

Number	Text in Act 14 of 2005	Text in Amendment Bill	Challenge and Rationale for Amendment
1	Advisory Board' means the Co-operatives Advisory Board established by section 85 of this Act	Advisory Council' means the Co-operatives Advisory Council established by section 85 of this Act (Page 2 Line 8)	Connotation of word "Board" suggest that the structure has legal powers, whereas its objective is for advisory purposes
2	No provision in 2005 Act	Agency' means the Co-operatives Development Agency established by section 91 A (Page 2 Line 12)	Provision made for definition of Co-operatives Development Agency to be established in terms of the Amendment Bill. To upscale capacity, integrate and streamline development support for cooperatives nationally.
3	No provision in 2005 Act	annual accounting report' means a document containing financial statements, a social report and management decision report (Page 3 Line 1)	Provision made for definition of annual accounting report required in terms of Amendment Bill
4	No provision in 2005 Act	associate member' means the person contemplated in section 14A (Page 3 Line 3)	Provision made for definition of "assoiate member" provider for in the Amendment Bill
5	No provision in 2005 Act	audit' means objectively examining and evaluating the annual accounting report, in accordance with prescribed or applicable auditing standards, with the objective of expressing an opinion as to its fairness or compliance with an identified reporting framework and applicable statutory standards (Page 3 Lines 4 to 5)	Provision made for definition of audit as provider for in Amendment Bill
6	No provision in 2005 Act	Auditing Profession Act' means the Auditing Profession Act, 2005 (Act No 26 of 2005) (Page 3 Lines 9 and 11)	Provision made for definition of "Auditing Profession Act" as provided for in the Amendment Bill

7	"auditor" means a person registered as such in terms of the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991), and includes a firm as defined in that Act, and where appropriate, any other person authorised by regulation to conduct an audit of a co-operative	auditor' means a registered auditor as contemplated in the Auditing Profession Act. (Page 3 Lines 12 and 13)	Amend definition for "auditor" to ensure alignment with provision for "auditor" in the Amendment Bill with other relevant legislation.
8	"agricultural co-operative" means a co-operative that produces and distributes goods or commodities to its members and non-members and provides services to its members"	agricultural co-operative' means a co-operative that produces, processes or markets agricultural products and supplies agricultural inputs and services to its members (Page 2 Lines 14 to 16 by the deletion of definition of "agricultural co-operative" (Page 3 Line 14)	Provide for the processing, marketing and supply of inputs which are not covered by the 2005 definition.
9	No provision in 2005 Act	auditor's annual accounting report' means an annual accounting report examined and evaluated by an auditor (Page 3 Lines 16 to 17)	Provide for the definition for "auditor's annual accounting report as provided for in Amendment Bill.
10	No provision in 2005 Act	Board' means the Board of the Agency established by section 91G. Since Agency is made a government component the Board may not be necessary (Page 3 Line 18).	Since Agency is made a government component the Board may not be necessary
11	No provision in 2005 Act	Chief Directorate: Co-operatives' means the departmental section responsible for co-operatives development contemplated in section 94B (Page 3 Lines 19 to 20)	Provide for definition for "Chief Directorate: Co-operatives" as provided for in the Amendment Bill

12	No provision in 2005 Act	CIPC' means the Companies and Intellectual Property Commission established by section 85 of the Companies Act, 2008 (Act No. 71 Of 2008) Page 3 Lines 21 to 23)	Provide for definition of "CIPC" as provided for in the Amendment Bill
13	No provision in 2005 Act	Commission' means the Co-operative Conflict Resolution Commission contemplated in section 91V (Page 3 Lines 24 to 25)	Provide for definition of "commission" as provided for in the Amendment Bill
14	No provision in 2005 Act	community development' means a set of values and practices which aim to combat poverty and the historically disadvantaged, unite communities, while individual and collective skills, knowledge and experience, thus empowering communities to undertake initiatives to combat social, economic, political and environmental problems (Page 3 Lines 26 to 31)	Provide for definition for "community development" as provided for in the Amendment Bill
15	No provision in 2005 Act	'constitution' means a governance document adopted by all members or prospective members of a co-operative, which outlines the objectives, policies and management of that particular co-operative (Page 3 Lines 34 to 36)	Provide for definition for "constitution" as provided for in the Amendment Bill

16	No provision in 2005 Act	<p>'co-operative apex organisations' means a national co-operative whose members are operational secondary co-operatives and whose object, amongst others, is to advocate and engage organs of state, the private sector and stakeholders on behalf of its members, and may also be referred to as a national apex co-operative (Page 3 Lines 39 to 43)</p>	Provide for definition for "co-operative apex organisation" as provided for in Amendment Bill
17	No provision in 2005 Act	<p>'financial [services] co-operative' means a primary co-operative whose main objective is to provide financial services to its members or a secondary co-operative that provides financial services to a primary co-operative;" (Page 3 Lines 51 to 54)</p>	Provide for definition for "financial co-operative as provided for in the Amendment Bill
18	No provision in 2005 Act	<p>'independent review' means an objective review and assessment of an annual accounting report in accordance with prescribed or applicable standards, with the objective of expressing an independent assessment or review as to fairness or compliance of the report prepared in accordance with an identified reporting framework and applicable statutory requirements (Page 3 Lines 57 to 62)</p>	Provide for definition for "independent review" as provided for in the Amendment Bill

19	No provision in 2005 Act	'independent reviewer' means a person registered with an accredited professional body contemplated in Chapter III of the Auditing Profession Act, who does not have a personal financial interest in the co-operative or a related or inter-related co-operative (page 4 Lines 1 to 4)	Provide for definition for "independent reviewer" as provided for in the Amendment Bill
20	No provision in 2005 Act	'independent reviewer's annual accounting report' means an annual accounting report reviewed and assessed by an independent reviewer (Page 4 Lines 5 to 6)	Provide for definition for "independent reviewer's annual accounting report" as provided for in the Amendment Bill
21	No provision in 2005 Act	'juristic person' includes a legal entity or other body of persons, incorporated and unincorporated (Page 4 Lines 6 & 8)	Provide for definition for "juristic person" as provided for in the Amendment Bill
22	No provision in 2005 Act	'operational primary co-operative' means a primary co-operative that has held its annual general meeting and has submitted its annual returns to the registrar in its last financial year;" (Page 4 Lines 11 to 13)	Provide for definition for "operational primary co-operative" as provided for in the Amendment Bill

23	No provision in 2005 Act	<p>'primary co-operative' means a co-operative whose object is to provide employment or services to its members and to facilitate community development, formed by a minimum of—</p> <p>(a) five natural persons [whose object is to provide employment or services to its members and to facilitate community development];”;</p> <p>(b) two juristic persons; or</p> <p>(c) a combination of any five persons (Page 4 Lines 16 to 23)</p>	Provide for definition for "primary co-operative" as provided for in the Amendment Bill
24	No provision in 2005 Act	<p>'Public Finance Management Act' means the Public Finance Management Act, 1999 (Act No. 1 of 1999) (Page 4 Lines 26 &27)</p>	Provide for definition of 'Public Financial Management Act" as provided for in the Amendment Bill
25	No provision in 2005 Act	<p>'social co-operative' is a [non-profit] co-operative which engages in the provision of social services to its members, such as care for the elderly, children and the sick (Page 4 Lines 30 to 32)</p>	Provide for definition of "social co-operative" as provided for in the Amendment Bill

26	No provision in 2005 Act	<p>'surplus' means the economic result which emanates in the form of an excess of products or services overcharges arising from a co-operative in a financial year, and may be re-invested in the co-operative or distributed amongst its members in proportion to their transactions with the co-operative, after provision has been made for the reserve fund contemplated in section 46, or as stated in the constitution, subject to other sectoral legislation (Page 4 Lines 34 to 40)</p>	Provide for a definition for "surplus" as provided for in the Amendmnet Bill
27	No provision in 2005 Act	<p>'supervisory committee' means a committee contemplated in section 27(3)(b) (Page 4 Line43 & 44)</p>	Provide for a definition for "supervisory committee" as provided for in the Amendment Bill
28	No provision in 2005 Act	<p>'Tribunal' means the Co-operatives Tribunal established by section 91L (Page 4 Lines 46 & 47)</p>	Provide for deginition for "Tribunal" as provided for in the Amendment Bill
29	No provision in 2005 Act	<p>'worker co-operative' means a co-operative in which the members pursue the objective of optimally utilising their labour by building a jointly owned and self-managed enterprise (Page 4 Lines 50 to 52)</p>	Provide for definition for "worker co-operative" as provided for in the Amendment Bill

30	<p>(d)promote equity and greater participation by black persons, especially those in rural areas, women, persons with disability and youth in the formation of, and management of co-operatives Clause 2 (d)</p>	<p>(d)promote equity and greater participation [by black persons, especially those in rural areas, women, persons with disability and youth] in the formation of, and management of, co-operatives by persons from previously disadvantaged communities, as determined by the Minister by notice in the Gazette (Page 4 Lines 55 to 60)</p>	<p>Allows for flexibility and enables Minister to alter these categories with ease through regulations.</p>
31	<p>(f) Facilitate the provision of support programmes that target emerging cooperatives, specifically those co-operatives that consist of black persons, women, youth, disabled persons or persons in the rural areas and that promote equity and greater participation by its members; (g) ensure the design and implementation of co-operative development support programmes by all the agencies of national departments including but not limited to Khula, NEF, NPI, SEDA, IDC, SAQI, SABS, CSIR, PIC, DBSA, SALGA and SETAs, and compliance with uniform norms and standards prescribed by this Act. Clause 2 (f) & (g)</p>	<p>(f) facilitate the provision of support programmes that target emerging co-operatives, specifically those co-operatives that consist of [black persons, women, youth, disabled persons or persons in the rural areas] persons from previously disadvantaged communities, as determined by the Minister by notice in the Gazette, and that promote equity and greater participation by its members; (g) ensure the design and implementation of the co-operative development support programmes by all the relevant agencies of national departments [including but not limited to Khula, NEF, NPI, SEDA, IDC, SAQI, SABS, CSIR, PIC, DBSA, SALGA and SETA's], provinces and other entities established for furthering the purposes of the co-operative, and in compliance with uniform (Page 5 Lines 3 to 15)</p>	<p>Allows for flexibility and enables Minister to alter these categories with ease through regulations.</p>

32	No provision in 2005 Act	(j) promote the establishment of public private partnerships as contemplated in the Public Finance Management Act, the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), and the Treasury Regulations (Page 5 Lines 19 to 22)	Provision to promote public private partnerships as provided for in the Public Finance Management Act
33	(e) at least five per cent of the surplus is set aside as a reserve in a reserve fund and is not divisible amongst its members Clause 3(1) (e)	(e) at least [five per cent] a percentage of the surplus is set aside as a reserve [in a reserve fund] and is not divisible amongst its members(Page 5 Lines 27 to 29)	Allows flexibility to ensure commercial viability. An agreed NEDLAC outcome
34		“(3) The constitution of a category C primary, secondary or [tertiary] national apex co-operative may provide that the members have more than one vote [Provided that in the case of a secondary co-operative no member shall have more than fifteen per cent of the vote of all the members of the co-operative] unless, if a co-operative has— (a) three members, no member has voting rights in excess of 40 per cent; (b) four members, no member has voting rights in excess of 30 per cent; and (c) five or more members, no member has voting rights in excess of 25 per cent.”; and (c) by the addition of the following subsections: Page 5 Lines 31 to 41	

35	(3) The constitution of a secondary or tertiary co-operative may provide that the members have more than one vote: Provided that in the case of a secondary co-operative no member shall have more than fifteen per cent of the vote of all the members of the co-operative Clause 3 (3)	“(4) The constitution of a category C primary co-operative may provide that the members have more than one vote, provided that no member shall have more than 15 per cent of the vote of all the members of the co-operative. (5) Voting rights in respect of category C primary co-operatives and secondary co-operatives registered in terms of applicable legislation prior to the commencement of this Act, are regulated by the provision on voting rights contained in its constitution as it was immediately prior to the commencement of this Act. (Page 5 Lines 32 to 51)	Co-operatives formed in terms of Co-operative Legislation prior to Act 14 of 2005 allowed co-operatives to structure voting rights proportional. Amendment aims to enable clarity on voting rights for all co-operatives, accommodate all co-operatives (also once formed in terms of co-operative legislation prior to Act 14 of 2005 and limit the voting rights of Category C Primary, Secondary and National Apex Co-operatives to be not more than 15%. This was an agreed NEDLAC outcome.
36	No provision in 2005 Act	(6) The principles of corporate governance are applicable to all co-operatives which fall under this Act. (Page 5 Lines 52 & 52)	Ensures compliance to corporate governance
37	(c) a tertiary co-operative Clause 4 (1) (c)	(c) a [tertiary] national apex co-operative (Page 6 Line 5)	Tertiary co-operatives changed to be national apex co-operatives
38	(f) financial services co-operative Clause 4 (2) (f)	(f) financial [services] co-operative (Page 6 Line 8)	Amend reference to financial service co-operatives to be "financial co-operatives"
39	(2) This Act does not apply to a co-operative apex organisation that is not registered as a co-operative, but applies to a tertiary co-operative having the objects of a co-operative apex organisation. Clause 5 (2)	Deleted Page 6 line 10	The Co-operatives Act will apply to all co-operatives and it will be unlawful to use the name "co-operative" or "co-op" if not registered as a co-operative in terms of the co-operative act.

