



KOPERASI JAFFNESE BERHAD C.NO. 26/24
(JAFFNESE CO-OPERATIVE SOCIETY LIMITED)
RULES & REGULATIONS

	PAGE
1. MONTHLY SUBSCRIPTION	1
2. CESSATION OF MEMBERSHIP DUE TO NON- PAYMENT OF DUES	1
3. SPECIAL DEPOSIT	1
3A. KJB SPECIAL DEPOSIT (CHILD) SCHEME FOR MINORS OR CHILD DEPOSIT ACCOUNT	2
4. WITHDRAWAL OF SUBSCRIPTION	5
5. LOANS AND ITS REPAYMENTS	5
6. LAND AND BUILDING LOANS	9
7. LOANS FOR HIGHER EDUCATION – DELETED	12
8. RECOVERY OF LOANS	12
9. ADVANCES TO STAFF - DELETED	13
10. CREDITING OF DIVIDENDS	13
11. DISTRICT COMMITTEE	13
12. THE JCS THAMBY THURAI EDUCATION FUND	14
13. BENEVOLENT FUND	15
14. KJB PROPERTY PURCHASE SCHEME	17
15. KJB PROPERTY INVESTMENT SCHEME (PROVEST)	19
16. KJB SHARE INVESTMENT SCHEME (SHAVEST)	19
17. SERVICE CHARGES	19
18. COMMON GOOD FUND	19
19. DIVIDEND EQUALISATION RESERVE	20
20. SHARE VALUE MITIGATION FUND	20
21. CENTENARY CELEBRATION FUND	21
22. MEMBERSHIP INCENTIVE FUND	22
ANNEXURE 1 – JCS THAMBY THURAI EDUCATIONAL FUND EDUCATIONAL INCENTIVE AWARDS	23
ANNEXURE 2 – JCS THAMBY THURAI EDUCATIONAL FUND EDUCATIONAL LOANS	25
APPENDIX 1 – MEMBERSHIP INCENTIVE FUND – TABLE ON PAYMENT	27

1. MONTHLY SUBSCRIPTION

- (i) The minimum monthly subscription shall be RM10.00. **(AGM 2004)**
- (ii) There shall be a maximum limit of RM100.00 to the amount of monthly subscription, but the rate of subscription shall not be changed without first informing the Society in writing. **(AGM 2016)**
- (iii) In addition to the monthly subscription, every member may make monthly deposits.
- (iv) A member in arrears of subscription may request for a reduction of the monthly rate of subscription back dated for a period not exceeding six months. **(AGM 2000).**
- (v) For the purpose of Regulation 4(ii), 5(iii) and 5(ix) subscription credit shall include subscription paid in advance by the member for a period not exceeding 12 months. **(AGM 2004)**
- (vi) Member admitted upon attaining the age of 18 years but before the 19th birthday and who has completed a continuous membership of 36 months shall have RM50.00 credited to the subscription. **(AGM 2006)**
- (vii) A member in benefit, who pays 12 months subscription directly to the Society, shall receive an interest not exceeding 2% p.a. on that 12 months subscription payment. The interest shall be credited to the member's special deposit account at the end of the month following the month when the payment is made. **(AGM 2017)**
- (viii) Deleted. **(AGM 2022)**

2. CESSATION OF MEMBERSHIP DUE TO NON-PAYMENT OF DUES

- (i) Any member whose subscription or any other dues to the Society is more than 3 months in arrears shall not be entitled to any of the rights and privileges of a member as laid down in these Rules & Regulations. Notwithstanding the provision of Undang-undang Kecil 20, 21, 22, 23 the Lembaga shall have power without reference to the General Meeting to remove from the Society's Membership Register the name of any member whose payments to the Society are more than 6 months in arrears. **(AGM 2012)**
- (ii) On cessation of membership by expulsion or cessation of membership due to non-payment the Lembaga shall refund to the member the amount of his share and subscription immediately without dividend or interest after deduction of all amounts due by him to the Society. **(AGM 2012)**

3. SPECIAL DEPOSIT (AGM 2010)

- (i) In addition to the monthly subscription, a member may make special deposit which shall be classified under distinct categories as follows:-
 - (a) Special Deposit (Member)
 - (b) Special Deposit (Child) **(AGM 2010)**
- (ii) The amount of such monthly deposit shall not be limited for the Special Deposit (Member). For the Special Deposit (Child) the amount shall be RM10.00 per month. **(AGM 2016)**
- (iii) Interest if any on deposits shall be reckoned half-yearly on the 30th June and 31st December and shall be calculated on the lowest balance standing to the credit of a member during the previous 6 months. The rate of interest shall not exceed 7% per annum. Such interest shall not be paid in cash but shall be credited to the deposit account of the member. Such interest shall be calculated only on complete months. **(AGM 2010)**
- (iv) Such deposits shall be withdrawable, together with interest up to the last day of the month previous to withdrawal at the request of depositor or on the cessation of membership or when the child attains 18 years of age. **(AGM 2010)**
- (v) A notice of one week in writing shall ordinarily be given for the withdrawal of deposits, except for illness and funerals in which case shorter notice may be accepted.
- (vi) The Koperasi may transfer any excess payment including subscription paid in advance in excess of 12 months by the member, into the Special Deposit and notify the member accordingly. **(AGM 2004)**
- (vii) When a member is in arrears of subscription and / or any other dues for 3 or more months, the Koperasi shall utilise the deposit in the Special Deposit (Member) account to offset the outstanding arrears and then notify the member that such an adjustment has been made.

A member in arrears of subscription and / or any other dues for less than 3 months can make a formal written request to utilise the deposit in the Special Deposit (Member) account to offset the outstanding arrears. **(AGM 2022)**

3A. KJB SPECIAL DEPOSIT (CHILD) SCHEME FOR MINORS OR CHILD DEPOSIT ACCOUNT (AGM 2018)

1.0 PREAMBLE

This Rules & Regulations known as "KJB Special Deposit (Child) Scheme for Minors" or "Child Deposit Account" are made in order to encourage thrift amongst the members of Koperasi Jaffnese

Berhad (KJB) for the benefit of their children, grandchildren or custodians.

2.0 APPLICATION

Application for each child to be enrolled shall be on a designated application form, which shall be accompanied by a photo copy of the Birth Certificate or Identity Card of the child concerned.

3.0 MEMBERS ARE ELIGIBLE TO ENROLL ONE OR MORE CHILDREN UNDER THEIR MEMBERSHIP NUMBER

Those members eligible to enroll one or more children for the Child's Deposit Account are as follows:-

- (a) Father or the mother of the child;
- (b) Grandfather or the grandmother of the child;
- (c) Custodial Guardian - a member of Koperasi Jaffnese Berhad who has the legal right and responsibility of taking care of the child who cannot take care of himself or herself, such as a child parents have demised, provided he / she has a statutory declaration witnessed by a Commissioner for Oath as a Custodial Guardian.

