

Kiribati Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Kiribati's national cooperative legal framework, based on the work of national legal expert and ICA member input.

The legal framework analysis of Kiribati provides a general overview of the Cooperative Societies Ordinance Cap 14 and the Cooperative Societies Regulations 1977. This analysis also includes some consideration of the Credit Unions Act 1990(as amended in 1993) although to a lesser extent. When Kiribati gained self-independence in 1977, the new government adopted the laws in existence before the independence and consolidated them as ordinances. The Cooperative Societies Ordinance Cap 14 was among the ordinances adopted and remains current law to this day (as of March 2020). Despite the age of this cooperative legal framework, The Cooperative Societies Ordinance Cap 14 is flexible enough to include a variety of cooperative types.

Main Regulations:

Cooperative Societies Ordinance Cap 14
Cooperative Societies Regulations 1977
Credit Unions Act 1990(as amended in 1993)

Some cooperative principles have been given effect within the legislation. However, The Cooperative Societies Ordinance Cap 14 and the Credit Unions Act 1990 doesn't specifically set out the ICA Cooperative principles or reference the ICA Statement of Cooperative identity or another instrument which refers to those principles.

Cooperative Friendliness: The Cooperative Societies Ordinance Cap 14 is more cooperative unfriendly than friendly, because the law has not been reviewed or updated since it was adopted in 1977. Also, it is based on a template colonial law known as the British Indian Pattern of Co-operation (BIPC). The fourth cooperative principle of Autonomy and Independence is undermined by the Registrar's extensive powers to intervene and the ordinance also assumes the Registry to have the resources, skills and support to make this intervention. The Cooperative Societies Ordinance Cap 14 is not supportive of "Cooperation among Cooperatives" and "Education, Training and Information" cooperative principles.

Key recommendations for improvement: Cooperatives to be empowered to independently organise and implement auditing, reporting and business development; especially for smaller cooperatives. Investment in a program towards "Education, Training and Information" as a key priority. There is a need of incorporation of new technologies such as an e-reporting system to minimise regulatory burdens on cooperatives, particularly for those which are at the formation stage. There is also a need for improved processes for the prosecution of offenses along with an updated fines scheme.

Conclusions: Kiribati's cooperative law requires revision and it's government has demonstrated commitment to cooperative development and is currently working on developing a national cooperative policy and revising its law (as of March 2020). Free training to registered cooperatives, conducting awareness programs, working on development projects



for strengthening cooperatives, are examples of best practices in the promotion of cooperative business structures in Kiribati.



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