



NOTICE

The Financial Services Regulatory Commission (FSRC) recognizes that the COVID-19 pandemic has impacted Credit Unions and their members to varying degrees. In light of the COVID-19 pandemic and public health measures enforced, the FSRC is providing guidance to Credit Unions on the holding of their Annual General Meetings. The potential impact of other major events and disasters on their operations has also been considered.

In this regard, the following Regulatory Guidelines for Credit Unions on Options for Annual General Meeting in Special Circumstances have been issued pursuant to Section 8(5) of the Co-operative Societies Act, No. 31 of 2011.

REGULATORY GUIDELINES FOR CREDIT UNIONS OPTIONS FOR ANNUAL GENERAL MEETINGS IN SPECIAL CIRCUMSTANCES ST. KITTS AND NEVIS

1. Introduction

The purpose of these Guidelines is to provide guidance for credit unions in St. Kitts and Nevis in respect of options for holding Annual General Meetings (AGMs) and Special General Meetings (SGMs), where the relevant local authority has declared a pandemic or state of emergency or in the event of a major disaster.

Section 42 of the Co-operative Societies Act, No. 31 of 2011 (herein referred to as 'the Act'), requires a credit union to hold its AGM within three (3) months of its financial year end or within such other period as may be approved by the Registrar of Credit Unions. Section 43 of the Act provides for the holding of SGMs. In the event that a pandemic or state of emergency has been declared or there is a major disaster which impedes gathering of members as stipulated under Section 39 of the Act and institutes other limitations that inadvertently affect the procedures for holding "in-person" AGMs, these Guidelines hereby introduce measures for adoption by the respective credit unions to ensure that they comply with the Co-operative Societies Act, No. 31 of 2011, for holding their AGMs and SGMs while safeguarding the health and safety of their members.

2. Applicability

These Guidelines apply to all registered credit unions pursuant to Sections 8, 39, 42, 43 and 198 of the Co-operatives Societies Act, No. 31 of 2011.

The following options are provided for the convening of an AGM under conditions of a pandemic or state of emergency or following a major disaster:

- a) AGM Deferral;
- b) Virtual AGM; or
- c) Hybrid AGM.

3. Annual General Meeting Deferral

In accordance with Section 42(2)(b) of the Co-operative Societies Act, No. 31 of 2011, a credit union may request approval from the Registrar of Credit Unions to defer its “in-person” AGM. Pursuant to Section 42(2)(b) of the Act, a credit union may defer its AGM to within nine (9) months after the end of the financial year under review, in instances where a pandemic or state of emergency has been declared or following a major disaster.

A credit union which opts for an AGM deferral but then encounters challenges in hosting its “in-person” AGM within the nine (9) month deadline, shall furnish another written request to the Registrar of Credit Unions for an additional extension of one (1) month prior to the expiration of the nine (9) month extension, which will be considered based on the circumstances presented. The full extension shall not exceed 10 months after the end of the credit union’s financial year.

Where the additional extension is approved, the BOD and management of registered credit unions shall also be guided by the health and safety guidelines issued by the relevant local authorities.

4. Virtual Annual General Meeting

A credit union may opt to host its AGM virtually as an exception to the “in-person” AGM requirement specified by Section 39 of the Act, under conditions of a pandemic or state of emergency or following a major disaster.

The following conditions for holding a Virtual AGM must be satisfied:

- a) A proposal to facilitate the hosting of a Virtual AGM should be submitted to the Registrar of Credit Unions by the BOD of the credit union and subsequent approval granted;
- b) The credit union should demonstrate that it has in place and has adequately tested the ICT platform to facilitate Virtual AGM attendance, voting and participation;

- c) The members should receive at least ten (10) days advance notice, agenda, reports and resolutions for the Virtual AGM;
- d) Registration details including instructions on joining, participating and voting during the Virtual AGM should be provided to members no later than three (3) days before the Virtual AGM; and
- e) The Virtual AGM shall be quorate at the beginning and throughout its proceedings.

5. Hybrid Annual General Meeting

A Hybrid AGM constitutes a combination of a Virtual AGM and an “in-person” AGM. In cases where a Virtual AGM only is not viable or the circumstances do not permit an “in-person” AGM due the declaration of a pandemic or state of emergency or following a major disaster, a credit union may opt to host a Hybrid AGM.

The following conditions for holding a Hybrid AGM must be satisfied:

- a) A proposal to facilitate the hosting of a Hybrid AGM should be submitted to the Registrar of Credit Unions by the BOD of the credit union and subsequent approval granted;
- b) The credit union should demonstrate it has in place and has adequately tested the ICT platform to facilitate the virtual aspect of the Hybrid AGM attendance, voting and participation;
- c) The members should receive at least ten (10) days advance notice, agenda, reports and resolutions for the Hybrid AGM;
- d) Registration details including instructions on joining, participating and voting utilizing the virtual aspect of the Hybrid AGM should be provided to members no later than three (3) days before the Hybrid AGM;
- e) The Hybrid AGM shall be quorate at the beginning and throughout its proceedings, accumulating the attendance virtually and “in-person”; and
- f) The BOD, management and members of the credit union are guided by enforced health and safety guidelines issued by the relevant local authorities that may impact the “in-person” attendance to the Hybrid AGM.

6. General Provisions

The following provisions of the Co-operative Societies Act, No. 31 of 2011, must be fulfilled for holding an “in-person” AGM, Virtual AGM and Hybrid AGM:

- a) Section 39 – Place of Meetings
- b) Section 42 – Annual General Meetings
- c) Section 46 – Notice of Meeting

- d) Section 48 – Quorum Requirement
- e) Section 94 – Remuneration of Directors
- f) Section 129 – Dividend or Bonus
- g) Section 132 – Providing Financial Statement
- h) Section 135 – Appointment of Auditors

7. Commencement

These Guidelines shall come into effect as of the 1st day of July 2020.

Registrar of Credit Unions
Financial Services Regulatory Commission
23 June 2020

