

South Australia



ANNO QUINQUAGESIMO PRIMO
ELIZABETHAE II REGINAE
A.D. 2002

CO-OPERATIVES (MISCELLANEOUS) AMENDMENT ACT 2002

No. 25 of 2002

[Assented to 31 October 2002]

An Act to amend the Co-operatives Act 1997.

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The Parliament of South Australia enacts as follows:

Short title

1. (1) This Act may be cited as the *Co-operatives (Miscellaneous) Amendment Act 2002*.

(2) The *Co-operatives Act 1997* is referred to in this Act as "the principal Act".

Commencement

2. This Act will come into operation on a day to be fixed by proclamation.

Amendment of s. 4—Definitions

3. Section 4 of the principal Act is amended—

(a) by striking out from subsection (1) the definitions of "accounting records" and "accounts";

(b) by inserting after the definition of "deposit taking co-operative" in subsection (1) the following definition:

"deregistration" means deregistration under section 311, 449(1) or clause 31 of Schedule 5;;

(c) by inserting after the definition of "federation" in subsection (1) the following definitions:

"financial records" includes—

(a) invoices, receipts, orders for the payment of money, bills of exchange, cheques, promissory notes and vouchers; and

(b) documents of prime entry; and

(c) working papers and other documents needed to explain—

(i) the methods by which financial statements are made up; and

(ii) adjustments to be made in preparing financial statements;

"financial statements" means—

(a) a profit and loss statement; and

(b) a balance sheet; and

(c) a statement of cash flows; and

(d) if required by the accounting standards under the Corporations Act applying under this Act—a consolidated profit and loss statement, balance sheet and statement of cash flows;;

(d) by striking out from the definition of "records" in subsection (1) "accounts, accounting records" and substituting "financial records, financial statements";

(e) by inserting after the definition of "seal" in subsection (1) the following definition:

"secretary", of a co-operative, means the person appointed under section 214A to be, or to act as, the secretary of the co-operative;.

Amendment of s. 11—Modifications to applied provisions

4. Section 11 of the principal Act is amended by inserting after paragraph (b) of subsection (1) the following paragraph:

(ba) a reference to the Australian Securities and Investments Commission, however referred to, is to be read as a reference to the Corporate Affairs Commission;.

Amendment of s. 14—Trading co-operatives

5. Section 14 of the principal Act is amended—

(a) by striking out subsection (2) and substituting the following subsection:

(2) A trading co-operative is a co-operative whose rules allow it to give returns or distributions on surplus or share capital.;

(b) by striking out paragraph (c) of subsection (3) and substituting the following paragraph:

(c) for any other trading co-operative—

(i) if a lesser number than 5 is prescribed by regulation—at least that number of active members; or

(ii) otherwise—5 or more active members.

Amendment of s. 15—Non-trading co-operatives

6. Section 15 of the principal Act is amended—

(a) by striking out subsection (1) and substituting the following subsection:

(1) A non-trading co-operative is a co-operative whose rules prohibit it from giving returns or distributions on surplus or share capital to members, other than the nominal value of shares, if any, at winding up.;

(b) by striking out paragraph (c) of subsection (3) and substituting the following paragraph:

(c) for any other non-trading co-operative—

(i) if a lesser number than 5 is prescribed by regulation—at least that number of active members; or

(ii) otherwise—5 or more active members.

Amendment of s. 16—Formation meeting

7. Section 16 of the principal Act is amended by inserting in subsection (3)(c) ", or if a lesser number than 5 is prescribed by regulation, not less than the prescribed number of persons," after "persons".

Amendment of s. 17—Approval of disclosure statement

8. Section 17 of the principal Act is amended—

(a) by striking out paragraphs (b) and (c) of subsection (4) and substituting the following paragraphs:

- (b) amend the draft, or require a stated amendment of the draft, and then approve the amended statement; or
- (c) approve a different statement to that submitted; or
- (d) refuse to approve the statement; or
- (e) require the person submitting the draft statement to give the Commission any additional information the Commission reasonably requires, and then act under paragraph (a), (b), (c) or (d).;

(b) by inserting after subsection (5) the following subsection:

(5a) The Commission may approve a disclosure statement with or without conditions.

