

CHAPTER 141

SOCIETIES

Ordinances AN ORDINANCE TO MAKE PROVISION FOR THE REGISTRATION OF MUTUAL,
Nos.16of1891, PROVIDENT AND OTHER SOCIETIES.
17 of 1926,
14 of 1932,

Act
No. 55 of 1949.

[13th December, 1891.]

- Short title. **1.** This Ordinance may be cited as the Societies Ordinance. officer in the department of the Registrar of Companies as may be authorized by the Registrar of Companies to discharge the duties of the Registrar under this Ordinance;
- Interpretation. **2.** In this Ordinance, if not inconsistent with the context, the following terms shall have the meanings hereinafter respectively assigned to them;—
- " amendment of rule " shall include a new rule and a resolution rescinding a rule; rules" shall mean rules for the time being.
- " the committee" shall mean the committee of management or other directing body of a society; **3.** The following societies may be registered under this Ordinance;— Societies which may be registered.
- " meeting " shall include (where the rules of a society so allow) a meeting of delegates appointed by members; (a) societies (herein called " mutual provident societies ") established for the object of promoting thrift, of giving relief to members in times of sickness or distress, of aiding them when in pecuniary difficulties, and for making provision for their widows and orphans:
- "officer" shall extend to any trustee, treasurer, secretary, member of the committee, manager, or servant other than a servant appointed by the committee of a society; (b) societies for any purpose which the Minister may, by notification in the Gazette, authorize as a purpose to which the powers and facilities of this Ordinance ought to be extended (herein called " specially authorized societies").
- " persons claiming through a member" shall include the heirs, executors, administrators, and assigns of a member, and his nominees, where nomination is allowed;
- " property " shall mean all movable and immovable property (including books and papers); **4.** The Minister may limit the application of this Ordinance as respects specially authorized societies to such of the provisions herein contained as may be specified in the notification authorizing the registration of any such society. Limited application of the Ordinance.
- " registered society " shall mean a society registered or deemed to be registered under this Ordinance;
- " Registrar" means the Registrar of Companies, and includes any such societies the following provisions shall have effect:— **5.** With respect to the registry of societies the following provisions shall have effect:— Registry of societies.

- (1) No society can be registered under this Ordinance which does not consist of seven persons at least, and has not a subscribed capital of at least ten thousand rupees.
- (2) For the purpose of registry an application to register the society, signed by seven members and the secretary, and two written or printed copies of the rules, shall be sent to the Registrar.
- (3) No society shall be registered under a name identical with that under which any other existing society is registered, or so nearly resembling such name as to be likely, in the opinion of the Registrar, to deceive the members of the public as to its identity; and no society shall change its name without sanction of the Registrar, or otherwise than as hereinafter provided.
- (4) The words " Society, Limited " shall be the last words in the name of every society registered under this Ordinance.
- (5) The Registrar, on being satisfied that a society has complied with the provisions as to registry in force under this Ordinance, shall issue to such society an acknowledgment of registry.
- (6) If the Registrar refuses to register any society, or any rules, the society may appeal from such refusal to the Court of Appeal.
- (7) If the refusal of registry be overruled on appeal, an acknowledgment of registry shall thereupon be given to the society by the Registrar.
- (8) The acknowledgment of registry shall be conclusive evidence that the society therein mentioned is duly registered, unless it be proved that the registry of the society has been suspended or cancelled.
6. With respect to the cancelling or suspension of registry the following provisions shall have effect:—
- (1) The Registrar may cancel the registry of a society, by writing under his hand—
- (a) if he thinks fit, at the request of a society, to be evidenced in such manner as he shall from time to time direct;
- (b) with the approval of the Minister, on proof to his satisfaction that an acknowledgment of registry has been obtained by fraud or mistake, or that a society exists for an illegal purpose, or has wilfully, and after notice from the Registrar, violated any of the provisions of this Ordinance, or has ceased to exist.
- (2) The Registrar in any case in which he might, with the approval of the Minister, cancel the registry of a society, may suspend the same, by writing under his hand, for any term not exceeding three months, and may, with the approval of the Minister, renew such suspension from time to time for the like period.
- (3) Not less than two months' previous notice in writing, specifying briefly the ground of any proposed cancelling or suspension of registry, shall be given by the Registrar to a society before the registry of the same can be cancelled (except at its request) or suspended; notice of every cancelling or suspension shall be published in the Gazette as soon as practicable after the same takes place.
- (4) A society may appeal from the cancelling of its registry or from any suspension of the same which is renewed after six months, in manner herein provided for appeals from the Registrar's refusal to register.

