conducted—

(i) Mainly for the purpose of improving the conditions of living, or otherwise promoting the social well-being, of members of the working classes; or

(ii) Otherwise for the benefit of the community,—

there are special reasons why the society should be registered under the principal Act rather than as a company under [the Companies Act 1955].

(3) In this section the term “cooperative society” does not include a society which carries on, or intends to carry on, business with the object of making profits mainly for the payment of interest, dividends, or bonuses on money invested or deposited with, or lent to, the society or any other person.

(4) Where it is shown to the satisfaction of the Registrar that a society is a *bona fide* cooperative society the name by which that society may be registered under the principal Act may include the word ‘cooperative’.

(5) If a society so registered has its registration cancelled, or if the Registrar notifies any such society that, in his opinion, it has ceased to be a *bona fide* cooperative society, subsection (4) of this section shall cease to apply to it.

[Amended Act 1966/8]

5. Registry of societies—With respect to the registry of societies the following provisions shall have effect:

(a) No society can be registered under this Act which does not consist of seven persons at least:

(b) For the purpose of registry, an application to register the society, signed by seven members and the secretary, and [three] written or printed copies of the rules, shall be sent to the Registrar:

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- [(c) No society shall be registered under a name which is identical with that of any other society registered under this Act, or of a company carrying on business in New Zealand (whether registered in New Zealand or not), or of any other body corporate established or registered in New Zealand under any Act, or so nearly resembles that name as to be calculated to deceive, except where that other society or company or body corporate, as the case may be, signifies its consent in such manner as the Registrar requires, and the Registrar is satisfied that registration of the society by the proposed name will not be contrary to the public interest:]
- [(d) The words "Society Limited" shall be the last words in the name of every society registered under this Act:]
- (e) The Registrar, on being satisfied that a society has complied with the provisions as to registry under this Act, shall issue to such society an acknowledgment of registry in the form numbered (1) in the Fourth Schedule hereto:
- (f) If the Registrar refuses to register the society, or any rules, the society may appeal from such refusal to the High Court:
- (g) Any three or more of the Judges of the High Court, of whom the Chief Justice shall be one, shall make rules or orders as to the form of appeals and the trying thereof and otherwise relating thereto:
 Provided that all such rules shall be subject to the approval of the Governor-General in Council:
- (h) If the refusal of registry is overruled on appeal, an acknowledgment of registry shall thereupon be given to the society by the Registrar:
- (i) The acknowledgment of registry shall be conclusive evidence that the society therein mentioned is duly registered, unless it is proved that the registry of the society has been suspended or cancelled.

Cf. 1877, No. 11, s. 6; 1906, No. 58, s. 11

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6. Cancelling and suspension of registry—With respect to the cancelling or suspension of registry the following provisions shall have effect:

(a) The Registrar may cancel the registry of a society by writing under his hand—

(i) If he thinks fit, at the request of a society, to be evidenced in such manner as he from time to time directs:

(ii) With the approval of the Governor-General, on proof to his satisfaction that an acknowledgment of registry has been obtained by fraud or mistake, or that a society exists for an illegal purpose, or has wilfully, and after notice from the Registrar, violated any of the provisions of this Act . . . :

[(iii) If he has reasonable cause to believe that the society has ceased to exist]:

(b) The Registrar in any case in which he might, with the approval of the Governor-General, cancel the registry of a society may suspend the same by writing under his hand for any term not exceeding three months, and may, with the approval of the Governor-General, renew such suspension from time to time for the like period:

(c) Not less than two months' previous notice in writing, specifying briefly the ground of any proposed cancelling or suspension of registry, shall be given by the Registrar to a society before the registry of the same can be cancelled (except at its request) or suspended; and notice of every cancelling or suspension shall be published in the *Gazette* and in some newspaper circulating in the city, town, or place in which the registered office of the society is situated, as soon as practicable after the same takes place:

(d) A society may appeal from the cancelling of its registry, or (when the same has been suspended for two consecutive periods not exceeding six months in the whole) against any renewal of suspension, in manner herein provided for appeals from the Registrar's refusal to register:

(e) A society whose registry has been suspended or cancelled shall, from the time of such suspension or cancelling (but, if suspended, only while such suspension lasts, and subject also to the right of appeal hereby given),

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absolutely cease to enjoy as such the privileges of a registered society, but without prejudice to any liability actually incurred by such society, which may be enforced against the society as if such suspension or cancelling had not taken place.

Cf. 1877, No. 11, s. 7

7. Rules and amendments—With respect to the rules of societies the following provisions shall have effect:

- (a) The rules of every society sent for registry shall contain provisions in respect of the several matters mentioned in the Second Schedule hereto:
- (b) No amendment of a rule made by a registered society shall be valid until the same has been registered under this Act, for which purpose [three] copies of the same, signed by three members and the secretary, shall be sent to the Registrar:
- (c) The provisions herein contained as to appeals from a refusal of registry shall apply to amendments of rules:
- (d) The Registrar shall, on being satisfied that any amendment of a rule is not contrary to the provisions of this Act, issue to the society an acknowledgment of registry of the same in the form numbered (2) in the Fourth Schedule hereto, which shall be conclusive evidence that the same is duly registered:
- (e) A copy of the rules of a registered society shall be delivered by the society to every person, on demand, on payment of a sum not exceeding one shilling:
- (f) If any person, with intent to mislead or defraud, gives to any other person a copy of any rules, or other documents, other than rules for the time being registered under this Act, on the pretence that the same are existing rules of a registered society, or that there are no other rules of such society, or gives to any person a copy of any rules on the pretence that such rules are the rules of a registered society when the society is not registered, the person so offending commits an indictable offence, and is liable on conviction to a fine not exceeding fifty pounds, or to

imprisonment . . . for any term not exceeding two years.

