

## Article 1

### NAME AND OFFICE

#### Section 1 NAME

The name of the organization is called \_\_\_\_\_  
\_\_\_\_\_ Cooperative (hereinafter called Saving and Credit Cooperative )

#### Section 2 ADDRESS

The office of the Saving and Credit Cooperative will be located at the following address :

\_\_\_\_\_

#### Section 3 AREA OF OPERATION

The area of operation of the Saving and Credit Cooperative would consist of the following geographical areas/ Common Bond :

\_\_\_\_\_  
\_\_\_\_\_

## Article 2

### OBJECTIVES

The Saving and Credit Cooperative has been established with a view to helping its members to improve their economic conditions by motivating them to save regularly out of their income and also to lend loans to the needy members at a reasonable rate of interest.

The objectives of the Saving and Credit Cooperative shall be to fulfill the following matters taking into consideration the economic welfare and progress of its members.

- a) To promote the habit of savings among its members
- b) To receive deposits from members on a regular basis and to offer competitive rates of interest for the deposits of its members
- c) To provide loans to members for productive and provide initial purposes at a reasonable rates of interest
- d) To motivate the members to build self help and mutual help to be self-reliance and self sufficiency

- e) To provide information and necessary help for its members to improve their earning capacity
- f) To undertake any other activity that can ultimately enhance the economic conditions of its members
- g) To become a member of the Regional Association of Saving and Credit Cooperative to get into the fold of State, National and International Organizations that are devoted to promote and develop the economic conditions of the common people
- h) To accept donations and grants from the donor agencies without any strings attached to them.
- I) To cooperate with State Cooperative Department and other institutions, in all possible ways, for the fulfillment of its objectives
- j) To carry on the day-to-day affairs of the Saving and Credit Cooperative as per the provisions of this bylaw, including the right to own properties, to purchase, sell exchange, transfer, donate, pledge, mortgage or dispose of moveable and immovable properties in the best interest of the growth and prosperity of its members.

### Article 3

## MEMBERSHIP

### Membership

#### Section 4

There are two types of membership, viz Member and Associate

**a) Member :** The following are the qualifications of a member

- (i) A person who has attained the age of maturity ( over age 18 years old )
- (ii) Shall reside within the area of operation of the Saving and Credit Cooperative and capable of utilizing its services or Associate with the same operational areas
- (iii) Shall abide by the rules and regulations of the Saving and Credit Cooperative

**b) Associate :**

(I) A minor can be an associate with a view to encourage the virtue of thrift and savings among the younger generation

(ii) An institution or an organization, interested and involved in the promotion and development of Credit Saving and Credit Cooperative Movement for the upliftment of the people of limited means.

#### Section 5 APPLICATION FOR MEMBERSHIP

The following are the procedures to be adopted for admission of new members :

- a) A person who is desirous of becoming a member should submit an application in the prescribed form duly recommended by a member of the Saving and Credit Cooperative
- b) In case of acceptance of the application, the applicant shall pay the share capital and admission fee. The admission fee is 100 \_\_\_\_ (Kyate ) which is non refundable
- c) On becoming a member, the applicant should start depositing the amount as mentioned in the application according to one's capacity
- d) The newly admitted member shall also pay the annual membership fee

#### Section 6 TERMINATION OF MEMBERSHIP

A person ceases to be a member of the Saving Group under following conditions :

- a) Death
- b) On becoming insane or unsound mind, as certified by a competent authority
- c) Being sentenced to imprisonment for criminal offenses of a substantial nature
- d) Resignation, as approved by the Board of Directors
- e) Expulsion from membership as per the provisions of the Bylaws of the Saving and Credit Cooperative

#### Section 7 EXPULSION FROM MEMBERSHIP

A member may be expelled from membership by the decision of the Board under the following conditions :

- a) Behaving in a way detrimental to the operation and progress of the Saving Group
- b) Intentionally breaking the rules and regulations or resolutions of the Board of Directors which would seriously damage the image and prestige of the Saving Group

#### Section 8 REGISTER OF MEMBERS

The Board of Directors shall maintain a Register of Members and the following particulars shall be maintained therein :