40	(a) a minimum of five persons in the case of a primary co-operative; (b) a minimum of two or more primary co-operatives in the case of a secondary co-operative; or (c) a minimum of two or more secondary co-operatives in the case of a tertiary co-operative Clause 6 (1)	(a) a minimum of— (i) five natural persons; (ii) two juristic persons; or (iii) a combination of any five persons, in the case of a primary co-operative; (b) a minimum of two or more operational primary co-operatives in the case of a secondary co-operative; or (c) a minimum of two or more operational secondary co-operatives in the case of a [tertiary] national apex co-operative: Provided that the member co-operatives are considered to be operational when proof of financial statements and other returns have been sent to the registrar for verification. (Page 6 Lines 15 to 26)	Allows for clarity on the participation of juristic persons in the formation of primary co-operatives and ensures that secondary and national apex co-operatives are formed by operational primary of secondary co-operatives.
41	No provision in 2005 Act	(e) a request to reserve the proposed name of the co-operative (Page 6 Lines 39 to 35)	Compulsory to do name reservation - challenge was name clashes and unnecessary delays in the registration of co-operatives
42	(c) consists of black persons, women, youth, disabled persons or persons in the rural areas and promotes equity and greater participation by its members. Clause 8 (2) (c)	Delete Clause 8 (2) (c)(Page 6 Lines 37 & 38)	Allows for flexibility
43	No provision in 2005 Act	(b) a person who originally entered into the contract ceases to be personally bound by it. (Page 6 Line 43 & 44)	Provides clarity on the obligations of the person who originally entered into the contract should a co-operative not ratify the contract

44	No provision in 2005 Act	(4) If a co-operative does not ratify the contract, the person who originally entered into the contract continues to be personally bound by the contract, unless the contract expressly provides otherwise (Page 6 Lines 46 to 48)	Provides clarity on the obligations of the person who originally entered into the contract if the contract is not ratified but the contract expressly provides otherwise
45	A co-operative must have the the words (a) "co-operative" or "co-op" as part of its name; and (b) the word "limited" or the abbreviation "Ltd" as the last word of its name, unless the constitution of a co-operative does not limit the liability of its members. Clause 10 (2)	(2) A co-operative must have the [words] word— (a) "co-operative" or "co-op" as part of its name and in respect of co-operatives registered after commencement of the Co-operatives Amendment Act, 2012, only the abbreviation "co-op"; and (b) [the word "limited"] "Limited" or the abbreviation "Ltd" as the last word of its name[, unless the constitution of a co-operative does not limit the liability of its members] Page 7 Lines 4 to 10	Challenge was that members were misled into joining co-operatives that have unlimited liability. In future all co-operatives will have limited responsibility. For consistency the word Limited and Ltd will be spelled with capital letters. The the 2005 Act the abbreviation was with a capital letter and the full word "limited" not with a capital letter.
46	A secondary co-operative must have the the word "secondary co-operative" as part of its name and a tertiary co-operative must have the words "tertiary co-operative" as part of its name Clause 10 (3)	Deleted Page 7 Line 11	Was a duplication because Clause 10 (5) also stipulates that "A secondary co-operative or tertiary co-operative must indicate its status as a secondary co-operative or tertiary co-operative on the documents listed in subsection (4)

47	If the name of a secondary or tertiary co-operative indicates a restriction on the business that may be carried on by a co-operative, the constitution of that co-operative may not be amended to remove that restriction unless its name is also amended Clause 10 (6)	(6) If the name of a [secondary or tertiary] co-operative indicates a restriction on the business that may be carried on by a co-operative, the constitution of that co-operative may not be amended to remove that restriction unless its name is also amended.”; Page 7 Lines 13 to 16	Amend to be applicable to all co-operatives - name of a co-operative should not be misleading and need to be able to collect data that will be valuable in policy decision making
48	No provision in 2005 Act	(7) A co-operative may use a trademark name registered to it by the Companies and Intellectual Property Commission followed by the abbreviation “co-op” and “Ltd” if the constitution of the co-operative authorises the use of such trademark name. Page 7 Lines 18 to 21	Enables co-operatives to use a trademark name registered to it by the CIPC followed by the abbreviation "co-op" and "Ltd" if the constitution of the co-operative authorised the use of such trade mark. No provision was made for this in the 2005 Act.
49	Unlawful use of the word "co-operative" Heading Clause 12	Unlawful use of [word] words “co-operative” and “co-op Ltd Page 7 Line 15	Also unlawfull to use the abbreviation co-op Ltd
50	(b) use or authorise the use of the words "co-operative", "co-op", Co-operative limited", "co-operative ltd", or "co-op ltd" as part of its name. Clause 12 (1) (b)	(b) use or authorise the use of the words “co-operative”, “co-op”, [“co-operative limited”, “co-operative ltd”, or “co-op ltd”] “Ltd”, “co-operative Limited”, or “co-operative Ltd” as part of its name. Page 7 Line 28 to 31	Section 10 (2) (b) (Page 7 Lines 8 to 10) requires Limited and Ltd to be capital letters
51	No provision in 2005 Act	(2) Any entity found guilty of an offence in subsection (1) is liable to a fine not exceeding one million rand. Page 7 Lines 33 & 34	Allows for penatly for use of unlawful word.

52	<p>“(1) A co-operative registered in terms of this Act must adopt a constitution that complies with section 14.</p> <p>(2)A co-operative where the members are required to hold shares must adopt a constitution that complies with sections 14 and 15.</p> <p>(3) Secondary and tertiary must adopt a constitution that complies with sections 14 and 16.” Clause 13 (1), (2) and (3)</p>	<p>(1) A co-operative registered in terms of this Act must [adopt] have a constitution that complies with section 14.</p> <p>(2)Aco-operative where the members are required to hold shares must [adopt] have a constitution that complies with sections 14 and 15.</p> <p>(3) Secondary and [tertiary] national apex co-operatives must [adopt] have a constitution that complies with sections 14 and 16. Page 7 lines 39 to 44</p>	<p>The word "adopt" implies that a co-operative must adopt an existing constitution. The constitution of a co-operative must comply to the minimum requirements for co-operative constitutions but it should be unique to the needs and requirements of the particular co-operative. Also provides for the substitution of "tertiary " with national apex organisation.</p>
53	<p>The Minister may publish, by notice in the Gazette, model constitutions that may be used by co-operatives. Clause 13 (5)</p>	<p>Deleted Page 7 Line 45</p>	<p>Act now provides for clear guideleines on minimum requirements for co-operative constitutions and co-operatives encourage to develop their own constitutions that complies with the minimum requirements as prescribed by law but also that complies with the unique requirements of co-operative needs and requirements.</p>
54	<p>No provision in 2005 Act</p>	<p>(6) Every group of individuals or co-operatives that intends to register as a co-operative must submit its constitution and the prescribed forms in the prescribed format to the registrar for registration. Page 7 Lines 47 to 49</p>	<p>Ensures clarity on need for constitution as requirement to register a co-operative</p>
55	<p>Provisions for all co-operatives Heading Clause 14</p>	<p>[Provisions] Minimum requirements for all [co-operatives] co-operative constitutions Page 7 Line 54 &54</p>	<p>Clarify that it is minimum requirements for co-operative constitutions and not "absolute" requirements for "co-operatives"</p>

56	No provision in 2005 Act	(bA) whether it is a co-operative that concludes transactions with both members and non-members of that co-operative or a co-operative that does not conclude transactions with persons who are not members of the co-operative Page 8 Lines 3 to 6	Co-operatives required to indicate in their constitutions with they are "closed" co-operatives, i.e. only concludes transactions with members or if it is an "open" co-operative, i.e. concludes transactions with members and non-members. This enables special tax provisions for co-operatives.
57	(e) a provision stipulating that each member has one vote in all meetings of the co-operative except in the case of secondary or tertiary co-operatives Clause 14 (1) (e)	(e) a provision stipulating [that each member has one vote in all meetings of the co-operative except in the case of secondary or tertiary co-operatives] the voting rights of each member, as contemplated in section 3, unless stated otherwise Page 8 Lines 9 to 11	Minimum requirements for voting should be inline with section 3 requirements for voting.
58	(i) the term of office of directors, which may not be more than four years, and whether a director may bereappointed for a second or further term of office Clause 14 (1) (i)	(i) the term of office of directors, which [may not be more than four years] must be reasonable, and whether a director may be reappointed for a [second or further] consecutive term of office: Provided that the manner for rotation of directors is stipulated in the constitution of the co-operative	Ensures democratic control of co-operatives and development and empowerment of all members.
59	No provision in 2005 Act	(IA) a provision relating to the extension of the period for the repayment of the nominal value of membership shares in the event of the death of a member of the co-operative Page 8 Line 22 to 24	Provides for clarity on the repayment of nominal value of membership shares in case of death of a member or a co-operatives
60	(cc) the conditions and processes for requesting a general meeting Clause 14 (1) (cc)	Deleted Page 8 Line 25	Will be stipulated in the constitutions of co-operatives

61	(g) the conditions under which the board of directors may delegate functions to a director, committee or manager Clause 14 (2) (g)	Deleted Page 8 Line 26	
62	(i) provision to make rules consistent with the constitution and this Act concerning the holding of meetings or any other matter of procedure; and Clause 14 (2) (i)	Deleted Page 8 Line 27	
63	(j) provision for the settlement of disputes between members of the co-operative, or between a member of the co-operative and the co-operative itself Clause 14 (2) (j)	(j) provision for the settlement of disputes between members of the co-operative, [or] between a member of the co-operative and the co-operative itself[.], between the co-operative and other role players and between the organs of the co-operative; and Page 8 Lines 30 to 33	Amend to allows cover provisions for the settlement of disputes between the co-operative and other roleplayers and between organs of the co-operative
64	No provision in 2005 Act	(k) whether the co-operative allows for appointment of non-executive independent directors. Page 8 Line 35 & 36	Amendment Bill allows for the appointment of non-executive independent directors.