Amendment of s. 19—Application for registration of proposed co-operative

9. Section 19 of the principal Act is amended by inserting in subsection (1)(c)(ii) ", or if a lesser number than 5 is prescribed by regulation, at least the prescribed number of," after "5".

Amendment of s. 67—Circumstances in which membership ceases—all co-operatives

10. Section 67 of the principal Act is amended by striking out from subsection (1)(f) "dissolved" and substituting "deregistered".

Amendment of s. 69—Carrying on business with too few members

11. Section 69 of the principal Act is amended by inserting in subsection (3)(b) ", or if a lesser number than 5 is prescribed by regulation, the prescribed number" after "5".

Amendment of s. 72—Co-operative to provide information to person intending to become a member

12. Section 72 of the principal Act is amended by striking out subsection (2) and substituting the following subsection:

(2) The board of a co-operative may comply with subsection (1) by—

- (a) giving the person intending to become a member notice that the documents referred to in that subsection may be inspected by the person at—
 - (i) the registered office of the co-operative; and
 - (ii) at any other office of the co-operative (whether the office is situated within South Australia, elsewhere in Australia or outside Australia); and
- (b) making those documents available for inspection at the registered office and any offices to which paragraph (a)(ii) applies.

Amendment of s. 73—Entry fees and regular subscriptions

13. Section 73 of the principal Act is amended by inserting after subsection (1) the following subsection:

(1a) The calculation of the amount of a particular member's regular subscription may be based on the amount of business the member does with the co-operative.

Amendment of s. 77—Repayment of shares on expulsion

14. Section 77 of the principal Act is amended—

(a) by striking out subsection (1) and substituting the following subsections:

(1) When a member is expelled from a co-operative in accordance with its rules, the co-operative must, within 12 months after the date of expulsion—

- (a) repay to the former member an amount (the "repayable amount") made up of the amount paid up on the shares held by the member at the day of expulsion, less any amount owed by the member to the co-operative at the day of expulsion under the rules of the co-operative or any contract or otherwise; or
- (b) apply the repayable amount under subsection (1a) if—
 - (i) the board is of the opinion that repayment would adversely affect the financial position of the co-operative; or
 - (ii) the board and the former member so agree.

(1a) The repayable amount may be applied in one of the following ways:

- (a) the co-operative may appropriate the amount as a donation to the co-operative, but only if the former member consents in writing to the donation;
- (b) if the co-operative is a deposit-taking co-operative—the co-operative may apply the amount as a deposit by the former member with the co-operative;
- (c) the co-operative may allot or issue debentures of the co-operative to the former member in satisfaction of the amount.

(1b) However, a deposit or debenture must be repaid within the time required under section 135(2).;

(b) by striking out subsection (4).

Amendment of s. 134—Interest on deposits and debentures

15. Section 134 of the principal Act is amended by inserting in subsection (1) "77 or" after "former member under section".

Amendment of s. 135—Repayment of deposits and debentures

16. Section 135 of the principal Act is amended by inserting in subsection (1) "section 77 or" after "is transferred under".

Amendment of s. 136—Register of cancelled memberships

17. Section 136 of the principal Act is amended by striking out ", in a form approved by the Commission,".

Substitution of s. 144

18. Section 144 of the principal Act is repealed and the following sections are substituted:

Disclosure to intending shareholders in trading co-operative

144. (1) The board of a trading co-operative must give a person who intends to acquire shares in the co-operative and is not already a shareholder in the co-operative a current disclosure statement that—

- (a) has been approved by the Commission under section 17; or
- (b) complies with section 144A and has been filed by the co-operative with the Commission.

