



BELIZE

**CREDIT UNIONS ACT
CHAPTER 314**

REVISED EDITION 2003

SHOWING THE SUBSTANTIVE LAWS AS AT 31ST MAY, 2003

This is a revised edition of the Substantive Laws, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Substantive Laws of Belize, Revised Edition 2000.

This edition contains a consolidation of the following laws-	Page
ARRANGEMENT OF SECTIONS	3
CREDIT UNIONS ACT	11

Amendments in force as at 31st May, 2003.



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CHAPTER 314

CREDIT UNIONS

ARRANGEMENT OF SECTIONS

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CHAPTER 314

CREDIT UNIONS

No. 7 of 2002.

(9th March, 2002)

Commencement.

PART I

Preliminary

1. This Act may be cited as the Credit Unions Act. Short title.
2. In this Act, unless the context otherwise requires: Interpretation.

“Board of Directors” or “Board” means the Board of management or other directing body to whom the management of the affairs of a credit union is entrusted;

“by-laws” means the registered by-laws made by a credit union pursuant to this Act and includes any registered amendment of the by-laws;

“cooperative basis” means the carrying on of an enterprise organized, operated and administered in accordance with the cooperative principles set out in section 4;

“credit union” means a credit union registered under this Act with specific powers to promote thrift, enterprise and cooperative principles among its members, to pool financial resources of its members and to provide needed lending, investment and other financial services to them;

“Department” means the Department of Credit Unions and Cooperatives;

“deposit” means a sum of money paid on terms:

- (a) under which the sum will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it; and
- (b) which are not referable to the provision of property or services or to the giving of security, and for the purposes of this paragraph, money is paid on terms which are referable to the provision of property or services or the giving of security if, and only if:
 - (i) it is paid by way of advance or part payment for the sale, hire or other provision of property or services of any kind and is repayable only in the event that the property or services is or are not in fact sold, hired or otherwise provided; and
 - (ii) it is repaid by way of security for payment for the provision of property or services of any kind provided or to be provided by the person by whom or on whose behalf the money is accepted; or
 - (iii) it is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise;

“dividends” means an amount paid not exceeding 8% based on the members fully paid up shares and surplus realized from the operation for the fiscal period;

“League” means the Belize Credit Union League established under section 80;

“liquid assets” means assets maintained by a credit union to ensure that it can meet its commitments with respect to loans and withdrawals of deposits;

“member” includes a person joining in the application for the registration of a credit union and a person or credit union admitted to membership after registration and participating in accordance with this Act and the by-laws of that credit union;

“Minister” means the person appointed by the Governor General as minister for the time being responsible for credit unions and cooperatives;

“minor” means a person under the age of eighteen years;

“model by-laws” means the by-laws for credit unions prepared by the Registrar and approved by the Minister consistent with this Act, to be used by a credit union to prepare its by-laws;

“rebate” means a share of the profits of a credit union divided among its members in proportion to the volume of loan business done with the credit union by them from which the profits of the credit union were derived;

“Register” means the Permanent Register of Credit Unions, kept at the office of the Registrar;

“Registrar” means the Registrar of Credit Unions and Cooperatives appointed pursuant to section 5 of this Act;

“rules” means the statutory rules and regulations made by the Minister under this Act;

“special resolution” means a resolution:

- (a) at least ten (10) days notice of which has been given specifying the intention to propose the resolution as a special resolution, that is passed by a majority of at least three-fourths of the members or delegates of a credit union who voted at a general meeting with respect to that resolution;
- (b) at least ten (10) days notice of which has been given, that is approved by a written affirmative vote of at least three-fourths of the members of the credit union, who:
 - (i) voted on that resolution within the prescribed time and in the prescribed manner; or
 - (ii) cast a written vote in the manner and within the time specified in the notice; or
- (c) that is consented to in writing by all of the members or delegates of the credit union who are entitled to vote at a general meeting on that resolution;

“surplus” means an excess of annual receipts over disbursements;

“Tribunal” means the Credit Union Appeals Tribunal established under section 67 (3).

Restriction on use of the words “credit union”. 3. No person other than a credit union shall trade or carry on business under any name or title of which the words “credit union” or “credit unions” or any abbreviation of such words is part.

Cooperative principles. 4. (1) For the purposes of this Act, a credit union conforms to the cooperative principles if:

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- (a) no member other than a body corporate has more than one vote;
 - (b) no member or delegate appointed by a credit union is entitled to vote by proxy;
 - (c) its business is carried on primarily for the benefit of its members;
 - (d) its membership is voluntary and available, without any artificial restriction or any unlawful basis of discrimination, to any person who can use its services and is willing to accept the responsibilities of membership;
 - (e) its share capital is permanent and receives an economic rate of return;
 - (f) any surplus or savings out of its operation is:
 - (i) used to develop its business;
 - (ii) used to provide or improve common services to members;
 - (iii) distributed among members in proportion to their patronage of the credit union;
 - (iv) used for the payment of dividends on share capital;
 - (v) used to educate its members, officers or employees and the general public about the principles and techniques of economic and

democratic co-operation;

(vi) contributed to bona fide charitable, benevolent or non-profit organizations;

(g) cooperation with other credit unions and with cooperatives is pursued;

(h) there is continuous education of members of the credit union.

(2) Notwithstanding the provisions of subsection (1), a credit union shall do everything within its means to promote safety and soundness in its operations and the fullest development of the community in which it operates.

PART II

Registration and Administration of Credit Unions

Registrar of Credit Unions and Cooperatives.

5. (1) There shall be a Registrar of Credit Unions and Cooperatives, appointed by the Governor General, who shall perform such functions and shall have such powers and staff as are prescribed by this Act.

(2) The Registrar shall have such professional and administrative staff, equipment and facilities as shall be required to effectively carry out the functions of the office.

Functions, obligations and powers of Registrar.

6. (1) The Registrar, as head of the Department shall exercise the following powers and shall perform the following duties:

(a) the management of the Department;

(b) the registration and deregistration of credit unions;

- (c) the inspection, examination and supervision of credit unions;
- (d) the regulation of all credit unions;
- (e) the maintenance of accurate and updated records, including a reliable data bank on credit unions;
- (f) monitoring of the performance of all registered credit unions;
- (g) organization of training and educational activities for volunteers, employees and members of credit unions;
- (h) liaison with all credit unions and the league; and
- (i) providing assistance and advice as may be necessary to assist federation officers and members in due observance of, and compliance with, the provisions of this Act and in the achievement of the objects of their respective credit unions on a cooperative basis.

(2) Where the Registrar has reasonable grounds to believe that an affiliate or official of a credit union is committing or pursuing or is about to commit or pursue any act or course of conduct that is detrimental to the interests of the shareholders or depositors, or is a violation of this Act or any regulation, order, directive, instruction or condition imposed by the Registrar, he may require the credit union to perform such actions considered necessary to rectify the situation.

(3) The Registrar shall, at the request of any person or group of persons interested in the organization of a credit union under this Act, furnish such information regarding cooperative principles, practices and organizational procedure as will assist in determining the feasibility of the proposed organization

and facilitate its incorporation.

Application for registration and refusal of documents.

7. (1) An application for registration under this Act must be submitted to the Registrar in the prescribed form and in such manner as may be prescribed by the rules.

(2) At least twenty-five (25) persons who desire to be registered as a credit union under section 9 may, in the presence of a witness, complete the application in the prescribed form.

(3) The Registrar may refuse to receive, file or register any document that in his opinion:

- (a) contains any matter contrary to law;
- (b) has not been properly completed;
- (c) does not comply with this Act; or
- (d) contains any error, alteration or erasure.

Conditions for registration.

8. (1) No credit union may be registered or having been registered may continue to be so registered under this Act:

- (a) unless it is considered to be economically viable by the Registrar on the basis of the requirements outlined in subsection 2;
- (b) unless its membership consists of at least twenty-five (25) members;
- (c) if, subject to subsection (2), its membership consists solely of members of a school, club or cultural organization who are all under the age of eighteen

years;

- (d) unless there is conformity among the membership with all the cooperative principles as set out in section 4;
- (e) unless the words “credit union” form part of the name of the credit union;
- (f) unless the word “limited” is the last word of the name of a credit union to be registered with limited liability;
- (g) if the name of the credit union is identical with that of another credit union or so nearly resembles that name as to be likely to mislead the members of the public as to its identity;
- (h) unless it has and maintains an address to which all notices and communications may be sent;
- (i) unless its by-laws are in conformity with the Act and rules.

(2) In the determination of the viability of a credit union, the Registrar shall assess the following:

- (a) the demand for the proposed services;
- (b) the asset base of the credit union;
- (c) the membership size and growth potential of the credit union; and
- (d) the capacity of its leadership to provide competitive

products and services on a sustainable basis.

Registration.

9. (1) When an application for registration of a credit union is made, the Registrar shall be satisfied that the application is made in accordance with the requirements of this Act and for these purposes shall make such inquiries and obtain such information as he thinks fit.

(2) The Registrar shall, when satisfied that the application is made in accordance with this Act, within three (3) months of receipt of the application and subject to section 8, register the credit union and its by-laws and issue that credit union with a certificate of registration in the prescribed form.

(3) A certificate of registration issued by the Registrar in respect of any credit union shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with and that the credit union is duly registered under this Act.

(4) The name under which a credit union is registered under this Act:

(a) shall be published in the *Gazette*; and

(b) shall be noted in the Register.

(5) The names of all credit unions that are deemed to have been registered under this Act shall be entered in the Register.