Effect of cancelling or suspension.

- (5) A Society whose registry has been suspended or cancelled shall, from the time of such suspension or cancelling (but if suspended, only whilst such suspension lasts, and subject also to the right of appeal hereby given), absolutely cease to enjoy as such the privileges of a registered society, but without prejudice to any liability actually incurred by such society, which may be enforced against the same as if such suspension or cancelling had not taken place.

Rules and amendments.

7. With respect to the rules of societies the following provisions shall have effect:—

Provisions to be contained in rules.

- (1) The rules of every society sent for registry shall contain provisions in respect of the several matters mentioned in the Schedule.

Amendments to be registered.

- (2) No amendment of a rule made by a registered society shall be valid until the same has been registered under this Ordinance, for which purpose copies of the same, signed by three members and the secretary, shall be sent to the Registrar.

Provision applicable to amendments.

- (3) The provision herein contained as to appeals from a refusal of registry shall apply to amendments of rules.

Acknowledgment of registry of amendments.

- (4) The Registrar shall, on being satisfied that any amendment of a rule is not contrary to the provisions of this Ordinance, issue to the society an acknowledgment of registry of the same, which shall be conclusive evidence that the same is duly registered.

Copies of rules to be delivered on demand.

- (5) A copy of the rules of a registered society shall be delivered by the society to every person on demand on payment of a sum not exceeding twenty-five cents.

Duties and obligations of societies.

8. With respect to the duties and obligations of registered societies the following provisions shall have effect:—

(1) Every society shall—

- (a) have a registered office to which all communications, and notices may be addressed, and send to the Registrar notice of the situation of such office and of every change therein; Registered office.

- (b) paint or affix and keep painted or affixed its name on the outside of every office or place in which the business of the society is carried on, in a conspicuous position, in letters easily legible, and have its name engraven in legible characters on its seal, and have its name mentioned in legible characters in all notices, advertisements, and other official publications of the society, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods purporting to be signed by or on behalf of such society, and in all bills of parcels, invoices, receipts, and letters of credit of the society; Publication of name.

- (c) once at least in every year submit its accounts for audit to a public auditor appointed as herein mentioned, who shall have access to all the books and accounts of the society, and shall examine the general statement of the receipts and expenditure, funds and effects, of the society, and verify the same with the accounts and vouchers relating thereto, and shall either sign the same as found by him to be correct, duly vouched, and in accordance with law, or specially report to the society in what respects he finds it incorrect, unvouched, or not in accordance with law; Audit.

- (d) once in every year before the first day of June send to the Registrar a general statement (to be called the return) of the Annual returns.

receipts and expenditure, funds and effects, of the society as audited, which shall show separately the expenditure in respect of the several objects of the society, and shall be made out to the thirty-first day of December then last inclusively, and shall state that the audit has been conducted by a public auditor appointed as by this Ordinance is provided, and by whom, and together therewith shall send a copy of the auditor's report:

Provided that the Minister may by notification in the Gazette order that, as respects any specially authorized society, the return shall be made out to, and be sent to the Registrar on, such days as may be specified in the Notification;

Inspection of books.

(e) allow any member or person having an interest in the funds of the society to inspect the books and the names of the members at all reasonable hours at the registered office of the society, or at any place where the same are kept, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the general meetings of the society, except that no such member or person, unless he be an officer of the society or be specially authorized by a resolution thereof, shall have the right to inspect a loan or deposit account of any other member without the written consent of such member;

Supplying copies of annual returns.

(f) supply gratuitously to every member or person interested in the funds of the society, on his application, a copy of the last annual return of the society for the time being;

(g) keep a copy of the last balance sheet for the time being together with the report of the auditor always hung up in a conspicuous place at the registered office of the society;

(h) within a period of six months of its registration hold a general meeting of the members of the society and thereafter hold once at least in every calendar year a general meeting of its members.

