

# SAORSTÁT EIREANN.

---

## BILLE COMHAR-CHUMANN TALMHAIOCHTA (DEBENTUIRI), 1934.

## AGRICULTURAL CO-OPERATIVE SOCIETIES (DEBENTURES) BILL, 1934.

---

*Mar do ritheadh ag dhá Thigh an Oireachtais.  
As passed by both Houses of the Oireachtas.*

---

### ARRANGEMENT OF SECTIONS.

#### Section.

1. Definitions.
  2. Authorised lenders.
  3. Certification of society as an agricultural co-operative society.
  4. Issue of debentures by agricultural co-operative societies.
  5. Consent of the Minister to the issue of debentures.
  6. Power to borrow on security of uncalled capital.
  7. Power to Minister to charge uncalled capital.
  8. Application of called-up capital subject to charge.
  9. The register of charges by agricultural co-operative societies.
  10. Exclusion of the Bills of Sale (Ireland) Acts, 1879 and 1883.
  11. Restriction on alteration of rules.
  12. Regulations.
  13. Expenses.
  14. Short title.
- Schedule.



# SAORSTÁT EIREANN.

BILLE COMHAR-CHUMANN TALMHAIOCHTA  
(DEBENTUIRI), 1934.

AGRICULTURAL CO-OPERATIVE SOCIETIES  
(DEBENTURES) BILL, 1934.

5

## BILL

*entitled*

AN ACT TO EMPOWER CERTAIN SOCIETIES REGISTERED UNDER THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT, 1893, TO ISSUE DEBENTURES, AND TO BORROW MONEY ON THE SECURITY OF THEIR UNCALLED CAPITAL, AND FOR OTHER PURPOSES CONNECTED WITH THE MATTERS AFORESAID. 10

BE IT ENACTED BY THE OIREACHTAS OF SAORSTÁT EIREANN AS FOLLOWS:— 15

Definitions.

1.—In this Act—  
the expression “the Minister” means the Minister for Agriculture;  
the word “prescribed” means prescribed by regulations made by the Minister under this Act; 20  
the expression “the register” means the Register of Charges by Agricultural Co-operative Societies kept in pursuance of this Act.

Authorised lenders.

2.—(1) The following persons shall be authorised lenders for the purposes of this Act, that is to say:—  
(a) any Minister, head of a Department of State; 25  
(b) the Commissioners of Public Works in Ireland;  
(c) the Agricultural Credit Corporation, Limited;  
(d) the Industrial Credit Company, Limited;  
(e) the Dairy Disposal Company, Limited;  
(f) any corporate body lawfully carrying on banking business; 30  
(g) any other corporate body or person approved of by the Minister either generally or in respect of a particular transaction.

(2) In this Act the expression “authorised lender” means a person who is by virtue of this section an authorised lender for the purposes of this Act. 35

Certification of society as an agricultural co-operative society.

3.—(1) Any society registered under the Industrial and Provident Societies Act, 1893, may at any time apply to the Minister in the prescribed form and manner for such certificate as is hereinafter mentioned in respect of such society. 40

(2) Whenever the Minister receives an application under the foregoing sub-section of this section and is satisfied—



- (a) that the society in respect of which such application is made is a co-operative society, and
- (b) that the objects of such society are wholly or substantially agricultural, and
- 5 (c) that it is expedient, having regard to all the circumstances of the case, that such society should have the powers and privileges conferred by this Act on an agricultural co-operative society,

he may issue to such society a certificate in the prescribed form  
10 certifying that such society is an agricultural co-operative society for the purposes of this Act.

(3) The Minister may at any time at his absolute discretion revoke, in the prescribed form and manner, any certificate issued by him under this section, and thereupon the society to which  
15 such certificate related shall cease to be an agricultural co-operative society for the purposes of this Act, but such revocation and cesser shall not prejudice or affect the validity of anything previously done by such society.

(4) In this Act (except this section) the expression "agricultural co-operative society" means a society registered under the  
20 Industrial and Provident Societies Act, 1893, in respect of which a certificate has been issued under this section and is for the time being unrevoked.