Effect of certificate of registration.

10. (1) If the Registrar refuses to register a credit union, refusal shall be communicated in writing and appeals from such refusal shall be made in accordance with section 67.

(2) Except for a credit union that is deemed to be registered under this Act, a credit union comes into being on the date inscribed on the certificate

of registration.

(3) A certificate of registration issued by the Registrar to a credit union shall be admissible in evidence as conclusive proof that the credit union named in the certificate is registered pursuant to this Act and has complied with all the requirements for registration under this Act.

(4) A credit union which is duly registered under this Act, has the capacity to carry on its business in accordance with its by-laws.

(5) No credit union may engage in any business other than that which is connected with its objectives or which is reasonably incidental to its objectives, except with written approval of the Registrar.

11. (1) The registration of a credit union shall render it a body corporate by the name under which it is registered with perpetual succession and with power to hold property, to enter into contracts, to borrow monies, to institute and defend suits and other legal proceedings and to do all things necessary for the purpose of its by-laws.

Credit unions to
be bodies
corporate.

(2) A credit union shall have the capacity to carry on its business, conduct its affairs and exercise its powers in any jurisdiction outside Belize to the extent that the laws of Belize and of that jurisdiction permit.

(3) This section does not authorize any credit union to carry on any business or activity in breach of:

- (a) any enactment prohibiting or restricting the carrying on of the business or activity; or
- (b) any provision requiring any permission or license for the carrying on of the business or activity.

- Credit unions to conform to cooperative principles.
12. A credit union registered under this Act shall, while registered, conform to the cooperative principles as set out in section 4.
- Common bond; registered office and branches.
13. (1) The common bond of a credit union shall be determined in its by-laws.
- (2) A credit union must at all times establish and maintain a registered office to which all notices and communications may be sent; the address of such office must be specified in the by-laws.
- (3) A credit union may, with prior approval from the Registrar, open one or more subsidiary or branch offices for its operations in Belize.
- (4) Where it becomes necessary to change the address of the credit union, the Registrar must be informed of any such change within one month of it being made.
- Display of certificate and mandatory records.
14. (1) Every credit union shall have its certificate of registration prominently displayed at its registered address.
- (2) Without prejudice to subsection (1), there shall be made available at all reasonable times at the registered address of the credit union:
- (a) a copy of this Act and any rules made thereunder;
 - (b) a copy of the by-laws of the credit union;
 - (c) the updated Register of Members;
 - (d) the updated Register of Nominations in accordance with section 49;

- (e) all minutes of meetings of members and resolutions of members;
- (f) copies of all notices of directors and notices of change of directors;
- (g) a register of its directors setting out the names, addresses and occupations of all persons who are or have been directors of the credit union, with the date on which each person became and ceased to be a director;
- (h) a copy of every certificate and order issued by the Registrar relating to the credit union;
- (i) all monthly unaudited and all annual audited financial statements;
- (j) all minutes of meetings of directors and committees;
- (k) such other records as may be prescribed.

15. Every credit union shall paint or affix and keep affixed its registered name, in letters easily legible, in a conspicuous position on the outside of every office or place in which the business of the credit union is carried on.

Publication of name.

16. (1) The Registrar shall prepare and submit for the Minister's approval model by-laws consistent with this Act for credit unions.

Standard by-laws and power of credit unions to make by-laws.

(2) The Registrar shall supply a copy of the model by-laws to any person requesting such a copy.

(3) Every credit union may, by a two-thirds majority vote of the voting members present at an annual general meeting or at a meeting called for

the purpose, and subject to the approval of the Registrar, make by-laws for any such things as are necessary or desirable for the purpose for which the credit union is established.

(4) By-laws made under subsection (1) and any amendments to such by-laws, when registered, shall bind the credit union and every member thereof and every person claiming through such member to the same extent as if

- (a) they had been signed and sealed by the credit union and by every member; and
- (b) they contained a covenant on the part of each member and his legal representative, heirs, executors and assigns to be bound thereby.

Power to amend
by-laws.

17. (1) Any credit union may, subject to this Act and any rules made thereunder, amend its by-laws, including the by-law which declares the name of the credit union.

(2) No amendment of the by-laws of a credit union shall be valid until that amendment has been registered under this Act, and for which purpose three copies of the amendment shall be forwarded to the Registrar.

(3) If the Registrar is satisfied that any amendment of the by-laws is not contrary to this Act, the amendment may be registered.

(4) Where the Registrar refuses to register an amendment of a by-law, an appeal shall be laid before the Tribunal whose decision shall be final.

(5) An amendment which changes the name of the credit union shall not affect any right or obligation of the credit union or of any of its members or past members, and any legal proceedings pending may be continued by or

against the credit union under its new name.

(6) Where the Registrar registers an amendment of the by-laws of a credit union, a copy of the certified amendment shall be issued to the credit union which shall be conclusive evidence of the fact that the amendment has been duly registered.

(7) In this section, the word “amendment” includes the making of a new by-law and the variation or rescission of an existing by-law.

18. (1) By-laws registered under this Act shall bind the credit union and every member of the credit union and every person claiming through such member, to the same extent as if every such member had subscribed his name and affixed his seal to the by-laws and there were contained in the by-laws a covenant on the part of such member, his heirs, executors, Administrators and assigns to be bound thereby.

Effect of
registration of
by-laws.

(2) No credit union shall carry on any business that is contrary to this Act, the rules or the by-laws of the credit union.

19. (1) A credit union may, by special resolution, alter its objects, as may be required, to enable it to:

Alteration of
objects of a
credit union.

- (a) carry on its business more economically or more efficiently;
- (b) attain its main purpose by new or improved means;
- (c) carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the credit union;
- (d) restrict or abandon any of the objects specified in the rules;

- (e) sell or dispose of the whole or any part of the undertaking of the credit union;
- (f) amalgamate with any other credit union or body of persons.

(2) If any application is made in writing to the Registrar by not less than fifteen (15) per cent of the membership or twenty-five (25) members, whichever is less, for the alteration to be cancelled, it shall not have effect unless approved by the Registrar, whose decision may be appealed to the Tribunal by either party.

(3) An application under this section must be made within twenty-one (21) days after the date on which the resolution altering the credit union's objects was passed, and may be made on behalf of the persons entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(4) An application shall not be made by any person who has consented to or voted in favour of the alteration.

Cancellation of registration.

20. (1) The Registrar may, by order in writing, cancel the registration of a credit union registered under this Act if satisfied that:

- (a) it is proved that the registration was obtained by fraud or mistake;
- (b) the credit union or any officer has failed or refused to comply with any order or request made by the Registrar under this Act;
- (c) the number of members of the credit union has been reduced below the minimum number required by section 8 (1) (b) of this Act for registration of a credit

union;

(2) An order under subsection (1) shall take effect from the date of the order.

(3) Where the registration of a credit union is cancelled by order under this section or any other section, the credit union shall, except for the purpose of winding up, cease to exist as a body corporate from the date on which the order takes effect.

PART III

Membership and Meetings

21. (1) A person, or business other than a cooperative, qualifies for membership of a credit union of the person or the business's choice if that person or business: Qualifications for membership.

(a) has some common bond with the other members of the credit union; and

(b) is not an undischarged bankrupt.

(2) Except with the sanction of the Registrar, and upon the agreement of the Credit Union involved, no person shall be a member of more than one Credit Union and he must disclose this affiliation in his written application to the Credit Union.

(3) The Board shall cause each applicant for membership to be notified in writing that his application has been approved or disapproved.

(4) A person under the age of eighteen years may become a member of a credit union but shall not be capable of voting, or being elected as a director or committee member.

(5) Any contract entered into by a minor with a credit union, whether as principal or surety, shall be enforceable in law or in equity against such minor notwithstanding his infancy.

(6) Subject to the approval of the Registrar a cooperative may become members of a credit union.

(7) A purchaser under any execution or any other person succeeding by operation of law or otherwise to the shares or interest of another member in a credit union shall not be entitled to membership by virtue only of such purchase or transfer.

(8) Subject to subsection 4, a person, including a minor, who is duly admitted to membership shall enjoy all the rights of that credit union and shall be subject to all the liabilities of membership and any other liabilities existing in law; and any contracts made by such minor as a member of such credit union shall be enforceable at law.

(9) Without prejudice to anything contained in this section, provision may be made in the by-laws of a credit union respecting membership.

Membership rights
and fees, etc.

22. (1) No person may exercise the rights of membership of a credit union unless and until the person is an active member and has paid the prescribed membership fee and has satisfied any other requirement which may be prescribed by the by-laws.

(2) A credit union shall keep a register to be called "The Register of Members" in which shall be recorded:

(a) the name, date of birth, address and occupation of each member, a statement of the number of shares held and the amount actually paid by him; and

(b) the date on which each shareholder became a member and the date, if any, on which he ceased to be a member.

(3) Subject to the by-laws, joint accounts may be held by any two members or more.

23. (1) A member of a credit union may at any time withdraw his membership on such conditions as may be prescribed by the by-laws or rules.

Withdrawal,
suspension,
termination and
readmittance.

(2) Withdrawal from a credit union shall be by written notice addressed to the board, except that the Board may require up to ninety (90) days notice to effect full payment of a member's deposits.

(3) Withdrawal or expulsion from a credit union does not affect any existing liability of the member to the credit union, but it precludes the person from any further rights in the credit union.

(4) The Board of a credit union may, by notice in writing, suspend a member for a period not exceeding three (3) months, if it is satisfied that the member is guilty of misconduct as set out in the by-laws.

