

Presidency of the Republic
Office of the Chief of Staff
Deputy Chief of Staff for Legal Affairs

LAW No. 5,764, OF DECEMBER 16, 1971.

Defines the National Cooperative Policy,
establishes the legal system for cooperative
societies, and makes other provisions.

THE PRESIDENT OF THE REPUBLIC, I declare that the National Congress decrees and I sanction the following Law:

CHAPTER I
The National Cooperative Policy

Art. 1 The National Cooperative Policy is understood as the activity resulting from the initiatives linked to the cooperative system, originating from the public or private sector, isolated or coordinated among themselves, as long as their public interest is recognized.

Art. 2 The attributions of the Federal Government in coordinating and stimulating cooperative activities in the national territory will be exercised in the form of this Law and the norms that arise as a result of it.

Sole paragraph. The action of the public authority will be undertaken mainly by providing technical assistance and special financial and credit incentives that are necessary for the establishment, development, and integration of the cooperative entities.

CHAPTER II
The Cooperatives

Art. 3 A cooperative agreement is signed by people who reciprocally agree to contribute with goods or services for the practice of an economic activity, for common benefit, for non-profit purposes.

Art. 4 Cooperatives are organizations of persons, with their own legal form and nature, civil in nature, not subject to bankruptcy, incorporated to render services to members, distinguished from other companies by the following characteristics:

I - voluntary membership, with an unlimited number of members, unless it is technically impossible to provide services;

II - variability of the share capital represented by quotas;

III - limitation of the number of quotas of the capital for each member, with the option, however, of establishing proportionality criteria, if this is more appropriate for the fulfillment of the social objectives;

IV - non-transferability of the quotas of the capital to third parties, strangers to the cooperative;

V - a single vote, and the central cooperatives, federations, and confederations of cooperatives, with the exception of those engaged in credit activities, may opt for the proportionality criterion;

VI - quorum for the operation and deliberation of the General Meeting based on the number of members and not on the capital;

VII - return of the year's net surplus, in proportion to the operations carried out by the member, unless otherwise deliberated by the General Meeting;

VIII - indivisibility of the Reserve and Educational and Social Technical Assistance funds;

IX - political neutrality and non-discrimination of religion, race, and social status;

X - assistance to members and, when provided for in the bylaws, to employees of the cooperative;

XI - membership area limited to the possibilities of meeting, control, operations, and service provision.

CHAPTER III Purpose and Classification of Cooperatives

Art. 5 Cooperatives may adopt as their object any kind of service, operation or activity, ensuring them the exclusive right and requiring them to use the term "cooperative" in their names.

Sole paragraph. Cooperatives are forbidden to use the expression "Bank".

Art. 6 Cooperatives are considered to be:

I - singular, composed by at least 20 (twenty) individuals, being exceptionally allowed the admission of legal entities that have as their purpose the same or related economic activities as the individuals or, yet, non-profitable entities;

II - central cooperatives or cooperative federations are those formed by at least 3 (three) singular cooperatives, and may exceptionally admit individual members;

III - cooperative confederations, comprised of at least 3 (three) cooperative federations or central cooperatives of the same type or of different types.

§ 1 The individual members of the central cooperatives and cooperative federations will be registered in the cooperative's Registration Book and classified in groups aiming at changing, in the future, into singular cooperatives that will join them.

§ 2 The exception set out in item II, in fine, of the caput of this article does not apply to central and federations that perform credit activities.

Art. 7 Singular cooperatives are characterized by the direct provision of services to members.

Art. 8 The central cooperatives and federations of cooperatives aim to organize, in common and on a larger scale, the economic and welfare services of interest to the members, integrating and guiding their activities, as well as facilitating the reciprocal use of services.

Sole paragraph. For the provision of services of common interest, the constitution of central cooperatives is permitted, with the association of other cooperatives with different objectives and purposes.

Art. 9 The cooperative confederations have the purpose of guiding and coordinating the activities of the affiliated cooperatives, in the cases where the size of the enterprises exceeds the capacity or convenience of the cooperative centrals and federations.

Art. 10 Cooperatives are also classified according to their object or the nature of the activities carried out by them or their members.

§ 1 Aside from the already established cooperative modalities, it will be up to the respective controlling body to assess and characterize others that may present themselves.

§ 2 Cooperatives that present more than one object of activities will be considered multi-purpose cooperatives.

~~§ 3 Only mixed agricultural cooperatives may create and maintain a credit section.~~ [\(Repealed by Complementary Law 130, of 2009\)](#)

Art. 11 The cooperative societies will be of limited liability, when the member's liability for the society's commitments is limited to the value of the capital he/she subscribed.

Art. 12 The cooperative societies will be of limited liability, when the member's liability for the company's commitments is personal, joint and several, and has no limit.

Art. 13 The member's liability to third parties, as a member of the cooperative, can only be invoked after it has been judicially claimed from the cooperative.

CHAPTER IV Establishment of Cooperative Societies

Art. 14 The cooperative society is constituted by resolution of the founders' General Meeting, contained in the respective minutes or by public instrument.

Art. 15 The articles of incorporation, under penalty of nullity, must state:

I - the entity's name, main office, and purpose of operation;

II - the name, nationality, age, marital status, profession, and residence of the members, founders who signed it, as well as the amount and number of quotas of each member;

III - approval of the society's bylaws;

IV - the name, nationality, marital status, profession, and residence of the members elected to the administrative, supervisory, and other bodies.

Art. 16 The cooperative's articles of incorporation and bylaws, when not transcribed therein, will be signed by the founders.

SECTION I Authorization to Operate

Art. 17 The cooperative incorporated pursuant to the legislation in effect will submit to the respective federal executive control agency, in the Federal District, States, or Territories, or to the local agency accredited for this purpose, within thirty (30) days from the date of incorporation, for authorization purposes, an application accompanied by four (4) copies of the articles of incorporation, bylaws, and list of names, in addition to other documents deemed necessary.

Art. 18 Once the respective federal executive control agency or local agency accredited for this purpose has verified, within a maximum period of sixty (60) days from the date of its submission, the existence of the conditions for the operation of the cooperative being formed, as well as the regularity of the documentation submitted, the controlling agency will return two (2) copies to the cooperative, duly notarized, along with a document addressed to the Board of Trade of the State where the entity is headquartered, communicating the approval of the applicant's articles of incorporation.

§ 1 Within this period, the controlling body, when it deems convenient, in the interest of strengthening the system, may consult the National Cooperative Council, in which case the automatic approval foreseen in the following paragraph will not occur.

§ 2 The absence of a manifestation from the controlling body within the period referred to in this article will imply the approval of the articles of incorporation and their subsequent filing with the respective Board of Trade.

§ 3 If any of the terms cited in this article are not satisfactorily met, the body responsible for granting the authorization will make the applicant aware of this, indicating the requirements to be met within 60 (sixty) days, after which, if not met, the application will be automatically closed.