Cf. 1877, No. 11, s. 8

8. Duties and obligations of societies—With respect to the duties and obligations of registered societies the following provisions shall have effect:

(a) Every society shall—

(i) Have a registered office, to which all communications and notices may be addressed, and shall send to the Registrar notice of the situation of such office, and of every change therein:

(ii) Paint or affix, and keep painted or affixed, its name on the outside of every office or place in which the business of the society is carried on, in a conspicuous position in letters easily legible, and have its name engraved in legible characters on its seal, and have its name mentioned in legible characters in all notices, advertisements, and other official publications of the society, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods purporting to be signed by or on behalf of the society, and in all bills of parcels, invoices, receipts, and letters of credit of the society:

(iii) Once at least in every year submit its accounts for audit, either [to an auditor or auditors appointed under section nineteen of this Act] or to two or more persons appointed as the rules of the society provide, who shall have access to all the books and accounts of the society, and shall examine the general statement of the receipts and expenditure, funds, and effects of the society, and verify the same with the accounts and vouchers relating thereto, and shall either sign the same as found by them to be correct, duly vouched, and in accordance with law, or specially report to the society in what respects they find it incorrect, unvouched, or not in accordance with law:

(iv) [Within three months after the date of the annual balance of the society's accounts] send to the Registrar a general statement (to be called the annual return) of the receipts and expenditure,

funds, and effects of the society as audited, which shall show separately the expenditure in respect of the several objects of the society, and shall be made out to the [date of the annual balance], and shall state whether the audit has been conducted [by an auditor or auditors appointed under section nineteen of this Act, and by whom, and, if by any person other than an auditor so appointed], shall state the name, address, and calling or profession of each such person, and the manner in which and the authority under which he is appointed, and together therewith shall send a copy of the auditor's report:

(v) Allow any member or person having an interest in the funds of the society to inspect the books and names of the members at all reasonable hours at the registered office of the society, or at any place where the same are kept, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the general meetings of the society, except that no such member or person, unless he is an officer of the society, or is specially authorised by a resolution thereof, shall have the right to inspect a loan or deposit account of any other member without the written consent of such member:

(vi) Supply gratuitously to every member or person interested in the funds of the society, on his application, a copy of the last annual return of the society for the time being:

(vii) Keep a copy of the last balance sheet for the time being, together with the report of the auditors, always hung up in a conspicuous place at the registered office of the society:

(b) It shall be an offence against this Act if any registered society—

(i) Fails to give any notice, send any return or document, or do or allow to be done any act or thing which the society is by this Act required to give, send, do, or allow to be done:

(ii) Wilfully neglects or refuses to do any act or to furnish any information required for the purposes of this Act by the Registrar or other person authorised under this Act, or does any act or thing forbidden by this Act:

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- (iii) Makes a return or wilfully furnishes information in any respect false or insufficient:
- (c) Every offence by a society against this Act shall be deemed to have been also committed by every officer of the society bound by the rules thereof to fulfill the duty whereof such offence is a breach, or if there is no such officer, then by every member of the committee of the society, unless such member is proved to have been ignorant of or to have attempted to prevent the commission of such offence; and every act or default under this Act constituting an offence, if continued, shall constitute a new offence in every week during which the same continues:
- (d) Every return and other document required for the purposes of this Act shall be made in such form and shall contain such particulars as the Registrar prescribes:
- (e) All documents required by this section to be sent to the Registrar shall be deposited with the rules of the society to which the same respectively relate, and shall be registered, or recorded by the Registrar, with such observations thereon (if any) as the Registrar directs.

Cf. 1877, No. 11, s. 9

9. Privileges of societies—Registered societies shall be entitled to the following privileges:

- (a) The registration of a society shall render it a body corporate by the name described in the acknowledgment of the registry, by which it may sue and be sued, with perpetual succession and a common seal, and with limited liability, and shall vest in the society all property for the time being vested in any person in trust for the society; and all legal proceedings pending by or against the trustees of any such society may be prosecuted by or against the society in its registered name without abatement:

- (b) The rules of the society shall bind the society and all members thereof, and all persons claiming through them respectively, to the same extent as if each member had subscribed his name and set his seal thereto, and there were contained in such rules a covenant on the part of himself, his executors and administrators, to conform thereto, subject to the provisions of this Act:

Provided that a society registered at the time when this Act comes into operation, or the members thereof, may respectively exercise any power given by this Act and not made to depend on the provisions of its rules, notwithstanding any provision contained in any rule thereof certified before this Act was passed:

- (c) Stamp duty shall not be chargeable upon any of the following documents—

(i) Power, warrant, or letter of attorney granted by any person as trustee for the transfer of any money of the society invested in his name in any debentures, bonds, or Treasury bills issued under any Act:

(ii) Order . . . for money contributed to . . . the funds of the society by virtue of its rules or of this Act:

(iii) Bond given to or on account of the society, or by the treasurer or other officer thereof:

(iv) Draft or order, or appointment or revocation of appointment of agent, or other document required or authorised by this Act or by the rules of the society:

- (d) All moneys payable by a member to the society shall be a debt due from such member to the society, and recoverable as such either in the High Court in or near to the locality in which the registered office of the society is situate or in which such member resides, at the option of the society:

- (e) A member of a society, not being under the age of sixteen years, may, by writing under his hand delivered at or sent to the registered office of the society, nominate any person not being an officer or servant of the society, unless such officer or servant is the husband, wife, father, mother, child, brother, sister,

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nephew, or niece of the nominator, to whom his shares in the society shall be transferred at his decease:

Provided that the amount credited to him in the books of the society does not exceed one thousand dollars, and may from time to time revoke or vary such nomination by a writing under his hand similarly delivered or sent, but not otherwise; and every such society shall keep a book wherein the names of all persons so nominated shall be regularly entered, and the shares comprised in such nomination shall be transferable to the nominee although the rules of the society declare its shares to be generally not transferable; and, on receiving satisfactory proof of the death of a nominator, the committee of the society shall at its option either transfer the shares in manner directed on such nomination, or pay to every person entitled thereunder the full value of his interest, unless the shares if transferred to any such nominee would raise his interest in the society to an amount exceeding two thousand dollars, in which case the committee shall pay him the full value of such shares not exceeding the sum aforesaid:

- (f) If any member of a society entitled to an interest in the society not exceeding one thousand dollars dies... without having made any nomination under this Act which remains unrevoked at his death, such interest shall be transferable . . . without probate or letters of administration, to or among the persons who appear to a majority of the committee, upon such evidence as they may deem satisfactory, to be entitled by law to receive the same:
- (g) Whenever the committee, after the decease of any member, makes any payment or transfer to any person who at the time appears to it to be entitled under this section, the payment or transfer shall be valid and effectual against any demand made upon the committee or the society by any other person:
- (h) When any person in whose name any funds, debentures, securities, or moneys belonging to the society are standing or vested, either jointly with another or others, or solely as a trustee therefor, is absent from New Zealand, or becomes bankrupt, or files any petition, or executes any deed for liquidation of

his affairs by assignment or arrangement, or for composition with his creditors, or whose estate is liquidated under any Act for the relief of debtors, or becomes a [mentally defective person], or is convicted of crime which prior to the coming into operation of the Criminal Code Act 1893 would have been classed as a felony, or is dead, or has been removed from his office of trustee, or if it is unknown whether such person is living or dead, the Registrar, on application in writing from the secretary and three members of the society, and on proof satisfactory to him, may direct the transfer of such funds, debentures, securities, or moneys to the society or into the names of any other persons appointed by the society as trustees, and such transfer shall be made by the surviving or continuing trustees; and if there are no such trustees, or if such trustees refuse or are unable to make such transfer, the Registrar may direct that where such funds, debentures, securities, or moneys—

- (i) Are standing in the books of the Minister of Finance, or are under his control, such transfer be made by the Minister of Finance, or some officer of the Government to be named in the order:
 - (ii) Are standing in the books of or are in the control of any bank or banking corporation, or other corporation or body, such transfer be made by some officer of such bank or banking corporation or other corporation or body to be named in the order:
 - (iii) Are standing in the books or are in the hands or control of any other person or persons, such transfer be made by such person or persons:
- (i) The Minister of Finance and every such bank and banking corporation, and all corporations, companies, and persons, and their officers and servants respectively, are hereby indemnified from anything done by him or them, or any of his or their officers, in pursuance of the provisions of paragraph (h) of this section against any claim or demand of any person injuriously affected thereby:
- (i) A person under the age of twenty-one, but above the age of sixteen, may be a member of a society, unless provision is made in the rules of the society to the contrary, and may, subject to the rules of the society,

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enjoy all the rights of a member (except as herein provided), and execute all instruments and give all acquittances necessary to be executed or given under the rules, but shall not be a member of the committee of management, trustee, manager, or treasurer of the society:

- (k) A promissory note or bill of exchange shall be deemed to have been made, accepted, or endorsed on behalf of a society if made, accepted, or endorsed in the name of the society, or by or on behalf or on account of the society by any person acting under the authority of the society:
- (l) Any register or list of members or shares kept by any society shall be *prima facie* evidence of any of the following particulars entered therein:
 - (i) The names, addresses, and occupations of the members, the number of shares held by them respectively, the numbers of such shares if they are distinguished by numbers, and the amount paid or agreed to be considered as paid on any such share:
 - (ii) The date at which the name of any person, company, or society was entered in such register or list as a member:
 - (iii) The date at which any such person, company, or society ceased to be a member:
- (m) Contracts on behalf of the society may be made, varied, or discharged as follows:
 - (i) Any contract which if made between private persons would be by law required to be in writing, and if made according to the English law to be under seal, may be made on behalf of the society in writing under the common seal of the society, and may in the same manner be varied or discharged:
 - (ii) Any contract which if made between private persons would be by law required to be in writing, and signed by the persons to be charged therewith, may be made on behalf of the society in writing either under the common seal or signed by any person acting under the express or implied authority of the society, and may in the same manner be varied or discharged:
 - (iii) Any contract under seal which if made between private persons might be varied or discharged by a writing not under seal signed by any person interested therein may be similarly varied or

discharged on behalf of the society by a writing not under seal signed by any person acting under the express or implied authority of the society:

(iv) Any contract which if made between private persons would be by law valid though made by parol only, and not reduced into writing, may be made by parol on behalf of the society by any person acting under the express or implied authority of the society, and may in the same manner be varied or discharged:

(v) A signature purporting to be made by a person holding any office in the society attached to a writing whereby any contract purports to be made, varied, or discharged by or on behalf of the society, shall *prima facie* be taken to be the signature of a person holding at the time when the signature was made the office so stated:

(n) All contracts which may be or have been made, varied, or discharged according to the provisions herein contained shall, so far as concerns the form thereof, be effectual in law and binding on the society and all other parties thereto, their executors or administrators, as the case may be.