(5) The Board may order the termination of membership of a member by at least a two-thirds majority of the directors present at a meeting called for the purpose; the execution of such an order shall be in accordance with the rules.

(6) The members of a credit union may expel a member where the member has received at least ten (10) days notice of the general meeting at which his expulsion is to be considered and where the expulsion resolution is approved by at least two thirds of the members present at the general meeting.

(7) A person removed from membership under subsection (5) or (6), may be readmitted to membership only by a two-thirds majority vote of

members present and voting at a general meeting.

Voting and
representational
rights.

24. (1) There shall be no voting by proxy and a member of a credit union shall have one vote; in the event of an equality of votes the chairperson shall have a casting vote.

(2) A cooperative that is a member of a credit union shall exercise its voting rights in that credit union through one of its members duly appointed as a delegate.

(3) Delegates elected in accordance with the by-laws of a credit union may, unless otherwise provided in the by-laws, exercise at annual and special meetings all the powers of members and in such cases all references in this Act to the exercise of powers by members shall be deemed to include the exercise of powers by delegates.

Rights and
liabilities of
members.

25. (1) Subject to this Act, the liability of a current member of a credit union is limited to the unpaid amount of the member's subscription for shares.

(2) The liability of a past member or the estate of a deceased member for the debts of a credit union as they existed on the date on which such member ceased to be a member or died shall continue for a period of two years after the cessation of membership or death.

Annual general
meetings and
special meetings.

26. (1) Every credit union shall hold an annual general meeting of its members in addition to any other meetings in that year, within sixty-one (61) days of the end of the fiscal year.

(2) If it is impracticable to call an annual or special general meeting of a credit union in the manner provided by this Act or the by-laws, the Registrar may, on application to him stating the circumstances prescribe the manner of calling the meeting.

(3) If default is made in the holding of a meeting of a credit union in accordance with subsection (1), the Registrar may, of his own motion, and shall on the application of fifteen (15) per cent of the members or twenty-five (25) members, whichever is less, of that credit union, call, or direct the calling of, a general meeting of the credit union, and give such ancillary or consequential directions as he may think expedient, in relation to the calling, the holding and conducting of the meeting, the operation of the credit union's by-laws, and the number of members that shall constitute a quorum for such meeting.

PART IV

Management

27. (1) Every credit union shall be managed by a Board of Directors of not less than five (5) members and not more than nine (9) members, which shall be constituted in accordance with this Act and the by-laws of the credit union. Board of Directors.

(2) A person shall not be eligible for election to the Board of Directors or any committee of the credit union who:

- (a) has been convicted of a crime of dishonesty;
- (b) is or becomes bankrupt;
- (c) is under the age of eighteen years;
- (d) is an employee of the Department or the League.

(3) For the purposes of this section, "management" includes:

- (a) a person who holds membership in any committee established by a credit union; and

(b) a person who is employed by the board.

(4) Subject to the approval of the Registrar, and the consent of the Board of Directors no employee of a credit union shall be eligible for election to the Board of Directors or any committee of the credit union by which the employee is employed.

(5) On registration of the credit union, the individuals whose names appear in the application for registration as having been appointed and having consented to act as provisional directors:

(a) are deemed to have all the powers and duties of directors; and

(b) shall hold office until the first general meeting, which shall be called within ten (10) days after receipt of the certificate of registration.

(6) Subject to the provisions of this Act, the directors shall have responsibility for the general management of the affairs of a credit union and in particular shall:

(a) act on applications for membership and on the expulsion of members;

(b) determine the maximum individual share holdings and the maximum individual loan which may be made with or without security;

(c) determine interest rates on loans and on deposits;

(d) declare dividends;

(e) fix the form and amount of the security which shall

be required from officers and employees handling money;

- (f) fill vacancies on the Board of Directors and on the Credit Committee until the next annual meeting when successors are chosen;
- (g) perform such other duties as are required by this Act and by the by-laws.

28. (1) Every credit union shall have a Supervisory Committee which shall be elected by its members at the annual general meeting. Supervisory Committee.

(2) The committee shall consist of not less than three (3) members and it may fill vacancies in its own membership until the next annual general meeting, when successors shall be chosen.

(3) The members of a Supervisory Committee shall hold office for such term as the by-laws provide.

(4) A person who is a member of the Board or Credit Committee or who is an employee of the credit union shall not become a member of the Supervisory Committee.

(5) The Supervisory Committee shall meet once a month and minutes and reports of these meetings should be submitted to the joint officers meeting held every quarter.

(6) The Supervisory Committee shall:

- (a) make an examination of the affairs of the credit union at least quarterly and audit its books, and, if deemed necessary by them, call a meeting of the credit union for consideration of the report of the Supervisory

Committee;

- (b) make or provide for an annual audit and submit a report on the annual audit to the annual meeting;
- (c) if deemed necessary and by unanimous vote, suspend any officer, and call a meeting of the credit union to consider their report on such suspension;
- (d) call a special meeting to consider any matter or matters which, in their opinion, should be placed before the credit union.

Credit Committee. 29. (1) Every credit union shall have a Credit Committee which shall be elected by its members at the annual general meeting.

(2) The Credit Committee shall consist three (3) members and it may fill any vacancy on the committee until the next annual general meeting, when successors shall be chosen..

(3) The members of a Credit Committee shall hold office for such term as the by-laws provide.

(4) A person who is a member of the Board or Supervisory Committee or who is an employee of the credit union shall not become a member of the Credit Committee.

(5) The Credit Committee shall meet at least once a month and minutes and reports of these meetings shall be submitted to the joint officers meeting held every quarter.

Capacity and powers. 30. (1) The Board shall designate the employee positions in the credit union, hire suitable persons with the skill and competence necessary for the prudent management of the credit union, and delegate adequate powers to

them to manage the business and affairs of the credit union.

(2) The Board in consultation with each annual general meeting may appoint an Education Committee of three (3) members to assist management with human resource development at all levels of the organization.

31. Every director and officer of a credit union, exercising the powers and discharging the duties of his office, shall: Duty of care.

- (a) act honestly and in good faith with a view to advancing the best interests of the credit union; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

32. An auditor, director or officer, or an associate of a director or officer who makes use of or discloses confidential information shall, be personally liable for damages resulting from such disclosure and may be removed from office forthwith. Misuse of confidential information.

33. (1) A director or officer of a credit union who: Conflicts of interest.

- (a) is a party to a material contract or a proposed material contract with the credit union; or
- (b) has a material interest in or a material relation to any person who is party to a material contract or proposed material contract with the credit union,

shall disclose in writing to the credit union, or request to have entered in the minutes of meetings of directors, the nature and extent of that interest.

(2) The disclosure required by sub-section (1), must be made in writing in the case of a director or officer when the matter or proposed contract comes or ought reasonably to come to the attention of the director or officer.

(3) A director or officer who has a material interest or a material relation within the scope of subsection (1) or (2), shall leave any meeting at which the matter is being discussed, and shall refrain from voting on any matter related thereto which becomes the subject of action by the Board of Directors of the credit union:

Provided that such an interest, if so disclosed, shall not disqualify the interested person for purposes of constituting a quorum.

(4) Where a director or officer of a credit union fails to disclose any material interest or any material relation in accordance with this section, the Supreme Court may, on the application of a credit union or a member of the credit union, set aside the contract on any terms that the Supreme Court considers appropriate.

Tenure of
Directors and
committee
members.

34. A director of a credit union shall be elected for a term of three years and after the expiration of the term, the person becomes eligible for re-election.

Joint meetings.

35. (1) The Board, the Supervisory Committee and the Credit Committee shall meet jointly at least quarterly and at each meeting shall examine the performance and other relevant affairs of the credit union.

(2) The Board, the Supervisory Committee and the Credit Committee shall submit a written report to the members at the annual general meeting of the credit union.

36. (1) When the Supervisory Committee is of the opinion that the funds, securities, or other property of the credit union have been misappropriated or misdirected, or in the event that the by-laws, the Rules or this Act have been contravened by the Board, the Credit Committee or a member of either body or any officer or employee engaged by the Board, the Supervisory Committee shall forthwith inform the Registrar in writing.

Misappropriation,
etc.

(2) In the event of a misappropriation or suspected misappropriation or misdirection or suspected misdirection, the Supervisory Committee shall, in consultation with the Board, appoint an auditor or special examiner to investigate the situation at the expense of the credit union.

(3) In the event that the auditor or special examiner appointed pursuant to subsection (2), concludes that misappropriation or misdirection has occurred, the Supervisory Committee may suspend any member of the Board or officer of the credit union and shall request the Board to summon a general meeting of the members or, where the Board fails to do so, shall hold the meeting within seven (7) days of the conclusion of the investigation of the auditor or special examiner.

(4) The Supervisory Committee shall report to the general meeting all the circumstances of any misappropriation or misdirection and the reasons for any suspension under subsection (3).

(5) The members of the credit union may, by resolution, dismiss from office or reinstate any person suspended under section (3).

37. (1) A director or member of a committee may be paid a stipend in connection with duties as a director or committee member of a credit union.

Remuneration.

(2) A credit union may reimburse directors and committee members for expenses incurred in the performance of their duties and functions; it may also purchase and maintain insurance for the benefit of a director, committee member, officer or employee against any liability, loss or damage incurred by

that person while serving the credit union.

PART V

Business of Credit Unions

Fiscal year and
scope of
business.

38. (1) The fiscal year of a credit union shall end on the thirty-first day of March in each year.

