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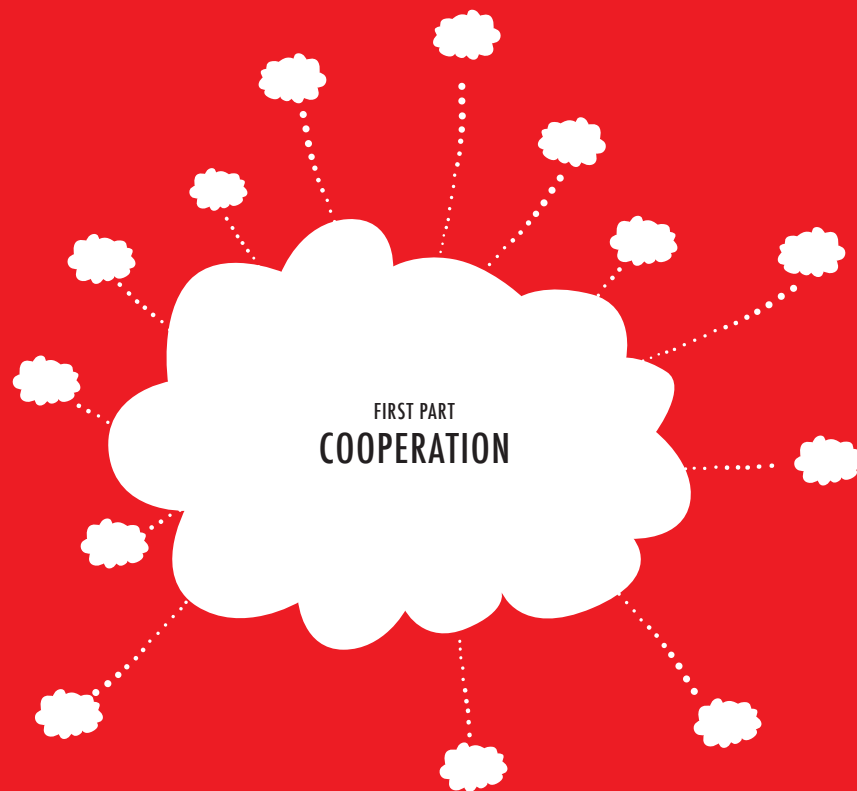
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GLOSSARY



1. INTRODUCTION TO THE WORLD OF COOPERATION

1.1. WHAT IS A COOPERATIVE

A cooperative is:

- an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise;
- an enterprise in which the accrual of capital is aimed at reinvestments by the enterprise itself;
- an enterprise managed by its own members, who all have an equal say on its choices;
- indivisible;
- characterized by the transfer of its assets to new generations of members.

Cooperation is therefore an effective and captivating tool for the accomplishment of a new entrepreneurial culture.

1. INTRODUCTION TO THE WORLD OF COOPERATION

1.2 HISTORY OF COOPERATION

Milestones of cooperation in Europe. Cooperation came about in the first half of the nineteenth century in England, during the Industrial Revolution. In 1844 labourers, who had to endure exhausting working conditions for scarce salaries, set up in Rochdale the first cooperative, to provide necessities at affordable prices even to the poorest.

Those labourers, who are known today as the “Rochdale Equitable Pioneers”, still inspire the cooperative world with their principles:

- democracy (one member, one vote),
- sharing of values and interests,
- solidarity
- no gender- or religion-based discrimination,
- equality.

Milestones of cooperation in Italy. Italy was one of the first European countries touched by the spreading of cooperatives, above all because of its delayed industrial development.

- In 1860 in Bologna the first Labourers' Mutual Aid Society was set up
- During the Fascist regime cooperatives were attacked, plundered and deprived of their autonomy.
- 1945 saw the beginning of a recovery, thanks to the work of the Committee for National Liberation.
- In 1947 cooperation was recognized by article 45 of the Constitution: “The Republic recognizes the social function of cooperation based on mutuality and without private speculation purposes...”.
- During the Sixties/Seventies cooperatives kept gaining strength in the market,
- The Eighties were characterized by an economic crisis, but cooperation was able to react thanks to strategic innovation, strengthening of social guarantees and implementation of cooperative values.