(2) The disclosure statement must be given before the person becomes bound to acquire the shares.

(3) The disclosure statement is in addition to any information required to be provided to the person under Part 4.

(4) A disclosure statement is current until whichever of the following happens first after the statement is prepared:

- (a) a change in the rights or liabilities attaching to any class of share in the co-operative;
- (b) a significant change in the financial position or prospects of the co-operative;
- (c) any of the next financial, directors' or auditor's reports required to be prepared under section 233(1) become available.

(5) If a disclosure statement stops being a current disclosure statement because of a change mentioned in subsection (4)(a) or (b), the co-operative must, within 14 days after the change—

- (a) give the Commission written notice—
 - (i) that the disclosure statement is no longer current because of a change mentioned in subsection (4)(a); or
 - (ii) that the disclosure statement is no longer current because of a change mentioned in subsection (4)(b); or
- (b) file a current disclosure statement with the Commission that complies with section 143A.

Content of disclosure statement to intending shareholders

144A. A disclosure statement given to a person under section 144 must contain—

- (a) a statement of the rights and liabilities attaching to shares; and
- (b) a copy of the last annual report of the co-operative under section 244 unless a copy of the report—
 - (i) has already been given to the person under this Act; or
 - (ii) has been made available for inspection under a notice given to the person under section 72; and
- (c) any other relevant information about the financial position and prospects of the co-operative if there has been a significant change since the date of the last annual report; and
- (d) any other information the Commission directs.

Exemptions for disclosure statements

144B. (1) The Commission may by order in writing exempt the board or boards of a trading co-operative or a class of trading co-operative from a requirement under section 144 or 144A.

(2) The Commission may grant an exemption unconditionally or subject to conditions.

(3) However, the Commission may only grant an exemption if satisfied that compliance with the relevant requirement would be inappropriate in the circumstances or would impose an unreasonable burden.

Insertion of s. 145A

19. The following section is inserted in Division 3 of Part 7 after section 145 of the principal Act:

Application of Corporations Act to shares

145A. (1) Subject to subsection (2), the shares of a co-operative are declared to be applied Corporations legislation matters for the purposes of Part 3 of the *Corporations (Ancillary Provisions) Act 2001* in relation to sections 716(2), 722, 723(2), 724(1)(a) and (2)(a) and 734 of the Corporations Act, subject to the following modifications:

- (a) a reference in those provisions to a disclosure document is to be read as a reference to a disclosure statement under section 144; and
- (b) a reference in those provisions to a disclosure document that has been lodged is to be read as a reference to a disclosure statement that complies with section 144; and
- (c) a reference in those provisions to securities is to be read as a reference to shares; and
- (d) such other modifications (within the meaning of Part 3 of the *Corporations (Ancillary Provisions) Act 2001*) as may be prescribed by the regulations.

(2) The provisions of the Corporations Act made applicable under this section only apply where—

- (a) shares are offered to persons who are not shareholders in the co-operative; or
- (b) an invitation is made to persons who are not shareholders in the co-operative.

Amendment of s. 150—Bonus share issues

20. Section 150 of the principal Act is amended by inserting after subsection (6) the following subsection:

(7) To remove any doubt, it is declared that this section does not apply to the issue of bonus shares to a member under section 268.

Amendment of s. 171—Purchase and repayment of shares

21. Section 171 of the principal Act is amended by inserting after subsection (4) the following subsection:

(4a) A co-operative must not purchase shares or repay amounts paid up on shares if—

- (a) the co-operative is likely to become insolvent because of the repurchase of the shares or because of the repayment of amounts paid up on the shares; or
- (b) the co-operative is insolvent.

Substitution of heading

22. The heading to Part 8 of the principal Act is repealed and the following heading is substituted:

**PART 8
VOTING AND MEETINGS**

Substitution of s. 174

23. Section 174 of the principal Act is repealed and the following section is substituted:

Application of Part

174. The provisions of this Part applying to voting apply to voting on all resolutions.

Insertion of s. 180A

24. The following section is inserted after section 180 of the principal Act:

Effect of disposal of shares on voting rights

180A. A member of a co-operative cannot vote if the member has sold or transferred, or disposed of the beneficial interest in, the member's shares, or agreed to do so.