4.—(1) An agricultural co-operative society which is authorised  
25 by its rules to borrow money may at any time, subject to the provisions of this section and with such consent of the Minister as is mentioned in this Act and whether the issue of debentures is or is not authorised, or is or is not forbidden by the rules of such society, issue debentures to any authorised lender  
30 for the purpose of securing to such lender the repayment, with or without interest, of any capital sum of money lent by such lender to such society before the issue of such debentures (whether before or after the passing of this Act) or intended to be so lent at or after such issue, or partly so lent and partly so  
35 intended to be lent.

Issue of debentures by agricultural co-operative societies.

(2) An issue of debentures shall not be made by an agricultural co-operative society under this section unless either the committee of such society has power under the rules of such society to borrow money and the amount to be borrowed on the  
40 security of such debentures is within such borrowing power or a resolution approving of the making of such issue has been passed by a special meeting of the shareholders of such society convened expressly for the purpose of considering and, if thought fit, passing such resolution.

45 (3) The following provisions shall apply to debentures issued by an agricultural co-operative society under this section, that is to say:—

(a) such debentures may be expressed to charge the money secured thereby in either or both of the following  
50 ways, that is to say, by way of fixed charge on any specified property (including uncalled capital) of such society or by way of floating charge on the assets, property, and undertaking (either with or without specified exceptions) for the time being and from time  
55 to time belonging to such society;

(b) such debentures may contain all or any such provisions for enforcing or making effective the security thereby afforded as are usually contained in debentures issued by a limited company;

60 (c) such debentures shall operate and have effect in accordance with the terms thereof so far as such terms are authorised by this Act.

(4) An issue of debentures made by an agricultural co-operative society under this section may consist either of a single  
65 debenture to secure the whole amount of the sum of money



for the securing of which such issue is made or of a series of debentures for separate sums ranking *pari passu* and amounting in the aggregate to the full amount of the said sum of money, and in any event shall rank in priority to any issue of debentures subsequently made by such society under this section.

5

(5) An issue of debentures made by an agricultural co-operative society under this section may be accompanied and collaterally secured by a trust deed of the general character usual in respect of trust deeds entered into for similar purposes in relation to an issue of debentures or debenture stock by a limited company.

10

(6) Whenever an issue of debentures is made under this section by an agricultural co-operative society, the authorised lender to whom such debentures are issued shall, within twenty-one days after the issue thereof, apply in the prescribed form and manner to the Minister for the registration of such issue in the register, and if such authorised lender fails so to apply for such registration every debenture comprised in such issue shall, upon the expiration of the said period of twenty-one days, become and be null and void.

15

Consent of the  
Minister to the  
issue of  
debentures.

5.—(1) Any agricultural co-operative society proposing to issue debentures under this Act may apply, in the prescribed form and manner, to the Minister for his consent to such issue.

20

(2) An agricultural co-operative society applying to the Minister under this section shall furnish to the Minister all such information and particulars as he may require in relation to the financial position of such society and in relation to the proposed issue of debentures to which such application relates.

25

(3) The Minister may, at his absolute discretion, either give or refuse to give his consent to a proposed issue of debentures in respect of which an application is made to him under this section.

30

(4) Every consent given by the Minister under this section to a proposed issue of debentures shall be in writing in the prescribed form and shall state the name of the agricultural co-operative society by whom and the person to whom and the amount and other particulars of the sum of money for securing which such issue of debentures may be made, and every such consent may contain all such conditions, limitations, and restrictions in relation to such issue of debentures as the Minister shall think proper to insert in such consent, and in particular a condition requiring such debentures to be in a particular form.

35

40

(5) Every debenture issued under this Act shall contain a statement in the prescribed form that it is issued under this Act, and is so issued with the consent of the Minister and shall state the prescribed particulars of such consent.

(6) Nothing in this Act shall operate to authorise an agricultural co-operative society to make an issue of debentures under this Act otherwise than under and in accordance in all respects with the consent given by the Minister under this section for such issue of debentures.

45

Power to borrow  
on security of  
uncalled capital.

