



ANNO VICESIMO QUINTO

ELIZABETHAE II REGINAE

A.D. 1976

No. 117 of 1976

An Act to provide for the registration, administration and control of credit unions; and for other purposes.

[Assented to 23rd December, 1976]

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows:

PART I PRELIMINARY

PART I

1. This Act may be cited as the "Credit Unions Act, 1976". Short title.
2. This Act shall come into operation on a day to be fixed by proclamation. Commence-
ment.
3. This Act is arranged as follows:— Arrangement
of Act.

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PART II—ADMINISTRATION

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DIVISION II—OBJECTS OF CREDIT UNIONS

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provision.**

4. (1) A body whose name appears in the first schedule to this Act shall, subject to this Act, continue in existence, and shall, upon the commencement of this Act—

(a) cease to be an industrial and provident society registered under the Industrial and Provident Societies Act, 1923-1974;
and

(b) be registered as a credit union under this Act.

(2) The body whose name appears in the second schedule to this Act shall, subject to this Act, continue in existence, and shall, upon the commencement of this Act—

(a) cease to be an industrial and provident society registered under the Industrial and Provident Societies Act, 1923-1974;
and

and

(b) be registered as an association under this Act.

(3) A nomination made by a member of an industrial and provident society under section 25 of the Industrial and Provident Societies Act, 1923-1974, shall, unless revoked by the member, continue in force.

5. In this Act, unless the contrary intention appears—

Interpretation.

“association” means an association of credit unions registered under this Act:

“the Board” means the Credit Union Stabilization Board:

“board” in relation to a credit union or association means the board of directors or committee of management of the credit union, or association:

“credit union” means a credit union registered under this Act and includes a credit union formed by amalgamation under this Act:

“the Fund” means the Credit Union Stabilization Fund established under this Act:

“mortgage” includes a lien, charge or other security over real or personal property:

“officer” in relation to a credit union or association means a director, secretary, treasurer or manager of the credit union or association and any other person empowered under the rules of the credit union or association to give directions in relation to the management of the business of the credit union or association:

“the Registrar” means the person for the time being holding, or acting in, the office of Registrar of Credit Unions under this Act:

“share” in relation to a credit union, means a share in the share capital of the credit union.

PART II**PART II****ADMINISTRATION**

Registrar and
Deputy
Registrar.

6. (1) The Governor may appoint—

(a) a Registrar of Credit Unions;

and

(b) one or more Deputy Registrars of Credit Unions.

(2) The Public Actuary shall, at the request of the Registrar, investigate and report on matters referred to him for advice by the Registrar.

(3) The Registrar and each Deputy Registrar shall be appointed under, and shall hold office subject to, the Public Service Act, 1967-1975.

(4) The office of Registrar of Credit Unions, or Deputy Registrar of Credit Unions, may be held in conjunction with any other office in the Public Service of the State.

(5) In the absence of the Registrar from the duties of his office, a Deputy Registrar shall, at the direction of the Minister, act in the office of the Registrar.

Delegation of
powers.

7. (1) The Registrar may, by instrument in writing, subject to conditions specified in the instrument, delegate to any person (including a Deputy Registrar) any of his powers or functions under this Act.

(2) A delegation under subsection (1) of this section shall be revocable at will, and shall not prevent the Registrar from personally exercising any power or function.

The office of
the Registrar.

8. (1) The Registrar shall maintain a public office.

(2) Any document registered under this Act shall be kept in the office of the Registrar.

Inspection of
Documents.

9. Any person may, on payment of the prescribed fee—

(a) inspect any document registered by, or filed or lodged with the Registrar pursuant to this Act;

(b) obtain from the Registrar a copy of the certificate of the registration of a credit union, or association;

or

(c) obtain from the Registrar a certified copy of any document, or any part of any document, registered by or filed or lodged with the Registrar.

Power of
Registrar to
inspect, etc.

10. (1) The Registrar may inspect and make copies of any minutes, books or documents relating to the affairs of a credit union or an association that are in the custody or control of a credit union, an association, a liquidator, a bank or any other institution.

(2) The Registrar may require any bank or other institution in which funds have been deposited by a credit union or association to furnish him with particulars of the amount of those funds and of any dealing with or disposition of any of those funds by the credit union or association.

(3) The Registrar may require a credit union or an association or an officer of a credit union or an association to produce any books, papers or documents relating to the affairs of the credit union or association for his inspection.

(4) A person shall not—

(a) hinder the Registrar, or any person to whom he has delegated his powers of inspection, in carrying out an inspection under this section;

or

(b) refuse or fail to comply with a requirement under this section.

Penalty: Two thousand dollars.

11. The Registrar shall on or before the thirty-first day of December in each year make a report to the Minister upon the administration of this Act during the period of twelve months ended on the preceding thirtieth day of June. Report.

PART III

PART III

CREDIT UNIONS

DIVISION I

DIVISION I—CARRYING ON BUSINESS AS A CREDIT UNION

A credit union
must be
registered
under this
Act.

12. (1) Subject to this section, no person or body of persons, whether incorporated or unincorporated, other than a credit union registered under this Act shall—

(a) trade, carry on business, or advertise for share capital, deposits or loan funds under any name or title of which the words “credit union”, “credit unions”, “savings and loans society” or “savings and loans societies” form a part;

(b) trade or carry on business as a credit union;
or

(c) in any manner hold out that its trade or business is that of a credit union.

Penalty: One thousand dollars.

Default Penalty: Two hundred dollars.

(2) For the purposes of subsection (1) of this section, where a person, or a body of persons administers a fund into which members of a group contribute moneys and which is applied solely or principally in loans to those members, that person or body of persons shall be deemed to be trading or carrying on business as a credit union.

(3) This section does not apply to—

(a) any person or body of persons (whether corporate or unincorporate) exempted by the Minister from the provisions of this section;

(b) any person or body of persons (whether corporate or unincorporate) lawfully carrying on the business of banking;

or

(c) any person or body of persons (whether corporate or unincorporate) lawfully carrying on business as a building society.

(4) The Minister may grant an exemption for the purposes of subsection (3) of this section upon such conditions as he thinks fit and may, upon non-compliance with any such condition, revoke the exemption.

DIVISION II

DIVISION II—OBJECTS OF CREDIT UNIONS

Objects.

13. The objects of a credit union shall be—

(a) to raise funds by subscription, or otherwise, as authorized by this Act;

(b) to apply those funds, subject to this Act and the rules of the credit union, in making loans to members of the credit union;

(c) to provide such advice and services for its members as in the opinion of the credit union may assist the members to meet their financial needs and obligations.

DIVISION III

DIVISION III—FORMATION AND REGISTRATION

Formation of a
credit union.

14. (1) Subject to this Part, a credit union may be formed by any twenty-five or more natural persons of full age and capacity.

(2) No credit union shall be formed unless there has been a meeting for the purpose of forming the credit union at which there are present twenty-five or more natural persons of full age and capacity.

(3) At the meeting referred to in subsection (2) of this section, the following documents must be presented to the prospective members of the credit union:—

(a) a written statement showing the objects of the credit union and the reasons for believing that, when registered, it will be able to carry out its objects successfully;

and

(b) a copy of the rules that are to be tendered for registration.

(4) If, at the formation meeting, or any subsequent or adjourned meeting, twenty-five or more persons of full age and capacity, after consideration of the statement and the rules, approve the rules with or without amendment, and sign an application for membership and shares, they may proceed to elect the first directors of the credit union in accordance with the rules as so approved.

(5) The expenses of, and incidental to, the formation of the credit union may be paid out of the capital or income of the credit union.

15. (1) A credit union formed in accordance with this Part may apply to the Registrar in the prescribed manner to be registered under this Act.

Registration
and
incorporation.

(2) An application for registration—

(a) must be made within two months after the formation meeting at which the first directors of the credit union were elected;

and

(b) must be accompanied by—

(i) a statutory declaration by the chairman and the secretary of that formation meeting that the requirements of this Part as to formation have been complied with;

(ii) a copy of the statement presented to the meeting, signed by the chairman and the secretary;

(iii) two copies of the proposed rules of the credit union, certified by the chairman and the secretary to be the rules as approved at the meeting;

(iv) a list containing the full name, address and occupation of each director;

(v) a list containing the full name, address and occupation of each of twenty-five persons of full age and capacity who attended the meeting and applied for membership and shares;

and

(vi) such evidence as the Registrar may require that the credit union will, upon registration, be able to carry out its objects successfully.

(3) If, upon an application for registration, the Registrar is satisfied—

(a) that the credit union has complied with the provisions of this Part;

PART III
DIVISION III

(b) that the proposed rules of the credit union are not contrary to this Act;

(c) that there are reasonable grounds for believing that the credit union, if registered, will be able to carry out its objects successfully;

and

(d) that there is no good reason why the credit union or the proposed rules should not be registered,

the Registrar shall register the credit union and its rules and shall issue a certificate in the prescribed form that the credit union is registered under this Act.

(4) Upon the issue of a certificate of registration the credit union—

(a) shall be a body corporate with perpetual succession and a common seal;

(b) shall in its corporate name be capable of suing and being sued;

(c) shall, subject to this Act and the rules of the credit union, be capable of holding, acquiring, dealing with and disposing of real and personal property;

and

(d) shall have the powers, rights, duties and functions conferred, imposed or prescribed by or under this Act and the rules of the credit union.

DIVISION IV

DIVISION IV—RULES

**Contents of
rules.**

16. The Registrar shall not register any rules of a proposed credit union unless they contain the prescribed provisions and otherwise conform with the requirements of the Act.

Effect of rules.

17. The rules of a credit union shall bind the credit union and all members thereof and all persons claiming under them.

Copies of rules.

18. A credit union, upon application and payment of the prescribed fee, shall furnish a member or any person who is eligible to become a member under its rules with a copy of its rules.

**Alteration of
rules.**

19. (1) A credit union may, by special resolution, alter its rules, but any such alteration shall not take effect until it has been registered in accordance with this section.

