

LIQUIDATION OF A CO-OPERATIVE

(A) Procedure:-

1. An Extraordinary General Meeting (EGM) must be called and this must include the approval of the co-operative's dissolution resolution, the nomination of the liquidator and the approval of the (recent) audited financial report.

The EGM must be held with a quorum of the members present and the voting of the resolution must pass with a majority, as required by the statute of the co-operative.

Important note: A reference should be made to the statute since there are statutes **that have an additional rule** that in a case where a passed resolution concerns the dissolution of the co-operative, another general meeting must be called to confirm this resolution and this despite the fact that this resolution has already been presented and approved during another general meeting.

2. The liquidator must be appointed from among persons who have, for at least five consecutive years, a warrant to exercise as a Certified Public Accountant (CPA), **who is not a person who was an officer, accountant, or auditor of the society at any time during the five years preceding the date of the resolution to liquidate.**

(B) Documentation to be submitted to the Co-operatives Board:-

- The details of the liquidator. Attached you will find a liquidator's details form that must be filled in with the necessary details and signed.
- A resolution regarding dissolution must be signed by the members present and voting. Attached you will find a guidance form regarding the resolution. The name of the co-

operative must be written down correctly and the names and the Identity Card numbers of the signatories must be written down.

- As explained above, if an EGM is to be held again to confirm this resolution, another resolution signed by the members present and voting must be submitted.
- The minutes of this meeting, signed by the President and the Secretary, which stipulate among other things, who was present, the nomination of the liquidator, how the voting went in relation to the dissolution and the approval of the audited financial report.
- As explained above, if a general meeting is to be held again to confirm this resolution, the minutes of this meeting must be submitted, signed by the President and the Secretary that stipulate among other things, who was present, how the voting went in relation to the confirmation of the dissolution resolution and the nomination of the liquidator.
- The audited financial report (recent).
- If the co-operative does not have sufficient funds to pay the costs of the liquidation including the liquidator and the creditors, a declaration of who will be/are the person/s who undertake/s to cover the payment of these costs from personal funds. A specimen declaration is attached.

The requested documentation **must be sent original** to the Co-operatives Board.