

(H. B. 1830)

**(No. 57)**

(Approved February 1, 2006)

## **AN ACT**

To amend clause 3 of subsection (b) of Section 6.02 of Act No. 255 of October 28, 2002, known as the “Cooperative Savings and Credit Unions Act of 2002,” in order to provide that fifteen percent (15%) of the undistributed profit withheld by cooperatives shall be considered as one of the elements of the indivisible capital reserve.

### **STATEMENT OF MOTIVES**

It is the public policy of the Government of Puerto Rico to direct the social and economic development of the Island pursuant to the principles of social justice, self-effort and democratic control of the cooperative movement. Therefore, the Cooperative Movement constitutes an integral piece and a strong pillar for the social and economic development of the Island. For this reason, the strengthening and growth of the cooperative movement in Puerto Rico is of the highest public interest.

The Government, through agencies such as the Cooperative Development Administration, the Public Corporation for the Supervision and Insurance of Savings and Credit Cooperatives (COSSEC, Spanish acronym), and the Cooperative Bank are facilitators in the effort to channel creative initiatives of the members of cooperatives.

At present, the Savings and Credit Cooperatives have assets that exceed six billion dollars, serving approximately one million Puerto Ricans, which evidences the power of this sector.

However, it must be pointed out that the legislation in effect establishes parameters that hinder the operation of Savings and Credit Cooperatives. One of these limitations is contained in the provision of Section 6.02 which deals with indivisible capital. The managerial community of Savings and Credit Cooperatives has consistently established the urgent need to amend the Act in that which refers to indivisible capital.

This measure has the purpose to give Savings and Credit Cooperatives the opportunity to become entities with a more competitive and leading role in the socioeconomic development of the Island.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- Clause 3 of subsection (b) of Section 6.02 of Act No. 255 of October 28, 2002, is hereby amended to read as follows:

“Section 6.02.- Indivisible Capital

(a) ...

(b) ...

(3) fifteen percent (15%) of the undistributed profit withheld by the cooperative;

...”

Section 2.- This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 57 (H.B. 1830) of the 3<sup>rd</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

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has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 1<sup>st</sup> of September of 2006.

Francisco J. Domenech  
Director