(2) Every return and other document required for the purposes of this Ordinance, shall be made in such form, and shall contain such particulars, as the Registrar prescribes. Return to be in prescribed.

(3) All documents required by this section to be sent to the Registrar shall be deposited with the rules of the societies to which the same respectively relate, and shall be registered or recorded by the Registrar with such observations thereon, if any, as the Registrar shall direct. Recording of documents.

9. Registered societies shall be entitled to the following privileges :— Privileges of societies.

(1) The registration of a society shall render it a body corporate by the name described in the acknowledgment of registry, by which it may sue and be sued, with perpetual succession and a common seal, and with limited liability, and shall vest in the society all property for the time being vested in any person in trust for the society. Incorporation.

(2) The rules of the society shall bind the society and all members thereof, and all persons claiming through them respectively, to the same extent as if each member had subscribed his name thereto, and there were contained in such rules a Rules to bind the members.

covenant on the part of himself, his heirs, executors, and administrators to conform thereto, subject to the provisions of this Ordinance.

Money payable by member to be a debt to the society.

- (3) All moneys payable by a member to the society shall be a debt due from such member to the society, and whatever may be the amount claimed shall be recoverable as such either in the Primary Court, Colombo, or in the Primary Court of the division in which such member resides, at the option of the society.

Power of nomination for sums not exceeding twenty thousand rupees.

- (4) A member of the society not being under the age of sixteen years may, by writing under his hand delivered at or sent to the registered office of the society, nominate any person, not being an officer or servant of the society, unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator, to whom his interest in the society shall be payable at his decease, provided that the amount credited to him in the books of the society does not exceed twenty thousand rupees, and may from time to time revoke or vary such nomination by a writing under his hand similarly delivered or sent, but not otherwise; and every such society shall keep a book wherein the names of all persons so nominated shall be regularly entered, and the interest comprised in any such nomination shall be payable to the nominee, and on receiving satisfactory proof of the death of a nominator the committee of the society shall pay to every person entitled thereunder the full value of his interest.

Distribution of sums not exceeding twenty thousand rupees.

- (5) If any member of a society entitled to any interest in the society not exceeding twenty thousand rupees dies intestate, and without having made any nomination under this Ordinance which remains unrevoked at his death, such interest shall be

transferable or payable, without letters of administration, to or among the persons who appear to a majority of the committee, upon such evidence as they may deem satisfactory, to be entitled by law to receive the same.

- (6) Whenever the committee, after the decease of any member, makes any payment to any person who at the time appears to them to be entitled under this section, the payment or transfer shall be valid and effectual against any demand made upon the committee or the society by any other person.

Payment to persons apparently entitled, valid.

- (7) When any person in whose name any property belonging to any such society is standing, either jointly with another or others, or solely, as a trustee therefor, is absent from Sri Lanka, or becomes bankrupt, or files any petition, or executes any deed for liquidation of his affairs by assignment or arrangement, or for composition with his creditors, or becomes a person of unsound mind, or is dead, or has been removed from his office of trustee, or if it be unknown whether such person is living or dead, the Registrar, on application in writing from the secretary and three members of the society, and on proof satisfactory to him, may direct the transfer of the property into the names of any other persons as trustees for the society; and such transfer shall be made by the surviving or continuing trustees, and if there be no such trustees, or if such trustees refuse or be unable to make such transfer, then by the Registrar, who is hereby indemnified for anything done by him in pursuance of this provision against any claim or demand of any person injuriously affected thereby.

When trustees are absent Registrar may order property to be transferred.

- (8) A person under the age of twenty-one, but above the age of sixteen, may be a member of a society, unless provision is made in the rules thereof to the contrary, and may, subject to the rules of the society,

Membership of minors.

enjoy all the rights of a member (except as herein provided), and execute all instruments and give all acquittances necessary to be executed or given under the rules, but shall not be a member of the committee, trustee, manager or treasurer of the society.

Promissory notes and bills of exchange.

(9) A promissory note or bill of exchange shall be deemed to have been made, accepted, or endorsed on behalf of any society if made, accepted or endorsed in the name of the society, or by or on behalf or on account of the society, by any person acting under the authority of the society.

Register of members.

(10) Any register or list of members kept by any society shall be prima facie evidence of any of the following particulars entered therein:—

- (a) the names, addresses, and occupations of the members;
- (b) the date at which the name of any person, company, or society was entered in such register or list as a member;
- (c) the date at which any such person, company, or society ceased to be a member.

