



Financial and Consumer Services Commission
Financial Institutions Division

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Commission des services financiers et des services aux
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Application for letters of incorporation - *Co-operative Associations Act* Instructions

Two copies of the application must be filled out, either "limited by shares" or "limited by membership". Signatures must be originals on both copies.

Section 1

The chosen name must contain the word "Co-operative". The last word of the name must be "Limited" or "Ltd." The name may consist of a separated or combined French and English form; for example, "Adieu Funeral Co-operative Ltd. / Coopérative funéraire Adieu Itée" (separated) or "Coopérative funéraire Adieu Funeral Co-operative Ltd./Itée" (combined). Write the name in full with either all capital letters (e.g.: ARC CO-OPERATIVE LIMITED) or with lower and upper case letters (e.g.: Arc Co-operative Limited). The latter is recommended.

Section 3

Describe the purpose of the co-operative. For example, the purpose may be: "to do such things necessary for the culture, fishing, harvesting and marketing of products of the sea."

Section 5

Write the price of one share for a co-operative limited by shares, or for a co-operative limited by membership, write that the membership fee is as prescribed by the by-laws or you can directly include the fee amount in the application. If the fee is included in the application, any change in the fee will require an amendment to the letters of incorporation and by-laws.

Section 6

Type or print clearly the names and addresses of the persons applying for incorporation. The minimum number of persons to incorporate a co-operative is three. These persons are the "applicants" and the first members of the co-operative. These persons should obviously pay the share requirement in a co-operative limited by shares or fee requirement in a co-operative limited by membership.

Where all applicants are co-operatives, fill out this part by typing or printing clearly the names of the co-operatives and the co-operatives' addresses.

For a co-operative limited by shares, write the number of shares each applicant has to subscribe, in the last column to the right.

Section 7

Type or print clearly the names and addresses of at least three and no more than seven applicants named in section 6. These applicants are responsible for managing the co-operative until the first general meeting, at which time an election will be held. This first general meeting has to be held within four months after incorporation.

Section 9

The persons whose names are listed in section 6 sign their names in the **right hand** column. A witness signs his/her name in the **left-hand column** beside each applicant's signature he/she witnessed. It is easier to have only one witness.

Applicants who are all co-operatives fill out the second part of section 9. The seal of each cooperative is affixed on the left and the name of the co-operative is typed or printed clearly on the first line on the right of the seal; two signing officers are needed for each co-operative, each one signing after the word "per". A witness signs his/her name on the left of each signing officer's signature he/she witnessed.

Declaration of Witness

Each witness has to make a solemn declaration in front of a commissioner of oaths.

Declaration of Applicant

One of the applicants has to make a solemn declaration in front of a commissioner of oaths. If the applicant is a co-operative, one of the signing officers who signed the application makes the declaration.

Co-operative By-laws – Instructions

Two copies of the by-laws must be submitted together with the application for incorporation. The by-laws must include, at the least, the following:

1. the name of the association and the complete address of its registered office;
2. the date of its fiscal year end;
3. the par value of its shares or the annual or other periodic membership fees;
4. the maximum interest rate to be paid on share capital;
5. the number of members or percentage of total membership required to form a quorum at annual or special membership meetings;
6. the minimum notice required for annual or special membership meetings; If such notice is different from the minimum requirements specified in the Regulation (ten calendar days);
7. the terms of payment for shares or the terms of payment of membership fees;
8. the procedure required for the calling of annual and special meetings;
9. the qualification of directors;
10. any specific duties and responsibilities of directors and officers not set out in the Regulation;
11. the minimum number of meetings of the board of directors;
12. the method of filling any vacancy on the board of directors;
13. the conditions for the borrowing of money and the giving of security therefore;
14. the conditions under which the association may borrow money from its members, the terms and the specific rates of interest, if any, to be paid on the capital;
15. the percentage of surplus to be set aside annually into the reserve fund;
16. the credit policy of the association; and
17. the manner in which members may withdraw from the association.

By-laws of the proposed association must also provide for the number of directors, the maximum number of shares a member may hold and the possibility of reinvesting the patronage return in the form of loan capital or shares. The Department provides model by-laws for associations.

NUANS Report

Applicants must also provide a NUANS report to ensure that the name under which the incorporation is sought is not the name, or similar to the name of another business. Consult the yellow pages of the telephone book under the title of "Searchers of Records" to contact a professional name search firm.

Fees

Once the documents, application, by-laws, and name search are ready, send them with the required fee to the Inspector of Co-operative Association at the address below. At present time, the fee payable to the Financial and Consumer Services Commission, is \$35.00. The submitted documentation will be reviewed to ensure that the documents are in conformity with the *Co-operative Associations Act* and the *Regulation under the Act*.

Other

Within four months from the date of incorporation, a co-operative must hold a general meeting so members can elect the board of directors. Each year after their annual meeting, a co-operative must send an annual return to the Inspector. The return includes, among other things, the name of the officers. The annual return must be sent together with the audited financial statements. Co-operatives can be exempted from having an auditor if the members pass an extraordinary resolution approved by the Inspector. The inspector can dissolve a co-operative that does not submit its annual return.

Amendments to by-laws and statutory extraordinary resolutions have to be approved by the Inspector. Various other approvals are required under the *Act*; for example, the disposal of more than ten percent of the assets and the refund of shares to reduce share capital of the co-operative.

Contact

For more information on the requirements under the *Co-operative Associations Act*, you can contact the Financial Institutions Division of the Financial and Consumer Services Commission, at (506)453-2315.