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Trádála agus Fostaíochta
Department of Enterprise,
Trade and Employment

Reform and Modernisation of Legislation regarding Co-operative Societies

Policy response to issues raised in public consultation

June 2022

Introduction

The Department of Enterprise, Trade and Employment published a public consultation on Reform and Modernisation of Legislation regarding Co-operative Societies in January 2022. The attached paper provides an overview of the responses received and the policy approach to the issues raised. This will inform the final drafting of a proposed General Scheme of a Co-operative Societies Bill.

The Department wishes to thank all those who provided responses to the consultation process.

Responses received will be published on the Department's website.

Overview of responses received

Forty-two responses to the consultation were received from a broad range of stakeholders (see Appendix 1).

A breakdown of the categories of respondents is provided below:

Category of Respondent	Number
Representative bodies	4
Research bodies / members of academia	4
Industrial and Provident Societies	10
Accountancy and auditing bodies and accountants	4
Political parties	1
Law firms	1
Members of the public / individual members of co-operatives	8
Community, social enterprise entities & support organisations	10

The registered industrial and provident societies who responded to the consultation cover a range of activities, including agricultural, consumer, energy, community and social enterprises; a development association and a society for co-operative studies. The last category in the table refers to a variety of networks, community and voluntary groups and social enterprises.

Submissions were sought in response to eleven specific issues set out in the consultation paper. The consultation also offered an opportunity for respondents to make general comments to inform the development of the legislation regarding Co-operative Societies.

Question 1.

Do you consider that the proposed transition period of 18 months is sufficient to enable existing industrial and provident societies to either register as co-operatives or pursue an alternative option? If not, please suggest an alternative timeframe and provide a supporting rationale.

Many respondents agreed with the proposed transition period. However, some respondents including representative bodies did not consider 18 months sufficient and sought a longer transition period, ranging from 24 months to 36 months.

Those seeking more time were of the view that a longer transition period will allow for a comprehensive redesign of new rules for existing industrial and provident societies and the related consultation and approval processes with their members.

Policy Response

It is considered that a dual regime, whereby both the Industrial and Provident Societies (IPS) and Co-operative Society legislation are in place, does not operate for longer than is reasonably necessary. However, on the basis of the feedback received, the Department considers that there is merit in providing for some additional time and is now providing for a 30-month transition period. The longer period will allow entities to reflect on their future corporate form, design and approve rules in compliance with the appropriate legislation and make all necessary changes to prepare to transition to their chosen corporate form. However, it should be noted that existing societies can apply to register as a co-operative society as soon as the legislation comes into effect, if they have the necessary preparations made.

Question 2.

Please set out your views on the proposal to expand the categories of members who can form a co-operative society to include companies? If not in agreement, please set out your reasoning.

The majority of respondents to this question supported/did not oppose the proposal to expand the categories of founding members of co-operatives to include companies and more generally bodies corporate. Stakeholders considered that expanding the categories of founding members will enhance the flexibility in terms of providing finance and equity investment in co-operatives,

allow individuals who incorporate as a company to collaborate with similar traders to set up or join an existing co-operative serving their trade needs and further develop innovative multi-stakeholder models of co-operative corporate governance.

The few respondents not in favour of the proposal expressed concerns mainly relating to potential challenges with maintaining the integrity of the co-operative ethos of such co-operatives. There was general agreement on the importance of having appropriate safeguards to protect the distinct nature of the co-operative model, particularly in cases where the company-member will be a non-user investor member.

A number of stakeholders suggested that the reference to companies could be extended to bodies corporate.

Policy Response

The proposal to expand the types of founding members of co-operatives to include companies aims to improve access to finance, encourage collaboration between a larger range of stakeholders and ultimately further facilitate the development of the co-operative model. It should be noted that the current IPS legislation already provides that bodies corporate can be members of societies and the intention of the legislation is to allow companies to also become founding members. Concerns regarding maintaining the co-operative ethos of the entity in situations where companies become founding members will be addressed by the proposed provisions that a co-operative will be required to confirm to the Registrar that it will operate in accordance with the co-operative ethos when applying for registration and when registering any amendments to its rules.