Insertion of new Division

25. The following Division is inserted after section 193 of the principal Act:

DIVISION 2A—RESOLUTION BY CIRCULATED DOCUMENT**Application of Division**

193A. (1) This Division applies to a resolution of a co-operative, including a resolution appointing an officer or auditor or approving of or agreeing to any act, matter or thing, if—

- (a) the co-operative has fewer than 50 members; and
- (b) the resolution is required or permitted under this Act or the rules of the co-operative to be passed at a general meeting of the co-operative.

(2) However, this Division does not apply to a resolution of a co-operative—

- (a) of which more than 14 days notice is required to be given under this Act; or
- (b) that is required to be passed by a majority other than a simple majority.

Resolution by circulation of document—fewer than 50 members

193B. (1) If all the members of a co-operative have signed a document that sets out the terms of a resolution and contains a statement that they are in favour of the resolution, the resolution is taken to have been passed at a general meeting of the co-operative.

(2) The meeting is taken to have been held—

- (a) if all members signed the document on the one day—on the day the document was signed, at the time the document was signed by the last member to sign; or
- (b) if the members signed the document on different days—on the day, and at the time, the document was signed by the last member to sign.

(3) The document need not exist as a single document, but may exist in the form of two or more documents in identical terms.

(4) The document is taken to constitute a minute of the general meeting.

(5) Anything attached to the document and signed by the members signing the document is taken to have been laid before the co-operative at the general meeting.

(6) The document is signed by all members of a co-operative only if the document is signed by each person who was a member of the co-operative at the time the document was signed by the last member to sign.

(7) Nothing in this section affects or limits any rule of law about the effectiveness of the assent of members of a co-operative given to a document, or to an act, matter or thing, otherwise than at a general meeting of the co-operative.

Amendment of s. 199—Annual general meetings

26. Section 199 of the principal Act is amended by striking out from subsection (1) "19" and substituting "18".

Amendment of s. 205—Minutes

27. Section 205 of the principal Act is amended by inserting in subsection (1) "within 28 days after the meeting" after "appropriate records".

Amendment of s. 208—Qualification of directors

28. Section 208 of the principal Act is amended by striking out subsection (2) and substituting the following subsections:

(2) The majority of directors must be member directors.

(3) Subsection (2) does not prevent the rules requiring that a greater number of directors than a majority must be member directors.

(4) A co-operative must have at least three directors (not counting deputy directors).

(5) At least two directors must be Australian residents.

Amendment of s. 209—Disqualified persons

29. Section 209 of the principal Act is amended by inserting in subsection (1)(b)(iii) "592," after "590,".

Amendment of s. 210—Meeting of the board of directors

30. Section 210 of the principal Act is amended by inserting after subsection (4) the following subsection:

(4a) However, for a quorum, the member directors must outnumber the independent directors by at least one or, if a greater number is stated in the rules of the co-operative, the greater number.

Amendment of s. 211—Transaction of business outside meetings

31. Section 211 of the principal Act is amended by inserting in subsection (6) "within 28 days after the resolution is approved" after "of the board".

Insertion of new Division

32. The following Division is inserted after section 214 of the principal Act:

DIVISION 1A—SECRETARY**Secretary**

214A. (1) A co-operative must have a secretary.

(2) The board of the co-operative is to appoint the secretary.

(3) The board may appoint a person to act as the secretary during the absence or incapacity of the secretary.

(4) A person is not qualified to be appointed as, or to act as, the secretary unless the person is an adult who ordinarily lives in Australia.

