

The Myanmar Provident Societies Rules, 1914.

No. 93

The 26th August 1914.

[Amendment : 18.06.1989]

No. 93. - In exercise of the powers conferred by section 24 of the Provident Insurance Societies Act, 1912, the Lieutenant Governor is pleased to make the following rules for carrying out the purposes of the said Act.

1. These rules may be called the **Myanmar Provident Societies Rules, 1914.**

<Amendment 18.06.1989>

2. In these rules unless there is anything repugnant in the subject or context,-

- (a) “**The Act**” means the “Provident Insurance Societies Act, 1912”
- (b) “**Society**” means a Provident Insurance Society to which the Act applies;
- (c) “**Provident Insurance business**” means any class of business to which the Act applies;
- (d) “**Dividing Society Business**” means provident insurance business under which the amount payable on the policy money becoming due is not fixed but depends either partly or wholly on the results of the division of any portion of the premium income or funds amongst the policies which have become due for payment in proportion to the premiums received under each class in any specified period;
- (e) “**Bond Investment business**” means the issue of bonds or policies not being Life Assurance business by which the society in return for premiums or subscriptions payable at periodical intervals of one year or less, contracts to pay the legal holder of the bond or policy a sum at a future date either with or without other specified benefits such as the right to share in the profits of the society or to an advance for certain specified objects;
- (f) “**Ordinary Life Assurance business**” means life assurance business transacted on similar lines to those adopted by ordinary life assurance companies, namely, by granting annuities on human life, or by assuring a fixed sum payable at death, on survival or on the happening of any contingency dependent on human life in return for a premium which is fixed at the outset for each age at entry. This shall not exclude the case of sums assured and premiums which vary as the result of bonus ascertained by an actuarial valuation conducted in the manner provided for in Schedule IV of the Indian Life Assurance Companies Act, 1912.

3. The provisions of the Act, shall, in addition to the contingencies of birth, marriage and death prescribed in section 2(8) of the Act extend to the receipt of premiums, or contributions for insuring money to be paid on the happening of any of the following contingencies, or of any other uncertain event coupled therewith and shall apply to any society receiving such premiums or contributions, namely:-

- (i) the payment of sums on a person or persons surviving a given term, age or contingency, and the contingencies arising under any other life assurance business which is not subject to the provisions of the Indian Life Assurance Companies Act, 1912;
- (ii) Bond Investment business;
- (iii) failure of issue;
- (iv) provision for the expenses of any ceremonial occasion, such as ear-boring, novitiation, betrothal, circumcision, thread ceremonies, shaving of the head, etc., which is generally observed by the members of any community;
- (v) unemployment or retirement from business;
- (vi) sickness; and
- (vii) accident.

Provided always that the Act shall not apply to any society which is subject to and complies with the provisions of the Indian Life Assurance Companies Act, 1912.

Registration.

4. On the registration of a Society, the Registrar shall grant a certificate to the Society in Form A; and on the registration of any other documents authorized or required to be recorded or filed he shall grant a certificate in Form B.
5. (1) No society subject to the Act, other than a society registered under the Indian Companies Act before the date of these rules, may register hereafter with a name in which the words "life assurance" or "life insurance" occur, or having a name either the same as that of any existing society or other company or so nearly resembling it as to be likely to lead to confusion.
- (2) The name of every society, which is required by section 12 of the Act to be displayed in a conspicuous position in legible letters on the outside of the office of the society, shall be displayed in English and Myanmar: provided that in the case of offices of societies in Rangoon it will be sufficient if the name of the society is displayed in English alone.

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Societies' Rules.

6. In accordance with the provisions of section 5 of the Act, every society-

- (1) if already existing, shall provide within six months from the date of these rules for such of the matters mentioned in the Schedule as are not already provided for in its rules: always subject to the condition that the terms of the then existing contracts shall not be altered to the detriment of the policyholders. If in any case it is made to appear to the Registrar that the circumstances are such that a longer period than six months should be allowed he may extend that period by such time as he may think fit;
- (2) if not existing, shall provide in its rules before registration under the Act, for the matters mentioned in the Schedule.

