

CONDOMINIUM DES NOUVELLES-HEBRIDES

NEW HEBRIDES CONDOMINIUM

ARRETE CONJOINT 11 de 1962

JOINT REGULATION 11 of 1962

JOINT REGULATION

No. 11 of 1962.

to provide for the operation of Native Co-operative Societies.

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- of 1963 Condominium Gazette No. 216
- of 1964 Condominium Gazette No. 218
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MADE by the Resident Commissioners under the provisions of Article 8, paragraph 3, of the Anglo-French Protocol, 1914.

PART I

GENERAL PROVISIONS

1. In this Regulation—

Interpretation.

“Co-operative” means a private society of individuals, without restriction on the amount of its capital or on the number of its members, which is conducted in accordance with co-operative principles by natives of the New Hebrides for the promotion of the common economic interests of its members and which has its head office and pursues its activities in the New Hebrides, and includes associations of such societies formed for the management of their common interests;

“Co-operative Officers” means the persons appointed as such by the Resident Commissioners jointly.

A Co-operative shall not engage in political or religious

Restriction.

PART II

FORMATION

(1) The intention to form a co-operative shall be set out in simple written declaration which shall be signed by at least seven persons and forwarded to the Resident Commissioners through the Agent Agents at least sixty days before the Inaugural General Meeting to establish the co-operative, and which shall set out the date and time of such meeting.

Registration.

(2) The declaration shall be accompanied by draft by-laws

- (a) the precise object of the Co-operative;
- (b) its title, head office and area of operation;

- (c) the conditions governing the admission, withdrawal and expulsion of members;
- (d) the nature, origin and employment of its resources, and the manner in which the funds are to be raised;
- (e) its administrative procedure, special reference being made to those matters requiring a decision of the General Meeting and to those matters on which action may be taken by the Committee;
- (f) the provisions for the control of operations and for dissolution and liquidation.

(3) No co-operative may be registered until its by-laws, approved by the constituent General Meeting, have been duly considered by the Resident Commissioners who will thereafter arrange for formal registration [—].

J. R. No. 24 of 1966.

The registration of a co-operative shall render it a body corporate by the title under which it is registered, with perpetual succession and with power to hold property, to enter into contracts, to institute and defend suits and other legal proceedings, for all purposes it shall be represented by its Chairman.

Co-operatives to be bodies corporate.

### PART III

#### CAPITAL AND PROFITS—MEMBERS

(1) No person may become a member of a co-operative if he has interests that lie within its range of activities and area of operations.

Conditions of membership.

No person may join more than one co-operative operating for the same purpose in the same area.

Non-members may make use of the services of a co-operative to the extent provided for in its by-laws.

(1) Unless otherwise provided for in the by-laws the initial capital of a co-operative shall consist of indivisible shares of the nominal value subscribed by the members which shall become the property of the co-operative.

Means of raising and registering funds.

No member other than another co-operative shall hold more than one-fifth of the share capital of any co-operative.

Whenever a co-operative obtains a loan, it shall not reduce its assets until the loan has been fully reimbursed.

A co-operative may by decision of a General Meeting apply its capital for clearly defined purposes.

Every co-operative shall keep at its head office a register of members in which shall be entered the names of members in order of admission together with the number and value of their shares.

7. (1) Not less than one tenth of the net profits of a co-operative shall be transferred annually to a Reserve Fund until the amount in the Fund equals the initial capital of the co-operative;

Reserve Fund and disposal of profits.

Provided that the Resident Commissioners may earlier authorise such annual transfers to the Reserve Fund to cease.

(2) The Reserve Fund shall not be used or invested without the prior approval of the Committee and of the Co-operative Officers.

(3) Any net profits remaining after the annual transfer has been made to the Reserve Fund may be used in one or more of the following ways—

- (a) distributed to members in proportion to the amount of business done by each member with the co-operative; or
- (b) distributed to members as interest on share capital at a rate not exceeding 6% per annum to the exclusion of any other dividend on share capital; or
- (c) allocated to any funds constituted by the co-operative for special purposes.

8. (1) Any member may withdraw from a co-operative and receive a refund of all or part of his contributions to the co-operative unless provision to the contrary is made in the by-laws.