Amendment of s. 223—Application of Corporations Act concerning officers of co-operatives

33. Section 223 of the principal Act is amended by inserting "344," after "in relation to sections".

Insertion of new Division

34. The following Division is inserted after section 223 of the principal Act:

DIVISION 2A—EMPLOYEE ENTITLEMENTS**Employee entitlements**

223A. A co-operative is declared to be an applied Corporations legislation matter for the purposes of Part 3 of the *Corporations (Ancillary Provisions) Act 2001* in relation to Part 5.8A of the Corporations Act, subject to the following modifications:

- (a) a reference in those provisions to a company is to be read as a reference to a co-operative; and
- (b) such other modifications (within the meaning of Part 3 of the *Corporations (Ancillary Provisions) Act 2001*) as may be prescribed by the regulations.

Substitution of heading

35. The heading to Division 5 of Part 9 of the principal Act is repealed and the following heading is substituted:

DIVISION 5—FINANCIAL RECORDS, REPORTS AND AUDIT**Amendment of s. 233—Requirements for financial records, statements and reports**

36. Section 233 of the principal Act is amended—

(a) by striking out subsection (1) and substituting the following subsection:

(1) A co-operative must—

- (a) keep financial records and prepare financial statements and financial reports as required by the regulations; and
- (b) ensure that those financial statements and financial reports are audited in accordance with the regulations.

Maximum penalty: \$2 000.;

(b) by striking out paragraphs (a) and (b) of subsection (2) and substituting the following paragraphs:

- (a) any matter for which provision is made by or under section 198F, Part 2F.3, sections 249K, 249V and 250T and Chapter 2M of the Corporations Act (including the conferring of jurisdiction on a court of this State);
- (b) requiring financial statements and financial reports to be prepared in accordance with any accounting standards in force for the purposes of Chapter 2M of the Corporations Act (with or without modifications specified in the regulations);;

(c) by striking out from subsection (2)(c) "accounts or consolidated accounts" and substituting "financial statements and financial reports";

- (d) by striking out from subsection (2)(e) "accounts" and substituting "financial statements and financial reports";
- (e) by striking out paragraph (f) of subsection (2) and substituting the following paragraph:
 - (f) the duties of directors of a co-operative in relation to the preparation, the auditing and the laying before meetings of members of financial statements and financial reports, including the reports to be prepared by directors in relation to those statements and reports;;
- (f) by striking out from subsection (2)(g) "accounts and reports in relation to accounts" and substituting "financial statements and financial reports".

Amendment of s. 237—Protection of auditors, etc.

37. Section 237 of the principal Act is amended by striking out from subsection (1)(b) "accounts, consolidated accounts or a report" and substituting "financial statements, financial report, or other report".

Amendment of s. 244—Annual report

38. Section 244 of the principal Act is amended by striking out subsection (1) and substituting the following subsection:

(1) A co-operative must lodge with the Commission within the required period in each year an annual report containing each of the following:

- (a) a list in the form approved by the Commission specifying the secretary, directors and the principal executive officers of the co-operative and of each subsidiary of the co-operative, as at the date that the annual report is lodged with the Commission;
- (b) if the co-operative is required under section 233(1) to prepare a financial report of the co-operative for its most recently ended financial year—a copy of the financial report;
- (c) if any subsidiary of the co-operative is required by a provision of any other Act to prepare a financial report for its most recently ended financial year—a copy of that financial report;
- (d) a copy of any report prepared by the auditor or directors of the co-operative or of any subsidiary—
 - (i) prepared under section 233(1); or
 - (ii) prepared on a financial report mentioned in paragraph (b) or (c).

Insertion of s. 250A

39. The following section is inserted after section 250 of the principal Act:

Restriction on use of word "co-operative" or similar words

250A. (1) A person other than a co-operative must not trade, or carry on business, under a name or title containing the word "co-operative", the abbreviation "Co-op" or words importing a similar meaning.

Maximum penalty: \$2 000.

(2) Subsection (1) does not apply to an entity mentioned in section 247(5).