- a) Name, address, occupation and the number of shares held by the member
- b) The date of admission as a member and the date of termination
- c) Name of the member who recommend the applicant
- d) Name, address and occupation of the nominee

#### Section 9 RIGHT AND LIABILITIES OF A MEMBER

##### **a) Right of a Member :**

- (I) To participate in the managerial affairs of the Saving and Credit Cooperative by contesting election to the Board of Directors
- (ii) To exercise voting rights in the election to the Board of Directors, on the basis of one man one vote, irrespective of the number of shares held by the member
- (iii) To borrow loans from the Saving and Credit Cooperative

##### **b) Right of Members and Associates :**

- (I) To enjoy the right to deposit money into the Saving and Credit Cooperative and get interest for the money deposited
- (ii) To attend education classes organized by the Education Committee

##### **c) Liabilities of the Members**

- (I) Only the members are liable to the debts of the Saving and Credit Cooperative to the extent of their share capital
- (ii) It is the responsibility of all the members to abide by the rules and regulations of the Saving and Credit Cooperative

#### **Article 4**

#### **CAPITAL**

The capital of the Saving and Credit Cooperative consists of the following items :

#### **Section 10 SHARE/SAVINGS**

- a) A member is entitled to hold any number of shares/savings subject to a maximum of one-fifths of the total shares of the Saving and Credit Cooperative . The

value of one share is Kyats 500. The value of the share shall be paid in lumpsum or by installment within 3 months. The members are entitled for all benefits only after the shares have been subscribed. This society shall be formed by a total of at least 2000 shares in equivalent to a capital of kyats **1,000,000. Member must monthly contribute to share a minimum kyats 100.**

b) At the time of application for membership, the applicant should indicate in the application form an amount he/she is willing to save at periodical intervals, depending upon the capacity to pay.

c) A pass book will be issued to the members

d) Introduction of any financial services to members e.g. Deaths Relief Assurance

#### Section 11 ANNUAL MEMBERSHIP FEE

a) A member shall pay the annual membership fee of 100 (kyates ) at the time of admission

b) This fee is non-refundable, payable by the member every year within two months after the commencement of the financial year.

#### Section 12 DEPOSITS / SAVINGS

a) The members at their own convenience may pay any amount as time or fixed deposits, for a period exceeding three months

b) Fixed deposits shall be registered in the pass book

c) The amount paid by way of deposits carry a certain percentage of interest, depending upon the type of deposits and the duration. The rate of interest shall be fixed by the Board of Directors from time to time.

### **Article 5**

#### **GENERAL BODY**

Only the members of the Saving and Credit Cooperative constitute the General Body

#### Section 13 THE FIRST GENERAL BODY MEETING

The group of first applicants shall hold the first general meeting of the Saving and Credit Cooperative . The Board of Directors shall be elected from among them.

#### Section 14 CONVENING A MEETING

The members shall be notified at least 15 days in advance of the meeting, indicating therein clearly the place, time, date of the meeting and also the agenda.

#### Section 15 QUORUM FOR THE MEETING

The quorum for the general meeting shall be 50% of the total of the members or 100 members whichever is lower. In case it falls below its requirements, the meeting has to be postponed and again shall be called within 14 days. At this time, the presence of the members of not less than one-tenths of the members or just 10 members, whichever is lower, shall be deemed to constitute the quorum.

#### Section 16 THE POWERS AND DUTIES OF THE GENERAL MEETING

- a) To elect the Board of Directors
- b) To consider and approve the financial statements
- c) To approve the budget of the ensuing year
- d) To ratify the action taken by the Board of Directors regarding the expulsion of a member
- d) Any other matter with the approval of the chair

#### Section 17 SPECIAL GENERAL MEETING

- a) The chairman, on his own motion, or on the basis of the written requisition of not less than one-fourths of the total members, may convene a special general meeting
- b) The quorum for such meeting shall be fifty percent of the total members, if it is convened at the instance of the members' written requisition. The meeting has to be canceled if the required quorum is not attained. In respect of the meeting convened by the chairman, the quorum shall be the same as that of for the ordinary annual general meeting.