Members' rights on withdrawal or expulsion.

(2) Expulsion shall involve the loss of any right to reimbursement unless a General Meeting or a Special General Meeting decides to the contrary.

9. (1) Subject to the provisions of Section 10 (2) hereof, a member may nominate in writing the person to whom all his rights and interests in the co-operative shall be transferred in the event of death, and the person so named may—

Transfer of interest on death of member.

- (a) provided he satisfies the requirements for membership laid down in Section 5 above take over the rights and interests of the deceased; or
- (b) require the co-operative to pay to him the value of the rights and interests thus acquired.

(2) If a member of a co-operative has not nominated any person in writing to receive all his rights and interests, the provisions of paragraph (1) above shall be applied to his heir according to the custom.

10. (1) For a period of two years after his withdrawal or expulsion a member shall retain the same liability as other members for such debts of the co-operative as existed at the time of his withdrawal or expulsion.

Liability of members.

(2) A co-operative shall have a charge upon the shares or interests in the capital and on the deposits of a member or past member or deceased member and upon any dividend, bonus or interest payable to a member or past member or deceased member

to the estate of a deceased member in respect of any debt due to the co-operative from such member or past member or deceased member in the estate of a deceased member and may set off any sum credited to the estate of a deceased member or past member or deceased member or payable to a member or past member or deceased member or the estate of a deceased member in or towards payment of any such debt.

PART IV

PROCEDURE

11. The governing bodies of a co-operative shall be the General Meeting of its members and the Committee. Their deliberations shall be recorded in minutes of meetings and their decisions and instructions shall be carried out by the office bearers and employees of the co-operative.

Governing bodies.

12. (1) The General Meeting shall be the supreme body, the source of all authority and of all power within the co-operative.

General Meeting and Special General Meetings.

(2) The General Meeting shall be held at least once a year, and a Special General Meeting may be convened at any time if the Resident Commissioners or the Committee or not less than one-third of the members of the co-operative consider it necessary. Any notice convening a Special General Meeting must state the subject of the proposed meeting.

(3) The Resident Commissioners, Co-operative Officers, District Agents, or the representatives of any of them, may attend any General Meeting or a Special General Meeting and take part in the discussions.

(4) Each member shall have one vote only in the General Meeting or a Special General Meeting, whatever may be the extent of his business with the co-operative or the number of shares he holds.

Provided that as regards the General Meeting or a Special General Meeting of an association of co-operatives the by-laws of the association may allot to each of the member co-operatives, represented at the General Meeting or a Special General Meeting by one or more persons, a number of votes in proportion to the number of members or to the volume of business transacted with the association.

(5) One third of the members shall form a quorum for the business of the General Meeting and one half of the members a quorum for the purposes of a Special General Meeting.

Subject to the provision of section 13 (1) and 22 (2) hereof, any question submitted to the decision of the members present at the General Meeting shall be decided by simple majority of the votes, and any question submitted to the decision of the members present at a Special General Meeting by a majority of not less than two-thirds of the members present.

the votes [, except in the case of general assemblies of co-operatives' unions. Each member may, on that occasion, submit a written proxy to another member which will be valid only for one general assembly the date of which shall be stated on the form of proxy.

J. R. No. 46  
of 1973.

No member shall carry more than two proxies.]

(7) Voting by proxy shall be forbidden.

(8) At least fifteen days' notice shall be given by the Chairman of the Committee before the General Meeting or a Special General Meeting is held.

13. (1) A Committee shall be elected by the General Meeting among the members of the co-operative and shall manage the affairs of the co-operative:

Committee.

Provided that a Special General Meeting may remove the Committee or any members thereof before the expiration of their term of office by majority of three-fourths of the members present, shall proceed at the same meeting to the election of others in their stead who shall hold office until the election of a new Committee by the next General Meeting.

(2) As soon as it has been constituted the Committee shall elect from among its members a Chairman who shall preside at its meetings and at the General Meetings and any Special General Meetings:

Provided that, should he be unable to act, the Committee shall elect one of its members to preside at the meeting.

(3) The Chairman shall represent the co-operative as plaintiff or defendant in civil proceedings, and all such proceedings shall be conducted by or against him.

