

Chapter 4

Defining a co-operative society



4.1 Our approach

- 4.1 **G** This chapter explains our approach to applying the test set out in the Act for registration of a society as a bona fide co-operative society. We give further guidance on subsidiaries at the end of this chapter.
- 4.1.1 **G** The Act provides that we can only register a society as a co-operative society where, amongst other things, it is shown to our satisfaction that it is a 'bona fide co-operative society'.
- 4.1.2 **G** The phrase 'bona fide co-operative society' is not defined in the Act, though section 2(3) of the Act states that:

"co-operative society" does not include a society that carries on, or intends to carry on, business with the object of making profits mainly for the payment of interest, dividends or bonuses on money invested or deposited with, or lent to, the society or any other person.
- 4.1.3 **G** We explain below how we apply section 2(3) and the factors we consider when deciding if a society is a bona fide co-operative society.