Cf. 1877, No. 11, s. 10

[Amended Act 1964/24(NZ); Act 1964/92(NZ); Act 1968/7]

10. Property and funds of societies—With respect to the property and funds of registered societies the following provisions shall have effect:

(a) A society may (if its rules do not direct otherwise) invest the funds of the society or any part thereof, to any amount, in any of the following ways:

(i) In the purchase or lease, in its own name, of any land or buildings, and may hold, sell, exchange, mortgage, lease, or build upon the same (with power to alter and pull down buildings and again rebuild);

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and no purchaser, assignee, mortgagee, or tenant shall be bound to inquire as to the authority for any sale, exchange, mortgage, or lease by the society, and the receipt of the society shall be a discharge for all moneys arising from or in connection with such sale, exchange, mortgage, or lease:

(ii) In the Post Office Savings Bank, or in such other bank or banks as the Governor-General may from time to time direct:

(iii) In any debentures, bonds, or Treasury bills issued by or on behalf of the Government under the authority of any Act:

(iv) Upon any other security expressly directed by the rules of the society:

- (b) The rules may provide for the advancing of money by the society to members on the security of real or personal property:
- (c) The society may, if its rules so allow, invest any part of its capital in the shares or on the security of any other society registered under this Act or under the Building Societies Act 1908, or of any company registered under [the Companies Act 1955] or incorporated by Act or by charter, provided that no such investments shall be made in the shares of any society or company other than one with limited liability; and a society so investing may make such investment in its registered name, and shall be deemed to be a person within the meaning of the Building Societies Act and the Companies Act aforesaid:
- (d) Any other body corporate may, if its regulations permit, hold shares by its corporate name in a society:
- (e) In the rules or any schedules thereto may be set forth the forms of conveyance, surrender, mortgage, transfer, agreement, bond, or other instrument necessary for carrying the purposes of the society into effect:
- (f) The profits of the society may be applied to any lawful purpose:
- (g) A receipt under the hands of three members of the committee, countersigned by the secretary, in the form numbered (2) in the Third Schedule hereto, or in any form specified by the rules of the society or any schedule thereto, for all moneys secured to the society by any mortgage or other assurance shall

vacate the same, and vest the property therein comprised in the persons entitled to the equity of redemption of the same without reconveyance or resurrender:

- (h) Every society shall from time to time forward to the District Land Registrar of any district to which its operations extend a return setting forth the names of every member of the committee and of the secretary; and also notice in writing of the death, resignation, or removal of existing, and the appointment of new, members and secretary respectively; also a copy of the rules and of every amendment thereof. Every such return and notice shall be accompanied by a statutory declaration made by the secretary or a member of the committee stating that the declarant is the secretary or a member of the committee and verifying the statement contained in such return or notice. When any instrument is presented for registration affecting the land included in any mortgage or encumbrance registered under [the Land Transfer Act 1952]* and purports to be signed by four persons, three of whom appear to the District Land Registrar to be members of the committee and the other the secretary of the society at the time of the execution of such instrument, he shall register the same, and no person claiming under any such instrument shall be affected by notice, direct or constructive, that the persons signing the same were not such members or secretary respectively, nor that such instrument was executed in contravention of the rules of the society or the terms of the mortgage or encumbrance, and no claim on the assurance fund shall arise from the fact that such persons were not members of the committee or secretary respectively:
- (i) If any person obtains possession by false representation or imposition of any property of a society, or, having the same in his possession, withholds or misapplies the same, or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the society and authorised by this Act, he shall, on the complaint of the society, or of any member authorised by the society or committee, or of the Registrar, be liable, on summary conviction, to a fine not exceeding fifty pounds and costs, and to be ordered to deliver up all such property or to

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repay all moneys applied improperly, and in default of such delivery or repayment, or of the payment of such fine and costs aforesaid, to be imprisoned . . . for any term not exceeding six months; but nothing herein shall prevent any such person from being proceeded against by way of indictment if not previously convicted of the same offence under the provisions of this Act.

Cf. 1877, No. 11, s. 11
[*Not Cook Islands law]

Protection of *bona fide* lenders—Section 7 of the Industrial and Provident Societies Amendment Act 1952 provides as follows:

7. A member or other person who in good faith lends money to or deposits money with a registered society shall not be bound to see to the application thereof or that the society has not exceeded its borrowing limit.

11. Officers in receipt or charge of money—With respect to officers of registered societies having receipt or charge of money the following provisions shall have effect:

- (a) Every officer, if the rules of the society require, shall, before taking upon himself the execution of his office, become bound with one sufficient surety at the least in a bond in the form numbered (1) in the Third Schedule hereto, or give the security of a guarantee society, in such sum as the society directs, conditioned for his rendering a just and true account of all moneys received and paid by him on account of the society at such times as its rules appoint, or as the society or committee requires him to do so, and for the payment by him of all sums due from him to the society:
- (b) Every officer, his executors or administrators, shall, at such times as by the rules of the society he should, render account, or, on demand made or notice in writing given or left at his last or usual place of resi-

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dence, give in his account, as may be required by the society or committee, to be examined and allowed or disallowed by the society or committee; and shall, on the like demand or notice, pay over all moneys and deliver all property for the time being in his hands or custody to such person as the society or the committee appoints; and in case of any neglect or refusal to deliver such account, or to pay over such moneys, or to deliver such property in manner aforesaid, the society may sue upon the bond or security before-mentioned, or may apply to the High Court in or near to the locality in which the registered office of the society is situated, and the order of such Court shall be final and conclusive.