§ 4 The party may appeal against the decision issued by the controlling body in the States, Federal District, or Territories to the respective central administration within thirty (30) days from the date of receipt of the communication and, in a second and last instance, to the National Cooperative Council, also within thirty (30) days, with the exception of credit unions, the credit sections of mixed agricultural cooperatives, and housing cooperatives, in which case the appeal shall be examined by the National Monetary Council for the first two cooperatives and by the National Housing Bank for the last two.

§ 5 Once the requirements have been met, an order granting or denying the authorization must be issued within 60 (sixty) days, after which, in the absence of a decision, the application will be considered granted. When the authorization depends on two or more public authority bodies, each of them will have a period of 60 (sixty) days to manifest themselves.

§ 6 Once the documents are filed with the Board of Trade and the respective publication is made, the cooperative acquires legal personality, and is able to operate.

§ 7 The authorization will expire, regardless of any order, if the cooperative does not begin operations within ninety (90) days from the date on which the documents are filed with the Board of Trade.

§ 8 Once the authorization is cancelled, the control agency will send a communication to the respective Board of Trade, which will cancel the documents filed.

§ 9 The authorization for the operation of housing cooperatives, credit unions, and credit sections of mixed agricultural cooperatives is also subject to the policy of the respective regulatory bodies.

~~§ 10. The creation of credit sections in the mixed agricultural cooperatives will be subject to prior authorization from the Central Bank of Brazil.—~~ [\(Repealed by Complementary Law 130, of 2009\)](#)

Art. 19. The school cooperative will not be subject to the filing of its incorporation documents, and must only send them to the National Institute of Colonization and Agrarian Reform, or the respective local control agency, duly certified by the school director, or the highest school authority in the municipality, when the cooperative brings together associations from more than one school.

Art. 20 The reform of the bylaws will obey, as applicable, the provisions in the previous articles, observing the prescriptions of the regulatory bodies.

SECTION II Bylaws

Art. 21 The cooperative's bylaws, in addition to complying with the provisions of Article 4, shall state:

I - the society's name, registered office, term of duration, area of activity, purpose of the society, establishment of the fiscal year and the date of the balance sheet;

II - the rights and duties of the members, the nature of their responsibilities, and the conditions for admission, resignation, elimination and exclusion, and the rules for their representation at general meetings;

III - the minimum capital, the amount of the quota, the minimum number of quotas to be subscribed by the member, the method of payment of the quotas, as well as the conditions for withdrawal in cases of resignation, elimination, or exclusion of the member;

IV - the procedure for returning registered surpluses to the members, or the apportionment of losses due to insufficient contribution to cover the society's expenses;

V - the type of management and supervision, establishing the respective bodies, defining their attributions, powers and operation, the active and passive representation of the society in and out of court, the term of office, as well as the process for the replacement of managers and fiscal council members;

VI - the formalities for convening general meetings and the majority required for their installation and validity of their resolutions, forbidding the right to vote to those who have a private interest in them without depriving them of participation in the discussions;

VII - the cases of voluntary dissolution of the society;

VIII - the manner and process of divestiture or encumbrance of the company's real estate;

IX - the manner of reforming the bylaws;

X - the minimum number of members.

XI – whether the cooperative has the power to act as a procedural substitute for its members, pursuant to article 88-A of this Law. [\(Included by Law No. 13,806, of 2019\)](#)

CHAPTER V Books

Art. 22 The cooperative society shall keep the following books:

- I - of Registration;
- II - of Minutes of the General Assemblies;
- III - of Minutes of the Management Bodies;
- IV - of Minutes of the Fiscal Council;
- V - of Associates' attendance at General Assemblies;
- VI - other, fiscal and accounting, mandatory.

~~—Sole paragraph. The adoption of loose-leaf books or cards is optional.~~

-Sole paragraph. The adoption of loose-leaf books or cards or in digital media is authorized, under the terms of the regulation of the competent body of the Federal Executive Branch. ([Wording provided by Law No. 14,195, of 2021](#))

Art. 23. In the Registration Book, the members will be registered in chronological order of their admission, and it will contain:

- I - the name, age, marital status, nationality, profession and domicile of the member;
- II - the date of his admission and, where applicable, of his resignation on request, elimination or exclusion;
- III - the checking account for the respective quotas of the capital stock.

CHAPTER VI Capital Stock

Art. 24. The capital stock will be subdivided into quotas, whose unit value cannot be higher than the highest minimum wage in effect in the country.

§ 1 No member can subscribe for more than 1/3 (one third) of the total of the quotas, except in societies in which the subscription must be directly proportional to the cooperative member's financial movement or to the quantity of products to be commercialized, processed, or transformed, or in relation to the cultivated area or to the number of plants and animals being explored.

§ 2 Public legal entities that participate in electrification, irrigation, and telecommunications cooperatives are not subject to the limit established in the previous paragraph.

§ 3 Cooperatives are prohibited from distributing any kind of benefit to the quotas of the capital or establishing other advantages or privileges, financial or otherwise, in favor of any members or third parties, with the exception of interest up to a maximum of twelve percent (12%) per year on the paid-in part.

§ 4 The quotas referred to in the caput cease to integrate the net worth of the cooperative when the reimbursement of the capital paid in by the member, as a result of his dismissal, exclusion or elimination, becomes due, in accordance with the bylaws and current legislation. ([Included by Law No. 13,097, of 2015](#))

Art. 25 For the formation of the capital stock, it may be stipulated that the payment of the quotas be made through periodic installments, regardless of call, through contributions or other form established at the discretion of the respective federal executive bodies.

Art. 26. The transfer of quotas will be registered in the Registration Book, by means of a term containing the signatures of the assignor, the assignee, and the director that the bylaws designate.

Art. 27. The payment of the quotas and the increase of the capital stock can be made with previously appraised goods and after homologation by the General Meeting, or through retention of a certain percentage of the value of the financial movement of each member.

§ 1 The provisions of this article do not apply to credit unions, to mixed agricultural cooperatives with a credit section, and to housing cooperatives.

§ 2 In cooperative societies where capital subscription is directly proportional to the movement or economic expression of each member, the bylaws shall establish its periodic review for adjustment to the prevailing conditions.

CHAPTER VII Funds

Art. 28. Cooperatives are required to constitute:

I - A Reserve Fund intended to repair losses and support the development of its activities, constituted with 10% (ten percent), at least, of the net surplus from the fiscal year;

atividades, constituído com 10% (dez por cento), pelo menos, das sobras líquidas do exercício;

II - A Fund for Technical, Educational, and Social Assistance to provide assistance to members, their families, and, when foreseen in the bylaws, to the cooperative's employees, made up of at least 5% (five percent) of the net surplus from the fiscal year.

