

Sale or consumption of liquors.

5. No intoxicating liquors shall be sold or consumed in the premises, except under and in accordance with the terms of a licence in that behalf granted in respect of such premises.

Good order in premises.

6. Every person licensed to keep a public skating rink shall maintain good order in the premises and shall not suffer or permit therein—

- (i) any profanity or impropriety of language;
- (ii) any drunkenness or other disorderly conduct;
- (iii) any unlawful game; or
- (iv) any persons of notoriously bad character to assemble and meet together.

Lighting.

7. The premises shall be lighted throughout by gas or electricity from the mains of a public utility company and, except by and in accordance with the special permission of the licensing authority, no candle, oil lamp or other form of illumination shall be used therein.

Removal of fire danger.

8. The licensing authority may require the removal of, and the licensee shall immediately remove, anything in the premises which, in the opinion of the licensing authority, is a fire danger.

Fire appliances and escape.

9. Every person licensed to keep a public skating rink shall provide and maintain on the premises to the satisfaction of the Chief Officer of the Fire Brigade—

- (i) fire appliances adequate for the protection of the premises at all times free from obstruction and ready for use;
- (ii) adequate arrangements for escape in case of fire from every part of the premises;
- (iii) an adequate shade or guard for every lamp and fire; and
- (iv) fire resisting screens, shutters, curtains or other adequate means of fire protection for every window or opening which adjoins any place or premises where any inflammable substance is kept or stored.

Exits and doors.

10. Every door and barrier on the premises must open outwards, and every exit shall be plainly indicated in seven-inch letters and Chinese characters by a fixed lighted sign of a nature and in a position approved by the Chief Officer of the Fire Brigade.

Gangways and staircases.

11. Every gangway, passage and staircase for the exit of the public shall be kept entirely free from obstruction, whether permanent or temporary, and no person shall be permitted to loiter therein.

Corridors not to be used as cloakrooms.

12. No corridor shall be used as a cloakroom and no pegs for hanging hats or cloaks shall be allowed therein.

Latrines.

13. Every person licensed to keep a public skating rink shall provide and maintain in a clear and wholesome condition on the premises adequate latrine, urinal or water-closet accommodation to the satisfaction of the Urban Council.

Hygiene.

14. Every person licensed to keep a public skating rink shall provide adequate measures for ventilating, cleansing and otherwise securing hygienic conditions in the premises and shall maintain the premises in a hygienic condition to the satisfaction of the Urban Council.

Entry and inspection.

15. Every person holding a licence under this Part shall at all reasonable times permit any police officer not under the rank of sub-inspector and any person authorised in writing by the licensing authority to enter and inspect the licensed premises and the entries in any records kept in connection therewith.

Conditions.

16. Every person holding a licence to keep a public skating rink shall observe the following conditions and such special conditions as the licensing authority may, in his discretion, impose, which shall appear on the face of the licence :—

- (1) Except with the written permission of the licensing authority endorsed on the licence, the licensee shall not—
 - (a) transfer, lend or hire his licence to any person, or
 - (b) allow the premises to be used for skating except between the hours of 10 a.m. and 12 midnight.
- (2) The licensee shall, on demand, produce and show to the licensing authority and any person deputed by him in writing in that behalf every contract in respect of any employment performed on the premises."

7. The Appendix to the Second Schedule to the principal Ordinance is hereby amended as follows :—

- (a) by the deletion therefrom of Form No. 1B; and
- (b) by the addition of Forms Nos. 9 and 10 at the end thereof, as follows :—

Amendment of Appendix to Second Schedule to the principal Ordinance.

Form No. 9.

FORM No. 9.

Licence No.

PUBLIC BOWLING-ALLEY LICENCE.

..... of
is hereby licensed to keep
(description of licensed premises)
as a public bowling-alley until the day
of, 19, inclusive, subject to the conditions
and for the further period endorsed hereon.

Dated this day of, 19

Licensing Authority.

Form No. 10

FORM No. 10.

Licence No.

PUBLIC SKATING RINK LICENCE.

..... of
is hereby licensed to keep
(description of licensed premises)
as a public skating rink until the day
of, 19, inclusive, subject to the conditions
and for the further period endorsed hereon.

Dated this day of, 19

Licensing Authority.

Passed the Legislative Council of Hong Kong, this
2nd day of October, 1947.

Alastair Todd
Deputy Clerk of Councils.

CO-OPERATIVE SOCIETIES ORDINANCE, 1947.

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HONG KONG.

No. 43 of 1947.

I assent.

Governor.

17th October, 1947.

An Ordinance to provide for the formation and to regulate the operation of co-operative societies.

[17th October, 1947.]

BE it enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof, as follows:—

PART I.

PRELIMINARY.

1. This Ordinance may be cited as the Co-operative Short title. Societies Ordinance, 1947.

2. In this Ordinance unless the context otherwise requires—

“bonus” means a share of the profits of a registered society divided among its members in proportion to the volume of business done with the society by them from which the profits of the society were derived;

“by-laws” means the registered by-laws made by a society in the exercise of any power conferred by this Ordinance, and includes a registered amendment of the by-laws;

“committee” means the governing body of a registered society to whom the management of its affairs is entrusted;

“dividend” means a share of the profits of a registered society divided among its members in proportion to the share capital held by them;

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

“officer” includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules or by-laws to give directions in regard to the business of a registered society;

“registered society” means a co-operative society registered under this Ordinance;

"Registrar" means the Registrar of Co-operative Societies appointed under Section 3 of this Ordinance and includes any person when exercising such powers of the Registrar as may have been conferred upon him under that section;

"rules" means rules made under this Ordinance.

PART II.

REGISTRATION.

Appointment
of Registrar
and
Assistant
Registrars.

3. The Governor may appoint a person to be Registrar of Co-operative Societies for the Colony and may appoint persons to assist such Registrar, and may, by general or special order published in the Gazette, confer on any such persons all or any of the powers of a Registrar under this Ordinance.

Societies
which
may be
registered.

4. Subject to the provisions hereinafter contained, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Ordinance with or without limited liability as the Registrar may decide:

Provided that the liability of a society which includes at least one registered society among its members shall be limited.

Conditions
of registra-
tion.

5. (1) No society, other than a society of which a member is a registered society, shall be registered under this Ordinance, which does not consist of at least ten persons each of whom is qualified under section 21 for membership under this Ordinance.

(2) The word "co-operative" or its Chinese equivalent shall form part of the name of every society registered under this Ordinance.

(3) The word "limited" or its Chinese equivalent shall be the last word or words in the name of every society with limited liability registered under this Ordinance.

(4) When for the purposes of this section any question arises as to age, residence, or occupation of land constituting the qualification of any person, that question shall be decided by the Registrar whose decision shall be final.

Application
for
registration.

6. (1) For the purposes of registration an application shall be made to the Registrar.

(2) The application shall be signed—

(a) in the case of a society of which no member is a registered society, by at least ten persons qualified in accordance with the requirements of sub-section (1) of section 5, and

(b) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society, and, where all the members of the society are not registered societies, by ten other members, or, when there are less than ten other members, by all of them.

(3) The application shall be accompanied by copies of the proposed by-laws of the society, and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

7. (1) If the Registrar is satisfied that a society has complied with the provisions of this Ordinance and the rules, and that its proposed by-laws are not contrary to this Ordinance or to the rules, he may, if he thinks fit, register the society and its by-laws. An appeal shall lie to the Governor in Council against the refusal of the Registrar to register any society within one month from the date of such refusal.

(2) On registration the society shall pay such fee as may be required by the rules.

8. The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and with power to hold property, to enter into contracts, to institute and defend suits and other legal proceedings, and to do all things necessary for the purpose of its constitution.

9. A certificate of registration signed by the Registrar shall be conclusive evidence that the society therein mentioned is duly registered, unless it is proved that the registration of the society has been cancelled.

PART III.

DUTIES AND PRIVILEGES OF SOCIETIES.

10. (1) Any registered society may, subject to this Ordinance and the rules, amend its by-laws, including the by-law which declares the name of the society.

(2) No amendment of the by-laws of a registered society shall be valid until that amendment has been registered under this Ordinance, for which purpose copies of the amendment shall be forwarded to the Registrar.

(3) If the Registrar is satisfied that any amendment of the by-laws is not contrary to this Ordinance or to the rules, he may, if he thinks fit, register the amendment. An appeal shall lie to the Governor in Council against the refusal of the Registrar to register any amendment of any by-law.

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

(5) When the Registrar registers an amendment of the by-laws of a registered society, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence of the fact that the amendment has been duly registered.

(6) In this section, "amendment" includes the making of a new by-law and the variation or rescission of a by-law.

Address of society.

11. Every registered society shall have an address, registered in accordance with the rules, to which all notices and communications may be sent, and shall send to the Registrar notice of every change of that address.

Copy of Ordinance, rules, by-laws, etc., to be open to inspection.

12. Every registered society shall keep a copy of this Ordinance and of the rules and of its by-laws and a list of its members open to inspection, free of charge, at all reasonable times at the registered address of the society.

Disposal of produce to or through a registered society.

13. (1) A registered society which has as one of its objects the disposal of any article produced or obtained by the work or industry of its members whether the produce of agriculture, animal husbandry, forestry, fisheries, handicrafts or otherwise may provide in its by-laws or may otherwise contract with its members—

(a) that every such member who produces any such article shall dispose of the whole or any specified amount, proportion or description thereof to or through the society; and

(b) that any member who is proved or adjudged, in such manner as may be prescribed by the rules to be guilty of a breach of the by-laws or contract shall pay to the society as liquidated damages a sum ascertained or assessed in such manner as may be prescribed by the aforesaid rules.

(2) No contract entered into under the provisions of this section shall be contested in any court on the ground only that it constitutes a contract in restraint of trade.

Creation of charges in favour of registered societies.

14. (1) Subject to any prior claim of the Crown on the property of the debtor and to the lien or claim of a landlord in respect of rent or any money recoverable as rent and in the case of immovable property to any prior registered charge thereon—

(a) any debt or outstanding demand payable to a registered society by any member or past member shall be a first charge on all crops or other agricultural produce, felled timber or other forest produce, marine produce, fish (fresh-water and salt-water) livestock, fodder, agricultural, industrial and fishing implements, plant, machinery, boats, tackle and nets, raw materials, stock in trade and generally all produce of labour and things used in connection with production raised, purchased or produced in whole or in part from any loan whether in money or in goods given him by the society:

Provided that nothing herein contained shall affect the claim of any *bona fide* purchaser or transferee without notice;

(b) any outstanding demands or dues payable to a registered housing society by any member or past member in respect of rent, shares, loans or purchase money or any other rights or amounts payable to such society shall be a first charge upon his interest in the immovable property of the society.

Charge and set off in respect of shares or interest of members.