65	No provision in 2005 Act	<p>Associate members</p> <p>14A. (1) The constitution of a co-operative may provide for persons—</p> <p>(a) who want to provide support to the co-operative without becoming members of the co-operative, to be appointed as associate members; and (b) who may benefit from a co-operative without becoming members of the co-operative, to be appointed as associate members. (2) Associate membership is a temporary membership which is valid for a period of 12 months.</p> <p>(3) After the period of 12 months, associate members, subject to the approval by the members of the co-operative— (a) have the choice to become full members of a co-operative; or (b) may have their associate membership renewed.</p> <p>(4) Co-operatives that have associate members must indicate in their financial reporting system the full members of the co-operative and associate members.</p> <p>(5) Associate members do not have any voting rights. Page 8 Lines 39 to 55</p>	<p>The 2005 Act did not provide for clarity on the roles and powers of associate members. This section now allows for clarity on roles and powers of associate members</p>
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66	No provision in 2005 Act	<p>Categories of primary co-operatives</p> <p>15A. (1) The Minister must prescribe the monetary threshold for the annual revenue or projected annual revenue for each of the following categories of a primary co-operative:</p> <p>(a) A category A primary co-operative which is a small primary co-operative;</p> <p>(b) a category B primary co-operative which is a small to medium primary co-operative; and</p> <p>(c) a category C primary co-operative which is a medium to large co-operative.</p> <p>(2) Category A, B and C primary co-operatives are primary co-operatives that are excluded from deposit-taking financial services co-operatives and co-operative banks. Page 9 Lines 4 to 15</p>	<p>Allows for different categories of co-operatives to enable differentiated financial requirements to lower the cost of compliance with financial requirements for smaller co-operatives.</p>
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67	<p>16 (1) The constitution of a secondary or tertiary co-operative must provide for - (a) the main objectives of a secondary co-operative which must include the provision of sectoral services to the primary co-operatives that are its members; (b) the main objectives of a tertiary co-operative which must include advocating and engaging organs of state, the private sector and stakeholders on behalf of its members; and (c) the number of votes a member has in proportion to the number of primary or secondary co-operatives that are its members.</p> <p>Clause 16 (1)</p>	Deleted Page 9 Line 18	Amend to allow for new structures as defined in the Amendment Bill
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68	<p>(2) The constitution of a secondary or tertiary co-operative may provide for -</p> <p>(a) the further objectives of a secondary or tertiary co-operative which may include any activity that is not inconsistent with the objectives of any of its members, and which is undertaken for their exclusive benefit; and (b) the further objectives of a tertiary co-operative which may include representing the interests of co-operatives within a sector or region, providing assistance for education and training, establishing a guarantee fund to facilitate external financing of its members, and the establishment of an audit fund to assist members to have their operations audited. Clause 16 (2)</p>	<p>Substitute the expression "tertiary co-operative" in subsection (2) of the expression "national apex co-operative" Page 9 Lines 19 & 20</p>	<p>Tertiary co-operative in future to be called "national apex co-operative"</p>
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69	No provision in 2005 Act	<p>National apex co-operatives 16A. (1) (a) Two or more operational secondary co-operatives may form a national apex co-operative. (b) The functions of a national apex co-operative must include advocacy and engaging organs of state, the private sector and stakeholders on behalf of its members. (c) The other functions of a national apex co-operative must be determined by its members and must be included in the constitution of the national apex co-operative. (d) The Minister may publish guidelines for the functions of national apex co-operatives by notice in the Gazette. Page 9 Lines 24 to 33</p>	Provides clarity on the formation and functions of national apex co-operatives
70	Functions of co-operatives Heading Clause 19	Restrictions on functions of co-operatives Page 9 Line 37	Provides clarity on the restrictions of co-operatives (rather than listing the functions of co-operatives which differs from co-operative to co-operative and may change over time)
71	19 (2) If a co-operative performs any act outside its functions, the co-operative and a director of the co-operative who authorised the performance of that act or who performed that act knowing that the co-operative is not empowered to perform that act is guilty of an offence Clause 19 (2)	(2) A co-operative must not carry out an objective or perform an action not authorised by its constitution; and Page 9 Lines 39 & 40	Provides clarity on actions that may be lawfully carried out by a co-operative

72	No provision in 2005 Act Clause 19	<p>(3) Subject to subsections (1) and (2), a co-operative must indicate all business transactions concluded with members and non-members in the co-operative's annual financial statements.</p> <p>(4) Any co-operative or director of a co-operative which contravenes the provisions of subsection (1), (2) or (3) is—</p> <p>(a) guilty of an offence; and</p> <p>(b) on conviction liable to a fine not exceeding one million rand. Page 9 Lines 42 to 48</p>	Ensures that co-operatives indicates business transactions conducted with members and non-members and provides clarity on non compliance with requirements.
73	No provision in 2005 Act Clause 21	(cA) the minutes of meetings of the supervisory committee in a minute book Page 10 lines 5 & 6	Provide for record keeping of minutes of meetings of supervisory committee
74	21 (1) (f) a register of directors' interests in contracts or undertakings, envisaged in section 38 Clause 21 (1) (f)	(f) a register of directors' and managers' interests in contracts or undertakings, envisaged in section [38] 37 Page 10 Lines 9 & 10	Includes for the provision of record keeping of interests such as commissions, remunerations or rewards to managers (not only directors')
75	21 (2) A co-operative must retain its accounting records - (a) for a period of five years after the end of the financial year to which they relate, in the case of a co-operative whose main objective involves its members conducting transactions with it; an (b) for a period of three years after the end of the financial year to which they relate, for all other co-operatives Clause 21 (2)	(2) Every co-operative must retain its accounting records and financial statements for a period of seven years after the end of the financial year to which they relate, after which period such records must be archived for historical purposes as prescribed by the Minister by notice in the Gazette. Page 10 Lines 12 to 16	For clarity and good governance all records kept for period of 7 years

76	No provision in 2005 Act Clause 22	<p>(4) (a) An inspector appointed by the registrar or the Tribunal as contemplated in this Act may, in accordance with this Act and national legislation that regulates access to information, examine the records of a co-operative during the normal business hours of that co-operative.</p> <p>(b) Members of the board of directors of a co-operative who fail to disclose information or provide access to the records of the co-operative, to the inspector referred to in paragraph (a), is guilty of an offence and on conviction liable to a fine not exceeding one million rand. Page 10 Lines 20 to 27</p>	Enables inspectors appointed by the Tribunal to have access to information and stipulates the implications of non compliance
77	No provision in 2005 Act Clause 23	<p>(2) In instances where members do not hold shares, members are only liable for the amount of money owed to the co-operative in terms of the membership agreement. Page 10 Lines 31 to 33</p>	Clarity on liability of members not holding shares in a co-operative

78	24 (1) Despite any provision contained in its constitution, if a co-operative determines that the repayment of shares would adversely affect its financial wellbeing, the co-operative may direct that the repayment be deferred for a period not exceeding two years after the effective date of the notice of withdrawal. Clause 24 (1)	(1) [Despite] Subject to other legislation and despite any provisions contained in its constitution, if a co-operative determines that the repayment of membership shares would adversely affect its financial well-being, the co-operative may direct that the repayment be deferred for a period not exceeding two years after the effective date of the notice of withdrawal. Page 10 Lines 37 to 41	Ensure compliance to other legislation.
79	Transfer of membership, membership loan or membership share Heading Clause 25	“[Transfer] Repayment of membership, member loan or membership share Page 10 Lines 44 & 45	Improved description of intention of clause

80	<p>25 Despite any provisions contained in its constitution, if a co-operative determines that the repayment of the nominal value of a member's shares, all other amounts held to the members's credit including any memberloan and any interest accrued on those amounts up to the date of the payment would adversely affect its financial well-being, the co-operative may direct that repayment be deferred for a period not exceeding two years after the date of death of a member of the co-operative. Clause 25</p>	<p>Despite any provisions contained in its constitution, if a co-operative determines that the repayment of the nominal value of [a member's]—</p> <ul style="list-style-type: none"> (a) membership shares[.]; (b) all other amounts held to the member's credit including any member loan; and (c) any interest accrued on those amounts up to the date of the payment, <p>would adversely affect its financial well-being, the co-operative may direct that repayment, after the death of a member of the co-operative, may be deferred for a period not exceeding [two years after the date of death of a member of the co-operative] the period determined in the constitutipage on of the co-operative. Page 10 Line 46 to Page 11 Line 4</p>	<p>Co-operratives to determine the period for deferement in their constiturion:</p>
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81	No provision in 2005 Act	<p>Annual submission to CIPC</p> <p>26A. The Minister must, by notice in the Gazette, determine the—</p> <p>(a) form, manner and time period for the annual submission of information to the CIPC regarding the—</p> <p>(i) membership of the co-operative;</p> <p>(ii) members of the co-operative; and</p> <p>(iii) nature and value of the contribution made by each member to the co-operative; and</p> <p>(b) annual fees payable to the CIPC by co-operatives based on the categories of co-operatives. Page 11 Lines 7</p>	Lack of official and credible data on co-operatives to assist with policy and decision making. Provision made for mandatory provision of data as determined by Minister and fees payable to CIPC
82	No provision in 2005 Act Clause 27	<p>“(4) The supervisory committee—</p> <p>(a) must be elected at the meeting contemplated in section 32(3), when the board of directors are elected;</p> <p>(b) must consist of members who are not directors; and</p> <p>(c) may be established for every co-operative if the constitution of the co-operative concerned provides for such committee. Page 11 Lines 20 to 25</p>	Provide for supervisory committee in structure of decision making

83	No provision in 2005 Act Clause 27	<p>(5) The supervisory committee—</p> <p>(a) is responsible for supervising the board of directors by representing the interest of its members;</p> <p>(b) must, if there is fair and reasonable information that any act or omission by the board of directors may impact negatively on the co-operative or a member or members thereof, call a special meeting of all its members to discuss such act or omission; and</p> <p>(c) must, within seven days after a special meeting contemplated in paragraph (b), in writing inform the—</p> <p>(i) Tribunal of the outcome of such meeting; and</p> <p>(ii) board of directors and the member or members affected or concerned of its decision and reasons for the decision. Page 11 Lines 26 to 37</p>	Provide for supervisory committee in structure of decision making
84	No provision in 2005 Act Clause 27	<p>(6) If the supervisory committee has not complied with subsection (5)(c), a member of the co-operative may report the matter to the Tribunal. Page 11 Lines 28 & 39</p>	Provide for supervisory committee in structure of decision making

85	No provision in 2005 Act Clause 28	<p>(3) If provided for in the constitution of the co-operative, a member of a co-operative may at any time appoint another member of the co-operative as a proxy to participate in and vote at, a general or special meeting on behalf of the member concerned: Provided that the member may not appoint more than one proxy to exercise voting rights.</p> <p>(4) A proxy appointment—</p> <p>(a) must be in writing, dated and signed by the member; and</p> <p>(b) remains valid for the period expressly set out in the appointment, unless it is revoked by the member concerned.</p> <p>(5) The number of proxies that a member may carry on behalf of another member or other members as contemplated in subsection (3), may not exceed five per cent of the total membership of the co-operative concerned. Page 11 Line 43 to 54</p>	Challenge on appointment and limits to proxies. Amendment provides clarity on the appointment and limits to proxies
86	29 (a) appoint an auditor, subject to section 50 Clause 29	<p>(a) subject to section 50, appoint an auditor, [subject to section 50] depending on the category and level of co-operative as determined by the Minister in the Gazette Page 12 Lines 5 to 8</p>	Provide for different financial requirements for the different categories of co-operatives

87	No provision in 2005 Act Clause 29	(aA) appoint an independent accounting officer, depending on the category and level of the co-operative as determined by the Minister in the Gazette Page 11 Lines 10 to 12	Provide for different financial requirements for the different categories of co-operatives
88	No provision in 2005 Act Clause 29	(g) consider the activity plan presented by the board of directors. Page 11 Line 15	Ensure that board of directors table an activity plan for consideration at the general meeting of the co-operative
89	MANAGEMENT OF CO-OPERATIVES Heading Clause 32	[MANAGEMENT] GOVERNANCE OF CO-OPERATIVES Page 12 Line 19	Amend heading to provide a better description of intention of clause 32
90	32 (3) The board of directors must be elected for such period as may be set out in the constitution of the co-operative, which period may not be more than four years Clause 32 (3)	(3) The board of directors must be elected for such period as [may be] set out in the constitution of the co-operative[, which period may not be more than four years] Page 12 Line 23 to 25	Amend to ensure alignment with changes to
91	No provision in 2005 Act Clause 32	(4) All other issues relating to the board of directors which are not provided for in this Act, must be provided for in the constitution of the co-operative. Page 12 Lines 27 to 29	Ensures that issues relating to the board of directors not provided for in the Act are stipulated in the constitution of the co-operative to ensure clarity and transparency

92	No provision in 2005 Act Clause 32	<p>(5) The members of a co-operative may by resolution of two thirds of the members present at the special meeting—</p> <p>(a) convened by the supervisory committee; or</p> <p>(b) called by at least 25 per cent of members where such co-operative does not have a supervisory committee, dissolve the board of directors if such members find justifiably good reason that the board is dysfunctional or has acted contrary to any law. Page 12 Lines 30 to 36</p>	Provide clear guidelines on the dissolution of board of directors
93	<p>38. (1) A director or manager of a co-operative may not accept any commission, remuneration or reward from any person for, or in connection with, any transaction to which the co-operative is a party unless such commission, remuneration or reward is paid or given in the course of the usual business or profession of the director or employee and the director or employee has disclosed his or her interest to the co-operative.</p> <p>(2) A director or employee who contravenes [a provision of] subsection (1) is guilty of an offence. Clause 38</p>	<p>38. (1) A director [or], manager or employee of a co-operative may not accept any commission, remuneration or reward from any person for, or in connection with, any transaction to which the co-operative is a party [unless such commission, remuneration or reward is paid or given in the course of the usual business or profession of the director or employee and the director or employee has disclosed his or her interest to the co-operative].</p> <p>(2) A director, manager or employee who contravenes [a provision of] subsection (1) is guilty of an offence. Page 12 Lines 41 to 49</p>	Provides for employee to be liable to the same requirements as directors and managers in terms of the acceptance of commission, remuneration or rewards. Also excludes provision that such rewards received by a director, manager or employee may be accepted if part of the normal course of business and has been declared by the person concerned. Also includes manager in provision that a contravention of 38 (1) is guilty of an offence.