6.—(1) Where an agricultural co-operative society is authorised by its rules to borrow money (whether generally or subject to restrictions as to the lender or the amount) on the security of a charge on its uncalled capital, such society may, with the consent of the Minister and subject to the restrictions (if any) imposed by its rules, borrow money under and in accordance with its rules from an authorised lender on the security of a charge on its uncalled capital, and may, with such consent and subject to such restrictions (if any) as aforesaid, charge its uncalled capital accordingly.

50

55

(2) The Minister may, at his absolute discretion, either give or refuse to give his consent to any borrowing of money and charging of uncalled capital under this section by an agricultural co-operative society and, where he gives any such consent, may attach thereto such conditions and restrictions as he shall think proper.

60

65



(3) Whenever a charge on the uncalled capital of an agricultural co-operative society is made under this section, the authorised lender in whose favour such charge is so made shall, within twenty-one days after the making of such charge, apply in the prescribed form and manner to the Minister for the registration of such charge in the register, and if such authorised lender fails so to apply for such registration the said charge shall, upon the expiration of the said period of twenty-one days, become and be null and void.

10 7.—(1) Whenever the Minister is satisfied, on the application of the Agricultural Credit Corporation, Limited,—

Power to  
Minister to  
charge uncalled  
capital.

15 (a) that money is owing to the said Corporation by a society mentioned in the Schedule to this Act in respect of a loan made by the said Corporation to such society before the passing of this Act, and

20 (b) that when such loan was so made there was an agreement in writing between the said Corporation and such society that the amount of such loan and the interest thereon would be secured (in addition to any other security which may have been given) by a charge on the uncalled capital of such society, and

25 (c) that when such loan was made the rules of such society authorised the charging (whether generally or in favour of the said Corporation) of the uncalled capital of such society,

the Minister shall by order charge in favour of the said Corporation the capital sum (which shall be specified in such order) due at the date of such order to the said Corporation by such society on foot of such loan and interest thereon at the rate specified in such order on the uncalled capital of such society.

35 (2) Every order made under this section shall operate to charge in favour of the Agricultural Credit Corporation, Limited, the capital sum specified in that behalf in such order and interest thereon at the rate similarly specified on the uncalled capital of the society mentioned in such order as a first and paramount charge on such uncalled capital in priority to all other (if any) charges thereon whether made before or after the passing of this Act, and such charge shall be enforceable by the said Corporation accordingly.

40 (3) No stamp duty shall be payable under the Stamp Act, 1891, on any order made under this section.

(4) Every order made under this section shall be registered by the Minister in the register and published in the *Iris Oifigiúil* as soon as conveniently may be after it is made.

45 8.—(1) Whenever the uncalled capital of a society registered under the Industrial and Provident Societies Act, 1893, is subject to a charge made under this Act by debenture, order, or otherwise, no part of the capital of such society which is called-up after the making of such charge shall, so long as any principal money or interest secured by such charge is outstanding and unpaid, be applied for any purpose other than in or towards payment of such principal money and interest.

Application of  
called-up capital  
subject to  
charge.

55 (2) Whenever any part of the called-up capital of a society registered under the Industrial and Provident Societies Act, 1893, is applied in contravention of this section, every member of the committee of such society shall be guilty of an offence under this section and shall be liable on summary conviction thereof to a fine not exceeding twenty-five pounds.



(3) Where a member of the committee of a society is charged with an offence under this section, it shall be a good defence to such charge for such member to prove that he did not vote for and was not a party to or responsible, directly or indirectly, for the wrongful application of called-up capital which is alleged to constitute such offence. 5

The register of charges by Agricultural Co-operative Societies.

9.—(1) The Minister shall keep, in the prescribed form and manner, a register to be called and known as the Register of Charges by Agricultural Co-operative Societies and in this Act referred to as the register. 10

(2) The Minister shall cause to be registered in the register—

(a) all orders made by him under this Act which are required by this Act to be so registered, and

(b) all debentures issued by an agricultural co-operative society under this Act for the registration of which 15 in the register application is duly made under this Act, and

(c) all charges on uncalled capital made under this Act by an agricultural co-operative society for the registration of which in the register application is 20 duly made under this Act.