Contracts how made.

(11) Contracts on behalf of the society may be made, varied, or discharged as follows:—

- (a) any contract requiring notarial execution, and every power of attorney, shall be made on behalf of the society, in writing, under the common seal of the society, and may in the same manner be varied or discharged;
- (b) any contract required to be in writing, and to be signed by the person to be charged therewith, may be made on behalf of the society, in writing, by any person acting under the express or implied authority of the society, and may in the same manner be varied or discharged;

(c) any contract ordinarily binding private persons when made by parol may be made by parol on behalf of the society by any person acting under the express or implied authority of the society, and may in the same manner be varied or discharged;

(d) a signature purporting to be made by a person holding any office in the society attached to a writing whereby any contract purports to be made, varied or discharged, by or on behalf of the society, shall prima facie be taken to be the signature of a person holding at the time when the signature was made, the office so stated,

and all contracts which may be or have been made, varied, or discharged, according to the provisions herein contained, shall, so far as concerns the form thereof, be effectual in law, and binding on the society and all other parties thereto, their heirs, executors, or administrators, as the case may be.

10. With respect to the property and funds of registered societies the following provisions shall have effect;—

Property and funds of lands societies.

- (1) A society may (if its rules do not direct otherwise) hold, purchase, or land-take on lease in its own name any land, and may sell, exchange, mortgage, lease, or build upon the same (with power to alter and pull down buildings, and again rebuild), and no purchaser, assignee, mortgagee, or tenant shall be bound to inquire as to the authority of any such sale, exchange, mortgage, or lease by the society, and the receipt of the society shall be a discharge for all moneys arising from or in connection with such sale, exchange, mortgage, or lease.

Holding of land-

(2) The rules may provide for the advancing of money by the society to members, on the security of movable or immovable property.

Advances to members.

(3) In the rules or any schedule thereto may be set forth the forms of conveyance, surrender, admittance,

Forms.

mortgage, transfer, agreement, bond, or other instrument necessary for carrying the purposes of the society into effect.

Application of profits.

- (4) The profits of the society may be applied to any lawful purpose.

Discharge of mortgages by receipt endorsed.

- (5) A receipt under the hands of two members of the committee of the society, countersigned by the secretary in the form contained in the Schedule, or in any form specified by the rules of the society or any schedule thereto, for all moneys secured to the society by any mortgage or other assurance endorsed upon such mortgage or other assurance, shall vacate the same.

Investments.

- (6) A society may, if its rules so allow, invest any portion of the funds of the society, not immediately required for its purposes, upon real or leasehold securities, or in the shares, or on the security of any other society registered under this Ordinance, or of any company registered under the Companies Ordinance*, with limited liability, or in the public funds. Government stock, or Government securities; and a society so investing may make such investment in its registered name, and shall be deemed to be a person within the meaning of the Companies Ordinance.*

guarantee society in such sum as the committee directs, conditioned for his rendering a just and true account of all moneys received and paid by him on account of the society at such times as its rules appoint or as the society or the committee thereof require him to do, and for the payment by him of all sums due from him to the society.

- (2) Every officer, his executors, or administrators shall at such times as by the rules of the society he should render account, or upon demand made, or notice in writing given or left at his last or usual place of residence, give in his account as may be required by the society or by the committee thereof, to be examined and allowed or disallowed by them, and shall, on the like demand or notice, pay over all moneys and deliver all property for the time being in his hands or custody to such person as the society or the committee appoint, and in case of any neglect or refusal to deliver such account, or to pay over such moneys, or to deliver such property in manner aforesaid, the society may sue upon the bond or security before mentioned.

Accounts of officers.

Officers in receipt or charge of money.

11. With respect to officers of registered societies having receipt or charge of money the following provisions shall have effect:—

Security to be given.

- (1) Every officer, if the rules of the society require, shall before taking upon himself the execution of his office, become bound, either with or without a surety as the committee require, in a bond according to the form set forth in the Schedule or such other form as the committee of the society approve, or give the security of a

12. With respect to legal proceedings against registered societies the following provisions shall have effect:—

Legal proceedings.

