



You want to start a co-operative?

Here are some frequently asked questions and other information that is requested from us:

Will the co-operative be incorporated by membership or shares?

You must decide if your co-operative will be incorporated by shares or by membership. A co-op limited by shares is when capital is divided into shares and an applicant must purchase one or more shares to become a member. A co-operative limited by membership means the members pay a membership fee to be part of the co-op.

Will the co-operative be for profit or not-for-profit?

Whether your co-operative is for profit or not-for-profit needs to be reflected in your by-laws. Consulting a lawyer who has experience in writing by-laws can help you ensure this information is properly reflected.

Who can apply?

A minimum of three people of the age of majority, or three or more co-operatives can apply for letters of incorporation.

Are there requirements around names we can use?

The name of the co-operative must include the word “co-operative” and the word “limited” or “Ltd.” must be the last word in the name. The applicants must have a name search done to determine the availability of a new proposed name. Please visit www.nuans.com for more information on name searches.

How do we apply?

The applicants must complete the application for letters of incorporation for a co-operative limited by shares ([Form 1-Application for letters of incorporation of an association limited by shares](#)) or for a co-operative limited by membership ([Form 2-Application for letters of incorporation of an association limited by](#)

[membership](#)). This form must be completed and signed in duplicate before submission to FCNB. The application forms and [instructions](#) for completing the application are available on the [FCNB website](#).

Is there information that is required to be included in the by-laws?

The by-laws must be consistent with the [Co-Operative Associations Act](#) and must contain certain items that are outlined in the *Act*. Some requirements are:

- name of the association;
- physical address of its registered office;
- date of the fiscal year end;
- par value of shares or the annual or other periodic membership fees;
- terms of payment for shares or membership fees;
- maximum interest rate to be paid on share capital;
- maximum number of shares a member may hold;
- number or percentage of members required to form a quorum at meetings;
- minimum notice required for annual or special meetings, if different from the notice specified in the regulation;
- procedure required to call annual and special meetings;
- number of directors;
- qualifications of directors;
- any specific duties and responsibilities of directors and officers not set out in regulations;
- minimum number of meetings of the board of directors;
- method of filling a vacancy on the board of directors;
- conditions for borrowing of money and giving security;

- 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;
- percentage of surplus to be set aside annually into the reserve fund;(not less than five per cent of the annual or semi-annual savings arising from the business)
- the possibility, as the case may be, of reinvesting the patronage return in the form of loan capital or shares;
- credit policy of the association; and
- manner in which members may withdraw from the association.

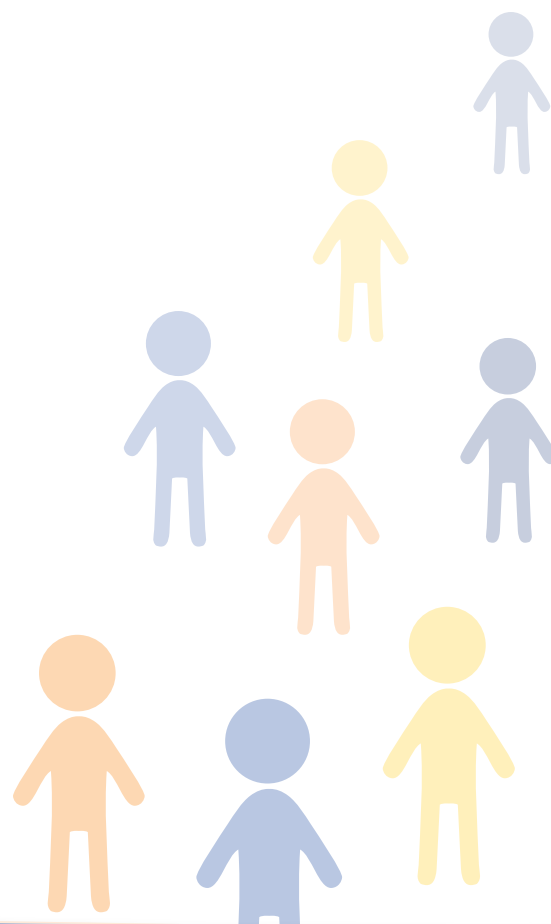
The by-laws must be submitted in duplicate for approval by the Inspector of Co-operative Associations.

What is the cost?

There is a one-time \$35.00 incorporation fee. A cheque for \$35.00 payable to the Financial and Consumer Services Commission must be included with the application.

Where can we find help with the process?

You can contact the Co-operative Enterprise Council of New Brunswick at 506-227-9607. They also have information on the services they offer at: www.cecnb.ca. You may also consider consulting an accountant and/or a lawyer.



Contact us

Financial and Consumer Services Commission

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