Amendment of s. 254—Limits on deposit taking

40. Section 254 of the principal Act is amended by inserting in paragraph (a) "is authorised by its rules to accept money on deposit and" after "the co-operative".

Amendment of s. 258—Application of Corporations Act to issues of debentures

41. Section 258 of the principal Act is amended by inserting after subsection (4) the following subsection:

(5) The Commission may grant an exemption unconditionally or subject to conditions.

Insertion of s. 258A

42. The following section is inserted after section 258 of the principal Act:

Application of certain other Corporations Act provisions

258A. The issue of debentures to which section 259 applies is declared to be an applied Corporations legislation matter for the purposes of Part 3 of the *Corporations (Ancillary Provisions) Act 2001* in relation to sections 722 and 734 of the Corporations Act, subject to the following modifications:

- (a) a reference in those provisions to a disclosure statement is to be read as a reference to a disclosure statement under section 259; and
- (b) a reference in those provisions to a disclosure statement that has been lodged is to be read as a reference to a disclosure statement that complies with section 259; and
- (c) a reference in those provisions to securities is to be read as a reference to debentures; and
- (d) such other modifications (within the meaning of Part 3 of the *Corporations (Ancillary Provisions) Act 2001*) as may be prescribed by the regulations.

Amendment of s. 261—Application of Corporations Act—debentures (additional issues)

43. Section 261 of the principal Act is amended—

- (a) by inserting "or employees" after "any of its members";
- (b) by striking out "section 563AAA" and substituting "sections 124(1)(b) and 563AAA".

Amendment of s. 268—Distribution of surplus or reserves to members

44. Section 268 of the principal Act is amended—

- (a) by inserting in subsection (1)(b) "on the basis of business done with the co-operative or on the basis of the shares held by the member" after "members";
- (b) by inserting in subsection (1)(c) "for shares held by the member" after "dividend".

Amendment of s. 275—Maximum permissible level of share interest

45. Section 275 of the principal Act is amended—

- (a) by striking out from subsection (2) "a particular person,";
- (b) by inserting after subsection (5) the following subsection:

(6) The Commission may give an approval under subsection (5)(a) unconditionally or subject to conditions.

Amendment of s. 302—Requirements before application can be made

46. Section 302 of the principal Act is amended by striking out from subsection (1)(c) "or rules" and substituting ", constitution or replaceable rules, or other rules,".

Amendment of s. 305—Transfer not to impose greater liability, etc.

47. Section 305 of the principal Act is amended by inserting in subsection (1) ", or constitution or replaceable rules," after "articles of association".

Insertion of s. 306A

48. The following section is inserted after section 306 of the principal Act:

New body must give copy of certificate to Commission

306A. On the transfer of a co-operative under this Division, the new body must immediately give to the Commission a copy of its certificate of incorporation or registration.

Maximum penalty: \$2 000

Amendment of s. 310—Winding up on Commission's certificate

49. Section 310 of the principal Act is amended—

- (a) by inserting after subsection (4) the following subsections:

(4a) The appointment of a liquidator may be made on such conditions as the Commission thinks fit.

(4b) A liquidator who contravenes or fails to comply with a condition is guilty of an offence.

Maximum penalty: \$5 000.;

- (b) by striking out subsection (6) and substituting the following subsections:

(6) The liquidator must give the security (if any) for the exercise of the liquidator's functions that the Commission directs.

(6a) The liquidator is entitled to receive the fees decided by the Commission.

Insertion of s. 310A

50. The following section is inserted after section 310 of the principal Act:

Method of deregistration

310A. A co-operative may be deregistered in the same way and in the same circumstances as a company under the Corporations Act may be deregistered.

Amendment of s. 311—Application of Corporations Act to winding up

51. Section 311 of the principal Act is amended by striking out "or dissolution of a co-operative is declared to be applied Corporations legislation matter" and substituting "or deregistration of a co-operative, or a deregistered co-operative, are declared to be applied Corporations legislation matters".