(2) A credit union must, within one month of the date of the meeting at which the special resolution approving an alteration was passed, apply to the Registrar to have the alteration registered.

(3) The Registrar shall, if he is satisfied that the proposed alteration to the rules of the credit union is not contrary to this Act, and that there is no good reason why it should not be registered, register the alteration.

**Power of
Registrar to
modify rules.**

20. (1) Where in the opinion of the Registrar the rules of a credit union should be amended to achieve conformity with any requirement of this Act,

he may, by instrument in writing served personally or by post upon the credit union, require it, within a period specified in the instrument, to amend the rules in a manner specified in the instrument or otherwise in a manner approved by the Registrar.

(2) Subject to this Act, if within the period specified in the instrument the credit union fails to amend the rules as required by the instrument, the Registrar may himself, by notation upon the registered copy of the rules, amend the rules of the credit union.

(3) The Registrar shall give a credit union notice in writing of any amendment effected by him under this section and of the date on which the amendment comes into operation.

DIVISION V—APPEALS

DIVISION V

21. (1) A credit union, or a person promoting the formation of a credit union, may, subject to the rules of the Credit Tribunal, appeal to the Credit Tribunal against— Appeals.

(a) the refusal of the Registrar to register the credit union;

(b) the refusal of the Registrar to register its rules;

or

(c) an amendment made by the Registrar to its rules.

(2) The Credit Tribunal may determine an appeal under this section in such manner as it considers just and may confirm, vary or revoke the decision of the Registrar.

DIVISION VI—NAME AND OFFICE

DIVISION VI

22. (1) Except with the consent of the Minister a credit union shall not be registered under this Act by a name that, in the opinion of the Registrar, is undesirable or is a name, or a name of a kind, that the Minister has for the purposes of this Act, directed the Registrar not to accept for registration. Name.

(2) The Minister shall cause a direction given by him under subsection (1) of this section to be published in the *Gazette* and a copy of the direction to be forwarded to the Attorney-General of the Commonwealth and the Attorney-General of each State of the Commonwealth.

23. (1) Every credit union shall have a registered office. Office and service.

(2) The first registered office of a credit union shall be that appearing in the rules of the credit union at the time of registration.

(3) Notice of any change of address of its registered office shall be transmitted to the Registrar before the expiration of fourteen days from the date of the change and the Registrar shall thereupon register the new address as the address of the registered office of the credit union.

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DIVISION VI

(4) A document may be served on a credit union or an officer of the credit union by leaving it at the registered office of the credit union with some person who appears to be responsible to the credit union or by post enclosed in a prepaid registered letter addressed to the credit union at its registered office.

**Publication of
name.**

24. (1) A credit union shall cause its name to appear in legible characters on its seal and in legible characters on all business letters, notices, advertisements and other official publications of the credit union and on all bills of exchange, cheques, promissory notes, endorsements, orders for money or goods, invoices, receipts and other documents required in the business of the credit union.

(2) A credit union shall not use any name or title other than its registered name or an abbreviation of that name approved by the Registrar.

(3) Every credit union shall paint or affix and keep painted or affixed on the outside of every office or place in which its business is carried on in a conspicuous position in letters easily legible its name and also, in the case of the registered office, the words "Registered Office".

(4) Any credit union that contravenes the provisions of this section shall be guilty of an offence and liable to a penalty not exceeding one hundred dollars. Default Penalty: Fifty dollars.

DIVISION VII

DIVISION VII—AMALGAMATION

Amalgamation.

25. (1) Any two or more credit unions registered under this Act may apply to be registered as an amalgamated credit union.

(2) Subject to subsection (3) of this section, no application shall be made under subsection (1) of this section unless the terms of the proposed amalgamation have been approved by a special resolution of each credit union that is a party to the application.

(3) The Registrar may, with the consent of the Board, dispense with the requirements of subsection (2) of this section if, in his opinion, special circumstances justify him in so doing.

(4) The application shall be in the prescribed form and shall be accompanied by—

(a) two copies of the proposed rules of the amalgamated credit union;

and

(b) such other particulars as may be prescribed.

(5) If the Registrar is satisfied that the credit unions have complied with the provisions of this Act and that the proposed rules of the amalgamated credit union are not contrary to this Act, the Registrar shall, upon the surrender to him of the certificates of registration of the amalgamating credit unions or production of such evidence as to the loss of any of them as the Registrar may require, register the amalgamated credit union and its rules, and issue a certificate of registration in respect of the credit union.

(6) The Registrar shall, following the issue of such certificate, remove from the register the name of any credit union that was a party to the amalgamation and thereupon the credit union is dissolved.

(7) The amalgamation shall not prejudice any right of a creditor of any credit union which is a party to the amalgamation.

(8) Upon the issue of the certificate of incorporation the property of each credit union that is a party to the amalgamation shall, by virtue of this Act, without any conveyance, transfer or assignment, vest in the credit union formed by the amalgamation.

(9) For the purpose of this section the property of the credit unions that are parties to the amalgamation shall include all estates and interests in property whether real or personal, vested or contingent.

(10) The Registrar-General shall—

(a) upon the application of a credit union formed by amalgamation under this section;

and

(b) upon the production of such duplicate instruments of title and other documents as the Registrar-General may require,

register the vesting of any estate or interest in land in the credit union in pursuance of this section.

(11) Any property which is vested in or transferred to the amalgamated credit union by virtue of or in pursuance of this section shall be subject to any debt, liability or obligation affecting that property.

(12) All debts and liabilities, whether certain or contingent, and whether then existing or capable of arising at a future time, to or with which any credit union that is a party to the amalgamation is, at the date of the certificate of incorporation of the amalgamated credit union, liable or charged, shall by virtue of this Act become and be the debts and liabilities of the credit union formed by the amalgamation.

26. (1) A credit union desiring to amalgamate with one or more other credit unions shall, unless exempted in writing by the Registrar, send to each of its members a statement the contents of which have been approved by the Registrar concerning—

Supplementary provisions as to amalgamation.

(a) the financial position of the credit union and any other credit union or credit unions with which it proposes to amalgamate;

(b) any interest that the officers of the credit union or of any other credit union concerned in the amalgamation may have in the amalgamation;

(c) any compensation or other consideration proposed to be paid to the officers of the credit union and of the other credit union or credit unions concerned;

(d) the payments to be made to members of the credit union and of the other credit union or credit unions concerned in consideration of the amalgamation;

and

(e) such other matters as the Registrar may direct.

(2) A statement under subsection (1) of this section shall be sent so that it will in due course of post reach each member not later than the time at which he would receive notice of the meeting called to pass the special resolution approving the amalgamation.

PART IV

PART IV

MEMBERSHIP AND SHARE CAPITAL OF CREDIT UNIONS

DIVISION I

DIVISION I—MEMBERSHIP

Members.

27. (1) The members of a credit union formed under this Act shall be the persons who signed an application for membership on the formation of the credit union and any other persons who are admitted to membership in accordance with the rules of the credit union.

(2) Where a credit union is formed by the amalgamation of two or more credit unions, the members of the credit union formed by the amalgamation shall be the members of the amalgamating credit unions and any other persons who are admitted to membership in accordance with the rules of the credit union formed by the amalgamation.

(3) Subject to subsection (4) of this section, the liability of a member of a credit union to the credit union is limited to the amount unpaid upon his shares.

(4) Subsection (3) of this section does not affect any liability of a member of a credit union arising under any contract between the credit union and that member.

Minors.

28. (1) Subject to any contrary provision in the rules of a credit union, a person under the age of eighteen years may be a member of a credit union.

(2) A minor shall not be entitled to exercise any vote at any meeting of the credit union.

Corporate member of a credit union.

29. (1) A body corporate may, if the rules of a credit union so provide, become a member of the credit union.

(2) A corporate member may by instrument in writing (a copy of which must be served on the credit union) appoint a person to represent it at any meeting of members of the credit union.

(3) Any person appointed under subsection (2) of this section shall be entitled to receive notice of all meetings in the same manner as other members of the credit union and shall be entitled to exercise the same rights of voting as a natural person who is a member of the credit union.

DIVISION II

DIVISION II—SHARE CAPITAL

Share capital.

30. (1) The share capital of a credit union shall be divided into shares of the same nominal value.

(2) The nominal value of the shares issued, or to be issued, by a credit union shall be specified in its rules.

(3) The shares shall be of one class ranking equally.

(4) Each member shall hold the same number of shares and no shares shall be allotted to a member unless the full nominal value thereof has been paid.

(5) The rules of a credit union shall not provide for share capital to be repaid in priority to funds of the credit union consisting of deposits made with the credit union.

(6) Subject to subsection (7) of this section, the rules of a credit union may provide for the cancellation of shares, or the withdrawal of share capital, but no such rules shall be registered unless the Registrar approves of the provisions governing the cancellation of shares, or the withdrawal of share capital.

(7) A member of a credit union shall not be entitled to withdraw any share capital from the credit union, unless he has given notice of his intention to withdraw the share capital, at least one month before he does so.

(8) A share may be held by two or more persons jointly.

(9) A share may not be sold or transferred without the approval of the board.

(10) Any document that constitutes a receipt for the payment of a share, or subscription for a share, shall contain a clear acknowledgment that it constitutes such a receipt.

31. (1) Subject to the rules of a credit union, where shares in a credit union are held jointly, any notice or other document may be given or sent by the credit union to the joint holders by being given or sent to the primary joint holder.

Case where
shares are held
jointly.

(2) For the purpose—

(a) of determining who is qualified to vote on a resolution of a meeting of a credit union;

(b) of determining (where relevant) the number of votes any person may exercise at a meeting of a credit union;

and

(c) of determining the number or proportion of any members required to give effect to any provision of this Act or the rules of a credit union,

the shares shall be treated as being held by the primary joint holder alone.

(3) For the purpose of this section, the primary joint holder of shares in a credit union is the member whose name appears first in the register of members of the credit union.