§ 1 Besides those foreseen in this article, the General Assembly may create other funds, including revolving ones, with resources destined to specific purposes, determining their formation, application and liquidation.

§ 2 The services to be provided by the Fund for Technical, Educational and Social Assistance can be carried out through agreements with public and private entities.

CHAPTER VIII Members

Art. 29. Membership in cooperatives is free to all who wish to use the services provided by the cooperative, as long as they adhere to the social purposes and fulfill the conditions established in the bylaws, except as provided for in article 4, item I, of this law.

§ 1 The admission of members may be restricted, at the discretion of the respective normative body, to people who exercise a certain activity or profession, or are linked to a certain entity.

§ 2 Legal entities that practice the same economic activities as the associated individuals can join the fishing cooperatives and the ones formed by rural producers or extractivists.

§ 3 Cooperatives of electrification, irrigation, and telecommunications may be joined by legal entities located in the respective area of operations.

§ 4 Commercial agents and entrepreneurs operating in the same economic field as the society will not be allowed to join the cooperatives.

Art. 30. With the exception of credit unions and mixed agricultural cooperatives with a credit section, the admission of members, which takes place upon approval of the membership request by the administrative body, is complemented by the subscription of the quotas of the capital stock and their signature in the Registry Book.

Art. 31. The member who accepts and establishes an employment relationship with the cooperative loses the right to vote and to be voted, until the accounts for the fiscal year in which he left the employment are approved.

Art. 32. A member's resignation will be solely at his or her request.

Art. 33. The elimination of a member is applied due to a violation of the law or of the bylaws, or due to a special fact foreseen in the bylaws, by means of a term signed by whoever is rightfully entitled to it in the Registration Book, with the reasons that determined it.

Art. 34. The cooperative's Board of Directors has a period of thirty (30) days to communicate to the interested party his or her elimination.

Sole paragraph. The elimination can be appealed, with suspensive effect, to the first General Assembly.

Art. 35. The exclusion of the member will happen:

I - by dissolution of the legal entity;

II - by death of the individual;

III - by legal incapacity that has not been remedied;

IV - for failing to meet the bylaws requirements for joining or remaining in the cooperative.

Art. 36. The member's responsibility before third parties, for the society's obligations, remains for those dismissed, eliminated, or excluded until the accounts for the fiscal year in which the dismissal occurred are approved.

Sole paragraph. The obligations of deceased members, contracted with the society, and those arising from their responsibility as members vis-à-vis third parties, will pass to their heirs, but will expire one year after the opening of the succession, except for the peculiar aspects of rural electrification and housing cooperatives.

Art. 37. The cooperative shall ensure the equality of rights of the members, and shall be prohibited to:

I - remunerate those who recruit new members;

II - charge premiums or bonuses for the entry of new members as compensation for the reserves;

III - establish restrictions of any kind on the free exercise of social rights.

CHAPTER IX
Governance Structure

SECTION I
General Assemblies

Art. 38. The General Meeting of members is the supreme entity of the company, within the limits of the law and of the bylaws, and has the power to decide on business related to the cooperative's object and to make the resolutions that are convenient for its development and defense, and its decisions are binding to all, even if absent or in disagreement.

§ 1 The General Assemblies will be called with a minimum advance notice of ten (10) days, in the first call, by means of notices posted in appropriate locations of the premises most commonly frequented by the members, publication in newspapers, and communication to the members by means of a newsletter. In the absence of a quorum at the established time, the assemblies may be held at a second or third call, as long as this is allowed by the bylaws and is stated in the respective call notice, when a minimum interval of one (1) hour will be observed between the holding of either call.

§ 2 The call will be made by the President, or by any of the administrative bodies, by the Fiscal Council, or after an unmet request, by one fifth (1/5) of the members in full possession of their rights.

§ 3 Decisions at General Meetings will be taken by a majority of votes of the members present and entitled to vote.

Art. 39. The General Assemblies, ordinary or extraordinary, are responsible for the dismissal of the members of the administration or supervision bodies.

Sole paragraph. In the event of dismissal that may affect the regularity of the administration or supervision of the entity, the Assembly may designate provisional administrators and board members until the new ones take office, whose election will take place within a maximum period of thirty (30) days.

Art. 40. In the General Assemblies the quorum for the meeting shall be as follows:

I - two thirds (2/3) of the members, on first call;

II - half plus one (1) of the members on second call;

III - a minimum of 10 (ten) members on the third call, except in the case of central cooperatives and federations and confederations of cooperatives, which will be convened with any number.

Art. 41. At the General Assemblies of central cooperatives, federations, and confederations of cooperatives, the representation shall be made by delegates indicated in the form of their bylaws and accredited by the board of directors of the respective affiliates.

Sole paragraph. The individual member groups of the central cooperatives and federations of cooperatives will be represented by 1 (one) delegate, chosen from among their members and accredited by the respective administration.

~~Art. 42. In singular cooperatives, each member present or represented shall not be entitled to more than one (1) vote, regardless of the number of his/her quotas.~~

~~§ 1 At the General Assemblies of the singular cooperatives whose members are distributed throughout an area more than 50 km (fifty kilometers) away from the headquarters, or in the case of proven illness, representation will be allowed through a proxy who is a member in good standing and does not hold an elective position in the society; each proxy cannot have more than 3 (three) votes, including his/her own.~~

~~§ 2 In singular cooperatives whose number of members is higher than one thousand (1,000), the proxy that meets the conditions of the previous paragraph may represent up to a maximum of four (4) members, in accordance with the criteria established in the bylaws, depending on the density of the membership.~~

~~§ 3 When the number of members in singular cooperatives exceeds three thousand (3,000), the bylaws may establish that they be represented at General Assemblies by delegates who meet the conditions required for the proxy referred to in § 1. The bylaws will determine the number of delegates, the time and manner of their selection by sectional groups of members of equal number, and the duration of the delegation.~~

~~§ 4 The delegate will have as many votes as there are members in the sectional group that elected him/her.~~

~~§ 5 Members located in remote areas, which, due to insufficient numbers, could not be organized into their own sectional group, may attend the Assemblies in person to exercise their right to vote.~~

~~§ 6 Members, part of sectional groups, who are not delegates, may attend the General Assemblies, but have no voice or vote.~~

~~§ 7 General Meetings made up of delegates decide on all matters that, under the terms of the law or the bylaws, are the subject of a decision by a general assembly of members.~~

Art. 42. In singular cooperatives, each member present shall not be entitled to more than one (1) vote, regardless of the number of his/her quotas. [\(Wording by Law No. 6,981, of 03/30/82\)](#)

§ 1 Representation by proxy will not be permitted. [\(Wording by Law No. 6,981, of 03/30/82\)](#)

§ 2 When the number of members in singular cooperatives exceeds three thousand (3,000), the bylaws may establish that they be represented at General Assemblies by delegates who are members in good standing and who do not hold elective positions in the society. [\(Wording by Law No. 6,981, of 03/30/82\)](#)