15. A registered society shall have a charge upon the shares or interests in the capital and on the deposits of a member or past member or deceased member and upon any dividend, bonus, or profits payable to a member or past member or to the estate of a deceased member in respect of any debt due to the society from such member or past member or estate, and may set off any sum credited or

payable to a member or past member or estate of a deceased member in or towards payment of any such debt.

16. Subject to the provisions of section 15, the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order of a court in respect of any debt or liability incurred by such member, and neither his assignee in insolvency nor a receiver duly appointed shall be entitled to, or have any claim on, such share or interest.

Shares or interest not liable to attachment or sale.

17. (1) On the death of a member, a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with the rules made in this behalf, or, if there is no person so nominated, to such persons as may appear to the committee to be the heir or legal representative of the deceased member, or may pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws:

Transfer of interest on death of member.

Provided that—

(a) in the case of a society with unlimited liability such nominee, heir or legal representative, as the case may be, may require payment by the society of the value of the share or interest of the deceased member ascertained as aforesaid;

(b) in the case of a society with limited liability, the society may transfer the share or interest of the deceased member to such nominee, heir or legal representative, as the case may be, being qualified in accordance with the rules and by-laws for membership of the society, or on his application within six months of the death of the deceased member to any person specified in the application who is so qualified.

(2) A registered society shall pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

(3) All transfers and payments made by a registered society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

18. (1) A registered society may receive deposits from or for the benefit of minors and it shall be lawful for a registered society to pay such minors the interest which may become due on such deposits. Any deposits made by a minor may, together with the interest accrued thereon, be paid to that minor; and any deposit made on behalf of a minor may, together with the interest accrued thereon, be paid to the guardian of that minor for the use of the minor.

Deposits by or on behalf of minors.

(2) The receipt of any minor or guardian for money paid to him under this section shall be a sufficient discharge of the liability of the society in respect of that money.

19. Any register or list of members kept by any registered society shall be *prima facie* evidence of any of the following particulars entered therein:—

Register of members.

(a) the date at which the name of any person was entered in such register or list as a member;

(b) the date at which any such person ceased to be a member.

Proof of
entries in
books of
society.

20. (1) A copy of any entry in a book of a registered society regularly kept in the course of business shall, if certified in such manner as may be prescribed by the rules, be received in any legal proceeding, civil or criminal, as *prima facie* evidence of the existence of such entry and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

(2) No officer of any such society shall, in any legal proceedings to which the society is not a party, be compelled to produce any of the society's books, the contents of which can be proved under sub-section (1) or to appear as a witness to prove any matters, transactions or accounts therein recorded, unless the Court for special reason so directs.

PART IV.

RIGHTS AND LIABILITIES OF MEMBERS.

Qualifica-
tion for
membership.

21. In order to be qualified for membership of a co-operative society a person, other than a registered society, must—

(a) have attained the age of 18 years;

(b) be resident within or in occupation of land within the society's area of operations as described by the by-laws.

Members
not to
exercise
rights till
due pay-
ment made.

22. No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society, as may be prescribed by the rules or by-laws.

Restriction
of
membership
in society.

23. Except with the sanction of the Registrar, no person shall be a member of more than one registered society whose primary object is to grant loans to its members.

Votes of
members.

24. No member of any registered society shall have more than one vote in the conduct of the affairs of the society:

Provided that in the case of an equality of votes the chairman shall have a casting vote;

Provided further that in the case of societies of which a registered society is a member that society may have such voting powers as are provided in the rules.

Representa-
tion by
proxy.

25. A registered society which is a member of any other registered society may appoint any one of its members as its proxy for the purpose of voting in the conduct of the affairs of such other registered society.

Contracts
with society
of members
who are
minors.

26. The minority or non-age of any person duly admitted as a member of any registered society shall not debar that person from executing any instrument or giving any acquittance necessary to be executed or given under this Ordinance or the rules made thereunder, and shall not be a ground for invalidating or avoiding any contract entered into by any such person with the society; and any such contract entered into by any such person with the society, whether as principal or as surety, shall be enforceable at law or against such person notwithstanding his minority or non-age.

27. No member, other than a registered society, shall hold more than one-fifth of the share capital of any co-operative society.

No individual
to hold
more than
one-fifth of
share capital
of any
society.

28. (1) The transfer or charge of the share or interest of a member or past member or deceased member in the capital of a registered society shall be subject to such conditions as to maximum holding as may be prescribed by this Ordinance or by the rules.

Restriction
on transfer
of share of
interest.

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

(a) he has held such share or interest for not less than one year; and

(b) the transfer or charge is made to the society, or to a member of the society, or to a person whose application for membership has been accepted by the committee.

29. (1) The liability of a past member for the debts of a registered society as they existed on the date on which he ceased to be a member shall not continue for a period of more than two years reckoned from that date.

Liability of
past member
and estate
of deceased
member for
debts of
society.

(2) The estate of a deceased member shall not be liable for the debts of the society as they existed on the date of his decease for a period of more than two years reckoned from the date of his decease.

PART V.

PROPERTY AND FUNDS OF REGISTERED SOCIETIES.

30. (1) A registered society shall not, except as provided in section 33, make any loan to any person other than a member:

Loans made
by a
registered
society.

Provided that, with the consent of the Registrar, a registered society may make loans to another registered society.

(2) Except with the permission of the Registrar, a registered society shall not lend money on the security of any movable property other than produce or goods in which the society is authorised to deal.

(3) The Governor may, by general or special order, prohibit or restrict the lending of money on mortgage of any description of immovable property by any registered society.

31. A registered society shall receive deposits and loans from persons who are not members only to such extent and under such conditions as may be prescribed by the rules or by-laws.

Deposits and
loans
received
by a
registered
society.

32. Save as provided in sections 30 and 31, the transactions of a registered society with persons other than members shall be subject to such prohibitions and restrictions as may be prescribed by the rules.

Restrictions
on other
transactions
with non-
members.

Investment
of funds.

33. A registered society may invest or deposit its funds—

(a) in a post office savings bank, or with any bank or person carrying on the business of banking approved for this purpose by the Registrar; or

(b) in any securities issued or guaranteed by a Government under the British Crown; or

(c) with any other registered society approved for this purpose by the Registrar; or

(d) in any other mode approved by the Registrar.

Disposal of
profits.

Ordinance
No. 20 of
1947.

34. (1) At least one-fourth of the net profits of every registered society, as ascertained by the audit prescribed by section 35, shall be carried to a fund to be called the reserve fund, which shall be employed as prescribed by the rules. After deduction of any tax which may have been charged on such society in accordance with the provisions of the Inland Revenue Ordinance, 1947, the remainder of such profits and any profits of past years available for distribution may be divided among the members by way of dividend or bonus, or allocated to any funds constituted by the society, to such extent or under such conditions as may be prescribed by the rules or by-laws:

Provided that in the case of a society with unlimited liability, no distribution of profits shall be made without the general or special order of the Governor.

(2) Any registered society, may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding ten per centum of the remaining net profits to any charitable purpose or to a common-good fund.

PART VI.

AUDIT, INSPECTION AND INQUIRY.

Audit.

35. (1) The Registrar shall audit or cause to be audited by some person authorised by him by general or special order in writing the accounts of every registered society once at least in every year.

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the registered society.

(3) The Registrar and every other person appointed to audit the accounts of a society shall have power when necessary—

(a) to summon at the time of his audit any officer, agent, servant or member of the society who he has reason to believe can give material information in regard to any transactions of the society or the management of its affairs; or

(b) to require the production of any book or document relating to the affairs of, or any cash or securities belonging to, the society by the officer, agent, servant or member in possession of such book, document, cash or securities.

36. The Registrar, or any person authorised by general or special order in writing by the Registrar shall at all times have access to all the books, accounts, papers and securities of a registered society, and shall be entitled to inspect the cash in hand; and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

Power of
Registrar
to inspect
societies'
books, etc.

37. (1) The Registrar may of his own motion, and shall on the application of a majority of the committee, or of not less than one-third of the members of a registered society, hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an inquiry into the constitution, working, and financial condition of a registered society; and all officers and members of the society shall furnish such information in regard to the affairs of the society and produce the cash in hand and such books, accounts, papers and securities of the society as the Registrar or the person authorised by him may require.

Inquiry and
inspection.

(2) The Registrar shall, on the application of a creditor of the registered society, inspect or direct some person authorised by him in writing in this behalf to inspect the books of the society, if the applicant—

(a) proves that an ascertained sum of money is then due to him and that he has demanded payment thereof and has not received satisfaction within a reasonable time, and

(b) deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(3) The Registrar shall communicate the results of any such inspection to the creditor and to the society into whose affairs inquiry has been made.

(4) Where an inquiry is held under sub-section (1) or an inspection is made under sub-section (2), the Registrar may apportion the costs or such part of the costs, as he may think right, between the registered society, the members demanding an inquiry, the officers or former officers of the society, and the creditor, if any, on whose application the inquiry was made.

(5) Any sum awarded by way of costs against any society or person under this section may be recovered, on application to the court of a Magistrate having jurisdiction in the place where the registered office of the society is situated or the person resides or carries on business for the time being, in like manner as a fine imposed by such court.

PART VII.

DISSOLUTION.

38. (1) If the Registrar, after holding an inquiry or making an inspection under section 37 or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may make an order for the cancellation of the registration of the society.

Dissolution.

(2) Any member of a registered society may, within two months from the date of an order under sub-section (1), appeal from such order to the Governor.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period. Where an appeal is presented within two months, the order shall not take effect until it is confirmed.

(4) Where the Registrar makes an order for the cancellation of the registration of a society under sub-section (1) he may make such further order as he may think fit for the custody of the books and documents and the protection of the assets of the society until the order cancelling registration takes effect.

(5) No registered society shall be wound up save by an order of the Registrar.

Cancellation of registration of a society due to lack of membership.

39. The Registrar may, by order in writing, cancel the registration of any registered society other than a society which includes among its members one or more registered societies, if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten. Every such order shall take effect from the date thereof.

Effect of cancellation.

40. Where the registration of a society is cancelled by an order under section 38 or under section 39 the society shall cease to exist as a corporate body from the date on which the order takes effect, hereinafter referred to as the date of dissolution:

Provided that any privileges conferred on the society by or under sections 14, 15, 16 and 17 shall be deemed to be vested in any liquidator appointed for that society by the Registrar.

Liquidation after cancellation of registration of society.

41. Where the registration of a society is cancelled under section 38 or section 39 the Registrar may appoint one or more persons to be, subject to his direction and control, the liquidator or liquidators of the society.

Liquidator's power.