(4) The joint holders of any shares in a credit union shall be entitled to choose the order in which they are named in the register of members but failing any such choice, the credit union may enter their names in such order as it thinks fit.

32. (1) A credit union shall, in respect of any debt due from a member or past member of the credit union, have a charge upon the shares of that member of the credit union, and on the credit balance of that member, or past member and upon any dividend, interest, bonus or rebate payable to that member or past member.

Charge and
set off.

(2) The charge created by this section may be enforced by the appropriation by the credit union of the share capital or other moneys subject to the charge.

(3) Any share in respect of which the whole of the capital has been so appropriated shall be cancelled by the credit union.

PART V

PART V

MONETARY POLICIES OF CREDIT UNIONS

DIVISION I

DIVISION I—RAISING FUNDS

Deposits.

33. Subject to this Act, and the rules of a credit union, a credit union may raise funds by accepting deposits from its members.

Borrowing Money.

34. (1) Subject to this Act, and the rules of a credit union, a credit union may raise funds by borrowing money.

(2) Subject to subsection (3) of this section, a credit union shall not borrow moneys if the amount of any such borrowing, together with the sum of all moneys previously borrowed by the credit union, and not repaid, exceed an amount which equals twenty-five per centum of the aggregate of—

(a) the total paid up share capital of the credit union;

(b) the total amount for the time being held on deposit by the credit union;

and

(c) the total amount held in reserve by the credit union.

(3) The Registrar may, upon the recommendation of the Board, give approval to a credit union to raise money in excess of the amount specified in subsection (2) of this section.

(4) A credit union may, subject to its rules, give such security in respect of a loan to the credit union as it thinks fit and, without limiting the generality of the foregoing, that security may consist of a legal or equitable mortgage over—

(a) the whole undertaking of the credit union;

or

(b) any rights or property (either present or future, or both present and future) of the credit union.

(5) A credit union shall not borrow money otherwise than in Australian currency or undertake to repay moneys borrowed otherwise than in Australian currency.

DIVISION II

DIVISION II—LOANS

Loans.

35. A credit union may make loans only to its members.

Interest.

36. (1) The Minister may, by notice published in the *Gazette*, fix a maximum rate of interest from time to time for the purposes of this section.

(2) Subject to this Act, a credit union shall not charge interest upon a loan at a rate exceeding the maximum rate fixed by virtue of subsection (1) of this section.

(3) This section does not apply in respect of a loan that was lawfully made before the commencement of this Act.

37. (1) Subject to subsection (2) of this section, a loan by a credit union shall be made in cash or by cheque without deduction for interest or any other charge.

(2) This section shall not prevent the deduction from the amount of a loan of amounts—

- (a) on account of fees payable to the Registrar-General in respect of the transaction;
- (b) on account of fees payable to a legal practitioner or licensed land broker in respect of the transaction;
- or
- (c) on account of any other charges authorized by regulation.

38. (1) The Minister may, by notice published in the *Gazette*, fix from time to time in relation to credit unions generally, or in relation to a particular credit union, or credit unions of a particular class, the maximum amount—

Maximum
amount of
loan.

- (a) that may be lent by a credit union to a member where the loan is secured;
- or
- (b) that may be lent by a credit union to a member where the loan is unsecured.

(2) A credit union shall not lend moneys to a member in contravention of the terms of a notice under subsection (1) of this section.

(3) This section does not affect a transaction that was lawful at the time it was entered into.

39. (1) Subject to its rules, a credit union may lend moneys to any of its officers and employees who are members of the credit union.

Loans to
employees.

(2) The amount of every such loan shall be reported to the annual general meeting of the credit union.

40. No member of a credit union under the age of 18 years shall be entitled to obtain a loan from the credit union, unless the loan is made jointly to the minor and his parent or guardian and the minor and his parent or guardian are jointly and severally liable on the contract.

Loans to
minors.

DIVISION III—LIQUIDITY AND RESERVES

DIVISION III

41. (1) Subject to the provisions of this section, a credit union shall maintain as liquid funds a sum not less than a prescribed percentage of the total of—

Liquidity.

- (a) the total paid-up share capital of the credit union;
- (b) the total amount held by the credit union by way of deposit;
- and
- (c) the total amount of the principal that the credit union is liable to repay upon any loan made to the credit union (other than a loan for the purpose of enabling the credit union to establish or improve business premises for its own use).

PART V
DIVISION III

(2) Subject to subsection (3) of this section, "liquid funds" means the sum of the following:—

- (a) cash at bank (but not including any amount represented by any cheque or bill of exchange drawn or endorsed in favour of the credit union but not yet presented for payment) and cash in hand;
 - (b) funds on deposit with any prescribed bank;
 - (c) funds on deposit with an association of credit unions of which the credit union is a member;
 - (d) the monetary value of any investment made by the credit union with an authorized dealer in the official short term money market;
 - (e) funds on deposit with the Fund pursuant to the provisions of this Act;
 - (f) any amount due to the credit union by way of deductions from the wages or salaries of members;
- and
- (g) the monetary value of prescribed securities.

(3) In determining the amount of the liquid funds held at any time by a credit union—

- (a) the amount of any borrowings from a bank or association by way of overdraft;
- and
- (b) any moneys received by the credit union from the Government of the State or the Commonwealth or the Fund,

shall not be taken into account.

**Reserve
accounts.**

42. (1) A credit union shall at the end of each financial year transfer to a reserve account a prescribed percentage of the surplus arising in that financial year from the business of the credit union.

(2) In calculating the amount of any surplus for the purposes of this section, the following shall not be regarded as part of the surplus:—

- (a) any interest that is paid or credited to members of the credit union;
- (b) revenue that is derived from transactions that do not form part of the ordinary business of the credit union;
- (c) proper allowance made in accordance with the rules of the credit union, or with stipulations made by the Minister and published in the *Gazette*, for future losses of the credit union in respect of loans made by it;

or

- (d) proper provision for income tax.

(3) In calculating the amount of any surplus for the purposes of this section, any amount that is, or is to be, paid or credited to members by way of bonus or rebate shall be regarded as part of the surplus.

(4) If the amount held in the reserve account is equal to six per cent, or where some other proportion has been prescribed, that other proportion, of the aggregate of the paid up share capital of the credit union, and the amount deposited with the credit union, no further transfer of money to the reserve account is required by this section.

(5) Moneys appropriated to a reserve account pursuant to this section—

- (a) shall not be distributed amongst members of the credit union except upon the winding up of the credit union;
- and
- (b) may be applied to any purpose to which the capital of the credit union may be applied.

DIVISION IV—PROPERTY AND INVESTMENTS

DIVISION IV

43. (1) Subject to subsection (2) of this section, a credit union may purchase or acquire any real or personal property necessary for carrying out the objects of the credit union and may sell, lease, mortgage, charge, or otherwise deal with, or dispose of, any such real or personal property.

Acquisition of property.

(2) A credit union shall not purchase or acquire any real property pursuant to subsection (1) of this section without the consent of the Registrar given on the recommendation of the Board.

44. (1) Subject to this Act, and the rules of the credit union, a credit union may invest funds not immediately required for any of its objects, or for purposes incidental thereto, in the following manner:—

Investment of surplus funds.

- (a) in any security in which trust moneys may, by Act of the Parliament of this State, be invested;
- (b) in Commonwealth Special Bonds, or Special Associated Inscribed Stock;
- (c) in acquiring shares in a company or other body corporate;
- (d) on deposit with an association of which the credit union is a member;
- and
- (e) in any other prescribed securities.

(2) Unless the Registrar, upon the recommendation of the Board, exempts a credit union from the provisions of this subsection, the credit union shall not—

- (a) invest funds in acquiring shares in a company or a body corporate (other than an association) if by reason of making that investment more than one per centum of the aggregate of its paid up share capital and the amount deposited with the credit union would be so invested;

or

- (b) advance moneys to, or deposit moneys with, any other credit union.

(3) A credit union shall not invest funds in any security that matures upon a certain date unless that date is less than fifteen years from the date of the investment.

(4) This section shall not affect or render unlawful any investment made by a credit union prior to the commencement of this Act.

45. Any property to which a credit union may become absolutely entitled by foreclosure, surrender, or extinguishment of a right of redemption, shall as soon as practicable be sold and converted into money.

Disposal of certain property.

46. (1) Subject to the provisions of this Act, a credit union may classify an account in which there have been no transactions for a period of three years as a dormant account.

Dormant accounts.

PART V
DIVISION IV

(2) Before being so classified, the credit union shall give to the member notice of intention to declare the account dormant and of the subsequent action proposed by the credit union and the notice shall be given—

(a) by registered letter to the member's last known address;

or

(b) by advertisement in a newspaper circulating generally throughout the State.

(3) Unless within one month of the posting of the letter or publication of the advertisement, whichever is the later, the member gives notice in writing to the credit union of his desire to remain a member, the credit union may, subject to the provisions of this section—

(a) cancel the membership of the member;

and

(b) transfer the share capital and funds of the member to a special account (entitled "the suspense account") established by the credit union for the purposes of this section.

(4) Money held by a credit union in its suspense account shall not attract interest.

(5) A person whose membership has been cancelled pursuant to this section may within a period of six years after the date of cancellation require the credit union to refund to him moneys held in the suspense account representing the value of shares formerly held by that person and the amount formerly held on deposit on his behalf.

(6) Where a member fails to claim a refund under subsection (5) of this section, the credit union shall pay the moneys to the Treasurer in accordance with the Unclaimed Moneys Act, 1891-1975, and those moneys shall thereafter be dealt with under that Act.

PART VI

ASSOCIATIONS

Associations
must be
registered
under this
Part.

47. After the expiration of three months from the commencement of this Act, no credit union shall be a member of a body, whose objects include any of the objects of an association under this Act, unless that body is registered as an association under this Act.

Formation.

48. (1) An association of credit unions may be formed by four or more credit unions, in accordance with the provisions of this Part.