Cf. 1877, No. 11, s. 12

12. Disputes—With respect to disputes concerning registered societies the following provisions shall have effect:

Every dispute between a member, or person claiming through a member or under the rules of a registered society, and the society or an officer thereof, shall be decided in manner directed by the rules of the society, if they contain any such directions, and the decision so made shall be binding and conclusive on all parties without appeal, and shall not be removable into any Court, or restrainable by injunction; and application for the enforcement thereof may be made to the High Court: Provided as follows:

- (a) The parties to a dispute in a society may, by consent (unless the rules of the society expressly forbid), refer such dispute to the Registrar, who shall, with the consent of the Governor-General, hear and determine such dispute, and shall have power to order the expenses of determining the same to be paid either out of the funds of the society or by such parties to the dispute as he thinks fit; and such determination and order shall have the same effect and be enforceable in like manner as a decision made in the manner directed by the rules of the society:
- (b) The Registrar to whom any dispute is referred may administer oaths, and may require the attendance of all parties concerned, and of witnesses, and the production of all books and documents relating to the matter in question; and any person refusing to

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attend, or to produce any documents, or to give evidence before the Registrar, shall be guilty of an offence against this Act:

- (c) Where the rules of a society direct that disputes shall be referred to Justices, the dispute shall be determined by the High Court:
- (d) When the rules contain no direction as to disputes, or when no decision is made on a dispute within forty days after application to the society for reference under its rules, the member or person aggrieved may apply to the High Court, which may hear and determine the matter in dispute:
- (e) The Court or Registrar may at the request of either party state a case for the opinion of the High Court on any question of law, and may also grant to either party such discovery as to documents and otherwise, or such inspection of documents, as might be granted by any Court, such discovery to be made on behalf of the society by such officer of the same as such Court or Registrar determines.

Cf. 1877, No. 11, s. 13

13. Inspection of affairs—With respect to the inspection of the affairs of registered societies the following provisions shall have effect:

- (a) On the application of one-fifth of the whole number of members of a registered society, or of one hundred members in the case of a society of one thousand members and not exceeding ten thousand, or of five hundred members in the case of a society of more than ten thousand members, the Registrar, but with the consent of the Governor-General, may—
 - (i) Appoint one or more inspectors to examine into the affairs of the society and to report thereon, who may require the production of all or any of the books and documents of the society, and may examine on oath its officers, members, agents, and servants, in relation to its business, and may administer such oath accordingly:
 - (ii) Call a special meeting of the society in such manner and at such time and place as the Registrar directs, and may direct what matters shall be discussed and determined on at such meeting, which

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shall have all the powers of a meeting called according to the rules of the society, and shall in all cases have power to appoint its own chairman, any rule of the society to the contrary notwithstanding:

- (b) The application herein mentioned shall be supported by such evidence as the Registrar requires for the purpose of showing that the applicants have good reason for requiring such inspection to be made or meeting to be called, and that they are not actuated by malicious motives in their application, and such notice thereof shall be given to the society as the Registrar directs:
- (c) The Registrar may, if he thinks fit, require the applicants to give security for the costs of the proposed inspection or meeting before appointing any inspector or calling such meeting:
- (d) All expenses of and incidental to any such inspection or meeting shall be defrayed either by the members applying for the same or out of the funds of the society, as the Registrar directs.

Cf. 1877, No. 11, s. 14.

14. Special resolutions, and proceedings which may be taken thereon—With respect to special resolutions by registered societies, and to the proceedings which may be taken by virtue thereof, the following provisions shall have effect:

- (a) A special resolution is one which is passed by a majority of not less than three-fourths of such members of a society for the time being entitled under the rules to vote as are present in person or by proxy (where the rules allow proxies) at any general meeting of which notice, specifying the intention to propose such resolution, has been duly given according to the rules; and which resolution is confirmed by a majority of such members for the time being entitled under the rules to vote as are present in person or by proxy at a subsequent general meeting, of which notice has been duly given, held not less than fourteen days nor more than one month from the day of the meeting at which such resolution was first passed. At any meeting mentioned in this section a declaration by the chairman that the resolution has been carried shall be deemed conclusive evidence of the fact:

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- (b) A society may by special resolution, with the approval in writing of the Registrar, change its name; but no such change shall affect any right or obligation of the society, or of any member thereof, and any pending legal proceedings may be continued by or against the society, or any officer who may sue or be sued on behalf of such society, notwithstanding its new name:
- (c) Any two or more societies may, by special resolution of both or all such societies, become amalgamated together as one society, with or without any dissolution or division of the funds of such societies or any of them; and any society may by special resolution transfer its engagements to any other registered society which undertakes to fulfil the engagements of such society:
- (d) A society may by special resolution determine to convert itself into a company under [the Companies Act 1955] or to amalgamate with or transfer its engagements to any such company:
- (e) No amalgamation or transfer of engagements shall prejudice any right of a creditor of either or any society party thereto:
- (f) A copy of every special resolution for any of the purposes mentioned in this section, signed by the chairman of the meeting and countersigned by the secretary of the society, shall be sent to the Registrar, and be registered by him, and until such copy is so registered such special resolution shall not take effect:
- (g) If a special resolution for converting a society into a company contains the particulars by [the Companies Act 1955] required to be contained in the memorandum of association of a company, and a copy thereof has been registered at the office of the Registrar, a copy of such resolution under the seal or stamp of the Registrar shall have the same effect as a memorandum of association duly signed and attested under the said Act:
- (h) If a society is registered as, or amalgamates with, or transfers all its engagements to a company, the registry of such society under this Act shall thereupon become void, and the same shall be cancelled by the Registrar; but the registration of a society as a company shall not affect any right or claim for the time being subsisting against such society, or any penalty for the time being incurred by such society; and for

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the purpose of enforcing any such right, claim, or penalty the society may be sued and proceeded against in the same manner as if it had not become registered as or amalgamated with a company, or had not transferred all its engagements to a company; and every such right or claim, or the liability to such penalty, shall have priority as against the property of such company over all other rights or claims against, or liabilities of, such company.