42. (1) A liquidator appointed under section 41 shall, subject to the guidance and control of the Registrar and to any limitations imposed by the Registrar by order under section 43, have power to—

(a) determine from time to time the contribution to be made by members and past members or by the estates of deceased members of the society to its assets;

(b) appoint a day by notice before which creditors whose claims are not already recorded in the books of the society shall state their claims for admission or to be excluded from any distribution made before they have proved them;

(c) decide any question of priority which arises between creditors;

(d) refer disputes to arbitration and institute and defend suits and other legal proceedings on behalf of the society by his name or office;

(e) decide by what persons and in what proportions the costs of liquidation are to be borne;

(f) give such directions in regard to the collection and distribution of assets as may be necessary in the course of winding up the society;

(g) compromise any claim by or against the society provided the sanction of the Registrar has first been obtained;

(h) call such general meetings of members as may be necessary for the proper conduct of the liquidation;

(i) take possession of the books, documents and assets of the society;

(j) sell the property of the society;

(k) carry on the business of the society so far as may be necessary for winding it up beneficially:

Provided that nothing herein contained shall entitle the liquidator of a credit society to issue any loan; and

(l) arrange for the distribution of the assets of the society in a convenient manner when a scheme of distribution has been approved by the Registrar.

(2) Subject to such rules as may be made in this behalf, any liquidator appointed under this Ordinance shall in so far as such powers are necessary for carrying out the purposes of this section, have power to summon and enforce the attendance of parties and witnesses and to compel the production of documents by the same means and (so far as may be) in the manner as is provided in the case of the court of a magistrate.

43. A liquidator shall exercise his powers subject to the control and revision of the Registrar, who may—

Power of Registrar to control liquidation.

(a) rescind or vary any order made by a liquidator and make whatever new order is required;

(b) remove a liquidator from office;

(c) call for all books, documents and assets of the society;

(d) by order in writing limit the powers of a liquidator under section 42;

(e) require accounts to be rendered to him by the liquidator;

(f) procure the auditing of the liquidator's accounts and authorise the distribution of the assets of the society;

(g) make an order for the remuneration of the liquidator; or

(h) refer any subject of dispute between a liquidator and any third party to arbitration if that party shall have consented in writing to be bound by the decision of the arbitrator.

Enforcement
of order.

44. (1) The decision of an arbitrator on any matter referred to him under section 43 shall be binding upon the parties, and shall be enforceable in like manner as an order made by the Registrar under that section.

(2) An order made by a liquidator or by the Registrar under section 42 or section 43 shall be enforced by any civil court having jurisdiction over the place where the registered office of the society is situated in like manner as a decree of that court.

Limitation
of the
jurisdiction
of the civil
court.

45. Save in so far as is hereinbefore expressly provided, no civil court shall have any jurisdiction in respect of any matter concerned with the dissolution of a registered society under this Ordinance.

Closure of
liquidation.

46. (1) In the liquidation of a society whose registration has been cancelled, the funds, including the reserve fund, shall be applied first to the costs of liquidation, then to the discharge of the liabilities of the society, then to the payment of the share capital and then, provided the by-laws of the society permit, to the payment of a dividend at a rate not exceeding ten per centum per annum for any period for which no disposal of profits was made.

(2) When the liquidation of a society has been closed and any creditor of that society has not claimed or received what is due to him under the scheme of distribution, notice of the closing of the liquidation shall be published in the Gazette; and, all claims against the funds of the society liquidated shall be proscribed when two years have elapsed from the date of the publication of the Gazette notice.

(3) Any surplus remaining after the application of the funds to the purposes specified in sub-section (1) and the payment of any claims for which an action is instituted under sub-section (2) shall be available for use by the Registrar for any co-operative purpose at his discretion.

PART VIII.

SURCHARGE AND ATTACHMENT.

Power of
Registrar to
surcharge
officers, etc.,
of a
registered
society.

47. (1) Where, in the course of the winding up of a registered society it appears that any person who has taken part in the organisation or management of such society or any past or present officer of the society has misapplied or retained or become liable or accountable for any money or property of such society or has been guilty of misfeasance or breach of trust in relation to such society, the Registrar may, on the application of the liquidator or of any creditor or contributory, examine into the conduct of such person and make an order requiring him to repay or restore the money or property or any part thereof with interest at such rate as the Registrar thinks just or to contribute such sum to the assets of such society by way of compensation in regard to the misapplication, retainer, dishonesty or breach of trust as the Registrar thinks fit.

(2) This section shall apply notwithstanding that the act is one for which the offender may be criminally responsible.

48. Any person aggrieved by any order of the Registrar made under section 47 may appeal to the Governor within twenty-one days from the date of such order and the decision of the Governor shall be final and conclusive. Appeal to
Governor.

PART IX.

DISPUTES.

49. (1) If any dispute touching the business of a registered society arises— Settlement
of disputes.

(a) among members, past members and persons claiming through members, past members and deceased members; or

(b) between a member, past member, or person claiming through a member, past member or deceased member, and the society, its committee, or any officer of the society; or

(c) between the society or its committee and any officer of the society; or

(d) between the society and any other registered society;

such dispute shall be referred to the Registrar for decision. A claim by a registered society for any debt or demand due to it from a member, past member or the nominee, heir or legal representative of a deceased member, shall be deemed to be a dispute touching the business of the society within the meaning of this sub-section.

(2) The Registrar may, on receipt of a reference under sub-section (1),

(a) decide the dispute himself, or

(b) refer it for disposal to an arbitrator or arbitrators.

(3) Any party aggrieved by the award of the arbitrator or arbitrators may appeal therefrom to the Registrar within such period and in such manner as may be prescribed.

(4) A decision of the Registrar under sub-section (2) or in appeal under sub-section (3) shall be final and shall not be called in question in any civil court.

(5) The award of the arbitrator or arbitrators under sub-section (2) shall, if no appeal is preferred to the Registrar under sub-section (3), or if any such appeal is abandoned or withdrawn, be final and shall not be called in question in any civil court and shall be enforced in the same manner as if the award had been a judgment of a civil court.

50. (1) Notwithstanding anything contained in the last foregoing section, the Registrar at any time when proceeding to a decision under this Ordinance, or the Governor at any time when an appeal has been preferred to him against any decision of the Registrar under this Ordinance, may refer any question of law arising out of such decision for the ruling of the Supreme Court. Case stated
on question
of law.

(2) Any Judge, or Judges, of the Supreme Court as the Chief Justice may direct, may consider and determine any question of law so referred and the ruling given on such question shall be final and conclusive.

PART X.

RULES.

Rules.

51. (1) The Governor in Council may make all such rules as may be necessary for the purpose of carrying out or giving effect to the principles and provisions of this Ordinance.

(2) In particular, and without prejudice to the generality of the power conferred by sub-section (1), such rules may—

(a) prescribe the forms to be used and the conditions to be complied with in applying for the registration of a society and the procedure in the matter of such applications;

(b) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members from time to time, and the payment to be made and interest to be acquired before exercising rights of membership;

(c) subject to the provisions of section 27 of this Ordinance, prescribe the maximum number of shares or portion of the capital of a registered society which may be held by a member;

(d) prescribe the extent to which a registered society may limit the number of its members;

(e) provide for the withdrawal and expulsion of members and for payments to be made to members who withdraw or are expelled, and for the liabilities of past members;

(f) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;

(g) provide for the appointment, suspension and removal of the members of the committee and other officers, and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers;

(h) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and rescinding by-laws, and the conditions to be satisfied prior to such making, alteration or rescission;

(i) regulate the manner in which funds may be raised by means of shares or debentures or otherwise;

(j) prescribe the conditions to be observed by a registered society applying for financial assistance from Government;

(k) prescribe the payments to be made, the conditions to be complied with, and the forms of the bonds, instruments or other documents to be executed, by members applying for loans or cash credits, the period for which loans may be made or credits granted, and the maximum amount which may be lent and the maximum credit which may be allowed to individual members with or without the consent of the Registrar;

(l) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred;

(m) provide for the mode in which the value of the interest of a member who has become of unsound mind and incapable of managing himself or his affairs shall be ascertained and for the nomination of any person to whom such interest may be paid or transferred;

(n) provide for the formation and the maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of any registered society;

(o) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability and the maximum rate of dividend which may be paid by societies;

(p) prescribe the accounts and books to be kept by a registered society, and for the periodical publication of a balance sheet showing the assets and liabilities of a registered society;

(q) provide for the audit of the accounts of registered societies and for the charges, if any, to be made for such audit and provide for the levy of contributions from all or any registered societies to a fund to be used for the audit and supervision of existing societies and co-operative propaganda and prescribe for the administration of such a fund;

(r) prescribe the returns to be submitted by registered societies to the Registrar, and the persons by whom and the form in which the same are to be made;

(s) provide for the persons by whom, and the form in which, copies of entries in books of registered societies may be certified;

(t) provide for the formation and maintenance of a register of members, and, where the liability of members is limited by shares, of a register of shares;

(u) provide for the inspection of documents and registers at the Registrar's office and the fees to be paid therefor and for the issue of copies of such documents or registers;

(v) prescribe the manner in which any question as to the breach of any by-law or contract relating to the disposal of produce to or through a society, may be determined, and the manner in which the liquidated damages for any such breach may be ascertained or assessed;

(w) prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators;

(x) prescribe the procedure to be followed by a liquidator appointed under section 41 and the cases in which appeals shall lie from the orders of such liquidator;

(y) prescribe the forms to be used, the fees to be paid, and the procedure to be observed and all other matters connected with or incidental to the presentation, hearing and disposal of appeals under this Ordinance or the rules.

(3) The rules specified in the Schedule to this Ordinance shall constitute rules made under sub-section (1) except in so far as they may be from time to time revoked or amended by further rules made by the Governor in Council under such sub-section.

PART XI.

MISCELLANEOUS.

Recovery of sums due to Government.

52. (1) All sums due from a registered society or from an officer or member or past member of a registered society as such to the Government may be recovered in the manner provided for the recovery of debts due to the Government under the law for the time being in force.

(2) Sums due from a registered society to the Government and recoverable under sub-section (1) may be recovered first, from the property of the society; secondly, in the case of a society of which the liability of members is limited, from members subject to the limit of their liability; and thirdly, in the case of other societies, from the members.

Special power of Governor to exempt any society from requirements as to registration.

53. Notwithstanding anything contained in this Ordinance the Governor may by special order in each case and subject to such conditions as he may impose, exempt any society from any of the requirements of this Ordinance as to registration.

Special power of Governor to exempt societies from provisions of Ordinance.

54. The Governor may by general or special order exempt any registered society or class of societies from any of the provisions of this Ordinance, or may direct that such provisions shall apply to any society or class of societies with effect from such date or with such modifications as may be specified in the order.

Power to exempt from stamp duty and registration fees.

55. (1) The Governor by notification in the Gazette may, in the case of any registered society or class of registered societies, remit—

(a) the stamp duty with which, under any law for the time being in force, instruments executed by or in behalf of a registered society, or by an officer or member, and relating to the business of such society, or any class of such instruments are respectively chargeable; or

(b) any fee payable under the law of registration for the time being in force.

(2) A notification exempting any registered society from the fees referred to in paragraph (b) of sub-section (1) may provide for the withdrawal of such exemption.

