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THE FRIENDLY SOCIETIES LAW (CAP. 59)

(1998 Revision)

Consolidated with Law 13 of 1976.

Revised under the authority of the Law Revision Law (19 of 1975).

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Law 13 of 1976-7th September, 1976.

Consolidated and revised this 30th day of June, 1998.

FRIENDLY SOCIETIES LAW

(1998 Revision)

ARRANGEMENT OF SECTIONS

1. Short title
2. Definitions
3. Power to establish societies for benefit of members in sickness, etc.
4. Society in its rules to declare purposes of its establishment
5. Two transcripts of rules to be submitted to the Registrar
6. Effect thereof
7. Register of societies in the office of the Registrar
8. Particulars to be entered on Register
9. Procedure where the Registrar refuses to certify
10. For what Registrar not entitled to fee
11. Proof of registry under rules and regulations of societies
12. No society entitled to benefit of Law unless rules entered in book, etc.
13. No certified rules to be altered except at a general meeting of society, etc.
14. Rules to specify place of meeting and power and duties of members, etc.
15. Society may appoint officers
16. Appointment of standing and other committees
17. Moneys not immediately wanted to be invested on government or real security
18. Moneys to be accounted for by persons receiving same
19. In what cases Grand Court may appoint person to convey
20. When Grand Court may order dividends, etc., of securities to be paid
21. Court or counsel to take no fee
23. Who to be named as transferor or in Court for making transfer
23. Law to be indemnity in certain cases
24. When debts due to society are to take priority over other debts
25. Effects of society vested in treasurer, who may sue and be sued, etc.
26. Limitation of responsibility of officers
27. Payment to persons appearing to be next-of-kin of deceased members valid
28. Provisions as to sums not exceeding sixty dollars to which member dies entitled
29. Frauds committed upon friendly societies
30. Dissolution of society
31. Rules to direct how disputes to be settled
32. As to disputes when settled by Justices
33. Orders of Justices final
34. Settlement of disputes
35. Compensation to members unlawfully expelled

36. Annual audit and statement of accounts
 37. Publication of statements
 38. Society may receive donations
 39. Provisions as to minors
 40. Returns of rate of sickness and mortality
 41. To whom to be transmitted
 42. Return of societies under this Law
 43. Power to order inquiry into affairs of friendly societies
 44. Costs of refusal to make appointment
 45. Powers of Inspectors
 46. Report of Inspectors
 47. Inspection by resolution of the society
 48. Inspector's report admissible as evidence
- First Schedule: Forms
Second Schedule: Return of rates of sickness and mortality

FRIENDLY SOCIETIES LAW

(1998 Revision)

1. This Law may be cited as the Friendly Societies Law (1998 Revision). Short title

2. In this Law- Definitions
 - “member” includes members and honorary members;
 - “Registrar” means the Registrar of Companies; and
 - “society” includes friendly society or societies, institution or institutions.

3. (1) It shall be lawful- Power to establish societies for benefit of members in sickness, etc.
 - (a) for persons in the Islands to form themselves into and to establish a society for the purpose of raising, from time to time, by subscriptions of the members of every such society, by voluntary contributions or donations, a stock or fund for the mutual relief and maintenance of all the members thereof, their wives, children or other relations, in sickness, infancy, advanced age, widowhood or any other natural state or contingency, whereof the occurrence is susceptible of calculation by way of average; and
 - (b) for the members of each society, from time to time, to assemble together to make such proper rules for the better government and guidance of the same as to the majority of the members of such society so assembled together shall seem meet, so as such rules shall not be repugnant to the Laws of England, or of the Islands nor any of the express provisions or regulations of this Law.

- (2) Such rules may provide for the imposition of such reasonable fines and forfeitures upon the members of any such society who shall offend against such rules, as shall be just and necessary for enforcing the same. Such fines and forfeitures shall be paid to such uses for the benefit of such society, as the society, by rules, shall direct.

- (3) A Society may also, from time to time, amend or repeal such rules as occasion shall require, and make new rules in lieu thereof, under such restrictions as are in this Law contained.

Society in its rules to declare purposes of its establishment

4. Every society established under this Law, shall, in and by its rules, declare all purposes for which the society is intended to be established, and direct all purposes to which the money which shall, from time to time, be subscribed, paid or given to or for the use or benefit of the society, or which shall arise therefrom, or in anyway belong to such society, shall be appropriated and applied, and in what shares and proportions and under what circumstances, any member of the society, or other person, shall or may become entitled to the same uses, or any part thereof:

Provided that the application shall not be repugnant to the purposes of such society, and all such rules, during the continuance of the same, shall be complied with and enforced, and the moneys subscribed, paid or given, or arising to or for the use or benefit of such society, or belonging thereto, shall not be diverted or misapplied, either by the treasurer, trustee or any other officer or member of such society entrusted therewith, under such penalty or forfeiture as such society shall, impose for such offence.

