

**SPECIAL ISSUE**

*Nyeri County Gazette Supplement No. 12 (Acts No. 4)*

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REPUBLIC OF KENYA

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**NYERI COUNTY GAZETTE  
SUPPLEMENT**

**ACTS, 2016**

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**NAIROBI, 12th April, 2016**

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**THE NYERI COUNTY CO-OPERATIVE SOCIETIES ACT, 2016**

**NO. 4 of 2016**

*Date of assent: 5th April, 2016*

*Date of Commencement: 19th April, 2016*

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**THE NYERI COUNTY CO-OPERATIVE SOCIETIES BILL, 2015**

**AN ACT of the County Assembly of Nyeri to implement section 7 (e) of part 2 of the Fourth Schedule to the Constitution by providing the legal and institutional framework for the constitution, registration and regulation of co-operative societies and for purposes incidental thereto**

**ENACTED** by the County Assembly of as Nyeri follows:—

**PART I—PRELIMINARY****Short title and Commencement**

1. This Act may be cited as the Nyeri County Co-operative Societies Act 2016.

**Interpretation**

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

“agricultural produce” means any produce or article produced or obtained by the work or industry of members of a co-operative society or marketed by a co-operative society, whether the produce be of agriculture, animal husbandry, forestry, fisheries, handicrafts or otherwise;

“bonus” in relation to a member of a co-operative society, means that member’s share of the surplus of the society which is divided amongst its members, calculated by reference to the proportion which that member’s volume of business with the society bears to the total volume of business done by the society;

“by-laws” means the by-laws made by a society and registered under this Act and includes any registered amendment of such by-laws;

“capital” means the permanent members equity in the form of common stock and includes all disclosed reserves, retained earnings, grants or donations;

“Committee” means the governing body of a co-operative society that is established under Section 33 of this Act;

“Director” means the County Director of Co-operatives appointed under section 4 of this Act and includes any person on whom any of the powers of the Director have been conferred in accordance with this Act.

“contributor” means a person liable to contribute to the assets of a co-operative society in the event of its being wound up and for the purposes of any proceedings for determining and before the final determination of the persons who are to be deemed contributors, includes any person alleged to be a contributor;

“co-operative society” means a society registered under section 5 of this Act;

“co-operative tribunal” means the co-operative tribunal established under section 77 of the Co-operative Societies Act Cap 490

“co-operative union” means a co-operative society whose membership is restricted to primary societies;

“date of dissolution” means the date on which the Director’s order cancelling the registration of a co-operative society takes effect;

“deposit” means a sum of money paid on terms under which it shall be repaid, with or without interest or premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the society to receive it at the risk of the society receiving it;

“dividend” in relation to a member of a co-operative society, means that member’s share of the surplus of the society which is divided amongst its members, calculated by reference to the proportion which that member’s share capital bears to the total share capital of the society;

“Executive Committee Member” means the County Executive Committee responsible for co-operative affairs;

“High Court” means the High Court of Kenya

“limited liability” means limited by shares or limited by guarantee, according to the nature of the liability prescribed by the by-laws of the co-operative society;

“member” includes a person or a co-operative society joining in the application for the registration of a society, and a person or co-operative society admitted to membership after registration in accordance with the by-laws;

“officer” includes a chairperson, vice-chairperson, secretary, treasurer, committee member, employee or any other person empowered under any rules made under this Act, or by-laws of a co-operative society, to give directions in regard to the business of the society;

“personal representative” means any person who, under law or custom, is responsible for administering the estate of a deceased person;

“share” means the amount represented by a member’s portion in the equity of a society as a co-owner;

“special resolution” means a resolution passed by two thirds of the members present and voting at a general meeting of a society;

“supervisory committee” means an oversight committee elected at a general meeting;

“Special general meeting” means a general meeting, other than an ordinary general meeting, of which at least fifteen clear days written notice of the resolution and of the date, time and place of the meeting has been given to members through appropriate publicity.

‘Prescribed’ means prescribed by the Member of the Executive Committee;

“Primary society” means a co-operative society whose membership is restricted to individual persons;

“regulations” means regulations made under this Act.

### **Objectives and Purpose of Act**

3. (1) The overriding objectives of this Act is to provide a comprehensive, harmonized, efficient and effective legal and regulatory framework for development and regulation of the co-operative sector in the County by:—

- (a) enabling the formation, registration and operation of co-operatives;
- (b) promoting co-operative philosophy, principles, practices and objectives;
- (c) protecting the interests of co-operatives, their members and the public in the operations and activities of co-operatives;
- (d) ensuring directors and officials of co-operatives are accountable for their actions and decisions to the members of co-operatives.

(2) encouraging and facilitating self management by co-operatives at all levels; and encouraging the development, integration and strengthening of co-operatives at the village, ward, sub-county, and county levels by supporting and fostering peak organizations and co-operative instrumentalities. All County Government agencies, public servants and bodies charged with development and regulation of the co-operative sector in the County shall at all times have due regard to, and observe the overriding objective of this Act as set out in subsection (1).

(3) This Act applies to a co-operative society registered under this Act or registered under any written law but operating within the County.

## **PART II—OFFICERS**

### **County Director of Co-operatives and other Officers**

4. (1) There shall be an office of the County Director of Co-operatives which shall be an office in the county public service.



(2) The Director shall be responsible for the regulation and development of the co-operative sector in the County by providing such services as may be required by co-operative societies for their organization, registration, operation, advancement and dissolution and for the administration of the provisions of this Act.

(3) The County Public Service Board may recruit such other officers as are required to assist the Director in the performance of functions under this Act.

### **Register of Co-operative Societies**

5. (1) The Director shall keep or cause to be kept at its office a record called the register of co-operative societies wherein shall be entered particulars relating to the registration of societies and their by-laws and any amendments thereto.

(2) Every entry in the register shall be made by, or under the direction of, the Director and shall be signed by him or her and every alteration, interlineations or erasure shall be initialed by the Director.

### **Limitation of Liability**

6. The liability of members in a co-operative society shall be limited to the amount of shares held or to the contribution made to such society.

### **Co-operative to be Body Corporate**

7. A co-operative society registered under this Act shall be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold movable and immovable property of whatever kind, to enter into contracts, to sue and be sued and to do all things necessary for the purpose of, or in accordance with, its by-laws.

### **Evidence of Registration**

8. A certificate of registration or of provisional registration signed by the Director shall be conclusive evidence that the society therein mentioned is duly registered or provisionally registered unless it is proved that such of the society has been cancelled or has been terminated.

### **Display of the Certificate of Registration**

9. The certificate of registration bearing the number and date of registration shall be displayed at the head office of every co-operative society.

**Reservation of Name**

10. (1) The Director may, on written application, reserve a name pending registration of a co-operative society or a change of name by a co-operative society.