56. (1) No person other than a registered society shall trade or carry on business under any name or title of which the word "co-operative" is part without the sanction of the Governor: Prohibition of the use of the word "co-operative".

Provided that nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he traded or carried on business at the commencement of this Ordinance.

(2) Any person who contravenes the provisions of this section shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding one hundred dollars and in the case of a continuing offence to a further fine not exceeding twenty dollars for each day during which the offence continues.

57. The provisions of the Companies Ordinance, 1932, and of any law relating to Trade Unions, shall not apply to societies registered under this Ordinance. Certain legislation not to apply to registered societies.

58. (1) (a) Any registered society or an officer or a member thereof, wilfully neglecting or refusing to do any act or to furnish any information required for the purposes of this Ordinance by the Registrar or other persons duly authorised by him in this behalf; or Penalty for non-compliance with Ordinance.

(b) any person wilfully or without any reasonable excuse disobeying any summons, requisition or lawful written order issued under the provisions of this Ordinance, or failing to furnish any information lawfully required from him by a person authorised to do so under the provisions of this Ordinance, shall be guilty of an offence under this Ordinance.

(2) Every offence referred to in sub-section (1) shall be punishable with a fine not exceeding one hundred dollars.

59. This Ordinance shall come into operation on such date as the Governor shall notify by proclamation. Commencement.

SCHEDULE.

CO-OPERATIVE SOCIETIES ORDINANCE, 1947.

(Ordinance No. 43 of 1947).

RULES.

(Section 51).

- Citation. 1. These rules may be cited as the Co-operative Societies Rules, 1947.
- Register of societies. 2. The Registrar shall keep or cause to be kept at his office, a register to be called "the Register of Societies" wherein shall be entered particulars relating to the registration of societies and their by-laws.
3. All original entries in the Register of Societies shall be made by, or under the direction of, the Registrar and shall be signed by him.
4. Every alteration, interlineation or erasure in the Register of Societies shall be initialled by the Registrar.
5. The Register of Societies shall be open to inspection by the public at all reasonable times and free of charge.
- Applications for registration of societies. 6. (1) Every application for the registration of a society shall be submitted to the Registrar in the form prescribed by him.
- (2) Three copies of the by-laws which the society proposes to adopt shall be submitted together with the application.
- Registration. 7. Where the Registrar decides to register a proposed society the society and its by-laws shall be registered in the Register of Societies.
8. Upon the registration of a society the Registrar shall forward to the society, free of charge,
- (a) a certificate of registration;
- (b) a copy of the by-laws of the society as approved by him and certified under his hand as having been approved by him;
- (c) a copy of the Ordinance and of the rules in English.
9. When the Registrar refuses to register a society or its by-laws he shall record in writing his reasons for so doing.
- Register of members and books and accounts. 10. Every registered society shall keep a register to be called "the Register of Members" wherein shall be entered—
- (a) the name, address and occupation of each member and a statement of the shares, if any, held by him;
- (b) the date on which each member's name was entered in the register;
- (c) the date on which any member ceased to be a member; and
- (d) the nominee, if any, appointed under rule 18.
11. Every registered society shall keep such accounts and shall use such books as may from time to time be prescribed by the Registrar.
- Membership. 12. The election and admission of members to a registered society, other than original members, shall be in such manner and on such conditions as the by-laws shall prescribe.
13. A member may withdraw from a registered society by giving written notice to the secretary, but such withdrawal shall be without prejudice to section 29(1) of the Ordinance.

14. If a member acts in contravention of the rules or by-laws or acts in any way detrimental to the interests of the registered society such member may be expelled by a vote of two-thirds of the members present at a general meeting upon a charge communicated to him in writing by the committee not less than one week before the meeting. Such expulsion shall, however, be without prejudice to section 29(1) of the Ordinance.

15. Any member who loses any of the qualifications for membership prescribed by the Ordinance or the rules or the by-laws shall cease to be a member of the registered society and the committee shall cause his name to be struck off the Register of Members without prejudice to any liabilities of such person under section 29(1) of the Ordinance.

16. In the case of any registered society of limited liability holding deposits or loans from non-members, no member withdrawing, removed or expelled therefrom shall be entitled to a repayment of any money paid by him towards the purchase of shares.

17. No registered society shall fix any limit to the number of its members.

18. (1) Every appointment of a nominee by any member of a registered society for the purposes of section 17 of the Ordinance shall be made in writing signed by the member in the presence of two attesting witnesses.

(2) No member of a registered society with share capital shall be entitled to appoint more than one nominee unless that member holds more than one share.

(3) In any case where more than one nominee is appointed by any member the number of shares to be transferred or the exact proportion of the amount available that is to be transferred to each of these nominees shall be specified at the time of the appointment.

(4) Every appointment of a nominee shall be recorded in the Register of Members.

(5) For the purpose of a transfer to a nominee, the value of any share or interest shall be represented by the sum actually paid for that share or interest by the member holding it unless the by-laws of the registered society otherwise provide.

(6) Where any money is paid to a nominee who is a minor, a receipt given either by the minor or by his guardian shall be sufficient discharge to the registered society.

19. (1) Unless otherwise authorised by the Governor under the proviso to section 34(1) of the Ordinance no dividend or payment on account of profits shall be made by a society registered with unlimited liability until the reserve fund has reached a proportion of not less than one tenth of the society's total liabilities.

(2) No registered society shall pay a dividend if the rate of interest on loans granted by it to its members exceeds ten per centum per annum.

(3) No registered society shall pay a dividend on share capital exceeding five per centum per annum of the capital actually paid up.

(4) A bonus based on wages or on the value of the products of a member, or a bonus or rebate on patronage calculated in proportion to the amount of the business done by each member with the registered society may be distributed periodically to the members from surplus funds after the deduction of all expenditure and after making provision for bad and doubtful debts and making allocation to the reserve fund.

20. (1) Every registered society shall, from time to time, fix at a general meeting the maximum liability it may incur in loans or deposits whether from members or non-members.

(2) The maximum so fixed shall be subject to the sanction of the Registrar, who may at any time reduce it. No registered society shall receive loans or deposits which will make its liability exceed the limit sanctioned by the Registrar.

General meeting.

21. The supreme authority in a registered society shall be vested in the general meeting of members at which every member has a right to attend and vote on all questions. Subject to the provisions of sections 24 and 25 of the Ordinance, each member shall have one vote only which shall be exercised in person and not by proxy.

22. The first meeting of members shall have the same powers as are given to the annual general meeting, and shall be held immediately or not later than one month after the receipt of the certificate of registration of the society.

Annual general meeting.

23. The annual general meeting of members shall be convened by the committee as soon as the report on the audit of the accounts of the registered society by the Registrar, or person authorised by him is received by the committee. At least eight days' notice shall be given before any such general meeting is held:

Provided that the Registrar may at any time after the audit of the accounts has been completed convene the annual general meeting which shall proceed as if it had been convened by the committee.

24. The functions of the annual general meeting shall be—

(a) to confirm the minutes of the previous annual meeting and of any intervening special general meeting;

(b) to consider the reports of the committee and the balance sheet together with the report on the audit of the accounts of the registered society for the previous year as prepared by the Registrar or the person authorised by him;

(c) to approve the accounts or if the accounts are not approved to cause the secretary to notify the Registrar who shall consider the matter and make his decision thereon, and such decision as to the correctness of the accounts shall be final and conclusive;

(d) to hear and decide upon any complaints brought by members aggrieved by a decision of the committee:

Provided that notice of such complaints to be brought before the meeting has been given to the secretary at least two days prior to the meeting; and

(e) to transact any other general business of the registered society.

Special general meeting.

25. A special general meeting of members may be convened at any time by the committee; and on receipt of a demand stating the object of the proposed meeting signed by not less than one-fifth of the members of the registered society, if such society is composed of less than one hundred members, or by twenty-five members if such society consists of more than one hundred members, it shall be the duty of the chairman of the committee to convene such a meeting giving eight days' notice. If the chairman of the committee fails to convene a meeting within fourteen days from the receipt of a demand as aforesaid the members applying for such a meeting will have the right to convene the meeting by notice which must contain the object of the proposed meeting and a statement to the effect that the meeting is convened on the failure of the chairman of the committee to convene the meeting demanded:

Provided that the Registrar or a person authorised by him may at any time summon a special general meeting of the registered society in such manner and at such time and place as he may direct. He may also direct what matters shall be discussed at the meeting. Such meeting shall have all the powers of a meeting called according to the rules.

26. (1) When a registered society consists of not more than one hundred and twenty members one-half of the number of the members or thirty members, whichever is the less, shall form a quorum for the purposes of the annual or a special general meeting, and when a registered society consists of more than one hundred and twenty members one-fourth of the total number of the members of such society shall form a quorum for the purposes of the annual or a special general meeting: Quorum at general meetings.

Provided that when any meeting is summoned by the Registrar any members present at such meeting shall be deemed to form a quorum.

(2) If within one hour after the time fixed for any meeting other than a meeting convened by the Registrar the members present are not sufficient to form a quorum such meeting shall be considered as dissolved if convened on the demand of members; in all other cases it shall stand adjourned to the same day in the next week at the same time and place and a notice to that effect shall be posted by the secretary within twenty-four hours, and if at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting the members present shall form a quorum.

27. (1) The chairman of the committee or in his absence any other person elected by a majority of those present shall preside at the annual or special general meeting: Chairman of general meeting.

Provided that the Registrar or a person appointed by him shall preside at any meeting convened by himself or on his demand.

(2) The secretary or in his absence any other person nominated in writing by the chairman shall act as secretary at the meeting. The chairman, if necessary, may nominate other officers to assist at the meeting.

(3) The chairman may by the decision of the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any meeting so adjourned other than the business left unfinished at the meeting from which the adjournment took place.

(4) The chairman shall have the right to order the closure of a discussion and put the matter to the vote.

28. Any question submitted to the decision of the members present at a meeting, unless otherwise dealt with in the rules, shall be decided by a majority of votes. Voting at general meeting.

29. (1) At any meeting a resolution put to the vote shall be decided on a show of hands unless voting by call of names or a ballot is demanded by at least five of the members present before the declaration of the result of the show of hands, and in such case voting by call of names or a ballot shall be taken as the case may be.

(2) The chairman shall have an ordinary vote and in case of an equality of votes shall be entitled to a casting vote. In the case of a meeting convened by the Registrar and presided over by him or his representative, he or his representative shall not be entitled to vote except on an equality of votes, in which case they shall have a casting vote.

(3) In respect of every resolution put to the vote the chairman shall declare whether it has been carried or lost, and whether on a show of hands or unanimously or by a particular majority, and an entry to that effect in the minute book shall be conclusive evidence of anything therein contained.

30. Minutes of the meetings shall be entered in the minute book and signed by the chairman and secretary before the dissolution or adjournment of the meeting and shall contain— Minutes of general meeting.