(2) The services and functions of a credit union shall include:

- (a) receiving deposits and instalment savings from members;
- (b) making loans to members;
- (c) providing custody business for members such as keeping securities, precious metals and important goods or documents;
- (d) mutual insurance business for members;
- (e) discounting of bills;
- (f) providing depository and related business with Government, private sector and public organizations;
- (g) supporting community development;
- (h) providing education and training to improve the socio-economic conditions of members;
- (i) providing services to its members by electronic means;

- (j) providing automatic teller machines for the use of its members;
- (k) providing checking accounts for its members;
- (l) introducing any other services that meets the needs of its members.

39. (1) A credit union shall have an unlimited number of shares. Share capital and limitation on shareholding.
- (2) A credit union with a share capital may sell shares to its members only as common shares, which shall represent the member's permanent capital in the credit union; but such shares shall have their par value set out in the by-laws of the credit union at not less than five dollars each.
- (3) A share in a credit union is personal property and a member is entitled to an annual statement showing the number of shares owned.
- (4) A member shall receive dividends only on the paid-up portion of the member's shares.
- (5) A member shall not hold more than twenty percent (20%) of the shares of the credit union of which he is a member.
40. (1) The transfer of any share or interest of a member, past member or deceased member shall be subject to such conditions as may be prescribed by this Act or rules made thereunder. Restriction on transfer of share or interest.
- (2) A member shall not transfer any share or interest in the capital of the credit union or any part of such share to a non-member of the credit union.

Credit union not bound to see to Trust.

41. (1) A credit union is not bound to see to the execution of any trust, whether express, implied or constructive, pursuant to which any deposit or share is subject.

(2) Where any deposit or share is subject to trust of which the credit union has notice, the receipt or order:

(a) of the trustee in whose name the deposit or share stands; or

(b) if the deposit or share stands in the names of two or more trustees, of all those trustees or any of them who, pursuant to the document creating the trust, may be entitled to receive the deposit or share, is, notwithstanding any trust to which the deposit or share is subject, a sufficient discharge for the payment of any money payable in respect of the deposit or share, and the credit union is not bound to see to the application of any money paid on the receipt or order.

(3) Notwithstanding any neglect or omission on the part of a credit union to enter a proper description in its books, no executor, Administrator, guardian, committee or trustee who or which is entered on the books of the credit union as a member, or who is described as representing a named estate, trust or trust beneficiary in any such capacity, is personally liable to the credit union with respect to the shares represented.

(4) The estate or trust beneficiary represented by a person described in subsection (3) continues to be liable to the credit union in the same manner and to the same extent as if the testator, minor, ward, person of unsound mind, beneficial trust or other trust beneficiary were entered on the records of the credit union as the holder of the shares.

42. A credit union shall have a charge upon the shares or interest in the capital and on the deposits of a member or past member or deceased member and upon any dividend or rebate payable to a member or past member or estate, of a deceased member for any debt due by a member to the credit union, and may apply any sum credited or payable to a member or past member or estate of a deceased member in or towards payment of any such debt.

Charges and set-offs in respect of shares, etc.

43. (1) A person to whom money has been lent by a credit union or who is otherwise indebted to the credit union may be required to create a charge in favour of the credit union in such form as may be prescribed.

Creation of charge in favour of credit union.

(2) A charge shall, so long as it continues in force, confer or impose on the credit union the following rights and obligations:

- (a) the right to take possession of any property subject to the charge, upon the happening of any event specified in the charge as being an event authorizing the chargee to seize the property;
- (b) to sell the property referred to in paragraph (a), after an interval of five (5) clear days or such less time as may be specified in the charge from the date of taking possession, either by auction or, if the charge so provides, by private treaty, and either for a lump sum or payment by instalments;
- (c) to apply the proceeds of sale in or towards discharge of the debt secured by the charge and the costs of seizure and sale and to pay any surplus of such proceeds to the member whose property was sold.

(3) A charge shall, so long as it continues in force, impose on the member the obligation to pay to the credit union, towards the discharge of the

indebtedness, the proceeds of sale of any property comprised in the charge or any money received under any policy of insurance or by way of compensation in respect of any such property, except insofar as the charge otherwise allows.

(4) For the avoidance of doubt, it is hereby declared that a charge under this section is not a bill of sale.

Assignment of charge.

44. (1) A credit union may borrow from any other credit union or from any bank on the security of any charge executed and registered in accordance with sections 42 and 43 and may for this purpose assign any such charge to the other credit union or bank.

(2) Subject to section 43, an assignment of a charge when registered shall operate as a first charge in favour of the assignee Organization established with the object of facilitating the operations of other credit unions, such organization may borrow from any bank and for this purpose may re-assign any such charge to such bank and subsections (1) and (2) shall apply with the necessary modifications to such reassignment.

Bond as additional security for loan.

45. (1) A credit union may require a member or officer to give a bond, with or without surety, as security for the repayment of any loan and any condition thereby imposed on the member or officer relating to the payment of capital and interest shall, be strictly observed and performed and on breach of any such condition the bond shall be forfeited forthwith.

(2) Section 44 relating to the assignment of charges shall apply with the necessary modifications to the assignment of bonds.

PART VI

Property and Funds of Credit Unions

46. (1) A credit union may invest or deposit its funds: Investment of funds.
- (a) in any credit union, financial institution licensed under the Banks and Financial Institutions Act, or an insurance company registered under the Insurance Act; CAP. 263. CAP. 251.
- (b) in the shares or on the security of any cooperative or other credit union with limited liability;
- (c) in any securities issued or guaranteed by the Government of Belize;
- (d) in any stock, debentures, debenture stock funds or securities approved by the Government of Belize;
- (e) in a Government Savings Bank.

(2) The funds referred to in subsection (1) shall be surplus funds remaining after the needs of members have been satisfied and income received from such investments shall form part of the general revenue of the credit union.

47. (1) A credit union may make advances by way of loans to its members for a provident or a productive purpose. Loans by credit unions.

(2) Subject to this Act and the Rules, every loan must be approved in accordance with the policies established by the directors before any funds are advanced.

(3) Subject to any restrictions that may be prescribed in the Rules, a credit union may take any security for loans that it considers advisable and in keeping with sound business practices.

(4) Except for a loan to another credit union or cooperative, no loan may be made to a person who is not a member of that credit union, provided that a credit union established with the object of facilitating the operations of other credit unions may make loans to and take deposits from the members of such other credit unions or cooperatives.

(5) Directors, committee members and employees shall not receive loans on terms and conditions more favourable than to other members; no director, officer, employee, or member of a Credit, Supervisory or Education Committee shall be allowed to borrow in excess of the value of his shares and deposits unless with proper collateral and upon the unanimous vote of a majority of the other members of the Board of Directors, the Credit Committee and the Supervisory Committee sitting together.

(6) No employee, officer or director shall be present at or participate in a meeting when his application for a loan or the application of any person who is apart of his immediate family or with whom he has a business or fiduciary relationship, is being considered.

(7) A loan made in contravention of subsections (1) to (6) shall be void and shall be immediately repaid to the credit union.

(8) Any person who knowingly approves or grants a loan in contravention of this Act or the rules shall be liable for any losses resulting to the credit union in connection with that loan.

(9) A borrower may repay his loan in whole or in part on any day on which the office or branch of the credit union is open for business.

(10) Nothing in this section prevents a credit union from requiring

insurance for the security of the loans it approves.

(11) Interest rates on loans or any class of loans made by a credit union shall be determined at a percentage on the unpaid balance by the Board of Directors at any meeting of the board.

(12) Where a borrower has not paid the interest on his loan for the period determined in the rules, the credit union shall not include that interest in income.

(13) Where a credit union is reporting loans in the balance sheet in its annual financial statements, it shall report the loans at their net realizable value after deducting the allowance for doubtful loans pursuant to section 51(6) and (7).

(14) Any advance given by way of overdraft or line of credit is deemed to be a loan for the purposes of the balance sheet and must be reported as a loan.

48. (1) Subject to the provisions of the Money Laundering (Prevention) Act, a credit union may, without the authority, aid, assistance or intervention of any other person or official:

Receipt of
deposits.
CAP. 104.

- (a) receive deposits from its members or from any other persons, whatever their age, status or condition in life, whether or not those persons are qualified by law to enter into contracts and in the case of deposits received from nonmembers, the deposits so received shall be in keeping with the ordinary course of its operations and services; and
- (b) pay any or all of the deposits and any or all of the interest on the deposits to or to the order of those persons unless, before payment, the money so

deposited is claimed by some other persons.

(2) Subject to the provisions of any by-laws of a credit union made for the purpose, a credit union may receive loans or deposits from persons who are not members of the credit union for the purpose of meeting any of its obligations or discharging any of its functions under this Act.

(3) A credit union may, by mortgage or in any other manner it deems appropriate, guarantee the repayment of any sums received by it pursuant to subsections (1) and (2).

(4) A credit union may receive deposits from or for the benefit of minors and it shall be lawful for the credit union to pay such minors the interest which may become due on such deposits:

Provided that-

- (a) any payment of deposits or interest on deposits may be made to that minor or to the guardian of the minor for his use;
- (b) the receipt of any minor or guardian of a minor for money paid to him under this section shall be a good and sufficient discharge of the liability of the credit union in respect of that money.

Power of
nomination and
Register of
Nominations.

