



COOPERATIVE LEGAL FRAMEWORK ANALYSIS

Within the ICA-EU Convention

KEY HIGHLIGHT FOR HONDURAS

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

The first cooperative regulation in Honduras originated in 1949, specifically Chapter VII of the Commerce Code, this section defined the nature of what cooperative corporations would become, acting under a corporate name according to the norms given for corporations, always followed by the words "limited cooperative corporation" or "supplemented cooperative corporation"

Cooperative Friendliness: The State guarantees the free development of cooperatives and the autonomy of cooperatives as private entities. Cooperativism constitutes a special sector, with its own personality within the national economy and society, and the Cooperatives Law confers representation in State organizations linked to the national economy and development.

Recommendations: For proper supervision of cooperatives, they must be segmented according to their size, volume of assets and other conditions, although the Law classifies cooperatives according to their main activity, there are other factors that must be considered for regulatory purposes.

Conclusions:

While there are no legal barriers for the creation of cooperatives, the training process described in the "Basic Cooperativism Seminar" Law is onerous, making it difficult for cooperatives in training to cover this cost. This situation may lead to the establishment of other companies in the social sector of the economy whose requirements do not represent such high costs.