(a) the number and names of the members present at the meeting and the name of the chairman or of the person who presided at the meeting;

(b) the time fixed for the meeting and the time the meeting commenced;

(c) the total number of members on the date on which the meeting was held; and

(d) all resolutions passed or decisions made at the meeting.

Election of committee.

31. (1) The committee shall be elected at a general meeting of the registered society to be held annually or convened for the purpose by the Registrar, and its members shall hold office until the election of a new committee and they shall be eligible for re-election:

Provided that a special general meeting convened for the purpose by or on the demand of the Registrar or on demand of the members (in the case of registered societies with less than forty members, one-half of the members or ten members whichever is the less or when a registered society consists of more than forty members, one-fourth of the total number of members) may remove the committee or any members thereof before the expiration of their period of office by majority of three-fourths of the members present, who shall proceed at the same meeting to the election of others in their stead who shall hold office until the election of a new committee by the next general meeting convened for this purpose by the Registrar.

(2) The committee shall consist of five members and three shall constitute a quorum.

Chairman of committee.

32. The committee shall elect its own chairman, who shall have an ordinary vote and on an equality of votes shall be entitled to a casting vote. In the temporary absence of the chairman, the committee shall elect one of its members to perform the duties of chairman.

Duties of committee.

33. (1) The committee shall represent the registered society before all competent public authorities and in all dealings and transactions with third persons, with power to institute or defend suits brought in the name of or against the society, and in general it shall carry out such duties in the management of the affairs of the registered society as have not been specially assigned by the rules or the by-laws to general meetings or to any other officer of the society.

(2) The committee shall always keep a copy of the latest annual balance sheet of the registered society together with the report referred to in rule 23, hung in a conspicuous place at the registered office of the society.

Meetings of committee.

34. The committee shall meet as often as the business of the registered society may require and in any case not less frequently than once a month. Meetings of the committee shall be summoned by the secretary in writing.

Procedure at meetings of committee.

35. At each committee meeting the secretary shall—

(a) read the minutes of the preceding meeting;

(b) produce the cash book, detail the entries of receipts and payments made therein since the last meeting and with the treasurer produce the cash in their possession for verification by the committee with the cash book;

(c) produce a statement showing the loans due and unpaid, for determination by the committee as to the action to be taken in each case;

(d) produce applications for loans, if any, for determination by the committee in accordance with the priority of receipt; and

(e) submit any other business for consideration by the committee.

36. Minutes of committee meetings shall be recorded forthwith by the secretary in the minute book and shall be signed by the chairman or other presiding member and by the secretary and shall contain the following particulars:—

(a) the names of the members present and the date of the meeting;

(b) the name of the chairman or other presiding member; and

(c) a short statement of all matter discussed and decisions made and a record as to whether each decision was made unanimously or by a majority.

37. Any member of the committee who, without due excuse approved by the committee, fails to attend at three consecutive meetings of the committee shall be deemed to have vacated his office which shall thereupon be filled as provided by rule 38.

38. (1) Vacancies occurring on the committee shall be filled within eight days by the election of substitutes elected by the remaining members of the committee:

Provided that when such election does not take place the Registrar may appoint the required substitutes.

(2) Any substitutes elected or appointed under paragraph (1) of this rule shall hold office until the expiration of office of the committee.

39. The committee may borrow money on behalf of the registered society to an amount not exceeding such total amount as may have been fixed in accordance with rule 20.

40. The committee may, subject to the approval of the Registrar, open a banking account. All cheques shall be signed by two members of the committee and the secretary:

Provided that with the authority in writing of the Registrar previously obtained cheques may be signed by one member of the committee and the secretary.

41. (1) The committee may—

(a) appoint such clerks or employees as it considers necessary; and

(b) fix the salary, wages or remuneration of every such clerk or employee.

(2) Every clerk or employee appointed under this rule shall hold office during the pleasure of the committee.

RULES 42-50.

[APPLICABLE TO CREDIT SOCIETIES.]

42. Members who desire to obtain a loan shall submit an application to the committee stating the amount and the purpose for which the loan is required, the term for which it is asked, whether it is desired to repay it by instalments, and the names of the proposed sureties or any other security which is offered.

43. (1) The committee shall consider at a meeting every application for a loan and if the committee is satisfied with the trustworthiness of the applicant, the sufficiency of the security offered and the prospects of advantage to the borrower, in the way of increased production or economy or otherwise, it may sanction the loan.

(2) No person other than members of the committee and the secretary and the Registrar and his staff shall be present at any meeting of the committee when an application for a loan is under consideration. A member of the committee who applies for a loan or who is proposed as surety for a loan must withdraw while the relevant application is being discussed. If there is a difference of opinion concerning the granting of a loan, the voting shall be taken by ballot. The proceeding with regard to loans at committee meetings shall be kept secret, and any member of the committee or officer of the registered society infringing this rule shall be liable to immediate expulsion or dismissal.

Security
for loans.

44. Loans, when approved by the committee, shall be granted to members who are able to obtain two sureties approved by the committee, or who can give other security to the satisfaction of the committee. If the committee are of the unanimous opinion that the member's personal character and industry are such that other security is not necessary then, on approval by the Registrar, such loan may be made to the member without sureties or other security.

Purposes of
loans.

45. (1) No loan shall be made except for a purpose to be approved in each case by the committee.

(2) All loans made shall be applied by the borrowing members to such purpose as the committee has approved.

Documents
relating to
loans.

46. When a loan is sanctioned by the committee a notice shall be sent to the borrower to that effect, and, before the amount is advanced, the borrower (and his sureties if any) shall execute an instrument in writing setting out the terms of repayment of the loan and containing such other terms and conditions as the committee may consider necessary.

Restrictions
on loans to
defaulters.

47. Where a member—

(a) is in default in the payment of a loan or of an instalment of a loan, and

(b) does not satisfy the committee that such default is due to a good cause,

such member shall not be entitled to receive another loan from the registered society.

Extensions
of loans.

48. If by reason of sickness or some other cause, a member finds that he will be unable to discharge his obligations to the registered society and notifies the secretary in writing before a loan is due the committee may extend the time fixed for payment on such conditions as it thinks fit.

Misapplica-
tion of loan.

49. Where the committee is satisfied that a member of the registered society who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application therefor under rule 43, the committee may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.

Recovery of
loans.

50. Where—

(a) a loan or an instalment of a loan has not been paid on the date on which it became due, and

(b) no extension for the payment thereof has been given to the debtor by the committee under rule 48,

the committee shall take steps for the recovery of the same by referring the matter to the Registrar as prescribed in section 49 of the Ordinance.

RULE 51.

[APPLICABLE TO MARKETING SOCIETIES.]

Marketing.

51. (1) Every member of the society shall deliver to the society at such place as the committee shall direct such amount of articles produced or obtained by him as may be prescribed in the by-laws or in the relevant contract to be disposed of by the society.

(2) Any member who is approved or adjudged in accordance with the provisions of section 49 of the Ordinance to be guilty of a breach of the by-laws or the relevant contract as the case may be shall pay to the society as liquidated damages such sum as may be specifically assessed or ascertained in manner prescribed by the by-laws or by the relevant contract and such sum shall be deemed to be a debt due to the society.

52. The committee may, with the approval of the Registrar, cause bad debts to be written off the books of the registered society in such manner and at such times as the Registrar may deem fit.

53. The committee shall in every year and as soon as conveniently possible within such time as the Registrar may direct—

Preparation
of annual
accounts
and report.

(a) cause the secretary to prepare and send to the Registrar the yearly balance sheet closed on the date specified by the Registrar of the preceding year together with a detailed statement of the profit and loss account; and

(b) prepare a report on the year's working of the registered society to be presented to the annual general meeting.

54. (1) Any share may be transferred with the approval of the committee to any other member at the option of the transferor, but if the transferee is not a member, he must be approved of as a member by the committee or the general meeting according to the by-laws relating to the admission of members before the transfer can be registered; and if the by-laws require a member to hold more than one share, the transferee must acquire by the transfer, or by the transfer and allotment, the number so required to be held before the transfer can be registered.

Transfer of
shares.

(2) Special transfer forms shall be provided by the Registrar.

(3) No transfer of a share shall be valid and effective unless and until such transfer has been registered by the secretary on the direction of the committee.

(4) No transfer of a share shall be registered if made by a member indebted to the registered society without special order of the committee, and until the transfer of a share is registered no right shall be acquired against the registered society by the transferee, nor shall any claim of the registered society upon the transferor be affected thereby.

55. The committee may in default of payment by any member indebted to the registered society to an amount not less than three-fourths of the sum paid up for the time being on any transferable share held by him, sell, transfer and register in the books of the registered society such share to any person entitled to hold the same under the rules or by-laws for the best price obtainable therefor, and apply the proceeds in or towards the discharge of the debt so due and of any expense incurred in or about the same, paying over the balance (if any) to the member, without being responsible for any loss occasioned thereby, and the defaulting member shall cease to have any further claim in respect of such share.

Sales of
shares of
members in
default.

56. (1) The committee shall appoint a secretary and, unless the person so appointed is a member of the committee, shall have power to fix the remuneration for his services.

Secretary.

(2) The secretary, if a member of the committee, shall be unpaid.

(3) No appointment made under paragraph (1) of this rule shall be valid and effective, and no remuneration fixed thereunder shall be payable or recoverable, unless approved by the Registrar. Every such approval shall be communicated in writing by the Registrar to the committee.

(4) In the event of failure on the part of the committee to appoint a secretary, the Registrar shall appoint a secretary and, unless the person so appointed is a member of the committee, the Registrar shall fix his remuneration. Every appointment made by the Registrar under this paragraph shall be valid and effective, and every remuneration fixed by the Registrar shall be payable and recoverable, as if made or fixed by the committee.

(5) The secretary shall occupy his office until his services are determined by one month's notice in writing given by the committee:

Provided that no determination as aforesaid shall be valid and effective until the approval of the Registrar in writing has been obtained therefor.

(6) The secretary may resign his office by giving one month's notice to the committee in writing.

(7) On the occurrence of a vacancy in the office of the secretary, the provisions of this rule shall apply *mutatis mutandis* to the filling of such vacancy.

Payment of secretary. 57. The remuneration of the secretary, if any, shall be paid from the funds of the registered society monthly in arrear.

Security by secretary. 58. (1) The secretary may be required to give security in such amount as the committee may determine.

(2) Every such security and the amount thereof shall be subject to the approval of the Registrar to be signified in writing to the committee.

Suspension of secretary. 59. (1) The committee may at any time suspend the secretary for any irregularity in the performance of his duties.

(2) Such suspension shall be reported forthwith to the Registrar who shall approve or disallow the same and shall communicate his decision to the secretary and the committee in writing, and on notification of his approval of the suspension the services of the secretary shall be determined without further notice.

(3) In the event of the suspension of the secretary the committee shall forthwith appoint a substitute to hold office during the period of such suspension and shall report the name of such substitute to the Registrar.

