

**TO BE PUBLISHED IN THE NEXT ISSUE
OF BALOCHISTAN GAZETTE.**

BALOCHISTAN PROVINCIAL ASSEMBLY SECRETARIAT

NOTIFICATION.

Dated Quetta, the 1st September, 2020.

No.PAB/Legis;V(04)/2020. The Cooperative Societies Balochistan (Amendment) Bill, 2020 (Bill No. 04 of 2020), having been passed by the Provincial Assembly of Balochistan on 26th August, 2020 and assented to by the Governor, Balochistan on 31st August, 2020 is hereby published as an Act of the Balochistan Provincial Assembly

**THE COOPERATIVES SOCIETIES (BALOCHISTAN AMENDMENT) ACT 2020
(ACT NO. V OF 2020)**

**AN
ACT**

to amend the co-operative Societies Act, 1925 (Act No. VII of 1925)

Preamble

WHEREAS, it is expedient to amend the cooperative Societies Act, 1925 (Act No.VII of 1925) in the manner hereinafter appearing;

Short title and commencement.

It is hereby enacted as follows:

1. (1) This Act may be called the Co-operative Societies (Balochistan Amendment) Act, 2020.

Amendment of Section 3, Act VII of 1925

2. (2) It shall come into force at once.
In the Cooperative Societies Act, 1925 (Act No. VII of 1925), hereinafter referred to as the said Act, in Section 3,

(a) after clause (a), the following clause shall be inserted: -

"(aa)" competent authority" means the regulators, oversight bodies for self-regulatory body (SRB), the Financial Monitoring Unit and the investigating or prosecuting agencies as defined in the Anti-Money Laundering Act, 2010.

(b) after clause (d), the following clause shall be inserted: -

"(da)" "prescribed" means prescribed by rules made under this Act.

(c) after clause (h), the following clause shall be added: -

"(i)" "Beneficial owner" means a natural person who ultimately owns or controls a society, whether directly or indirectly or voting rights or by exercising effective control in that society through other means as prescribed.

Amendment of Section 9, Act VII of 1925

3. In the said Act, in Section 9, in sub section (2), in clause (d), after sub-clause (iv), the following shall be added: -

- “(v) information as prescribed about its members, beneficial owners, running affairs of the society, to the Registrar.
- (vi) if the society is run by non-members i.e. officers/employees, prescribed information regarding these employees and officers and the reasons for running the affairs by them.
- Amendment of Section 17-A, Act VII of 1925**
4. In the said Act, in Section 17-A, after clause (vii), the following shall be inserted: -
- (1) Where a society is a member of another society, that society will nominate any of its members to serve as a director of the society of which it is a member.
- (2) the director of a society who is nominated in accordance with sub section (1) must be a natural person and provide prescribed information to the society to which he is nominated in the prescribed circumstances and manner.
- (3) The secretary of a society will keep an updated record of any nominated directors, as well as provide prescribed information of the nominated directors to the Registrar both annually and from time to time when changes occur in the prescribed circumstances and manner.
- (4) The Registrar will keep an updated record of the nominated Directors of all societies in the prescribed circumstances and manner.
- “(5) Other than as set out in subsection (1), no director will nominate on his behalf a member or director to perform the membership rights on his behalf”.
- Insertion of section 20-A and 20-B, Act VII of 1925**
5. In the said Act, after section 20, the following new sections shall be inserted:
- “**20-A. Provision of information-**
- (i) The Secretary of the society will provide prescribed information to the Registrar both annually, and from time to time when changes occur”.
- (ii) The Secretary of the society will provide to competent authorities at any time upon request prescribed information, including but not limited to beneficial owners, members, nominees of the members, officers, employees and Managing Committee of the Society, in the prescribed circumstances and manner.
- (iii) The Registrar may at any time by his own self or through a person authorized by him require the prescribed information from the Secretary of the society.
- 20-B Provision of information by the Registrar: -**
- The Registrar Cooperative Societies for the societies registered under this Act shall provide information to any competent authority upon their request in writing, regarding the members and beneficial owners, officers/employees of the society, assets or shares held by the members in the society, their addresses, nominees of the members, properties, and financial condition of the society”.
- Amendment of section 21, Act VII of 1925**
6. In the said Act, in Section 21,
- (a) for clause (d) the following shall be substituted: -
- “(d) an up to date register of its members and nominees of the members;
- (b) after clause (d) as so amended the following shall be added :-
- “(e) an up to date register of its beneficial owners;
- “(f) Such other information as may from time to time be required by the Registrar;
- Insertion of section 21-A, Act VII of 1925**
7. In the said Act, after section 21, the following new section shall be inserted: -
- “**21-A updating of record of Societies: -**