(4) The Committee shall also appoint a Secretary who may be a member or an employee of the co-operative.

(5) Each member of the Committee shall have one vote only.

(6) Voting by proxy shall be forbidden.

(1) The Committee may recruit and appoint employees, but shall not do so from among its members.

Employees.

The number, designation and wages of permanent employees of a co-operative shall be shown in its budget.

Any special provisions concerning the professional conditions and responsibilities of permanent employees and their duties in relation to the co-operative shall be contained in the laws.

15. No person may become a member of the Committee or a permanent employee of a co-operative if he, either directly or through an intermediary, carries on any activity which is in competition or is closely connected with that of the co-operative.

Restriction on Membership of the Committee and employees.

PART V

COMMERCIAL AND FINANCIAL PROVISIONS

16. Unless it is otherwise provided by the Resident Commissioners, a co-operative shall be liable to pay the prescribed fees for trading licences and shall be subject to any Regulation in force in respect of any imports or exports which it may make.

Licences and Customs dues.

17. The accounts of a co-operative shall be kept in accordance with commercial practice.

Accounts.

18. (1) A co-operative may obtain loans from one or several of its members, or from persons who are not members, or from clubs or bodies outside the co-operative.

Loans obtained.

(2) Except with the approval of the Resident Commissioners a co-operative shall not obtain more than one loan at a time and, until that loan and any interest thereon is fully repaid, it shall not obtain another loan nor shall it sell its assets, other than stocks held for sale, for any purpose except the redemption of the loan.

19. Unless permitted by its by-laws to do so a co-operative shall not make loans to members or to non-members.

Loans granted.

PART VI

TECHNICAL ASSISTANCE AND SUPERVISION FOR CO-OPERATIVES

20. (1) Whenever they consider it necessary, and once at least every year, the Co-operative Officers or their representatives shall examine the accounts of co-operatives. They may direct particular accounting records to be kept and standard printed forms to be used. In the examination the Co-operative Officers shall make a report to the Resident Commissioners on the general and financial situation of the co-operative.

Audit and Inspection.

(2) The Co-operative Officers or their representatives, and District Agents or their assistants, may visit co-operative installations and undertakings at any time and may require the books, papers, minutes and accounting documents of all kinds to be produced for inspection.

(3) The annual reports on business, accounts, inventories of balance sheets and draft estimates of co-operatives shall be submitted to the Co-operative Officers for their examination before approval by the Annual General Meeting.

21. Co-operatives which have received financial assistance in any form from any organisation approved by the Resident Commissioners for the grant of such assistance shall be subject to supervision by such organisation in a manner to be laid down by agreement between the co-operative, the organisation and the Co-operative Officers before the financial assistance is granted.

Supervision by organisations giving financial assistance.

## PART VII

### BY-LAWS

22. (1) Every member of a co-operative shall comply with its by-laws.

By-laws.

(2) The making of a new by-law and the repeal of or amendment to an existing by-law may only be done by a majority of not less than three-fourths of the members present at the General Meeting or Special General Meeting.

No resolution making a new by-law or repealing or amending an existing by-law shall be valid until it is registered [—] under Joint Regulation by the Resident Commissioners. An amendment which changes the title of a co-operative shall not affect any right or obligation of the co-operative or any of its members or past members, and any legal proceeding pending may be continued by or against the co-operative under its new title.

J.R. No. 24 of 1964.

(3) Any person shall on request be shown the by-laws of a co-operative at its head office or be supplied at his own expense with a certified copy of them in one or other of the English, French or other English languages.

## PART VIII

### DISSOLUTION AND LIQUIDATION

23. (1) Only the Resident Commissioners may order the dissolution of a cooperative. They may do so—

Dissolution.

- (a) on receipt of an application to that effect made by a majority of members; or
- (b) on the recommendation of the Co-operative Officers after making an inspection under Section 20 hereof; or
- (c) at their absolute discretion if the activities of a co-operative are of a nature calculated to disturb the public peace.

(2) A co-operative shall cease all activity as soon as its dissolution is applied for or ordered and the Resident Commissioners may make such further order as they think fit for the custody of the property and documents and the protection of the assets of the co-operative until the order for dissolution takes effect.