49. (1) A member of a credit union may, by instrument in writing signed by such member in the presence of two (2) attesting witnesses and delivered or sent to the registered office of the credit union during the lifetime of such member, or made in any book kept by the credit union, nominate any person or persons, to or among whom there shall be transferred at his death such property in the credit union as may be his at the time of death, whether in shares, loans, or deposits, or so much of the property as is specified in such nomination:

Provided that no member of a credit union with share capital shall be entitled to nominate more than one (1) person unless such member holds more than one (1) share.

(2) A nomination may be revoked or varied by a subsequent nomination signed, attested and delivered or sent or made as in subsection (1), or by any similar document in the nature of a revocation or variation, signed by the nominator in the presence of two (2) attesting witnesses and delivered, sent or made as in subsection (1), but shall not be revocable or variable by the will of the nominator or by any codicil to such will.

(3) The credit union shall keep a Register of Nominations wherein the names of all persons so nominated and all revocations or variations, if any, of such nominations shall be recorded.

50. (1) Subject to subsections (2) and (3), a registered credit union shall on the death of a member:

Transfer of property, etc., on death of a member.

(a) transfer to any person nominated in accordance with section 49, the property of the deceased member or such property as may have accrued thereon, in the manner directed by the nomination, or pay to every person entitled under the nomination the full value of property given to him, in the case of property comprised in the nomination;

(b) transfer to the personal representatives of the deceased member, any property of the deceased member in the credit union, or such property as may have accrued thereon, or pay to the personal representatives the full value of such property, in the case of property not comprised in the nomination.

(2) Any person entitled, under paragraph (a) or (b) of subsection (1), to receive property or payment of the value of such property from a credit union with limited liability, may require payment by the credit union of the value of such property.

(3) Any share or interest of a deceased member of a credit union with limited liability may be transferred by the credit union to:

(a) the person entitled to such share or interest under paragraph (a) or (b) of subsection (1), if such person is qualified to be a member of the credit union; or

(b) any other person qualified to be a member of the credit union and specified, within six (6) months of the death of the deceased member, in an application by the person entitled to such share or interest under paragraph (a) or (b) of subsection (1).

(4) All transfers and payments made by a credit union in accordance with this section shall be valid and effectual against any demand made upon the credit union by any other person.

(5) In this section, the expression “personal representatives” includes, where the value of the property to be transferred or paid by a credit union in respect of a deceased member does not exceed two thousand dollars (\$2,000), such person as may appear to the credit union, on such evidence as the credit union may deem satisfactory, to be entitled to receive payment.

Liquid assets,
Reserve Funds,
etc.

51. (1) Every credit union shall maintain a minimum aggregate holding of approved liquid assets which on average shall be equivalent to at least ten percent (10%) of shares, deposits and current borrowings, or such higher rates as the Registrar may from time to time prescribe for all such credit unions.

(2) Any credit union which fails to maintain the liquid assets required by this section may be placed under an Administrator in accordance with the provisions of section 61.

(3) Where a credit union realizes a profit from its transactions, that credit union shall establish and maintain a Reserve Fund.

(4) Where the annual audit of a credit union indicates a net surplus, at least twenty per cent (20%) of such surplus, together with all entrance fees and fines collected from members, and such additional amount as may be prescribed by the rules, shall be carried to the Reserve Fund which may be employed as prescribed by the rules.

(5) When the amount of the reserves as required by subsection (3) equals or is more than ten percent (10%) of the total assets of the credit union as shown in its audited financial statement for the financial year, the directors need not set aside any part of the surplus in a Reserve Fund.

(6) The Reserve Fund shall be held as a reserve against bad loans and unforeseen losses and shall not be used for any other purpose, except on liquidation or where there is a loss of confidence, in which case the Reserve Fund may be used under the strict supervision of the Registrar.

(7) Every credit union may make an allowance for doubtful loans, in accordance with the requirements set out in the rules.

(8) In addition to the Reserve Fund required by subsection (3), a credit union shall put into its reserve at the end of each financial year any increase in the value of assets resulting from a revaluation of its assets in that financial year.

(9) If the by-laws so provide, the Board of Directors may, after making provision for a Reserve Fund and before declaring a dividend, set aside an amount not exceeding five percent of the net earnings in a special fund to be

called “The Education Fund”, which shall be used for such educational purposes as the Board of Directors may determine and which shall be administered in the manner prescribed by the rules:

Recovery of sums due to Government. CAP. 129. 52. (1) All sums due from a credit union or from an officer or member or past member of a credit union to the Government may, be recovered in the manner provided for the recovery of debts due to the Government under the Crown Proceedings Act.

(2) Sums due from a credit union to the Government and recoverable under subsection (1) may be recovered:

(a) from the property of the credit union;

(b) in the case of a credit union with limited liability, from the members subject to the limit of their liability.

Apportionment of surplus. 53. (1) After the allocations to the Reserve Fund and the Education Fund have been made in accordance with section 51, the directors shall pass and present to the annual meeting for confirmation, a special resolution concerning the apportionment of the remaining surplus from the yearly business of the credit union, which resolution may provide that:

(a) a dividend of a specified amount be paid to the members;

(b) there be set aside in general reserve a specified amount for emergencies or estimated losses or special expenditures required to achieve the objects of the credit union;

(c) a specified amount of retained earnings or undistributed surplus be set aside to enhance the capital base of the credit union;

(d) a rebate be paid to the members of the credit union in proportion to the amount of loan business done by each member with the credit union.

(2) A credit union may, authorize its directors to pay to the members from time to time such interim dividends as appear to the directors to be justified by the profits of the credit union and provide further that the payment of such interim dividends shall be subject to ratification by the members in a general meeting.

(3) In no case shall the dividend declared by a credit union exceed eight (8) percent.

54. (1) A credit union may from time to time borrow monies not exceeding in the aggregate twenty-five percent (25%) of its combined capital and surplus deposits, upon a vote of at least three-fourths of the members of the Board of Directors, and may from time to time borrow monies not exceeding in the aggregate fifty per cent (50%) of its combined capital and surplus deposits, upon a vote of three-fourths of the members present, or one-third of the total membership whichever is the greater, taken at an annual meeting of the credit union or at a special meeting called for the purpose, with those voting in support of the resolution representing a majority of the shares issued.

Prudential standards of safety and soundness in operations.

(2) The Registrar may authorize the Board of a small capitalized credit union to borrow above the limits stated in subsection (1), where it is in the interest of members and will not prejudice the growth and operation of the credit union.

PART VII

Audit and Disclosure

Appointment of
auditor, etc.

55. (1) The Board of Directors of a credit union shall appoint an auditor duly qualified to hold office until the close of the next annual general meeting, with the approval of the membership at an annual general meeting.

(2) The affairs of every credit union shall be examined annually by or under the direction of the Registrar, and the credit union shall produce all books, documents and other papers required by the person conducting the examination and such person may examine any officer of a credit union under oath.

(3) Notwithstanding subsection (1) and section 56, the Registrar may, in any special case, audit the accounts of a credit union or appoint any person he deems suitable to audit such accounts.

Qualifications of
auditor.

56. (1) An individual qualifies for appointment as an auditor by being in good standing as a member of the Institute of Chartered Accountants of Belize and holding a practicing certificate of the Institute; or

(2) An individual is not qualified to be an auditor of a credit union or the League, if he is not independent of the credit union or the League and its member credit unions, and of the directors and officers of the credit union or the League and its member credit unions; such an individual is also not qualified if he or his business partner:

(a) is a director, an officer or an employee of the League or any of its member credit unions;

(b) is a member of any committee of the League or any of its member credit unions; or

(c) transacts a substantial amount of business with the League or a member credit union of the League.

(3) Where the individual referred to in subsection (2) is a member in good standing in a credit union, he shall disclose such membership to his supervisors or partners and shall obtain the approval of the Registrar.

(4) Upon the commencement of his Act, any person acting as an auditor, who becomes disqualified by virtue of subsection (2), shall promptly resign his position as auditor.

(5) If an appointment is not made at an annual general meeting, or if an annual general meeting is not held as required by section 26 (1), the Registrar shall appoint an auditor for the current year and fix the remuneration to be paid to him by the credit union for his services, and the credit union shall pay such remuneration prior to any other current liabilities of the credit union.

(6) Where an auditor is appointed under section 55 (1) and his office becomes vacant, the directors may appoint an auditor, approved by the Registrar, to hold office until the next annual general meeting.

(7) Every credit union shall, at the close of its financial year, submit its accounts to the auditor, who shall have access to all records, books, accounts and property of the credit union and who shall make such examination and obtain such information and explanations from the directors, officers, employees, agents, servants or members of the credit union as will enable him to report to the members as required by subsection (8).

(8) The auditor of a credit union shall make a report to the members on the annual financial statement to be laid before the credit union at any annual general meeting during his term of office; the content of the report shall be prepared in accordance with international accounting standards and the auditor shall state in the report whether in his opinion the annual financial statement

referred to in the report presents fairly the financial position of the credit union and the results of its operations for the period under review, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

(9) The auditor of a credit union is entitled to attend any meeting of members of the credit union and to receive all notices and other communications relating to any such meeting that any member is entitled to receive, unless waived by the auditor, and to be heard at any such meeting on any part of the business of the meeting that concerns his position as auditor.

(10) Any person who obstructs the auditor in the performance of his duties under subsection (7) commits an offence.

Approval of
annual financial
statement and
auditor's report.

57. (1) The annual financial statement of a credit union shall, be approved by the board of directors and such approval shall be evidenced on the financial statement by the signature of two (2) of the directors duly authorized to sign.