(2) Any reservation under subsection (1) shall remain in force for a period of thirty days or such longer period, not exceeding sixty days, as the Director may, for special reasons, allow, and during such period no other co-operative society shall be entitled to be registered with that name

**Protection of the Name “Co-operative”**

11. (1). A society shall not be registered under a name identical to an existing society, or under any name likely, in the opinion of the Director, to mislead the members of the public as to its identity.

The word “Co-operative” shall form part of the name of every co-operative society, and the word “Limited” shall be the last word in the name of every co-operative society.

**Amendment of By-laws**

12. (1) A co-operative society may, by special resolution amend its by-laws including change of its name.

(2) An amendment which changes the name of a co-operative society shall not affect any right or obligation of that society or any of its members, and any legal proceedings pending, may be continued by or against the society under its new name.

(3) A co-operative society may, by special resolution amend its by-laws and the amended by-laws shall not be valid until the amendments has been registered under this Act, for which purpose a copy of the amendments shall be forwarded to the Director in the prescribed manner.

(4) If the Director is satisfied that any amendment of the by-laws of the co-operative society is not contrary to this Act and any rules made thereunder, he may register the amendments.

(5) When the Director registers an amendment of the by-laws of a co-operative society, he or she shall issue a copy of the amendments certified by him or her, which shall be conclusive evidence of the fact that the amendments have been duly registered.

(6) The Director may, if he or she is satisfied that an amendment under this section was effected pursuant to a misrepresentation or concealment of a material fact by the person applying for registration, cancel the registration.

**Appeal Against Refusal to Register**

13. (1) A co-operative society may appeal to the Executive Committee Member against the director of co-operative's refusal to register the society and its by-laws or any amendments of its by-laws within thirty days of being notified of the refusal.

(2) The Executive Committee Member may within thirty days after considering reasons given in writing by both the aggrieved and the Director, uphold the decision of the Director or reverse the decision of the Director subject to such conditions as the Executive Committee Member may stipulate.

(3) Any party aggrieved by the decision of the Executive Committee Member under subsection (2) above may appeal against the decision to the High Court within thirty days.

**By-laws to Bind Members of Co-operative Societies.**

14. (1). The by-laws of a co-operative society, shall, when registered, bind the co-operative society and the members to the same extent as if they were signed by each member and contained covenants on the part of each member for himself or herself and his or her personal representatives to observe all the provisions of the by-laws.

(2) All money payable by any member to the co-operative society under the by-laws shall be a debt due from him or her to the co-operative society.

**Fines for Violation of By-laws**

15. (1) The by-laws of a co-operative society may, subject to this Act provide for the imposition of fines, not exceeding twenty thousand shillings, on its members for any infringement of its by-laws.

(2) A fine shall not be imposed under this section upon any member until written notice of intention to impose the fine and the reason therefore has been served on him or her and he or she has had an opportunity of showing cause why the fine should not be imposed and, if he or she so desires, of being heard with or without witnesses.

(3) Any such fine shall be a civil debt due to the co-operative society, and shall, without prejudice to any other means of recovery, be recoverable summarily.

(4) The whole or any part of such fine may be set off against any moneys due to such member in respect of produce delivered by him to the co-operative society.

**PART III—RIGHTS AND LIABILITIES OF MEMBERS****Qualification for Membership**

16. A person shall not be qualified for membership of a co-operative society unless that person:—

- (a) has attained the age of eighteen years;
- (b) is in employment, occupation or profession which falls within the category or description of those for which the co-operative society is formed; and
- (c) is a resident within, or occupies land within, the society's area of operation as described in the relevant by-law.

**Membership Subject to Authorisation by Annual General Meeting**

17. A company and unincorporated body of persons shall not become member of a co-operative society, except with a written authorisation through a resolution by a general meeting of that co-operative society.

**Limitation of Holding Share Capital**

18. A member, other than a co-operative society, shall not hold more than one-fifth of the issued and paid-up share capital of any co-operative society.

**Limitation of Membership to one Society**

19. (1) A person shall not be a member of more than one co-operative society having the same or similar objectives;

Provided that a person who:—

- (a) is a member of a co-operative society; and
- (b) carries on business on land or at premises outside the area of operation of that co-operative society,

may be a member of a co-operative society in whose area of operation that land or those premises are situated, notwithstanding that its objects are the same as or similar to those of the first-mentioned society.

**Transfer of Shares**

20. (1) The transfer or charge of the share or interest of a member in the capital of a co-operative society shall be subject to such conditions as to maximum holding as are laid down in section 18.

(2) In the case of a co-operative society registered with unlimited liability, a member shall not transfer or charge any share held by him or his interest in the capital of the society or any part thereof, unless:—

- (a) he has held such share or interest for at least one year, and
- (b) the transfer or charge is in favour of the society or a member of the society.

(3) Subject to the approval of the Committee, a member may transfer his share or her shares in a co-operative society to any other member of the society or to any person whose membership of the society has been approved by the Committee.

(4) A transfer of a share in a co-operative society shall not be valid and effective until such transfer has been recorded in the register of the society.

(5) A transfer of a share or shares in a co-operative society shall not be valid and effective if made by a member indebted to a society whether such debt is due for payment or not.

#### **Rights of Members**

**21.** A member of a co-operative society is entitled to the following rights:—

- (a) to have their name and signature entered in the Register of Members after paying their shares;
- (b) to vote and be voted for at meetings;
- (c) to be issued share certificates once they have paid for their shares;
- (d) to be considered for leadership positions;
- (e) to attend or call meetings in accordance with by-laws;
- (f) to nominate a successor;
- (g) to be informed on all affairs of the society and be able to inspect society documents;
- (h) to gain income from the society's business operations;
- (i) to participate in making society by-laws and to receive a copy;
- (j) to withdraw their membership; after clearing all debts with the society.

#### **Voting Rights of Members**

**22.** (1) Each member of a co-operative society shall have one vote irrespective of the number of shares the member holds.

(2) Notwithstanding subsection (1), members of a co-operative society whose membership consists of co-operative societies only, may have as many votes as may be prescribed under the by-laws of such co-operative society.

**Member's Obligations**

23. A member of a co-operative society shall have the obligation to:—

- (a) observe and comply with all the society by-laws, policy, rules and decisions taken by the relevant organs of the co-operative society in accordance with the by-laws of that society;
- (b) buy and pay up for shares or make any other payments provided for in the by-laws of the society;
- (c) meet the debts of the society in case of bankruptcy in accordance with the provisions of this Act and the by-laws of the society.

**Registered Address of a Co-operative Society**

24. Every co-operative society shall have a registered address to which notices and communications may be sent and shall send to the Director notice of every change of address within one month of the change.