1. INTRODUCTION TO THE WORLD OF COOPERATION

1.3 VALUES AND PRINCIPLES OF COOPERATIVES

The following are the values of cooperatives:

- Mutuality;
- Solidarity;
- Democracy;
- Pluralism.

Cooperatives put their values into practice through the following key principles:

- One member, one vote
- Participation
- Mutualistic nature
- Non-speculative nature
- Open doors
- Cross-generational solidarity
- Cross-cooperative solidarity
- Mutuality towards third parties

1.4 THE COOPERATIVE SYSTEM

An important reference point for cooperatives is represented by their trade associations (Legacoop and Confcooperative are the main two; AGCI and UNCI are also recognized). Those associations provide assistance to cooperatives during the set-up process, for tax and administration services and for political and social representation; furthermore they allow cooperatives to become part of a system of enterprises cooperating on shared projects.

1.5 WHY COOPERATIVES?

Here are some reasons to choose to set up a cooperative:

- becoming an entrepreneur is easier and less risky;
- through cooperation individual entrepreneurial ideas, projects and work combine, interact, become richer, take advantage of the experience and know-how of a more complex organization which, on several occasions, has proved that it can work as a system.
- in cooperation there is no difference between employer and employee.

A stylized black silhouette of a person wearing a hat, holding a large white rectangular sign. The sign contains the text 'SECOND PART HOW TO SET UP A COOPERATIVE'. The background is a solid red color.

SECOND PART HOW TO SET UP A COOPERATIVE

KNOWING COOPERATIVES

2.1 WHAT IS A COOPERATIVE

According to article 2511 of the civil code, cooperatives are open end companies characterized by their mutualistic purpose.

- A company is an enterprise with at least three members. There must be at least nine members to have a regime similar to public companies.
- Open end means that the capital is not set at a given amount, but it varies based on the number of members and on their individual equity stake.
- Mutualistic purpose. The mutualistic requisites are at heart of the cooperative discipline. Cooperatives with a prevalent mutuality must include the following mutualistic requisites in their articles of association (article 2514 of the civil code):
 - the prohibition to distribute dividends for an amount above the maximum interest of the postal savings certificates, with a 2.5% increase on the called up capital;
 - the prohibition to pay the financial instruments (e.g. shares issued by the cooperative) offered in subscription to cooperating members in excess of 2% of the maximum limit for dividends;
 - the prohibition to distribute the reserves among cooperating members;
 - the obligation, in case of dissolution of the association, of devolution of all the assets, apart from the association capital and any developed dividend, to mutualistic funds for the development and promotion of cooperation.

KNOWING COOPERATIVES

2.1.1 COOPERATIVE TYPOLOGIES

Depending on the type of mutualistic relation between the cooperative and its members, the law in force identifies three cooperative typologies:

- **consumption cooperatives.**

They carry out their activity for their members, who are consumers or users of goods and services;

- **work cooperatives.**

In carrying out their activity, they take advantage of their members' work ("working members");

- **contribution cooperatives.**

In carrying out their activity they receive goods or services by their members.

KNOWING COOPERATIVES

2.1.2 COOPERATIVE CATEGORIES

Furthermore, cooperatives are divided in categories, depending on the activity they carry out.