Two transcripts of rules to be submitted to the Registrar

5. (1) Two transcripts of all rules made under this Law, signed by three members, and countersigned by the clerk or secretary, with all convenient speed after the same shall be made, altered or amended, and so from time to time after every making, altering or amending thereof shall be submitted to the Registrar for the purpose of ascertaining whether the said rules of such society are calculated to carry into effect the intention of the parties framing such rules, and are in conformity to law and this Law.

(2) The Registrar shall confer with the clerk or secretary, if required, and shall give a certificate, on each of the said transcripts, that the same are in conformity to law and this Law, or point out in what part or parts the said rules are repugnant.

(3) The Registrar, for advising and perusing the rules of each society and giving such certificates, shall demand no greater fee than three dollars and twenty cents.

(4) One transcript, when certified by the Registrar, shall be returned to the society, and the other transcripts shall be filed and preserved in the office of the Registrar.

Effect thereof

6. (1) The receipt of such certified transcript shall be an authority to the Registrar to register the society by entering its name in the register book mentioned in section 7 (if such society is not already registered), and thereupon such society shall be deemed to be a duly enrolled friendly society under this Law.

(2) The rules and regulations, and alterations and amendments thereof, certified, transmitted and filed shall be, from the time of the filing, the rules and regulations of the society to which they relate until they are rescinded or altered, and shall be binding on the members and officers of the society, the contributors and subscribers and all other persons having interest therein, and on their representatives, all of whom shall be deemed to have full notice thereof.

(3) Every true copy of such transcript deposited with the Registrar shall be made without fee except the actual expense of making such copy; which shall be at the rate of fifteen cents for every one hundred and sixty words contained in such copy.

7. The Registrar shall keep, in his office, a register of all friendly societies established under this Law, and such register shall be open to public inspection on payment of such fee as may be fixed from time to time by any enactment.

Register of societies in the office of the Registrar

8. It is the duty of the Registrar to enter on such register the name and place of business of every society established under this Law, and in case any society is dissolved, the Registrar shall strike the name of such society off the register.

Particulars to be entered on Register

9. If the Registrar refuses to certify any rules or regulations, or alterations or amendments thereof, the persons or society desirous of having the same certified may submit the same to a Judge of the Grand Court together with the reasons in writing of the Registrar for his refusal (which reasons the Registrar is required on demand to give); and thereupon such Judge may, if he thinks fit, confirm the said rules or regulations, alterations or amendments, notwithstanding the refusal of the Registrar to certify the same; and the Judge shall cause one transcript of the rules, regulations or amendments to be sent to the Registrar and the other to the society, and on such rules, regulations or amendments being confirmed by the Judge, the same consequences shall ensue as if the same had been certified by the Registrar.

Procedure where the Registrar refuses to certify

10. If it becomes necessary to amend any rules, the Registrar shall be entitled to no further fee for any amendment of any rule upon which one fee has been already paid to the Registrar within the period of three years:

For what Registrar not entitled to fee

Provided that if any rules or amendments are sent to the Registrar, accompanied with an affidavit of their being a copy of any rules or amendments of the rules of any other society which are enrolled under this Law, the Registrar shall certify and return the same without being entitled to any fee for such certificate.

11. (1) The production of a copy of the rules and regulations of any friendly society certified as herein provided, or a certificate under the hand of the

Proof of registry and of rules and regulations of societies

Registrar that any such society is registered under this Law, shall be conclusive evidence that such society was, at the date of the certificate, established under this Law, and shall be presumptive evidence of such establishment at the time of the production of the same.

(2) The rules, regulations and amendments thereof, of any friendly society, may be proved in any court by production of a copy of the same, certified as aforesaid and filed in the office of the Registrar, provided that such copy purports to be certified to be a true copy of the said rules and regulations as they stand at the time under the hand of the Registrar, and are sealed with the seal of the office.

(3) There shall be paid for such certificate such fee as may be fixed from time to time under any enactment.

No society entitled to benefit of Law unless rules entered in book, etc.

12. No society shall have the benefit of this Law unless all the rules for the management thereof are entered in a book kept by an officer of such society appointed for that purpose, which book shall be open at all reasonable times for the inspection of the members, and unless all rules are transcribed and deposited with the Registrar; but nothing contained herein prevent any amendment of any such rules so entered, deposited and filed or repealing them, in whole or in part, or making new rules for the management of such society, in such manner as the rules of such society shall, from time to time, provide by such new rules; and such alterations or amendments of former rules, or any order repealing any former rules in whole or in part, shall not be in force until the same is entered in such book, and certified when necessary by the Registrar, and until a transcript is deposited with the Registrar, who shall file and certify the same.

No certified rules to be altered, except at a general meeting of society, etc.

13. No rules so certified and filed, shall be altered or repealed, unless-

- (a) at a general meeting of the members of such society, convened by public notice, signed by the secretary, president or other principal officer or clerk, in pursuance of a requisition for that purpose by seven or more of the members of the society, which said requisition and notice shall be publicly read at the two usual meetings of the society to be held next before such general meeting for the purpose of such alteration or repeal;
- (b) a committee of the members has been nominated for that purpose at a general meeting of the members of such society convened in manner aforesaid, in which case such committee shall have the power to make such alterations or repeal; and
- (c) such alterations or repeals are made with the consent and approval of seventy-five per cent of the members present, or by

the same proportion of such committee as aforesaid, if any has been nominated for that purpose.