(2) The objects of an association shall be such of the following as may be authorized by the rules of the association:—

(a) to promote the interests of and strengthen co-operation among credit unions and associations;

- (b) to render services to and act on behalf of its members in such ways as may be specified in, or authorized by, the rules of the association;
- (c) to advocate and promote such practices and reforms as may be conducive to any of the objects of the association;
- (d) to co-operate with other bodies with similar objects;
- (e) to promote the formation of credit unions;
- (f) to encourage the formulation, adoption and observance by credit unions of standards and conditions governing the carrying on of their business;
- (g) to supervise the affairs of its members in accordance with the rules of the association;
- and
- (h) to perform such other functions as may be prescribed.

49. (1) An application for the registration of an association—

Registration of
an association.

- (a) must be made in the prescribed form and must be under the common seals of all the credit unions that are to be members of the association upon its formation;
- and
- (b) must be accompanied by the rules of the proposed association.

(2) If the Registrar is satisfied—

- (a) that the rules as submitted are not contrary to the provisions of this Act;
- (b) that there are reasonable grounds for believing that the association if registered will be able to carry out its objects successfully;
- and
- (c) that there is no good reason why the association and its rules should not be registered,

the Registrar shall register the association and its rules and shall issue a certificate in the prescribed form that the association is incorporated under this Act.

(3) Upon the issue of a certificate of incorporation the association—

- (a) shall be a body corporate with perpetual succession and a common seal;
- (b) shall in its corporate name be capable of suing and being sued;
- (c) shall, subject to this Act and the rules of the association, be capable of holding, acquiring, dealing with and disposing of real and personal property;
- and
- (d) shall have the powers, rights, duties and functions conferred, imposed or prescribed by or under this Act and the rules of the association.

50. (1) The members of an association shall be the credit unions by which the association is formed, and any other credit unions that are admitted to membership of the association in accordance with the rules of the association.

Membership.

PART VI

(2) Where an association is formed by the amalgamation of two or more associations, the members of the association formed by the amalgamation shall be the members of the amalgamating associations and other members that are admitted in accordance with the rules of the association formed by the amalgamation.

Share capital.

51. (1) The share capital of an association shall be divided into shares in accordance with the rules of the association.

(2) No member of an association may, unless exempted by the Registrar from the provisions of this subsection, hold shares representing more than one-quarter of the total share capital of the association.

Monetary policies.

52. (1) An association may, subject to this Act and the rules of the association—

- (a) raise moneys by accepting deposits from its members;
- (b) borrow moneys and give such security in respect of the borrowing as it thinks fit;
- (c) lend moneys to its members, or its officers and employees, upon such terms as it thinks fit;
- and
- (d) otherwise apply its funds in the furtherance of its objects.

(2) The amount of every loan made to an officer or employee of the association shall be reported to the annual general meeting of the association.

(3) An association shall provide for the maintenance of liquid funds in accordance with its rules.

(4) An association shall have power to acquire property and invest its funds in accordance with its rules.

(5) The Board may direct an association to provide details of its monetary policies from time to time to the Board and the Board may make recommendations and give advice to the association upon those policies.

(6) An association shall not donate moneys for any purposes other than charitable purposes.

Meetings.

53. (1) Meetings of the members of an association shall be convened and conducted in accordance with the rules of the association.

(2) A member of an association shall, at any such meeting, be entitled—

- (a) to be represented in such manner;
- and

(b) to exercise such voting rights,
as may be prescribed by the rules of the association.

(3) An association shall cause full and accurate minutes to be kept of every meeting of the board, and of every meeting of the members, of the association.

Application of this Act to associations.

54. The following provisions of this Act shall apply *mutatis mutandis* in relation to associations, with such exclusions, additions or modifications as may be prescribed—

- (a) Divisions IV, V, VI and VII of Part III;
- (b) section 42;
- (c) Divisions I, III and IV of Part VII;
- and
- (d) Parts IX and X.

PART VII

PART VII

MANAGEMENT

DIVISION I—DIRECTORS AND OFFICERS

DIVISION I

55. (1) The business of a credit union shall be managed and controlled by a board of directors, and for that purpose the board shall, subject to this section, have the powers of the credit union.

Board of Directors.

(2) The powers of the board shall be subject to any restrictions imposed upon it by this Act, by the rules of the credit union or by a resolution of a general meeting of the credit union.

(3) A majority of the directors of a credit union shall reside permanently in the State of South Australia.

(4) Subject to subsection (5) of this section, a credit union shall not have less than five directors.

(5) The obligation imposed by subsection (4) of this section does not apply to a body whose name appears in the first schedule to this Act until the expiration of two years from the commencement of this Act.

56. The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification.

Validity of acts of directors.

57. (1) The directors of a credit union shall be appointed in accordance with the rules of the credit union by a general meeting of the credit union.

Appointment of directors.

(2) The board of a credit union, if so authorized by the rules of the credit union, may appoint a person to be a deputy of a director and such a person while acting in the absence of that director shall be deemed to be a director of the credit union.

58. (1) An employee of a credit union other than the manager shall not be eligible to be a director of the credit union unless approved by the Registrar.

Qualification of a director and vacation of office.

(2) No person shall be qualified to be a director of a credit union unless—

(a) he is a member of the credit union;

and

(b) he has attained the age of eighteen years.

(3) No person shall be eligible to be appointed a director if that person was convicted within the preceding period of ten years, and the office of a director shall become vacant if he is convicted—

(a) upon indictment of any offence in connection with the promotion, formation or management of a body corporate;

(b) of any offence involving fraud or dishonesty;

or

(c) of any prescribed offence.

PART VII
DIVISION I

(4) No person shall be eligible to be appointed a director, and the office of a director shall become vacant, if he is a bankrupt or insolvent debtor, is bound by a composition in favour of his creditors, or applies to take the benefit of any law for the relief of bankrupt or insolvent debtors.

(5) The office of a director shall become vacant in the following circumstances:—

- (a) if he dies;
- (b) if his term of office expires;
- (c) if he absents himself from three consecutive ordinary meetings of the board without its leave;
- (d) if he ceases to be a member of the credit union;
- (e) if he resigns by instrument in writing addressed to the board of directors of the credit union;
- (f) if any moneys due and payable by him to the credit union are more than four months in arrears and he has failed to make arrangements satisfactory to the credit union as to the payment of those moneys;

or

- (g) if he is removed from office by resolution of a general meeting of the credit union.

(6) A director shall not be removed from office, nor shall his office become vacant, except as provided by this Act.

Disclosure of
interest.

59. (1) Subject to the provisions of this section, a director of a credit union who is or becomes in any way (whether directly or indirectly) interested in a contract, or proposed contract with the credit union, shall declare the nature and extent of his interest to the board of directors in accordance with this section.

(2) In the case of a proposed contract, the declaration required by this section shall be made at the meeting of directors at which the question of entering into the contract is first considered, or if the director was not at the date of that meeting interested in the proposed contract, at the next meeting of the directors held after he becomes interested in the proposed contract.

(3) Where a director becomes interested in a contract with the credit union after it is made, the declaration required by this section shall be made at the first meeting of the directors held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice in writing given to the board by a director to the effect that he is a member of a specified company or firm, and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm, is a sufficient declaration.

(5) A director who fails to comply with the provisions of subsection (1) of this section shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars.

(6) Any declaration made pursuant to this section shall be reported by the board—

- (a) forthwith to the Registrar;
- and
- (b) to the members at the annual general meeting next following the making of the declaration.

(7) Nothing in this section prejudices any rule of law affecting the validity of contracts between a body corporate and a director of the body corporate or affecting the obligations of a director to account for any profits arising from any such contract.

PART VII

DIVISION I

Certain dealings
are prohibited.

60. (1) An officer of a credit union whether on his own account or in partnership with any other person (or body of persons) shall not, without the approval of a majority of the directors—

- (a) sell any real or personal property to, or act as agent in respect of the sale of any real or personal property to, a member of the credit union who proposes to pay for the real or personal property (in whole or in part) out of a loan made by the credit union;
- (b) undertake the erection of any building for a member of the credit union who proposes to pay for the building (in whole or in part) out of a loan made by the credit union;
- (c) accept as payment (in whole or in part) of any moneys due to him from a member of the credit union the whole or part of any loan made by the credit union to that member;

or

- (d) borrow moneys from the credit union.

(2) For the purposes of this section, anything done by a proprietary company in which an officer of the credit union is a shareholder shall be deemed to have been done by the officer.

(3) Any person who contravenes or fails to comply with the provisions of this section shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars.

61. A director of any credit union shall not be paid any remuneration for his services as a director other than such fees concessions and other benefits as may be approved at a general meeting of the credit union.

Director's
remuneration.

62. (1) Meetings of the board of directors of a credit union shall be held as often as may be necessary for properly conducting the business of the credit union.

Meetings of
the board.

(2) A meeting of the board of directors of a credit union must be held on or before the expiration of two months from the date of the last meeting of the board.

(3) A quorum at a meeting of the board of directors of a credit union shall consist of the number of directors prescribed by the rules of the credit union but that number shall not in any case be less than half the total number of the directors.

63. (1) No person of or above the age of seventy years may be appointed as a director of a credit union.

Age limit for
directors.

(2) The office of a director of a credit union shall become vacant at the annual general meeting next following the day on which he attains the age of seventy years.

64. Any person who purports to exercise the powers of a director of a credit union after his office as director has been vacated, and any director of a credit union who permits or suffers any such person to purport to act as a director, shall be guilty of an offence against this Act and liable to a penalty not exceeding one thousand dollars.

Acting as
director after
office vacated.

PART VII
DIVISION I
As to the duty
and liability
of officers.

65. (1) A director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office.

(2) An officer of a credit union shall not make use of any information acquired by virtue of his position as an officer to gain directly or indirectly an improper advantage for himself or to cause detriment to the credit union.

(3) Any person who contravenes or fails to comply with the provisions of this section shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars.

(4) This section does not derogate from any other rule of law relating to the duties of directors and officers of bodies corporate.

