

Multi-State Cooperative Societies (Amendment) Bill, 2022

The Union Cabinet recently approved changes to the Multi-State Cooperative Societies Act, 2002.

Key facts

- The Central Government approved the Multi-State Cooperative Societies (Amendment) Bill, 2022.
- It incorporates the 97th Constitutional Amendment, which provided constitutional status to cooperative societies in India.
- The aim of the recently approved legislation is to rationalize the role of multi-state cooperative societies and increase their members' participation. This is done to increase public's faith in these institutions.
- In order to realize this goal, the legislation seeks to boost transparency and accountability and improve governance in multi-state cooperative societies.
- To improve the governance of these cooperative societies, the amendment Bill proposes the establishment of Cooperative Election Authority, Cooperative Information Officer, and Cooperative Ombudsman.
- The Cooperative Election Authority will ensure that elections in cooperative societies are conducted in a fair, free and timely manner. In order to bring electoral discipline, the amendment Bill proposes barring offenders for three years.
- The Cooperative Ombudsman will provide mechanism for the redressal of grievances of members in an organized manner.
- The Cooperative Information Officer will increase transparency by providing access to information to the members of cooperatives in a timely manner.
- In order to boost ease of doing business in the sector, the legislation proposes to shorten the registration period. It also allows applicants to seek extra time of 2 months to rectify mistakes. It also digitizes the submission and issuance of documents.
- The bill proposes the inclusion of co-opted directors with experience in the field of banking, management, cooperative management and finance in the board of the multi-state cooperative societies.
- To boost funding for multi-state cooperative societies, the bill has provisions for the issuance of non-voting shares.
- The Rehabilitation, Reconstruction & Development Fund will be set up to revitalize struggling cooperative societies.
- The bill seeks to increase accountability of multi-state cooperatives by improving the auditing mechanism.