4.0 AGE OF CHILD TO BE ENROLLED

The age of the child should be below 18 years of age.

5.0 MINIMUM PAYMENT

The minimum payment / deposit shall be RM10.00. The 1st payment for the child to be enrolled shall be made together with the application form and documentary proof that the enrolling member is the father or the mother of the child; the grandfather or the grandmother of the child; or custodial guardian.

Subsequent payments are to be made at the discretion of the enrolling member but shall be limited to a minimum of RM10 and a maximum of RM100.00.

6.0 INTEREST PAYABLE

Interest rate on the deposit shall be at the discretion of the Board based on the overall financial performance of KJB and it shall be credited to the minor's Child's Deposit account on the balance as at 31st December of each financial year.

7.0 NON WITHDRAWAL OF DEPOSIT

The deposit together with interest, cannot be withdrawn and shall upon the child attaining the age of maturity (18 years) be transferred into his / her Special Deposit (Member) Account after the child has been admitted as a Member of KJB in accordance

with the terms & condition of KJB's By-Laws or otherwise it could be withdrawn by the child, after the child has attained the age of maturity (18 years).

However, the enrolling member shall withdraw any such amount solely for the benefit of the child, for the use of that child subject to the approval of the Board of KJB.

8.0 RETURN OF DEPOSIT

Upon the cessation of membership or demise of the enrolling member, the amount in the special deposit (Custodian Account) of an enrolling member shall be refunded to the enrolling member or his nominee as the case may be. **(AGM 2019)**

9.0 ELIGIBILITY OF THE CHILD TO BE ACCEPTED AS A KJB MEMBER

On attaining the age of 18 years, the child can apply for KJB membership by submitting the membership application form accompanied by the entrance fee of RM1.00.

The sum accrued in the Child Deposit Account shall be credited to the (child attaining age of majority) Special Deposit (member) account on being accepted as a member of the KJB or it could be withdrawn by the child.

9.0.1 The credit of a Special Deposit (Child) depositor, who does not enroll as a member within 6 months after reaching the age of 18 years shall be transferred to the Special Deposit (Member) account of the enrolling member. **(AGM 2021)**

10.0 DEMISE OR CESSATION OF MEMBERSHIP OF THE ENROLLING MEMBER

10.1 If the member who enrolled the child dies or ceases to be a member, then the amount contributed in the Child Deposit Account shall remain with KJB and shall be returned in accordance to paragraph 8 above, or

10.2 If the member who enrolled the child dies, the surviving parent or grandparent or a custodian who is a KJB member can take over and re-enroll the child under his/her membership and continue making any further deposits into the existing Child Deposit Account, provided a written indemnity is provided to KJB.

10.3 If the member who enrolled the child dies and the child has no surviving parent or grandparent or a legal custodian who is a KJB member, paragraph 8 above shall be

applicable.

11.0 DEMISE OF THE ENROLLED CHILD

If the enrolled child dies, the amount of deposit in the Child Deposit Account, shall be refunded to the enrolling member PROVIDED a letter of indemnity by the enrolling member is forwarded to KJB.

12.0 REJECTION OF AN APPLICATION

The Koperasi Jaffnese Berhad has the right to reject an application without assigning any reason.

The Lembaga has full authority to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to effect to the mandate.

4. WITHDRAWAL OF SUBSCRIPTION

- (i) Any member who is indebted to the Society either as borrower or surety may give 6 month's notice of his intention to withdraw from the Society; but such notice shall be invalid unless at the end of 6 months" notice he is free from all liabilities to the Society either as borrower or surety. Any member, who at the time of submitting his application for withdrawal is indebted to the Society as borrower, and whose total subscription in the Society is equal to or greater than the amount of the loan outstanding, may be allowed under exceptional circumstances with the sanction of the Lembaga, to set off this amount against the said subscription, and the balance, if any, shall normally be paid to him only after 6 months have elapsed since the date of his application to withdraw. **(AGM 2012)**
- (ii) Any member in continuous membership for at least 10 years may be entitled to withdraw his subscription credit, notwithstanding that he has availed himself of his eligibility to withdraw of his subscription credit under Regulation 6(xvi), and on subsequent occasions after a lapse of every 10 years. A member who has attained the age of 45 and above and with a continuous membership of 5 years is allowed to make a withdrawal of his subscription capital once in every 5 years and a member who has attained the age of 55 is entitled to withdraw at any time. The remaining subscription balance after any such withdrawal shall not be less than RM120.00. **(AGM 2020)**

5. LOAN AND ITS REPAYMENTS

- (i) No loans shall be granted to any member within 6 months from the date of admission to the Society, except for a Personal Loan which shall be within 3 months. **(AGM 2022)**

- (ii) Any member wishing to take a loan shall present an application to the Lembaga or to any Sub Committee appointed in a form as prescribed by the Lembaga from time to time. He shall appear before the Lembaga when his loan application is considered, if required to do so and shall be prepared to answer all questions relevant to his application.
- (iii) The Lembaga shall have power to appoint a Sub Committee within itself of not less than three members, of whom the Pengerusi shall be one, to consider and approve urgent applications for loans in connection with illness, or death. Such loans, except for a Personal Loan, shall not exceed 80% of the borrower's subscription credit less any liabilities to the Society. All such loans shall be submitted to the Lembaga at its next meeting for ratification. **(AGM 2022)**
- (iv) Loans shall be limited to the amount of RM 50,000/- except in the case of Credit, Mortgage Loans, Personal Loans and Land & Building Loans which shall be dealt with as stipulated in Regulations 5(ix), 5(x), 5(xi) & 6(v). **(AGM 2022)**
- (v) **Deleted. (AGM 2002)**
- (vi) Loans shall ordinarily be repayable in monthly installments commencing from the month in which the loan was granted. Notwithstanding Regulation 5(vii) the quantum of loans and their repayment period shall be as follows:

<u>Quantum</u>	<u>Repayment Period</u> Up
to RM 5,000	36 months
RM5,001 – RM 20,000	48 months
RM 20,001 – RM 30,000	60 months
Above RM 30,001	72 months

(AGM 2005)

In case of Mortgage Loan it will be dealt with as stipulated in Regulation 5(x)(c). **(AGM 2003)**

- (vii) Borrowing member may at any time before due date repay a loan either in whole or in part.
- (viii) Surety loans are loans granted to members on the personal security of the applicant borrowing and that of the one or more sureties. The amount of loan applied shall be fully secured by the subscription and any other amount held in the Special Deposit (Member) account of the borrower and the sureties. **(AGM 2017)**
 - a) It is the duty of the Lembaga to see that fresh security is provided or that the entire loan is immediately recalled in full whenever any of the existing sureties die or cease to be a member or is otherwise ineligible to continue his surety ship, provided that the original surety shall not be relieved from

liability until a new surety has been accepted in his stead by the Lembaga or full payment of the loan has been made.