The main categories are:

- Consumers' cooperatives (they provide their members/consumers both consumables and durable goods at better prices than those of the market);
- Production and work cooperatives (they allow their members to have better working conditions, both quality- and remuneration-wise, than those of the market);
- Agricultural cooperatives (set up by farmers who carry out both direct farming and marketing and processing of agricultural products contributed by other members);
- Housebuilding cooperatives (they build houses which are then allocated to members);
- Transport cooperatives (they provide members with logistic, administrative, order acquisition services or manage their own carrier services through working members);
- Fishing cooperatives (set up by fishers who carry out activities such as the purchasing of consumables or durable goods, the marketing of fishing products or their processing);
- Retailers' cooperatives (set up by entrepreneurs in order to provide services such as collective purchasing and administrative and financial services);
- Social cooperatives (governed by law 381 of 1981 and aiming at pursuing the general interest of the community in promoting individuals and integrating citizens from the social standpoint). There are two types of social cooperatives:
 - those managing socio-medical and educational services (type A);
 - those carrying out various activities (agricultural, industrial, business or service) aimed at the placement of the disadvantaged (type B).

Besides being part of this categories, social cooperatives, depending on the activity they carry out, must be included in one of the above categories, which must be considered also for the classification in one of the three main typologies.

KNOWING COOPERATIVES

2.2 OTHER FEATURES OF COOPERATIVES

KNOWING COOPERATIVES

2.2.1 MEMBERS

Members:

- finance the cooperative;
- must have the necessary requisites, described in the civil code (article 2527, paragraphs 1 and 2) or in an appropriate internal regulation approved by the members' meeting;
- based on their training or placement in an enterprise, may be included in the "special member" category;
- are backing members when they do not take part in the mutualistic exchange, providing exclusively financial support.

2.2.2 PREVALENCE

Cooperative are divided into:

- cooperatives with a prevalent mutuality;
- cooperatives with non-prevalent mutuality.

The cooperatives with a prevalent mutuality:

- prevalently carry out their activity for their members, who are consumers or users of goods and services;
- in carrying out their activity, they prevalently take advantage of their members' work;
- in carrying out their activity they prevalently receive goods or services by their members.

Social cooperatives are always considered with a prevalent mutuality according to the Italian law.

KNOWING COOPERATIVES

2.2.3 MONEY REFUND

- allows to redistribute among the members the profits of the cooperative related to the activity carried out with the members themselves;
- may allow an integration of wages (in the case of work cooperatives) which may not exceed 30% of the current wages paid in the social activity;
- may allow a reimbursement of costs or an increase of revenues for the activity carried out with a member;
- may be paid cash, by increasing the association capital or by issuing financial instruments.

2.2.4 SHARES AND STOCKS

The nominal value of each share or stock may vary between 25 and 500 euros. The maximum capital amount that any cooperating member may hold within the cooperative is 100,000 euros (article 2525 of the civil code, paragraphs 1 and 2). Said limits are not applied in case of contributions in kind or in credit and with reference to members who are not natural persons and to the subscribers of financial instruments having administration rights.

KNOWING COOPERATIVES

2.2.4.1 REVALUATION OF SHARES AND STOCKS

Cooperatives and their consortiums may allocate part of the profits to a gratuitous increase of the subscribed and called-up association capital. This way the aforementioned maximum limits may be exceeded, albeit in compliance with the limits of the variations of the yearly general national index of consumer prices for labourers' and employees' families, computed by the Italian Statistics Institute (ISTAT) for the period corresponding to the accounting period in which the profits were generated.

The above provisions also apply to the actions of funding members. The amount of profits allocated to a gratuitous increase of the association capital does not add to the taxable income; capital reimbursement is subject to taxes, to be paid only by the members during the fiscal period in which the reimbursement is paid up to the amount allocated to increase shares or stocks.

2.2.5 THE SOCIAL LOAN

Members may finance the cooperative also through the social loan, provided that the following conditions are met:

- the amounts collected by each member may not exceed given thresholds (from January, 1st 2004, 60,063 euros for production and work cooperatives, agricultural cooperatives and housebuilding cooperatives, 30,031 euros for the other cooperatives);
- the amounts must be exclusively devoted to funding association activities;
- the cooperative must comply with the mutualistic requisites and it is subject to the related regulations issued by the Bank of Italy.