§ 3 The bylaws will determine the number of delegates, the time and manner of their selection by sectional groups of members of equal number, and the duration of the delegation. . [\(Wording by Law No. 6,981, of 03/30/82\)](#)

§ 4 The delegation defined in the previous paragraph will also be admitted in singular cooperatives whose number of members is less than 3,000 (three thousand), as long as there are members residing more than 50 km (fifty kilometers) from the headquarters. [\(Wording by Law No. 6,981, of 03/30/82\)](#)

§ 5 Members, part of sectional groups, who are not delegates, may attend the General Assemblies, but have no voice or vote. [\(Wording by Law No. 6,981, of 03/30/82\)](#)

§ 6 General Meetings composed of delegates decide on all matters that, under the terms of the law or the bylaws, are subject to decision by the general assembly of members. [\(Wording by Law No. 6,981, of 03/30/82\)](#)

Art. 43. Action to annul the General Meeting's decisions vitiated by error, malice, fraud, or simulation, or taken in violation of the law or the bylaws, is statute-barred in four (4) years, the period starting on the date in which the Meeting was held.

~~Art. 43-A. The member may participate and vote remotely in a meeting or assembly, under the terms of the regulations of the National Department of Business Registration and Integration of the~~

~~Special Secretariat for Debureaucratization, Management and Digital Government of the Ministry of the Economy.~~ [\(Included by Provisional Measure No. 931, of 2020\)](#)

Art. 43-A. The member can participate and vote remotely in a meeting or assembly, which can be held in digital means, in accordance with the regulation of the competent body of the federal executive branch. [\(Included by Law No. 14,030, of 2020\)](#)

Sole paragraph. The general meeting may be held in digital form, respecting the legally foreseen rights of participation and manifestation of the members and the other regulatory requirements. [\(Included by Law No. 14,030, of 2020\)](#)

SECTION II

The Ordinary General Assemblies

Art. 44. The Ordinary General Meeting, which will be held annually within the first three (3) months after the end of the fiscal year, will decide on the following subjects, which must be included in the order of the day:

I - accountability of the management bodies accompanied by the opinion of the Fiscal Board, comprising:

a) management report;

b) balance sheet;

c) statement of the calculated surpluses or losses arising from insufficient contributions to cover the society's expenses and the opinion of the Fiscal Board.

II - destination of the calculated surpluses or apportionment of losses resulting from the insufficiency of the contributions to cover the society's expenses, deducting, in the first case, the installments for the Mandatory Funds;

III - election of the members of the management bodies, Fiscal Board and others, as the case may be;

IV - when provided, the setting of the amount of fees, bonuses, and attendance stipend of the members of the Board of Directors or the Executive Board, and of the Fiscal Board;

V - any matters of social interest, excluding those listed in article 46.

§ 1 The members of the management and supervisory bodies may not take part in voting on the matters referred to in items I and IV of this article.

§ 2 With the exception of credit unions and the mixed agricultural cooperatives with credit section, the approval of the report, balance sheet, and accounts of the administration bodies releases their members from liability, except in cases of error, malice, fraud, or simulation, as well as violation of the law or the bylaws.

SECTION III

The Extraordinary General Meetings

Art. 45. The Extraordinary General Meeting will be held whenever necessary and may decide on any matter of interest to the cooperative, as long as it is mentioned in the call notice.

Art. 46. It is the exclusive competence of the Extraordinary General Meeting to decide on the following matters:

- I - reform of the bylaws;
- II - merger, incorporation or dismemberment;
- III - change of the society's purpose;
- IV - voluntary dissolution of the society and appointment of liquidators;
- V - liquidator's accounts.

Sole paragraph. A two thirds (2/3) vote of the members present is required to make the decisions referred to in this article valid.

SECTION IV Administration Bodies

Art. 47. The cooperative will be managed by a Board of Directors, composed exclusively of members elected by the General Meeting, with a term of office never longer than 4 (four) years, and the renewal of at least one third (1/3) of the Board of Directors is mandatory.

§ 1 The bylaws may create other bodies necessary for the administration.

§ 2 The investiture of the administrators and fiscal board members of credit unions and mixed agricultural cooperatives with credit and housing sections is subject to the prior approval of the respective regulatory bodies.

Art. 48. The administrative bodies may hire technical or commercial managers, who do not belong to the membership, setting their attributions and salaries.

Art. 49. With the exception of the specific legislation governing credit unions, the credit sections of mixed agricultural cooperatives, and housing cooperatives, the elected or hired managers will not be personally liable for the obligations they undertake on behalf of the society, but they will be jointly liable for the losses resulting from their actions if they act with fault or malice.

Sole paragraph. The cooperative will be liable for the acts referred to in the last part of this article if it has ratified or profited from them.

Art. 50. The participants in a social act or operation in which the nature of the society is hidden can be declared personally responsible for the obligations on behalf of the society, without prejudice to the applicable criminal sanctions.

Art. 51. In addition to those who are barred by law, those who have been convicted of a penalty that prohibits, even temporarily, access to public office, or of a crime of bankruptcy, malfeasance, bribery, graft, embezzlement, or against the popular economy, the public faith, or property, are ineligible.

Sole paragraph. Relatives up to the second (2nd) degree, in a direct or collateral line, cannot be part of the same Board of Executive Officers or Board of Directors.

Art. 52. The executive officer or member who, in any operation, has an interest opposed to that of the society, cannot take part in the decisions referring to this operation, and it is incumbent upon him/her to acknowledge his/her impediment.

Art. 53. The members of the Administration and of the Fiscal Board, as well as the liquidators, are equivalent to the managers of joint stock companies for the purposes of criminal liability.

Art. 54. Without prejudice to the action that may be taken by the member, the society, by its directors, or represented by the member chosen in the General Meeting, will have the right of action against the administrators, to promote their responsibility.

Art. 55. The employees of companies who are elected directors of cooperative societies created by them will enjoy the guarantees assured to union leaders by article 543 of the Consolidation of Labor Laws (Decree-Law No. 5.452, of May 1st, 1943).

SECTION V Fiscal Board

Art. 56. The administration of the society will be supervised, assiduously and thoroughly, by a Fiscal Board, composed of 3 (three) effective members and 3 (three) substitutes, all members elected annually by the General Meeting, with only one third (1/3) of its members being eligible for reelection.

§ 1 In addition to the ineligible persons listed in article 51, relatives of the executive officers up to the second (2nd) degree, in a direct or collateral line, as well as relatives among themselves up to this degree, cannot be part of the Fiscal Board.

§ 2 The member cannot cumulatively hold positions in the administration and supervisory bodies.

CHAPTER X Merger, Incorporation and Dismemberment

Art. 57. By merger, two or more cooperatives form a new society.

