



ANGUILLA FINANCIAL SERVICES COMMISSION

20 October, 2021

Consultation Note:

The Co-operative Societies Bill and Regulations

The Anguilla Financial Services Commission (the “AFSC”) has issued the Co-operative Societies Bill (“the Bill”) and the Co-operative Societies Regulations (“the Regulations”) for consultation.

The Bill and Regulations make provision with respect to the registration, supervision, governance, operation and management of co-operative societies including credit unions, the members of which have a common philosophical bond and socio-economic objectives, and for incidental and related purposes.

The advent of new standards in financial reporting and in risk management coupled with acceleration in demand for online and e-commerce services since the COVID-19 Pandemic have made other facilitative provisions necessary. The Bill was originally issued for public consultation on 3 December, 2018. Since this last consultation, further amendments have been made. Some of the main changes are,

- a. instituting of a minimal capital requirement;
- b. recognition of the Nominations Committee’s role;
- c. members’ right of access to monthly management accounts and the Register of Societies authorised;
- d. the deadline for AGMs extended to four months’ of the end of the entity’s financial year;
- e. a 2-year hiatus to be observed after an elected officer has completed two successive terms; and
- f. the value of loans to one member or a connected group limited to 10% of the net loan portfolio.

The Regulations provide the legislative outline for, among other things, registration and membership, governance and management, financing, property and funds, receivership, dissolution and appeals.

The Bill and Regulations are a part of the general legislative overhaul of the financial services industry and is in alignment with current best practices within the region and beyond. Once enacted, the new legislation will allow two registrars - non financial co-operatives will report to the Anguilla Commercial Registry and credit unions to the AFSC.

This consultation is intended to identify any major areas of concern with the draft legislation. The AFSC hereby invites persons to provide comments on the second draft of the Cooperative Societies Bill and the first draft of Co-operative Societies Regulations. Persons are invited to provide their comments to the AFSC at sherine.brooks@afsc.ai by close of business on **Friday, 12 November, 2021**.

A virtual consultation session will be held on **23 and 24 November, 2021** with the AFSC and the drafter/consultant, Mr Melvin Edwards. All main queries or concerns submitted during consultation will be discussed. Further details on the virtual consultation session will follow in due course.

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