(3) The register shall be open to inspection by the public at the prescribed place during the prescribed times upon payment of such fee not exceeding one shilling as may, with the consent of the Minister for Finance, be prescribed. 25

(4) The registration in the register of an issue of debentures made under this Act by an agricultural co-operative society or of a charge on the uncalled capital of an agricultural co-operative society or other society registered under the Industrial and Provident Societies Act, 1893, made by order or otherwise under 30 this Act shall be notice to all persons having dealings with such society of the existence of such issue of debentures or of such charge, as the case may be.

(5) All fees paid under this section shall be collected in money and taken in such manner as the Minister for Finance may from 35 time to time direct, and shall be paid into or disposed of for the benefit of the Exchequer in accordance with the directions of the Minister for Finance.

Exclusion of the Bills of Sale (Ireland) Acts, 1879 and 1883.

10.—Nothing contained in the Bills of Sale (Ireland) Acts, 1879 and 1883, shall apply to any debenture issued under this 40 Act, or to any charge on the uncalled capital of an agricultural co-operative society made by order of the Minister or otherwise under this Act.

Restriction on alteration of rules.

11.—Notwithstanding anything contained in any other enactment, the Registrar of Industrial and Provident Societies shall 45 not register any alteration of the rules of an agricultural co-operative society which, in his opinion, effects any change of or variation in the objects of such society, unless such alteration has been approved of in writing by the Minister.



12.—The Minister may by order make regulations prescribing Regulations.  
any matter or thing which is referred to in this Act as pre-  
scribed or to be prescribed.

13.—All expenses incurred by the Minister in the execution of Expenses.  
5 this Act shall, to such extent as shall be sanctioned by the Minister  
for Finance, be paid out of moneys provided by the Oireachtas.

14.—This Act may be cited as the Agricultural Co-operative Short title.  
Societies (Debentures) Act, 1934.

#### SCHEDULE.

- 10 Kildare and Leix Co-operative Creameries, Ltd.  
Boro Co-operative Creamery, Ltd.  
Edenderry Co-operative Creamery, Ltd.  
Imokilly Co-operative Creamery, Ltd.



---

BILLE COMHAR-CHUMANN  
TALMHAIOCHTA (DEBENTIUIRI), 1934.

---

AGRICULTURAL CO-OPERATIVE  
SOCIETIES (DEBENTURES) BILL, 1934.

---

BILLE

*dá ngairmtear*

Acht chun a chur ar chumas cumann áirithe atá cláruithe fén *Industrial and Provident Societies Act*, 1893, debentiúirí do thabhairt amach, agus airgead d'fháil ar iasacht ar urrús na coda san dá geaipital nár héilíodh, agus chun crícheanna eile bhaineas leis na nithe roimhraithe.

---

Ritithe ag dhá Thigh an Oireachtais.  
12adh Meán Fómhair, 1934.

---

BAILE ATHA CLIATH:  
FOILLSITHE AG OIFIG AN tSOLATHAIR.

Le ceannach tré aon díoltóir leabhar, no díreach ó Oifig Díolta Foillseacháin Rialtais, 5 Sráid Thobair Phádraig, Baile Atha Cliath, C.2.

Cló-bhuailte ag CAHILL & Co., LTD.

[*Leath-Raol Glan.*]

Wt. 5—979. 300. 9/34. C.&Co. (1050.)

---

BILL

*entitled*

An Act to empower certain societies registered under the Industrial and Provident Societies Act, 1893, to issue debentures, and to borrow money on the security of their uncalled capital, and for other purposes connected with the matters aforesaid.

---

Passed by both Houses of the Oireachtas.  
12th September, 1934.

---

DUBLIN:  
PUBLISHED BY THE STATIONERY OFFICE.

To be purchased through any bookseller, or directly from the Government Publications Sale Office, 5 Nassau Street, Dublin, C.2.

Printed by CAHILL & Co., LTD.

[*Threepence Net.*]