Co-operative societies will have the freedom to set out the conditions attached to this membership in their rules. In the specific case where a company will be a non-user investor member, included in the list of issues to be specified in the rules of a co-operative is a proposed express provision for a non-user investor member and the terms attached to its shares (as set out in the narrative to Question 3 in the consultation paper).

In addition, the Department supports extending the types of founding members to cover not only companies but also bodies corporate (which includes State Agencies) in order to provide for the possibility of funding from a larger pool of sources.

Question 3.

Are there any other matters that should be included in the list of matters set out in legislation that must be dealt with by the rules of a co-operative society? Please provide supporting rationale for any such additions.

Several stakeholders supported the inclusion of an "objects clause" in the rules, which would provide clarity on the purpose and objectives of the co-operative.
A variety of other suggestions were made for inclusion in the matters that should be specified in the rules. These included:

- minimum requirements for delegate representative structures in the case of co-operatives with a wide geographic spread of members;
- requirements regarding the disclosure of appropriate contact details of members running for office in the co-operative;
- the size, composition and powers of the board of directors and the conditions and procedure for conducting board elections;
- replacing "rules" with "constitution" as it better expresses the democratic nature of the co-operative.

Many of the stakeholders operating as non-profit, charities and social enterprises supported the introduction in the legislation of an optional "mission lock" provision, enabling members to permanently set the aims and objectives (social and environmental objectives) in the co-operative's rules, which could not be altered at a later date by the members.

Some respondents requested that the legislation provide model rules which could assist societies during the transition period. A number of respondents sought clarification regarding the supplemental rules.

Policy Response

The Department supports including an "objects" clause which will set out its object and purpose in order to strengthen the co-operative nature of the entity.

Many of the other suggestions reflected issues of interest to particular types of co-operatives rather than being universally relevant or appropriate across the entire co-operative sector. The Department is mindful of the wide variety of co-operatives in Ireland in terms of scale, types of activity, commercial or voluntary focus etc. and is keen to ensure that the legislation facilitates this diversity and does not unduly fetter co-operatives. Accordingly, it is not intended that the legislation will include reference to rules reflecting particular interests or types of co-operatives - however co-operatives will be free to include additional rules which reflect the nature of their operation or particular ethos. Similarly, the Department does not propose to devise model rules at this time.

In some areas, the legislation will provide the default provision but will allow co-operative societies to provide alternative provisions should they so wish. The Department notes that the reference to supplemental rules (which had been intended to address the current situation where industrial and provident societies have supplementary rules to govern facets of the society) may lead to confusion and further clarified the reference to supplementary rules in the proposed legislation. If required to address specific aspects of the society's activities or

operation, co-operatives will be able to include such rules as part of the supplementary rules of the co-operative society, as long as these rules are not in breach of the proposed legislation. The rulebooks do not need to contain any supplementary rules where the provisions of the Bill regulate the matters which would be governed by those rules.

While noting the view expressed by some that "constitution" might better express the democratic nature of the co-operative, the Department considers that the concept of "rules" has been traditionally associated with co-operatives and proposes to retain it in the new legislation.

Question 4.

Please set out your views on the proposed approach to the legal reserve.

The respondents provided mixed views on this question with some questioning the very need for legislating on the issue, others advocating for more specific provisions and a third group expressing satisfaction with the proposed approach.

A number of stakeholders, including two representative bodies, pointed out the importance of a legal reserve not causing unintended consequences for societies that may decide to wind-up in the future. It was pointed out that assets are disposed of in various ways by agreement of the members in advance of a formal members voluntary wind-up and that this should be respected and maintained. Concern was also expressed about any legislative requirement that would limit the ability of members to democratically take decisions in line with their common interests.