Cf. 1877, No. 11, s. 15

Conversion of company into society—Section 2 of the Industrial and Provident Societies Amendment Act 1919 provides as follows:

2. (1) A company registered under [the Companies Act 1955] may, by a special resolution, determine to convert itself into a registered society under the principal Act, and for this purpose, in any case where the nominal value of its shares held by any member other than a registered society exceeds two thousand dollars, may by such resolution provide for the conversion of the excess of such share capital over two thousand dollars into a transferable loan stock, bearing such rate of interest as may thereby be fixed, and repayable on such conditions only as are in such resolution determined.

(2) A resolution for the conversion of a company into a registered society shall be accompanied by a copy of the rules of the society therein referred to, and shall appoint seven persons, members of the company, who, together with the secretary, shall sign the rules, and who may either be authorised to accept any alterations made by the Registrar therein, without further consulting the company, or may be required to lay all such alterations before the company in general meeting for acceptance as the resolution may direct.

(3) With the rules a copy of the special resolution for conversion of the company into a registered society shall be sent to the Registrar, who, upon the registration of the society, shall give to it, in addition to the acknowledgment of registry, a certificate similarly sealed or signed that the rules of the society referred to in the resolution have been registered; but in the registered name of the company as a society the word "company" shall not be used.

(4) A copy of the resolution for the conversion of the company into a registered society under the seal of the company, together with the certificate so issued by the Registrar, shall be sent for registration to the office of the Registrar of Companies, and upon the registration of such resolution and certificate the conversion shall take effect.

(5) Upon the conversion of a company into a registered society the registry of the company under [the Companies Act 1955] shall become void, and shall be cancelled by the Registrar of Companies; but the registration of a company as a registered society shall not affect any right or claim for the time being subsisting against the company, or any penalty for the time being incurred by such company, and for the purpose of enforcing any such right, claim, or penalty the company may be sued and proceeded against in the same manner as if it had not become registered as a society. Every such right or claim and the liability to such penalty shall have priority as against the property of such society over all other rights or claims against or liabilities of the society.

15. Dissolution of societies—With respect to the dissolution of registered societies the following provisions shall have effect:

- (a) A society may be dissolved by an order to wind up the society, or a resolution for the winding up thereof, made as is directed in regard to companies by [the Companies Act 1955], the provisions whereof shall apply to any such order or resolution, except that the Court having jurisdiction in the winding up shall be the High Court; or by the consent of three-fourths of the members, testified by their signatures to an instrument of dissolution:
- (b) Where a society is wound up, the liability of a present or past member of the society to contribute for payment of the debts and liabilities of the society, the expenses of winding up, and the adjustment of the rights of contributories amongst themselves, shall be qualified as follows:

(i) No individual, society, or company which has ceased to be a member for one year or upwards prior to the commencement of the winding up shall be liable to contribute:

(ii) No individual, society, or company shall be liable to contribute in respect of any debt or liability contracted after it ceased to be a member:

(iii) No individual, society, or company not a member shall be liable to contribute unless it appears to the Court that the contributions of the existing members are insufficient to satisfy the just demands on the society:

(iv) No contribution shall be required from any individual, society, or company exceeding the amount (if any) unpaid on the shares in respect of which it is liable as a past or present member:

(v) An individual, society, or company shall be taken to have ceased to be a member, in respect of any withdrawable share withdrawn, from the date of the notice or application for withdrawal:

(c) Where a society is terminated by an instrument of dissolution, the following provisions shall apply:

(i) The instrument of dissolution shall set forth the liabilities and assets of the society in detail, the number of members and the nature of their interests in the society respectively, the claims of creditors (if any) and the provision to be made for their payment, and the intended appropriation or division of the funds and property of the society, unless the same is stated in the instrument of dissolution to be left to the award of the Registrar:

(ii) Alterations in the instrument of dissolution may be made with the like consents as hereinbefore provided, testified in the same manner:

(iii) A statutory declaration shall be made by three members and the secretary of the society that the provisions of this Act have been complied with, and shall be sent to the Registrar with the instrument of dissolution; and every person who knowingly makes a false or fraudulent declaration in the matter commits an indictable offence, and is liable on conviction to a fine not exceeding fifty pounds, or to imprisonment . . . for any term not exceeding two years:

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(iv) The instrument of dissolution and all alterations therein shall be registered in manner herein provided for the registry of rules, and shall be binding upon all members of the society:

(v) The Registrar shall cause a notice of the dissolution to be advertised at the expense of the society in the *Gazette*, and in some newspaper circulating in the city, town, or place in which the registered office of the society is situated; and unless, within three months from the date of the *Gazette* in which such advertisement appears, a member or other person interested in or having any claim on the funds of the society commences proceedings to set aside the dissolution of the society in the High Court in or near to the locality where the registered office of the society is situate, and such dissolution is set aside accordingly, the society shall be legally dissolved from the date of such advertisement, and the requisite consents to the instrument of dissolution shall be considered to have been duly obtained without proof of the signatures thereto:

(vi) Notice shall be sent to the Registrar of any proceeding to set aside the dissolution of a society, not less than seven days before such proceeding is commenced, by the person by whom it is taken, and notice of any order setting it aside shall be similarly sent by the society within seven days after such order is made.