- (ix) Credit Loans are loans granted to members on the security of 90% of the borrowing member's subscription credit and any other amount of credit in the Special Deposit (Member) account. **(AGM 2017)**
- (x) Mortgage Loans are loans granted to members on providing collateral as stipulated in Regulation 5x(a). **(AGM 2018)**
 - (a) Collateral security in the form of a mortgage or charge of immovable property found to be legally enforceable may be accepted by the Lembaga and the quantum of the loan shall not exceed 80% of the value of the property or RM 200,000/- whichever is less for a single loan with Mortgage Reducing Term Assurance (MRTA) or RM 300,000/- whichever is less for a joint loan by 2 or more members with MRTA to each member. **(AGM 2015)**
 - (b) All expenses incurred by the Society as professional fee in inspecting, valuing, execution of legal documents and all expenses incidental thereto shall be paid by the borrower. The applicant/s shall pay the Society a non-returnable processing fee of RM 100.00 for a single loan and RM 200.00 for a joint loan. All legal and appraisers fees are to be paid directly by the applicant/s to the solicitor and appraiser respectively. **(AGM 2011)**
 - (c) Repayment of such loan shall be by monthly installments within the stipulated period as per Rule (vi). The member shall be given the option to repay only the interest for the first 36 months and thereafter the full loan installment within the balance period or earlier. However, the maximum period of the loan shall be 120 months or the member attaining the age of 60, whichever is earlier. **(AGM 2014).**
 - (d) If more than one person has interest (as joint owners) in the property to be mortgaged or charged the Lembaga shall insist on all parties signing jointly in the execution of deeds. **(AGM 2003)**
 - (e) When the loan is approved on the security of a building it shall be the duty of the Lembaga to see that it is insured by the Society for the full duration of the loan against fire before the loan is disbursed. The insurance premium is payable by the member. The amount of fire insurance shall be for the insurable value and for the duration of the loan. The Insurance Policy shall be in the name of the Society and registered owner. As soon as the loan is settled in full the

insurance policy shall be transferred to the member.

- (xi) **Guaranteed loans - Deleted. (AGM 2022)**
- (xii) The interest shall be on the amount outstanding as at the 15th day of each month except for the first month which shall be on the principal amount for the balance period of the month of release and if the full loan is repaid before 30 days of the date of release the minimum interest for 30 days shall be charged. The rate of interest shall be as follows:-
 - Credit loans 3.8% per annum on monthly rest **(AGM 2021)**
 - Surety loans 3.8% per annum on monthly rest **(AGM 2021)**
 - Mortgage loans 4.8% per annum on monthly rest **(AGM 2019)**
 - Personal Loans 8% per annum on monthly rest **(AGM 2022)**
 - Building Loan 4.5% per annum on month rest **(AGM 2025)**Such interest shall be payable in the month following the month for which interest is charged.

At the end of the period for which a loan has been granted for any balance of the loan outstanding, interest shall be charged at double the rate as prescribed under the Regulation 5(xii). **(AGM 2017)**
- (xiii) All dues to the Koperasi shall be made on or before the 10th of each month and non payment by this date shall be treated as arrears under Regulation 8(ii). **(AGM 1999)**
- (xiv) Members running Land & Building Loan or Mortgage Loan are eligible to take Credit Loan or Surety Loan and also be sureties subject to the Credit and Surety Loan regulations. **(AGM 2000)**
- (xv) **Pilgrimage Loan (AGM 2022) - Deleted**
- (xvi) **Loyalty Loan**
 - (a) The loyalty loan can be taken by a member for any valid purpose.
 - (b) The member must have 20 years of continuous membership with the Society.
 - (c) A member shall be eligible the loyalty loan once in a life time only.
 - (d) The loan is limited to RM7,000.00 or 90% of the subscription credit and any other amount of credit in the Special Deposit (Member) Account of the borrowing member, whichever is less.

However, the borrowing member may borrow a sum up to a maximum sum of RM7,000.00, provided the sum borrowed is fully secured by the subscription and other amount of credit in the Special Deposit (Member) Account of the borrower and

that of one or more sureties who are members of Koperasi Jaffnese Berhad.

(e) The loyalty loan shall be interest free.

(f) The loan is repayable in not more than 36 monthly installments.

(g) A processing fee of RM10.00 is payable. **(AGM 2011)**

(h) The entire loan shall be recalled unless a fresh surety is provided to replace any of the existing sureties who die or cease to be a member or is otherwise ineligible to continue as the surety. The original surety shall not be released from his/her liability until a new surety has been accepted in his/her stead by the Lembaga or full payment of the loan has been made.

(i) A member who had taken the pilgrimage loan previously is not eligible to apply for the loyalty loan. **(AGM 2022)**

(xvii) Personal loans are loans made to members without guarantors. The maximum amount of such loan shall not in any case exceed RM7,500.00. The borrowing member shall show proof of his ability to meet the loan installments with an income of not less than RM1,500.00 per month. **(AGM 2024)**

(a) The applicant shall pay the Society a sum of RM100 processing fee for loan of RM7,500. Agreement and stamp fee and any surplus shall be refunded to the member and any excess will be charged to the member. **(AGM 2025)**

6. LAND AND BUILDING LOANS

(i) Land and Building loans are granted for the purpose of purchasing land or land and building or erecting a building in Malaysia on the security of the property concerned. For the purpose of this Regulation the word "building" shall denote only buildings of a permanent nature. The total amount of such loans shall not exceed 50% of the subscribed capital of the Society for the time being.

(ii) Applications for loans under this head shall be made in a form prescribed for the purpose by the Lembaga and shall be dealt with by the Lembaga in the order in which they are received.

(iii) (a) Subject to paragraphs (b) and (c) below a member shall be eligible for a loan of this type more than once. **(AGM 2008)**

However, if there is an increase in the quantum of loan as a result of the change in the regulation, a member may

subsequent to having taken the original loan apply for the difference between revised quantum and the actual loan taken only once provided that the original loan remains outstanding and the security provided remains undischarged.

This is subject to clause 6(iii) (c) and 6(iv). **(AGM 2004)**

(b) A member who has obtained a loan to purchase a piece of land may subsequently be eligible to apply for a loan of this type for the purpose of erecting a building thereon.

(c) The Lembaga also reserves the right to give priority to applications by members for loans of this type for the purpose of purchasing their first land or building.