The summons, writ, process, or other proceeding to be issued to or against a society shall be sufficiently served by leaving a true copy thereof at the registered office of the society, or at any place of business of the society within the jurisdiction of the court in which the proceeding is brought, or if such office or place of business be closed, by posting such copy on the outer door of the same; but in all cases where the said summons, writ, process, or other proceeding shall not be served by leaving a true copy

* Repealed and replaced by the Companies Act, No. 17 of 1982.

thereof at the registered office of the society, a copy thereof shall be transmitted addressed to the committee of management at the registered office of the society, and the same shall be enclosed in a registered letter posted at least six days before any further steps shall be taken on such summons, writ, process, or other proceeding.

evidence before such Registrar, shall be guilty of an offence under this Ordinance.

Disputes.

13. With respect to disputes concerning registered societies the following provisions shall have effect:—

(4) Where the rules of a society contain no direction as to disputes, or where no decision is made on a dispute within forty days after application to the society for a reference under its rules, the member or person aggrieved may apply to the District Court, which may hear and determine the matter in dispute.

To be decided by rules of the

(1) Every dispute between a member or person claiming through a member or under the rules of a registered society, and the society or an officer thereof, shall be decided in manner directed by the rules of the society, if they contain any such direction, and the decision so made shall be binding and conclusive on all parties without appeal, and shall not be removable into any court or restrainable by injunction; and application for the enforcement thereof may be made to the District Court.

(5) The court or Registrar may, at the request of either party, state a case for the opinion of the Court of Appeal on any question of law, and may also grant to either party such discovery as to documents and otherwise, or such inspection of documents, as might be granted by a District Court, such discovery to be made on behalf of the society by such officer of the same as such court or Registrar may determine.

Case for opinion of Court of Appeal.

14. With respect to the inspection of affairs of registered societies the following provisions shall have effect:—

Special powers of registers

May be referred to

(2) The parties to a dispute in a society may, by consent, (unless the rules of such society expressly forbid it), refer such dispute to the Registrar, who shall hear and determine such dispute, and shall have power to order the expenses of determining the same to be paid, either out of the funds of the society or by such parties to the dispute as he shall think fit; and such determination and order shall have the same effect and be enforceable in like manner as a decision in the manner directed by the rules of the society.

(1) Upon the application of one-fifth of the number of members of a registered society or of one hundred members in the case of a society of more than five hundred members, the Registrar with the consent of the Minister, in every case may—

Application from members.

(a) appoint one or more inspectors to examine into the affairs of such society and to report thereon, who may require the production of all or any of the books and documents of the society, and may examine, on oath or affirmation, its officers, members, agents, and servants, in relation to its business, and may administer such oath or affirmation accordingly;

Inspectors.

Registrar may administer oaths, &c.

(3) The Registrar may administer oaths, and may require the attendance of all parties concerned and of witnesses, and the production of all books and documents relating to the matter in question; and any person refusing to attend, or to produce any documents, or to give

(b) call a special meeting of the society in such manner and in such time and place as the

Special meetings.

Registrar may direct, and may direct what matters shall be discussed and determined on at such meeting, which shall have all the powers of a meeting called according to the rules of the society, and shall in all cases have power to appoint its own chairman, any rule in the society to the contrary notwithstanding.

has been duly' given according to the rules, and which resolution is confirmed by a majority of such members for the time being entitled under the rules to vote as may be present, in person or by proxy, at a subsequent general meeting of which notice has been duly given, held not less than fourteen days nor more than one month from the day of the meeting at which such resolution was first passed. At any meeting mentioned in this section a declaration by the chairman that the resolution has been carried shall be deemed conclusive evidence of the fact.

Applications to be supported by evidence.

- (2) The application herein mentioned shall be supported by evidence, for the purpose of showing that the applicants have good reason for requiring such inspection to be made or meeting to be called, and that they are not actuated by malicious motives in their application, and such notice thereof shall be given to the society as the Registrar shall direct.

- (2) A society may, by special resolution, with the approval in writing of the Registrar, change its name, but no such change shall affect any right or obligation of the society, or of any member thereof; and any pending legal proceedings may be continued by or against the society notwithstanding its new name. Change of name

Security for costs.

- (3) The Registrar may, if he thinks fit, require the applicants to give security for the costs of the proposed inspection or meeting before appointing any inspector or calling such meeting.