### **Article 6**

#### **BOARD OF DIRECTORS**

#### Section 18 OFFICE BEARERS

The Board shall consist of not less than 7 members and not more than 15 members

The Board of Directors shall elect among themselves a chairman, a vice chairman, a treasurer, and a secretary, and others to be members of the Board.

#### Section 19 TERM OF OFFICE

One-thirds of the Board will retire at the annual general meeting. However, they are eligible for re-election

#### Section 20 VOW OF BOARD MEMBERS

The elected members of the Board shall take a vow to the general body as follows :

“ I (name of the vower) hereby promise the general body to perform my duties as a member of the Board by regularly participating in all the meetings, to the extent possible, and take decisions impartially with honesty and sincerity, for the growth and prosperity of the members of the Saving and Credit Cooperative “.

#### Section 21 RE-ELECTION

The whole or individual member of the Board whose term expires may be re-elected, but not more than two consecutive terms.

#### Section 22 TERMINATION OF OFFICE

The members of the Board shall cease to be in power under the following circumstances :

- a) Expire of the term
- b) Death
- c) Resignation
- d) Loss of membership as per Section 7 of the Bylaws
- e) When a Board member becomes an employee of the Saving and Credit Cooperative

#### Section 23 POWERS OF THE BOARD OF DIRECTORS

The Board has the following powers to exercise in the interest of serving the members of the Saving and Credit Cooperative

- a) To admit new members
- b) To formulate policies regarding borrowing loans from external agencies

- c) To fix the rate of interest for saving and deposits accepted from members
- d) To certify the financial statements
- e) To appoint and expel the different functional committees
- f) To employ a manager to administer the affairs of the Saving and Credit Cooperative
- g) To deal with all legal matters concerning the operation of the Saving and Credit Cooperative
- h) To appoint a representative to attend the general meeting of the Regional Association of Saving and Credit Cooperatives and vote in such meetings
- D) To propose the plan and annual budget of the Saving and Credit Cooperative for approval of the general meeting
- j) Any other powers conferred by the general body

#### Section 24 CREDIT COMMITTEE

The Board of Directors of the Saving and Credit Cooperative shall elect among themselves at least 3 but not more than 5 to be members of Credit Committee.

#### Section 25 MEETING

The Credit Committee shall meet as frequently as demand necessary. The chairman or the secretary has the power to call for the meeting.

#### Section 26 POWERS AND DUTIES OF THE CREDIT COMMITTEE

- a) To sanction loans to members as per the rules and regulations framed by the Board of Directors
- b) To scrutinize the loan applications for sanctioning the loans
- c) To inspect the securities offered by the loanies
- d) To keep a close watch over the repayments of the loans
- e) To undertake an investigation to prepare a case of postponement or default in repayment and submit the same to the Board of Directors for taking appropriate actions

#### Section 27 EDUCATION COMMITTEE



The Board of Directors shall appoint at least three but not more than five members to be the Education Committee with the position of a chairman, a secretary and others the committee members.

#### Section 28 MEETING

The Education Committee shall meet as frequently as possible. the chairman or secretary shall have the power to call for the meeting.

#### Section 29 POWER AND DUTIES OF THE EDUCATION COMMITTEE

- a) To organize member-education classes with a view to enlightening the members regarding the principles and philosophy of Saving and Credit Cooperative
- b) To inform the members and non-members regarding the advantages of being a member in the Saving and Credit Cooperative
- c) To endeavor to get more new members for the Saving and Credit Cooperative
- d) To report the progress of its activities to the Board of Directors in the next meeting.

#### Section 30 SUPERVISORY COMMITTEE

The Supervisory Committee shall be elected by the annual general meeting from among its members, a number not less than three but not more than five, with a chairman, a secretary and others committee members. The members of the Board shall not be elected to the Supervisory Committee. the members of this Committee are expected to possess a fair knowledge of the operations of the Saving and Credit Cooperative s, so as to enable them to have effective supervision over the activities of the Saving and Credit Cooperative .

#### Section 31 TERM OF OFFICE

The term of office of the Supervisory Committee shall be for a period on one year. After the expire of one year period, if the new committee is not elected, the old committee shall continue to function, until the new committee is elected.