94	No provision in 2005 Act Clause 39	(4) The Minister must, by notice in the Gazette, determine the form, manner and time period for the submission of information regarding— (a) the board of directors; and (b) all individual directors of a co-operative Page 13 Lines 4 to 7	Provision to ensure the provision of updated information on board of directors and individual members of a co-operative
95	(3) The constitution of a co-operative may permit additional membership shares to be issued to members. (4) All membership shares issued must be of the same class and ranking. (5) Interest on membership shares is only payable on shares, or that portion of shares, that are paid up. Clause 41 (3), (4) and (5)	(3) The constitution may permit additional membership shares to be issued to members. (4) All membership shares issued must be of the same class and ranking. (5) Interest on membership shares is only payable on membership shares, or that portion of membership shares, that are paid up. Page 13 Lines 11 to 15	Consistency in use of "membership shares"
96	44 (3) A co-operative may provide in its constitution that whole, or a part, of the patronage proportion of a member, determined by the board in respect of a financial year, must be applied to purchase membership shares in a co-operative for the member	(3) A co-operative may provide in its constitution that the whole, or a part, of the patronage proportion of a member, determined by the board in respect of a financial year, must be applied to purchase membership shares in [a] the co-operative for the member Page 13 Lines 19 to 22	Clarity that the shares must be purchase in the co-operative and not a co-operative which may be any co-operative.
97	No provision in 2005 Act Clause 44	(5) The surplus that is not transferred to the reserve in terms of section 3(1)(e) must not be re-invested in the co-operative. Page 13 Lines 24 & 25	
98	Reserve fund of members Heading Clause 46	Reserves for co-operatives Page 13 Line 38	Reserves for co-operatives not members

99	<p>46 (1) A co-operative must set up a reserve fund wherein such co-operative must deposit at least five per cent of the surplus as a reserve, that is indivisible amongst its members, during a financial year. (2) A co-operative may use the fund referred to in subsection (1) only in accordance with the manner contemplated in its constitution. (3) The reserve of a co-operative is monitored for compliance by the registrar through the audited annual financial statements.</p>	<p>(1) During each financial year a co-operative must set aside reserves that are indivisible amongst its members. (2) Every co-operative must retain the percentage of the surplus, as determined in its constitution, for each financial year in its reserve fund, unless such reserves are equivalent to five per cent or more of its net assets. (3) The Minister must, by notice in the Gazette, provide guidelines for— (a) the manner in which records in respect of the reserves and the reserve fund must be kept; (b) the purposes for which any of the reserves may be used; and (c) the manner in which a co-operative must report on the purposes for which the reserves have been used Page 13 Lines 29 to 39</p>	<p>Ensure alignment with clause 3(e) Page 5 Lines 27 to 29 and sets a threshold of 5% of net assets. Minister to provide guidelines</p>
100	<p>AUDIT OF CO-OPERATIVES Heading Chaper 7</p>	<p>AUDIT AND INDEPENDENT REVIEW OF CO-OPERATIVES Page 13 Line 43</p>	<p>Amend heading to provide for different audit or independent review requirements for different categories of co-operatives</p>

101	<p>47. (1) A audit of the affairs of a co-operative must be conducted annually in respect of each financial year, in order to - (a) ensure that financial statements are drawn up to conformity with generally accepted accounting practices; (b) verify that the co-operative has maintained adequate records in accordance with the requirements of its constitution and this Act; (c) report generally as to whether the assets and facilities of a co-operative are being properly managed and the operations of a co-operative are being conducted in accordance with co-operative principles; and (d) report on any other matter the auditors are required to report on in terms of a co-operative's constitution (2) A co-operative that is not able to afford the costs of an annual audit may apply in writing to the registrar for an exemption in terms of section 55.</p>	<p>47. (1) The following co-operatives must produce an auditor's annual accounting report to the Registrar in respect of each financial year: (a) Category C primary co-operatives; (b) secondary co-operatives; and (c) co-operative apex organisations. (2) Category B primary co-operatives must produce an independent reviewer's annual accounting report to the Registrar in respect of each financial year. (3) Category A primary co-operatives must produce an annual accounting report to the Registrar in respect of each financial year signed by the directors of the co-operative. (4) The Minister must, within three months after the commencement of this Act, by notice in the Gazette publish a co-operative reporting system framework. Page 14 Lines 4 to 17</p>	<p>Provide for different financial requirements for the different categories of co-operatives to ensure affordability and maintaining good financial governance by all co-operatives</p>
102	<p>Approval of auditor's report and financial statements Heading Clause 47</p>	<p>Consideration of audited or independent reviewed annual accounting report Page 14 Lines 20 & 21</p>	<p>Amend heading to provide for different audit or independent review requirements for different categories of co-operatives</p>

<p>103</p>	<p>48 (1) A co-operative may circulate draft financial statements to its members prior to an annual general meeting. (2) The annual general meeting must consider approval of the auditor's report and financial statements (3) The chairperson of the board, or the person who acted as such in a meeting where the auditor's report and financial statements were approved, must sign the auditor's report and financial statements to confirm their approval. Clause 48 (1), (2) and (3)</p>	<p>48. (1) Every co-operative must circulate the auditor's annual accounting report or the independent reviewer's annual accounting report or the annual accounting report to all its members at least two weeks prior to an annual general meeting. (2) The annual general meeting must consider and discuss the auditor's annual accounting report or the independent reviewer's annual accounting report or the annual accounting report and take resolutions on the conduct of business. (3) The chairperson of the board or the person who acted as chairperson at the annual general meeting where the auditor's annual accounting report or the independent reviewer's annual accounting report or the annual accounting report was discussed and considered, must— (a) accept such a report; and (b) sign the resolution taken on the report</p> <p>Page 14 Lines 22 to 35</p>	<p>Compulsory to circulate auditors annual accounting reports or independent reviewer's annual accounting report or annual accounting report to all memebtrs prior to annual general meeting (previously voluntary); annual general meeting must consider and discuss and take resolution on the conduct of business (previously only consider approval of report); the chairperson must now sign/accept such report and sign the resolution taken on the report (previously only sign the report)</p>
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104	48 (4) A co-operative may not issue, publish or circulate copies of the financial statements unless the statements are - (a) approved by the annual general meeting and signed in accordance with subsection (2) and (b) accompanied by a report of the auditor Clause 48 (4)	(4) A co-operative may not issue, publish or circulate copies of the auditor's annual accounting report or the independent reviewer's annual accounting report or the annual accounting report unless the report has been discussed and considered by the annual general meeting in accordance with subsections (2) and (3). Page 14 Lines 36 to 40	Amend to ensure alignment with new requirements as per (2) and (3)
105	48 (5) The auditor's report and financial statements must be made available for inspection at the registered office of the co-operative for at least 21 days after approval of such report and financial statements.	(5) The auditor's annual accounting report or the independent reviewer's annual accounting report or the annual accounting report must be made available for inspection by any member of the co-operative at the registered office of the co-operative for at least 21 days after consideration of such report. Page 14 Lines 41 to 45	Clarity that the stated documents must be made available to any member of the co-operative for inspection.

106	<p>(6) The board of directors must - (a) submit a copy of the financial statements and auditors' report to the registrar within 15 days of its approval; or (b) if for any reason the annual general meeting fails to approve the financial statements and auditor's report, notify the registrar within 15 days of the reasons for such failure and of the action the co-operative proposes to take in order to address the situation Clause 48 (6)</p>	<p>(6) The board of directors— (a) must submit a copy of the auditor's annual accounting report or the independent reviewer's annual accounting report or the annual accounting report and the outcome of its discussion and consideration thereof to the Registrar within 15 days of the resolution of the annual general meeting; or (b) if for reasons relating to the resolution taken at the annual general meeting wherein the meeting resolved to delay submitting the auditor's annual accounting report or the independent reviewer's annual accounting report or the annual accounting report to the Registrar, must, through the chairperson at the annual general meeting, notify the Registrar within 15 days of the reasons for such failure and of the action the co-operative intends to take in order to address the situation. Page 14, Line 46 to Page 15 Line 3</p>	<p>Amend to ensure alignment with new requirements</p>
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107	No provision in 2005 Act Clause 48	(7) After receipt of the auditor's annual accounting report or the independent reviewer's annual accounting report or the annual accounting report, the views expressed by the annual general meeting and the acceptance of the report, the Registrar may take appropriate steps Page 15 Lines 4 to 7	Provision for Registrar to take appropriate action
108	Auditor disqualified from acting Heading Clause 49	Auditor and independent reviewer disqualified from acting Page 15 Line 10	Amend to ensure alignment with new requirements

109	49 A Person is disqualified from being an auditor of a co-operative - (a) if that person has a personal or material interest in a co-operative or in any of its affiliates or in any of its subsidiaries or in the business of any of its directors or senior employees; or (b) in any other circumstances that are considered to constitute a conflict of interest in terms of accounting practices	(1) A person is disqualified from being an [auditor of a cooperative]— (a) auditor or independent reviewer of a co-operative if that person— (i) has a personal or material interest in a co-operative or in any of its affiliates or in any of its subsidiaries or in the business of any of its directors or senior employees; [or] (ii) is not registered with the South African Institute for Chartered Accountants or does not satisfy the requirements for registration as an auditor as contemplated in Chapter III of the Auditing Profession Act; or (iii) does not act in accordance with the code of conduct pertaining to their registered professional body; or (b) auditor or independent reviewer of a co-operative in any other circumstances that are considered to constitute a conflict of interest in terms of accounting practice. Page 15 Lines 11 to 25	Amend to ensure alignment with new requirements with additional requirements that auditor should be registered with the South African Institute for Chartered Accountants; satisfy the requirements for registration as an auditor as contemplated in Chapter III of the Auditing Profession Act; and act in accordance with the code of conduct pertaining to their registered professional body.
110	Appointment of Auditor Heading Clause 50	Appointment and termination of auditor or independent reviewer Page 15 Lines 29 & 30	Amend to ensure alignment with new requirements
111	50 (1) The members must appoint an auditor - Cluase 50 (1)	The members must appoint an auditor or independent reviewer Page 15 Line 33	Amend to ensure alignment with new requirements