§ 1 Once the merger is decided, each interested cooperative will indicate names to compose the mixed commission that will proceed with the studies necessary to form the new society, such as the equity survey, the balance sheet, the plan for distribution of quotas, the destination of reserve funds and others, and the bylaws draft.

§ 2 Once the report of the mixed commission is approved and the new society is constituted in a joint General Meeting, the respective documents will be filed, for the acquisition of legal personality, at the competent Board of Trade, and two copies of the same, with the publication of the filing, will be forwarded to the executive control agency or the accredited local agency.

§ 3 The merger involving cooperatives that engage in credit activities is excluded from the provisions of the previous paragraph. In this case, after approval of the mixed commission's report and the constitution of the new society in a joint General Meeting, the authorization to operate and the registration will depend on the previous consent of the Central Bank of Brazil.

Art. 58. The merger determines the extinction of the cooperatives that were joined together to form the new society that will succeed it in rights and obligations.

Art. 59. Through incorporation, a cooperative society absorbs the assets, receives the members, assumes the obligations, and invests in the rights of another cooperative or other cooperatives.

Sole paragraph. In the hypothesis foreseen in this article, the same formalities established for the merger will be followed, limiting the evaluations to the assets of the incorporated society or societies.

Art. 60. Cooperative societies may be broken up into as many as necessary to serve the interests of their members, and one of the new entities may be constituted as a central cooperative or federation of cooperatives, whose operating authorizations and filings shall be required according to the provisions of articles 17 and following.

Art. 61. Once the dismemberment is decided, the General Meeting shall designate a committee to study the necessary steps for the measure to become effective.

§ 1 The report presented by the committee, accompanied by the draft bylaws of the new cooperatives, will be considered at a new General Meeting especially called for this purpose.

§ 2 The dismemberment plan will provide for the apportionment, among the new cooperatives, of the assets and liabilities of the dismembered society.

§ 3 In the apportionment foreseen in the previous paragraph, each new cooperative shall be assigned part of the capital stock of the society broken down into quotas corresponding to the participation of the members that join it.

§ 4 When one of the cooperatives is constituted as a central cooperative or a federation of cooperatives, the amount of the quotas that the members will have in the capital stock shall be foreseen.

Art. 62. Once the societies are constituted and observing the provisions in articles 17 and following, the necessary accounting and equity transfers will be made to materialize the measures adopted.

CHAPTER XI Dissolution and Liquidation

Art. 63. Cooperative societies are dissolved by operation of law:

I - when so decided by the General Meeting, provided that the members, totaling the minimum number required by this Law, are not willing to ensure its continuity;

II - by the expiration of the term;

III - for achieving the predetermined objectives;

IV - due to the change in its legal form;

V - for the reduction of the minimum number of members or the minimum capital stock if, until the subsequent General Meeting, held within a period of not less than six (6) months, they have not been reestablished;

VI - for the cancellation of the authorization to operate;

VII - for the paralyzation of its activities for more than one hundred and twenty (120) days.

Sole paragraph. The dissolution of the society will result in the cancellation of the authorization to operate and of the registration.

Art. 64 When the dissolution of the society is not promoted voluntarily, in the hypotheses foreseen in the previous article, the measure may be taken judicially at the request of any member or by initiative of the federal executive agency.

Art. 65 When the dissolution is decided by the General Meeting, the latter will appoint a liquidator or more, and a Fiscal Board of 3 (three) members to proceed with its liquidation.

§ 1 The liquidation process can only be initiated after the hearing of the respective federal executive agency.

§ 2 The General Meeting, within the limits of its attributions, may, at any time, dismiss the liquidators and the members of the Fiscal Board, appointing their substitutes.

Art. 66 In all acts and operations, the liquidators shall use the name of the cooperative, followed by the term: "In liquidation."

Art. 67. The liquidators will have all normal management powers, and can perform the acts and operations necessary to realize the assets and pay the liabilities.

Art. 68. The obligations of the liquidators are:

I - arrange for the minutes of the General Meeting in which the liquidation was decided to be filed with the Board of Trade;

II - communicate to the central administration of the respective federal executive body and to the National Cooperative Credit Bank Ltd., its appointment, providing a copy of the Minutes of the General Meeting that decided the matter;

III - collect the society's assets, books and documents, wherever they may be;

IV - summon creditors and debtors and conduct the investigation of the society's credits and debts;

V - proceed, within fifteen (15) days of its investiture and with the assistance, whenever possible, of the administrators, to the survey of the inventory and general balance sheet of the assets and liabilities;

VI - to realize the social assets to pay off the liabilities and reimburse the members for their quotas, allocating the remainder, including the indivisible funds, to the National Cooperative Credit Bank Ltd.;

VII - require the members to pay in their respective unpaid quotas of the capital stock, when the assets are not enough to solve the liabilities;

VIII - provide creditors with the list of members, if the society is an unlimited liability company and if the funds obtained are insufficient for the payment of debts;

IX - call a General Meeting, every six (6) months or whenever necessary, to present a report and balance sheet on the state of the liquidation and to render accounts of the acts performed during the previous period;

X - present to the General Meeting, at the end of the liquidation, the respective report and final accounts;

XI - register the Minutes of the General Meeting that considers the liquidation closed in the competent authority.

Art. 69. The obligations and liabilities of the liquidators are governed by the precepts peculiar to those of the managers of the liquidating society.

Art. 70. Without the General Meeting's authorization, the liquidator may not encumber movable and immovable property, take out loans, except when indispensable for the payment of unavoidable obligations, or continue, even to facilitate liquidation, the corporate activity.

Art. 71. Respecting the rights of preferential creditors, the liquidator shall pay the debts of the society proportionally and without distinction between matured and unmatured debts.

Art. 72. The General Meeting may decide, before the liquidation is completed but after the creditors have been paid, that the liquidator makes apportionments in anticipation of the distribution, as the society's assets are ascertained.

Art. 73. Once the liabilities have been settled, the members have been reimbursed up to the value of their quotas and the remainder has been forwarded according to the bylaws, the liquidator shall call a General Meeting for the final rendering of accounts.

Art. 74. Once the accounts are approved, the liquidation is terminated and the society is extinguished, and the minutes of the Meeting must be filed with the Board of Trade and published.

Sole paragraph. The dissenting member will have thirty (30) days from the publication of the minutes to take the appropriate action.

Art. 75. The extrajudicial liquidation of cooperatives can be promoted on the initiative of the respective federal executive body, which will appoint the liquidator, and will be processed in accordance with the specific legislation and other regulatory provisions, as long as the society ceases to offer operational conditions, mainly due to verified insolvency.

§ 1 Extrajudicial liquidation, as far as possible, should be preceded by intervention in the society.

§ 2 The intervenor, in addition to the powers expressly granted in the act of intervention, is assigned the functions, prerogatives, and obligations of the management bodies.