In contrast, the community and social enterprise sector were advocating that the legislation should go further than what was proposed, with suggestions including:

- co-operatives setting a minimum level of annual surplus (net annual surplus after interest, taxes, depreciation, and amortisation) to be allocated to the reserve;
- prohibiting the use of the accumulated reserve for the payment of dividends and share interest to shareholder members and explicitly providing for how it will be used;
- specifying the treatment of the reserve in the event of a dissolution;
- explicit prohibition on the distribution of the reserve to members;
- exemptions from creating a reserve if the society's turnover is below a particular threshold.

A stakeholder also suggested renaming the legal reserve to indivisible[1] reserve in order to align it with the internationally defined terminology.

[1] The concepts of a legal reserve and indivisible reserve are not clearly defined and may on occasion be interchangeable.

Policy Response

A recent study on indivisible reserves[2] indicated a variety of approaches across the EU and in the UK, ranging from a lack of legislative requirements for creating a reserve (UK, Denmark, Czechia), to requirements that the reserve remains indivisible on winding up and protected on conversion of a co-operative into a company (France, Spain and Hungary). However, the majority of EU Member States have introduced legislative provisions on an indivisible reserve but do not require that it is protected on winding up or conversion into a company.

The variety of issues raised in the responses to this question indicate the diversity interests of those using the co-operative model. As a result, the specific requests of some stakeholders may be completely undesirable or inappropriate for others. The Department's intention is to provide a facilitatory provision which enhances the co-operative ethos of the entities registered under the new legislation but is not overly prescriptive. Accordingly, it is intended to proceed as indicated in the consultation but co-operatives will be free to go further than what is proposed in relation to a legal reserve, if they so wish, and make appropriate provision for this in their rules.

Question 5.

Are the provisions on nomination regarding the transfer of property in the event of the death of a member considered useful and worth retaining in the proposed legislation? Please provide rationale in support of your response.

While not of relevance to certain types of co-operatives (particularly those with a social / community focus), the general consensus among other respondents was that the provisions on nomination were useful and worth retaining. Among the reasons for retaining the provision are:

- allow for a tangible, meaningful relationship between member and co-operative and as such demonstrate the value of co-operative membership;
- provide an avenue whereby the nominee has consented to the rights and obligations as a subscriber to the rules of a co-operative;
- aid generational renewal - specifically nominating persons likely to have an interest in, and need for, participation with the co-operative. In a practical and administrative sense the mechanism is efficient;
- the members have a vested (and usually not driven by financial reasons) interest in ensuring that the co-operative continues to advance its goals, which cannot always be

[2] Cliff, Mills, "A Study of indivisible reserves in cooperatives in EU Member States", International Journal of Co-operative Law, Issue III, 2020

achieved by way of standard probate or in the case of an intestacy and provision to transfer shares in event of death
- they are beneficial to the majority of members who often do not have big estates or other assets and count on a quick and non-expensive transfer to their nominees in case of death.

Policy Response

The widespread support and the presented rationale on the proposal to retain the provisions on nomination regarding the transfer of property make a good case for retaining the provisions. Given that the legislation allows transfer of property outside the terms of any will or the Succession Act and that the current threshold of €15,000 is not insignificant, the Department considers that the current threshold be retained.

Question 6.

Do you support the proposal in relation to the minimum number of directors (at least one director for co-operatives with less than 10 members and at least three directors for larger co-operatives)? Please provide a rationale in support of your response.

Over two thirds of the respondents to this question, including representative bodies, were not supportive of the proposal. Some of the reasons for opposing the proposal are:

- boards that are too small may not reflect the diversity and scale of the co-operative and its membership;
- the proposal is against key cooperative principles of shared decision-making and distributed power, democratic control and accountability;
- good corporate governance requires a higher number of directors.

Many respondents expressed a preference for appointing at least three directors in a co-operative, regardless of its size. It was considered that a minimum of three directors:

- would be more appropriate striking a balance between ease of formation of a small cooperative and ensuring cooperation actually occurs;
- would allow transparency and diversity of opinion;
- constitute a democratic collective;
- would help avoid situations where a single director has operational control of the society;
- would assist with oversight and stability as well as providing a level of support to the active director if that is the situation which arises;
- would avoid potential abuse of the model by those seeking to set up shell co-operatives which are in effect private enterprises.