**Society to Keep a Copy of the Act and By-laws at Registered Office**

25. Every co-operative society shall keep at its registered office a copy of this Act and of the rules made thereunder and of its own by-laws and a list of its members (excluding details of nominees and shareholdings) at its registered office and shall keep them open for inspection by any person free of charge, at all reasonable time during business hours.

**Committee's power to prepare estimates**

26. (1). For each financial year, the Committee of a co-operative society shall cause to be prepared estimates of the society's income and expenditure including recurrent and capital estimates for approval by the general meeting at least three months before the end of the financial year.

(2) In case a society is formed from multiple units, the estimates shall be prepared and presented to the affiliate units prior to presentation to the general meeting for approval.

**Account and Audit**

27. (1) Every co-operative society shall keep proper accounts which:—

- (a) shall be prepared in accordance with International Accounting Standards;
- (b) reflect the true and fair state of the co-operative society's affairs; and

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- (a) observe and comply with all the society by-laws, policy, rules and decisions taken by the relevant organs of the co-operative society in accordance with the by-laws of that society;
- (b) buy and pay up for shares or make any other payments provided for in the by-laws of the society;
- (c) meet the debts of the society in case of bankruptcy in accordance with the provisions of this Act and the by-laws of the society.

**Registered Address of a Co-operative Society**

24. Every co-operative society shall have a registered address to which notices and communications may be sent and shall send to the Director notice of every change of address within one month of the change.

**Society to Keep a Copy of the Act and By-laws at Registered Office**

25. Every co-operative society shall keep at its registered office a copy of this Act and of the rules made thereunder and of its own by-laws and a list of its members (excluding details of nominees and shareholdings) at its registered office and shall keep them open for inspection by any person free of charge, at all reasonable time during business hours.

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(2) In case a society is formed from multiple units, the estimates shall be prepared and presented to the affiliate units prior to presentation to the general meeting for approval.

**Account and Audit**

27. (1) Every co-operative society shall keep proper accounts which:—

- (a) shall be prepared in accordance with International Accounting Standards;
- (b) reflect the true and fair state of the co-operative society's affairs; and

- (c) explain the co-operative society's transactions including:—
- (i) all sums of money received and paid by the co-operative society and the reasons thereto;
  - (ii) all sales and purchases of goods and services by the co-operative society; and
  - (iii) all assets and liabilities of the co-operative society.

(2) The books of accounts shall be kept at the registered office of the co-operative society or at such other place as may be determined by the co-operative society and shall at all times be available for inspection by the auditor.

(3) It shall be the duty of every co-operative society to cause its accounts to be audited at least once in every financial year by an auditor appointed under subsection (4) or as may be prescribed.

(4) The auditor shall be appointed at the annual general meeting from a list of auditors approved by the Director, in consultation with the Institute of Certified Public Accountants of Kenya.

(5) Where at an annual general meeting no auditor is appointed, the Director may appoint a person to fill the vacancy and the remuneration of the person so appointed shall be borne by the co-operative society.

(6) The accounts referred to in subsection (3) shall:—

- (a) Conform with the International Financial Reporting standards;
- (b) Include the following records:—
  - (i) A balance sheet;
  - (ii) An income and expenditure account; and
  - (iii) A cash flow statement;

(c) be approved by the Committee; and

(d) be authenticated by at least three committee members including the Chairperson of the co-operative society.

(7) An auditor shall not present the audited accounts of a co-operative society to the members at a general meeting unless the accounts have previously been submitted to the Director in such form as may be prescribed.

(8) An auditor shall submit the audited accounts to a general meeting within four months after the end of the financial year period and



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shall include his opinion as to whether or not the co-operative society's business has been conducted:—

- (a) in accordance with the provisions of this Act and, whether the books of accounts kept by the co-operative society are in agreement therewith and give a true and fair view of the state of the affairs of the society; and
  - (b) in accordance with the co-operative society's objectives, by-laws and any other resolutions made by the society at a general meeting.
- (9) The auditor shall have the right to:—
- (a) attend any general meeting of the co-operative society and be heard on any matter which concerns him as an auditor;
  - (b) receive all notices and other communications relating to any general meeting which a member of the co-operative society is entitled to receive;
  - (c) access, at all times, any accounting records, books or documents of the co-operative society as may be necessary for the purpose of carrying out his duties as an auditor and may at the time of his audit:—
    - (i) summon any officer, agent or member of the co-operative society for the purpose of obtaining information on the transactions of the co-operative society or management of its affairs;
    - (ii) require the production of any book, document, cash or securities relating or belonging to the co-operative society by any officer, agent, trustee or member having custody of such book, document, cash or securities;
    - (iii) demand such other information or explanation from any officer of the co-operative society as may be necessary for the performance of his duties as an auditor.

(10) A co-operative society shall, at such time and in such form as may be prescribed, file with the Director an annual return together with a certified true copy of the audited accounts and balance sheet of the society for each period of twelve months.

(11) Where a co-operative society fails to cause its accounts to be audited within the prescribed period in respect of its business for the previous financial year, members of the Committee shall automatically lose their positions at the next general meeting and shall not be eligible for

shall include his opinion as to whether or not the co-operative society's business has been conducted:—

- (a) in accordance with the provisions of this Act and, whether the books of accounts kept by the co-operative society are in agreement therewith and give a true and fair view of the state of the affairs of the society; and
  - (b) in accordance with the co-operative society's objectives, by-laws and any other resolutions made by the society at a general meeting.
- (9) The auditor shall have the right to:—
- (a) attend any general meeting of the co-operative society and be heard on any matter which concerns him as an auditor;
  - (b) receive all notices and other communications relating to any general meeting which a member of the co-operative society is entitled to receive;
  - (c) access, at all times, any accounting records, books or documents of the co-operative society as may be necessary for the purpose of carrying out his duties as an auditor and may at the time of his audit:—
    - (i) summon any officer, agent or member of the co-operative society for the purpose of obtaining information on the transactions of the co-operative society or management of its affairs;
    - (ii) require the production of any book, document, cash or securities relating or belonging to the co-operative society by any officer, agent, trustee or member having custody of such book, document, cash or securities;
    - (iii) demand such other information or explanation from any officer of the co-operative society as may be necessary for the performance of his duties as an auditor.
- (10) A co-operative society shall, at such time and in such form as may be prescribed, file with the Director an annual return together with a certified true copy of the audited accounts and balance sheet of the society for each period of twelve months.
- (11) Where a co-operative society fails to cause its accounts to be audited within the prescribed period in respect of its business for the previous financial year, members of the Committee shall automatically lose their positions at the next general meeting and shall not be eligible for

re-election for three years unless the Director is satisfied that the failure was due to circumstances beyond their control.