Art. 76. The publication in the Official Gazette of the minutes of the General Meeting of the cooperative that decided on its liquidation, or of the decision of the federal executive branch when the measure is taken by its own initiative, shall imply the suspension of any legal action against the cooperative for a period of one (1) year, without prejudice, however, to the accrual of the legal or contracted interest and its accessories.

Sole paragraph. After the period mentioned in this article has elapsed, without the liquidation being closed for a relevant reason, the liquidation may be extended for a maximum of one (1) more year, by means of a decision by the agency cited in the article, published with the same effects in the Official Gazette.

Art. 77. In the realization of the society's assets, the liquidator shall:

I - have the society's assets appraised by judicial appraisers or Public Financial Institutions;

II - proceed to the sale of the assets necessary to pay the society's liabilities, observing, as applicable, the rules contained in the [articles 117](#) and [118 of Decree-Law No. 7,661, of June 21, 1945](#).

Art. 78. The liquidation of credit unions and of the credit section of mixed agricultural cooperatives shall be governed by their own legal and regulatory rules.

CHAPTER XII Cooperatives' Operating System

SECTION I Cooperative Act

Art. 79. Cooperative acts are those practiced between the cooperatives and their members, between the members and the cooperatives, and by the cooperatives among themselves when they are members, in order to achieve the corporate objectives.

Sole paragraph. The cooperative act does not imply a market operation, nor a contract for the purchase and sale of products or goods.

SECTION II Expense Allocations

Art. 80. The society's expenses will be covered by the members through apportionment in direct proportion to the enjoyment of services.

Sole paragraph. The cooperative may, to better meet the equanimity of covering the expenses of the society, establish:

I - apportionment, in equal parts, of the society's general expenses among all members, whether or not they have used the services it provides during the year, as defined in the bylaws;

II - apportionment, on a directly proportional basis, among the members that have used the services during the year, of the net surpluses or losses verified on the balance sheet for the year, excluding the general expenses already covered under the previous item.

Art. 81. A cooperative that has adopted the criterion of separating the society's expenses and established their apportionment in the manner indicated in the sole paragraph of the previous article shall calculate the general expenses separately.

SECTION III Cooperative's Operations

~~Art. 82. The cooperative that engages in common sales may register as a general warehouse and, in this condition, issue "Warehouse Warrants" for the products of its members kept in its warehouses, owned or leased, without prejudice to the issuance of other securities resulting from its normal activities, applying, as applicable, the specific legislation.~~

Art. 82. The cooperative that engages in common sales may register as a general warehouse, and may also develop the activities foreseen in the [Law No. 9,973, of May 29, 2000](#), and in this condition issue Warehouse Warrant, Agricultural Deposit Certificates - CDA and Agricultural Warrants - WA for the products of their members kept in their warehouses, owned or leased,

without prejudice of issuing other titles arising from their normal activities, applying, whenever applicable, the specific legislation. [\(Wording by Law No. 11,076, of 2004\)](#)

§ 1 For the purposes of this article, the cooperative warehouses are equivalent to “General Warehouses”, with the prerogatives and obligations of the latter, and the members of the Board of Directors or Executive Board, issuer of the security, shall be personally and jointly liable for the good keeping and conservation of the bound products, being criminally and civilly liable for the statements contained in the security, as well as for any action or omission that may cause the deviation, deterioration, or loss of the products.

§ 2 Subject to the provisions of § 1, cooperatives may operate storage, packaging and cold storage units, as well as general bonded warehouses, pursuant to the provisions of [Chapter IV of Law No. 5,025, of June 10, 1966](#).

Art. 83. The handing over of the member's production to his cooperative means granting the cooperative full powers for its unrestricted use, including the right to encumber it and give it as guarantee for credit operations carried out by the cooperative, unless, in view of the uses and customs related to the commercialization of certain products and in the interest of the producer, the bylaws provide otherwise.

~~Art. 84. Rural credit cooperatives and the credit sections of mixed agricultural cooperatives may only operate with members, natural persons, who effectively and predominantly: [\(Repealed by Complementary Law 130, of 2009\)](#)~~

~~— I — develop, in the cooperative's area of action, agricultural, livestock or extractive activities; [\(Repealed by Complementary Law 130, of 2009\)](#)~~

~~— II — are engaged in fish capture and processing operations. [\(Repealed by Complementary Law 130, of 2009\)](#)~~

~~Sole paragraph. The operations referred to in this article may only be carried out with affiliated legal entities, provided that they exclusively engage in agricultural, livestock or extractive activities in the cooperative's area of action or capture or fish processing activities. [\(Repealed by Complementary Law 130, of 2009\)](#)~~

Art. 85. The farming and fishing cooperatives may acquire products from non-members, farmers, cattle raisers, or fishermen, to complete lots intended for the fulfillment of contracts or to supply the idle capacity of the industrial facilities of the cooperatives that own them.

Art. 86. Cooperatives may provide goods and services to non-members as long as this option meets their social objectives and is in compliance with this law.

~~Sole paragraph. In the case of credit unions and credit sections of mixed agricultural cooperatives, the provisions of this article shall only apply based on rules to be established by the regulatory body. [\(Repealed by Complementary Law 130, of 2009\)](#)~~

Art. 87. The results of the operations of the cooperatives with non-members, mentioned in articles 85 and 86, will be taken to the account “Fund for Technical, Educational, and Social Assistance” and will be accounted for separately in order to allow for the calculation of taxes.

~~Art. 88. Upon previous and express authorization granted by the respective federal executive body, in accordance with the rules and limits established by the National Cooperative Council, cooperatives may participate in public or private non-cooperative societies, on an exceptional basis, to meet accessory or complementary objectives.~~

~~Sole paragraph. The expenditures resulting from this participation will be accounted in a dedicated section and its eventual positive results will be taken to the “Fund for Technical, Educational and Social Assistance”.~~

Art. 88. Cooperatives may participate in non-cooperative societies to better fulfill their own objectives and others of an accessory or complementary nature. [\(Wording by Provisional Measure No. 2,168-40, of August 24, 2001\)](#)

Art. 88-A. The cooperative may have concurrent autonomous extraordinary legitimacy to act as a procedural substitute in defense of the collective rights of its members when the cause of action concerns acts of direct interest to members which are related to the cooperative's market operations, as long as this is provided for in its bylaws and there is an express authorization manifested individually by the member or through a general meeting which decides on the proposition of the legal measure. [\(Included by Law No. 13,806, of 2019\)](#)

SECTION IV Losses

Art. 89. The losses verified during the fiscal year will be covered with resources from the Reserve Fund and, if insufficient, through apportionment, among the members, in direct proportion to the services used, except for the option foreseen in the sole paragraph of article 80.

SECTION V The Labor System

Art. 90. Whatever the type of cooperative, there is no employment relationship between it and its members.

Art. 91. Cooperatives are equal to other companies in relation to their employees for the purposes of labor and social security legislation.