14. The rules of every society formed under this Law shall specify the place or places at which it is intended such society shall hold its meetings, and shall contain provisions with respect to the powers and duties of the members at large, and of such committees or officers as may be appointed for the management of the affairs of such society:

Rules to specify place of meeting and power and duties of members, etc.

Provided that any such society may alter its place or places of meeting, whenever it considers it necessary, upon giving notice thereof in writing to the Registrar, such notice to be given within seven days before or after such removal, signed by the secretary or other principal officer and by three or more of the members. Such place or places shall be situate within the district in which the society was formed.

15. Every such society shall, at any of its usual meetings, or by its committee, if any such shall be appointed for that society, elect and appoint such person to the office of steward, president, warden, treasurer or trustee of such society, as they think proper; and also may elect and appoint such clerks and other officers as are deemed necessary to carry into execution the purposes of the society, for such space of time and purposes as are fixed and established by the rules of the society; and from time to time elect and appoint others to replace those who vacate or die, and such treasurer, trustee and every other officer or person, who shall be appointed to any office concerning the receipt, management or expenditure of any money collected for the purpose of such society, before he may take upon himself the execution of any such office or trust (if required so to do by the rules of such society to which such officer shall belong) shall become bound in a bond, in Form A in the First Schedule, with two sufficient securities, for the just and faithful execution of such office or trust and for rendering a just and true account according to the rules of such society, and in all lawful matters to pay obedience to the same, in such sum of money as by the major part of such society at any such meeting as aforesaid shall be thought expedient and to the satisfaction of such society; and every such bond given by or on behalf of such treasurer, trustee or any other person appointed to any other office of trust, shall be given to the Registrar, without fee or reward; and, in case of forfeiture, it shall be lawful to sue upon such bond in the name of the Registrar, fully indemnifying and saving harmless such Registrar from all costs and charges in respect of such suit; and no bond or other security to be given to or on account of any such society, or in pursuance of this Law, shall be charged or chargeable with any stamp duty.

Society may appoint officers

Appointment of standing and other committees

16. Every society may elect and appoint any number of the members to be a committee, the number thereof to be declared in the rules of such society; and may delegate to such committee any of the powers given by this Law; who, being so delegated, shall continue to act as such committee during such time as they are appointed, for such society, for general purposes, the powers of such committee being first declared in the rules, certified and filed in the manner directed, and in all cases wherein a committee shall be appointed for any particular purpose, the powers delegated to such committee shall be reduced to writing and entered in a book by the secretary or clerk of the society, and a majority of the members of such committee shall, at all times, be necessary to concur in any act of such committee, and such committee shall, in all things delegated to them, act for and in the name of the society; and all acts and orders of such committee under the powers delegated to them shall have the like force and effect as the acts and orders of such society at any general meeting could or might have had under this Law:

Provided that the transactions of such committee shall be entered in a book belonging to such society, and shall be, at all times, subject to the review, allowance or disallowance, and control of such society, in such manner as the society shall, by their general rules certified and filed as aforesaid, have directed and appointed, or shall in like manner direct and appoint.

Moneys not immediately wanted to be invested on government or real security

17. The treasurer and trustee of any society is authorised and required, from time to time, by and with the consent of the society, given in such manner as is directed by the general rules, to lay out or dispose of such part of such sums of money as shall, at any time, be collected, given, or paid to and for the beneficial ends, intents and purposes of such society, as the exigencies of such society shall not call for the immediate application or expenditure of, either on real securities or in the purchase of real estate, to be approved of (such securities or conveyances of real estate to be taken in the name of such treasurer or trustee for the time being) or to invest the same in any chartered bank or banking company of the Islands, in the name of such treasurer or trustee; and from time to time, with such consent as aforesaid, and to alter, transfer and sell such securities and funds; and all the dividends, interest and proceeds which arise from the moneys so laid out or invested, shall be brought to account by such treasurer or trustee, and applied to and for the use of such society, according to the rules.

Moneys to be accounted for by persons receiving same

18. Every person who has or receives any moneys, effects or funds belonging to any society, or who in any manner has been, or is, entrusted with the disposal, management or custody thereof, or of any security, books, papers or property relating to the same, his executors, administrators and assigns, shall, upon demand made or notice in writing given or left at the last or usual place of residence of such person, in pursuance of any order of such society, or committee

to be appointed for that purpose, give in his account at the usual meeting of such society or to such committee thereof as aforesaid, to be examined and allowed or disallowed by such society or committee and shall, on the like demand or notice, pay over all the moneys remaining in his hands, and assign and transfer or deliver all securities and effects, books, papers and property taken or standing in his name, or being in his custody, to the treasurer or trustee, or to such other person as such society or committee appoint; and in case of any neglect or refusal to deliver such account, to pay over such moneys or to assign, transfer, or deliver such securities and effects, books, papers and property in manner aforesaid, such society, in the name of the treasurer, trustee or other principal officer may exhibit a petition to a Judge of the Grand Court who may proceed thereupon in a summary way, and make such order therein, upon hearing all parties concerned, as in his discretion shall seem just, which order shall be final, and all assignments, sales and transfers made under such order shall be good and effectual in law to all intents and purposes.