7. A copy in English of the rules of the society and of the Schedule duly completed as above, shall, within fifteen days from the date of the adoption of the rules, be sent to the Registrar. Blank forms of the Schedule may be obtained from the Registrar and should be used on each occasion when particulars are being submitted in compliance with this rule. The copy of the rules or amended rules of a society required to be forwarded in compliance with this rule and sections 6 and 8 of the Act shall not be accepted for registration unless it is certified to be a correct copy and is signed by the Chairman or Managing Director as well as by the Manager or one of the other responsible officers of the society.

Accounts.

8. (1) A society's accounts shall consist of the Revenue Account, Profit and Loss Account and Balance Sheet prescribed as Forms C, E and F. A society may, if it so desires, prepare a separate Revenue Account (precisely similar to Form C) for any class of business carried on by it, but the transactions in respect of a class of business not prescribed under the Act shall not be shown in a Revenue Account showing the transactions in respect of any business which is so prescribed. The accounts shall be signed by all the Directors of the society and by the Manager and one of the other responsible officers. If any of these omits to sign, the reason shall be stated. Other statements shall be prepared each year in the following forms and signed by the Chairman or Managing Director (if any) as well as by the Manager or one of the other responsible officers of the society:-

Form D- giving particulars of expenditure which has not been charged as such;

Form G- giving particulars of the relationship existing between the lives assured and those effecting policies;

Form H- giving particulars of the numbers of policies effected at different ages;

Form I- showing the magnitude of the society's policy contracts;

Form J- giving particulars of the new business each year;

Form K- showing for each year the additions to and deductions from the number of policies and the sums assured thereunder;

Form L- giving particulars for each year since the formation of the society of the number of policies that have gone off the books for various reasons;

Form M- showing the claims under dividing society business arranged according to the duration of the policies;

Form N- giving examples of the sums paid in past years under dividing society business.

(2) The Registrar may on the application and with the consent of a society alter those forms as regards that society for the purpose of adapting them to its particular circumstances.

9. The Chairman or Managing Director (if any) as well as the Manager and one of the other responsible officers of the society shall sign the copies of the accounts and other statements which are sent to the Registrar.
10. If the general meeting before which the accounts are laid does not adopt them, a statement of the fact and of the reasons therefor shall be annexed to the balance sheet and to the copies thereof required to be filed with the Registrar.

Auditors and their Reports.

11. The accounts of every society not subject to audit in accordance with the provisions of any law for the time being in force in British India regarding the registration of companies shall be audited in accordance with that law.
12. Every auditor auditing under the Act the accounts of a society shall state the following additional particulars in his report-
- (a) whether or not he has personally verified the whole of the investments with the securities and other vouchers and is satisfied as to their correctness;
 - (b) any other matters which he considers should be brought to the notice of the members or policyholders of the society.
13. No person shall be appointed or act as an auditor of any society unless he is either;-
- (a) a member of any Institution or Association notified by the Governor-General in Council under the proviso to section 144 (1) of the Indian Companies Act, 1913; or

- (b) the holder of a certificate granted by the Local Government under the said section; or
- (c) the holder of an unrestricted certificate granted by any other Local Government under the said section.

Actuaries and their Reports.

14. (1) Any person who, as an Actuary, investigates the financial condition of a society or signs valuation returns of a society shall be either-
- (i) a Fellow of the Institute of Actuaries, London, or a Fellow of the Faculty of Actuaries in Scotland; or
 - (ii) where application is made by a society or by the Registrar and where, in the opinion of the Local Government, special circumstances exist,-
 - (a) an Associate of such Institute of Actuaries or of such Faculty of Actuaries; or
 - (b) such other person having actuarial knowledge as the Local Government may authorize to be employed to perform the duties of an Actuary.
- (2) Every application by a society for permission to employ as an Actuary any person other than a Fellow of the Institute or Faculty of Actuaries shall state the work for the performance of which such person is required, and the Local Government, if it grants the application, shall cause a certificate to be issued to the society permitting, subject to such conditions and restrictions as it thinks fit, the employment of the person mentioned in the application.
15. An Actuary when investigating the financial condition of a society shall either satisfy himself as to the accuracy of the particulars extracted from the books or require a certificate of their accuracy from the Manager and one other responsible officer of the society.
16. An Actuary when investigating the financial condition of a society shall comply with the requirements of the forms set forth in the Fourth and Fifth Schedules of the Indian Life Assurance Companies Act, 1912, or as near thereto as circumstances will permit, and in addition he shall report-
- (a) whether the calculations are correct and made on the principles which are contained in the statement required by the Fourth Schedule to the Indian Life Assurance Companies Act, 1912;
 - (b) whether these principles have his approval;
 - (c) whether he has obtained all the information and explanations that he has required;
 - (d) what adjustment was used in the valuation to allow for unequal incidence of the premium income, and for premiums payable more often than once a year;
 - (e) the method by which both the ages at entry and the ages at valuation were arrived at;