CHAPTER XIII Supervision and Control

Art. 92. The supervision and control of cooperative societies, pursuant to this law and specific legal provisions, shall be exercised, in accordance with the object of their operation, as follows:

I - the Central Bank of Brazil is responsible for the management of the credit unions and the credit sections of mixed agricultural cooperatives;

II - the National Housing Bank is responsible for the housing cooperatives;

III - the others by the National Institute for Colonization and Agrarian Reform.

§ 1 Upon authorization from the National Cooperative Council, the federal controlling bodies can request, when they deem necessary, the collaboration of other administrative bodies in the execution of the duties foreseen in this article.

§ 2 The cooperative societies will allow any verifications determined by the respective controlling bodies, providing the clarifications requested of them, and are obliged to annually send them the list of members admitted, dismissed, eliminated, and excluded during the period, copies of minutes, balance sheets, and reports for the fiscal year, as well as the Fiscal Board's report.

Art. 93. The government, through the central administration of the competent federal executive bodies, on its own initiative or at the request of the General Meeting or the Fiscal Board, will intervene in cooperatives when one of the following cases occurs:

I - contumacious violation of legal provisions;

II - threat of insolvency due to poor corporate management;

III - paralyzation of social activities for more than one hundred and twenty (120) consecutive days;

IV - non-compliance with article 56, § 2.

Sole paragraph. The provisions in this article apply, as applicable, to housing cooperatives.

Art. 94. The provision contained in § 2 of article 75 will be observed in the intervention process.

CHAPTER XIV National Cooperative Council

Art. 95. The general orientation of the national cooperative policy will be the responsibility of the National Cooperative Council (CNC), which will work together with the National Institute of Colonization and Agrarian Reform (INCRA), with full administrative and financial autonomy, in the form of [article 172 of Decree-Law No. 200, of February 25, 1967](#), under the chairmanship of the Minister of Agriculture and composed of 8 (eight) members appointed by the following representatives:

I - Ministry of Planning and General Coordination;

II - Ministry of Finance, through the Central Bank of Brazil;

III - Ministry of the Interior, through the National Housing Bank;

IV - Ministry of Agriculture, through the National Institute of Colonization and Agrarian Reform - INCRA, and the National Cooperative Credit Bank Ltd.;

V - Organization of Brazilian Cooperatives (OCB)

Sole paragraph. The entity referred to in item V of this article will have three (3) elements to be represented in the Council.

Art. 96. The Council, which will ordinarily meet once a month, will be presided over by the Minister of Agriculture, who will have the casting vote, and its resolutions will be voted on by simple majority, with the presence of at least three (3) representatives of the official bodies mentioned in items I to IV of the previous article.

Sole paragraph. In his eventual impediments, the Chairman's substitute will be the President of the National Institute of Colonization and Agrarian Reform.

Art. 97. The National Cooperative Council is responsible for:

I - editing normative acts for the national cooperative activity;

II - enacting norms that regulate, complement, and interpret the cooperative legislation;

III - organizing and keeping updated the general registry of national cooperatives;

IV - deciding, in the last instance, appeals originating from decisions of the respective federal executive body;

V - considering preliminary drafts aimed at revising the cooperative legislation;

VI - establishing conditions for the exercise of any elective positions in the administration or supervision of cooperatives;

VII - defining the conditions for the operation of the cooperative enterprise, referred to in article 18;

VIII - voting its own rules of procedure;

IX - authorizing, where conditions exist, the creation of Regional Cooperative Councils, defining their attributions;

X - deciding on the application of the National Cooperative Fund, pursuant to article 102 of this Law;

XI - establishing in a normative act or on a case by case basis, as deemed necessary, the limit to be observed in the operations with non-members referred to in articles 85 and 86.

Sole paragraph. The attributions of the National Cooperative Council do not extend to housing cooperatives, credit cooperatives, and credit sections of mixed agricultural cooperatives, insofar as they are governed by their own legislation.

Art. 98. The National Cooperative Council - CNC will have an Executive Secretariat that will be in charge of its administrative duties, and its Executive Secretary may request employees from any Public Administration body.

§ 1 The Executive Secretary of the National Cooperative Council will be the Director of the Rural Development Department of the National Institute of Colonization and Agrarian Reform (INCRA), and the referred Department will be in charge of the administrative duties of the National Cooperative Council.

§ 2 In the event that the Executive Secretary is unable to perform his/her duties, he/she will appoint a replacement for the Council.

Art. 99. The President of the National Cooperative Council is responsible for:

I - chairing the meetings;

II - convening extraordinary meetings;

III - pronouncing the casting vote.

Art. 100. The Executive Secretariat of the National Cooperative Council is responsible for:

I - carrying out the Council's resolutions;

II - communicating the Council's decisions to the respective federal executive body;

III - maintaining relations with the federal executive bodies, as well as with any other public or private bodies, national or foreign, which may influence the improvement of the cooperative movement;

IV - transmitting to the federal executive bodies and the higher entity of the national cooperative movement all the information related to the cooperative doctrine and practices of its interest;

V - organizing and keeping updated the general registry of national cooperatives and issuing the respective certificates;

VI - submitting to the Council, in a timely manner, the body's budget proposal, as well as the annual report of its activities;

VII - providing all the means to ensure the regular functioning of the Council;

VIII - performing any other activities necessary for the full exercise of the Council's attributions.

Art. 101. The Ministry of Agriculture will include, in its annual budget proposal, the financial resources requested by the National Cooperative Council - CNC, to pay for its operation.

Sole paragraph. The accounts of the National Cooperative Council - CNC, will be rendered through the Ministry of Agriculture, observing the specific legislation that regulates the matter.

Art. 102. The "National Cooperative Fund", created by the [Decree-Law no. 59, of November 21, 1966](#), to provide resources to support the national cooperative movement, is maintained with the National Cooperative Credit Bank Ltd.

§ 1 The Fund referred to in this article will be supplied by:

I - allocation included in the budget of the Ministry of Agriculture for the specific purpose of promoting cooperative activities;

II - interest and amortization of the financing carried out with its resources;

III - donations, legacies and other eventual income;

IV - allocations from the Federal Agricultural Fund and the National Institute for Colonization and Agrarian Reform (INCRA).

§ 2 The resources from the Fund, minus what is necessary to pay for its administration, will be applied by the National Cooperative Credit Bank Ltd., obligatorily, to finance activities that are of relevant interest to the supply of the population, at the discretion of the National Cooperative Council.

§ 3 The National Cooperative Council can, because of the Fund, authorize the concession of incentives or aids for the execution of activities that, because of their social and economic relevance, contribute to the development of the national cooperative system.

CHAPTER XV Government Bodies

Art. 103. Cooperatives will remain subordinated, as far as regulations are concerned, to the National Cooperative Council, with the exception of credit unions, the credit sections of mixed agricultural cooperatives, and housing cooperatives, whose norms will continue to be established by the National Monetary Council, for the first two, and the National Housing Bank, for the last one, in accordance with the provisions in article 92 of this Law.