- (3) Any two or more societies may, by special resolution of both or all such societies, become amalgamated together as one society, with or without any dissolution or division of the funds of such societies or either of them; and any society may by special resolution transfer its engagements to any other registered society which may undertake to fulfil the engagements of such society. Amalgamation of societies-

Expenses.

- (4) All expenses of and incidental to any such inspection or meeting shall be defrayed, either by the members applying for the same or out of the funds of the society, as the Registrar shall direct.

- (4) A society may, by special resolution, determine to convert itself into a company under the Companies Ordinance,* or to amalgamate with or transfer its engagement to any such company. Conversion of societies into companies.

Special resolutions and proceedings.

15. With respect to special resolutions registered societies and to the proceedings which may be taken by virtue thereof, the following provisions shall have effect:—

Special resolutions.

- (1) A special resolution is one which is passed by a majority of not less than three-fourths of such members of a society for the time being entitled under the rules to vote as may be present, in person or by proxy (where the rules allow proxies), at any general meeting, of which notice specifying the intention to propose such resolution

- (5) No amalgamation or transfer of engagement shall prejudice any right of a creditor of either or any society party thereto. Right of creditor.

- (6) A copy of every special resolution for any of the purposes mentioned in this section, signed by the Registration of a special resolution.

* Repealed and replaced by the Companies Act, No. 17 of 1982.

chairman of the meeting and countersigned by the secretary, shall be sent to the Registrar for registration, and until such copy has been registered such special resolution shall not take effect.

Registry of society under Ordinance to be void on registration as a company.

- (7) If a society be registered as, or amalgamates with, or transfers all its engagements to, a company, the registry of such society under this Ordinance shall thereupon become void and the same shall be cancelled by the Registrar; but the registration of a society as a company shall not affect any right or claim for the time being subsisting against such society, or any penalty for the time being incurred by such society; and for the purpose of enforcing any such right, claim, or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company; and every such right or claim, or the liability to such penalty, shall have priority as against the property of such company over all other rights or claims against or liabilities of such company.

Dissolution of societies,

16. With respect to the dissolution of registered societies the following provisions shall have effect:—

- (1) A society may terminate or be dissolved—
- (a) upon the happening of any event declared by the rules to be the termination of the society; or
- (b) by an order to wind up the society or a resolution for the winding up thereof made as is directed in regard to companies by the Companies Ordinance,* the provisions of which shall apply to any such order or resolution; or

(c) by the consent of three-fourths of the members, testified by their signatures to an instrument of dissolution.

- (2) Where a society is wound up the liability of a present or past member of the society to contribute for payment of the debts and liabilities of the society, the expenses of winding up, and the adjustment of the rights of contributories amongst themselves, shall be qualified as follows:—

(a) no individual who has ceased to be a member for one year or upwards prior to the commencement of the winding up shall be liable to contribute;

(b) no individual shall be liable to contribute in respect of any debt or liability contracted after he ceased to be a member;

(c) no individual not a member shall be liable to contribute unless it appears to the court that the contributions of the existing members are insufficient to satisfy the just demands on the society;

(d) no contribution shall be required from any individual exceeding the amount in respect of which he is liable as a past or present member;

(e) an individual shall be taken to have ceased to be a member from the date of the notice or application for withdrawal.

- (3) Where a society is terminated by an instrument of dissolution the following provisions shall apply:—

(a) the instrument of dissolution shall set forth the liabilities and assets of the society in

* Repealed and replaced by the Companies Act, No. 17 of 1982.

detail, the number of members, and the nature of their interests in the society respectively, the claims of creditors (if any) and the provision to be made for their payment, and the intended appropriation or division of the funds and property of the society, unless the same be stated in the instrument of dissolution to be left to the award of the Registrar;