(iv) No member shall be eligible for a loan under this rule unless he shall have been a member of the Society for not less than 6 months immediately preceding the applications. **(AGM 2008)**

(v) The decision of the Lembaga with regard to the maximum amount of the loan shall be final. The maximum loan which shall be granted shall be RM600,000/- or 90%, whichever is lower with Mortgage Reducing Term Assurance (MRTA), but in the case of a joint application by 2 or more members purchasing a property the maximum loan which shall be granted shall be RM800,000/- or 90% whichever is lower with MRTA to each member or 90% of (a), (b), (c), (d), (e) and (f). **(AGM 2025)**

(a) 90% of the value of whole property in the case of a purchase of land and building, whichever is less. **(SGM 2005)**

(b) 90% of the value of the land in the case of purchases of land whichever is less.

(c) 90% of the cost of the building estimated by a registered appraiser appointed by the Lembaga in the case of erecting a building on land already purchased by the applicant/applicants whichever is less **(SGM 2005)**

(d) In the case of loan for erecting a building on land purchased through a loan obtained from the Society the amount of loan shall be only 90% of the value of the building. However, the maximum amount of loan for both land and the building shall not exceed the amount granted under Regulation 6(v). **(SGM 2005)**

(e) In the case of the applicant wanting to avail a loan from the Society to discharge a property charged to any financial institution only the outstanding amount due to the financial institution by the member at the time of application shall be considered.

- (f) In the case of purchase of flats, apartments, condominiums for dwelling, 90% of the value of the Flat/ Apartment/ Condominium subject to title or its equivalent acceptable by the Lembaga, whichever is less. **(SGM 2005)**
- (vi) In the case of loans for erecting a building, payments shall be made by installments fixed by the Lembaga for every such loan, and upon the production of the certificate of an Architect approved by the Lembaga, that the percentage of the work done is enough to cover the payments already made and the installments applied for.
- (vii) All expense incurred by the Society as professional fee in inspecting, valuing, execution of legal documents and all expenses incidental thereto shall be paid by the borrower. Every application for land or a building loan shall be accompanied by an approved plan of the land and building together with a non-returnable processing fee of RM 100 for a single loan and RM 200 for a joint loan. All legal and appraisers' fees are to be paid directly by the applicant to the solicitor and appraiser respectively. **(AGM 2011)**
- (viii) No loan shall be approved unless and until the valuation and report by a licensed appraiser appointed by the Lembaga has been received and accepted by the Lembaga. The Lembaga may exempt the valuation by a licensed appraiser in location where the value can be ascertained.
- (ix) If more than one person has interest (as joint owners) in the property to be mortgaged or charged the Lembaga shall insist on all parties signing jointly in the execution of the deed.
- (x) The Charge or mortgage deed shall be drawn up by Registered practicing Solicitor nominated by the Lembaga. No loan shall be paid until necessary documents have been duly registered and certified as such by the Solicitor and the difference between loan sum and the purchase price has been settled.
- (xi) The charge or mortgage and the title deeds of the properties secured shall be deposited with the Society and a Register of Charges and Mortgages shall be maintained by the Lembaga showing the amount of each member's liability as a Charger or Mortgager, the amount of charge or mortgage, period of loan, monthly installments and other relevant information.
- (xii) When a loan is approved wholly or partly on the security of a building it shall be the duty of the Lembaga to see that it is insured by the Society for the full duration of loan against fire before the loan is disbursed. The premium payable on this policy shall be incorporated to the loan amount and repayable as per (xiii). The amount of fire insurance shall be for the insurable value and the Insurance Policy

shall be in the name of the Society and the registered owner. As soon as the loan has been settled in full the insurance policy shall be transferred to the member. **(AGM 2000)**

- (xiii) Repayment of such loan shall be by monthly installments within such period as the Lembaga may decide. However, the maximum period of loan shall be **35 years** or on the member attaining the age of **65 years**, whichever is earlier. **(AGM 2025)**
- (xiv) The rate of interest on land and building loan shall be 4.5% per annum monthly rest on the closing balance as at the last day of the preceding month, except for the first month which shall be based on the principal and for the balance period of the month's releases. For the first 3 years the member can opt to only pay the interest. **(AGM 2025)**
- (xv) The Lembaga shall, at its discretion appoint a Registered Architect to inspect any property on which a charge or mortgage is held, until the redemption of such charge or mortgage and to make a written report as to the condition of the property and any other relevant matters to the Pengerusi or Naib Pengerusi who shall submit it to the Lembaga. All expenses incurred in this connection shall be borne by the borrower. Should the report be deemed to warrant it, the Lembaga shall have the power to recall the loan foreclose the charge or mortgage, or take other steps considered necessary.
- (xvi) Notwithstanding anything herein stated to the contrary a member who has obtained a loan for the purpose of purchasing land or land and house or erecting a building may withdraw up to 80% of the amount standing to his credit with the Society.
- (xvii) For a loan settled or transferred within 3 years from the date of granting the loan a penalty of 2.5% of the outstanding capital sum will be levied. **(AGM 2004)**
- (xviii) A member can consent for his property to be used as security by another member applying for a Mortgage loan. **(AGM 2021)**

7. LOANS FOR HIGHER EDUCATION (AGM 2000) - Deleted

8. RECOVERY OF LOANS

- (a) The loan shall fall due at once and shall be recovered with interest without delay and without any reference to the term for which the loan was given in the following cases:-
- (b) Should the membership of a borrower cease for any reason whatsoever.
- (c) If any loan repayment installment becomes overdue for more than three months. **(AGM 2000)**
- (d) If any subscription credit loan installment becomes overdue for more than six months.

- (e) If the position of a borrower or surety is considered doubtful.
- (iii) It shall be the duty of the Lembaga to recover overdue sums, whether principal or interest, overdue for more than two months from the sureties or in the case of mortgage security or charge by proceeding against the property mortgaged or charged. If sureties fail to make good such amounts within one month from the date of demand by the Lembaga, the Lembaga shall if necessary after informing the members concerned, adjust such amounts from the credits of the borrower and/or the sureties.

In the event of the Lembaga failing through willful negligence to take such action as may be necessary to recover the amount due, the members of the Lembaga shall be liable jointly and severally for any loss accruing to the Society.

9. ADVANCES TO STAFF (AGM 2017) - Deleted

10. CREDITING OF DIVIDENDS

- (i) Deleted **(AGM 2016)**
(ii) Deleted **(AGM 2016)**

11. DISTRICT COMMITTEE (SGM 1997)

- (i) The Lembaga may demarcate district for any purpose which appears to it likely to promote any object of the Society and may assign the area of operation.
- (a) The members residing in the assigned district shall be members of the district.
- (b) A District Committee shall consist of such number of members not exceeding nine and not less than three appointed in such way, either nomination by the Lembaga or by election by the members of the district.
- (c) No member who at the time is in default to the Society in respect of any loans or loans taken by him for such period as is prescribed in the Regulation or in any case for a period exceeding three months shall be appointed to be a member of any District Committee and any member of the Society who has been appointed to its Committee shall cease to hold his appointment as such, if he is in default to the Society for a period of three months.
- (d) The District Committee shall have the management of all meetings of members within the district assigned to it, and shall have the primary duty of seeking to add new members and inducing the members to support the Society and thus

keeping up and developing the principles of co-operation. A District Committee shall discharge any local work which the Lembaga may require it to undertake.