(12) For the purposes of this section, "International Accounting Standards" and "International Financial Reporting Standards" means the standards adopted by the Institute of Certified Public Accountants of Kenya.

#### **Approval of auditors**

28. (1) A person qualified under the Accountants Act Chapter 521 of the Laws of Kenya and who wishes to be considered to audit co-operative societies shall make an application in writing to the Director and shall pay the prescribed application fee and such application may be made annually.

(2) The Director shall cause the list of auditors approved to audit co-operative societies to be published in the County Gazette.

#### **Production of Books and other Documents**

29. An officer, agent, servant or member of a co-operative society who is required by the Director, or by a person authorized in writing by the Director shall, at such place and time as the Director may direct, produce all moneys, securities, books, accounts and documents belonging to or relating to the affairs of such society which are in the custody of such officer, agent, servant or member.

### **PART IV—GOVERNANCE OF CO-OPERATIVE SOCIETIES**

#### **General Meetings**

30. (1) The supreme authority of a co-operative society shall be vested in a general meeting and members shall have the right to attend, participate and vote in all matters.

(2) Subject to subsection (3), a co-operative society shall hold an annual general meeting within four months after the end of each financial year.

(3) In the first year after registration of a co-operative society, the general meeting shall be held not later than one month after receipt of the certificate of registration of the co-operative society and during such meeting the members shall:—

- (a) elect the co-operative society's office bearers for the ensuing year;
- (b) determine the maximum borrowing powers of the co-operative society;
- (c) consider and approve estimates of income and expenditure for the ensuing financial year or part thereof;

- (d) appoint the co-operative society's bankers and auditors; and
  - (e) receive reports and decide upon such other matters as may be necessary for the conduct of the co-operative society's business.
- (4) A general meeting of a co-operative society shall be convened by giving at least fifteen days written notice to the members.
- (5) At the annual general meeting of a co-operative society, the members shall:—
- (a) consider and confirm the minutes of the last general meeting;
  - (b) consider any reports of the Committee or the Director;
  - (c) consider and adopt audited accounts;
  - (d) determine the manner in which any available surplus is to be distributed or invested;
  - (e) elect the co-operative society's office bearers for the ensuing year; as provided in the society's by-laws.
  - (f) determine, where necessary, the maximum borrowing power of the society;
  - (g) appoint an auditor for the following year; and
  - (h) transact any other general business of the co-operative society of which notice has been given to members in the manner prescribed in the by-laws of the co-operative society.
- (6) A special general meeting of a co-operative society may be convened:—
- (a) by the Committee for the purpose of approving annual estimates or discussing any urgent matter which in the Committee's opinion is in the interest of the co-operative society; or
  - (b) on receipt of a written notice for such meeting signed by such number of the members of the co-operative society as may be prescribed in the by-laws and stating the objects and reasons for calling the meeting;
- (7) If the Committee fails to convene a meeting within fifteen days of receiving the notice under subsection (6) (b), the members demanding the meeting may themselves convene the meeting by giving notice to the other members of the co-operative society, stating the objects and reasons for the meeting and the fact that the Committee has failed to convene the meeting.
- (8) The Director may convene a special general meeting of a society at which he may direct the matters to be discussed at the meeting.

(9) The chairman or in his absence the vice-chairman or such other person as may be prescribed in the by-laws of the co-operative society shall preside at a general meeting of a co-operative society.

The Director may preside at any meeting convened under subsection (8).

### **Membership and Powers of the Committee**

**31.** (1) Every co-operative society shall have a Committee consisting of not less than five and not more than nine members.

(2) The members of the committee shall elect the chairperson, vice chairperson, Honourary Secretary and Treasurer from among their number.

(3) The Committee shall be the governing body of the society and shall, subject to any direction from a general meeting or the by-laws of the co-operative society, direct the affairs of the co-operative society with powers to:—

- (a) enter into contracts;
- (b) institute and defend suits and other legal proceedings brought in the name of or against the co-operative society; and
- (c) do all other things necessary to achieve the objects of the co-operative society in accordance with its by-laws.
- (4) A person shall not be a member of a Committee if he/she:—
  - (a) is not a registered member of the co-operative society;
  - (b) is not productive or is not promoting the objects of the society;
  - (c) is under eighteen years of age and more than 75;
  - (d) is unable to read and write in English language;
  - (e) receives any remuneration, salary or other payment from the co-operative society save in accordance with this Act;
  - (f) is a committee member in two other co-operative societies;
  - (g) has not complied with chapter six of the constitution on integrity;
  - (h) being a member of a co-operative society that lends money to its members, lends money on his/her own account;
  - (i) being a member of a co-operative society which trades in goods or produce, trades either on his/her own account or some other person's account in the same type of goods or produce;

- (j) has not, within thirty days of being appointed, declared his wealth to the Director in the prescribed manner;
- (k) is an undischarged bankrupt;
- (l) is of unsound mind;
- (m) has been adversely named by the Director in an inquiry report adopted by a general meeting for mismanagement or corrupt practices while a member of the Committee;
- (n) has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
- (o) has been convicted of any offence under this Act or rules made thereunder;
- (p) has any uncleared debt owing to a co-operative society at the end of its financial year other than in respect of a loan under the provision of any rules made under this Act;
- (q) is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under this Act.

(4) The Committee may delegate any of its duties under this Act to an officer or officers of the co-operative society.

(5) In the conduct of the affairs of a co-operative society, the Committee shall exercise the prudence and diligence of ordinary men of business and the members shall be held, jointly and severally liable for any losses sustained through any of their acts which are contrary to the Act, rules, by-laws or the directions of any general meeting of the co-operative society.

(6) The Director may suspend from duty any Committee member charged in a court of law with an offence involving fraud or dishonesty pending the determination of the matter.

32. Committee members shall be elected for a term of three years, with one third retiring annually but may be eligible for re-election.

## **PART V—AMALGAMATION AND DIVISION OF CO-OPERATIVE SOCIETIES**

### **Amalgamation of Co-operative Societies**

33. (1) Any two or more co-operative societies hereinafter referred to as amalgamating societies may, by special resolution, in this section referred to as the preliminary resolution, resolve to amalgamate as a single society (hereinafter referred to as the amalgamated society).

(2) A copy of the preliminary resolution shall be sent to all the members and creditors of each of the amalgamating societies, and to all other persons whose interests in any of the amalgamating societies will be affected by the amalgamation.

(3) Any member of any of the amalgamating societies may, notwithstanding any by-law to the contrary, by notice in writing given to his society at least one month before the date specified as the date of amalgamation, intimate his intention not to become a member of the amalgamated society.

(4) A creditor of any of the amalgamating societies may, notwithstanding any agreement to the contrary, by notice in writing given to such society at least one month before the date specified as the date of amalgamation, intimate his intention to demand the payment of any money due to him.