DIVISION II

Meetings of
credit unions.

DIVISION II—MEETINGS OF MEMBERS OF A CREDIT UNION AND VOTING

66. (1) The annual general meeting of a credit union shall be held within four months after the close of the credit union's financial year, or within such further time as may be allowed by the Registrar.

(2) Any other meetings of a credit union shall be held, or may be called, as prescribed by the rules of the credit union.

(3) At any meeting of a credit union no business shall be transacted unless a quorum of members, as prescribed by the rules of the credit union, is present at the time the meeting is considering that business.

(4) Notice of a meeting shall be given by individual notice to members or by advertisement in two newspapers circulating generally throughout the State and by exhibiting copies of the notice in a conspicuous place at the head office and every branch office of the credit union.

(5) Subject to subsection (6) of this section, notice must be given under this section not more than five weeks and not less than three weeks before the date of the meeting and a notice posted at offices of the credit union must be exhibited over a period of at least three weeks immediately preceding the date of the meeting.

(6) Where a credit union seeks to call an extraordinary general meeting of its members, the notice is sufficient if given not less than seven days before the date of the meeting.

(7) A notice advertised or exhibited under this section must set out the general nature of the business to be transacted at the meeting.

(8) The auditors of a credit union shall be entitled to attend every meeting of the credit union.

Voting.

67. (1) Except as is otherwise provided in this Act, or by the rules of a credit union, every question arising for decision at a meeting of a credit union shall be determined by a majority of those persons entitled to vote who are present at the meeting and, unless a poll is demanded by at least five persons who are so present, the question shall be determined by a show of hands.

(2) Every member who is present shall have one vote.

(3) At any meeting of the members of a credit union the chairman shall, in the event of an equality of votes, be entitled to exercise a casting vote in addition to any other vote to which he may be entitled.

(4) The voting rights of a member who is indebted to a credit union by virtue of having borrowed moneys from the credit union, and is in default in repayment of those moneys, may be restricted by the rules.

(5) The Registrar shall not register any rule under which the right of a member who has borrowed money from the credit union is limited or excluded unless he approves of the limitation or exclusion.

68. (1) For the purposes of this Act, a special resolution is a resolution passed by a majority of not less than two-thirds of those persons who, being present and entitled to vote, register their vote in favour of the resolution. Special resolutions.

(2) Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried by a specified majority shall be conclusive evidence of the fact.

(3) A credit union shall, within one month of a meeting at which a special resolution has been passed, submit the resolution to the Registrar for registration.

(4) A special resolution shall not have any effect until registered

69. A credit union shall cause full and accurate minutes of every meeting of the board, and of every meeting of the members of the credit union, to be kept. Minutes.

DIVISION III—RECORDS AND ACCOUNTS

DIVISION III

70. (1) A credit union shall keep such registers as may be prescribed. Registers.

(2) The registers shall include the following:—

- (a) registers of the directors, members and shares;
- (b) a register of any loans raised, securities given, and deposits received, by the credit union;
- (c) a register of any loans made, or guaranteed, by the credit union and of any securities taken by the credit union in respect of any such loan or guarantee;
- (d) a register of investments made by the credit union.

(3) The registers shall, except as provided by this section, be kept at the registered office of the credit union and shall be kept in such manner, and contain such particulars, as may be prescribed.

(4) With the consent in writing of the Registrar, the registers referred to in this section may be kept in any office of the credit union other than its registered office.

(5) Subject to subsection (6) of this section, no notice of any trust, express, implied or constructive, shall be entered in any register or account kept by a credit union or be received by the credit union or the Registrar.

(6) Where the rules of a credit union so provide, an entry in a register or account kept by the credit union in respect of any shares in the credit union or moneys deposited with the credit union may, in the circumstances and in the manner authorized by the rules, be made so as to indicate that the shares or moneys are held by or vested in a person on trust.

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DIVISION III

(7) Whether or not an entry is made in pursuance of subsection (6) of this section, a credit union shall be regarded as being unaffected by notice of any trust.

Inspection.

71. (1) A credit union shall keep at its registered office and at each branch office open for inspection without fee by members of the credit union, persons eligible for membership of the credit union and its creditors:—

- (a) a copy of this Act and the regulations;
- (b) a copy of the rules of the credit union;
- (c) a copy of the last balance-sheet and profit and loss account of the credit union, together with a copy of the report of the auditor thereon;

and

- (d) the prescribed register of directors or a copy thereof.

(2) The credit union shall, at the request of a member of the credit union, furnish that member of the credit union with any information to which that member is entitled in accordance with the regulations.

Financial year

72. (1) The financial year of a credit union shall end on such day in each calendar year as is provided by the rules of the credit union.

(2) The first financial year of a credit union may extend from the date of its registration to a day not later than eighteen months from the date of registration.

(3) Any alteration of the rules of a credit union altering its financial year may provide for the financial year to extend for a period not exceeding eighteen months from the date of registration of the alteration.

Accounts to be kept.

73. The directors of a credit union shall—

- (a) keep such accounting records as correctly record and explain the transactions and financial position of the credit union;
- (b) keep its accounting records in such a manner as will enable true and fair accounts of the credit union to be prepared from time to time;

and

- (c) keep its accounting records in such a manner as will enable the accounts of the credit union to be conveniently and properly audited in accordance with this Act.

Accounts to be laid before general meeting.

74. (1) The board of directors of a credit union shall cause to be laid before each annual general meeting of a credit union—

- (a) a profit and loss account;

and

- (b) a balance-sheet,

prepared in accordance with the regulations.

(2) The accounts laid before the annual general meeting of the credit union must be accompanied by a statement made in accordance with a resolution of the board of directors, and signed by not less than two directors, and the principal accounting officer, of the credit union to the effect that—

(a) the profit and loss account is drawn up so as to give a true and fair view of the profit and loss of the credit union for the financial year to which it relates;

and

(b) the balance-sheet is drawn up so as to give a true and fair view of the state of affairs of the credit union as at the end of the financial year.

(3) The accounts laid before the annual general meeting of the credit union must be accompanied by a report made by the directors and setting out such information as may be prescribed.

75. (1) Subject to this section, if a director of a credit union fails to take all reasonable steps to comply with or to secure compliance with any of the preceding provisions of this Division he shall be guilty of an offence against this Act.

Failure to
comply with
this Division.

Penalty: One thousand dollars.

(2) If an offence against this section is committed with intent to deceive or defraud creditors of the credit union or creditors of any other person or for a fraudulent purpose, the offender shall be liable to a penalty not exceeding two thousand dollars or imprisonment for six months.

DIVISION IV—AUDIT

DIVISION IV

76. (1) The auditor of a credit union must be a registered company auditor or a firm of registered company auditors.

Appointment
of auditor.

(2) A person shall not act as auditor of a credit union if he is indebted in an amount exceeding one thousand dollars to the credit union, or if he is an officer or employee of the credit union.

Penalty: Three hundred dollars.

(3) The board of directors of a credit union shall, within one month of the registration of the credit union under this Act, appoint an auditor of the credit union.

(4) An auditor appointed under subsection (3) of this section shall, subject to this Division, hold office until the first annual general meeting of the credit union.

(5) A credit union shall—

(a) at its first annual general meeting appoint an auditor of the credit union;

and

PART VII
DIVISION IV

- (b) at each subsequent annual general meeting if there is a vacancy in the office of auditor of the credit union appoint an auditor to fill the vacancy.

(6) Within one month after a vacancy occurs in the office of auditor of the credit union, the board of directors shall appoint (unless the credit union at an annual general meeting has appointed) an auditor to fill the vacancy.

(7) A credit union or the board of directors of a credit union shall not appoint a person or firm as auditor of the credit union unless that person or firm has, before the appointment, consented by notice in writing given to the credit union or to the board of directors to act as auditor and has not withdrawn his or its consent by notice in writing given to the credit union or to the board.

(8) A notice under subsection (7) of this section given by a firm shall be signed in the firm name and in his own name by a member of the firm who is a registered company auditor.

**Removal and
resignation of
auditors.**

77. An auditor of a credit union may only be removed from office—

- (a) by a special resolution of the credit union;
and
(b) in accordance with the regulations.

**Fees of
auditors.**

78. The reasonable fees and expenses of an auditor of a credit union shall be payable by the credit union.

**Powers and
duties of
auditors as to
reports or
accounts.**

79. (1) An auditor of a credit union shall report to the members on the accounts required to be laid before the credit union in general meeting and on the credit union's accounting records and other records relating to those accounts.

(2) An auditor shall, in a report under this section, state—

(a) whether the accounts are in his opinion properly drawn up—

- (i) so as to give a true and fair view of the matters to which they relate;

and

- (ii) in accordance with the provisions of this Act;

and

(b) whether the accounting records and other records and the registers required by this Act to be kept by the credit union have been, in his opinion, properly kept in accordance with the provisions of this Act.

(4) The auditor of a credit union shall have a right of access at all times to the books, accounts, vouchers, securities and documents of the credit union and shall be entitled to require from the directors and other officers of the credit union such information and explanations as he thinks necessary for the performance of his duty.

(5) If the auditor, in the course of performing an audit of the credit union is satisfied that—

- (a) there has been a breach of, or non-observance of, any provision of this Act;
 - and
 - (b) that the circumstances are such that in his opinion the matter has not been, or will not be, adequately dealt with by bringing the matter to the notice of the directors of the credit union,
- he shall forthwith report the breach or non-observance in writing to the Registrar.

DIVISION V—RECORDS

DIVISION V

80. (1) A credit union shall, within one month after any change in the membership of the board of directors, inform the Registrar in writing of the change.

Returns.