Temporary absence of secretary. 60. (1) The secretary shall not absent himself from duty save with the permission of the committee previously obtained.

(2) During the absence of the secretary, the committee shall appoint a temporary secretary and shall report the appointment to the Registrar.

(3) In case the secretary desires to be absent from duty for more than one month at any one time, the committee shall, before granting permission for such absence, obtain the previous approval of the Registrar therefor.

Duties of Secretary. 61. The duties of the secretary shall be—

(a) to attend all meetings of the registered society and of the committee and to carry out all the instructions of the committee;

(b) to be present at the office during the hours of business as fixed from time to time by the committee;

(c) to record the whole of the transactions of the registered society in the books provided for that purpose; to conduct correspondence on behalf of the registered society; to prepare the annual statement of accounts and balance sheet; and to have charge of the documents, books and vouchers for payments and receipts on behalf of the registered society;

(d) to receive all applications for loans and bring the same before the committee; to prepare receipts and other documents in the form prescribed for signature by borrowers prior to their taking the loans sanctioned; and with the authority of the committee to supply information about the registered society which may be applied for by members;

(e) to receive all moneys due or payable to the registered society and issue receipts to the payer for same from a counterfoil receipt book supplied to the registered society for the purpose by the Registrar, obtaining at the same time the signature of the person making the payment on the counterfoil;

(f) to deposit with the treasurer from moneys collected by him on behalf of the registered society all sums in excess of an amount to be fixed from time to time by the committee and to obtain from him a receipt on a form to be taken from the prescribed counterfoil book;

(g) to keep separate all moneys belonging to the registered society and on no account to mix them with any other moneys; and to produce at all times when called upon to the committee, or the Registrar or any person authorised by him, all moneys in his hands belonging to the registered society;

(h) to make payments as authorised by the committee, obtaining the payee's signature on the payment book prescribed by the Registrar:

Provided that if the payment is made outside the registered society's office the secretary shall, in every instance, obtain from the payee a manuscript receipt and attach it to a separate page of the payment book;

(i) to issue a receipt on a form to be taken from the prescribed counterfoil book when receiving money from the treasurer; and

(j) to summon meetings as provided in the rules.

62. The committee shall appoint one of the members of the committee, not being the chairman, to be the treasurer. Treasurer

63. The treasurer may be required to give security for such amount as may be determined by, and to the satisfaction of, the committee. Security by treasurer.

64. The duties of the treasurer shall be—

Duties of treasurer.

(a) to receive from the secretary as provided in rule 61 (f) moneys collected by the latter on behalf of the registered society, furnishing him with a receipt on a form taken from the counterfoil book supplied for the purpose by the Registrar and obtaining at the same time the signature of the secretary on the counterfoil;

(b) to advance money to the secretary for payments and obtain from him a receipt from the prescribed counterfoil book;

(c) to place to the account of the registered society in such bank as may be approved by the Registrar any amount in his hands in excess of the amount fixed from time to time by the committee;

(d) to keep separate all moneys belonging to the registered society and on no account to mix them with any other moneys; to produce at all times when called upon to the committee, the Registrar or any person authorised by him, all moneys in his hands belonging to the registered society; and

(e) to keep a record on the prescribed form of all moneys received by him from the secretary and of all moneys paid to the secretary.

Unfit officer. 65. If in any society, in the opinion of the Registrar, any member of the committee or other officer is unfit for the discharge of his duties, the society shall, on the requirement of the Registrar, dismiss him.

Reserve fund. 66. (1) The reserve fund of a registered society, created in pursuance of the provisions of section 34 (1) of the Ordinance, may, with the sanction of the Registrar,

(a) be utilised in the business of the registered society, or

(b) be applied to meet occasional deficiencies incurred by the registered society.

(2) In sanctioning the utilisation or application of the reserve fund under paragraph (1) of this rule, the Registrar may impose such terms and conditions as he may deem fit.

Audit of accounts. 67. In pursuance of the provisions of section 35 of the Ordinance, the accounts of every registered society shall be audited once at least in every year by some person authorised by the Registrar. Such person shall have access to all the books and accounts of the registered society and shall examine every balance sheet and annual return of the receipts and expenditure, funds and effects of the registered society, and shall 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 the Ordinance, and shall report to the Registrar accordingly, or shall specially report to the Registrar in what respects he finds the same incorrect unvouched or not in accordance with the Ordinance. The Registrar shall thereupon forward the report of such person to the committee.

Audit and supervision fund. 68. (1) There shall be constituted a fund to be known as the Audit and Supervision Fund and every registered society shall, when called upon to do so by the Registrar, make annually a contribution to such fund.

(2) Until such time as a society has been established and registered for the purposes of supervision and audit, such contributions shall be held by the Registrar and administered by him on behalf of the contributing registered societies.

(3) So long as the Registrar administers the fund on behalf of the contributing registered societies, he shall report in every year to the Government in respect of the income derived from contributions, the expenditure he has sanctioned from the fund and the balance in his hands.

(4) As soon as a society for supervision and audit has been established and registered, the fund shall be credited to such society and shall be utilized by such society in accordance with its objects and by-laws.

(5) Until a society for supervision and audit has been established and registered, the Registrar shall fix the amount of the annual contribution to the fund of every registered society called upon to contribute to the fund. The amount of every such annual contribution shall be subject to a maximum of either five per centum of the net annual profits of the registered society or of one per centum of the working capital of the registered society, and shall not in any case be less than three per centum on the net annual profits or one half per centum of the working capital.

By-laws. 69. (1) The by-laws of a proposed society shall contain provision in respect of the following matters:—

(a) the name of the society;

(b) the registered address of the society;

(c) the objects for which the society was established;

(d) the purposes to which the funds may be applied;

(e) the qualifications for membership, the terms of admission of members, and the mode of election;

(f) the nature and extent of the liability of members; and

(g) the manner of raising funds, including the maximum rate of interest on deposits.

(2) If the objects of the proposed society include the creation of funds to be lent to the members, the proposed by-laws shall, in addition, contain provision in respect of the following matters:—

(a) the occupation and residence of the members;

(b) the conditions on which loans may be made to members, including—

(i) the rate of interest, and

(ii) the maximum amount which may be lent to a member; and

(c) the consequences, if any, of default in the payment of any sum due on account of shares.

70. (1) Where in pursuance of the provisions of Section 10 (1) of the Ordinance a registered society amends its by-laws, such amendment shall be made by a resolution of the members of the registered society at a general meeting. Amendment of by-laws.

(2) Every resolution under paragraph (1) of this rule shall not be valid and effective unless it was taken by a majority of not less than three-fourths of the members present at the general meeting at which the resolution was proposed.

(3) A copy of a resolution under paragraph (1) of this rule shall be forwarded to the Registrar together with three copies of the amendment.

71. For the purposes of section 20 of the Ordinance a copy of an entry in the book of a registered society may be certified by a certificate written at the foot of such copy, declaring that it is a true copy of such entry and that the book containing the entry is still in the custody of the society; such certificate being dated and signed by the secretary and one member of the committee. Copies of entries.

72. (1) Reference of a dispute to the Registrar for decision under the provisions of section 49 (1) of the Ordinance may be made— Reference of a dispute to the Registrar for decision.

(a) by the committee; or

(b) by the registered society in pursuance of a resolution in that behalf taken in general meeting; or

(c) by any party to the dispute; or

(d) where the dispute concerns a member of the committee and the registered society, by any member of the registered society.

(2) Every reference under this rule shall be made by a statement in writing addressed to the Registrar. Such statement shall—

(a) be dated;

(b) specify the dispute;

(c) set out full particulars of the dispute; and

(d) be signed by the party making it.

73. (1) Where, in pursuance of the provisions of section 49 (2) (b) of the Ordinance, the Registrar decides to refer a dispute to arbitration, such decision shall be embodied in an order of reference under his hand. Reference to arbitration by the Registrar.

(2) Every order of reference under this rule shall—

(a) specify the name, surname, place of abode and occupation of the arbitrator or arbitrators;

(b) set out the dispute and full particulars thereof;
and

(c) limit the time within which the award shall be forwarded by the arbitrator or arbitrators to the Registrar:

Provided that, on good cause shown to his satisfaction, the Registrar may by a further order enlarge the time whether before or after the time limited by the order of reference has expired.

(3) Where the Registrar decides to refer a dispute to more than one arbitrator, such reference shall be to three arbitrators, of whom one shall be nominated by each of the parties to the dispute and the third shall be nominated by the Registrar and shall act as chairman.

(4) Where under paragraph (3) of this rule reference is made to three arbitrators, the following provisions shall have effect—

(a) If any party to the dispute fails to nominate an arbitrator within such time as the Registrar may specify, the Registrar may make the nomination himself;

(b) If an arbitrator nominated by one of the parties to the dispute dies, or refuses or neglects to act or by absence or otherwise becomes incapable of acting, the Registrar shall call upon the party concerned to nominate a new arbitrator within such time as the Registrar may specify, and if no new arbitrator is nominated accordingly, the Registrar may nominate one himself.

(c) If the arbitrator who dies, or refuses or neglects to act, or becomes incapable of acting, was nominated by the Registrar, a new arbitrator shall be nominated in his place by the Registrar; and

(d) The opinion of the majority of the arbitrators shall prevail.

Proceedings
before the
arbitrator or
arbitrators.

74. (1) The proceedings before the arbitrator or arbitrators shall, as nearly as possible, be conducted in the same way as proceedings before a court of law, and in particular the following provisions shall have effect in respect thereof:—

(a) Notice of the time and place at which the proceedings are to be held shall be given to the parties to the dispute, and such notice shall be a ten days' notice;

(b) A record of the evidence adduced before the arbitrator or arbitrators shall be made, dated and signed by the arbitrator or arbitrators;

(c) Documents produced as exhibits before the arbitrator or arbitrators shall be marked, dated and initialled by the arbitrator or arbitrators and shall be attached to the file of the proceedings; and

(d) In the absence of any party duly notified to attend, the dispute may be decided by the arbitrator or arbitrators *ex parte*.

(2) The award of the arbitrator or arbitrators shall—

(a) be in writing;

(b) be dated and signed by the arbitrator or arbitrators; and

(c) state the amount of the costs and expenses of the arbitration, if any, and by which party or parties to the dispute the same are to be paid.

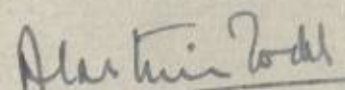
(3) Upon the completion of the proceedings the arbitrator or arbitrators shall forward to the Registrar—

(a) the file of the proceedings, and

(b) the award.

75. Where, in pursuance of the provisions of section Proceedings 49(2)(a) of the Ordinance, the Registrar exercises the power of before the Registrar, deciding a dispute himself, the proceedings before him in relation thereto shall, as nearly as possible, be conducted in the same way as proceedings before a court of law and the provisions of rule 73 shall apply *mutatis mutandis* to such proceedings.