19. When any person possessed of any lands, tenements or other property, or any estate or interest therein, as a trustee of any society, is out of the jurisdiction of or not amenable to the process of the Courts of the Islands, or of unsound mind, or it is unknown or uncertain whether he is living or dead; or if such person refuses to convey or otherwise assure such lands, tenements, hereditaments, property, estate or interest to the person duly nominated as trustee of such society in his stead, either alone or together with any continuing trustee, then a Judge of the Grand Court may appoint such person as to him shall seem fit, on behalf and in the name of the person seised or possessed, to convey, release, assign or otherwise assure the said lands, tenements, hereditaments, property, estate or interest to such trustee so nominated, and every such conveyance, release, assignment or assurance shall be as valid and effectual to all intents and purposes as if the person being out of the jurisdiction or not amenable to the process of the said Court, or not known to be alive, or having refused, had executed the same, or as if the person being of unsound mind had been, at the time of the execution thereof, of sane mind, memory and understanding, and had by himself executed the same.

In what cases Grand Court may appoint person to convey

20. When every person in whose name any part of the stocks, annuities and funds transferable, or which hereafter shall be made transferable, in any of the securities herein named, standing as a trustee of any such society, is absent, out of the jurisdiction or not amenable to process of the Grand Court, or is a bankrupt or of unsound mind, or it is uncertain or unknown whether such trustee is living or dead, a Judge may order that the proper officer of any savings bank or banking company in the Island transfer in the books of the said savings bank or banking company, such stock, annuities or funds standing into the name of such person as such society may appoint, and pay over to such person the dividends of such

When Grand Court may order dividends, etc., of securities to be paid

stocks, annuities or funds; and when one or more but not all of such trustees is absent, not amenable to such process, a bankrupt or of unsound mind, or it be uncertain or unknown whether any one or more but not all of such trustees is living or dead; then it shall be lawful for the Judge to order that the other trustees who shall be forthcoming, ready and qualified to act, to transfer such stock, annuities or funds to and into the name of such person, and also that such forthcoming trustee receive and pay over the dividends of such stock, annuities or funds, as such society shall direct; and all such transfers and payments so made are valid and effectual to all intents and purposes whatsoever.

Court or counsel to take no fee

21. No fee, reward, emolument or gratuity shall be demanded, taken or received by any officer of such Court for any thing done in such Court under this Law; and, upon the presenting of any such petition, the Judge may assign counsel, and appoint an attorney-at-law to advise and carry on such petition on the behalf of such society, who are hereby required to do their duties therein without fee or reward.

Who to be named as transferor or in Court for making transfer

22. In all cases in which orders are made by the Court for the transfer of securities or funds transferable at the Treasury, at any savings bank within the Islands or at any chartered Bank or banking company therein, the persons named in such orders for making such transfers shall be the treasurer, secretary or manager, except in cases where one or more of the trustees in whose name such securities or funds shall stand shall be ordered to transfer the same without the concurrence of any trustees, anything herein contained to the contrary notwithstanding.

Law to be indemnity in certain cases

23. This Law shall be a full and complete indemnity and discharge to the Treasurer, and to the managers or directors of savings banks or of any chartered bank or banking company in the Islands, and their officers and servants, for all acts and things done or permitted to be done pursuant thereto; and such acts and things shall not be questioned or impeached in any court of law or equity to their prejudice or detriment.

When debts due to society are to take priority over other debts

24. If any person who is appointed to any office in a society and entrusted with the keeping of the accounts, or having in his hands or possession by virtue of his office or employment any moneys or effects belonging to such society, or any deeds or securities relating to the same, dies or becomes bankrupt, or has any extent, execution or attachment or other process issued against his lands, goods, chattels or effects, property or estate, real or personal, or makes any assignment, disposition or other conveyance thereof for the benefit of his creditors, heirs, executors, administrators or assignees, or other persons having legal right, the Bailiff or other officers executing such process shall, within forty days after demand made in writing, by the order of any such society or committee, or the

major part of them assembled at any meeting, deliver and pay over all moneys and other things belonging to such society to such person as the society or committee shall appoint; and shall pay out of the estates, assets or any effects, real or personal, of such person, all sums of money remaining due which the person received by virtue of his office or employment, before any other of his debts are paid or satisfied, or before the money directed to be levied by such process is paid over to the party issuing such process, and all such assets, lands, goods, chattels, property, estates and effects shall be bound to the payment and discharged accordingly.