#### Section 32 MEETING

The Supervisory Committee shall meet at least quarterly. The chairman and the secretary are empowered to call the meeting.

#### Section 33 POWERS AND DUTIES OF THE SUPERVISORY COMMITTEE

- a) To verify all the documents relating to the accounts and administrative matters.

- b) To undertake a thorough investigation of the activities of all the functional committees to what extent they are carried out in accordance with the Bylaws, rules and regulations framed for various purposes.
- c) To elicit any information or cooperation from anybody for the purpose of discharging the duties as the Supervisor Committee, to take an objective views of the matter concerning the activities of the Saving and Credit Cooperative .
- d) To call for a special general meeting, in respect of a situation where the affairs of the Saving and Credit Cooperative had been conducted to the detriment of the interest of the members, and proper cooperation was also not rendered by the concerned parties to the supervisory committee to investigate the matter thoroughly, and correctional measures are needed immediately. In this case, the unanimity of votes of the supervisory committee is essentially required.

## Article 8

### MANAGERIAL STAFF AND BUSIENSS

#### Section 34

- a)The Board of Directors is empowered to formulate the policies concerning the qualifications, selection, appointment, fixation of salaries and other benefits to the managerial staff of the Saving and Credit Cooperative .
- b) In case a manager is not employed, due to one reason or the other, the secretary or the treasurer of the Board shall function as the manager as per the direction and guidelines given by the Board, till such time a person is employed as the manager of the Saving and Credit Cooperative .
- c) This cooperative society must carry out the following products Collection of savings Every member must save at least kyats 500 per month in the society Any member shall save the least amount monthly besides the member can save the amount as much as he wishes. The society must pay interest on members' savings.
- d)Members may borrow for productive and providential loan for the 1<sup>st</sup> term maximum of kyats 50,000 per loan. Second cycle could increased based on performance The loan amount will be determined based on the capacity to pay of the member The society shall lend the new loan again only after fully settlement of the old loan.
- e) The society must be liable to take stipulated interest on loan disbursed . The repayment of loans must be decided based on each loan product criteria. Any failure to repay the loan, the Board shall have power to enforce penalty.
- f) A member who wants to get a loan, whose amount is greater than his /her application form, must be signed by two guarantors.
- g)If the member of society resigned or ceased as a member, then all his/her payables must be settled before the member is allowed to leave the society.

i) Interest on savings and interest on loans will be prescribed in accordance with the order issue by the Ministry of Cooperatives. But the Board of Directors of the society also has the rights to decide on the interest to be given for savings and interest to take on loans.

A saving and credit cooperative shall organize a self-help group and prepare the policy and terms and reference on operation of the self-help group to provide financial to the community

## Article 9

### OTHER PROVISIONS

#### Section 35 ACCOUNTING

- a) The fiscal year of the Saving and Credit Cooperative shall be in accordance with the calendar year
- b) The Board of Directors shall verify the financial statements and submit the same to the general meeting within 60 days after the completion of the fiscal year.

#### Section 36 ALLOCATION OF NET SURPLUS

- a) Twenty per cent of the net surplus shall be set aside as statutory reserve
- b) Not more than 10% of the net surplus shall be kept for education fund, which shall be used for conducting educational program for the members
- c) The net surplus after deduction of reserves shall be paid to share/saving holders as dividend.

#### Section 37 AUDITING

The accounts of the Saving and Credit Cooperative shall be yearly audited by the competent auditors.

## Article 10

### AMENDMENT AND DISSOLUTION

#### Section 38 AMENDMENT

The Saving and Credit Cooperative may amend its bylaws by a resolution passed in the general meeting with the two-thirds of votes of the members present in the meeting.

#### Section 39 DISSOLUTION

The Saving and Credit Cooperative may be dissolved by a resolution passed by the two-thirds votes of its total members. In the event of its dissolution of the Saving and Credit Cooperative, the properties of the Saving Group shall be donated to other Saving and Credit Cooperative s or to the Regional Association of Saving and Credit Cooperative s.