- (b) alterations in the instrument of dissolution may be made with the like consent as hereinbefore provided, and testified in the same manner;
- (c) a declaration shall be made by three members and the secretary of the society that the provisions of this Ordinance have been complied with, and shall be sent to the Registrar with the instrument of dissolution ; and any person knowingly making a false or fraudulent declaration in the matter shall be guilty of an offence, and be punishable on conviction with imprisonment, rigorous or simple, which may extend to two years, or with fine, or with both;
- (d) the instrument of dissolution and all alterations therein shall be registered in manner herein provided for the registry of rules, and shall be binding upon all the members of the society;
- (e) the Registrar shall cause a notice of the dissolution to be advertised at the expense of the society in the Gazette and in one of the Colombo daily newspapers, and unless within three months from the date of the Gazette in which such advertisement appears a member or other person

interested in or having any claim on the funds of the society commences proceedings to set aside the dissolution of the society in the District Court of the district where the registered office of the society is situate, and such dissolution is set aside accordingly, the society shall be legally dissolved from the date of such advertisement, and the requisite consents to the instrument of dissolution shall be considered to have been duly obtained without proof of the signatures thereto;

- (f) notice shall be sent to the Registrar of any proceeding to set aside the dissolution of a society, not less than seven days before it is commenced, by the person by whom it is taken, or of any order setting it aside within seven days after it is made by the society.

17. No member of a registered society, nor any person claiming through a member, shall be entitled to receive more than two thousand rupees by way of gross sum, together with any bonuses or additions declared upon assurances not exceeding that amount, or five hundred rupees a year by way of annuity, from any one or more such societies, and any such society may require a member or person claiming through a member to make and sign a declaration that the total amount to which such member or person is entitled from one or more such societies does not exceed the sums aforesaid; and any person knowingly making a false or fraudulent declaration that the total amount to which such member or person is entitled from one or more such societies does not exceed the sums aforesaid, and any person knowingly making a false or fraudulent declaration shall be guilty of an offence, and be punishable on conviction with imprisonment, rigorous or simple, which may extend to two years, or with fine, or with both.

Limits of benefit.

Public auditors.

18. The Minister with the concurrence of the Minister in charge of the subject of Finance may from time to time appoint public auditors and valuers for the purposes of this Ordinance and may determine from time to time the rates of remuneration to be paid by societies for the services of such auditors.

Fees.

19. The Minister with the concurrence of the Minister in charge of the subject of Finance may determine a scale of fees to be paid for matters to be transacted or for the inspection of documents under this Ordinance. All fees which may be received by the Registrar under this Ordinance shall be paid into the Treasury.

Regulations to be made for carrying out Ordinance.

20. (1) The Minister may, from time to time make regulations respecting registry and procedure under this Ordinance, and the forms to be used for such registry, and the duties and functions of the Registrar, and the inspection of documents kept by the Registrar, under this Ordinance, and generally for carrying this Ordinance into effect.

(2) All such regulations shall be published in the Gazette.

(3) Until otherwise provided, the forms contained in the Schedule shall be used.

Evidence of document.

21. Every instrument or document, copy or extract of an instrument or document, bearing the signature of the Registrar, shall be received in evidence without further proof; and every document purporting to be signed by the Registrar, or any inspector, or public auditor, or valuer under this Ordinance shall, in the absence of any evidence to the contrary, be received in evidence without proof of the signature.

Offences.

22. The following acts are declared to be offences under this Ordinance;—

(a) if any person with intent to mislead or defraud gives to any other person a copy of any rules, laws, regulations, or other documents other than the rules for the time being registered under this Ordinance, on the pretence that the same are existing rules of a registered society, or that there are

no other rules of such society, or gives to any person a copy of any rules on the pretence that such rules are the rules of a registered society, when the society is not registered ;

(b) if any person obtains possession by false representation or imposition of any property of a society, or, having the same in his possession, withholds or misapplies the same, or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the society and authorized by this Ordinance;

(c) if any person wilfully makes, orders, or allows to be made any entry or erasure in or omission from any balance sheet of a registered society, or any contribution or collecting book, or any return or document required to be sent, produced, or delivered for the purposes of this Ordinance, with intent to falsify the same, or to evade any of the provisions of this Ordinance ;

(d) if any officer of the society or any person on its behalf uses any seal purporting to be a seal of the society whereon its name is not so engraved as aforesaid, or issues or authorizes the issue of any notice, advertisement, or other official publication of the society, or signs or authorizes to be signed on behalf of the society any bill of exchange, promissory note, endorsement, cheque, order for money or goods, or issues or authorizes to be issued any bills of parcels, invoice, receipt, or letters of credit of the society wherein its name is not mentioned in manner aforesaid;

