

CO-OPERATIVE RECEIVERSHIPS
AND ITS PROBLEMS

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PREFACE

The major reasons for the failures of the 24 Deposit-taking Co-operatives (DTCs) are recession, unregulated growth of the DTCs, mismanagement and corruption, precedence of politics over professionalism, precedence of profits over service and common welfare and the lack of supervision of the Jabatan Pembangunan Koperasi (JPK).

There are many aspects of the situation that could be covered, i.e. the DTCs point of view, the receivers' point of view, and the publics point of view.

This research paper deals with only the receivers' point of view.

Thus, the materials presented in this research paper will outline the Co-operative movements in general, the receivers of the Co-operatives and the problems faced by the receivers. The context contained herein are from interviews and related literatures.

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1.0 STATEMENT OF THE PROBLEM

The object of this research paper is to outline the Co-operative movement in general.

Recently, there have been several cases, 24 to be exact, where deposit-taking co-operatives (DTCs) have had their assets frozen under the Essential (Protection of Depositors) Regulation, 1986. Bank Negara Malaysia (BNM) have put these Co-operatives under receiverships.

Seventeen firms of Accountants were appointed by BNM as receivers, to take over the management of these Co-operatives. The receivers have been assigned several duties and powers by the BNM. This is to enable them to carry out the management of these Co-operatives until either the final payment have been executed or until a certain date, yet to be determined by BNM. Therefore, this paper will also be outlining the powers and duties of a receiver in relation to the DTCs.

Even so, the receivers have encountered several problems in carrying out their duties. These problems will be discussed and a satisfactory solution suggested.