(5) A person whose interest will be affected by the amalgamation may, by notice in writing given to the concerned amalgamating society, not less than one month before the date specified as the date of amalgamation, object to the amalgamation unless his claim is satisfied.

(6) Not less than three months after the date of the meeting at which the preliminary resolution is passed, a further special general meeting of each of the amalgamating societies shall be held to consider the preliminary resolution and any notices received under this section.

(7) At the special general meeting held under subsection (6) provision shall be made by a further resolution of the amalgamating society (in this section referred to as the secondary resolution) for:—

- (a) the repayment of the share capital of any member who has given notice under subsection (3);
- (b) the satisfaction of any claims by creditors who have given notice under subsection (4); and
- (c) the satisfaction of the claims of such other persons who have given notice under subsection (5) securing of their claims in such manner as determined or directed by the Director.

Provided that no member or creditor or other person shall be entitled to such repayment or satisfaction until the preliminary resolution is confirmed as provided in subsection (8).

(8) Each amalgamating society may, by further resolution passed by a two thirds majority of the members present and voting, confirm the preliminary resolution.

(9) If, within such time as the Director considers reasonable, he is satisfied that the secondary resolutions of each of the societies amalgamating complies with the provision of this section, he may register the amalgamated society and its by-laws and thereupon:—

- (a) each of the amalgamating societies shall stand dissolved and its registration cancelled;
- (b) the registration of the amalgamated society shall be a sufficient conveyance to vest the assets and liabilities of the amalgamating societies in the amalgamated society;
- (c) the remaining members of the amalgamating societies shall become members of the amalgamated society and will be subjected to its bye-laws;
- (d) any shareholders of the amalgamating societies or any other persons who have claims against the amalgamating societies and whose claims against the amalgamating societies and whose claims were not satisfied in accordance with the secondary resolution, may pursue such claims against the amalgamated society.

(10) where the Director refuses the amalgamation of the amalgamating societies under subsection (9) such societies may appeal against such refusal to the Executive Member.

### **Division of Co-operative Societies**

**34.** (1) A co-operative society (hereinafter referred to as the existing society may, by special resolution (in this section referred to as the preliminary resolution,) resolve to divide itself into two or more co-operative societies (hereinafter referred to as the new societies).

(2) The preliminary resolution shall contain proposals for the division of assets and liabilities of the existing society among the new societies in which it is proposed to be divided and may prescribe the area of operation of, and specify the members who will constitute each of the new societies.

(3) A copy of the preliminary resolution shall be sent to all the members and creditors of the existing society, and to all other persons whose interests will be affected by the division of the existing society.

(4) Any member of the existing society may, notwithstanding any by-law to the contrary, by notice in writing given to the society within two months of the receipt of the copy of the preliminary resolution, intimate his intention not to become a member of any of the new societies.



(5) Any creditor of the existing society may, notwithstanding any agreement to the contrary, by notice in writing given to the existing society within two months after his receipt of the copy of the preliminary resolution, intimate his intention to demand the payment of any money due to him.

(6) Any other person whose interest will be affected by the division may, by notice in writing given to the existing society within two months of the receipt of the preliminary resolution, object to the division.

(7) After the expiry of three months after the date of the preliminary resolution, a further special general meeting of the existing society shall be held to consider the preliminary resolution and any notices received under this section.

(8) At the special general meeting held under this Act provision shall be made by a further resolution of the society for:—

- (a) the repayment of the share capital of any member who has given notice under subsection (4);
- (b) the satisfaction of any claims by creditors who have given notice under subsection (5);
- (c) the satisfaction of the claims of such other persons who have given notice under subsection (6) or the securing of their claims as the Directorate may determine, or direct:

(9) The society may, by further resolution passed by a two-thirds majority of the members present and voting, confirm the preliminary resolution, with or without changes as in the opinion of the Director are not substantial, and the decision of the Director as to whether any changes are or are not substantial shall be final.

(10) If, the Director is satisfied within such time as he considers reasonable that the provisions of the secondary resolution and the provisions of this section have been complied with, he may, register the societies into which the existing society has been divided and the by-laws of such societies and thereupon:—

- (a) the registration of the existing society shall stand dissolved;
- (b) the registration of the new societies shall be sufficient to vest the assets and liabilities of the existing society in the new societies in the manner specified in the preliminary resolution, as confirmed;
- (c) the remaining members of the existing society shall become members of one or other of the new societies, as is provided by the preliminary resolution, as confirmed; and

**SPECIAL ISSUE**

*Nyeri County Gazette Supplement No. 12 (Acts No. 4)*

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REPUBLIC OF KENYA

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**NYERI COUNTY GAZETTE  
SUPPLEMENT**

**ACTS, 2016**

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**NAIROBI, 12th April, 2016**

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**THE NYERI COUNTY CO-OPERATIVE SOCIETIES ACT, 2016**

**NO. 4 of 2016**

*Date of assent: 5th April, 2016*

*Date of Commencement: 19th April, 2016*

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*Section*

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**THE NYERI COUNTY CO-OPERATIVE SOCIETIES BILL, 2015**

**AN ACT of the County Assembly of Nyeri to implement section 7 (e) of part 2 of the Fourth Schedule to the Constitution by providing the legal and institutional framework for the constitution, registration and regulation of co-operative societies and for purposes incidental thereto**

**ENACTED** by the County Assembly of as Nyeri follows:—

**PART I—PRELIMINARY****Short title and Commencement**

1. This Act may be cited as the Nyeri County Co-operative Societies Act 2016.

**Interpretation**

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

“agricultural produce” means any produce or article produced or obtained by the work or industry of members of a co-operative society or marketed by a co-operative society, whether the produce be of agriculture, animal husbandry, forestry, fisheries, handicrafts or otherwise;

“bonus” in relation to a member of a co-operative society, means that member’s share of the surplus of the society which is divided amongst its members, calculated by reference to the proportion which that member’s volume of business with the society bears to the total volume of business done by the society;

“by-laws” means the by-laws made by a society and registered under this Act and includes any registered amendment of such by-laws;

“capital” means the permanent members equity in the form of common stock and includes all disclosed reserves, retained earnings, grants or donations;

“Committee” means the governing body of a co-operative society that is established under Section 33 of this Act;

“Director” means the County Director of Co-operatives appointed under section 4 of this Act and includes any person on whom any of the powers of the Director have been conferred in accordance with this Act.