- (e) A District Committee shall, at the first Meeting after its appointment or election elect a Chairman and a Secretary each of whom shall continue in Office until the next appointment or until the next election.
- (f) A District Committee shall meet at least once in 3 months and at other times as may be necessary for the conduct of its business.
- (g) A District Committee shall keep such records and furnish such returns as the Lembaga may require from time to time.
- (h) A District Committee shall keep a list of all the members resident in the district or area allotted to it. It shall be responsible for the collection of all subscription, loan installments and other dues except pay sheet deductions, by a Collector approved by the Lembaga.
- (i) All moneys received are to be paid into the Bank or sent to the Head Office daily, and no amount exceeding RM100/- shall be retained by the Collector at any time.
- (j) All receipts for moneys collected by a District Committee shall be signed by the Collector.
- (k) A District Committee shall have no authority to pledge the credit of the Society or to involve it in any way.
- (l) The Pengerusi, Naib Pengerusi or any other member of the Lembaga duly authorised by the Lembaga shall be entitled to attend any meeting of a District Committee and all documents and records shall be available for their inspection.
- (ii) It shall be open to the Lembaga to decide that the General Meetings shall be held in various Districts with identical agenda at such places and at such times as may be designated by the Lembaga. At such General Meetings, members of the Society who reside within the areas defined may attend and vote. Decisions on matters discussed at such District General Meetings shall be arrived at by counting all the votes recorded at such meeting.

12. THE JCS THAMBY THURAI EDUCATIONAL FUND (AGM 1999)

- (i) A Fund to be known as "The JCS Thamby Thurai Educational Fund" in memory of the late Mr. R. N. Thamby-Thurai, M.B.E. was established with effect from the 20th day of July, 1972 which shall hereinafter be referred to as the Fund. **(AGM 2004)**
- (ii) In each year a sum equivalent to 10% or such lesser sum of the net profits of the Society shall be appropriated to the Fund. Such

appropriation commencing from the profits for the year 1970.

- (iii) The Fund shall be administered by the Lembaga of the Koperasi Jaffnese Berhad. The Lembaga shall, as it thinks fit from time to time invest all or part of the Fund in any of the approved securities and any interest accruing from such investments shall form part of the Fund.
- (iv) The Lembaga may solicit donations from members, non-members and any lawful Institutions with the view to enhance the financial position of the Fund. **(AGM 1999).**
- (v) The Fund shall be used for the following:-
 - (a) Monetary awards to members or member's children who perform well in examinations recognised by the Government of Malaysia from primary school to university level. The list of examinations and eligibility for award and the quantum is in Annexure 1. **(AGM 1999)**
 - (b) Study loans to members and members' children pursuing courses at diploma, first degree and post graduate degree level in Institutions recognized by the Malaysian Government. The eligibility and quantum of loan and mode of repayment is in Annexure 2. **(AGM 1999)**
- (vi) The Lembaga shall submit annually for the information of the members of the Society a report on the Fund together with an income and expenditure account and balance sheet.
- (vii) The Society's Auditors shall audit the Account of the Fund yearly.

13. BENEVOLENT FUND

- (i) The Benevolent Fund formerly known as "Jaffnese Co-operative Society Benevolent Fund" which was established with effect from 20th July 1972 hereinafter referred to as the „Fund" will be in effect on 1st June 1999. **(AGM 1999)**
- (ii) In each year a sum not exceeding 10% of the net profit of the Society after crediting the Reserve Fund shall be appropriated to the Benevolent Fund (hereinafter referred to as the "Fund"). **(SGM 2005)**
- (iii) The Fund shall be administered by the Lembaga of the Society in accordance with the Regulation of the Society and these Regulations.
- (iv) The Lembaga shall as it thinks fit, from time to time invest all or part of such monies credited to the Fund in accordance with the Undang- undang Kecil.
- (v) The fund shall be utilized for the payment to the nominee or in the absence of a nominee to the applicant as the case may be, in the event of the death of a member, provided that such deceased member has been a member of the Society for a continuous

period in accordance to the 6 rates of benefits: **(AGM 2023)**

- (a) of more than 50 years RM 3,000.00 **(AGM 2012)**
- (b) of more than 40 years RM 2,500.00
- (c) of more than 30 years RM 2,000.00
- (d) of more than 20 years RM 1,250.00
- (e) of more than 15 years RM 1,000.00
- (f) of more than 10 years RM 750.00 **(AGM 2005)**
- (vi) Immediately a death is established the Setiausaha shall present the necessary information to the Lembaga for approval.
- (vii) Application for payment out of the Fund shall be made by the nominee of member. Such application shall be accompanied by a certified death certificate of the deceased member.
- (viii) Payments from the Fund shall be effected as soon as such claims have been approved by the Lembaga on where a nominee had not been appointed, the benefit due shall be payable to the Executors of the Will or Letters of Administration.
- (ix) In the event of an excessive number of deaths occurring in any one year and the total amount required to pay being more than the credit balance in the Fund, the benefits shall be paid in the following year. However, the benefits shall be reduced as circumstances require at the discretion of the Lembaga.
- (x) The nominee or any other applicant of an expelled member or a member, whose application for resignation had been accepted prior to his death, shall not be eligible for any payment from the Fund.
- (xi) The Lembaga shall submit annually a report on the Fund together with an income and expenditure account and balance sheet for the information of members of the Society and these shall form an appendix to the Annual Report and Accounts of the Society.
- (xii) (a) The Society's Auditor shall audit the accounts of the Fund once at least in every year.
- (b) The Auditor shall have access to all books, documents, vouchers and other papers relating to the affairs of the Fund at the time of his audit or at such other times as he deems necessary. He shall have power to summon at the time of his audit any officer, agent, servant or member of the Society who he has reasons to believe can give material information in regard to any transaction of the Fund.
- (c) The Auditor, shall, if he is satisfied with the balance sheet and statement of accounts prepared by the Lembaga under Regulation 12 above, sign a certificate to the effect that the Balance Sheet is, in his opinion, drawn up so as to exhibit a true

and correct position of the Fund. If he is not so satisfied, the auditor shall prepare a report on the points of dissatisfaction which shall be presented to the Pengerusi of the Lembaga.