112	50 (2) Despite subsection (1), if an auditor is not appointed at any meeting, the incumbent auditor continues in office until a successor is appointed. Clause 50 (2)	(2) Despite subsection (1), if an auditor or an independent reviewer is not appointed at any meeting, the incumbent auditor or independent reviewer continues in office until a successor is appointed. Page 15 Lines 35 to 37	Amend to ensure alignment with new requirements
113	(3) If a co-operative fails to appoint either an auditor in accordance with subsections (1) and (2), the registrar may approve the person nominated by the board of the co-operative to audit its books for one financial year. 1991 (Act No. 101 of 1991) Clause 50 (3)	(3) If a co-operative fails to appoint either an auditor or an independent reviewer in accordance with subsections (1) and (2), the [registrar may approve the person nominated by the board of the co-operative to audit its books for one financial year] members of the Board will be subject to a fine imposed by the CIPC, and such fine must not exceed the amount calculated according to the ratio for one year imprisonment determined in terms of the Adjustment of Fines Act, 1991 (Act No. 101 of 1991) Page 15 Lines 39 to 46	No longer provides for the registrar to approve person nominated by the board of the co-operative to audit its books for one financial year - compulsory to ensure that auditor or independent reviewer is appointed - non compliance will be subject to a fine
114	50 (4) The fees payable to the auditor appointed in terms of subsection (3) must be approved by the registrar Clause 50 (4)	Deleted Page 15 Line 47	No longer required

115	<p>(5) An auditor of a co-operative ceases to hold office when the auditor dies, resigns or is removed in terms of section 51 or is struck off from the roll of auditors in terms of the laws of the Republic</p> <p>(6) A resignation of an auditor becomes effective on the date on which a written resignation is received by a co-operative, or on the date specified in the resignation, whichever is later. Clause 50 (5) and (6)</p>	<p>(5) An auditor or independent reviewer of a co-operative ceases to hold office when the auditor or independent reviewer dies, resigns or is removed in terms of section 51 or is struck off [from] the roll of auditors in terms of the laws of the Republic or is prohibited from registration with an accredited professional body contemplated in Chapter III of the Auditing Profession Act.</p> <p>(6) A resignation of an auditor or independent reviewer becomes effective on the date on which a written resignation is received by a co-operative, or on the date specified in the resignation, whichever is later. Page 15 Lines 50 to 59</p>	Amend to ensure alignment with new requirements
116	Removal of auditor Heading Clause 51	Removal of auditor or independent reviewer Page 16 Line 4	Amend to ensure alignment with new requirements
117	51 (1) The members may by ordinary resolution remove an auditor from office Clause 51 (1)	(1) The members may by ordinary resolution remove an auditor or independent reviewer from office Page 16 Lines 6 & 7	Amend to ensure alignment with new requirements

118	51 (2) A vacancy created by the removal of an auditor must — (a) be filled at the meeting at which the auditor is removed; or (b) if not filled at the meeting, be filled within 30 days of the creation of a vacancy, by the board of directors, subject to the registrar's approval. Page 16 Lines 10 to 15	A vacancy created by the removal of an auditor or independent reviewer must— (a) be filled at the meeting at which the auditor or independent reviewer is removed; or (b) if not filled at the meeting, be filled within 30 days of the creation of a vacancy, by the board of directors, subject to the registrar's approval. Page 16 Lines 10 to 15	Amend to ensure alignment with new requirements
119	51 (3) An auditor appointed in terms of subsection (2) holds office for the unexpired term of his or her predecessor. Clause 51 (3)	(3) An auditor or independent reviewer appointed in terms of subsection (2) holds office [for the unexpired term of his or her predecessor] until the close of the next annual general meeting Page 16 Lines 17 to 19	Amend to ensure alignment with new requirements
120	Attendance of meeting by auditor Heading Clause 52	Attendance of meeting by auditor or independent reviewer Page 16 Line 23	Amend to ensure alignment with new requirements
121	52 (1) The auditor of a co-operative is entitled— (a) to be given notice of any general meeting at which a report of the auditor is to be discussed (b) to attend such a meeting, at the expense of the co-operative; and(c) to address the meeting on matters relating to the auditor's duties Clause 52 (1)	The auditor or independent reviewer of a co-operative is entitled— (a) to be given notice of any general meeting at which a report of the auditor or independent reviewer is to be discussed (b) to attend such a meeting, at the expense of the co-operative; and(c) to address the meeting on matters relating to the auditor's or independent reviewer's duties Page 16 Lines 26 to 34	Amend to ensure alignment with new requirements

122	<p>52 (2) A director or a member of a co-operative may require the auditor, or former auditor, to attend a general meeting at the expense of the co-operative and answer questions relating to the auditor's duties: Provided that the auditor, or former auditor of the co-operative is given written notice of 10 days of such meeting. Page 16 Lines 35 to 42</p>	<p>(2) A director or a member of a co-operative may require the auditor, [or] former auditor, independent reviewer or former independent reviewer to attend a general meeting at the expense of the co-operative and answer questions relating to the auditor's or independent reviewer's duties: Provided that the auditor, [or] former auditor, independent reviewer or former independent reviewer of the co-operative is given written notice of 10 days of such meeting. Page 16 Lines 35 to 42</p>	<p>Amend to ensure alignment with new requirements</p>
123	<p>53 (1) At the request of the auditor the members, directors, employees, agents or mandataries of a co-operative must provide any information, explanations, and access to any documents of the co-operative or any of its subsidiaries that are, in the opinion of the auditor, necessary for the purposes of the audit, Clause 53 (1)</p>	<p>(1) At the request of the auditor or independent reviewer the members, directors, employees, agents or mandataries of a co-operative must provide any information, explanations, and access to any documents of the co-operative or any of its subsidiaries that are, in the opinion of the auditor, necessary for the purposes of the audit or in the independent reviewer's opinion, necessary for the purposes of the independent review. Page 16 Lines 47 to 53</p>	<p>Amend to ensure alignment with new requirements</p>

124	53 (2) At the request of the auditor the directors must obtain from any present or former directors, employees, agents or mandataries of the co-operative the information and explanations that such persons are reasonably able to provide and that are, in the auditor's opinion, necessary for the purposes of the audit Clause 53 (2)	(2) At the request of the auditor or independent reviewer, the directors must obtain from any present or former directors, employees, agents or mandataries of the co-operative the information and explanations that such persons are reasonably able to provide and that are, in the auditor's opinion, necessary for the purposes of the audit, or in the independent reviewer's opinion necessary for the purposes of the independent review. Page 16 Line 54 to Page 17 Line 2	Amend to ensure alignment with new requirements
125	No provision in 2005 Act Clause 53	(3) The auditor or an independent reviewer has the right of access at all times to all accounting records, books and documents of the co-operative, and is entitled to require from the directors or officers of the co-operative any information and explanations necessary for the performance of the auditor's or independent reviewer's duties. (4) A co-operative, member, director, employee, agent or mandatory who fails to comply with subsections (1) and (2) is guilty of an offence. Page 17 Lines 4 to 10	Additional provision to ensure Auditor or an independent reviewer has access to required information and provision that non compliance will be guilty to an offence
126	No provision in 2005 Act Clause 53	(5) A director of the co-operative who fails to comply with subsection (3) is guilty of an offence. Page 17 Lines 11& 12	Provision that director that does not comply with requirements of subsection (3) is guilty of an offence

127	No provision in 2005 Act Clause 53	<p>(6) The auditor or an independent reviewer may apply to a court for an appropriate order to enforce the rights set out in subsections (1), (2) or (3), and a court may—</p> <p>(a) make any order that is just and reasonable to prevent frustration of the auditor's or independent reviewer's duties by the co-operative or any of its directors or employees; and</p> <p>(b) make an order of costs personally against any director or employees whom the court has found to have willfully and knowingly frustrated, or attempted to frustrate, the performance of the auditor's or independent reviewer's functions</p> <p>Page 17 Lines 13 to 22</p>	<p>Provisions for auditor or an independent reviewer to apply to a court for an appropriate order to enforce rights</p>
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128	<p>54 (1) A director or employee who becomes aware of any error or misstatement in a financial statement that the auditor or, former auditor has reported on, must notify the auditor or independent reviewer without delay.</p> <p>(2) An auditor or, former auditor of a co-operative who is notified of, or in any other manner becomes aware of, a material error or misstatement in a financial statement on which they have reported, must inform the board of directors accordingly. Clause 54 (1) and (2)</p>	<p>(1) A director or employee who becomes aware of any error or misstatement in a financial statement that the auditor [or], former auditor, independent reviewer or former independent reviewer has reported on, must notify the auditor or independent reviewer without delay.</p> <p>(2) An auditor [or], former auditor, independent reviewer or former independent reviewer of a co-operative who is notified of, or in any other manner becomes aware of, a material error or misstatement in a financial statement on which they have reported, must inform the board of directors accordingly.</p> <p>Page 17 Lines 26 to 33</p>	<p>Amend to ensure alignment with new requirements</p>
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129	<p>Exempions 55 (1) Upon application in terms of section 47 (2) and subject to the requirements of subsection (2) and (3), the registrar may exempt a co-operative from full compliance with the requirements of this Chapter if satisfied that - (a) the costs of an annual audit would be materially affect the financial sustainability of the co-operative; (b) the co-operative has maintained adequate financial records, and is able to prepare annual financial statements; and (c) having regard to the size and kind of co-operative, the interest of members are adequately protected. (2) When exempting a co-operative in terms of subsection (1), the registrar must either require such co-operative to be audited - (a) at a period of longer than one year but not exceeding 10 years; or (b) by a suitably qualified person other than an auditor.</p> <p>Clause 55 (1) & (2)</p>	Repealed Page 17 Line 35	<p>Repeal of auditing exemption and provision of flexible auditing regime depending on the category of co-operative</p>
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130	<p>55 (3) The board of directors of a co-operative that is exempted in terms of subsection (1) is nevertheless required to prepare annual financial statements for submission to an annual general meeting, and to submit a copy to the registrar within 15 days of the general annual meeting approving such financial statements. (4) In the event that an annual general meeting fails to approve the financial statements referred to in subsection (3), the board of directors is required to comply with the provisions of section 48 (6)(b) in the same manner as would apply to audited financial statements. (5) The registrar may stipulate conditions to an exemption granted in terms of this section, if the registrar considers that it will serve the purpose of this Act to do so. Clause 55 (3), (4) and (5)</p>	Repealed Page 17 Line 35	Repeal of auditing exemption and provision of flexible auditing regime depending on the category of co-operative
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131	56 (2) (c) (c) if any membership share of an amalgamating co-operative is not to be converted into shares or other securities of the amalgamated co-operative, the amount of money that the holders of those shares are to receive in addition to or instead of shares of the amalgamated co-operative Clause 52 (2) (c)	(c) if any membership share of an amalgamating co-operative is not to be converted into membership shares or other securities of the amalgamated co-operative, the amount of money that the holders of those membership shares are to receive in addition to or instead of shares of the amalgamated co-operative Page 17 Lines 37 to 43	Consistent use of word membership shares
132	60 (4) After the members of the co-operative have approved the division, the constitutions of the co-operatives to be constituted by the division must be submitted to the registrar for approval together with a notice of their registered offices and, a notice of the directors and members of the co-operatives in question. Clause 60 (4)	(4) After the members of the co-operative have approved the division, the constitutions of the co-operatives to be constituted by the division must be submitted to the registrar for approval together with a notice of their registered offices [and], a notice of the directors and members of the co-operatives in question and the prescribed fee as contemplated in section 70A. Page 17 Lines 47 to 51	Provision of fees payable for division
133	62 (1) (a) convert into any other form of corporate or unincorporated body in accordance with the applicable legislation Clause 62 (1) (a)	(a) convert— (i) into any other form of co-operative; (ii) into a company as contemplated in the Companies Act, 2008 (Act No. 71 of 2008); or (iii) into any form of corporate or unincorporated body other than a co-operative or a company, in accordance with the applicable legislation Page 18 Lines 5 to 11	Provision for all other possible business forms and applicable legislation