(2) The auditor's report shall be attached to the annual financial statement of a credit union and shall, within sixty-one (61) days of the end of its financial year, or such longer period as the Registrar may in special circumstances permit, be read at the annual meeting of members and shall be open to inspection by any member.

(3) A credit union shall not issue, circulate or publish a copy of its annual financial statement, unless:

- (a) the original has been approved by the directors and signed in the manner required by subsection (1);
- (b) the original has received the complete certification or opinion of an approved auditor in accordance with section 56 (8); and

- (c) any recommendations previously submitted to the credit union in writing by the Registrar have been dealt with to the satisfaction of the Registrar.

58. The Board of Directors of every credit union shall:

Annual returns,
etc.

- (a) immediately after approving the annual financial statement -
 - (i) if the credit union is a member of the League, send to the Registrar and the League a copy of the financial statement and the management letter which the auditor may provide, and such other information as the Registrar and the League may require;
 - (ii) if the credit union is not a member of the League, send to the Registrar a copy of the financial statement and the management letter which the auditor may provide, and such other information as the Registrar may require;
- (b) supply gratuitously to every member, upon request, a copy of the last annual return;
- (c) furnish the Registrar with monthly returns, monthly performance ratios, and such other returns and such other information as may from time to time be required;
- (d) provide every return and other document required for the purposes of this Act in such form as the Registrar may prescribe.

Financial reporting to members.

59. (1) The directors of every credit union shall place before each annual meeting of the members of the credit union:

- (a) the annual financial statement in such form and containing such information as is prescribed by the Registrar;
- (b) the report of the auditor to the members; and
- (c) such further information respecting the financial position of the credit union as the by-laws of the credit union require.

(2) The Registrar may, for the purposes of this section, prescribe the form in which annual financial statements of credit unions of any type shall be prepared and the information to be included therein.

PART VIII

Inspection, Inquiry and Supervision

Powers of examination.

60. (1) The Registrar or a person named by him may, examine the affairs of the League or any of its member credit unions at any time and as often as possible, but not less than annually; on such examination every officer of the credit union shall produce all records, accounts, cash in hand, data, documents and other papers held, stored or transmitted and required by the person conducting the examination.

(2) The Registrar or person named by him may examine under oath any officer of a credit union.

(3) Where the Registrar is of the opinion that the affairs of a credit union require an immediate investigation in order to safeguard the interests of the members, an examination may be ordered and conducted at the expense

of the credit union or its officers and employees or any combination of the members by a qualified person approved by the Registrar.

(4) Notwithstanding any verification of members' accounts by the Supervisory Committee or the auditor, if any, the Registrar or any person acting for the Registrar may verify such members' accounts as are determined necessary.

(5) A report of an investigation made or ordered under this section shall detail the findings and conclusions of each examination in such form and scope as the Registrar may determine, and may be presented to a special meeting of the members called by or under the direction of the Registrar.

(6) A report of the examination of a credit union by the Registrar or a person named by him may, be mailed to such officials and creditors as the Registrar deems necessary.

61. (1) Where the Registrar is of the opinion that the liquidity levels as required by section 51(1) and the financial position of a credit union as disclosed by examination or investigation under section 60, necessitates the appointment of an Administrator to protect the equities of the members, he may, after consulting with the League appoint an Administrator and fix his remuneration.

Appointment of Administrator.

(2) The Registrar may appoint the League as Administrator of that credit union.

(3) An Administrator appointed under subsection (1), shall have the powers and may perform all or any of the duties of the officers of the credit union, shall be responsible to the Registrar for the conduct of the business of the credit union and shall carry out all orders and directions of the Registrar with respect to the credit union, and may pay the expenses of administration out of the funds of the credit union.

(4) Where an Administrator is appointed under subsection (1), the directors, officers and the manager of the credit union shall not thereafter, during

the time that the Administrator remains in charge of the conduct of the business of the credit union, exercise any of the powers conferred upon them by this Act or the by-laws:

Provided that the Administrator may delegate to the directors, officers or the manager, specific duties as may be necessary to efficiently carry out the business of the credit union.

(5) The Administrator shall take all steps and do all things necessary to protect the equities of the members and the rights of creditors of the credit union, and shall maintain, so far as is practicable, the services of the credit union to its members.

(6) Directions under this section shall be such as appear to the Registrar to be desirable in the interest of the members and potential members of the credit union whether for the purpose of safeguarding its assets or otherwise, and may, in particular:

- (a) require the credit union to take certain steps or to refrain from adopting or pursuing a particular course of action or to restrict the scope of its business in a particular way;
- (b) impose limitations on the acceptance of deposits, the granting of credit or the making of investments;
- (c) prohibit the credit union from entering into any other transaction or class of transactions;
- (d) require the removal of any director or manager.

(7) For the purposes of this section, the Administrator shall have access to all books, accounts, securities, documents, vouchers and cash of the credit union and any security held by the credit union.

(8) Subject to the approval of the Registrar, the Administrator may call a special meeting of members to report to them on the affairs of the credit union and the steps taken by the Administrator to protect their equities; a report may also be given to interested creditors.

(9) The Administrator shall conduct the business of the credit union until the Registrar is satisfied to have the management of the credit union's affairs resumed by its officers or until the credit union is merged with another credit union or is converted into another entity or is dissolved and a Liquidator is appointed to wind up the credit union's affairs.

(10) A credit union which fails to comply with any requirement or contravenes any prohibition imposed by any direction or order under this section commits an offence.

PART IX

Reconstruction of Credit Unions

- | | | | |
|-----|-----|--|----------------------------|
| 62. | (1) | Reconstruction of a credit union may be effected by: | Methods of reconstruction. |
| | (a) | amalgamating the credit union with another credit union to form a single credit union; | |
| | (b) | transferring the assets and liabilities of one credit union to another credit union; | |
| | (c) | dividing a credit union into two or more credit unions;
or | |
| | (d) | converting a cooperative society or a company into a credit union. | |

(2) Sections 63 to 65 shall govern the procedure that must be followed in relation to subsection (1).

Amalgamation and transfer of engagements of credit unions.

63. (1) Any two or more credit unions may, by special resolution of both or all such credit unions become amalgamated as one credit union with or without any dissolution, or division of the funds, of such credit or either of them; and the property of such credit unions shall become vested in the amalgamated credit union without the necessity of any form of conveyance other than that contained in the special resolution amalgamating the credit unions:

Provided that amalgamation in pursuance of this Act shall not prejudice any right of a creditor of any credit union which is a party to any such amalgamation.

(2) A credit union may, by special resolution, transfer its engagements to any other credit union which may, by special resolution, undertake to fulfill the engagements of that credit union.

(3) For the purposes of this section and section 53, “special resolution” means a resolution which is passed by a majority of not less than three-fourths of such members of a credit union for the time being entitled to vote as may have voted in person, at any general meeting of which at least ten days notice specifying the intention to propose the resolution has been given.

Division of credit union.

64. (1) Any credit union may, by special resolution, resolve to divide itself into two or more credit unions, and any such resolution, (hereinafter in this section referred as a “preliminary resolution”), shall contain proposals for the division of the credit union into new credit unions, and the vesting of the assets and liabilities of the credit union, and may specify the area of operation of, and the members who will constitute, each of the new credit unions.

(2) A copy of the preliminary resolution shall be sent to all members and creditors of the credit union and to the Registrar and notice of the resolution shall also be given to all other persons whose interests may be affected by the

division of the credit union.

(3) A member of a credit union may, notwithstanding any by-law to the contrary, by notice given to the credit union within a period of three (3) months from receipt of the preliminary resolution, indicate his intention not to become a member of any of the new credit unions.

(4) Any creditor of the credit union may, notwithstanding any agreement to the contrary, by notice given to the credit union within a period of three (3) months from receipt of the preliminary resolution, indicate the intention not to demand the payment of moneys due.

(5) Any other person whose interest may be affected by the division may, by notice given to the credit union, object to the division unless his claim is satisfied.

(6) Three (3) months after receipt of the preliminary resolution by all the members and creditors of the credit union and of the notice to other persons given under subsection (2), a general meeting of the credit union, of which at least twenty-one (21) clear days notice shall be given to its members, shall be convened for consideration of the preliminary resolution.

(7) If, at the general meeting referred to in subsection (6), the preliminary resolution is passed by not less than two-thirds of the members present and voting either without changes or with such changes as in the opinion of the Registrar are not material, the Registrar may, subject to subsection (9) register the new credit unions; and upon such registration, the original credit union shall be deemed to be dissolved and its registration cancelled.

(8) The decision of the Registrar under subsection (7) as to whether or not any changes made in the preliminary resolution are material, may be subject to an appeal.

(9) At the general meetings referred to in subsections (6) and (7), provision shall be made by another resolution for:

- (a) repayment of the share capital of all members who have given notice under subsection (3);
- (b) satisfaction of the claims of all the creditors who have given notice under subsection (4);
- (c) satisfaction of the claims of such of the other persons who have given notice under subsection (5):

Provided that no member or creditor or other person shall be entitled to such repayment or satisfaction until the preliminary resolution is confirmed as provided in subsection (7).

(10) The registration of new credit unions established pursuant to this section shall be deemed to be sufficient to vest the assets and liabilities of the original credit union in the manner specified in the preliminary resolution as considered and confirmed in accordance with subsections (6) and (7).

Conversion into a
credit union.
CAP. 250.
CAP. 317.

65. (1) A company registered under the Companies Act or a friendly society registered under the Friendly Societies Act may, by special resolution determine to convert itself into a credit union.

