



Companies and Intellectual
Property Commission

a member of the **dtic** group

CO-OPERATIVE DIRECTOR CHANGES

Presenter: Shanee Kelly

Date: 6 July 2023



CO-OPERATIVE DIRECTORS

Please Note:

Section 32 – 39 of the Act refers to Governance of Co-operatives and bears reference to Directors and changes to Directors.

References during this presentation that refers to “the Act” means the Co-operatives Act 14 of 2005, as amended.

RECORD KEEPING

- **A co-op must keep the following Records at its office:**
 - Accounting Records, which must include all business transactions with Members and Non-members.
 - Constitution and rules and amendments thereto.
 - Minutes of General Meetings and Directors Meetings.
 - If the co-op has a Supervisory Committee, the Minutes of the Supervisory Committee Meetings.
 - **List of Members.**
 - **Register of Directors.**
 - Register of Directors' and Employees' Interest in contracts or undertakings.
- **Accounting Records and Financial Statements** must be kept for 5 years or a longer period as determined by the Minister.
- A co-op or director who fails to comply with record keeping requirements, is guilty of an offence.

MEMBERSHIP CHANGES VERSUS DIRECTOR CHANGES

One must distinguish between when a co-op member withdraws his/her membership due to resignation, expulsion or death, and when there are changes to the Board of Directors.

In cases where a member's membership is withdrawn there is no need to submit a CO-OP2 form, unless the member was also a Director. CIPC only keeps records of the founder members, to prove the original application to register the co-operative complies to the requirements of the Act.

If a new member joins the co-operative after the registration date, he / she is not a founder member, and **CIPC does not need to be informed.**

All members (founder members and members that joined after registration) have equal rights and responsibilities towards the co-operative.

It is the responsibility of the co-operative to keep a **List of Members (register)** which is updated as new members join the co-op and existing members leave the co-op. The List of Members **must be kept at the registered office of the co-op** and **is proof of who are currently members of the co-op**, as well as, of members that have withdrawn their membership from the co-op.

BACKGROUND - CO-OPERATIVE DIRECTORS

- The Board of Directors is responsible for the management of the co-operative and is accountable to the members.
- The Board is appointed at the annual general meeting by the members. Only members may be appointed as executive Directors, and these directors have voting rights at Board meetings. Associate members may only be elected as non-executive Directors and do not have voting rights at Board meetings.
- In terms of section 32(4) of the Act, if a vacancy arises, the Board may by way of resolution appoint a Director for the remainder of the period, provided that the appointment is approved by members at the next general meeting.
- Members may dissolve the board by special resolution if members find justifiably good reasons that the board is not functional. The special resolution must be taken at a meeting convened by at least 25% of members, or if a supervisory committee exists by the supervisory committee.

BACKGROUND - CO-OPERATIVE DIRECTORS

- The number of the Directors and period for which they are elected is stipulated in the constitution.
- In terms of section 39 of the Act, a Director is required to inform the co-op in writing of any change to his/her address. In return a co-op must notify CIPC in writing of:
 - the full names, address and ID number of each person appointed as a Director within 30 days of such appointment;
 - of any change of address of a Director, within 30 day of knowledge of the change;
 - after any Director has vacated office, within 30 day of such vacation; and
 - of the reason for the appointment or removal of a Director.

A co-op or Director that contravenes any of these provisions is guilty of an offence.



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Step by Step Guide, CO-OP2 form & Supporting Documentation



STEP BY STEP GUIDE AVAILABLE ON CIPC WEBSITE

(www.cipc.co.za)

On homepage click on
Resources, and thereafter on
Step by Step Guides

ABOUT ▾ ENTERPRISE REGISTRATION ENTERPRISE MAINTENANCE INTELLECTUAL PROPERTY RESOURCES ▾ CONTACT ▾

STEP BY STEP GUIDE AVAILABLE ON CIPC WEBSITE

(www.cipc.co.za)

STEP-BY-STEP GUIDES



General



New e-services



Companies and Close Corporations



Co-operative



Disclosure



Explanatory Notes



Click on the plus sign

STEP BY STEP GUIDE AVAILABLE ON CIPC WEBSITE (www.cipc.co.za)

- The following options for Co-op Guides are:

Co-operative

- Step by step guide: New e-services primary Co-operative registration
- Step by step guide: New E-services for Secondary Co-operative
- Step by step guide: New E-services for Tertiary Co-operative
- Step guide for manual change of directors of Cooperatives



**Click on the Guide
for assistance with
the application**

FORM CO-OP 2

**NO
PRESCRIBED
FEE**

CLIENT REF:

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**REPUBLIC OF SOUTH AFRICA
CO-OPERATIVES AMENDMENT ACT, 2013**

RETURN RELATING TO DIRECTORS

(To be lodged when particulars of directors change, including resignation and appointment of new directors)
(Sections 6 and 39)

NAME OF CO-OPERATIVE:.....

REGISTRATION NO. OF CO-OPERATIVE:.....

I,.....(Name of director,/secretary/manager /officer)
state that the directors listed in this return are all the directors of the co-operative, have consented to their appointment and that, according to their letters of consent to their appointment, none of the directors are disqualified to be directors in terms of the Co-operatives Act, 2005, as amended or the Constitution of the co-operative and that the directors listed in the second table have not been re-appointed or have vacated their office for other reasons.