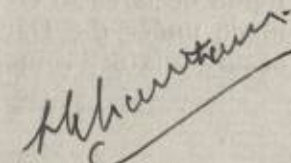
Passed the Legislative Council of Hong Kong, this
16th day of October, 1947.


Deputy Clerk of Councils.

HONG KONG.

No. 44 of 1947.

I assent.


Governor.

17th October, 1947.

An Ordinance further to amend the Factories and Workshops Ordinance, 1937.

[17th October, 1947.]

BE it enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof, as follows :—

1. This Ordinance may be cited as the Factories and Workshops Amendment Ordinance, 1947, and shall be read as one with the Factories and Workshops Ordinance, 1937, hereinafter referred to as the principal Ordinance.

Short title.
Ordinance
No. 18 of
1937.

2. Section 2 of the principal Ordinance is hereby amended as follows :—

Amendment
of section 2
of the
principal
Ordinance.

(a) by the repeal of sub-section (6) and the substitution of the following sub-section therefor :—

“(6) “Inspector” means any person appointed by the Governor to be Chief Inspector or an Inspector or Assistant Inspector of Labour, Factories and Workshops, for the purposes of this Ordinance.”

(b) by the repeal of sub-section (8) and the substitution of the following sub-section therefor :—

“(8) “Commissioner” means the Commissioner of Labour appointed under section 3, and includes a Deputy Commissioner and any person appointed as a Labour Officer for the purposes of this Ordinance.”

(c) by the repeal of sub-section (9) and the substitution of the following sub-section therefor :—

“(9) “Workshop” means any premises or place other than a factory wherein or within the close or curtilage or precincts of which any manual labour is exercised by way of trade or for purposes of gain in or incidental to making any article or part of any article, or altering, repairing, ornamenting or finishing or adapting for sale any article :

Provided either—

(a) that at least 20 persons are employed in manual labour in the said premises or in the close, curtilage and precincts thereof; or

(b) that, notwithstanding that the number of persons employed in manual labour in the said premises (including the precincts thereof) is less than 20, the process, trade or occupation carried on therein involves—

(i) the use of petrol or of any inflammable liquid declared to be dangerous goods in any regulations made under the Dangerous Goods Ordinance, 1873, or of any mixture containing such liquid, or

(ii) the use of coal gas."

Ordinance
No. 1 of
1873.

Amendment
of section 3
of the
principal
Ordinance.

3. Section 3 of the principal Ordinance is hereby amended as follows:—

(a) by the repeal of sub-section (1) thereof and the marginal note thereto, and the substitution of the following sub-section and marginal note therefor:—

"Appointment and powers of Commissioner and other officers. (1) It shall be lawful for the Governor to appoint a Commissioner of Labour, a Deputy Commissioner of Labour, Labour Officers, and a Chief Inspector, Inspectors and Assistant Inspectors of Labour, Factories and Workshops."

(b) by the deletion of the word "Protector" wherever that word occurs in sub-sections (2), (3), (4), (5) and (6) and the substitution therefor of the word "Commissioner".

Amendment
of section 4
of the
principal
Ordinance.

4. Section 4 of the principal Ordinance is hereby amended by the deletion of the word "Protector" in the fourth line and by the substitution therefor of the word "Commissioner".

Repeal and
replacement
of section 5
of the
principal
Ordinance.

5. Section 5 of the principal Ordinance is hereby repealed and replaced as follows:—

"Regulations. 5. (1) It shall be lawful for the Commissioner to make regulations in respect of industrial undertakings for the following purposes:—

(a) declaring trades, processes and occupations to be dangerous trades for the purposes of this Ordinance;

(b) prohibiting the employment of or modifying or limiting the employment of all persons or any class of persons in dangerous trades;

(c) prohibiting the employment of or modifying or limiting the employment of women, young persons and children in industrial undertakings, and requiring registers to be kept of women, young persons and children employed in industrial undertakings;

(d) imposing obligations for securing compliance with the provisions of this Ordinance or of any regulation made thereunder upon persons who employ women, young persons or children in industrial undertakings and upon the agents and servants of such persons;

(e) defining the duties and powers of the Inspectors;

(f) exempting any industrial undertaking from the operation of this Ordinance or any part thereof;

(g) prescribing the forms to be used in carrying out the provisions of this Ordinance both in respect of registration and otherwise;

(h) prescribing means of securing hygienic conditions in factories and workshops;

(i) prescribing means of preventing accidents in factories and workshops, and of relieving persons suffering from the effects of such accidents;

(j) requiring notifications to be made in relation to accidents occurring in factories and workshops;

(k) prescribing the precautions to be taken against fire and providing for means of escape from fire in factories and workshops;

(l) generally for the purpose of carrying into effect the provisions of this Ordinance.

Power to
make special
regulations
for safety
and health.

(2) (a) Where the Commissioner is satisfied that any manufacture, machinery, plant, process or description of manual labour, used in industrial undertakings is of such a nature as to cause risk of bodily injury to persons employed in connection therewith, or any class of those persons, he may, without prejudice to the generality of the power to make regulations under sub-section (1) of this section, make such regulations as appear to him to be reasonably practicable and to meet the necessity of the case, and in particular such regulations may—

(i) prohibit the employment of, or modify or limit the hours of employment of, all persons or any class of persons in connection with any manufacture, machinery, plant, process, or description of manual labour; or

(ii) prohibit, limit, or control the use of any material or process;

and may impose duties on owners, employed persons and other persons, as well as on occupiers.

(b) Regulations so made may apply to all industrial undertakings in which the manufacture, machinery, plant, process, or description of manual labour is used or to any specified class or description of such undertaking, and may provide for the exemption of any specified class or description of undertaking either absolutely or subject to conditions.

(3) All regulations made by the Commissioner shall be submitted to the Governor, and shall be subject to the approval of the Legislative Council.

Schedule.

(4) The regulations in the Schedule shall be deemed to have been made under this Ordinance, and shall be in force until rescinded or amended by regulations made under this Ordinance.

(5) It shall be lawful for the Commissioner in such cases as he shall think fit to exempt any industrial undertaking from any regulation under this Ordinance or to order the adoption of special precautions in addition to any precautions required by any regulation under this Ordinance: Provided that an appeal from any such order shall lie by way of petition to the Governor in Council whose decision shall be final."

Amendment of section 6 of the principal Ordinance.

6. Section 6 of the principal Ordinance is hereby amended by the deletion of the word "Protector" wherever that word occurs and by the substitution therefor of the word "Commissioner".

Amendment of section 8 of the principal Ordinance.

7. Sub-sections (1) and (2) of section 8 of the principal Ordinance are hereby repealed and the following sub-sections substituted therefor:—

"(1) Every person who contravenes or attempts to contravene or fails to comply with any provision of this Ordinance or of any regulation made thereunder shall be guilty of an offence against this Ordinance and shall be liable, on summary conviction, to a fine not exceeding one thousand dollars: Provided that in the case of a continuing offence the magistrate, if satisfied that the offence has been knowingly and wilfully committed during a period exceeding ten days, may, in addition to the said fine, impose a further fine not exceeding one hundred dollars a day in respect of each day of such excess.

(2) The proprietor of every factory, workshop or industrial undertaking in respect of which any offence against this Ordinance has been committed shall be guilty of a like offence."

Amendment of section 9 of the principal Ordinance

8. Section 9 of the principal Ordinance is hereby amended by the substitution of the words "one thousand dollars" for the words "two hundred and fifty dollars" where such words occur—

- (i) in the seventh and eighth lines of sub-section (1);
- (ii) in the seventh line of sub-section (2).

Amendment of section 12 of the principal Ordinance.

9. Section 12 of the principal Ordinance is hereby amended by the deletion of the word "Protector" occurring in the second line thereof and the marginal note thereto and by the substitution therefor respectively of the word "Commissioner".

Amendment of regulations in the Schedule to the principal Ordinance.

10. The regulations in the Schedule to the principal Ordinance are hereby amended by the deletion of the word "Protector" wherever occurring in the regulations and by the substitution therefor of the word "Commissioner".

Passed the Legislative Council of Hong Kong, this 16th day of October, 1947.

Alastair Todd
Deputy Clerk of Councils.

HONG KONG.

No. 45 OF 1947.



I assent.

McArthur
Governor.

7th November, 1947.

An Ordinance to amend the Hong Kong Police Reserve Ordinance, 1927.

[7th November, 1947.]

BE it enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited as the Hong Kong Police Reserve Amendment Ordinance, 1947, and shall be read as one with the Hong Kong Police Reserve Ordinance, 1927, hereinafter referred to as the principal Ordinance.

Short title.
Ordinance No. 24 of 1927.

2. Section 11 of the principal Ordinance is hereby amended—

Amendment of section 11 of the principal Ordinance.

(a) by the repeal of sub-section (1) thereof and its replacement as follows:—

"(1) (i) For any purpose connected with the peace and good order of the Colony, the Commissioner of Police, with the prior approval of the Governor, may, by departmental order, call out the Reserve or any portion or members thereof for active service.

(ii) For the purpose of training, the Commissioner of Police may, by departmental order, call out the Reserve or any portion or members thereof for active service for a period to be specified in such order."

(b) by the repeal of sub-section (3) thereof and its replacement as follows:—

"(3) In the event that the Reserve has been called out for active service in accordance with the provisions of paragraph (i) of sub-section (1), such service shall continue until a departmental order is made by the Commissioner, with the prior approval of the Governor, specifying the date of the termination of such service."



Amend-
ment of
section 14
of the
principal
Ordinance.

3. Section 14 of the principal Ordinance is hereby amended by the deletion of the word "European" occurring in the fifth line thereof.

Amend-
ment of
section 15
of the
principal
Ordinance.

4. Sub-section (4) of section 15 of the principal Ordinance is hereby amended by the deletion of the word "European" occurring in the sixth line thereof.

Passed the Legislative Council of Hong Kong, this
6th day of November, 1947.

Alastair Zohel
Deputy Clerk of Councils.

HONG KONG.

No. 46 OF 1947.



I assent.

W. H. Murray
Governor.

7th November, 1947.

An Ordinance to amend the Legal Practitioners Ordinance, 1871.

[7th November, 1947.]

BE it enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof, as follows :—

1. This Ordinance may be cited as the Legal Practitioners Amendment Ordinance, 1947, and shall be read as one with the Legal Practitioners Ordinance, 1871, hereinafter referred to as the principal Ordinance.

Short title.

Ordinance
No. 1 of
1871.

2. The principal Ordinance is hereby amended by the insertion therein of the following section as section 9A immediately after section 9 thereof :—

Addition of
section 9A
to the
principal
Ordinance.

"Fresh
articles
in case
of death
or retire-
ment of
solicitor or
if articles
cancelled or
discharged.