(2) Any such resolution for conversion into a credit union shall, appoint ten (10) persons, who are directors, shareholders or members of the company or friendly society, as the case may be, who, together with the secretary, shall sign the by-laws and who may by the resolution, be given such powers to act on behalf of the company, or friendly society, as may be specified in such resolution.

(3) A conversion under this section shall be deemed to be effective when the Registrar has issued a certificate of registration under this Act, and

thereupon the registration of the company, or friendly society shall become void, and shall be cancelled by the proper officer, but the registration of any such body as a credit union shall not affect any right or claim for the time being subsisting against such body or any penalty incurred, and any such right or claim or penalty may be enforced against such body by proceedings taken in the same manner as if it had not become a credit union; every such right or claim, and the liability for every such penalty shall have priority as against the property of such credit union over all other rights or claims against, or liabilities of the credit union.

PART X

Disputes

66. (1) For the purposes of this section, the word “dispute” includes any disagreement with the amount claimed by a credit union for any debt or demand due to it from a member, past member or the nominee, heir or legal representative of a deceased member.

Settlement of
disputes.

(2) Where any dispute that relates to the business of a credit union arises:

- (a) among members, past members or persons claiming through members, past members or deceased members;
- (b) between a member, past member, or person claiming through a member, past member or deceased member and the credit union, its board, or any officer of the credit union;
- (c) between the credit union and any other credit union;

(d) between the credit union or its Board and any officer or employee of the credit union;

(e) between the credit union and any of its creditors,

the dispute maybe referred first to the League for settlement; if the parties to the dispute fail to reach a settlement at this level, the dispute shall be referred to the Registrar for a decision.

(3) The League may, before proceeding to hear or determine a dispute, make or cause to be made a preliminary investigation with the object of ascertaining the causes, defining the issues and endeavoring to bring about a voluntary settlement between the parties to the dispute.

(4) In the case of a dispute between the credit union and the League or between the League and any cooperative or friendly society, such dispute shall be referred to the Registrar for a decision.

(5) Where a dispute is referred to the Registrar under subsection (2) or (4), he may:

(a) refer it for disposal to an Arbitrator or Arbitrators;
or

(b) if any of the parties to the dispute so request, direct that the dispute be submitted to the courts for adjudication.

(6) For the purpose of hearing any dispute, the Arbitrator may administer oaths, and may require the attendance of all parties concerned and witnesses, and the production of all books, documents and things relating to the dispute.

(7) The Arbitrator shall have the power to order the expenses of resolving any dispute, including fees to legal practitioners, to be paid either out of the funds of the credit union or by such party as he determines.

(8) Any party aggrieved by the decision of an Arbitrator may, appeal against the decision to the Registrar within such time and in such manner as may be prescribed.

(9) Notwithstanding anything in this section, a credit union may exercise any rights arising by law under any charges, mortgages, bills of sale or other securities or recovery of a loan duly executed in accordance with this Act or any other law without recourse to arbitration.

(10) A decision of the Registrar in an appeal under subsection (8) shall be enforced in the same manner as if the decision had been a judgment of a civil court; and shall only be appealed against on a question of law, to the Supreme Court whose decision shall be final.

(11) The award of the Arbitrator or Arbitrators under subsection (5) (a) shall, if no appeal is referred to the Registrar under subsection (8), or may, if any such appeal is abandoned or withdrawn, be filed in the Supreme Court or in the resident magistrate's court for the district and shall be registered in the court in which it is filed; after the expiration of fourteen (14) days after the award is filed and registered it shall be deemed to have the same force and effect as a judgment of the court in which it is registered and enforced accordingly by the person who filed the decision or award.

67. (1) Notwithstanding anything contained in section 66, the Registrar or Arbitrator may, in the dispute, refer a question of law arising therefrom to the Supreme Court, by way of case stated for the opinion of the Supreme Court.

Case stated on questions of law; Tribunal, etc.

(2) A justice of the Supreme Court may consider and determine any question of law so referred and the opinion given on such question may be subject to appeal.

(3) There shall be a Credit Union Appeals Tribunal which shall consist of three (3) persons, one of whom shall be an attorney-at-law of at least five (5) years standing.

(4) The members of the Tribunal shall be appointed by the Minister after consultation with the League, for a period of at least three (3) years, on such terms and conditions as the Minister determines, and shall be eligible for reappointment;

(5) The Tribunal shall have jurisdiction to hear appeals against a decision of the Registrar or an Arbitrator.

(6) Unless otherwise provided, a party aggrieved or adversely affected by any order or decision of the Registrar under this Act may appeal therefrom to the Tribunal within two (2) months of such order or decision and a further appeal shall lie to a judge in chambers within one (1) month of any order or decision of the Tribunal.

(7) An award by the Registrar or an Arbitrator may, by leave of the Supreme Court, be enforced in like manner as a judgment order to the same effect, and where leave is so given, judgment may be entered in terms of the award.

PART XI

Winding Up and Ancillary Matters

Winding up and
ancillary matters.

68. (1) Where the Registrar, after an examination has been held under section 60, is of the opinion that the credit union ought to be wound up, he may make an order directing it to be wound up and may appoint a Liquidator for the purpose and fix his remuneration which shall be paid out of the funds of the credit union.

(2) Where no Liquidator has been appointed the assets and liabilities of the credit union shall vest in the Registrar for a period not exceeding twelve (12) months.

69. The Registrar may, by order in writing, having published a notice of his intention to issue the order thirty days before the order, direct a credit union to be wound up, if at any time it is proved to his satisfaction that the membership has been reduced to less than the required number, or that the credit union is not in operation or carrying on business or is no longer viable.

Winding up by virtue of reduced membership and dormancy.

70. (1) Subject to the approval of the Registrar, the members of a credit union may, by resolution supported by at least two-thirds of all the members, authorize the winding up of that credit union.

Voluntary dissolution.

(2) The Board shall cause a notice of a general meeting of the members to be sent to each member for the purpose of authorizing the winding up.

(3) The members of a credit union may, at the meeting to be held for the purpose of authorizing the winding up, appoint a Liquidator.

(4) The Registrar may approve the winding up if he:

(a) receives notice, in satisfactory form, of an authorization to wind up a credit union; and

(b) is satisfied that it is in the best interests of the credit union and its members.

(5) The authorization approved pursuant to subsection (4) shall specify:

- (a) the assets and liabilities of the credit union;
- (b) the claims of any creditors;
- (c) the number of members; and
- (d) the nature and extent of the members' interests in the credit union.

(6) Where a credit union is wound up under this section, any surplus assets remaining after all claimants have been paid shall be utilized in the manner specified in section 75.

Power of Registrar pursuant to winding up order.

71. (1) When pursuant to section 20(1), the Registrar cancels the registration of a credit union, the assets and liabilities of the credit union shall immediately vest in the Registrar and the Registrar shall have in respect of those assets and liabilities the powers of a Liquidator under section 72.

(2) The Registrar may, by notice published in the *Gazette*, delegate his power as a Liquidator to a suitably qualified person; but any such delegation shall be revocable at will and shall not preclude the Registrar from exercising the power.

Powers of Liquidator.

72. A Liquidator appointed under section 68 shall have power to do any one or all of the following things:

- (a) to take immediate possession of all assets belonging to the credit union and of all books, records and other documents relating to the business of the credit union, to carry on the business of the credit union so far as may be necessary for its winding up and to raise on the security of the assets of the credit union the money requisite for this purpose;

- (b) to have disputes referred to the Registrar with recommendations that the dispute be settled by mediation or arbitration under section 66 and to institute and defend actions and other legal proceedings on behalf of the credit union in the name of the office of the Liquidator;
- (c) to investigate all claims against the credit union and, subject to the provisions of this Act, to decide questions of priority arising out of such claims, and to pay such claims on a prorated basis according to the amount of such debts;
- (d) to fix the time within which creditors shall prove their debts and claims or be included for the benefit of any distribution made before those debts or claims are proved;
- (e) to make any compromise or arrangement with creditors having and alleging to have any claim, present or future, for which the credit union may be rendered liable;
- (f) to compromise all claims or liabilities to calls, debts and liabilities capable of resulting in debts and all claims, present or future, certain or contingent, subsisting or supposed to subsist between the credit union and contributory or alleged contributory or other debtor or person apprehending liability to the credit union, and all questions in any way relating to or affecting the assets or the winding up of the credit union on such terms as may be agreed, and to take any security for the discharge of any such call, liability, debt or claim and give a complete discharge in respect

thereof;

- (g) from time to time to determine the contribution to be made or remaining to be made by the members or past members or by the estates or nominees or legal representatives of deceased members or by any officer to the assets of the credit union; such contribution shall include debts due from such members or persons;
- (h) to determine by what persons and in what proportions the cost of liquidation shall be borne;
- (i) to arrange for the distribution of the assets of the credit union in a convenient manner when a scheme of distribution has been approved by the Registrar;
- (j) to call such general meetings of the credit union as may be necessary;
- (k) to administer oaths, require the attendance of witnesses and other persons concerned with the management of the credit union and to require such persons to produce books, documents and other like matters relevant to the credit union.

Power of Registrar
to control
Liquidator.