- (f) the rate at each age of the mortality assumed and of the annuity values used in the valuation where the tables employed are not published;
 - (g) whether all negative values were eliminated from the valuation; and
 - (h) the reserve values held against policies effected at ages 20, 30, 40, and 50 and which have been in force for 1, 2, 3, 4, 5, 10, 15 and 20 years, respectively, in respect of-
 - (i) whole Life Assurances with premiums payable throughout life;
 - (ii) whole Life Assurances with premiums payable for 20 years;
 - (iii) Endowment Assurances payable at age 60 or previous death.
17. In the event of the Actuary finding that the financial condition of the society is such, in his opinion, that no payment should be made either of bonus to policyholders or of dividend to members, he shall state whether or not he finds the society to be solvent. If he finds it to be insolvent-
- (a) he shall state whether he considers that the society could be made solvent as regards existing contracts by the transfer of its subscribed capital (whether paid or unpaid) to make good the deficiency in the Funds. If so, he shall state what, in his opinion, is the amount so required, and whether or not any alteration would require to be made in the rates of premium for future entrants;
 - (b) if he considers that the society cannot be made solvent as regards existing contracts by the transfer of the whole of the subscribed capital to the credit of the Funds in deficit, he shall state what proportion of the sum assured the society would, in his opinion, be able to meet under such contracts, if all the premiums thereunder were reduced proportionately with the sum assured, and all subscribed capital were fully paid up and transferred to such Funds.

Liquidation.

18. The Registrar before cancelling the registry of a society under section 18 may-
- (a) suspend further proceedings for such time as he thinks fit, to enable the unpaid subscribed capital, or a sufficient part thereof, to be called up for the purpose of making good deficiencies in the funds;
 - (b) consent to the society reducing the amount of its contracts upon such terms and subject to such conditions as he thinks just as a means towards winding up.
19. The Registrar shall not appoint a liquidator under section 19 in the case of a society subject to the law for the time being in force in British India relating to the registration of companies.
20. The procedure to be followed by the liquidator appointed by the Registrar shall be as follows:-

- (a) He shall immediately take into his custody or under his control all the property, documents, and records, effects and actionable claims to which the society is or appears to be entitled;
- (b) He shall within one month from the date of his appointment hold a meeting of the creditors of the society and for that purpose shall, not less than seven days before the date of the meeting, send notice by post to all persons who appear to him to be creditors of the society, specifying the time and place of the meeting and shall advertise notice of the meeting once in the local official gazette and once at least in one or more newspapers, and he shall at the meeting, explain to the creditors the financial condition of the society and ascertain from each creditor how much is due to him from the society;
- (c) He may at any time summon general meetings of the creditors or contributors for the purpose of ascertaining their wishes, and he shall summon such meetings at such times as the creditors or contributories by resolution may direct or whenever requested in writing to do so by one-tenth in value of the creditors or contributories;
- (d) He shall in the administration of the assets of the society and in the distribution thereof among its creditors have regard to any directions that may be given by creditors or contributories at any general meeting or by the Registrar;
- (e) He may, with the sanction of the Registrar, employ such legal assistance as may be necessary in the institution or defence of any legal proceeding and such establishment as may be required;
- (f) He shall keep proper books in which shall be entered the proceedings at meetings and such other matters as the Registrar may prescribe and any creditor or contributory may, subject to the control of the Registrar, personally or by his Agent inspect any such books;
- (g) He shall submit to the Registrar a report of the progress in liquidation at such intervals as the Registrar may direct.