25. All real estate and personal property, moneys, goods, chattels and effects, and all titles, securities for money or other obligatory instruments and evidences or muniments, and all other effects, and all rights and claims belonging to or had by such society, shall be vested in the treasurer or trustee of such society for the use and benefit of the society and the members thereof their executors or administrators, according to their claims and interests, and, after the death or removal of any treasurer or trustee, shall vest in the succeeding treasurer or trustee, without any assignment or conveyance, except the transfer of stocks and securities in the Treasury, or any savings bank, chartered bank or banking company in the Islands; and also shall, for all actions or suits, criminal and civil, be deemed the property of the person appointed to the office of treasurer or trustee of such society, in his or her proper name, without further description; and such person is authorised to bring or defend, or cause to be brought or defended, any action, suit or prosecution concerning the property, right or claim of such society:

Effects of society vested in treasurer, who may sue and be sued, etc.

Provided such person has been authorised by the consent of the majority of members present at any meeting of the society or committee; and such person so appointed may sue and be sued, in his proper name, as treasurer or trustee of such society, without other description; and no such suit, action or prosecution shall be discontinued or abate by the death of such person, or his removal from the office of treasurer or trustee, but the same may be proceeded in by the succeeding treasurer or trustee, in the proper name of the person commencing the same, any law, usage or custom to the contrary notwithstanding; and such succeeding treasurer or trustee shall pay or receive the same costs as if the action or suit had been commenced in his name for the benefit of, or to be reimbursed from, the funds of such society.

26. The treasurer, trustee or any other officer of any society established under this Law is not liable to make good any deficiency which may arise in the funds of such society unless such person has declared, by writing under their hand deposited and registered in like manner with the rules of such society, that he is

Limitation of responsibility of officers

willing so to be answerable; and it is lawful for such person, to limit his responsibility to such sum as is specified in any such instrument or writing:

Provided that the said treasurer, trustee and every other officer of such society is personally responsible and liable for all moneys actually received by them, on account of, or to and for the use of the said society.

Payment to persons
appearing to be next-of-
kin of deceased
members valid

27. Whenever the trustees of any society established under this Law, at any time after the decease of any member, have paid and divided any sum of money to or amongst any person or persons who, at the time of such payment, appear to such trustees to be entitled to the effects of any deceased intestate member, the payment of any such sum of money shall be valid and effectual with respect to any demand of any other person or persons as next-of-kin of such deceased intestate member, or as the lawful representatives of such member, against the funds of such society, or against the trustees thereof, but nevertheless, such next-of-kin or representatives, shall have remedy for such moneys so paid against the person or persons who have received the same.

Provisions as to sums
not exceeding sixty
dollars to which member
dies entitled

28. Where any member of any society dies who is entitled to any sum not exceeding sixty dollars, the trustees or treasurer of such society may, if such trustees or treasurer is satisfied that no will was made by such deceased member, and that no letters of administration will be taken out of the funds, goods and chattels of such depositor, pay the same at any time after the decease of such member, according to the rules and regulations of the said institution; and in the event of there being no rules and regulations made, then the trustees or treasurer are authorised and permitted to pay and divide the same amongst the persons entitled to the effects of the deceased intestate, without letters testamentary or letters of administration having been taken out in the Islands.

Frauds committed upon
friendly societies

29. To prevent fraud and imposition on the funds of such society by any officer, member or any other person being or representing himself to be a member of such society, or the nominee, executor, administrator or assignee of any member of such society or any other person whatever who shall, in or by any false representation or imposition, fraudulently obtain possession of the moneys of such society, or any part thereof, or having in his possession any sum of money belonging to such society, fraudulently withholds the same, and for which offence no special provision is made in the rules of such society, a Justice may, upon complaint made on oath or affirmation by an officer of such society appointed for that purpose, summon such person against whom such complaint is made to appear at a time and place named in such summons; and upon his appearance, or in default thereof, upon due proof upon oath or affirmation of the service of such summons, two Justices may hear and determine the complaint, according to the rules of the society, and, upon proof of such fraud, the Justices shall convict the

said party, and award double the amount of the money so fraudulently obtained or withheld, to be paid to the treasurer, to be applied by him to the purposes of the society so proved to have been imposed upon and defrauded, together with such costs as are awarded by the said Justices, not exceeding the sum of one dollar; and in case such persons against whom such complaint is made do not pay the sum of money so awarded to the person and at the time specified in the said order, such Justices are required, by warrant under their hands and seals, to cause the case to be levied by distress and sale of the goods of such person on whom such order has been made, or by other legal proceedings, together with such costs as are awarded by the Justices, not exceeding the sum of one dollar; and also the costs and charges attending such distress and said or other legal proceedings, returning the surplus, if any, to the owner; and, in default of such distress being found, the Justices shall commit such person so proved to have offended to prison for such period, not exceeding three months, as to them shall seem fit:

Provided that nothing herein contained shall prevent the society from proceeding by indictment or complaint against the party complained of:

Provided also that no party shall be proceeded against by indictment or complaint, if a previous conviction has been obtained for the same offence under this Law.