134	62 (4) A declaration by the board of directors of the co-operative must be attached to an application in terms of subsection (1), establishing - Clause 62 (4)	A declaration by the [board of] directors of the co-operative must be attached to an application in terms of subsection (1), establishing— Page 18 Lines 14 &15	Provision for declaration by directors instead of board of directors ???
135	62 (6) If the registrar is satisfied that there has been compliance with the provisions of this Act, the registrar must—	If the registrar is satisfied that there has been compliance with the provisions of this Act and after payment of the prescribed fee contemplated in section 70A, the registrar must— Page 18 Lines 18 to 20	Provision of fees payable for conversion
136	No provision in 2005 Act Clause 62 (c)	(c) register the newly converted co-operative. Page 18 Line 24	Provision for registration of newly converted co-operative
137	62(7) (c) if the co-operative is converted into a company, all members of the co-operative become shareholders of that company Clause 62 (7) (c)	(c) if the co-operative is converted into a company[,]— (i) all members of the co-operative become shareholders of that company; and (ii) it cannot continue to use the word “co-operative” in its name or branding. Page 18 Lines 27 to 30	Unlawful to continue using the word "co-operative" if converted into a company
138	63 (6) The registrar must approve the application referred to in subsection (1) if satisfied	(6) The registrar must approve the application referred to in subsection (1) if satisfied that there has been compliance with the relevant provisions of this Act, [and] the constitutions of the co-operatives in question and the payment of the prescribed fee as stipulated in section 70A. Page 18 Lines 35 to 38	Provision of fees payable for transfers

139	64(a) written notice of at least three months of the proposal has been given to each known creditor who has a claim exceeding one thousand rand or such other amount as the Minister may from time to time prescribe by notice in the Gazette; and	(a) written notice of at least three months of the proposal has been given to each known creditor who has a claim exceeding one thousand rand or such other amount as the Minister may [from time to time] prescribe by notice in the Gazette; and Page 18 Lines 42 to 45	Deletion of words "from time to time"
140	No provision in 2005 Act Clause 64	(2) It is an offence for any director to make a false declaration in respect of this section. Page 18 Lines 48 & 49	Clarify that its is an offence for any director to make a false declaration in respect of this section.
141	66 (2) (d) two certified copies of the company's memorandum and articles of association; Clause 66 (2) (d)	(d) two certified copies of the company's memorandum [and articles of association] of incorporation; Page 18 Lines 54 & 55	Alignment with companies act as amended
142	66 (2) (e) two copies of either a proposed new constitution in terms of this Act or a proposed amendment of the memorandum and articles of association of the company bringing the memorandum and articles into line with the provisions of this Act; and Clause 66 (2) (e)	(e) two copies of [either] a [proposed] new constitution in terms of this Act [or a proposed amendment of the memorandum and articles of association of the company] bringing the [memorandum and articles] newly converted co-operative into line with the provisions of this Act; and Page 19 ines 1 to 5	Alignment with companies act as amended

143	<p>66 (3) A company may instead of a document referred to in subsection (2) (e) give the registrar an undertaking in writing that if it is converted into a co-operative it will, within one year of its conversion, replace its memorandum and articles of association with a constitution in terms of this Act or will otherwise amend its memorandum and articles of association so as to bring them into line with the provisions of this Act.</p>	<p>(3)A company intending to convert into a co-operative must convert within 90 days from the date of notification being submitted to the registrar of co-operatives. Page 19 Lines 7 to 9</p>	<p>Clear timeframes for conversions</p>
144	<p>(c) the company's memorandum and articles of association, with due regard to the proposed amendment, or the proposed new constitution, if such proposed amendment or new constitution accompanied the application are not inconsistent with this Act, he or she must approve the application, or if he or she is not satisfied, he or she may conditionally approve or reject the application Clause 67 (3) (c)</p>	<p>(c) the constitution of the new co-operative. Page 19 Line 14</p>	<p>Compulsory to submit the constitution of the new co-operative that must ensure compliance to this Act</p>

145	<p>(b) the memorandum and articles of association or new constitution, as the case may be, are registered conditionally or unconditionally, and a certificate is issued in duplicate that the company has been incorporated as a co-operative in terms of this Act and that the memorandum and articles of association or new constitution, as the case may be, have been submitted in the manner contemplated in this Act Clause 67 (3) (b)</p>	<p>(b) the [memorandum and articles of association or] new constitution [, as the case may be, are] of the co-operative is registered [conditionally or unconditionally], and a certificate is issued in duplicate that the company has been incorporated as a co-operative in terms of this Act [and that the memorandum and articles of association or new constitution, as the case may be, have been submitted in the manner contemplated in this Act]. Page 19 Lines 17 to 23</p>	<p>Compulsory to submit the constitution of the new co-operative that must ensure compliance to this Act and registrar must issue a certificate confirming that the company has been incorporated as a co-operative in terms of this Act</p>
146	<p>(4) One copy of the certificate and the memorandum and articles of association or new constitution, as the case may be, must be sent to the applicant and the other copy must be retained within the office of the registrar Clause 67 (4)</p>	<p>(4) One copy of the certificate and [of the memorandum and articles of association or] the new constitution [, as the case may be,] must be sent to the applicant and the other copy must be retained within the office of the registrar. Page 19 Lines 25 to 28</p>	<p>Compulsory to submit the constitution of the new co-operative that must ensure compliance to this Act</p>
147	<p>(c) if a new constitution was not substituted, the memorandum and articles of association of the company are considered to be the constitution of a co-operative Clause 68 (c)</p>	<p>(c) the constitution of the new co-operative substitutes the memorandum and articles of association Page 19 Lines 32 & 33</p>	<p>Compulsory to submit the constitution of the new co-operative that must ensure compliance to this Act</p>

148	(f) the constitution or the memorandum and articles of association, as the case may be, bind the co-operative and each member to the same extent as if it had been signed by each member, subject to this Act Clause 68 (f)	(f) the constitution [or the memorandum and articles of association, as the case may be, bind] binds the co-operative and each member to the same extent as if it had been signed by each member, subject to this Act Page 19 Lines 35 to 38	The constitution binds each member of the co-operative to the same extent
149	(1)Aco-operative which as a company has given an undertaking under section 66(3) to the registrar must within one year of the date of its incorporation amend its memorandum and articles of association or replace its memorandum and articles of association with a new constitution so as to bring it into conformity with the provisions of this Act. Clause 69 (1)	(1)Aco-operative which as a company has given an undertaking under section 66(3) to the registrar must within [one year] 90 days of the date of its incorporation [amend its memorandum and articles of association or replace its memorandum and articles of association with a new] submit its constitution so as to bring it into conformity with the provisions of this Act. Page 19 Lines 42 to 46	Shorten period of 1 year to 90 day and co-operative now must submit its new constitution

150	No provision in 2005 Act	<p>70A. (1) A co-operative that undertook to amalgamate, divide, convert or transfer, must pay the prescribed fee to the registrar.</p> <p>(2) The Minister must, after consultation with the registrar, by notice in the Gazette prescribe—(a) the fees payable in respect of matters contemplated in subsection (1);</p> <p>(b) the person by whom the fees must be paid;</p> <p>(c) the manner of payment of such fees; and</p> <p>(d) where necessary, the interest payable in respect of overdue fees. Page 19 Line 50 to Page 20 Line 4</p>	Costly for CIPC to administer amalgamations, divisions, conversions and transfers. Provision for Minister to prescribe fees payable.
151	71. (1) A co-operative may be wound up voluntarily by a special resolution of at least 75% of its members. (2) A co-operative must be wound up, if ordered to do so by - (a) a court, in terms of section 72; or (b) the Minister in terms of section 73 Clause 71	<p>71. (1) A co-operative may be wound up—</p> <p>(a) voluntarily in terms of section 71A;</p> <p>(b) by an order of the court in terms of section 72; or</p> <p>(c) by an order of the registrar or Tribunal in terms of section 72B.</p> <p>(2) The Minister must, by notice in the Gazette, prescribe procedures relating to the modes of winding-up within three months of commencement of this Act. Page 20 Lines 8 to 14</p>	Section 71 A now stipulates that a co-operative may be wound up voluntarily by special resolution of 60 % of its full membership. Previous requirement of 75% not clear if referred to full membership or members present at meeting were decision is taken
152	No provision in 2005 Act	<p>Voluntary winding-up</p> <p>71A. A co-operative may be wound up voluntarily by special resolution of a minimum of 60 per cent of its full members. Page 20 Lines 17 to 19</p>	Now clarity in terms of requirements for voluntary winding up of co-operative

153	(a) the co-operative is unable to pay its debts; (b) there is no reasonable probability that it will be able to pay its debts or become a viable co-operative Clause 72 (1) (a) and (b)	Deleted Page 20 Lines 21 & 22	Clause 72 (c) "it appears just and equitable to do so" provides for a court or any other interested person to order a co-operative to wound up. Winding up of co-operatives will be dealt with in terms of the appropriate legislation
154	No provision in 2005 Act	Application for declaratory order 72A. The registrar may approach the court for a declaratory order that the liquidation process is deemed to have been finalised by the registrar if the liquidator concerned has not complied fully with the provisions of the Act. Page 20 Lines 25 to 28	Provision for registrar to approach the court for a declaratory order
155	No provision in 2005 Act	Winding-up by order of registrar or Tribunal Page 20 Line 29	

156	No provision in 2005 Act	<p>72B. The registrar or Tribunal may order that a co-operative be wound up if—</p> <p>(a) the co-operative has more than once been convicted of an offence in terms of section 19(4);</p> <p>(b) for a continuous period of two years, the co-operative has not—</p> <p>(i) transacted business;</p> <p>(ii) submitted annual accounting reports or the equivalent thereof;</p> <p>and</p> <p>(iii) held annual general meetings;</p> <p>(c) the co-operative was formed for a particular period for the occurrence of a particular event and that period has expired or that event has occurred; Page 20 Line 30 to 41</p>	Provision for registrar or Tribunal to order a co-operative to be wound up to ensure good governance and compliance to law
157	No provision in 2005 Act	<p>(d) after an investigation the registrar or Tribunal is of the opinion that the incorporation of the co-operative was obtained through fraud and is not fully in compliance with this Act; or (e) after receiving written affidavits from members of the co-operative or after an investigation, the registrar or Tribunal is of the opinion that the co-operative does not carry out its objectives according to cooperative principles as required by this Act.” Page 20 Line 42 to Page 21 Line 4</p>	Provision for registrar or Tribunal to order a co-operative to be wound up to ensure good governance and compliance to law

158	<p>Winding-up or de-registration by order of Minister Clause 73 Admission and proving of claims against co-operatives being wound up Clause 74 Distribution account Clause 75 and Contribution account Clause 76</p>	<p>Repealed section 73, 74, 75 and 76 Page 21 Line 6</p>	<p>Normal winding-up provisions will apply</p>
159	<p>77. (1) A court may grant a judicial mangement order in respect of a co-operative - (a) when that co-operative by reason of mismanagement or for any other cause is unable to pay its debts or is probably unable to meet its obligations; (b) when that co-operative by reason of mismanagement or for any other cause has not become or is prevented from becoming a viable co-operative; (c) if there is a reasonable probability that, if it is placed under judicial management, it will be able to pay its debts or to meet it obligations and become a viable co-operative; and (d) if it appears just and equitable to do so Clause 77 (1)</p>		

160	<p>77 (2) An application to court for a judicial management order in respect of a co-operative may be made - (a) by the co-operative voluntarily after a special resolution to that effect; (b) by any interested person; or (c) by the Minister on the recommendation of the registrar (3) When an application for the winding-up of a co-operative is made to a court and it appears to the court that if the co-operative is placed under judicial management the grounds for its winding-up may be removed and it will become a viable co-operative, and that the granting of a judicial management order would be just and equitable, the court may grant such an order in respect of that co-operative Clause 77 (2) and (3)</p>	<p>Judicial management 77. (1) In any matter relating to the functioning of a co-operative identified by the Tribunal as having the potential to result in an order of provisional judicial management being issued in respect of such cooperative, the Tribunal must provide every form of support that is within its mandate, as set out in Chapter 12C, to the co-operative concerned. (2) In the event of the Tribunal not being able to transform the co-operative concerned into an operational co-operative, the provisions relating to judicial management will apply. (3) The Minister must, by notice in the Gazette, publish procedures relating to judicial management within three months of commencement of this Act. Page 21 Lines 9 to 20</p>	<p>Clear detailed schedule of how judicial management should take place. Provision for co-operative-tribunal to assist with the process</p>
161	<p>81 Any documentation or information that a co-operative is required to submit to the registrar must be submitted in such form and manner as may from time to time be prescribed Clause 81</p>	<p>Submission of documentation to registrar 81. Any documentation or information that a co-operative is required to submit to the Advisory Council, Agency, registrar or Tribunal must be submitted in such form and manner as may [from time to time] be prescribed. Page 21 Lines 23 to 27</p>	<p>Deleted wording "from time to time"</p>