A number of stakeholders raised the issue of appointing independent/external directors, who can bring skills and experience that may not be available from amongst the membership itself. In order to ensure member democratic control and the level of commitment of such directors to the interests of the members, specific legislative measures were proposed, such as providing that the appointment of independent directors is specifically provided for in a society's rules, and minimum standards of experience required.

Policy Response

While the intention was to facilitate the start-up of small co-operative societies, the Department considers that the reasons provided for appointing more than one director are valid, and therefore agrees that a minimum of three directors will be appointed irrespective of the size of the co-operative.

In relation to provisions regarding appointing independent directors and a minimum standard required, or a minimum number of directors in a larger co-operative, co-operatives will have the option to provide for such in their rules.

Question 7.

Do you support the proposal to provide for a single general meeting for the consideration of special resolutions, subject to the approval of at least 75% of members entitled to vote at the meeting? Please provide a rationale in support of your response.

There was no clear consensus in relation to this proposal. Some of the respondents supported streamlining the legislation as proposed and others were in favour of a two-step process either in relation to all decisions requiring a special resolution or to decisions confined to particular important issues.

The supporters for streamlining the process to a single meeting noted that the current procedure is not user friendly and creates risk of it not being complied with correctly in all cases, while the proposed procedure is less burdensome and more efficient and will simplify governance and compliance.

Those not in favour of the proposal, including some representative bodies, were of the view that the two-step procedure:

- allows for close scrutiny and adequate reflection on important decisions, particularly where existential changes to the co-operative (transfer of engagements, amalgamations, conversion to a company and dissolution) are proposed;
- should be retained particularly where livelihoods may be at stake (consolidations can prove the difference between retaining and losing a co-operative service).

While expressing concerns that a single meeting procedure is not appropriate regarding decisions altering the fundamental nature of the co-operative or proposing to dissolve/wind up the co-operative, a number of respondents did not oppose applying the single-meeting mechanism to other decisions requiring higher majority of consent.

In addition to the comments on the specific question, one stakeholder proposed allowing for special resolutions to be passed by unanimous resolution in writing signed by all members.

Policy Response

Based on the feedback received, the Department will now retain the single meeting process, but only in certain circumstances. Accordingly, the following mechanisms will apply for passing a special resolution:

- for decisions on amalgamation, transfer of engagements, conversion of a co-operative into a company or a voluntary winding up – a resolution will require a 75% majority of the votes cast by the members in attendance and entitled to vote at the general meeting. The decision will be required to be confirmed at a subsequent meeting by a simple majority of the votes cast by the members in attendance and entitled to vote
- for any other decisions requiring a special resolution (e.g. change of name, amendment of rules) – a resolution requiring 75% majority of the votes cast by the members in attendance and entitled to vote at the general meeting.

The two mechanisms will provide an appropriate balance between allowing for a thoughtful consideration and sufficient time to reflect on proposals altering the fundamental nature of the co-operative and reducing the administrative and financial burden on co-operatives by streamlining the procedure for other important decisions which, however, do not affect the nature of the co-operative.

In relation to the suggestion to provide for unanimous resolutions signed by all members the Department considers that open discussions on important decisions are an essential part of the decision-making process in a co-operative society, therefore does not propose to introduce written unanimous resolutions.

Question 8.

Do you agree with the approach set out in relation to eligibility for audit exemption and the proposed thresholds? If not, please set out your proposal, together with a rationale for same.

The majority of respondents to this question expressed concerns about including membership in the criteria determining eligibility for audit exemption. The view was expressed that membership criterion is not suitable for certain types of co-operatives, particularly in the social and community areas of activity, where there may be a large member base and possibly low income relative to member numbers.

The majority of stakeholders who opposed the membership criterion requested that it is removed altogether but some stakeholders outlined proposals to replace the proposed membership threshold, including: removing the membership criterion from the second-step process but making it a part of the first-step criteria, therefore a co-operative would be required to satisfy three out of the four tests (balance sheet, turnover, employee numbers, shareholder numbers); a turnover cap below which a co-operative is not required to have an audit at all; an option for the co-operative society to declare itself non-trading or dormant.