- (1) The Registrar shall keep an up to date record as prescribed of all the beneficial owners, members, nominees of the members, directors, managing committee and employees of the Societies.
- (2) After the commencement of the Cooperative Societies Act 1925 and this amendment Act 2020, every society will provide the information about its beneficial owners as prescribed within 3 months' time to Registrar Cooperative Societies.
- (3) If a society fails to provide the information as required under sub section (2), the Registrar shall cancel that society's registration".
- insertion of Section 34-A, Act VII 1925.**
8. In the said Act, after section 34, the following new Section shall be inserted:-
34-A. Prohibition on issuance of bearer shares, warrants, etc
 No society shall allot, issue, sell, transfer or assign any bearer shares, bearer share warrants or any other equity or debt security of a bearer nature, by whatever name called, and any allotment, issue, sale, transfer, assignment or other disposition of any bearer shares or bearer share warrants or any other equity or debt security of a bearer nature, shall be void".
- insertion of Section 49-A, Act VII of 1925**
9. In the said Act, after section 49, the following new section shall be inserted:-
49-A. Records of the Society whose registration has been cancelled: -
 (1)The Registrar shall keep all the records of a society along with proceeding of liquidation completed whose registration has been cancelled for a period not less than five years.
 (2) The Secretary of the society whose registration has been cancelled will also keep the records of the society for a period not less than 5 years: Provided that, the society will dispose of its record after five years after the approval of the Registrar Cooperative Societies"
- Amendment of Section 60, Act VII 1925**
10. In the said Act, in section 60, after clause (h), the following shall be added:-
(i) Failure to provide information. If a member, employee, director, officer or secretary of the society or the society itself does not furnish information under section 20A (i), 20-A(iii), 21-B(2) and 17-A (1)(2)(3), or does not comply with section 49(A) (i), 34(A) and 17-A(4) will be an offence under this The Cooperative Societies Act, 1925, or if the society fails to comply with any other provision of this Act.
- Amendment of 10. Section 61, Act, VII 1925**
11. In the said Act, for section 61, the following shall be substituted: -
 "61, Penalty for Offences not otherwise provided for.- Every officer or member of a society or other person guilty of an offence under the Cooperative Societies Act, 1925, for which no penalty is expressly provided herein shall be liable to a fine not exceeding **one million rupees. Whereas if, a society guilty of an offence under the Cooperative Societies Act, 1925, for which no penalty is expressly provided herein shall be liable to a fine not exceeding 10 million rupees.**
- Insertion of New Section 61-A, Act VII 1925**
12. In the said Act, after section 61 as so amended, the following new section shall be inserted :-
"61-A penalty for offences committed under 60"i"- Any member, employee, director, officer or secretary of the society found guilty under section 60 "i" will be punishable with an imprisonment of not less than 3 Years and to a maximum of 5 years or with fine up to Rs. 2 million or both. Whereas, if any society is found guilty under section 60 "i" will be liable to a fine up to a maximum of 1/4th of its working Capital or to a fine not exceeding 10 million rupees"

(TAHIR SHAH KAKAR)
Secretary.