30. No society, by any rule at any general meeting, or otherwise, may dissolve or determine such society so long as any of the interests and purposes declared by such society, remain to be carried into effect, without obtaining the votes of consent of five-sixths in value of the then existing members of such society to be ascertained in manner hereinafter mentioned, and also the consent of all persons then receiving or entitled to receive relief from such society, either on account of sickness, age or infirmity, to be testified under their hands, individually or respectively; and for the purposes of ascertaining the votes of such five-sixths in value, every member shall be entitled to one vote, and an additional vote for every five years that he has been a member:

Dissolution of society

Provided that no one member shall have more than five votes; and in all cases of dissolution, the intended appropriation or division of the funds or other property of such society shall be fairly and distinctly stated in the proposed plan of dissolution prior to such consent being given; nor shall it be lawful for such society, by any rule, to direct the division or distribution of such stock or fund, or any part thereof, to or amongst the members of such society, other than for carrying into effect the general intents and purposes of such society declared by them, but all such rules for the dissolution or determination of the society without such consent, or for the distribution or division of the property, stock, or funds of such society, contrary to the rules which have been certified and filed in

pursuance of this Law, is void; and in the event of such division of the property, or misappropriation of the funds of such society, without the required consent, the trustee or other officer or person aiding or abetting therein, is liable to the like penalties as are hereinbefore provided for in cases of fraud.

Rules to direct how
disputes to be settled

31. Provision shall be made by the rules of every society to be certified as required by this Law, specifying whether a reference of every matter in dispute between any such society, or any person acting under them, and any individual member thereof, or person claiming on account of any member, shall be made to such Justices as may act in and for the district in which such society may be formed or to arbitrators to be appointed in manner hereinafter directed, and if the matter so in dispute shall be referred to arbitration, certain arbitrators shall be named, and elected at the first meeting of such society or general committee thereof that shall be held after the enrolment of its rules, none of the said arbitrators being beneficially interested directly or indirectly in the funds of the society, of whom a certain number, not less than three, shall be chosen by ballot in each such case of dispute, the number of the arbitrators and mode of ballot being determined by the rules of each society respectively; and the names of such arbitrators shall be duly entered in the book of the said society in which rules are entered; and in case of the death, refusal or neglect of any or all of the arbitrators to act, it shall be lawful for the society, or general committee thereof, and they are hereby required, at their next meeting, to name and elect one or more arbitrator or arbitrators, to act in the place of the said arbitrator or arbitrators so dying, refusing or neglecting to act; and whatever award shall be made by the said arbitrators, or the major part of them, according to the rules of such society, shall be in Form "B" in the First Schedule, and is binding and conclusive on all parties, and final to all intents and purposes, without appeal or being subject to the control of one or more Justices; and shall not be removed or removable into any Court of law, or restrained or restrainable by the injunction of any Court of equity, and should either of the parties in dispute refuse or neglect to comply with or conform to the decision of the arbitrators, or the major part of them a Justice, upon good and sufficient proof being adduced before him of such award having been made, and of the refusal of the party to comply therewith, upon complaint made by or on behalf of the party aggrieved, may summon the person against whom such complaint is made to appear at a time and place named in such summons; and upon his appearance, or in default thereof, upon due proof upon oath of the service of such summons, any two Justices may make such order thereupon as to them may seem just; and if the sum of money so awarded, together with the sum for costs, not exceeding one dollar, as to such Justices shall seem fit, is not immediately paid, then such Justices shall by warrant under their hands and seals, cause such sum and costs to be levied by distress, or by distress and sale of the moneys, goods, chattels, securities and effects belonging to the said party or society, or other legal proceedings, together with all further costs

and charges attending such distress and sale, or other legal proceedings, returning the surplus, if any, to the said party or society, or to one of the treasurers or trustees thereof; and, in default of such distress being found, or such legal proceeding being ineffectual, then to be levied by distress and sale of the proper goods of the party, or of the officer of the society so neglecting or refusing, or by other legal proceedings, together with such further costs and charges, returning the surplus, if any, to the owner:

Provided that whatever sums are paid by any officer so levied on his property or goods in pursuance of the award of arbitrators or order of any Justices, shall be repaid, with all damages to him, by and out of the moneys belonging to such society, or out of the first moneys which are thereafter received by such society.

32. If, by the rules of any society, it is directed that any matter in dispute shall be decided by Justices, such Justices may, on complaint being made to him of any refusal or neglect to comply with the rules of such society by any member or officer, summon the person against whom such complaint is made to appear at a time and place to be named in such summons; and upon his appearance, or in default thereof, upon due proof on oath or affirmation of the service of such summons, any two Justices may proceed to hear and determine the complaint according to the rules of the society, and in case the Justices adjudge any sum of money to be paid by such person against whom such complaint shall be made, and such person does not pay such sum of money to the person and at the time specified by such Justice, they shall proceed to enforce their award in the manner hereinbefore directed, in case of any neglect to comply with the decisions of the arbitrators appointed under the authority of this Law.

As to disputes when settled by Justices

33. Every sentence, order and adjudication of Justices under this Law is final and conclusive to all intents and purposes, not subject to appeal and not removable into any Court of law, or restrainable by the injunction of any Court of equity.