THE FRAME WORK

THE FRAMEWORK

3.1 THE SOCIAL BODIES

Cooperatives, as legal persons, operate through bodies, i.e. they carry out their functions through natural persons who are given specific duties. Such bodies may either be individual (e.g. the chairperson, as legal representative, the sole director), or corporate (the members' meeting, the board of statutory auditors, the board of directors, the managers).

3.1.1 MEMBERS' MEETING

- may be ordinary or extraordinary;
- must be summoned at least once per year, within 120 days from the closing of the accounting period;
- is summoned by the managers with a notice indicating the location, time of summons and agenda;
- allows the participation of all the members included in the members' register; only the cooperating members who have been registered for at least ninety days are entitled to vote.

THE FRAMEWORK

3.1.2 BOARD OF DIRECTORS

The Board of directors:

- is the body of the cooperative which manages the social enterprise, in compliance with the strategic guidelines determined by the Members' meeting and with the limitation of the articles of association;
- is subject to the meeting, which appoints it and must place its trust on it for the whole term;
- is composed of managers who hold office for a maximum of three accounting periods, their office ending on the date of summons of the meeting for the approval of the statements for the last accounting period of their office;
- requires the election of a chairperson, who is the legal representative of the cooperative and has the duty of summoning the Board of directors, drafting an agenda and providing all the directors with the information on the subjects to be discussed.

Two other systems may be chosen for cooperatives similar to public companies:

- monistic system: the meeting appoints a Board of directors, which must manage the cooperative and appoint internally a committee for management control, having the functions of the board of statutory auditors, accounting control activity excluded;
- dualistic system: the meeting appoints a supervision board in charge of approving the financial statements, it carries out the functions of the board of statutory auditors, it reports to the meeting and finally appoints and calls off the management board, in charge of managing the cooperative.

THE FRAMEWORK

3.1.3. BOARD OF STATUTORY AUDITORS AND ACCOUNTING VERIFICATIONS

The Board of statutory auditors:

- is composed of 3 permanent members (one of which is the chairperson) and 2 deputy members, chosen in the auditors' register at the Ministry of Justice;
- is appointed by the members' meeting and it holds office for 3 years;
- must be compulsorily appointed in any of the following cases:
 - if the articles of association so require;
 - if the cooperative issues non-participatory financial instruments;
 - when the limits set in articles 2477 and 2435-bis of the civil code are exceeded;
 - association capital exceeding 120,000 euros
 - if for two successive accounting periods two of the following conditions verify:
 - assets exceeding 3,125,000 euros;
 - profits exceeding 6,250,000 euros;
 - more than 50 employees on average.
- is the body controlling the performance of association activities. Summing up, it has the following functions:

1) Administrative control:

- control on the compliance with the law and the articles of association;
- control on the compliance with the principles of correct administration;
- control on the adequacy of the organizational, administrative and accounting configuration of the company and on its actual activity;
- report, upon the approval of the financial statements, on the criteria followed in managing the association as regards the attainment of the mutualistic purpose and the subsistence of the mutualistic prevalence requisite.

2) Accounting control:

- quarterly verification during the accounting period of the correct keeping of the association books and of the correct introduction of management facts in the accounting documents;
- verification of the correspondence of the accounting period statements and of the consolidated statements (if any) to the accounting documents and the verifications carried out; verification of the compliance of said documentation with the related regulations;
- specific report with a judgement on the accounting period statements and on the consolidated statements (if any).
- may carry out both the administrative and the accounting verifications, or only the administrative verification, while the accounting verification is entrusted to an external auditor or to an auditing company.

THE FRAMEWORK

3.1.4 COOPERATIVE CONSORTIUMS AND GROUPS

The principle of collaboration among cooperatives is included in the principles of the International Co-operative Alliance. In Italy there are intense economic and financial relations among cooperatives. From the legal standpoint, such relations take place above all through the instrument of cooperative consortiums and through the participation in mutualistic enterprises in ordinary companies.

Consortiums are associations created to provide specific services, such as: purchase of raw materials, marketing of products, shared performance of given activities.