- (xiii) In the event of war, civil commotion, riots, epidemics or any act of God, the Lembaga may suspend the operation of the Fund until the next General Meeting of the Society. No payments shall be made out of this Fund during the period of suspension and the Society shall not be held liable for any claim that may arise during this period.
- (xiv) The Lembaga may consider an application for payment from the nominee or in the absence of nominee to the applicant of a deceased member who is not in benefit, to be paid under the following conditions: **(AGM 2023)**
 - (a) The deceased member being eligible for one of the 5 rates of payments under regulation (v) (a), (b), (c), (d) and (e) shall be considered for the eligible rate of payment one step below the eligible rate.
 - (b) the deceased member being eligible under Regulation (v) (f) shall be considered for a payment of RM500.00 **(AGM 2023)**

14.1 KJB PROPERTY PURCHASE SCHEME (AGM 1998) - Deleted

14.2 KJB PROPERTY PURCHASE AND LEASE SCHEME (AGM 2023)

These regulations are made in order to facilitate members to save towards purchase or lease of property - for senior citizen home, land for housing, agriculture, industrial estate, land with house, house with strata title.

- (i) All participants on admission shall be required to specify the type of property and the locality in which they may wish to acquire or lease
- (ii) The minimum rate of monthly deposit towards this scheme shall be RM200.00 and a participant may cease payments of the monthly deposit on contribution of 50 installments. PROVIDED a participant may pay in addition to the above a special monthly deposit up to the time of the first allocation of the property in order to enhance his position for priority consideration based on the highest amount standing to the credit of the participant. The special deposit shall cease to be a factor for consideration of priority allocation after the first allocation of the property is finalised.
- (iii) a) Interest at the rate shall be determined by the Lembaga and shall be credited to all the deposits in this scheme.
b) A participant who withdraws from this scheme shall not be eligible for interest for the year his withdrawal takes place.
- (iv) a) The Lembaga shall acquire suitable property and determine the

number of lots and provisionally allocate the lots to the participants. Preference of allocation shall be given to the participants on the basis of the deposits standing to the credit of each participant, the participants with the highest deposit derived by regular monthly deposits having priority consideration for allocation.

- b) The participant allocated a lot under Clause iv(a) shall be required by the Lembaga to pay in addition to the monthly deposit stated under Clause (ii), towards the full cost of land, conversion, land development and other expenses incidental thereto in order to meet such expenditure as required under Clause e(i) and (ii).
- c) The Lembaga shall retain not less than fifty percent of the lots on the property purchased until such time layout and final conversion is obtained. The utilisation of these lots will be left to the absolute discretion of the Lembaga.
- d) The Lembaga shall if deemed to be expedient allot all or part of the remaining unallotted lots after obtaining the approval of the final layout and conversion to other participants in in the Scheme on the basis of the deposits standing to the credit of the participants with the participants with the highest deposit receiving priority consideration. The participants shall be required to any the final revalued cost of land taking into consideration all expenses and overheads to be determined by the Lembaga.
- (e) i) Every participant allotted a house shall be required to execute a Sale and Purchase or Lease Agreement with the Koperasi Jaffnese Berhad for meeting the cost of development and other expenses in progression in accordance with the agreement executed. Failure to execute the agreement within the period stipulated by the Lembaga would result in the withdrawal of the house allocated to the participant without further notification.
ii) Every participant allotted a lot or share in the property shall execute an Agreement with the Koperasi Jaffnese Berhad for meeting the cost of development and other expenses in progression in accordance with the agreement executed. Failure to execute the agreement within a stipulated period by the Lembaga would result in the withdrawal of the lots or share allocated to the participant without further notification.
- (v) Any participant who wishes to withdraw from the scheme shall have to give one year's notice in writing but the Lembaga may under exceptional circumstances allow a participant to withdraw by giving a shorter notice. A participant who has withdrawn from the scheme shall not be re-admitted to the scheme or be allotted a lot in any of the schemes of the Koperasi Jaffnese Berhad. If a lot has already been allotted to the participant, who wishes to withdraw from the scheme, the lot allotted to the member shall be forfeited and any monies paid

towards the lot allotted to the member shall be refunded without interest, after deducting any dues to the Koperasi Jaffnese Berhad and at the sole discretion of the Lembaga.

**15. KJB PROPERTY INVESTMENT SCHEME (PROVEST)
(AGM1999) - Deleted**

16. KJB SHARE INVESTMENT SCHEME (SHAVEST) (AGM 1999) - Deleted

17. SERVICE CHARGES (AGM 1999)

- (i) Service charges at the rates as prescribed below shall be made with effect from 1st July, 1999:
 - (a) Processing fees of RM10.00 for credit loan, surety loan. The fees shall be submitted with the application.
 - (b) Processing fee for other loans shall be in accordance to the regulations for each type of loan.
 - (c) Fees for replacement of cheques shall be RM15.00.
 - (d) Fees for reminders on non-payment of loans shall be in accordance to those stipulated in the charge documents.
 - (e) If ex-member do not attend to the 1st Reminder for refund of their dues from the Society a fee of RM10.00 shall be charged for each subsequent reminder and this sum shall be set against the credit of the ex-members. **(AGM 2000)**
 - (f) The 1st reminder to a member not in benefit due to arrears of subscription, shall be sent requesting the member to pay the arrears of subscription. If the member does not respond with the arrears payment within 30 days of the 1st reminder, a fee of RM5.00 shall be charged for each subsequent reminder sent and this sum shall be set against the credit in the Special Deposit (Member) account of the member. **(AGM 2021)**

18. COMMON GOOD FUND (AGM 2001)

A Fund known as the Common Good Fund (CGF) for the contribution towards education, charity, sports, cultural, disaster relief, medical relief and to any other purpose approved by the Delegates at a General Meeting.

The fund shall be used for the benefit of member and non-member.

- (i) The fund be established by the transfer of the present sums in the Common Good Fund RM80,146.00 and RM37,721.00 in the Community Service Fund to be known as the "Common Good Fund" and shall be invested under this fund.
- (ii) Allocation from the profits of the Koperasi as and when approved

by the General Meeting.

- (iii) Contributions from members and non-members towards this fund and such funds shall be invested in the name of the CGF.
- (iv) The Lembaga shall present to the General Meeting the sums received towards the CGF and income received. The Lembaga shall also present to the General Meeting an estimate of payments from CGF. **(AGM 2021)**

19. DIVIDEND EQUALISATION RESERVE (AGM 2005)

- (i) The objective is to provide a Reserve Fund to set aside surplus of profits from a good financial year to top-up dividends during lean years.
- (ii) The contribution shall be:-
 - (a) appropriations from Profit and Loss Appropriation Account, any amounts in excess of Profit After Statutory Appropriations less Appropriations for the year.
 - (b) over provision of dividends from prior year.
- (iii) This Reserve can be used by the Lembaga KJB to declare increased dividends to the members on their subscription, in excess of the profit for the year.