Some stakeholders noted that the threshold criteria for granting audit exemptions are lower than the thresholds applicable to companies. They suggested that the threshold criteria should be kept under review and the Minister could have the power to alter these thresholds subject to the review.

Policy Response

The Department considers that the objection to the membership criterion is justified and is removing this criterion.

The Department considers it prudent that the threshold criteria are set at lower levels than the corresponding criteria applying to companies. Independently audited accounts contribute to better corporate governance and management of the affairs of the co-operative and help safeguard the interests of members, employees, suppliers and other stakeholders. Experience in this jurisdiction and elsewhere in relation to companies was to start with higher thresholds, which were then lowered over time once no unintended consequences arose.

It is intended to provide the Minister with the powers to amend the thresholds by way of secondary legislation, thereby facilitating future review of the thresholds should the need arise.

Question 9.

Do you support the proposal to require eligible co-operatives to provide for audit exemption in their rules? Do you support the proposal that a decision to avail of audit exemption can be reversed if supported by at least 10% of the members, entitled to vote at a general meeting? Please provide a rationale in support of your responses.

In relation to the first question, there was a general consensus on the proposed requirement that co-operatives should provide for audit exemption in their rules. The few opponents were of the view that it presented an unnecessary administrative burden or that the audit exemption should be a standard provision, that can be disapplied by the society in its rules.

The stakeholders were split in their views regarding the proportion of members that could request reinstating the audit. Some stakeholders noted that particularly for small co-operatives, the 10% membership threshold to request an audit might be too low, and suggested thresholds of 20%, 25% or 30%.

Another suggested an inverted approach: that rule provision would stipulate that the decision to prepare financial statements without an audit for a given year would be taken by a 90% majority of members in AGM and that should the members wish to avail of the audit exemption the following year then a subsequent resolution would be required, in that subsequent AGM. It also recommended that a co-operative can avail of the audit exemption for 4 years but should be obliged, by statute, to return to audit in the subsequent (fifth) year.

Policy Response

It is proposed to proceed as intended and that co-operatives will be required to provide explicitly in their rules that they may avail of the audit exemption.

As noted in the consultation document, audited accounts enhance transparency and provide certainty and reassurance to both members and external stakeholders regarding the state of affairs of the co-operative. This is particularly important in situations where members' livelihoods may depend on the proper functioning of their society. The proposed threshold to reverse the audit exemption aims to act as a safeguard against perceived or actual issues with transparency and certainty. It is considered that the procedure for the reversal of the exemption should be triggered easily (by way of comparison, the audit exemption for companies limited by guarantee, many of which are charities, can be reversed if only one member requests that an audit should take place). Moreover, members should be allowed to request the reversal either in the preceding financial year or up to one month before the end of the financial year.

Question 10.

Do you agree with the proposal to provide for the filing of abridged financial statements with the Registrar in relation to small co-operatives and, if so, the eligibility thresholds set out? If not, please set out your proposal, together with a rationale for same.

There was an overwhelming support for the proposal to provide for abridged financial statements, with a respondent expressing concerns that the proposal seems to run counter to the spirit of the co-operative ethos and another noting that this reduced transparency regarding the financial status of the co-operative.

One of the representative bodies recommended that this power be provided for explicitly in the rules of the society, and that an optional provision to this effect be provided in the legislation. Another representative body advocated that the legislation should expressly provide, that if a co-operative avails of the right to file abridged accounts, the full financial statements would be prepared, approved (by the Board) and presented to members for approval.

With regards to the eligibility thresholds, responses were similar to those provided for Question 8, with the majority of the respondents requesting that the membership criterion be removed.

Policy Response

The proposed legislation provides for the filing of abridged accounts. However, similar to the approach outlined in response to Question 8, the Department considers that the objection to the membership criterion is justified and proposes to remove this criterion. Due to the fact that the proposal concerns only the type of information that is filed with the Registrar rather than the type of information presented to the members at a general meeting, it is not deemed necessary for the legislation to be prescriptive as to whether the co-operative will provide for this in the rules.