9A. (1) Where before the expiration of the term for which a clerk is articulated the solicitor to whom he is articulated ceases to practise as a solicitor, or dies, or his articles are cancelled by mutual consent or discharged by the court, the clerk may be bound by fresh articles to another practising solicitor for the residue of the said term and service under those articles in accordance with the provisions of this Ordinance shall be good service.

(2) The provisions of this Ordinance with respect to the registration of articles shall apply to fresh articles entered into in accordance with the provisions of this section."

Passed the Legislative Council of Hong Kong, this 6th day of November, 1947.

Alastair Todd
Deputy Clerk of Councils.



HONG KONG.

No. 47 OF 1947.



I assent.

Robert H. S. Ho
Governor.

7th November, 1947.

An Ordinance to amend the Adulterated Food and Drugs Ordinance, 1935.

[7th November, 1947.]

BE it enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited as the Adulterated Food and Drugs Amendment Ordinance, 1947, and shall be read as one with the Adulterated Food and Drugs Ordinance, 1935, hereinafter referred to as the principal Ordinance.

Short title.

Ordinance
No. 8 of
1935.

2. Section 2 of the principal Ordinance is hereby amended:—

Amend-
ment of
section 2 of
principal
Ordinance.

(1) by the repeal of the definition of "food" occurring therein and by the substitution of the following definition:—

"Food" means any article used as food or drink for human consumption, other than drugs or water, and includes—

(a) any substance which is intended for use in the composition or preparation of food;

(b) any flavouring matter or condiment; and

(c) any colouring matter intended for use in food:

Provided that, notwithstanding anything in this definition, the addition of any colouring or flavouring matter or condiment to an article used as food or drink shall be deemed to be the addition of a substance to food;

(2) by the addition at the end thereof, of the following definition:—

"Substance" includes a liquid.

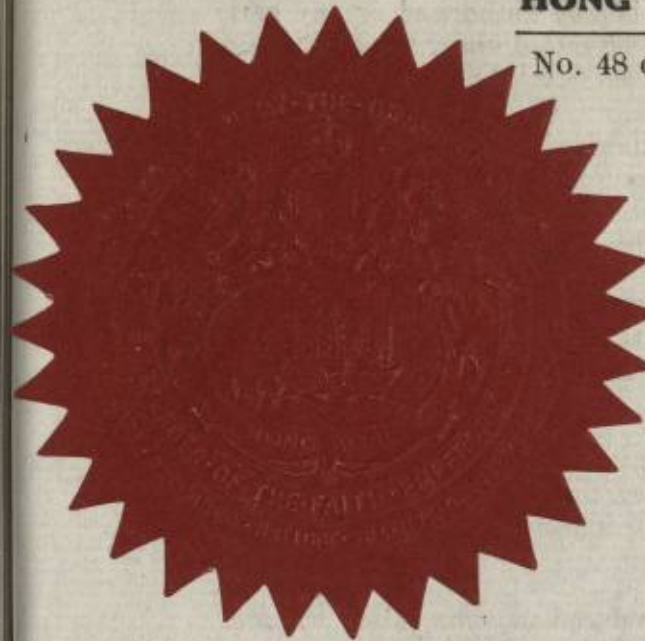
Passed the Legislative Council of Hong Kong, this 6th day of November, 1947.

Alastair Todd
Deputy Clerk of Councils.



HONG KONG.

No. 48 OF 1947.



I assent.

[Signature]
Governor.

18th December, 1947.

An Ordinance to make provision for raising a Loan of one hundred and fifty million dollars for the general rehabilitation of the public services of the Colony following a period of enemy occupation.

[18th December, 1947.]

BE it enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof, as follows :—

1. This Ordinance may be cited as the Hong Kong Short title. (Rehabilitation) Loan Ordinance, 1947.

2. The Governor or the Crown Agents acting on his behalf may raise by loan in Hong Kong or in London or partly in Hong Kong and partly in London by one or more issues an amount sufficient to produce in the aggregate a sum not exceeding one hundred and fifty million dollars and such further sums as may be necessary to defray the expenses of issue.

Power of Governor or Crown Agents to raise loan.

3. The principal moneys and interest represented by the loan issued under the provisions of this Ordinance are hereby charged upon and shall be payable out of the general revenue and assets of the Colony.

Loan to be charged on general revenue and assets of Colony.

4. (1) Any sums raised to defray the expenses of issue shall be applied only to that purpose.

Application of sums raised.

(2) Save as aforesaid the money borrowed under this Ordinance shall be appropriated and applied to the purposes specified in the Schedule to this Ordinance but it shall be lawful for the Governor to direct that any sums which may not be required for a purpose specified in the Schedule may be appropriated and applied to any other purpose therein specified :

Schedule.

Provided that no such transfer of money from one item of the Schedule to any other item thereof shall be made unless such transfer shall have been approved by a resolution of the Legislative Council and by the Secretary of State.

Provisions of Ordinance No. 7 of 1913, applied.

Sinking Fund in respect of loan raised in London.

Provision where loan is raised in Colony.

5. In so far as the loan hereby authorised or any part of it is raised in London it shall be raised under the provisions of the General Loan and Inscribed Stock Ordinance, 1913.

6. If the loan hereby authorised or any part of it shall be issued under the provisions of the General Loan and Inscribed Stock Ordinance, 1913, then the first half yearly contribution to Sinking Fund, as contemplated by the provisions of Sections 14 and 28 of the said Ordinance, shall be remitted in respect of any debentures or stock issued under this Ordinance not later than three years after the date on which the first half yearly payment of interest on such debentures or stock falls due.

7. (1) If the loan hereby authorised or any part of it shall be raised in the Colony then the following provisions in respect of the loan or any part of it raised in the Colony shall apply.

(2) The sum to be produced may be raised by one or more issues of bonds in accordance with the provisions of this Ordinance.

(3) The Governor shall in each half-year ending with the day on which the interest on the bonds falls due appropriate out of the general revenue and assets of the Colony a sum equal to one half-year's interest on the whole of the bonds outstanding in order that the interest for the said half-year may be paid therefrom.

(4) The interest on each bond shall be at the rate specified on such bond and shall run from the day named in that behalf on the bond, and shall be paid half yearly either at the head office of the Hong Kong and Shanghai Banking Corporation or at the office of the Chartered Bank of India, Australia and China in Hong Kong on the days named in that behalf on coupons attached to every bond for the payment of such interest.

(5) After the date specified in the prospectus of any loan issued under the terms of this Ordinance as that on which the contribution to a sinking fund shall commence, the Governor shall in each half year ending as aforesaid further appropriate out of the said general revenue and assets for the formation of a sinking fund a sum equal to one half of the annual contribution specified in the prospectus and the money so appropriated shall be remitted to the Crown Agents for the formation of a sinking fund and the Crown Agents as trustees shall invest the money so remitted to them in the purchase of such securities as may be approved by the Secretary of State as a sinking fund for the final extinction of the debt and shall also invest the dividends interest or produce of such investments in the purchase of like securities and may from time to time with the approval of the Secretary of State change any such investments and shall hold such fund in trust for the repayment of the principal moneys for the time being represented by the bonds:

Provided that if at any time the trustees of the sinking fund are satisfied that the value of the fund will be sufficient with further accumulations of interest, but without further payments of contributions, to enable the loan to be redeemed out of the proceeds of the sinking fund when the same shall fall due to be redeemed the Governor may with

the approval of the Secretary of State suspend further payment of contributions to the said sinking fund:

Provided further that contributions to the sinking fund shall be recommenced if the trustees shall at any time inform the Governor that it is necessary.

(6) In addition, the Governor may, at any time or times, authorise the utilisation of the sinking fund or of the appropriation for contribution to the sinking fund prescribed under sub-section 5 hereof for the purchase of the bonds when they can be obtained at a price not exceeding par:

Provided that in the utilisation of such appropriation for the purchase of the bonds within the Colony the contribution remitted to the Crown Agents shall be the balance, if any, of such appropriation not utilised for the purpose aforesaid.

(7) Every bond and coupon and the right to receive the principal and interest represented thereby shall be transferable by delivery.

8. The Governor shall have power—

Powers of Governor.

(a) to determine the time for any issue and redemption of bonds;

(b) to determine the amounts for which the bonds of any issue shall be issued and the rate of interest payable thereon;

(c) to determine the form of the bonds;

(d) to determine the terms upon which the bonds shall be issued; including power to determine the price of issue or the conditions of application and deposit or any other term whether or not of the same kind as the terms herein enumerated;

(e) to provide for the issue in the first instance of scrip certificates to be exchanged later for bonds;

(f) to provide for the issue of coupons for the payment of interest;

(g) to determine the days on which the half-yearly interest is to be payable;

(h) to give any other necessary directions for the purpose of carrying out this Ordinance and for the management of the loan, provided that such directions are not inconsistent with the provisions of this Ordinance.

9. On the repayment of the principal moneys represented by any bond the bond shall, and on the repurchase of any bond in accordance with the provisions of sub-section (6) of section 7 the bond may, together in either case with all outstanding coupons attached to such bond, be delivered up for cancellation either to the head office of the Hong Kong and Shanghai Banking Corporation or to the office of the Chartered Bank of India, Australia and China in Hong Kong.

Delivery up of bonds on repayment or repurchase.

SCHEDULE.

(Section 4).

Items.	Amount in dollars.
1. Agriculture, Forestry and Gardens.	1,470,000
2. Air and Meteorological Services...	310,000
3. Buildings	35,175,000
4. Claims and Compensation	30,500,000
5. Education	7,210,000
6. Harbour Facilities	5,450,000
7. Medical Services	1,715,000
8. Miscellaneous	8,500,000
9. Public Works	30,270,000
10. Railway	24,400,000
11. Waterworks	5,000,000
Total :	150,000,000

Passed the Legislative Council of Hong Kong, this 17th day of December, 1947.

Alastair Todd
Deputy Clerk of Councils.

HONG KONG.

No. 49 OF 1947.



I assent.

John M. M. M.
Governor.

18th December, 1947.

An Ordinance further to amend the Jury Ordinance, 1887.

[18th December, 1947.]

BE it enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof, as follows :—

1. This Ordinance may be cited as the Jury Amend- Short title.
ment (No. 2) Ordinance, 1947, and shall be read as one with
the Jury Ordinance, 1887, hereinafter referred to as the Ordinance
principal Ordinance. No. 6 of
1887.

2. Section 22 of the principal Ordinance is hereby Amend-
amended as follows :— ment of
section 22
of the
principal
Ordinance.

(a) By the deletion of the word "or" appearing in
the first line thereof; and

(b) by the insertion of the words "or discharge by
the court for any other reason" immediately after the word
"attendance" in the second line thereof; and

(c) by the deletion of the word "seven" appearing in
the proviso thereto and by the substitution therefor of the
word "six".

Passed the Legislative Council of Hong Kong, this 17th day of December, 1947.

Alastair Todd
Deputy Clerk of Councils.