Orders of Justices final

34. When the rules of any society provide for a reference to arbitrators of any matter in dispute, and it appears to any Justice, on the complaint on oath of a member of any society, or of any person claiming on account of such member, that application has been made to such society, or the steward or other officer thereof, for the purpose of having any dispute so settled by arbitration, and that such application has not, within forty days, been complied with, or that the arbitrators have neglected or refused to make an award, such Justice may summon the trustee, treasurer, steward or other officer of the society, or any one of them against whom the complaint is made, and any two Justices may hear and

Settlement of disputes

determine the matter in dispute, in the same manner as if the rules of the society had directed that any matter in dispute should be decided by Justices.

Compensation to
members unlawfully
expelled

35. Where any member of a friendly society established under this Law has been expelled from such society, and the arbitrators or Justices, as the case may be, order that he is reinstated, such arbitrators or Justices may award or order in default of such reinstatement, to the member so expelled, such a sum of money as to such arbitrators or Justices is just and reasonable; which sum of money, if not paid, is recoverable from the said society, or the treasurer, trustee or other officer, in the same way as any money awarded by arbitrators is recoverable under this Law.

Annual audit and
statement of accounts

36. (1) The rules of every society shall provide that the treasurers, trustees, stewards or other principal officer shall once in every year at least, prepare or cause to be prepared, a general statement of the funds and effects of or belonging to such society, specifying in whose custody or possession the funds or effects are, together with an account of all sums of money received and expended by or on account of the society since the publication of the preceding periodical statement; and every such periodical statement shall be attested by two or more members of such society appointed auditors for that purpose and countersigned by the secretary or clerk of such society; and every member is entitled to receive from the society a copy of such periodical statement, on payment of such sum as the rules of such society may require not exceeding five cents.

(2) A copy of the general statement of the funds and effects of or belonging to any friendly society established under this Law, required by this section shall be sent, within fourteen days of the making of the same, by the president or other principal officer of every such society, to the Registrar for publication under this Law.

(3) If default is made by any society in compliance with this section, the president or other principal officer of the society guilty of such default shall, for every day during which such default continues, forfeit a sum not exceeding two dollars.

(4) The president or other principal officer of any society established under this Law who fails or neglects to make a general statement of the funds and effects belonging to it, in compliance with this Law, within twelve months of its formation or establishment, or of the making of any former general statement, shall, for every day during which such default continues, forfeit a sum not exceeding two dollars.

(5) In any prosecution for non-compliance with this section, an affidavit by the Registrar made before any Justice (and every such Justice is hereby empowered in any such case to administer an oath), to the effect that he has not received any such statement, shall be *prima facie* proof that such statement has not been sent to him under the terms of this Law.

(6) It is the duty of the Registrar to institute proceedings for penalties incurred under this section:

Provided that with the consent of the Attorney-General he may, in any case, forego or abandon any prosecution.

(7) All proceedings under this section shall be taken in summary manner, and whenever proceedings shall be instituted by the Registrar, the process shall be free of stamp duty.

37. The Registrar shall, from time to time, at such time or times in each year, and in such form, as shall be directed by the Governor, publish in the Gazette copies of the statements sent to him under this Law.

Publication of statements

38. Any society may receive donations of any person or persons toward the supply of their stock or fund; and all such sums shall be applicable to the general purposes of such society in the same manner as the contributions of the several members of such society are or shall be directed to be applied in pursuance of this Law, and shall not be applied in any other manner.

Society may receive donations

39. A minor may become a member of any society, and shall be empowered to execute all instruments, give all necessary acquittances, enjoy all the privileges and be liable to all the responsibilities, appertaining to members of matured age, notwithstanding his incapacity or disability in law to act for himself:

Provisions as to minors

Provided that such minor is admitted into such society with the consent of his parents, masters or guardians.

40. Every society established under this Law, shall, within three months after the expiration of the month of June, and within three months after the expiration of every period of five years, transmit to the Registrar a return of the rate of sickness and mortality experienced by the said society within the before-mentioned period of five years, according to the form in the Second Schedule, a copy whereof shall be annexed to the rules of each society.

Returns of rate of sickness and mortality

To whom to be transmitted 41. The returns of the rate of sickness and mortality according to the form in the Second Schedule shall be transmitted at the period therein mentioned to the Registrar and transmitted by him to the Governor.

Return of societies under this Law 42. The Registrar shall, within one month after the expiration of the month of September, and again within three months after the expiration of every period of five years, transmit to the Governor a list of the societies which have been enrolled during such period under this Law specifying their names, the places where they have been established, and date of enrolment and time of ceasing to exist, if such case should arise; and also a copy of the returns of sickness and mortality hereinbefore directed to be made by them according to the Second Schedule; a copy of which list, with the Schedule attached to it, shall be published in the Gazette.