Question 11.

Do you agree with the proposal to provide for certain exemptions in relation to financial statements for small co-operatives and, if so, the eligibility thresholds set out? If not, please set out your proposal, together with a rationale for same.

The responses to the question indicated a general consensus that co-operatives should have access to the proposed exemptions. Only one respondent expressed a concern that the micro-companies regime is used by entities that have minimal outside interests and therefore is inappropriate to co-operatives but acknowledged the need for balance between cost and the provision of information, in particular for co-operatives with small membership.

In accordance with the response to Question 8, the representative body and another stakeholder recommended that the financial thresholds should be subject to periodic review with the Minister having the power to amend, if necessary.

Policy Response

Based on the feedback received, the Department is providing for the exemptions related to financial statements for small co-operatives as outlined in the consultation paper. The Department agrees with the proposal that co-operatives will be required to provide explicitly for this matter in their rules.

Similar to the approach outlined in relation to audit exemption, the Minister will be given the powers to amend the thresholds by way of secondary legislation, thereby facilitating future review of the thresholds should the need arise.

Question 12.

Please provide any additional comments you may wish to make to inform the completion of the legislation regarding Co-operative Societies.

Many respondents availed of the opportunity to provide general comments on the legislative situation relating to co-operatives. There was broad welcome for the comprehensive and modernising nature of the co-operative legislation that is being envisaged and that the co-operative model was being specifically provided for.

A variety of issues were raised, with the following being of particular interest.

Non-distributive capital surplus (Asset lock)

Many of the respondents who operate in the community, social or non-profit sector would like to see the legislation provide for a non-distributive capital surplus (commonly referred to as an asset lock). This is essentially any surplus remaining from the co-operative reserves once the member share capital and share interest (and investor capital, if any) have been provided for. Any such surplus would not be distributed to members on voluntary wind up/dissolution. It was suggested that the existence of an asset lock for co-operatives with primarily a social and/or community purpose would provide greater reassurance to funders that the underlying assets of the co-operative were protected and would continue to be used for the original purposes intended and also reduce the risk of demutualisation.

Should the co-operative by wound-up / dissolved, then it was suggested that the capital surplus be transferred to a like-minded entity, whether a co-operative, support body / NGO, a community organisation or a registered charity.

Policy Response

The Department notes the support for an asset lock from respondents in the social enterprise sector. However, as indicated elsewhere, the intention of the proposed legislation is to be broad based and facilitate the diversity of entities who wish to operate under the co-operative ethos. Accordingly, the proposed legislation does not include a provision in relation to an asset lock. However, it is acknowledged that some types of co-operatives may wish to operate with an asset lock in place and the proposed legislation empowers them to do so by making appropriate provision in their rules.

Raising of funds by public offering of shares and other securities

While most respondents were supportive of the proposal to remove the restrictions on raising of capital contained in the Industrial and Provident Societies (Amendment) Act 1978, several respondents expressed a concern about the proposed blanket prohibition on the public offering of securities by co-operatives. Some respondents expressed the view that co-operatives in Ireland face challenges in raising finance and that the prohibition on the public offering of securities was considered disproportionate. Many co-operatives look outside of the existing membership base to source the necessary capital to develop their co-operative, including through the public offering of shares and/or debt instruments subject to the requirement to maintain the independence of the co-operative, and its fundamental democratic ethos.

A number of suggestions were made regarding the regulation of public offering of shares including that co-operatives have the ability to raise funds via the public offering of shares and other securities on a similar basis, and subject to equivalent regulation, as public companies either through a tailored regulatory regime for public offerings of securities specific to co-operatives or via the cross application of the regulation of public offerings of securities by public companies, suitably amended for co-operatives.

Policy Response

The Department notes the comments made in some responses about the difficulty in raising funds. A contributing factor on this may well be the outdated and inadequate governing legislation. The proposed legislation will go some way to addressing this issue by introducing a modern and clear legislative basis which will help to make the co-operative model better understood by, and more attractive to, potential funders.

