# Disclosure statement for formation of a distributing co-operative

(Example only)

*Co-operatives National Law (Tasmania) Act 2015,* section 23

The information presented in these notes is of a general nature only and should not be relied on as anything more than a guide. If you are considering forming a co-operative, you should seek independent expert advice as you should in respect of any other matter relating to this subject.

This is not a form and should not be completed; other information may be required.

Disclosure statements must be accompanied by the relevant form and fee. You can find relevant documents and additional guidance at [www.consumer.tas.gov.au/registrations](http://www.consumer.tas.gov.au/registrations).

## Who can be a member

This section should set out:

* The eligibility requirements for membership as taken from the rules. Include any explanations that may be required as to the effect of the rules;
* The ongoing eligibility requirements, including active membership requirements, to maintain membership;
* The procedures to be followed by applicants for membership, for example details as to the completion of an application form and payment required for shares.

## The rights and liabilities attracting to the shares

This section should set out a summary of the key features of all contracts required to be entered into by the co-operative including contracts required to be entered into between a member and a co-operative.

## Proposed office holders

This section should set out:

* Details of the full name and address of those who have agreed in writing to become directors or other office holders in the proposed co-operative;
* The relevant qualifications of the directors and officers to suit them for an involvement in the management and business of the proposed co-operative.

## Rights and liabilities attaching to membership in the proposed co-operative

This section should set out:

* The rights and liabilities attaching to the ownership of shares in the proposed co-operative;
* A summary of the provisions of the rules providing for imposition of fines or other material obligations on a member;
* Requirements of members to trade with or otherwise be engaged in dealings with the proposed co-operative;
* Amounts required to be paid to the proposed co-operative with respect to shares or otherwise;
* Provisions relating to the termination of membership and forfeiture of shares;
* Rights and restrictions on transfer of shares;
* Obligations to subscribe for further shares in the proposed co-operative;
* Details of compulsory loans or other payments required to be made;
* Liability (if any) for the debts of the co-operative and the position of members on winding up or other administration in insolvency;
* Details of any other rights and liabilities attaching to shares in the proposed co-operative (including the capital required for the co-operative).

If any items on this list are already addressed in the proposed rules of the co-operative, they do not need to be repeated here.

## Financial Projections

This section should include:

* Details of the projected income and expenditure of the proposed co-operative for its first year of operation. Where appropriate, such statements should be submitted by a properly qualified accountant as an expert and the expert’s consent given to the inclusion of the projections in the disclosure statement
* Pro forma balance sheet
* The estimated cost of formation.

## Rules

This section should set out a summary of principal provisions of the rules proposed for the co-operative.

## Disclaimer

Co-operatives may wish to include a disclaimer statement.

It is not possible for a disclaimer statement to include all material relevant to each co-operative’s circumstances. Each member should make his or her own enquiries, and is advised to obtain professional advice if they feel this necessary.