162	<p>82. (1) A person may, in writing, upon payment of a prescribed fee, apply to the registrar to examine any document that a co-operative has sent to the registrar in terms of this Act, except a report relating to transactions between a co-operative and its members, and to make copies of, or take extracts from such document.</p> <p>(2) The registrar must, on receipt of the application referred to in subsection (1), provide such person with copies of the requested documents, except a report relating to transactions between a co-operative and its members. Clause 82</p>	<p>(3) The registrar must—</p> <p>(a) on receipt of information from a person examining a document as contemplated in subsection (1), investigate such information to determine why the documents have not been submitted or why the incorrect documents have been submitted contrary to the provisions of this Act; and</p> <p>(b) in the event that a particular document has not been submitted or an incorrect document has been submitted, take the necessary steps to ensure that the co-operative concerned submit or rectify the document concerned Page 21 Lines 31 to 38</p>	<p>Registrar to pro-actively ensure compliance to legislative requirements and to do follow-ups with co-operatives</p>
163	<p>Investigation by registrar</p> <p>84. (1) The registrar may order an investigation into or inspection of the business of a co-operative if the registrar has reason to believe that the co-operative is not conducting its affairs in accordance with co-operative principles or is contravening a provision of this Act. Clause 84 (1)</p>	<p>Investigation by registrar</p> <p>84. (1) The registrar may order an investigation into or inspection of the business of a co-operative if the registrar—</p> <p>(a) has reason to believe that the co-operative [is not conducting] has conducted its affairs [in accordance with] in contravention of—</p> <p>(i) the co-operative principles [or is contravening];</p> <p>(ii) its constitution; or (iii) a provision of this Act; or Page 21 Line 50 to Page 22 Line 1</p>	<p>Strengthen provision to ensure clarity and report from contraventions with law also consider issues of corporate principles</p>

164	<p>(2) The registrar may make any recommendation he or she considers appropriate following an investigation or inspection in terms of subsection (1), including a recommendation to—</p> <p>(a) the co-operative;</p> <p>(b) the Minister in terms of section 73; and</p> <p>(c) the relevant prosecuting authority.</p> <p>Clause 84 (2)</p>	<p>(b) is satisfied that circumstances exist which justify such an investigation or inspection.</p> <p>(2) The registrar—</p> <p>(a) must refer the matter for resolution to the Tribunal if the results of the investigation or inspection contemplated in this section warrants further action; or</p> <p>(b) may make any recommendation he or she considers appropriate following an investigation or inspection in terms of subsection (1), including a recommendation to—</p> <p>[(a)] (i) the co-operative; (ii) the Agency, if additional support for the co-operative is required; [(b)](iii) the Minister [in terms of section 73]; and [(c)](iv) the relevant prosecuting authority.</p> <p>(3) A co-operative, member, director, officer, employee, agent or mandatory who fails to provide information to the registrar required for the investigation or inspection as contemplated in this section, is guilty of an offence. Page 22 Lines 2 to 19</p>	<p>Strengthen provision and enables referrals to Tribunal or Agency for assistance</p>
165	<p>Chapter 12 : Co-operatives Advisory Board</p>	<p>Chapter 12 of the principal Act is hereby amended by the substitution for the expression "Advisory Board", wherever it appears, of the expression "Advisory Council Page 22 Lines 21 to 23</p>	<p>Connotation of word "Board" suggest that the structure has legal powers, whereas its objective is for advisory purposes</p>
166	<p>Functions of Advisory Board Heading Clause 86</p>	<p>Functions of Advisory [Board] Council Page 22 Line 27</p>	<p>Replace "Board" with "Council"</p>

167	86. The functions of the Advisory Board are to advise the Minister generally, and to make recommendations, with regard to— Clause 86	The functions of the Advisory [Board] Council are to advise the Minister generally[,] and to make recommendations, with regard to— Page 22 Lines 30 & 31	Replace "Board" with "Council"
168	(d) the provision of support programmes that— (i) target co-operatives, especially those co-operatives that consist of black persons, women, youth, disabled persons or persons in the rural areas; and (ii) promote equity and greater participation by[its the members of the co-operative (Clause 86 (d)	(d) the provision of support programmes that— (i) target co-operatives[, especially those co-operatives that consist of black persons, women, youth, disabled persons or persons in the rural areas] as determined by the Minister by notice in the Gazette; and (ii) promote equity and greater participation by [its] the members of the co-operative Page 22 Lines 33 to 39	Previous slise
169	(e) the establishment of guidelines for audits of co-operatives; Clause 86 (e)	Deleted Page 22 Line 40	Clear guidleines provided in Amendment Bill
170	(f) any matter referred to the Advisory Board by a co-operative, proposed co-operative or member of a co-operative that relates to promoting the development of co-operatives; Clause 86 (f)	(f) any matter referred to the Advisory [Board] Council by the Minister, the Agency, a co-operative, proposed co-operative or member of a co-operative that relates to [promoting] any matter pertaining to co-operatives, including but not limited to, the promotion of the development of co-operatives; and Page 22 Lines 42 to 46	Braoden to cover all aspect of co-operatives and not just the "promotion" of co-operatives and replace "Board" with "Council"
171	Memebers of the Advisory Board Heading Clause 87	Members of Advisory [Board] Council Page 22 Line 50	Replace "Board" with "Council"

172	87. (1) The Minister must appoint as members of the Advisory Board not less than five but not more than 10 persons capable of representing the interests of co-operatives in the Republic. Clause 87 (1)	(1) The Minister must appoint as members of the Advisory [Board] Council not less than five but not more than 10 persons [capable of representing] appropriately qualified to represent the interests of co-operatives in the Republic. Page 22 Lines 52 to 55	Replace "Board" with "Council" and replace wording "capable of representing" with "appropriately qualified" to represent the interests of co-operatives
173	(2) When appointing members in terms of subsection (1), the Minister must have Clause 87 (2)	When appointing members in terms of subsection (1), the Minister must have regard to the need for the Advisory [Board] Council— Page 23 Line 3& 4	Replace "Board" with "Council"
174	(b) to represent different relevant constituencies including trade unions, business, co-operative support organisations and academics. Clause 87 (2) (b)	(b) to represent different relevant constituencies including trade unions, business, co-operative support organisations, women, youth, the disabled and academics. Page 23 Lines 7 to 9	Specific provision for women, youth and disabled
175	(3) The Minister must designate one of the members of the Advisory Board as chairperson.	(3) The Minister must designate one of the members of the Advisory [Board] Council as chairperson. Page 23 Lines 10 & 11	Replace "Board" with "Council"
176	No provision in 2005 Act	CO-OPERATIVES DEVELOPMENT AGENCY Page 23 Line 15 to Page 26 Line 35	Co-operative Agency established as government component to perform its powers and functions in accordance with this Act and any other relevant law. Amendment Bill provides for objectives; functions; general powers; reporting; funding; annual budget and strategic plan as well as financial management, financial statements and annual report of agency

177	No provision in 2005 Act	<p>CO-OPERATIVES TRIBUNAL Page 26 Line 36 to Page 34 Line 8</p>	<p>Amendment Bill provides for establishment of Tribunal to ensure enforcement of legislation, assistance with judicial management, winding-up, deregistration, conflict resolution and liquidation. Amendment Bills provides for establsihment, legal status and composition of tribunal; appointment and composition of tribunal; functions of tribunal; prohibition on tribunal; appointment and composition of investigators, inspectors or inspectorate; adjudication of hearings before tribunal; right to participate in hearing; powers of tribunal in adjudicating hearing; rules of procedure; witnessess; appointment, composition and functions of co-operative conflict resolution commission; right to information; summons; authority to enter and search under warrant; powers to enter and search; conduct of enter and search and compromise between co-operative and creditors</p>
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178	<p>92 (3) (3) Any person who contravenes or who fails to comply with the provisions of sections 12, 19, 21, 22, 38, and 39 is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding 24 months, or to both [a] such fine and such imprisonment</p> <p>Clause 92 (3)</p>	<p>(3) Any person who contravenes or who fails to comply with the provisions of sections 12, 19, 21, 22, 38, [and] 39, 50, 53 and item 12 of Schedule 1A, is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding 24 months, or to both [a] such fine and such imprisonment</p> <p>Page 34 Lines 12 to16</p>	<p>Includes contravention is terms of section 50, 53 and item 12 of Schedule 1A in the provision</p>
179	<p>No provision in 2005 Act Clause 92</p>	<p>(4) Despite anything to the contrary contained in any other law, a Magistrate's Court has jurisdiction to impose any penalty contemplated in subsection (3)</p> <p>Page 34 Lines 18 to 20</p>	<p>Provision that a Magistrate's Court has the jurisdiction to impose any penalty contemplated in subsection (3)</p>

180	No provision in 2005 Act	<p>assessment</p> <p>94A. The Minister must, by notice in the Gazette and within six months after the commencement of this Act, taking into account national and relevant provincial norms and standards, publish a framework— (a) providing for minimum norms and standards in respect of procedures for and the frequency of monitoring, evaluation and assessment of— (i) all structures established or recognised in accordance with this Act; (ii) the status of the co-operative movement; (iii) the various categories of co-operatives contemplated in this Act; and (vi) the levels of primary co-operatives; and (b) establishing the necessary mechanisms, processes, procedures and indicators required for the effective implementation thereof, to report on, monitor, evaluate, assess and determine the impact of the exercise of powers, the performance of functions, the execution of duties and the operational efficiency of such structures and co-operatives. Page 34 Lines 23 to 39</p>	<p>Provision made for reporting, monitoring, evaluation and assessment of all structures established or recognised in accordance of this Act; the status of the co-operative movement; the various categories of co-operatives contemplated in this Act and the levels of primary co-operatives.</p>
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181	No provision in 2005 Act	<p>Chief Directorate: Co-operatives 94B. (1) The entity within the Department responsible for co-operatives, known as the Chief Directorate: Co-operatives must, in respect of co-operatives—</p> <p>(a) formulate, implement and update—</p> <p>(i) a policy framework;</p> <p>(ii) a regulatory framework; and</p> <p>(iii) an administrative framework;</p> <p>(b) implement the framework for monitoring and evaluation as contemplated in section 94A;</p> <p>(c) provide information at the request of the Advisory Council and Tribunal on any matter that should be considered by the Advisory Council or Tribunal; Page 34 Lines 40 to 52</p>	<p>Provision for Chief Directorate Co-operatives to ensure enabling policy environment; the implementation of the reporting, monitoring, evaluation and assessment framework provided for in 94A and to provide information to the Co-operative Advisory Council and Tribunal</p>
182	No provision in 2005 Act	<p>(d) establish the structures contemplated in this Act and provide the Advisory Council and Tribunal with the financial, human, technical, training, infrastructural and other support that is necessary for its effective functioning; and</p> <p>(e) administer the provisions of this Act, including the appointment of support staff for the Advisory Council and the Tribunal. Page 34 Line 53 to page 35 line 4</p>	<p>Chief Directorate Co-operatives Development to establish structures provided for in this Act and to provide the Advisory Council and Tribunal with financial, human, technical Training, infrastructure and other support that is necessary for its effective functioning</p>

183	No provision in 2005 Act	<p>(2) The Chief Directorate: Co-operatives—</p> <p>(a) must advise the Minister in respect of the Tribunal and the Agency;</p> <p>(b) has a monitoring role in respect of intergovernmental structures; and</p> <p>(c) must advise the Minister on—</p> <p>(i) the status and functioning of the entities referred to in paragraph (a);</p> <p>(ii) the status and functioning of intergovernmental structures established in accordance with Chapter 12A;</p> <p>(iii) the status of the co-operative movement; and</p> <p>(iv) mechanisms that would promote the co-operative movement. Page 35 Lines 5 to 14</p>	Provision for Chief Directorate to advise Minister on the status of structures established in terms of this Act
184	<p>97 (2) A co-operative referred to in subsection (1) must, within three years of this Act coming into affect - (a) amend its constitution to the extent necessary in order to comply with the requirements of this Act; and (b) submit its constitution, to the registrar for registration in terms of section 6 (2), read with the changes required by the context.</p>	<p>(2) The provisions of this Act—</p> <p>(a) apply to a co-operative referred to in subsection (1); and</p> <p>(b) are transitional for a period of two years from the date of commencement of the Co-operatives Amendment Act, 2012, for co-operatives to update their constitutions in accordance with the provisions of this Act, and in case of non-compliance after the twoyear transitional period, a co-operative will be deemed to be deregistered. Page 35 Lines 18 to 25</p>	Allows for transitional period of 2 years and aligned with new requirements