(2) A credit union shall, within four months after the close of each financial year, or within such further time as the Registrar may allow, transmit to the Registrar the following returns:—

- (a) a list of directors for the financial year then current;
- (b) a statement in the prescribed form of the assets and liabilities of the credit union at the end of its financial year and of the accounts of the credit union for that financial year;
- (c) a copy of the report by the auditor in respect of the accounts;
- (d) a return in the prescribed form in respect of every property that has been sold by the credit union in the exercise of its powers as mortgagee, and every mortgage in respect of which the credit union has assigned its interest as mortgagee to any other mortgagee during the financial year last ended;
- and
- (e) a return containing such other particulars as may be prescribed.

(3) The Registrar may by instrument in writing require a credit union to furnish such further returns relevant to its financial position, or to the directors or members of the credit union as the Registrar may require.

(4) The returns required pursuant to subsection (3) of this section shall contain the information stipulated in the instrument and shall be furnished as frequently as is required by the instrument.

(5) A credit union shall, when transmitting to the Registrar the returns referred to in subsection (2) of this section, include a statement showing the amount of any loans made by the credit union during the financial year—

- (a) to any officer of the credit union;
- (b) to any person, who after the making of the loan, became an officer of the credit union;
- (c) to a company or other body corporate in which an officer of the credit union is interested;
- or
- (d) to a company or other body corporate in which an officer of the credit union held any interest at the time when the loan was made.

PART VIII

PART VIII

CREDIT UNION STABILIZATION BOARD

DIVISION I

DIVISION I—ESTABLISHMENT AND CONSTITUTION OF THE BOARD

Establishment
and incorpora-
tion of the
Credit Union
Stabilization
Board.

81. (1) There shall be a board entitled the "Credit Union Stabilization Board".

(2) The Board—

(a) shall be a body corporate with perpetual succession and a common seal;

(b) shall be capable of suing and of being sued;

(c) shall be capable of holding, dealing with, and disposing of real and personal property;

(d) shall be capable of acquiring or incurring any other rights or liabilities;

and

(e) shall have the powers, duties, functions and authorities conferred, imposed or prescribed by or under this Act.

(3) Where a document purports to bear the common seal of the Board, it shall be presumed in any legal proceedings, in the absence of proof to the contrary, that the common seal of the Board has been duly affixed to that document.

Constitution of
the Board.

82. (1) The Board shall consist of five members appointed by the Governor upon the nomination of the Minister.

(2) One member of the Board shall be appointed by the Governor to be Chairman of the Board.

(3) Not less than two of the members shall be persons who are, in the opinion of the Minister, suitable persons to represent the interests of credit unions or associations.

Terms and
conditions upon
which members
hold office.

83. (1) The Chairman of the Board shall be appointed for such term of office, and upon such conditions, as may be determined by the Governor, and, upon the expiration of his term of office, shall be eligible for re-appointment.

(2) A member of the Board, other than the Chairman, shall be appointed for such term of office, not exceeding three years, and upon such conditions as the Governor may determine and, upon the expiration of his term, shall be eligible for re-appointment.

(3) The Governor may appoint a suitable person to be a deputy of a member of the Board and such a person, while acting in the absence of that member, shall be deemed to be a member of the Board, and shall have all the powers, authorities, duties and obligations of the member of whom he has been appointed a deputy.

(4) The Governor may remove a member of the Board from office for—

(a) any breach of, or non-compliance with, the conditions of his appointment;

(b) mental or physical incapacity;

(c) neglect of duty;

or

(d) dishonourable conduct.

(5) The office of a member of the Board shall become vacant if—

(a) he dies;

(b) his term of office expires;

(c) he resigns by written notice addressed to the Minister;

or

(d) he is removed from office by the Governor pursuant to subsection (4) of this section.

(6) Upon the office of a member of the Board becoming vacant, a person shall be appointed, in accordance with this Act, to the vacant office, but where the office of a member of the Board becomes vacant before the expiration of the term for which he was appointed, the person appointed in his place shall be appointed only for the balance of the term of his predecessor.

84. (1) The members of the Board shall be entitled to receive such allowances and expenses as may be determined by the Governor. Allowances and expenses.

(2) Any amount to which a member of the Board is entitled under this section shall be paid out of the Fund.

85. (1) Three members of the Board shall constitute a quorum of the Board, and no business shall be transacted at a meeting unless a quorum is present. Quorum, etc.

(2) A decision in which any three members of the Board concur shall be a decision of the Board.

(3) The Chairman shall preside at any meeting of the Board at which he is present, and in the absence of the Chairman from a meeting of the Board, the members present shall decide who is to preside at that meeting.

(4) The Board shall meet for the transaction of business at least eight times in each year.

(5) Subject to this Act, the business of the Board shall be conducted in such manner as the Board determines.

86. (1) An act or proceeding of the Board shall not be invalid by reason only of a vacancy in its membership, and, notwithstanding the subsequent discovery of a defect in the nomination or appointment of a member, any such act or proceeding shall be as valid and effectual as if the member had been duly nominated or appointed. Validity of acts of the Board and immunity of its members.

(2) No liability shall attach to a member of the Board for any act or omission by him, or by the Board, in good faith and in the exercise or purported exercise of his or its powers or functions, or in the discharge, or purported discharge, of his or its duties under this Act.

87. (1) The functions of the Board are as follows:—

Functions of the Board.

(a) to establish and administer a fund to assist in maintaining the financial stability of credit unions;

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DIVISION I

- (b) to encourage and promote the financial stability of credit unions—
- (i) by providing advice to credit unions generally on matters pertaining to the business of credit unions;
 - (ii) by appropriate supervision of credit unions;
 - (iii) by assisting officers of credit unions to administer the affairs of the credit union in a proper and businesslike manner;
- (c) otherwise to advance the interests of credit unions;
- and
- (d) such other functions as may be prescribed.

(2) The Registrar shall investigate and report to the Board on such matters as the Board may direct.

**Powers of
delegation.**

88. (1) The Board may delegate to any member, officer or employee of the Board any of its powers or functions under this Act.

(2) Any such delegation shall be revocable at will and shall not derogate from the power of the Board to act itself in any matter.

Staff.

89. (1) The Board may, with the approval of the Minister, appoint such officers and employees as it considers necessary or expedient for the proper administration of its functions under this Act.

(2) A person appointed under subsection (1) of this section shall hold office upon terms and conditions determined from time to time by the Governor, and the Public Service Act, 1967-1975, shall not apply to or in relation to persons so appointed.

(3) With the consent of the Minister administering any department of the Public Service, the Board may make use of the services of any officer of that department upon such terms and conditions as may be mutually agreed upon by the Minister administering that department and the Treasurer.

DIVISION II

DIVISION II—THE CREDIT UNION STABILIZATION FUND

**Credit Union
Stabilization
Fund.**

90. (1) There shall be a fund entitled the "Credit Union Stabilization Fund".

(2) A credit union shall keep on deposit with the Fund the prescribed percentage of the aggregate of the share capital of the credit union and the amount held on deposit by the credit union as at the preceding thirtieth day of June.

(3) Where on the first day of July in any year the amount held by a credit union on deposit with the Fund is less than the amount required to be kept no deposit under this section, the credit union shall pay to the Fund the amount of the deficiency not later than the thirtieth day of September next following.

(4) Where on the first day of July in any year the amount held by a credit union on deposit with the Fund exceeds the amount required to be kept on deposit under this section, the Board shall, upon application in writing by the credit union, pay to the credit union the amount of the excess not later than one month after receipt of the application.

(5) A credit union shall furnish the Board with such returns and information as it requires to assess the amount that should be deposited in the Fund by the credit union in pursuance of this section.

(6) The Board may temporarily or permanently, and wholly or partially, relieve a credit union from the obligation to comply with this section upon such grounds as it considers proper.

(7) The Board may recover any amount payable to the Fund in pursuance of this section, as a debt, in any court of competent jurisdiction.

(8) Where a credit union is in default in the payment of moneys as required by this section, the credit union shall be liable to pay to the Board for the credit of the Fund interest at the prescribed rate upon the amount outstanding.

(9) For the purposes of this section, "the prescribed percentage" means two percent, or where some other percentage has been prescribed, that other percentage.

91. (1) If in the opinion of the Board the balance of the Fund has diminished to such an extent that further funds are required it may, by resolution published in the *Gazette*, require each credit union to pay to the Fund a specified percentage, not exceeding 0.2 percent, of the aggregate of its share capital and the amount it held on deposit as at the preceding thirtieth day of June. Levy.

(2) A resolution under subsection (1) of this section shall specify the period of time (being not less than one month) within which those further funds must be paid by credit unions.

(3) A levy shall not be made under this section more than once in the same calendar year.

(4) A credit union shall furnish the Board with such information as it requires to assess the amount that should be paid by the credit union under this section.

(5) The Board may temporarily or permanently, and wholly or partially, relieve a credit union from the obligation to comply with this section upon such grounds as it considers proper.

(6) The Board may recover any amount payable to the Fund in pursuance of this section, as a debt, in any court of competent jurisdiction.

(7) Where a credit union is in default in the payment of moneys as required by this section, the credit union shall be liable to pay to the Board for the credit of the Fund interest at the prescribed rate upon the amount outstanding.

92. (1) An association may transfer to the Board for the purposes of the Fund any assets and liabilities of any existing stabilization fund administered by an association for the financial assistance of credit unions. Transitional provisions.

(2) Any transfer by an association under subsection (1) of this section shall, where applicable, be taken into account by the Board in assessing the amount to be deposited in the Fund by a credit union in pursuance of this Act.

93. (1) The Board may, in its discretion, grant financial assistance to a credit union by making payments from the Fund (by way of a grant or a loan), or by charging the assets of the Fund as security for liabilities of the credit union. Use of Fund.

(2) The Board may grant financial assistance to a credit union—

(a) upon such security, if any, as it thinks fit;

and

(b) upon such terms and conditions as it thinks fit.

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DIVISION II
 Claim by
 member against
 Fund.

94. (1) A member of a credit union is entitled to claim against the Fund where the credit union fails, upon demand of the member, to satisfy any liability to that member.

(2) A claim under this section must be made within six months after the date of the demand that the credit union has failed to satisfy.