20. SHARE VALUE MITIGATION FUND (AGM 2013)

- (i) The Share Value Mitigation Fund is established with effect from 9th June 2013.
- (ii) In each year, a sum equivalent to 10% or such lesser sum of the net profit of the Society after statutory appropriations shall be appropriated to this Fund.
- (iii) The Fund shall be utilized for setting off of the diminution in the value of the shares in the year the diminution takes place.
- (iv) The Lembaga shall submit annually for the information of members of the Society a report on the Fund in the Annual Report of the Society.
- (v) The External Auditors and the Internal Auditors of the Society shall audit the accounts and the records of the Share Value Mitigation Fund at least once every year.

21. CENTENARY CELEBRATION FUND (AGM 2015)

- (i) The Centenary Celebration Fund was established with effect from 15th June 2015.
- (ii) The Centenary Celebration Fund represents a portion out of the net profits set aside at the end of each financial year in accordance with

Section 57(5) (b) of the Co-operative Societies Act 1993, a sum not exceeding ten per centum of the audited net profit of the Koperasi.

- (iii) The Centenary Celebration Fund shall be administered by the Lembaga of the Koperasi Jaffnese Berhad in accordance with the By-Laws of the Koperasi and the rules and regulation of the Centenary Celebration Fund and as amended from time to time.
- (iv) The Lembaga of the Koperasi Jaffnese Berhad shall utilise this fund for the Centenary Celebration to be held in the year 2024.
- (v) In each year, a sum equivalent to 10% or such lesser sum of the net profit of the Koperasi after statutory appropriations shall be appropriated to this fund. Such appropriation shall commence from the profits for the year 2014.
- (vi) The Lembaga of the Koperasi shall as it thinks fit from time to time invest all or part of the Fund in a saving account and / or in fixed deposits with a licensed bank and / or in any of the approved securities in accordance with the Undang-undang Kecil of the Koperasi.
- (vii) Any interest, dividends bonuses, or trading profits accruing from such investments shall form part of the fund.
- (viii) The Lembaga is responsible to ensure that payments made from the Centenary Celebration Fund do not exceed the monies available in the Centenary Celebration Fund at any particular time.
- (ix) The Lembaga shall submit annually for the information of members of the Koperasi a report on the Fund in the Annual Report of the Koperasi.
- (x) The External Auditors and the Internal Auditors of the Koperasi shall have full access of all books, documents, vouchers and other relevant accounting and administrative documents of the Centenary Celebration Fund deemed necessary for their audit.
- (xi) The External Auditors and the Internal Auditors of the Koperasi shall audit the accounts and records of the Centenary Celebration Fund at least once every year.

22. MEMBERSHIP INCENTIVE FUND (2017)

- (i) **Purpose:** From 2018, to provide an incentive to members having more than 5 years of membership.
- (ii) **Initial source of funds to start the Fund**
To start the Fund, for the financial year 2017, funds shall come from the following sources: **(refer Appendix 1)**
 - a. Appropriation from KJB.
 - b. Transfer from the Common Good Fund.

- c. Interest earned from the Statutory Reserve Fund.
- d. Transfer from profit – not more than 10%.
- e. Transfer of RM 50.00 per member from the subscription of members with more than 5 years of membership, once in 4 years.

(iii) **Source of funds for the subsequent years**

The source of funds annually from 2018, for the subsequent years shall be from the following sources:

- a. Interest earned from the Statutory Reserve Fund.
- b. Appropriation from profit to be done yearly – not more than 10%.
- c. Transfer of RM 50.00 per member from the subscription of members with more than 5 years of membership, once in 4 years.
- d. Return from investment of the Fund.

(iv) **Payout from the Fund (refer to APPENDIX 1)**

A member shall be in benefit as at 31st December and also be a member at the time of payment to qualify for the incentive payment. **(AGM 2020)**

The rate of payout from the Fund shall be as follows:

- a. In 2018 and consequently for every year, a one-off incentive payment of RM 300 to members who complete 50 years of membership.
The member receiving the RM 300 payment in a year shall not be eligible, for that year, for the RM 80 payment provided in item no. d stated below.
- b. From 2020, and subsequently once in 4 years, a RM60 payment, to members with more than 5 years of membership but less than 20 years of membership.
- c. From 2020, and subsequently once in 4 years, a RM70 payment to members with more than 20 years of membership but less than 40 years of membership.
- d. From 2020 and subsequently once in 4 years, a RM 80 payment, to members with more than 40 years of membership.

(v) **Mode of payment**

The payment declared for a particular year shall be credited in March of the following year into the Special Deposit (Member) account.

(vi) **Review and revise the quantum of contribution and pay-out**

The quantum of contributions and payout shall be reviewed and revised, where appropriate, by the KJB Lembaga depending on the financial performance of KJB.

(vii) **Submission of annual report**

The Lembaga shall submit annually for the information of members of the Society a report on the Fund in the Annual Report of the Society.

(viii) **Auditing of the Fund**

The External Auditors and the Internal Auditors of the Koperasi shall audit the accounts and records of the Membership Incentive Fund at least once every year. **(AGM 2017)**

ANNEXURE 1 TO REGULATION NO. 12

ICS THAMBY THURAI EDUCATIONAL FUND - EDUCATIONAL INCENTIVE AWARDS (AGM 2007)

The Fund may make monetary rewards to children of members, or to members, who perform well in the following examination either conducted by the Malaysian Examination Syndicate or Public/Private Institutions recognized by the Malaysian Government.

The applicant shall be a member in benefit and be a member for at least three years at the time of application and have a subscription credit of RM 1,200.00 or more. The student for whom the application is being made, if below 18 years of age shall be a depositor in the Special Deposit (Child) scheme and if above years of age, shall be a member. **(AGM 2015)**

The child of a member deceased within three years from the time of applying for the award and meeting the required criteria shall be eligible. **(AGM 2008)**

STANDARD ONE

A Special Deposit (Child) depositor aged 6 years shall be given an incentive of RM20.00 to be credited into his Special Deposit (child) account. **(AGM 2025)**

UPSR

DELETED (AGM 2021) STANDARD SIX

A Special Deposit (Child) depositor aged 12 years shall be given an incentive of RM60.00 to be credited into his Special Deposit (Child) account. **(AGM 2023)**

PT3

DELETED (AGM 2023)

A special Deposit (Child) depositor aged 15 years shall be given an incentive of RM100.00 to be credited into his Special Deposit (Child) account.

(AGM 2023)

SPM OR ITS EQUIVALENT (AGM 2020)

Must have passed the Bahasa Malaysia, Bahasa Inggeris & Mathematic paper and obtained a minimum 2As of any type; or 1A of any type together with 1 B(b) or 2 B(b)s.