Fees.

21. The following fees shall be payable to the Registrar in cash or by postal money-order for matters transacted under the Act:-

- (1) Registration of a society (section 6) Rs. 100; provided that a society which has already been registered under the Indian Companies Act shall be exempt from payment of any fee for registration under this Act.

(2) Registration of amendment of a rule (section 8), Rs. 5; provided that no more than a single fee of Rs. 5 shall be leviable for the amendment of more than one rule when such amendment is intimated to the Registrar in the same communication.

22. Documents required under the Act to be submitted to the Registrar shall be open to inspection on payment of a fee of one rupee; and any person may procure a copy of any such document or a part thereof on payment of a fee of six annas for every hundred words or fractional part thereof required to be copied.

Registers.

23. The register of members prescribed by section 10 of the Act, to be kept by every society which is not registered under the Indian Companies Act, 1913, shall be kept in Form O.

24. A register of all ordinary life assurance policies issued by a society at any time whether or not they are now in force, shall be maintained by the society in Form P or as near thereto as circumstances will permit.

25. A register or registers of all policies, other than those of ordinary life assurance now in force, and of those issued hereafter, shall be maintained by the society in **Form P** or as near thereto as circumstances will permit.

Miscellaneous.

26. The Registrar shall acknowledge the receipt from a society of the documents purporting to be its annual return and in doing so shall intimate that such acknowledgement does not imply that a valid return has been made or that its contents are approved.

27. A notice or other document shall be deemed to have been duly published under the Act, if copies have been printed in English and sent to the Registrar and to all members and policyholders.

W. J. KEITH,

Offg. Revenue Secretary to the Govt. of Myanmar.

----- Attachment -----

[ATTACH LIST 1] 01 SCHEDULE. Matters required to be prescribed by Societies' rules.

[ATTACH LIST 2] 02 Form A. [Rule 4.] Certificate of Registration of Provident Insurance Society.

[ATTACH LIST 3] 03 Form B. [Rule 4.] Certificate of Registration of Document under Provident Insurance Societies Act, 1912.

- [ATTACH LIST 4] 04 Form C. Revenue Account of the Society for the year ending 19 (For all business prescribed under the Act.) [Rule 8.]
- [ATTACH LIST 5] 05 Form D. [Rule 8.] Statement regarding preliminary expenses, extension of business, etc.
- [ATTACH LIST 6] 06 Form E. Profit and Loss Account of the Society for the year ending 19 [Rule 8.]
- [ATTACH LIST 7] 07 Form F. Balance Sheet of the Society for year ending 19 . [Rule 8.]
- [ATTACH LIST 8] 08 Form G. Statement showing relationship between lives assured and persons effecting policies with the Society for the year ending 19 . [Rule 8.]
- [ATTACH LIST 9] 09 Form H. Statement showing policies effected at different ages with the Society for the year ending 19 . [Rule 8.]
- [ATTACH LIST 10] 10 Statement showing magnitude of the policy contracts of the Society for the year ending 19 Form I. [Rule 8.]
- [ATTACH LIST 11] 11 Form J. Statement showing the new business of the Society for the year ending 19. [Rule 8.]
- [ATTACH LIST 12] 12 Form K. Statement showing additions to and deductions from the number of policies and the sums assured thereunder of the Society for the year ending 19. [Rule 8.]
- [ATTACH LIST 13] 13 Form L. Statement showing reasons for lapse of policies taken out with the Society up to the close of the year ending 19 . [Rule 8.]
- [ATTACH LIST 14] 14 Form M. Statement showing the claims against the Society under each class of dividing Society business for the year ending 19. [Rule 8.]
- [ATTACH LIST 15] 15 Form N. [Rule 8.]
- [ATTACH LIST 16] 16 Form O. [Rule 23.] Register of Members.
- [ATTACH LIST 17] 17 Form P. Register ofPolicies. [Rules 24 and 25.]