(3) Where a member dies before a claim on the Fund arises or before a claim is paid, the claim may be made or pursued by his personal representative.

(4) Where the Board satisfies a claim made under subsection (1) of this section, the Board, the Fund and the credit union are discharged from any further liability to the member in respect of the claim.

(5) Where the Board makes a payment out of the Fund under this section, the Board is subrogated to the rights of the member against the credit union in respect of the claim.

Power of the
 Board, to
 borrow.

95. (1) The Board may borrow money from the Treasurer, or, with the consent of the Treasurer, from any other person for the purpose of carrying out any of its functions under this Act.

(2) Any liability incurred with the consent of the Treasurer under subsection (1) of this section is hereby guaranteed by the Treasurer.

(3) Any liability incurred by the Treasurer under a guarantee arising by virtue of subsection (2) of this section shall be satisfied out of the general revenue of this State which is hereby, to the necessary extent, appropriated accordingly.

Investment.

96. The Board may, with the approval of the Minister, invest any of the moneys standing to the credit of the Fund that are not immediately required for the purposes of this Act in such manner as may be approved by the Minister.

Accounts.

97. (1) The Board shall cause proper accounts to be kept of the income and expenditure of the Fund.

(2) The Auditor-General may at any time, and shall at least once in every year, audit the accounts of the Board.

Report.

98. The Board shall as soon as practicable after the thirtieth day of June in each year submit a report to the Minister upon the conduct of the business of the Board during the financial year ending on that day, together with the audited accounts of the Board for that financial year.

DIVISION III

DIVISION III—SUPERVISION OF A CREDIT UNION BY THE BOARD

Supervision of
 credit union.

99. Where—

(a) a credit union is unable to pay its debts as and when they fall due;

(b) the Board is satisfied—

(i) that a credit union is financially unsound;

(ii) that the affairs of a credit union are being conducted in an improper or financially unsound manner;

(iii) that a credit union is trading at a loss;

(iv) that a credit union has failed to maintain adequate reserves in accordance with the regulations;

or

- (v) that a credit union or an officer of a credit union has committed any other serious irregularity that indicates the desirability of supervision;
 - (c) a credit union has failed to lodge with the Registrar or the Board any document required to be so filed under this Act;
 - or
 - (d) a credit union has requested the Board to declare it to be subject to supervision by the Board,
- the Board may, by resolution and by giving notice in writing to the credit union, declare the credit union to be subject to supervision by the Board.

100. Where the Board declares a credit union to be subject to supervision, the credit union remains subject to supervision by the Board until— Duration of supervision.

- (a) the credit union applies, in writing, to the Board to be released from supervision, stating reasons in support of its application, and the Board approves the application;
- (b) the credit union is wound up;
- or
- (c) the Board, by resolution, releases the credit union from its supervision.

101. (1) A credit union may—

- (a) within fifteen days after it is given notice of the declaration of the Board that it is subject to supervision;
- or
- (b) within fifteen days after the Board has refused an application by a credit union to be released from its supervision and has given notice to the credit union,

appeal against the determination or refusal of the Board to the Credit Tribunal. Appeal to Credit Tribunal.

(2) The determination of the Board shall not be stayed by the appeal.

(3) The Credit Tribunal may determine an appeal under this section in such manner as it considers just and may confirm, vary or revoke the decision of the Board.

102. Where a credit union is subject to the supervision of the Board, the Board may— Supervision powers.

- (a) exercise the powers conferred on the Registrar under this Act with respect to the credit union;
- (b) supervise the affairs of the credit union and make inquiries from its officers, members and employees;
- (c) order an audit of the affairs of the credit union by an auditor approved by the Board at the expense of the credit union;
- (d) require the credit union to correct any practices that in the opinion of the Board are undesirable or unsound;
- (e) prohibit or restrict the raising or lending of funds by the credit union or the exercise of any other powers of the credit union;
- (f) appoint an administrator of the credit union (whose salary and expenses shall unless the Board otherwise determines be payable out of the funds of the credit union);

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DIVISION III

- (g) direct the credit union to amalgamate with another credit union, or to sell to another credit union all or part of its assets and liabilities or direct that the credit union be wound up;
- (h) remove a director of the credit union from office;
- or
- (i) stipulate principles in accordance with which the affairs of the credit union are to be conducted.

**Appointment
of adminis-
trator.**

103. (1) Where the Board appoints an administrator to conduct the affairs of a credit union, the administrator—

- (a) has all the powers of the board of directors of the credit union;
- (b) may order any officer or employee of the credit union to leave, and remain away from, the offices of the credit union;
- and
- (c) shall report regularly to the Board upon his administration.

(2) Upon the appointment of an administrator of a credit union, unless otherwise determined by the Board, directors of the credit union cease to hold office.

(3) Before terminating the appointment of an administrator of a credit union, the Board shall—

- (a) ensure that directors of the credit union have been elected in accordance with the rules of the credit union at a meeting convened by the administrator in accordance with those rules;
- or
- (b) appoint directors of the credit union.

(4) Directors elected or appointed under subsection (3) of this section—

- (a) take office upon revocation of the appointment of the administrator;
- and
- (b) in the case of appointed directors, hold office until the annual general meeting of the credit union that next succeeds revocation of the appointment.

(5) An administrator appointed by the Board shall, upon the termination of his appointment fully account to the Registrar for his administration of the credit union.

(6) Unless the Registrar otherwise orders within thirty days after the accounting, the administrator is, upon completion of the accounting, released from all claims by—

- (a) the credit union or a member;
- or
- (b) a person claiming under the credit union or a member,

other than claims arising out of fraud, dishonesty, or his wilful failure to comply with the provisions of this Act.

PART IX

PART IX

WINDING UP

104. (1) A credit union may be wound up voluntarily or by the court or upon a certificate of the Registrar. Winding up.

(2) The provisions of Part X of the Companies Act, 1962-1974, shall apply *mutatis mutandis* to the winding up of a credit union voluntarily or by the court, with such exclusions, additions or modifications as may be prescribed.

(3) In the case of a winding up upon a certificate of the Registrar, the credit union may be wound up if the Registrar certifies—

- (a) that the number of members of the credit union is reduced to less than twenty-five (but this paragraph does not apply to a body whose name appears in the first schedule to this Act);
- (b) that the credit union has not commenced business within a year of registration or has suspended business for a period of more than six months;
- (c) that the registration of the credit union has been obtained by mistake or fraud;
- (d) that the credit union has, after notice by the Registrar of any breach of or non-compliance with this Act or the rules of the credit union, failed, within the time referred to in the notice, to remedy the breach;
- (e) that there are, and have been for a period of one month immediately before the date of the Registrar's certificate, insufficient directors of the credit union to constitute a quorum as provided by the rules of the credit union;

or

- (f) that an inquiry pursuant to the provisions of this Act into the affairs of a credit union or the working and financial condition of a credit union discloses that in the interests of members or creditors of the credit union, the credit union should be wound up.

(4) The Registrar shall not grant a certificate under paragraph (c), (d), (e) or (f) of subsection (3) of this section unless the Minister consents to the issue of the certificate.

(5) Where the Registrar grants a certificate under this section he may appoint a person to be the liquidator of the credit union, and the liquidator shall give such security as may be prescribed and be entitled to receive such fees as shall be fixed by the Registrar upon the advice of the Auditor-General.

(6) The Registrar shall, within ten days after appointing a liquidator of a credit union, give notice of that appointment by notice published in the *Gazette*.

(7) A winding up on the certificate of the Registrar—

- (a) shall be deemed to commence on the day that the certificate is given;
- and
- (b) shall be carried out in the prescribed manner.

PART IX

Vacancy in
office of
liquidator.

105. Where a credit union is being wound up voluntarily and a vacancy occurs in the office of liquidator that, in the opinion of the Registrar, is unlikely to be filled in the manner provided by the Companies Act, 1962-1974, the Registrar may appoint a person to be liquidator.

Remuneration
of liquidator.

106. The remuneration paid to the liquidator of a credit union wound up voluntarily shall not exceed the amount fixed by the Registrar upon the advice of the Auditor-General.

Cancellation.

107. As soon as practicable after a credit union is wound up, the Registrar shall cancel the registration of the credit union, and the credit union is thereupon dissolved.

PART X

PART X

MISCELLANEOUS

108. (1) An apparently genuine document purporting to be a certificate of registration of a credit union granted under this Act shall be accepted in any legal proceedings as proof of the registration of the credit union in the absence of proof to the contrary. Evidentiary provision.

(2) An apparently genuine document purporting to be a copy of the rules of a credit union and to be certified by the Registrar as a true copy of the rules of that credit union shall be accepted in any legal proceedings, in the absence of proof to the contrary, as a true copy of those rules.

(3) An apparently genuine document purporting to be a copy of, or extract from, a record of a credit union and to be certified to be a true copy of, or extract from, such a record by the secretary of the credit union shall be accepted in any legal proceedings to be a true copy of, or extract from, that record in the absence of proof to the contrary.

(4) An apparently genuine document purporting to bear the common seal of a credit union shall be accepted in any legal proceedings as a document that bears the common seal, duly affixed, of that credit union or association.

109. If before a credit union is registered any person takes any money in consideration of the allotment of any shares or interest in, or grant of a loan by, the credit union, he shall be guilty of an offence and shall be liable to a penalty not exceeding five hundred dollars. Allotment of shares.

110. (1) If a credit union continues for a period of one month to carry on business after the number of its members is reduced below twenty-five, the credit union shall be guilty of an offence and liable to a penalty not exceeding five hundred dollars. Too few members.

Default Penalty: Fifty dollars.

(2) Subsection (1) of this section shall not apply in respect of a body referred to in the first schedule to this Act.

111. (1) If any person—

(a) seeks, claims or receives any commission, fee or reward (whether pecuniary or otherwise) from any person as a consideration or charge for procuring or obtaining, or offering or attempting to procure or obtain, for any person a loan from any credit union;

or

(b) advertises or otherwise holds himself out as being able to arrange or obtain finance for any persons through or from any credit union,

he shall be guilty of an offence and shall be liable to a penalty—

(c) in respect of an offence under paragraph (a) of this subsection—not exceeding five thousand dollars;

or

(d) in respect of an offence under paragraph (b) of this subsection—not exceeding five hundred dollars.