73. A Liquidator shall exercise his powers subject to the powers of the Registrar under this section, and the Registrar may:

- (a) rescind or vary an order made by a Liquidator and make whatever new order he deems appropriate;
- (b) remove the Liquidator from office;

- (c) call for all books, documents and assets of the credit union;
- (d) by order in writing limit the powers of the Liquidator under section 72;
- (e) require accounts to be rendered to him by the Liquidator;
- (f) procure the auditing of the accounts of the Liquidator and authorize the distribution of the assets of the credit union;
- (g) make an order for the remuneration of the Liquidator;
- (h) refer any subject of dispute between a Liquidator and any third party to arbitration if that party consents in writing to be bound by the decision of the Arbitrator.

74. When the affairs of a credit union, for which a Liquidator has been appointed under section 68, have been wound up, or where no Liquidator has been appointed after two (2) months from the date of an order under section 69, or after confirmation of such order on appeal, the Registrar shall make an order cancelling the registration of the credit union, and the credit union shall be deemed to be dissolved from the date of such order.

Cancellation of registration consequent upon winding up.

75. After all the liabilities including the paid-up share capital of a cancelled credit union have been met, any surplus assets which cannot be divided equitably amongst its members shall be devoted to any object contained in the by-laws of the credit union, and when no object is so contained, to any object of public utility determined by the general meeting of the credit union and approved by the Registrar.

Disposal of surplus assets.

Power of Registrar to surcharge officers, etc.

76. (1) Where in the course of:
- (a) an audit under section 55;
 - (b) an inquiry under section 60;
 - (c) an inspection of books under section 60; or
 - (d) a liquidation of a credit union,

it appears that any sum of money is due to the credit union from any person or group of persons who or which have taken part in the organization or management of the credit union, the Registrar may, of his own motion or upon the application of the Board or Liquidator or any creditor or contributor of the credit union, as the case may be, examine the conduct of such person or group of persons and order the person or the group to:

- (i) repay with such interest as the Registrar thinks fit such money or part of such money;
- (ii) restore such property or part of such property; or
- (iii) contribute such sum as the Registrar thinks fit to the assets of the credit union byway of compensation.

(2) Before making an order under subsection (1) against any person or group of persons, the Registrar shall give that person or group of persons an opportunity to be heard and to show cause why such order shall not be made.

(3) Where an order under subsection (1) for the payment of any

sum by way of compensation, has not been complied with, such sum may be recovered by the credit union on application to the magistrate having jurisdiction in the registered place of business of the credit union, as though it were a fine imposed by sentence of a magistrate, and in default of payment the magistrate may impose a sentence of imprisonment on such person or group of persons, for a term not exceeding six (6) months or until due payment is made, whichever is earlier.

(4) Nothing contained in this section shall, be deemed or construed to preclude or otherwise affect the institution or maintenance of a prosecution against any person or group of persons referred to in subsection (1), in respect of any offence under any other written law.

77. Where the Registrar is satisfied that any person, with intent to defraud or delay the execution of any order that may be made under section 69 or 76 or any decision that maybe given in a dispute referred to the Registrar or to any Arbitrator, is about to dispose of the whole or any part of his property, the Registrar may, unless adequate security is furnished, apply to the magistrate of the district in which the property is situated for an order for the conditional attachment of such property and the magistrate may, if he considers it to be in the interests of justice, make such an order.

Attachment of
property.

78. An order made by a Liquidator or the Registrar under this Part shall be enforced in all respects as an order made by a magistrate in his civil jurisdiction.

Enforcement.

79. Except as provided in this Part, no civil court shall have jurisdiction in respect of any matter concerned with the winding up of a credit union under this Act.

Limitation on
jurisdiction of
Civil Court.

PART XII

Credit Union League

Establishment
and functions of
Credit Union
League.

80. There is hereby established a Belize Credit Union League, which shall serve the needs of member credit unions, for the furtherance of their common interests and the benefit of their members and, without limiting the generality of the foregoing, the League shall be responsible for:

- (a) carrying on, encouraging and assisting educational and advisory work relating to member credit unions;
- (b) improving methods of management of member credit unions and standardizing their record-keeping, accounting and other procedures;
- (c) reducing operating costs of member credit unions by arranging for group services;
- (d) borrowing and lending money to achieve the objects of the League;
- (e) drawing, making, accepting, endorsing, executing and issuing promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments;
- (f) rendering to its member consultative and any other services incidental to its objects.

Membership of
League in other
bodies.

81. The League may become a member of another confederation, having objects wholly or in part similar to those of the League or carrying on any business capable of being directly or indirectly beneficial to the League.

82. (1) Every credit union may become a member of the League and shall, once it becomes a member, be subject to the guidance of the League.

Guidance of member credit unions, etc.

(2) The League shall have the power to institute and implement measures to enable its member credit unions to carry on their operations at all times in a manner that will ensure the protection of their members' interests.

PART XIII

Offences and Penalties

83. (1) Any member, agent or employee of a credit union who corruptly accepts, obtains or attempts to obtain whether for himself or another, any gift or consideration as an inducement or reward for doing or forbearing to do any act relating to the business of the credit union or for showing favour or disfavour to any person in relation to the business of the credit union, and any person who corruptly gives, agrees to give, or offers such gift or consideration to any member, agent or employee of a credit union as such inducement or reward, is liable on summary conviction to a fine of not less than ten thousand dollars and to imprisonment for two years and on conviction on indictment to imprisonment for five (5) years.

Corrupt practices and bribery.

(2) For the purposes of this section, "consideration" includes valuable consideration of any kind.

84. (1) Any person who obtains possession of any property of, or is granted any loan by, a credit union by false representation or other corrupt means or wrongfully withholds or misapplies any such property or loan or willfully applies any part thereof to purposes other than those directed or expressed in the by-laws of such credit union or authorized under this Act or the rules, is liable on summary conviction to a fine not exceeding five thousand dollars (\$5,000) and to imprisonment for a term not exceeding one (1) year, and on conviction on indictment to imprisonment for a term not exceeding five (5)

Falsely obtaining property of credit union.

years.

(2) In any proceedings under this section, the person accused may, in addition to any penalty imposed, be ordered to deliver up any property or repay any sum of money to which the proceedings relate and pay the cost of the proceedings.

Failure to comply
with Act.

85. (1) A credit union or any officer or member of the credit union or any other person, who fails without reasonable cause, or willfully neglects, or refuses, to comply with any requirement of this Act or the rules, or with any order, summons or direction given under this Act or the rules, or who purporting to comply with any such requirement knowingly furnishes false or insufficient information, or who willfully misuses the words “credit union”, commits an offence.

(2) Any officer or member of a credit union who willfully contravenes the by-laws of the credit union relating to his duties or functions as such officer or member, commits an offence.

Dealing in
property subject
to charge.

86. (1) Any person who fraudulently removes any property comprised in a charge in favour of a credit union under section 42 from the place where such property was situated at the time of the execution of the charge, or who knowingly disposes of, or deals with or attempts to dispose of or deal with, such property without first obtaining in writing leave of the credit union, is liable on summary conviction to a fine of not less than five thousand dollars (\$5,000) and to imprisonment for one (1) year.

(2) Where any person who has received a loan from a credit union is convicted of an offence under this section, there may be imposed on him, notwithstanding any penalty specified in subsection (1), an additional penalty equal to such amount of the loan with interest as has not been repaid to the date of the conviction and the payment of such additional penalty shall discharge the liability of the borrower to repay the loan.

(3) Where the magistrate's court has imposed an additional penalty specified in subsection (2) and such penalty is not paid, the court may order that the person convicted under this section and who has defaulted in the payment of the additional penalty be imprisoned for six (6) months in respect of such default.

87. Every credit union, officer, member of a credit union or other person guilty of an offence under this Act for which no penalty is expressly provided is liable on summary conviction to a fine of not less than two thousand dollars (\$2,000) and in the case of a continuing offence to a further fine of one hundred dollars (\$100) for each day that the offence continues after conviction.

Penalty for offences not expressly provided for.

PART XIV

Miscellaneous

88. (1) A copy of any entry in a book of a registered credit union regularly kept in the course of business shall, if certified in such manner as may be prescribed by the rules, be received in evidence in any legal proceedings, civil or criminal, as prima facie evidence of the existence of such entry and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

Evidence of documents, etc.

(2) No officer of any such credit union shall, in any legal proceedings to which the credit union is not a party, be compelled to produce any of the books of the credit union, the contents of which can be proved under subsection (1) or to appear as a witness to prove any matters, transactions or accounts therein recorded, unless a court for special reasons so directs.

(3) Every copy of rules or other instruments or documents, and every extract of an instrument or document, bearing the seal or signature of the Registrar, shall be received in evidence without further proof; and every document purporting to be signed by the Registrar under this Act shall, in the absence of

any evidence to the contrary, be received in evidence without further proof of the signature.

Disposal of fees. 89. All fees received by the Registrar under or by virtue of this Act shall be paid by him into the Treasury and form part of the Consolidated Revenue Fund.

Power to make rules. 90. The Minister may make such rules as maybe necessary for the purpose of carrying out or giving effect to the provisions of this Act.

Exemption from income tax, etc. 91. (1) A credit union registered under this Act shall be exempt from the Income and Business Act.

CAP. 55.

(2) All instruments executed by or on behalf of a credit union or by or on behalf of an officer or member relating to the business of such credit union shall be exempt from the Stamp Duties Act and the Sales Tax Act.

CAP. 64.

CAP. 63.

Repeal and transitional provisions. 92. (1) The Credit Unions Act (hereinafter referred to as the repealed Act) is hereby repealed.

CAP. 247.

(2) Notwithstanding the above repeal, any credit union which prior to the commencement of this Act was duly registered under the repealed Act shall be deemed to be registered under this Act.