“contributor” means a person liable to contribute to the assets of a co-operative society in the event of its being wound up and for the purposes of any proceedings for determining and before the final determination of the persons who are to be deemed contributors, includes any person alleged to be a contributor;

“co-operative society” means a society registered under section 5 of this Act;

“co-operative tribunal” means the co-operative tribunal established under section 77 of the Co-operative Societies Act Cap 490

“co-operative union” means a co-operative society whose membership is restricted to primary societies;

“date of dissolution” means the date on which the Director’s order cancelling the registration of a co-operative society takes effect;

“deposit” means a sum of money paid on terms under which it shall be repaid, with or without interest or premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the society to receive it at the risk of the society receiving it;

“dividend” in relation to a member of a co-operative society, means that member’s share of the surplus of the society which is divided amongst its members, calculated by reference to the proportion which that member’s share capital bears to the total share capital of the society;

“Executive Committee Member” means the County Executive Committee responsible for co-operative affairs;

“High Court” means the High Court of Kenya

“limited liability” means limited by shares or limited by guarantee, according to the nature of the liability prescribed by the by-laws of the co-operative society;

“member” includes a person or a co-operative society joining in the application for the registration of a society, and a person or co-operative society admitted to membership after registration in accordance with the by-laws;

“officer” includes a chairperson, vice-chairperson, secretary, treasurer, committee member, employee or any other person empowered under any rules made under this Act, or by-laws of a co-operative society, to give directions in regard to the business of the society;

“personal representative” means any person who, under law or custom, is responsible for administering the estate of a deceased person;

“share” means the amount represented by a member’s portion in the equity of a society as a co-owner;

“special resolution” means a resolution passed by two thirds of the members present and voting at a general meeting of a society;

“supervisory committee” means an oversight committee elected at a general meeting;



“Special general meeting” means a general meeting, other than an ordinary general meeting, of which at least fifteen clear days written notice of the resolution and of the date, time and place of the meeting has been given to members through appropriate publicity.

‘Prescribed’ means prescribed by the Member of the Executive Committee;

“Primary society” means a co-operative society whose membership is restricted to individual persons;

“regulations” means regulations made under this Act.

### **Objectives and Purpose of Act**

3. (1) The overriding objectives of this Act is to provide a comprehensive, harmonized, efficient and effective legal and regulatory framework for development and regulation of the co-operative sector in the County by:—

- (a) enabling the formation, registration and operation of co-operatives;
- (b) promoting co-operative philosophy, principles, practices and objectives;
- (c) protecting the interests of co-operatives, their members and the public in the operations and activities of co-operatives;
- (d) ensuring directors and officials of co-operatives are accountable for their actions and decisions to the members of co-operatives.

(2) encouraging and facilitating self management by co-operatives at all levels; and encouraging the development, integration and strengthening of co-operatives at the village, ward, sub-county, and county levels by supporting and fostering peak organizations and co-operative instrumentalities. All County Government agencies, public servants and bodies charged with development and regulation of the co-operative sector in the County shall at all times have due regard to, and observe the overriding objective of this Act as set out in subsection (1).

(3) This Act applies to a co-operative society registered under this Act or registered under any written law but operating within the County.

## **PART II—OFFICERS**

### **County Director of Co-operatives and other Officers**

4. (1) There shall be an office of the County Director of Co-operatives which shall be an office in the county public service.

(2) The Director shall be responsible for the regulation and development of the co-operative sector in the County by providing such services as may be required by co-operative societies for their organization, registration, operation, advancement and dissolution and for the administration of the provisions of this Act.

(3) The County Public Service Board may recruit such other officers as are required to assist the Director in the performance of functions under this Act.

### **Register of Co-operative Societies**

5. (1) The Director shall keep or cause to be kept at its office a record called the register of co-operative societies wherein shall be entered particulars relating to the registration of societies and their by-laws and any amendments thereto.

(2) Every entry in the register shall be made by, or under the direction of, the Director and shall be signed by him or her and every alteration, interlineations or erasure shall be initialed by the Director.

### **Limitation of Liability**

6. The liability of members in a co-operative society shall be limited to the amount of shares held or to the contribution made to such society.

### **Co-operative to be Body Corporate**

7. A co-operative society registered under this Act shall be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold movable and immovable property of whatever kind, to enter into contracts, to sue and be sued and to do all things necessary for the purpose of, or in accordance with, its by-laws.

### **Evidence of Registration**

8. A certificate of registration or of provisional registration signed by the Director shall be conclusive evidence that the society therein mentioned is duly registered or provisionally registered unless it is proved that such of the society has been cancelled or has been terminated.

### **Display of the Certificate of Registration**

9. The certificate of registration bearing the number and date of registration shall be displayed at the head office of every co-operative society.

**Reservation of Name**

10. (1) The Director may, on written application, reserve a name pending registration of a co-operative society or a change of name by a co-operative society.

(2) Any reservation under subsection (1) shall remain in force for a period of thirty days or such longer period, not exceeding sixty days, as the Director may, for special reasons, allow, and during such period no other co-operative society shall be entitled to be registered with that name

**Protection of the Name “Co-operative”**

11. (1). A society shall not be registered under a name identical to an existing society, or under any name likely, in the opinion of the Director, to mislead the members of the public as to its identity.

The word “Co-operative” shall form part of the name of every co-operative society, and the word “Limited” shall be the last word in the name of every co-operative society.

**Amendment of By-laws**

12. (1) A co-operative society may, by special resolution amend its by-laws including change of its name.

(2) An amendment which changes the name of a co-operative society shall not affect any right or obligation of that society or any of its members, and any legal proceedings pending, may be continued by or against the society under its new name.

(3) A co-operative society may, by special resolution amend its by-laws and the amended by-laws shall not be valid until the amendments has been registered under this Act, for which purpose a copy of the amendments shall be forwarded to the Director in the prescribed manner.

(4) If the Director is satisfied that any amendment of the by-laws of the co-operative society is not contrary to this Act and any rules made thereunder, he may register the amendments.

(5) When the Director registers an amendment of the by-laws of a co-operative society, he or she shall issue a copy of the amendments certified by him or her, which shall be conclusive evidence of the fact that the amendments have been duly registered.

(6) The Director may, if he or she is satisfied that an amendment under this section was effected pursuant to a misrepresentation or concealment of a material fact by the person applying for registration, cancel the registration.

**Appeal Against Refusal to Register**

13. (1) A co-operative society may appeal to the Executive Committee Member against the director of co-operative's refusal to register the society and its by-laws or any amendments of its by-laws within thirty days of being notified of the refusal.

(2) The Executive Committee Member may within thirty days after considering reasons given in writing by both the aggrieved and the Director, uphold the decision of the Director or reverse the decision of the Director subject to such conditions as the Executive Committee Member may stipulate.

(3) Any party aggrieved by the decision of the Executive Committee Member under subsection (2) above may appeal against the decision to the High Court within thirty days.