Cf. 1877, No. 11, s. 16

16. Penalties—With respect to penalties under this Act the following provisions shall have effect:

- (a) If any person wilfully makes, orders, or allows to be made any entry or erasure in or omission from any balance sheet of a registered society, or any contribution or collecting book, or any return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same

or to evade any of the provisions of this Act, he shall be liable to a fine not exceeding fifty pounds, recoverable on prosecution by the Registrar or any person aggrieved:

- (b) If any officer of the society, or any person on its behalf, uses any seal purporting to be a seal of the society whereon its name is not so engraved as aforesaid, or issues or authorises the issue of any notice, advertisement, or other official publication of the society, or signs or authorises to be signed on behalf of the society any bill of exchange, promissory note, endorsement, cheque, order for money or goods, or issues or authorises to be issued any bills of parcels, invoice, receipt, or letters of credit of the society, wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine of fifty pounds, and shall further be personally liable to the holder of any such bill of exchange, promissory note, cheque, or order for money or goods for the amount thereof, unless the same is duly paid by the society:
- (c) Every society, officer, or member of a society, or other person guilty of an offence under this Act, for which no penalty is expressly provided herein, is liable to a fine of not less than one pound and not more than five pounds, recoverable on prosecution by the Registrar or any person aggrieved:
- (d) Except in the case of indictable offences, all fines imposed by this Act, or by any regulations under the same, or by the rules of a registered society, are recoverable in a summary way before the High Court.

Cf. 1877, No. 11, s. 17

17. Where proceedings may be taken—(1) All offences and penalties under this Act may be prosecuted and recovered as respects a prosecution against a society or its officers, in the place where the registered office of the society is, or where the offence has been committed; or, as respects any prosecution against any person other than a society or its officers, in the place where such person is resident at the time of the institution of such prosecution, or where the offence has been committed.

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(2) In any information or complaint under this Act it shall be sufficient to describe the offence in the words of this Act, and no exception, exemption, proviso, excuse, or qualification accompanying the description of the offence in this Act need be specified or negatived.

Cf. 1877, No. 11, s. 18

18. Procedure on application to High Court—

(1) Every application authorised or required to be made to the High Court for the settlement of disputes, or for any relief, direction, adjudication, or order, shall be made to such Court in a summary way.

(2) Every High Court shall have power to entertain such application, and give such relief, and make such orders and directions in relation to the matter of such application as the case may require.

(3) When the order of the High Court is for the payment of money, the same may be enforced in the same manner as the ordinary judgments or orders of such Court are enforced.

(4) Where the order of such Court is for the doing of some act not being the payment of money, the Court may order the party to do such act, and that, in default of his doing it, he shall pay a certain sum of money; and, in case he refuses to do the act required upon demand, the sum of money mentioned in the order may then be recovered and enforced in the same manner as a judgment or order for debt or damages in such Court.

Cf. 1877, No. 11, s. 19

In the application of this Act to the Cook Islands every reference to a Magistrate's Court is to be read as a reference to the High Court of the Cook Islands; see s. 57 (2) (a) of the Finance Act (No. 2) 1948 (reprinted after s. 1 of this Act).

[19. Appointment of auditors—(1) Any registered society may from time to time appoint an auditor or auditors of the society.

[(1A) Whenever any registered society has no auditor the Registrar may, on the application of any member of the society, appoint an auditor of the society. The remuneration of an auditor appointed by the Registrar may be fixed by the Registrar.]

(2) No person shall be qualified for appointment under this section as auditor of a registered society unless he is a member of the New Zealand Society of Accountants.

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(3) Nothing in this section shall be construed to limit or affect in any way any provision in the rules of a registered society for the appointment, in accordance with those rules, of two or more persons as auditors of the society, and nothing in subsection two of this section shall apply to any person so appointed.]

20. Fees—(1) The Governor-General may from time to time determine a scale of fees to be paid for matters to be transacted or for the inspection of documents under this Act; but no fee shall be payable on the registry of any society or of any amendment of the rules of the same.

(2) All fees received by any Registrar under or by virtue of this Act shall be paid into the Public Account and shall form part of the Consolidated Fund.

Cf. 1877, No. 11, s. 21

21. *Repealed by s. 7 (1) (a) of the Industrial and Provident Societies Amendment Act 1957.*

22. Regulations to be made for carrying out this Act—(1) The Governor-General may from time to time make regulations respecting registry and procedure under this Act, and the seal and forms to be used for such registry, and the duties and functions of the Registrar, and the inspection of documents kept by the Registrar under this Act, and generally for carrying this Act into effect.

(2) All regulations shall, within ten days after the approval thereof, be laid before Parliament if sitting, or if not, then within ten days after the commencement of the next ensuing session.

Cf. 1877, No. 11, s. 23

23. Evidence of documents—Every instrument or document, copy or extract of an instrument or document, bearing the seal or stamp of the Registrar [or the Deputy Registrar or any District Registrar or Assistant Registrar] shall be received in evidence without further proof; and every document purporting to be signed by the Registrar [or the Deputy Registrar or any District Registrar or Assistant Registrar], or

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any inspector . . . under this Act, shall, in the absence of any evidence to the contrary, be received in evidence without proof of the signature.

