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Cooperatives Law ¹**Section One**

Article 1 - The cooperative is a group composed of several individuals who unite their information and efforts in a permanent fashion and the goal of which is not to divide profit.

Article 2 -² No permit is initially needed to found a cooperative. However, in all cases the government must be notified of the cooperative after it is founded in accordance with Article 6.

Article 3 - Founding a cooperatives on any unlawful basis which violates the provisions of laws and public documents or which aims to jeopardize the comfort of the monarchy and integrity of state property, change the form of the current government, or politically discriminate between different Ottoman members is not permitted. The attestations of such will be refused and they will be dissolved by decree issued by the Council of Ministers.

Article 4 - Founding political cooperatives the title or basis of which is national or sexual is forbidden.

Article 5 - Members of a cooperative must not be under 20 years of age, have been convicted of a crime, or have been deprived of civil rights.

Article 6 - Founding secret cooperatives is strictly forbidden based on the fact that founders must immediately provide a signed and stamped statement which includes the address of the cooperative, statement of its goal, its main office, the names of those in charge of running its affairs as well as their titles and location, to the Ministry of Interior if the cooperative is centered in Istanbul or to the foremost civil official if it is centered abroad. Along with providing this attestation, two copies of the statutes must be attached to this statement which have been endorsed with the official seal of the cooperative.

After attestation, the manner of operation is announced by the founders and the government must be immediately informed of any amendment or change that occurs in the statutes of the cooperative, its administrative body, or its location with the legal effect of such amendment or change being exercised on a third party from the day the government is informed of it. This must be enumerated in a designated ledger and presented to the judicial or civil government at any time requested.

Article 7 - An administrative body must be present at the main office of each cooperative and consist of at least two persons and, if the cooperative has branches, each branch must have an administrative body connected to the central body and these bodies must keep three ledgers. The first of these contains the identity of the members of the cooperative and the date that they joined. The second contains the headquarters of the administrative body, its correspondence, and notifications. The third contains the type and amount of receipts and expenses of the cooperative. These ledgers must be presented to the judicial and civil government at any time requested.

Article 8 - Each cooperative having provided a statement according to Article 6 can advance to the courts through an intermediary as either plaintiff or defendant, as mentioned in Article 9, and can manage and administer, with the exception of any necessary subsidies from the state: 1) the monetary shares given to it by members on the condition that the shares do not exceed 24 gold coins per year; 2) the location designated for administering the cooperative and the meeting of its members; 3) the non-moveable assets necessary for carrying out the intended goal as given in its own statutes. Cooperatives are prohibited from administering non-moveable property other than this.

¹ Issued on 8/3/1325 - 1909

² Amended in the law issued 5/26/1938

Article 9 - Requests and claims raised to commissioners, courts and formal councils in the name of a cooperatives for the sake of its interests cannot be conducted except by means of a sealed petition which has been signed and stamped by the director or the general secretary with his personal signature and stamp. The identity of individuals such as these operating in the name of the cooperative is stated in the statutes of the cooperative.

Article 10 - A member of a cooperative can resign at any time he wishes, even if the statutes dictate otherwise, but only after fulfilling the monetary portion of the current year which has begun.

Article 11 - Cooperatives are prohibited from bringing to or keeping on the premises of its meeting place all types of firearms or injurious weapons except for those clubs specializing in fishing and sword fighting where, with the knowledge of the police, the weapons needed can be present in the required amount.

Article 12 - The founder, administrative body and owner or renter of the meeting place of cooperatives that do not declare themselves and notify the government by providing it with the statement in accordance with Articles 2 and 6, are punished with a monetary fine of five to 25 gold coins in addition to the cooperative being banned by the government. Likewise, if the cooperative has been founded for one of the harmful or prohibited purposes outlined in Article 3 or the two penal codes, then each party is sentenced individually with the fine particular to that law.

Those who participate in a cooperative, committee, or body in any manner which directly or by means of an intermediary seeks to jeopardize the operation of the public good is punished with imprisonment of six months to three years, with a monetary fine of 25 to 200 Lebanese-Syrian Lira, or with one of these two punishments.³

Article 13 - Those who violate the provisions of Articles 4, 5, 7 and 9 and the related notification and declaration in the provisions of Article 6 are punished with a monetary fine of two to ten gold coins and, upon repeat offense, with double this amount. Those who violate this law by maintaining a cooperative that has been banned in accordance with Article 12 or who renews its establishment and administration is punished with a monetary fine of 10 to 50 gold coins and imprisonment of two months to one year. Anyone who turns a location belonging to him into a meeting place for a banned cooperative is punished likewise.

Article 14 - If a cooperative has been banned by the government or dissolved with the consent and option of its members or by virtue of its internal statutes and a text exists in the statutes regarding its assets, then this is placed in operation. Otherwise, the resolution given by the general body of the cooperative is placed in operation. If a cooperative has been banned and was founded for one of the harmful or prohibited goals mentioned previously in Article 3, the government takes and retains its assets.

Article 15 - Clubs are treated like the cooperatives discussed in this chapter.

Article 16 - Those cooperatives which presently exist must, within two months from the date this law is published, provide the statement and fulfill the condition of declaration in accordance with Articles 2 and 6 and be successful in operating according to the provisions of all articles.

Section Two

Article 17 - Whether the cooperative is considered to serve the public welfare is dependent on agreement of the state to a resolution from the State Counsel. This type of cooperative can perform all the lawful and non-prohibited transactions of its statutes. Shares and drafts owned by the cooperative should in all cases be enumerated and, for those belonging to the bearer, be converted to its name. As for assets gifted or willed to the cooperative, which cannot be non-moveable except with special permit from the government, if the gifted or willed item is a non-moveable asset and there is no need for it to perform a function of the cooperative, then it is sold and stated in the resolution the acceptance of which specified the time period

³ This paragraph added to Legislative Act / Decree No. 41 of 9/28/1932

during which the item had to be sold. Money obtained in place of the item sold is turned over to the fund of the cooperative.

Article 18 - The police must inspect cooperatives and clubs and they must therefore open their meeting places at all times to the police commissioners but only once the commissioners have demonstrated, as necessary, that the entrance to the meeting place is based on real need. They must produce an official paper which includes the order and occasion for entering that location which is given to them in Istanbul by the Ministry of Police and in the administrative districts by the foremost local civil official or his appointee.

Article 19 - The Ministers of Interior and Justice are charged with execution of this law.