**By-laws to Bind Members of Co-operative Societies.**

14. (1). The by-laws of a co-operative society, shall, when registered, bind the co-operative society and the members to the same extent as if they were signed by each member and contained covenants on the part of each member for himself or herself and his or her personal representatives to observe all the provisions of the by-laws.

(2) All money payable by any member to the co-operative society under the by-laws shall be a debt due from him or her to the co-operative society.

**Fines for Violation of By-laws**

15. (1) The by-laws of a co-operative society may, subject to this Act provide for the imposition of fines, not exceeding twenty thousand shillings, on its members for any infringement of its by-laws.

(2) A fine shall not be imposed under this section upon any member until written notice of intention to impose the fine and the reason therefore has been served on him or her and he or she has had an opportunity of showing cause why the fine should not be imposed and, if he or she so desires, of being heard with or without witnesses.

(3) Any such fine shall be a civil debt due to the co-operative society, and shall, without prejudice to any other means of recovery, be recoverable summarily.

(4) The whole or any part of such fine may be set off against any moneys due to such member in respect of produce delivered by him to the co-operative society.

**PART III—RIGHTS AND LIABILITIES OF MEMBERS****Qualification for Membership**

16. A person shall not be qualified for membership of a co-operative society unless that person:—

- (a) has attained the age of eighteen years;
- (b) is in employment, occupation or profession which falls within the category or description of those for which the co-operative society is formed; and
- (c) is a resident within, or occupies land within, the society's area of operation as described in the relevant by-law.

**Membership Subject to Authorisation by Annual General Meeting**

17. A company and unincorporated body of persons shall not become member of a co-operative society, except with a written authorisation through a resolution by a general meeting of that co-operative society.

**Limitation of Holding Share Capital**

18. A member, other than a co-operative society, shall not hold more than one-fifth of the issued and paid-up share capital of any co-operative society.

**Limitation of Membership to one Society**

19. (1) A person shall not be a member of more than one co-operative society having the same or similar objectives;

Provided that a person who:—

- (a) is a member of a co-operative society; and
- (b) carries on business on land or at premises outside the area of operation of that co-operative society,

may be a member of a co-operative society in whose area of operation that land or those premises are situated, notwithstanding that its objects are the same as or similar to those of the first-mentioned society.

**Transfer of Shares**

20. (1) The transfer or charge of the share or interest of a member in the capital of a co-operative society shall be subject to such conditions as to maximum holding as are laid down in section 18.

(2) In the case of a co-operative society registered with unlimited liability, a member shall not transfer or charge any share held by him or his interest in the capital of the society or any part thereof, unless:—

- (a) he has held such share or interest for at least one year, and
- (b) the transfer or charge is in favour of the society or a member of the society.

(3) Subject to the approval of the Committee, a member may transfer his share or her shares in a co-operative society to any other member of the society or to any person whose membership of the society has been approved by the Committee.

(4) A transfer of a share in a co-operative society shall not be valid and effective until such transfer has been recorded in the register of the society.

(5) A transfer of a share or shares in a co-operative society shall not be valid and effective if made by a member indebted to a society whether such debt is due for payment or not.

#### **Rights of Members**

21. A member of a co-operative society is entitled to the following rights:—

- (a) to have their name and signature entered in the Register of Members after paying their shares;
- (b) to vote and be voted for at meetings;
- (c) to be issued share certificates once they have paid for their shares;
- (d) to be considered for leadership positions;
- (e) to attend or call meetings in accordance with by-laws;
- (f) to nominate a successor;
- (g) to be informed on all affairs of the society and be able to inspect society documents;
- (h) to gain income from the society's business operations;
- (i) to participate in making society by-laws and to receive a copy;
- (j) to withdraw their membership; after clearing all debts with the society.

#### **Voting Rights of Members**

22. (1) Each member of a co-operative society shall have one vote irrespective of the number of shares the member holds.

(2) Notwithstanding subsection (1), members of a co-operative society whose membership consists of co-operative societies only, may have as many votes as may be prescribed under the by-laws of such co-operative society.

**Member's Obligations**

23. A member of a co-operative society shall have the obligation to:—

- (a) observe and comply with all the society by-laws, policy, rules and decisions taken by the relevant organs of the co-operative society in accordance with the by-laws of that society;
- (b) buy and pay up for shares or make any other payments provided for in the by-laws of the society;
- (c) meet the debts of the society in case of bankruptcy in accordance with the provisions of this Act and the by-laws of the society.

**Registered Address of a Co-operative Society**

24. Every co-operative society shall have a registered address to which notices and communications may be sent and shall send to the Director notice of every change of address within one month of the change.

**Society to Keep a Copy of the Act and By-laws at Registered Office**

25. Every co-operative society shall keep at its registered office a copy of this Act and of the rules made thereunder and of its own by-laws and a list of its members (excluding details of nominees and shareholdings) at its registered office and shall keep them open for inspection by any person free of charge, at all reasonable time during business hours.

**Committee's power to prepare estimates**

26. (1). For each financial year, the Committee of a co-operative society shall cause to be prepared estimates of the society's income and expenditure including recurrent and capital estimates for approval by the general meeting at least three months before the end of the financial year.

(2) In case a society is formed from multiple units, the estimates shall be prepared and presented to the affiliate units prior to presentation to the general meeting for approval.

**Account and Audit**

27. (1) Every co-operative society shall keep proper accounts which:—

- (a) shall be prepared in accordance with International Accounting Standards;
- (b) reflect the true and fair state of the co-operative society's affairs; and

**Member's Obligations**

23. A member of a co-operative society shall have the obligation to:—

- (a) observe and comply with all the society by-laws, policy, rules and decisions taken by the relevant organs of the co-operative society in accordance with the by-laws of that society;
- (b) buy and pay up for shares or make any other payments provided for in the by-laws of the society;
- (c) meet the debts of the society in case of bankruptcy in accordance with the provisions of this Act and the by-laws of the society.

**Registered Address of a Co-operative Society**

24. Every co-operative society shall have a registered address to which notices and communications may be sent and shall send to the Director notice of every change of address within one month of the change.

**Society to Keep a Copy of the Act and By-laws at Registered Office**

25. Every co-operative society shall keep at its registered office a copy of this Act and of the rules made thereunder and of its own by-laws and a list of its members (excluding details of nominees and shareholdings) at its registered office and shall keep them open for inspection by any person free of charge, at all reasonable time during business hours.

**Committee's power to prepare estimates**

26. (1). For each financial year, the Committee of a co-operative society shall cause to be prepared estimates of the society's income and expenditure including recurrent and capital estimates for approval by the general meeting at least three months before the end of the financial year.

(2) In case a society is formed from multiple units, the estimates shall be prepared and presented to the affiliate units prior to presentation to the general meeting for approval.