(e) if a registered society or branch or an officer or member thereof fails, for a period of six weeks after request made specially thereto in writing by the Registrar, either to give any notice or to send any return, statement or document, or to allow to be done anything which the society, branch, officer or

member is by this Ordinance required to give, send, do or allow to be done,

proceedings in a court of law, in composition of the offence committed accept from the society or branch or officer or member liable to punishment such sum of money not exceeding one hundred rupees as the Registrar may consider proper; and where composition is so accepted no other proceedings in respect of such offence shall be taken or continued against such society or branch or officer or member.

and every such offence shall be punished by a fine not exceeding one hundred rupees, or imprisonment, rigorous or simple, which may extend to three months, or by both:

Provided that nothing herein contained shall prevent any person guilty of an offence under this Ordinance from being criminally prosecuted under the Penal Code, if not previously convicted of the same offence under the provisions of this Ordinance ;

23. Where a registered society is guilty of an offence under this Ordinance the secretary or any other officer of the society bound by the rules thereof to fulfil any duty the breach whereof is the offence shall be liable to the same penalty as if he had committed the offence.

Persons liable for offences by society.

Provided further that in respect of the offences described in paragraph (e) the Registrar may instead of instituting

SCHEDULE

MATTERS TO BE PROVIDED FOR BY THE RULES OF SOCIETIES REGISTERED UNDER THIS ORDINANCE

[Section 7.]

1. The name and place of office of the society.
2. The whole of the objects for which the society is to be established, the purposes for which the funds thereof shall be applicable, the terms of admission of members, the conditions under which any member may become entitled to any benefit assured thereby, and the fines and forfeitures to be imposed on any member.
3. The mode of holding meetings and right of voting, and the manner of making, altering, or rescinding rules.
4. The appointment and removal of a committee of management (by whatever name), of a treasurer and other officers, and of trustees, and in the case of a society with branches, the composition of a central body, and the conditions under which a branch may secede from the society.
5. The investment of the funds, the keeping of the accounts, and the audit of the same once a year at least.
6. Annual returns to the Registrar of the receipts, funds, effects, and expenditure, and number of members of the society.
7. The inspection of books of the society by every person having an interest in the funds of the society.
8. The manner in which disputes between the society and any of its members, or any person claiming through a member or under the rules, shall be settled.

FORM OF BOND

[Section II (1).]

Know all men by these presents that we, *A. B.*, of one of the officers of the Society established at and *C. D.* of (as surety on behalf of the said *A. B.*), are jointly and severally held and firmly bound to the said Society in the sum of to be paid to the said Society, for which payment well and truly to be made we jointly and severally bind ourselves and each of us by himself, our and each of our heirs, executors, and administrators, firmly by these presents.

Signed and dated this day of 19

Whereas the above-bounden *A B.*, has been duly appointed to the office of of the Society established as aforesaid, and he, together with the above-bounden *C. D.* as bis surety, have entered into the above-written bond, subject to the condition hereinafter contained :

SOCIETIES

Now therefore the condition of the above-written bond is such, that if the said A. B. do render a just and true account of all moneys received and paid by him on account of the said Society, at such times as the rules thereof appoint, and do pay over all the moneys remaining in his hands, and assign and transfer or deliver all property (including books and papers) belonging to the said Society in his hands or custody to such person or persons as the said Society shall appoint according to the rules of the said Society, together with proper and legal receipts or vouchers for such payments, then the above-written bond shall be void, otherwise shall remain in full force.

Signed and delivered in the presence of (two witnesses).

[Section 10.]

FORM OF RECEIPT TO BE ENDORSED ON MORTGAGE OR OTHER ASSURANCE

The Society hereby acknowledges to have received all moneys intended to be received by the within (or above) - written deed.

Signed (signatures of two members of the Committee).

Countersigned (signature of Secretary).

Secretary.

[Section 7.]

ACKNOWLEDGMENT OF REGISTRY OF SOCIETY

The.....Society is registered as a society under the Societies Ordinance, this..... day of..... 19.....

Registrar of Societies.

ACKNOWLEDGMENT OF REGISTRY OF AMENDMENT OF RULES

The following amendment of the rules of the Society is registered under the Societies Ordinance, this day of..... 19.....

Registrar of Societies.