Power to order inquiry into affairs of friendly societies 43. A Judge of the Grand Court may, on the application of any seven or more shareholders or members of any friendly society, carrying on business in the Islands who satisfy the said Judge by affidavit and *viva voce* examination that such applicants have a *bona fide* interest in the society-

- (a) that the applicants have good reason for believing that the funds of the society have not been applied or are not being applied, in accordance with this Law;
- (b) that the rules or by-laws relating to the funds of the society have been and continue to be knowingly infringed by the directors or other officers of the society, to the possible detriment of the shareholders or members of the society; or
- (c) that the statement of the affairs of the society last issued is not a just and true statement of the affairs of the society,

issue an order calling upon the society to show cause why one or more competent Inspectors should not be appointed to examine into its affairs, and to report thereon in such manner as the Judge may direct, and on failure to show cause at the time appointed an Inspector or Inspectors shall be appointed:

Provided that the Judge may require the applicants first to satisfy him, in such manner as may seem best to him, that their conduct is actuated by no personal or malicious motive, but that their application is for the interest of the shareholders or members of the society; and he may further require the applicants to give security for payment of costs of the inquiry before appointing any Inspector or Inspectors:

Provided that in the case of any society consisting of less than twenty-one members, no such application shall be made except by not less than one-third of

the number of shareholders or members, or by any number of shareholders or members possessing one-fifth of the shares or funds.

44. In the event of the Court refusing such appointment, costs shall be granted to the directors as between attorney and client, and in the event of the Court finding from the report of the Inspectors that the society is insolvent, or that by its management the property and funds of its shareholders are in danger, the Judge may call on the society to show cause why a winding up order should not be made against it.

Costs of refusal to make appointment

45. All officers and agents of the society shall produce, for the examination of the Inspectors, all books and documents in their custody or power; any Inspector may examine upon oath the officers and agents of the society in relation to its business, and may administer such oath accordingly; if any officer or agent refuses or neglects to produce any book or document directed to be produced, or to answer any question relating to the affairs of the society, he shall incur a penalty not exceeding forty dollars in respect of each such offence.

Powers of Inspectors

46. (1) Upon the conclusion of the examination, the Inspectors shall report their opinions to the Court.

Report of Inspectors

(2) Such report shall be filed by the Clerk of the Court, and be opened to public inspection.

(3) All expenses of and incidental to any such examination and report shall be defrayed by the members upon whose application the Inspectors were appointed, unless the Court shall direct the same to be paid out of the assets of the society, which it is hereby authorised to do.

47. Any society may, by special resolution, appoint Inspectors for the purpose of examining into the affairs of such society; the Inspectors so appointed shall have the same powers and perform the same duties as Inspectors appointed by the Court, except, that instead of making their report to the Court, they shall make the same in such manner and to such persons as the society in general meeting directs; and the officers and agents of the society shall incur the same penalties in case of any refusal or neglect to produce any book or document hereby required to be produced to such Inspectors, or to answer any question, as they would have incurred if such Inspector had been appointed by the Court.

Inspection by resolution of the society

48. The report of any Inspectors appointed under this Law, or any copy thereof, certified and signed by the Inspectors, shall be admissible in any legal proceeding, as evidence of the opinion of the Inspectors in relation to any matter contained in such report.

Inspectors report admissible as evidence

FIRST SCHEDULE

Form A

Know all men by these presents, that we, A.B., of-----
treasurer (*or trustee, etc.*) of the----- Society,
established at-----, and C.D., of-----
----- and G.H., of----- (as sureties
on behalf of the said A.B.), are jointly and severally held and firmly bound to
E.F., the Registrar, in the sum of ----- to be paid to the said
E.F., the Registrar, 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.
Sealed with our seals.

Dated the-----day of -----19-----

Whereas, the above bounden A.B. hath been duly appointed treasurer (*or trustee,
etc.*), of the -----Society, established
as aforesaid; and he, together with the above bounden C.D. and G.H., as his
sureties, have entered into the above written bond, subject to the condition
hereinafter contained:

Now, therefore, the condition of the above written bond is such that if the said
A.B., shall and do justly and faithfully execute his office of treasurer (*or trustee,
etc.*), of the said Society, established as aforesaid, and shall and do render a just
and true account of all moneys remaining in his hands, and assign and transfer or
deliver all securities and effects, books, papers and property of or 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 the
proper or legal receipts or vouchers for such payments, and likewise shall and do
in all respects, well and truly, and faithfully perform and fulfil his office of
treasurer (*or trustee, etc.*) to the Society, according to the rules thereof, then the
above written bond shall be void, and of no effect; otherwise shall be and remain
in full force and virtue.

Form B

We, the major part of the arbitrators duly appointed by the-----
Society, established at ----- in the
island of -----, do hereby award
and order, that A.B. (*specifying by name the party or the officer of the Society*)
do, on the----- day of-----, 19 ----- pay to C.D. the
sum of----- (or, we do hereby reinstate in, or
expel, A.B. from the said society, as the case may be).

Dated this-----day of-----, 19-----.

E.F.
G.H.

SECOND SCHEDULE

Sections 40, 41, 42

Return of Rates of Sickness and Mortality

List of Members of the ----- Society, held at -----, established on
the -----, of -----, 19 -----, with a return of the sickness and
mortality experienced therein for the period of five years commencing ----- and
ending -----, 19 -----.

Publication in consolidated and revised form authorised by the Governor in Council this 30th day of June, 1998.

Carmena H. Parsons
Clerk of Executive Council