With regard to the raising of funds, as indicated in the consultation, it is intended that the Registrar will have no role in relation to approving applications to raise funds. Based on the concerns expressed by stakeholders, it is not intended to proceed with the blanket ban on the raising of funds. Instead, it is intended to permit co-operatives to raise funds by public offering on a similar basis to what applies to public companies.

Minimum member reduction

One representative body saw merit in retaining the current minimum number of members required to form a co-operative. Some concern was expressed that the proposed reduction of the minimum membership criterion could lead to "cosmetic co-operatives" where a business is operating as a limited company while holding themselves out as a co-operative, in order to artificially gain good public relations and goodwill. The stakeholder advocated that if the number of existing founding members is reduced to a lower number than seven, that access to establishing co-operatives at that reduced number must come with strict criteria to mitigate the risks outlined.

Policy Response

The Department notes the concerns expressed regarding reducing the minimum number of members in a co-operative. A wider membership is more suitable to the community nature of co-operatives, facilitates achieving economies of scale and may equip the co-operative with a better set of skills to enhance viability. However, the current membership criterion is considered an impediment for setting up some categories of co-operatives (including worker co-operatives), and a strong support for reducing the minimum number of members to three has been signaled to the Department over many years. Concerns regarding the *bona-fides* of entities will be addressed as entities will be required to confirm their co-operative ethos to the Registrar when applying for registration and every time they apply to amend their rules.

The average minimum number of members to form a co-operative in Europe is also three, and jurisdictions who have reduced the membership criterion to three do not seem to have experienced issues in this regard.

Other issues

A number of other issues were raised, many of which have already been factored into the Department's proposals, such as providing flexibilities to co-operatives to adjust their annual return date once every five years ; removing the prohibition on the issuing of withdrawable shares; providing a less complex examinership process; providing for the registration of existing charges and debentures on the proposed co-operative specific Register of Charges; referring to the committee of management as a board of directors; providing that at least one of the directors is a resident in an EEA State.

Other issues raised include requests to include provisions interpreting the co-operative principles; providing definitions of certain categories of co-operatives, and provisions on distributing the residual assets in a winding up. As indicated elsewhere, the intention of the proposed legislation is to facilitate the diversity of entities who wish to operate under the co-

operative ethos. Accordingly, it is not proposed that the legislation will include specific provisions that are not generally applicable. However, as indicated elsewhere, co-operatives will have the freedom to make appropriate provision in their rules for any particular issues that are particular to their interests and / or activities.

Appendix 1

List of respondents

1. An Áit Eile Co-operative Limited
2. An Mheitheal Comhshaol Cooperative Limited
3. Centre for Co-operative Studies, UCC
4. CCAB-I
5. Co-operative Housing Ireland
6. Cimín Co-operative
7. Common Ground Co-Housing DAC
8. Community Finance Ireland
9. Co-operative Alternatives
10. Credit Union Development Association
11. Dublin Food Co-operative Society Limited
12. East Clare Community Co-operative
13. Energy Communities Tipperary Cooperative
14. Energy Co-operatives Ireland Ltd
15. Galway City Community Network
16. The Irish Hemp Co-operative Society Limited
17. IAASA
18. ICOS – Irish Co-operative Organisation Society
19. Involve CLG
20. Nevin Economic Research Institute
21. NFGWS – National Federation of Group Water Schemes
22. Open Food Network Ireland
23. Plunkett Foundation

24. Rethink Ireland
25. Green Party
26. Society for Co-operative Studies in Ireland
27. Sustainable Ireland Cooperative Society Ltd
28. The Urban Co-op
29. The Wheel
30. William Fry LLP
31. Dr. Patrick Doyle, Lecturer in Irish Politics and Community Development, UL
32. Dr. Seán Ó Conaill, Centre for Sports Economics and Law, School of Law, UCC
33. John Foy, Chartered accountant
34. Sean Quinlan, Chartered accountant

35 – 42 Private individuals