Cf. 1877, No. 11, s. 24

24. Repealed by s. 7 (1) (a) of the Industrial and Provident Societies Amendment Act 1957.

[25. **Revising Barristers**—(1) The Governor-General may appoint fit persons, being barristers of the High Court, to be Revising Barristers for the purposes of this Act.

(2) All Revising Barristers appointed under the Building Societies Act 1908 at the commencement of this section shall, without further appointment, be deemed to be Revising Barristers for the purposes of this Act.

(3) The Registrar shall cause one copy of the rules received by him with an application to register a society to be transmitted to a Revising Barrister, who, if he finds that the objects of the society and the rules thereof comply with the requirements of this Act, shall return the same to the Registrar with a certificate in writing thereon to that effect.

(4) If the Revising Barrister is of opinion that the objects of the society, or any of them, or any of the rules are repugnant to or do not comply with the requirements of this Act, he shall notify his opinion in writing to the Registrar, specifying in what particulars the rules or other matters are repugnant to or do not comply with the requirements of this Act; and the Registrar shall thereupon return the rules to the secretary of the society, with a copy of the objections made by the Revising Barrister, and the society may thereupon transmit amended rules, signed as before required, or, if possible, comply with any requirements of this Act which were previously disregarded.

(5) All amendments of rules shall be submitted for the perusal of a Revising Barrister in the manner provided by the foregoing provisions of this section as to rules transmitted to the Registrar upon an application for registration of a society.]

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SCHEDULES

FIRST SCHEDULE

Section 1 (2)

ENACTMENTS CONSOLIDATED

1877, No. 11—The Industrial and Provident Societies Act 1877.

SECOND SCHEDULE

Section 7

MATTERS TO BE PROVIDED FOR BY THE RULES OF SOCIETIES REGISTERED
UNDER THIS ACT

1. Object, name, and place of office of the society.
2. Terms of admission of the members, including any society or company investing funds in the society under the provisions of paragraphs (c) or (d) of section 10.
3. Mode of holding meetings, and right of voting and of making, altering, and rescinding rules.
4. The appointment and removal of a committee of management, by whatever name, a secretary and managers or other officers, and their respective powers and remuneration.
5. Determination of the amount of interest, not exceeding two thousand dollars in the shares of the society which any member other than a registered society may hold.
6. Determination whether the shares or any number thereof shall be transferable; and, if it is determined that the shares or any number of them shall be transferable, provision for the form of transfer and registration of the shares, and for the consent of the committee thereto; and, if it is determined that the shares or any of them shall be withdrawable, provision for paying the members the balance due thereon on withdrawing from the society.
7. Provision for the audit of accounts.
8. Determination whether and how members may withdraw from the society, and provisions for the claims of executors or administrators of deceased members, or trustees of the property of bankrupt members and for the payment of nominees in the case herein mentioned.
9. Mode of application of profits.
10. Provision for the custody, use, and device of the seal of the society, which shall in all cases bear the registered name of the society.
11. Determination whether and by what authority, and in what manner, any part of the capital may be invested.

[Amended Act 1968/77]

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Section 11 (a)

THIRD SCHEDULE

(1) BOND

Know all men by these presents that we, A. B., of _____, one of the officers of the _____ Society Limited, established at _____, New Zealand, and C. D., of _____ (as surety on behalf of the said A. B.), are jointly and severally held and firmly bound to the said society in the sum of _____ to be paid to the said society or its certain attorney, for which payment well and truly to be made we jointly and severally bind ourselves, and each of us by himself, our and each of our executors and administrators, firmly by these presents. Sealed with our seals. Dated the _____ day of _____, one thousand nine hundred and _____.

Whereas the above-bounden A. B. has been duly appointed to the office of _____ of the _____ Society, established as aforesaid, and he and the above-bounden C. D. as his surety, have entered into the above-written bond, subject to the condition herein contained: Now, therefore, the condition of the above-written bond is such that if the said A.B. do render a just and true account of all moneys received and paid by him on account of the said society, at such times as the rules thereof appoint, and do pay over all the moneys remaining in his hands, and assign and transfer or deliver all property (including books and papers) belonging to the said society in his hands or custody to such person or persons as the said society or the committee thereof appoints, according to the rules of the said society, together with the proper and legal receipts or vouchers for such payment, then the above-written bond shall be void, otherwise shall remain in full force.

Signed, sealed, and delivered in the presence of— [L.S.] A. B.
E. F., [L.S.] C. D.

[Occupation and address].

(2) RECEIPT TO BE ENDORSED ON MORTGAGE OR FURTHER CHARGE

THE _____ Society Limited hereby acknowledges to have received all moneys intended to be secured by the within [or above] -written deed [or instrument].

Dated this _____ day of _____, 19 _____.

Countersigned [Secretary]. Signed [Three members of the committee].

Sections 5 (e), 7 (d)

FOURTH SCHEDULE

(1) ACKNOWLEDGMENT OF REGISTRY OF SOCIETY

THE _____ Society Limited is registered under the Industrial and Provident Societies Act 1908 this _____ day of _____ 19 _____.

E. F., Registrar.
[Seal or stamp of Registrar.]

(2) ACKNOWLEDGMENT OF REGISTRY OF AMENDMENT OF RULES

THE foregoing amendment of the rules of the _____ Society Limited is registered under the Industrial and Provident Societies Act 1908 this _____ day of _____ 19 _____.

E. F., Registrar.
[Seal or stamp of Registrar.]