The award is as follows:

SPM	A+	A	A-
GCE O level	A*(a*)	A(a)	B(b)
IGCSE O level	A*(a*)	A(a)	B(b)
Rate (RM)	70	65	60

Tamil Language

Grade	A+	A	A-	B+	B	C+	C
Rate (RM)	190	185	180	160	155	140	135

The student must become a Special Deposit (Child) depositor or become a member, if eligible, at the time of the award. **(AGM 2025)**

Students eligible for the Sir George Maxwell Memorial Scholarship award given by Midlands Co-operative Union Ltd. shall apply for it and the Lembaga of KJB shall credit the sums awarded, to the JCS Thamby Thurai Educational Fund.

STPM OR ITS EQUIVALENT (AGM 2020)

The student must become a Special Deposit (Child) depositor or become a member, if eligible at the time of the award. **(AGM 2025)**

Obtained a minimum 2As of any type; or 1A of any type together with 1B+; or 1A of any type together with 1 B(b); 2B+; or 2 B(b)s. The award is as follows:

STPM	A	A-	B+
GCE A level	A*(a*)	A(a)	B(b)
IGCSE A level	A*(a*)	A(a)	B(b)
Matriculation (AGM 2023)	A+	A-	B+
Rate (RM)	140	120	110

Tamil Language

Grade	A	A-	B	B-	C+	C	C-
Rate (RM)	260	230	200	180	160	140	120

UNIVERSITY/ HIGHER EDUCATIONAL INSTITUTION - DELETED (AGM 2007)

ANNEXURE 2 TO REGULATION NO. 12

ICS THAMBY THURAI EDUCATIONAL FUND - EDUCATIONAL LOANS
(AGM 1999)

Advance shall be at the discretion of the Lembaga and payments shall be as follows:-

In the event where the applicant is the parent, the student should also become a member. **(AGM 2003)**

- a) for course at diploma, the payment shall not exceed RM6,000/- per academic year, while for course at 1st degree, the payment shall not exceed RM7,500/- per academic year.
 - b) for post graduate courses payment shall not exceed RM15,000/- in any one year and the maximum advance shall not exceed RM30,000/-. **(AGM 2025)**
1. Eligibility for advances from the Fund shall be confined to the following:
 - i) Member who had continuously been in membership with the Society for a period of 3 years at the time of application.
 - ii) Children of members whose membership with the Society has been for a continuous period of 5 years.
 - iii) Children of any past member or guardian deceased while in membership (excluding children of those who had left or expelled from the Society) whose membership with the Society had been for a continuous period of 5 years.
 - iv) For Post Graduate courses, the applicant must be a member of the Society and at the time of application had continuously been in membership for a period of 3 years. **(AGM 2003)**
The period of completion for Masters and PhD shall be for a maximum of 3 years and 5 years respectively or completion date or discontinuance whichever is earlier. Repayment must commence 6 months after the period mentioned or of completion or of discontinuance whichever is earlier and the loan shall be repaid within 6 years.
 2. The applicants shall provide security sufficient to cover the maximum amount granted. Such security shall be any one of the following:
 - i) Land with permanent brick building at 75% of the valuation by an appraiser appointed by the Society. Second charge may be considered with the consent of the first charger.
 - ii) Unencumbered subscription credits of the applicant and two or more members of the Society who shall be sureties to the advance.
 - iii) Any 3 members whose individual monthly income is not less than RM2,000/- as guarantors.
 - iv) The borrower of TTEL shall not be granted any credit loan or part withdrawal until his credit exceeds the TTEL loan sum.

(AGM 2000)

- v) The Lembaga shall set-off the subscription credit of borrowers defaulting the TTEL repayments and if the sum is insufficient to cover the loan advanced a demand of the balance of the loan shall be made. **(AGM 2000)**
3. The advance granted shall be for education in Universities and University level Institution, Technical, Vocational, Trade and other recognized training institutions (herein referred to as Institutions).
 4. a) All applications for advance from this Fund shall be addressed to the Setiausaha and shall be in the form prescribed by the Lembaga for this purpose.
b) Any advance disbursements shall be subject to the execution of an agreement as prescribed by the Koperasi.
 5. Payment shall ordinarily be made in advance terms or semester through the Institution concerned, save in exceptional circumstances where direct payment shall be deemed to be in order. If an adverse report on the academic progress is received from the Institutions further advance payments may be withheld until such time as a satisfactory report on the students' diligence and moral behavior is received from the Head of the Institution concerned. No student shall change his course of study without the prior approval in writing from the Lembaga.
 6. The repayment of the advance shall be in monthly installments to commence not later than 6 months after qualifying or on discontinuation of the said course with the proviso that the Lembaga shall have the discretion to extend this period only when it is satisfied that despite reasonable effort by the beneficiary of the advance has not secured gainful employment or is bereft of other regular source of income.
 7. The loan granted under this Regulation for each academic year shall be repaid over a period of three years. **(AGM 2004)** The interest payable on the advance shall be on the basis of **2% per annum** monthly rest during the duration of the course and **2% per annum** monthly rest immediately on completion or on discontinuance of the said course. An interest rate of **8% per annum** monthly rest is applicable if repayments exceeds the repayment period. **(AGM 2020)**
 8. The parent with the approval of the Board can request that the liability be transferred to the student who was the recipient of the loan with a written consent of that recipient student. **(AGM 2004)**

APPENDIX 1

MEMBERSHIP INCENTIVE FUND - TABLE ON PAYMENTS

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Income													
B/F		100,000	382,000	336,600	361,300	93,350	320,850	342,050	359,950	62,770	286,870	310,070	332,070
Common Good Fund		50,000											
Transfer from Statutory Reserve Fund		22,000	22,000	22,000	22,000	25,000	25,000	25,000	25,000	30,000	30,000	30,000	30,000
Transfer from JCS (profit)	100,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Transfer from members RM50/member		200,000				200,000				200,000			
Expected income from investment of fund		5,000	5,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total	100,000	382,000	414,000	373,600	393,300	328,350	355,850	377,050	394,950	302,770	326,870	350,070	372,070
Payout from 2017													
Payout to members with 50 years of membership (RM300 each)			258 me.	41 me.	32 me.	25 me.	46 me.	57 me.	49 me.	53 me.	56 me.	60 me.	51 me.
			77,400	12,300	9,600	7,500	13,800	17,100	14,700	15,900	16,800	18,000	15,300
Payout to members with 6 years to					1577 me.				1575 me.				1851 me.
20 years of membership (RM60 each)					94,620				94,500				111,060
Payout to members with 21 years to					1947 me.				2134 me.				2119 me.
40 years of membership (RM70 each)					136,290				149,380				148,330
Payout to members with more than					743				920 me.				1146 me.
40 years of membership (RM80 each)					59,440				73,600				91,680
Total payout		103,200	77,400	12,300	299,950	7,500	13,800	17,100	332,180	15,900	16,800	18,000	366,370
Balance	100,000	369,000	336,600	361,300	93,350	320,850	342,050	359,950	62,770	286,870	310,070	332,070	5,700
Total members payout					4299				4678				5167
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028