Certain acts prohibited in relation to loans.

(2) If any officer or employee of a credit union accepts any commission, fee or reward (whether pecuniary or otherwise) from any person for or in connection with a transaction with the credit union, he shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars or imprisonment for six months.

(3) Every officer or employee who is guilty of any offence under this section shall further be liable to repay to the person by whom the commission, fee or reward was paid the value or amount thereof.

Restrictions
on initial
advertisements.

112. (1) A person shall not issue, or cause to be issued, any advertisement that relates to a credit union proposed to be formed or registered under this Act, unless the Registrar has first consented to the advertisement.

Penalty: Five hundred dollars.

(2) Any person whose name appears as a proposed officer of a credit union in an advertisement issued in contravention of subsection (1) of this section shall be guilty of an offence under that subsection, unless he proves that the advertisement was issued without his knowledge or that he used all due diligence to prevent the issue of the advertisement.

(3) A credit union first registered after the commencement of this Act shall submit the first advertisement proposed to be issued by the credit union after registration to the Registrar for his approval.

Penalty: Five hundred dollars.

Requirement
to insure.

113. (1) The Board may require a credit union to insure itself against such risks, and to such extent, as may be stipulated by the Board.

(2) A credit union shall comply with a requirement under subsection (1) of this section.

(3) A credit union shall, at the request of the Board, furnish any information stipulated by the Board relating to insurance.

Power to
control
advertising of
a credit union
or association.

114. (1) The Registrar may, with the approval of the Minister, by notice served on a credit union give a direction—

(a) prohibiting the issue by the credit union of advertisements of all kinds;

(b) prohibiting the issue by the credit union of advertisements of any kind specified in the direction;

(c) prohibiting the issue by the credit union of any advertisements that are or are substantially in the same form as an advertisement that has been previously issued;

(d) requiring the credit union to take all practicable steps to withdraw any advertisement specified in the direction;

- (e) requiring that in advertisements of any specified kind or invitations to invest in or lend money to a credit union, there shall be included a statement giving any information stipulated by the Registrar with respect to the credit union.

(2) Directions under this section may be varied or revoked at any time by a subsequent direction under this section.

(3) Any credit union that fails to comply with any direction given to it under subsection (1) of this section shall be guilty of an offence and liable to a penalty not exceeding five hundred dollars.

115. (1) If a credit union contravenes or fails to comply with—

Default by a credit union.

- (a) any provision of this Act that does not provide a penalty for such contravention or failure to comply;

or

- (b) any rule of the credit union,

it shall be guilty of an offence and liable to a penalty not exceeding five hundred dollars.

(2) If a credit union refuses or neglects to furnish any return or information lawfully required by the Registrar, the Board, or by any other person, it shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars.

116. Where a credit union is guilty of an offence against this Act, every officer of that credit union shall be guilty of an offence unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence.

Default by credit union extended to officers.

117. Proceedings for an offence against this Act shall be disposed of summarily.

Proceedings.

118. If a credit union contravenes or fails to comply with any provision of this Act or the rules of the credit union, the rights and liabilities of the credit union or any other person, under this Act or any other Act or law, shall not be affected or prejudiced thereby.

Saving provision.

119. Where, pursuant to an agreement with a member, a credit union procures the issue of a policy of insurance over any property that provides security for a loan to that member, the credit union shall, within one month after the date of issue of the policy, forward to the member—

Certain insurance policies to be forwarded to members.

- (a) the policy, or a copy thereof;

or

- (b) a statement of the risks covered by the policy.

120. (1) The Registrar shall, on the application of not less than one-third of the members of a credit union, or may, of his own volition, or upon the recommendation of the Board—

Special meeting and inquiry.

- (a) call a special meeting of a credit union;

or

(b) hold an inquiry into the affairs (including the working and financial conditions) of a credit union.

(2) An application under subsection (1) of this section shall be supported by such evidence as the Registrar directs for the purpose of showing that the applicants have good reason for requiring the meeting or inquiry and that the application is made without malicious motive.

(3) Notice of the application shall be given to the credit union as the Registrar directs.

(4) The applicants shall give such security for the expenses of the meeting or inquiry as the Registrar directs.

(5) The Registrar may direct at what time and place the meeting or inquiry is to be held and what matters are to be discussed and determined and shall give such notice to members of the holding of the meeting or inquiry as he thinks fit, notwithstanding any provision in the rules of the credit union as to the giving of such notice.

(6) The Registrar may direct the directors and such other persons as he requires to attend the meeting or inquiry.

(7) A meeting held under this section shall have all the powers of a meeting called in accordance with the rules of a credit union and shall have power to appoint its own chairman, notwithstanding any rule of the credit union to the contrary.

(8) The Registrar or any person nominated by him may attend and address a meeting held under this section.

(9) All expenses of and incidental to the meeting or inquiry shall be defrayed by the applicants or out of the funds of the credit union or by any officer or member, or former officer or member, in such proportion as the Registrar directs, and may be recovered as a debt in any court of competent jurisdiction.

**Default
penalties.**

121. (1) Where in, or at the foot of, any section or part of a section of this Act there appears the expression "Default Penalty", it signifies that any person who is convicted of an offence against this Act in relation to that section or part shall be guilty of a further offence against this Act if the offence continues after he is so convicted and liable to an additional penalty for each day during which the offence so continues of not more than the amount expressed in the section or part as the amount of the default penalty.

(2) Where any offence is committed by a person by reason of his failure to comply with any provisions of this Act by or under which he is required or directed to do anything within a particular period, that offence, for the purposes of subsection (1) of this section, shall be deemed to continue so long as the thing so required or directed to be done by him remains undone, notwithstanding that the period has elapsed.

Regulations.

122. (1) The Governor may make all such regulations as are contemplated by this Act, or as are necessary or expedient for the purposes of this Act.

(2) Without limiting the generality of subsection (1) of this section, those regulations may—

(a) prescribe model rules for credit unions;

- (b) prescribe any form for the purposes of this Act;
 - (c) provide for advisory committees to assist the Minister, the Board or the Registrar;
 - (d) prescribe the manner in which a rate of interest is to be calculated for the purposes of this Act;
 - (e) prescribe, and provide for the recovery of, fees in respect of any application under this Act;
 - (f) limit the charges that may be made by a credit union in respect of the granting of a loan by the credit union, or for any work done by a credit union in relation to the granting of a loan;
 - (g) require credit unions, or credit unions of a prescribed class, to keep their offices open to the public throughout prescribed periods;
 - (h) make any provision in relation to the administration of a credit union by an administrator appointed under this Act, or the winding up of a credit union;
 - (i) require credit unions to furnish the Board with prescribed returns;
 - (j) prescribe the procedure for appeals to the Credit Tribunal from decisions of the Registrar or the Board;
 - (k) regulate the manner in which meetings of the Board are to be convened and held;
 - (l) otherwise regulate the transaction of business by the Board;
 - (m) regulate the monetary policies of associations;
- and
- (n) prescribe penalties, not exceeding five hundred dollars, for breach of, or non-compliance with, any regulation.

In the name and on behalf of Her Majesty, I hereby assent to this Bill.

D. NICHOLLS, Governor

THE FIRST SCHEDULE

SOCIETIES THAT ARE TO BE REGISTERED AS CREDIT UNIONS UPON THE COMMENCEMENT OF THIS ACT

S.A. Public Service Savings and Loans Society Limited
Commonwealth Public Service (S.A.) Savings and Loans Society Limited
Satisfac Society Limited
A.B.C. Mutual Credit Union Society Limited
Ukrainian Credit Co-operative Limited
Gas Industry Salaried Officers' Co-operative Society (S.A.) Limited
The St. Marys District Credit Co-operative Limited
Kemsal Society Limited
The Economic Reform Savings and Loans Society Limited
Torrens Valley Community Credit Union Co-operative Society Limited
Adelaide Savings and Provident Society Limited
The Northern Community Credit Union Co-operative Limited
The Australian Commissions Co-operative Credit Union Limited
Whyalla Credit Co-operative Society Limited
Printing and Media Credit Union Co-operative Limited
Armstaff Credit Union Co-operative Limited
Elizabeth Credit Union Co-operative Limited
South Australian Police Association Credit Union Co-operative Limited
L.C.H. Employees Credit Union Co-operative Limited
Combined Media Savings and Loan Society Limited
E.T.S.A. Employees Credit Union Co-operative Limited
Flinders Credit Union Co-operative Limited
Sarm Credit Union Co-operative Limited
Port Adelaide Community Credit Union Co-operative Limited
Adelaide Central Mission Credit Union Society Limited
Rail-Road Savings and Loan Society Limited
Carboy (South Australia) Credit Union Co-operative Limited
Parents Trading and Credit Co-operative Limited
Medben Savings and Loans Co-operative Limited
Noarlunga Districts Community Credit Union Co-operative Limited
The Municipal Officers (S.A.) Credit Union Co-operative Limited
The Greater Adelaide Credit Union Co-operative Limited
Snuggery Mutual Credit Union Co-operative Limited
Panelboard Employees Credit Union Co-operative Limited
Warwick Co-operative Credit Union Limited
Softwoods Credit Union Co-operative Limited
The Marine Officers' Credit Union Society Limited
S.A.T.A.B. Credit Co-operative Limited
Fire Brigade Employees Credit Union Co-operative Limited
Northern Areas Community Credit Co-operative Society Limited
Horwood Bagshaw Employees Credit Union Co-operative Limited

THE SECOND SCHEDULE

SOCIETY THAT IS TO BE REGISTERED AS AN ASSOCIATION UPON THE COMMENCEMENT OF THIS ACT

Credit Union League of South Australia Co-operative Limited