**Account and Audit**

27. (1) Every co-operative society shall keep proper accounts which:—

- (a) shall be prepared in accordance with International Accounting Standards;
- (b) reflect the true and fair state of the co-operative society's affairs; and



- (c) explain the co-operative society's transactions including:—
- (i) all sums of money received and paid by the co-operative society and the reasons thereto;
  - (ii) all sales and purchases of goods and services by the co-operative society; and
  - (iii) all assets and liabilities of the co-operative society.

(2) The books of accounts shall be kept at the registered office of the co-operative society or at such other place as may be determined by the co-operative society and shall at all times be available for inspection by the auditor.

(3) It shall be the duty of every co-operative society to cause its accounts to be audited at least once in every financial year by an auditor appointed under subsection (4) or as may be prescribed.

(4) The auditor shall be appointed at the annual general meeting from a list of auditors approved by the Director, in consultation with the Institute of Certified Public Accountants of Kenya.

(5) Where at an annual general meeting no auditor is appointed, the Director may appoint a person to fill the vacancy and the remuneration of the person so appointed shall be borne by the co-operative society.

(6) The accounts referred to in subsection (3) shall:—

- (a) Conform with the International Financial Reporting standards;
- (b) Include the following records:—
  - (i) A balance sheet;
  - (ii) An income and expenditure account; and
  - (iii) A cash flow statement;

(c) be approved by the Committee; and

(d) be authenticated by at least three committee members including the Chairperson of the co-operative society.

(7) An auditor shall not present the audited accounts of a co-operative society to the members at a general meeting unless the accounts have previously been submitted to the Director in such form as may be prescribed.

(8) An auditor shall submit the audited accounts to a general meeting within four months after the end of the financial year period and

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shall include his opinion as to whether or not the co-operative society's business has been conducted:—

- (a) in accordance with the provisions of this Act and, whether the books of accounts kept by the co-operative society are in agreement therewith and give a true and fair view of the state of the affairs of the society; and
  - (b) in accordance with the co-operative society's objectives, by-laws and any other resolutions made by the society at a general meeting.
- (9) The auditor shall have the right to:—
- (a) attend any general meeting of the co-operative society and be heard on any matter which concerns him as an auditor;
  - (b) receive all notices and other communications relating to any general meeting which a member of the co-operative society is entitled to receive;
  - (c) access, at all times, any accounting records, books or documents of the co-operative society as may be necessary for the purpose of carrying out his duties as an auditor and may at the time of his audit:—
    - (i) summon any officer, agent or member of the co-operative society for the purpose of obtaining information on the transactions of the co-operative society or management of its affairs;
    - (ii) require the production of any book, document, cash or securities relating or belonging to the co-operative society by any officer, agent, trustee or member having custody of such book, document, cash or securities;
    - (iii) demand such other information or explanation from any officer of the co-operative society as may be necessary for the performance of his duties as an auditor.

(10) A co-operative society shall, at such time and in such form as may be prescribed, file with the Director an annual return together with a certified true copy of the audited accounts and balance sheet of the society for each period of twelve months.

(11) Where a co-operative society fails to cause its accounts to be audited within the prescribed period in respect of its business for the previous financial year, members of the Committee shall automatically lose their positions at the next general meeting and shall not be eligible for

- (3) The Fund shall be used:—
- (a) to grant low-interest loans to co-operative institutions with a view to scaling up their lending activities, value addition amongst other activities as may be prescribed;
  - (b) to provide funds to support, revive and initiate co-operative sector institutions in areas that can have an immediate impact to household economy;
  - (c) to attract and facilitate investment in co-operative sector institutions that have linkages to micro, small and medium enterprises that benefit the youth ;
  - (d) provide financial support to co-operative sector institutions that support strategic and high-return interventions which directly and indirectly have the potential to trigger growth and sector-wide impact;
  - (e) to attract and facilitate investment in co-operative sector institution that have linkages to low- income persons, community-based organizations, and women groups;
  - (f) provide funds to co-operative sector institutions to facilitate marketing of products and services both in the domestic and the international market; and
  - (g) Conduct research and development, capacity building and Training the Co-operative sector.
- (4) The Fund shall be administered by a Board of Trustees in the manner prescribed in regulations.

### **Power to Make Rules and Regulations**

77. (1) The Member of the Executive Committee may make regulations generally for the better carrying out the provisions of this Act, and without prejudice to the foregoing, may make regulations in respect of the following:—

- (a) prescribe the forms to be used and conditions to be complied with in making application for the registration of a society and the procedure to be followed;
- (b) prescribe the matter in respect of which a co-operative society may or shall make by-laws, and the procedure to be followed in making, varying and revoking by-laws, and the conditions to be satisfied before making, varying or revoking by-laws;
- (c) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and the

- payments to be made and the interest to be acquired before the exercise of the right of membership;
- (d) regulate the manner in which funds may be raised whether by means of shares or debentures or otherwise;
  - (e) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;
  - (f) provide for the appointment, suspension and removal of the members of the Committee, members and other officers, and for the procedure at meetings of the Committee, and for the powers to be exercised and the duties to be performed by the Committee and other officers;
  - (g) prescribe the accounts and books to be kept by a co-operative society;
  - (h) provide for the form of the final accounts and the balance sheet to be prepared annually and any other statements and schedules relating thereto;
  - (i) provide for the resignation, suspension and expulsion of members and for the payments, if any, to be made to members who resign or are expelled, and for the liabilities of past members;
  - (j) provide for the persons by whom and the form in which copies of entries in books of co-operative societies may be certified;
  - (k) provide for the inspection of documents and registers at the Directorate's office and prescribe the fees to be paid thereof and for the issue of copies of such documents or registers;
  - (l) provide for the formation and maintenance of a register for members and, where the liability of members is limited by shares or limited by guarantee, of the register of shares;
  - (m) provide for the order in which the value of a deceased member's interest shall be ascertained and subject to section 55 for the nomination of a person to whom such interest may be paid or transferred;
  - (n) provide for the mode in which the value of the interest of a member who has become of unsound mind or incapable of managing his affairs shall be ascertained and for the nomination of any person to whom such interest may be paid or transferred;

- (o) provide for the manner of formation and maintenance of reserve funds and the objects to which such funds may be applied and for the investments of any funds under the control of a co-operative society;
  - (p) prescribe the procedure to be followed in appeals made to the Executive Committee Member under this A
  - (q) prescribe the returns to be submitted by a co-operative society to the Director and the person by whom and the form in which such returns shall be submitted;
  - (r) prescribe the fees to be paid on applications, registrations and other acts done by the Executive Committee Member under this Act;
  - (s) prescribe the procedures to be followed in the liquidation of societies; and
  - (t) prescribe anything which under this Act may be prescribed.
- (2) The regulations under this Act shall be approved by the County Executive Committee and the County Assembly before they take effect.