(3) When the order for dissolution of a co-operative takes effect the Resident Commissioners may appoint a liquidator who shall take possession of all its property, assets and records of whatsoever description.



24. (1) Liquidation shall be carried out under the supervision and control of the Co-operative Officers in consultation with the District Agents. A detailed report shall be submitted by the liquidator through the Co-operative Officers to the Resident Commissioners.

Liquidation.

(2) The liquidator shall forthwith proceed to realise the assets and shall apply the proceeds in the manner and order following—

- (a) to discharge all debts, loans and other liabilities;
- (b) to distribute the balance (if any) up to an amount equal to the capital of the co-operative among the members in proportion to the number of shares held by them;
- (c) to pay the balance (if any) then remaining to the Resident Commissioners to be used by them for any purpose relating to the economic welfare of the natives of the New Hebrides.

(3) If liquidation results in a deficit exceeding the total assets of the co-operative, such deficit shall be made good by the members in proportion to the number of shares held by them and to the extent provided for in the by-laws of the co-operative. In this event, the amount of the liability of members shall not be less than twice the amount of their shareholding.

PART IX

MISCELLANEOUS PROVISIONS

25. The Resident Commissioners may make all such rules as may be necessary to carry out or give effect to the principles and provisions of this Joint Regulation.

Rules.

26. Any person or co-operative affected by a decision of the Resident Commissioners under this Joint Regulation may, within three months of the making of the decision, appeal to the High Commissioners against such decision. When an appeal is presented within two months, the decision shall not take effect until it is affirmed.

Appeals.

27. (1) No person or group of persons other than a co-operative registered in accordance with section 3 of this Joint Regulation shall trade or carry on business under a style which includes the word "co-operative" or the word "co-operate" or any word derived therefrom;

Prohibition on the use of certain words.

J.R. No. 20 of 1964.

Provided that any person or group of persons trading or carrying on business under such a style at the date of coming into force of this Joint Regulation shall within one year cease to make use of such style or within the same period apply for registration in accordance with section 3 of this Joint Regulation. If registration is refused, the use of such word shall cease within one month of the date of refusal;

and provided that a group of persons which has forwarded to the Resident Commissioners a statement of intention to submit a statement in accordance with Section 3 (1) of the Joint Regulation

and is operating under the supervision of the Co-operative Officers may trade or carry on business under the style of "Probationary Co-operative" for a period not exceeding twelve months prior to the submission of a declaration in accordance with Section 3 (1). If registration is refused or the supervision of the Co-operative Officers withdrawn before the period of twelve months has elapsed, the use of this style shall cease within one month of the date of refusal or withdrawal as the case may be.

(2) Any person or group of persons who contravenes the provisions of this section shall be guilty of an offence and on conviction shall be liable to a fine not exceeding fifty pounds sterling or its equivalent in francs at the current rate of exchange and to imprisonment for a period not exceeding one month or to one or the other of these penalties.

(3) In the case of a continuing offence against this section a further fine not exceeding one pound sterling or its equivalent in francs at the current rate of exchange may be imposed for each day during which the offence continues up to the limit of the penalties provided for under the Anglo-French Protocol of 1914.]

28. Any member or employee of a co-operative who shall wilfully publish or communicate any incorrect accounting record with intent to deceive shall be guilty of an offence and on conviction shall be liable to a fine not exceeding one hundred pounds sterling or its equivalent in francs at the current rate of exchange and to imprisonment for a period not exceeding six months or to one or other of these penalties.

Publication of incorrect accounting record.

29. Save as provided in Sections 27 and 28 hereof any person or group of persons or registered co-operative who wilfully offends against any provision of this Joint Regulation or of any Joint Rules made under Section 25 hereof shall on conviction be liable to a fine not exceeding fifty pounds sterling or its equivalent in francs at the current rate of exchange.

General Penalty.

30. This Joint Regulation may be cited as the New Hebrides Co-operative Joint Regulation No. 11 of 1962.

Short title.

Dated at Vila, this Twelfth Day of September, 1962.

DELAUNEY

COLIN H. ALLAN

Resident Commissioner  
for the French Republic.

Her Britannic Majesty's Actg.  
Resident Commissioner.