		<p>“(7) The Minister must, by notice in the Gazette, within three months after the commencement of the Co-operatives Amendment Act, 2012, publish—</p> <p>(a) model constitutions, model business plans and a framework for process planning; and</p> <p>(b) other forms that he or she may consider necessary, that may be used by co-operatives.</p> <p>(8) An entity contemplated in section 62(1)(a) of this Act must publish a notice of its conversion within 30 days after receipt of the notification of approval from the CIPC.</p> <p>(9) The Minister must, before the commencement of the Co-operatives Amendment Act, 2012, appoint the chairperson and other members of the Tribunal as contemplated in section 91N</p>	<p>Provision made for Minister to provide model constitutions; model business plans; framework for process planning and other forms required by co-operatives. Timeframes for notices of conversions and the appointment of the chairperson and other members of the Tribunal</p>
185	No provision in 2005 Act		
186	Schedule 1 Part 1 Item 2(b) "limited" or "Ltd"	(b) [“limited”] “Limited” or “Ltd. Page 35 Line 43	Consistency in use of words "Limited" and "Ltd" spelled with capital letters
187	Exclusion Heading Item 6	[Exclusion] Application of other legislation Page 35 Line 47	Amend to provide better discription of provision

188	6. The provisions of the Share Bloc Control Act, 1980 (Act No. 59 of 1980), do not apply to a housing co-operative registered in terms of this Act Schedule 1 Part 1 Item 6	<p>(1) The provisions of the Share [Block] Blocks Control Act, 1980 (Act No. 59 of 1980)[,]—</p> <p>(a) do not apply to a housing co-operative registered in terms of this Act in respect of every individual unit owned by the housing co-operative concerned that is used by a member by means of a rental agreement;</p> <p>and (b) apply to a housing co-operative registered in terms of this Act in respect of every individual unit of the housing co-operative concerned that has been transferred in ownership to a member.</p> <p>(2) The provisions of the Sectional Titles Act, 1986 (Act No. 95 of 1986), apply to any unit owned by the housing co-operative or transferred in ownership to a member if the provisions of the Sectional Titles Act, 1986, have been complied with Page 35 Line 48 to page 36 line 7</p>	Provision for compliance with Share block legislation and Sectional Title Act depending on type of ownership
189	Schedule 1 Part 2 Item 2 (b) "limited" or "Ltd"	(b) ["limited"] "Limited" or "Ltd. Page 36 Line 10	Consistency in use of words "Limited" and "Ltd" spelled with capital letters

190	<p>6 (1) A member of a worker co-operative is not an employee as defined in terms of the Labour Relations Act, 1995 (Act No. 66 of 1995), and the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997). (2) Despite subsection (1), a worker co-operative is deemed to be the employer of its members who work for the co-operative for the purpose of the following Acts: (a) The Skills Development Act, 1998 (Act No. 97 of 1998); (b) the Skills Development Levies Act, 1999 (Act No. 9 of 1999); (c) the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993); (d) the Compensation for Occupational Injuries and Disease Act, 1993 (Act No. 130 of 1993); (e) the Unemployment Insurance Act, 2001 (Act No. 63 of 2001); and (f) the Unemployment Insurance Contributions Act, 2002 (Act No. 4 of 2002) Schedule 1, Part 2 Item 6</p>	<p>(1) An employee of a worker co-operative is defined as a member— (a) or non-member who receives a wage; or (b) who receives any form of income from the co-operative. (2) An employee of a worker co-operative is deemed to be an employee as defined in the Labour Relations Act, 1995 (Act No. 66 of 1995), and the Basic Conditions of Employment Act, 1997 (Act No.75 of 1997). (3) All worker co-operatives must comply with applicable labour legislation. (4) Despite subsections (1) and (2), a co-operative may apply for an exemption from the bargaining council concerned, or, if the co-operative falls outside the scope of the bargaining council, for a variation from the Minister of Labour in respect of members who are employees— (a) in cases where compliance would create legal anomalies; or (b) in cases where the only employees involved are members who do not receive a wage and where the co-operative does not supply more than half its product to a company registered for value-added tax.</p> <p>Page 36 Lines 16 to 30</p>	<p>Challenge that worker-co-operatives are used to abuse employees and to circumvent the Labour Relations and Basic Conditions of Employment Acts. In terms on new provision employees and members of worker co-operatives whether a member or non-member is deemed to be an employee as defined in terms of the Labour Act as well as the Basic Conditions of Employment Act. Provision is made for exemptions from bargaining council and/or Minister of Labour</p>
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191	Reference made to financial service co-operative or financial service co-operatives In heading to Part 3 as well as in Items 1, 2, 3, 4, 5, 6, 7 and 8	Part 3 of Schedule 1 to the principal Act is hereby amended by the substitution for the expressions "financial services co-operative" and "financial services co-operatives", wherever they appear, of the expressions "financial co-operative" or "financial co-operatives", respectively. Page 36 Lines 32 to 35	Provision to change wording financial services co-operative (s) to financial co-operative(s)
192	No provision in 2005 Act	Name of co-operative 1A. The name of a financial co-operative must comply with the provisions of section 10 of this Act, except where required otherwise by other legislation. Page 36 Lines 39 to 42	Provision to ensure compliance with this Act as well as other legislation with respect to the name of co-operative

193	<p>Establishment of self-regulatory body for financial services co-operatives 6.</p> <p>(1) The registrar may, in consultation with the Registrar of Banks, or Registrars of Long-term or Short-term Insurance, or the Registrar of Medical Schemes, as the case may be, direct that all co-operatives to whom this part applies, or any category of co-operative to whom this part applies, belong to a secondary co-operative that will act as a self-regulatory body, in compliance with any requirement for exemption from any provision of the Banks Act, 1990 (Act No. 94 of 1990), the Long-term Insurance Act, 1998 (Act No. 52 of 1998), or (Short-term Insurance Act, 1998 (Act No. 53 of 1998), or the Medical Schemes Act (Act No. 131 of 1998). Schedule 1 Part 3 Item 6 (1)</p>	<p>Exemption</p> <p>6A. The registrar may, in consultation with the Registrar of Banks, the Registrars of Long-term Insurance or Short-term Insurance, or the Registrar of Medical Schemes, as the case may be, direct that all co-operatives, to whom this part applies, or any category of co-operative to whom this part applies, other than a co-operative bank, must provide a recommendation letter from the regulator as contemplated in</p>	
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194	<p>(2) The registrar has the power to de-register any co-operative to whom this Part applies that refuses or fails, within a reasonable period of time, to become a member of a secondary co-operative that meets the requirements of the Registrar of Banks to be a self-regulatory body. Schedule 1 Part 3 Item 6 (2)</p>	<p>the Banks Act, 1990 (Act No. 94 of 1990), in compliance with any requirement for exemption from any provision of the Banks Act, 1990 (Act No. 94 of 1990), the Long-term Insurance Act, 1998 (Act No. 52 of 1998), the Short-term Insurance Act, 1998 (Act No. 53 of 1998), or the Medical Schemes Act, 1998 (Act No. 131 of 1998). Page 37 Lines 4 to 15</p>	
195	<p>Definitions 8 For the purposes of the Part "financial services" means any financial or banking service a co-operative may provide to its members, and includes the provision of long-term and short-term insurance, as envisaged in terms of the Long-term Insurance Act, 1998 (Act No. 52 of 1998), or Short-term Insurance Act, 1998 (Act No. 53 of 1998), and the business of a medical scheme, as envisaged in terms of the Medical Schemes Act (Act No. 131 of 1998), and funeral services Schedule 1 Part 3 Item 8</p>	<p>Definitions 8. For the purposes of this Part, 'financial service' means any financial or banking service a co-operative may provide to its members, and includes the provision of long-term and short-term insurance, as envisaged in terms of the Long-term Insurance Act, 1998 (Act No. 52 of 1998), or the Short-term Insurance Act, 1998 (Act No. 53 of 1998), and the business of a medical scheme, as envisaged in terms of the Medical Schemes Act, 1998 (Act No. 131 of 1998), and funeral services, as envisaged in the Friendly Societies Act, 1956 (Act No. 25 of 1956). Page 37 Lines 19 to 27</p>	<p>Amend definitions to ensure alignment with new amendments</p>

196	<p>Name</p> <p>2 The name of an agricultural co-operative must include the following words: (a) "agricultural co-operative", or "agricultural co-op" (b) "limited" or "Ltd"</p>	<p>Name</p> <p>2. (1) The name of an agricultural co-operative must comply with the provisions of section 10. (2) The name of an agricultural co-operative must include the word "Limited" or "Ltd". Page 37 Lines 31 to 35</p>	<p>Ensure compliance with requirements for name of a co-operative and consistency in use of words "Limited" and "Ltd" spelled with capital letters</p>
197	No provision in 2005 Act	<p>Part 5</p> <p>Social co-operatives Page 37 Lines 38 and 39</p>	Provision made for social co-operatives
198	No provision in 2005 Act	<p>Application of this Part</p> <p>1. (1) This Part applies to social co-operatives which must comply with— (a) the requirements contemplated in this Part; and (b) all other relevant provisions of this Act. Page 37 Lines 40 to 44</p>	Provision made for social co-operatives to comply with this part of the Act as well as other relevant legislation
199	No provision in 2005 Act	<p>Name</p> <p>2. The name of a social co-operative must comply with the requirements of section 10 of this Act. Page 38 Lines 1 to 3</p>	Provision made for name requirement of social co-operatives
200	No provision in 2005 Act	<p>Requirements of constitution</p> <p>3. In addition to any other requirements of this Act, the constitution of a social co-operative must specify the nature of the social service the co-operative aims to provide its members. Page 38 Lines 4 to 7</p>	Provision made for constitution of social co-operatives in addition to normal requirements for constitutions of co-operatives

201	No provision in 2005 Act	<p>Surplus</p> <p>4. A social co-operative may—</p> <p>(a) set aside 100 per cent of its surplus to an indivisible reserve; and</p> <p>(b) capitalise all donations and grants, in order to enjoy the benefits of public benefit organisations. Page 38 Lines 9 to 12</p>	Special provisions for surplus of social co-operatives
202	No provision in 2005 Act	<p>Termination of membership</p> <p>5. (1) Despite any other provisions of this Act, the constitution of a social co-operative may give the board of directors of the social co-operative the power to terminate the membership of a member if there is good reason to do so.</p> <p>(2) Before terminating the membership of a member, the board of directors must give such member—</p> <p>(a) notice that termination is contemplated;</p> <p>(b) written reasons for the proposed termination which, in the case of a member who has served a period of probation, must relate to the conduct or capacity of the member to carry out his or her duties, or to the operational requirements of the co-operative; and</p> <p>(c) a right to be heard. Page 38 Lines 13 to 25</p>	Provisions for termination of membership to social co-operatives

203	No provision in 2005 Act	<p>(3) A member whose membership is terminated by the board of directors has a right to appeal to a general meeting within the time limit set out in the constitution.</p> <p>(4) A termination of the membership of a member by the board of directors is confirmed on appeal if the members, at a duly called general meeting, do not reverse the decision of the board of directors.</p> <p>(5) If a general meeting is called to consider the appeal of a member whose membership is terminated and a quorum of members is not present, the decision of the board of directors cannot be confirmed. Page 38 Lines 26 to 34</p>	Provisions for termination of membership to social co-operatives - continues ..
204	No provision in 2005 Act	<p>Definitions</p> <p>6. For the purposes of this part 'social co-operative' means a co-operative whose main objective is to provide social services to its members such as the elderly, children and the sick. Page 38 Lines 35 to 38</p>	Provisions for definition for social co-operatives