Sole paragraph. The federal executive bodies, aiming at the decentralized execution of their services, may delegate their competence, totally or partially, to bodies and entities of the state and municipal administration, as well as, exceptionally, to other bodies and entities of the federal administration.

Art. 104. The federal executive bodies will communicate all changes in the cooperatives under their jurisdiction to the National Cooperative Council for the purpose of updating the general national cooperative registry.

CHAPTER XVI Representation of the Cooperative System

Art. 105. The representation of the national cooperative system is the responsibility of the Organização das Cooperativas Brasileiras - OCB (Organization of Brazilian Cooperatives), a civil society, headquartered in the Federal Capital, a technical-consultative body of the Government, structured in accordance with the terms of this Law, with a non-profit purpose, and primarily responsible for:

- a) maintaining political neutrality and racial, religious, and social indiscrimination;
- b) integrating all the branches of cooperative activities;
- c) keeping a register of all the cooperative societies that, for all intents and purposes, are part of the Organization of Brazilian Cooperatives - OCB;
- d) maintaining general assistance services to the cooperative system, either as to the social structure, or as to operational methods and legal orientation, by means of opinions and recommendations, subject, when applicable, to the approval of the National Cooperative Council - CNC;
- e) reporting to the National Cooperative Council practices harmful to the cooperative development;
- f) issuing opinions on the processes forwarded to it by the National Cooperative Council;
- g) having specialized advisory sectors, according to the cooperative branches;
- h) setting the organization's policy based on the proposals coming from its technical bodies;
- i) performing other activities inherent to its condition as an organ of representation and defense of the cooperative system;
- j) maintaining relations of integration with similar entities abroad and their cooperatives.

§ 1 The Organization of the Brazilian Cooperatives - OCB, will be composed of entities, one for each State, Territory and Federal District, created with the same characteristics as the national organization.

§ 2 The General Meetings of the central body will be formed by the accredited representatives of the affiliates, one (1) per entity, with proportionality of votes allowed.

§ 3 The voting proportionality established in the previous paragraph shall be at the discretion of the OCB, based on the number of members - individuals and the exceptions foreseen in this Law - that make up the membership of the affiliated cooperatives.

§ 4 The composition of the Board of Directors of the Organization of the Brazilian Cooperatives - OCB will be established in its bylaws.

§ 5 The elections for Board of Directors and Fiscal Board positions will be held by secret ballot, with reelection permitted for one more consecutive term.

Art. 106. The current Organization of the Brazilian Cooperatives and its affiliates are vested with the attributions and prerogatives conferred by this Law, and must, within one (1) year, promote the adaptation of their bylaws and the transfer of the national headquarters.

Art. 107. For cooperatives to operate, they are required to register with the Organization of the Brazilian Cooperatives or with the state entity, if any, upon presentation of their bylaws and subsequent amendments.

Sole paragraph. Upon registration, the cooperative will pay ten percent (10%) of the highest minimum wage in effect if the sum of its paid-in capital and funds does not exceed two hundred and fifty (250) minimum wages, and fifty percent (50%) if the amount is higher.

Art. 108. In addition to the payment foreseen in the sole paragraph of the previous article, a Cooperative Contribution is instituted, which shall be collected annually by the cooperative after the closing of its fiscal year, in favor of the Organization of the Brazilian Cooperatives referred to in article 105 of this Law.

§ 1 The Cooperative Contribution shall consist of an amount corresponding to two tenths percent (0.2%) of the value of the cooperative society's paid-in capital and funds in the previous year's fiscal year, and the respective amount shall be distributed in half to its members when they are established.

§ 2 In the case of central cooperatives or federations, the Contribution referred to in the previous paragraph shall be calculated on existing funds and reserves.

§ 3 The Organization of the Brazilian Cooperatives can establish a limit for the Cooperative Contribution, based on studies elaborated by its technical team.

CHAPTER XVII Credit Incentives

Art. 109. The National Cooperative Credit Bank Ltd. will be in charge of promoting and supporting the cooperatives, by granting the necessary financing for their development.

§ 1 The National Cooperative Credit Bank Ltd. may receive deposits from credit unions and the credit sections of mixed agricultural cooperatives.

§ 2 The National Cooperative Credit Bank Ltd. may operate with individuals or legal entities which are not part of the cooperative's membership as long as it is beneficial to the cooperatives and they are included in the banking operation.

§ 3 The National Cooperative Credit Bank Ltd. shall keep specific credit lines for cooperatives, according to the object and nature of their activities, at low interest rates and appropriate terms, including a system of guarantees adjusted to the peculiarities of the cooperatives to which they are destined.

§ 4 The National Cooperative Credit Bank Ltd. will maintain a special line of credit for financing capital quotas.

Art. 110. The contribution referred to in [article 13 of Decree-Law No. 60, of November 21, 1966](#), as amended by [Decree-Law No. 668, of July 3, 1969](#), is hereby extinguished.

CHAPTER XVIII General and Transitory Provisions

Art. 111. The positive results obtained by cooperatives in the operations dealt with in articles 85, 86, and 88 of this Law will be considered taxable income.

Art. 112. The General Balance Sheet and the Report for the fiscal year that the cooperatives must submit annually to the controlling bodies will be accompanied, at the judgment of the latter, by an opinion issued by an independent auditing service accredited by the Organization of the Brazilian Cooperatives.

Sole paragraph. In special cases, in view of the Cooperative's headquarters, the volume of its operations, and other circumstances worthy of consideration, the requirement to present an opinion may be waived.

Art. 113. Once the deductions determined by the specific legislation have been met, the cooperative societies will have first priority to receive their credits from legal entities that discount the payroll of their employees, who are cooperative members.

Art. 114. A period of thirty-six (36) months is established so that the cooperatives that are currently registered with the competent bodies can reformulate their bylaws, as far as applicable, adapting them to the provisions of this law.

Art. 115. The Cooperatives of the States, Territories or the Federal District, until they constitute their representative bodies, will be summoned to the OCB Assemblies, as members, sixty (60) days in advance, by means of notices published three (3) times in a newspaper of wide local circulation.

Art. 116. This Law does not alter the provisions of the systems instituted for housing cooperatives and credit unions, and the regime instituted for the latter will also apply to the credit sections of mixed agricultural cooperatives, as far as applicable.

Art. 117. This Law will come into effect on the date of its publication, repealing all provisions to the contrary and specifically the [Decree-Law No. 59, of November 21, 1966](#), as well as the [Decree No. 60,597, of April 19, 1967](#).

Brasília, December 16, 1971; 150th year of the Independence and 83rd year of the Republic.

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This text does not replace the one published in the Brazilian Official Gazette (DOU) of December 16, 1971

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