SIGNED.....(Director/secretary/manager/officer of co-operative)

DATE

APPOINTED DIRECTORS

Complete all Active and New
Directors details

**FULL NAME, HOME AND POSTAL ADDRESS, ID, APPOINTMENT DATE, GENDER AND
DEMOGRAPHICS**

Full forenames.....

Surname.....

ID No Date of appointment.....

Home address.....

.....

Postal address

.....

Gender: Male ☐ Female ☐ Youth ☐ Person living with a disability ☐

DIRECTORS THAT HAVE VACATED OFFICE

(If applicable)

Full forenames.....	
Surname.....	
ID No.....	Date of vacation.....
Reason for vacation.....	
.....	
.....	
.....	

Full forenames.....	
Surname.....	
ID No.....	Date of vacation.....
Reason for vacation.....	
.....	
.....	
.....	

CO-OP2 FORM

- **A letter of consent to the appointment of Director must be submitted** and the Director is required to state that, he/she is not disqualified to be a Director in terms of the Co-operatives Act, 2005, as amended, or the Constitution of the co-operative and that the Directors listed in the second table have not been re-appointed or have vacated their office for other reasons.
- The number of Directors must at all times be within the **minimum & maximum number of Directors** as specified in the co-operative constitution.
- Clearly **certified ID copies or Passport copies** of all new and resigning Directors must be submitted.
- Only one ID / Passport may appear on a single page. Both sides of SA ID Cards must be copied on the same page.
- Only valid issued Passports will be accepted.
- Asylum Seeker / Temporary Resident documents will not be accepted as valid confirmation of Identity.
- Certification of documents may not be older than 3 calendar months.

CERTIFICATION OF DOCUMENTS

CERTIFIED DOCUMENTS:

The following information of the Commissioner of Oath must appear on the documents:

- Full names and Surname.
- Business Address
- Signature and date of certification
- Designation
- Date of certification
- Police certified documents must also indicate the Police Officer's rank and rank number.

The information is required to ensure the Commissioner of Oath is traceable for accountability purposes.

MINUTES OF MEETING

MINUTES

- Minutes or resolutions taken at the meeting has to be clear stating either change of name/surname, change of postal address or home address, appointment, resignation, removal, death or end of term of Director.
- Minutes must be signed by the Chairperson present at the meeting and be certified a true copy.

DECEASED DIRECTOR

- If a Director is deceased, a death certificate must be submitted. If a death certificate cannot be acquired from the family, the co-operative is required to apply for a copy at the Department of Home Affairs.
- On the CO-OP2 form the section regarding “DIRECTORS THAT HAVE VACATED OFFICE” must be completed.

VOLUNTARY RESIGNATION

- The Director must provide a signed letter of resignation and a certified ID copy.
- The name and the registration number of co-operative must appear on the letter.
- On the CO-OP2 form the section regarding “DIRECTORS THAT HAVE VACATED OFFICE” must be completed.

CHANGE TO DIRECTOR INFORMATION

- If the first names, surname, ID number, physical address or postal address of a Director has changed, the minutes must be specific about the changes.
- The contact details, first names, surname, ID number, physical address or postal address of a Director on a CO-OP2 form must be the same as that on record with CIPC.
- The CIPC record will not be changed if the minutes are silent on the changes, even if the CO-OP2 form and CIPC records differ.

REMOVAL OF DIRECTOR

- CIPC is no longer undertaking a verification process, hence the onus is on the co-operative to prove that the correct process of removal was followed.
- Notice of the meeting has to be circulated as a record date 14 business days before the meeting.
- In the event of removal of Director, the Notice of meeting must reflect the following: Date of Notice of meeting, the Date of the meeting, Time, Place and general purpose of the meeting.
- Reason(s) for removal of a Director has to be stated in the minutes and on the CO-OP2 form.

REMOVAL OF DIRECTOR (CONTINUE)

- Minutes or resolution taken has to be clear stating that it is an expulsion / removal of Director, as well as, prove that the Director that was removed, was afforded reasonable opportunity to make a presentation.
- On the CO-OP2 form the section regarding “DIRECTORS THAT HAVE VACATED OFFICE” must be completed.
- The resolution must be passed with a majority of Directors present at the meeting.

SUBMISSION OF CO-OP2 FORM & SUPPORTING DOCUMENTS

- The form and supporting documents must be emailed to:
Co-op2@cipc.co.za

NOTICE FOR CO-OP DIRECTORS TO UPDATE THEIR CONTACT DETAILS DATED 1 JUNE 2023

NOTICE FOR CO-OPERATIVES DIRECTORS/MEMBERS TO UPDATE THEIR CONTACT DETAILS

Dear Customer

As part of our continuous efforts to improve our customer service offering, we hereby issue this notice requesting all Co-operatives to update their directors' contact details on the CIPC database, as soon as possible.

This information is crucial as it will allow the CIPC to ensure that our customers receive constant and essential communication and that our customers are informed of any developments or changes relating to their Co-operatives. It is therefore imperative that directors ensure that their details are up to date on the CIPC database.

To update directors' contact details, (email and/or cell phone number) please complete form COOP2 and email it together with the certified ID copies of the respective directors to coopscontact@cipc.co.za. The form can be downloaded by clicking on <https://www.cipc.co.za/wp-content/uploads/2023/05/CO-OP2-NEW.pdf>

We appreciate your cooperation in this matter and look forward to staying in touch with you.

Yours sincerely



Adv RW Voller
Commissioner

Date : 1 June 2023



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Thank you!