Amendment of s. 333—Application of Corporations Act with respect to insolvent co-operatives

52. Section 333 of the principal Act is amended by striking out "(except section 588G)".

Amendment of s. 347—Provisions for facilitating reconstructions and mergers

53. Section 347 of the principal Act is amended by striking out from subsection (3)(d) "dissolution" and substituting "deregistration".

Amendment of s. 370—Commission to be notified of certain changes

54. Section 370 of the principal Act is amended by inserting after paragraph (g) the following paragraphs:

- (h) the address of the registered office of a non-participating co-operative registered under this Part in the State or country in which it is registered, incorporated or formed; or
- (i) the name under which a non-participating co-operative registered under this Part carries on business in the State or country in which it is registered, incorporated or formed,.

Amendment of s. 376—Requirements before application can be made

55. Section 376 of the principal Act is amended—

(a) by striking out paragraph (b) of subsection (1) and substituting the following paragraph:

- (b) if permitted by subsection (3)—
 - (i) a special resolution; or
 - (ii) a resolution of the board of the co-operative.;

(b) by striking out paragraph (b) of subsection (2) and substituting the following paragraph:

- (b) if permitted by subsection (3), must have been approved—
 - (i) in the case of the non-participating co-operative—by a resolution of the board of the co-operative; or
 - (ii) in the case of the South Australian co-operative—by a special resolution, or a resolution of the board, of the co-operative.;

(c) by striking out from subsection (3) "resolution of the board" and substituting "a special resolution, or a resolution of the board,";

(d) by inserting after subsection (3) the following subsection:

(4) The South Australian Registrar may give a consent under subsection (3) unconditionally or subject to conditions.

Amendment of s. 384—"Co-operative" includes subsidiaries, foreign co-operatives and co-operative ventures

56. Section 384 of the principal Act is amended by striking out from paragraph (d) "dissolved" and substituting "deregistered".

Amendment of s. 426—Disposal of records by Commission

57. Section 426 of the principal Act is amended by striking out from subsection (2)(e) "had its registration cancelled" and substituting "been deregistered".

Amendment of s. 432—Certificate of registration

58. Section 432 of the principal Act is amended by striking out from subsection (2) "cancellation of its registration" and substituting "deregistration of the co-operative".

Amendment of s. 443—Secrecy

59. Section 443 of the principal Act is amended by inserting in subsection (4)(f) "and Investments" after "Securities".

Amendment of s. 449—Co-operatives ceasing to exist

60. Section 449 of the principal Act is amended—

(a) by striking out subsection (1) and substituting the following subsection:

(1) As soon as practicable after a co-operative ceases to exist, other than on deregistration of the co-operative under section 311, the Commission must deregister the co-operative by registering the cessation and cancelling the registration of the co-operative.;

(b) by striking out from subsection (2) "dissolved" and substituting "deregistered".

Amendment of s. 450—Service of documents on co-operatives

61. Section 450 of the principal Act is amended by inserting in subsection (3)(b) "or to the registered office of the foreign co-operative in its place of registration, incorporation or formation".

Amendment of Schedule 4

62. Schedule 4 of the principal Act is amended by striking out from clause 11(1)(d) "accounting records" and substituting "financial records".

Amendment of Schedule 5

63. Schedule 5 of the principal Act is amended by inserting in clause 31 after its present contents (now to be designated as subclause (1)) the following subclauses:

(2) A co-operative mentioned in subclause (1) whose registration has been cancelled is taken to be a deregistered co-operative.

(3) A provision of the *Corporations Law* dealing with a matter arising out of the repeal of Division 8 of Part 5.6 of the *Corporations Law* is adopted by this clause and applies for the purposes of the application of the Corporations Act under Division 3 of Part 12 of this Act.

(4) A co-operative that is being or has been dissolved under the repealed Division 8 of Part 5.6 of the *Corporations Law* is taken to be a co-operative that is being or has been deregistered under this Act.