Furthermore, the reform of corporate law introduced the "joint cooperative group" (article 2545-sep-ties of the civil code), with which several cooperatives, also from different categories, regulate, possibly as a consortium, the management and coordination of their respective enterprises.

3.1.5 SUPERVISION AND PUBLIC CONTROLS

Currently there are three different control regimes:

- larger cooperatives must undergo financial statements certification (besides the administrative supervision mentioned below);
- "medium" cooperatives are subjected to a yearly administrative inspection by officials appointed by Cooperative Associations (if they are part of them) or by the Ministry for Production Activities (through the Provincial Work Department);
- smaller cooperatives are subjected to a biennial administrative inspection.

Such controls, which integrate those implemented for every company, aim at guaranteeing a transparent management and the correct administrative operation of the cooperative, verifying not only the accounts and the financial statements, but also the compliance with the mutuality principle in managing the cooperative business and the compliance of the latter with the law and the articles of associations.



STEP BY STEP GUIDE

STEP BY STEP GUIDE

4.1 STEP 1: DEFINITION

The first step towards the creation of a cooperative is defining the Memorandum of association, the Articles of association and the regulations.

- The Memorandum of association, of which the articles of association are integral part, must include:
 - for every member who is a natural person: personal details, tax number, profession;
 - for every member who is a legal person: corporate name, corporate domicile, tax number and details of the person in charge of representing the company within the cooperative;
 - appointment of the first association bodies: Board of directors (including the chairperson and the deputy chairperson), Board of statutory auditors (if any; including chairperson, permanent and deputy members) and person in charge of accounting verifications.
- The Articles of association, the necessary instrument setting the general rules of the association, must include:
 - corporate name, corporate domicile and term of the association;
 - mutualistic requisites;
 - objective and association purpose;
 - typologies of members allowed;
 - conditions for the admission, the withdrawal and the exclusion of members;
 - association bodies and their function;
 - composition of the association assets;
 - regulations for the approval of the accounting statements and for the allocation of profits and money refund;
 - arbitration clause (if any) for controversies.
- Furthermore, the relations between the cooperative and its members may be governed by specific regulations. Such regulations must be approved by the meeting. In particular, it is necessary to approve the regulations described in law 142, which governs the relation between members and cooperative and must be filed at the provincial office of the Ministry of Labour.

STEP BY STEP GUIDE

4.2 Step 2: REGISTRATION

The second step is the registration of the cooperative in the Register of companies. The memorandum of association is registered in the Register of companies by a notary of the area of the corporate domicile.

4.3 Step 3: INCORPORATION IN THE NATIONAL REGISTER

The incorporation in the National register of cooperatives is compulsory for all the cooperatives, regardless of whether they are with a prevalent mutuality or not.

The register is held at the Ministry for Production Activities, which has offices at the Chambers of commerce and is composed of two sections: Cooperatives with a prevalent mutuality and cooperatives with non-prevalent mutuality. Incorporated companies are included in specific categories determined by the activity they carry out.

The incorporation number must be stated in the documents and mail of the cooperative.

4.4 Step 4: START OF THE ACTIVITY

After the first three steps, the cooperative activity may be started, giving formal notice of the start of the activity to the municipal authorities (councillorship for production activities).

Depending on the type of activity chosen, further authorizations may be required (e.g. for serving food and drinks).

However, it is appropriate to recall the formal documents and compliances to be taken into account.

STEP BY STEP GUIDE

4.4.1. DOCUMENTATION OF A COOPERATIVE

Cooperatives must keep the following documents:

- Association books:
 - Book of meeting proceedings, containing the records of ordinary and extraordinary members' meetings.
 - Board of directors record book, containing the records of the Board of directors.
 - Board of statutory auditors record book, in which the Board of statutory auditors writes the results of all its verifications.
 - Book of accounting verifications, in which the auditor or the auditing company documents their verification activity and reports its results.
 - Members' register, containing all the members' names and personal details, as well as their subscribed share of association capital. All the measures, as well as new admissions, transfers, exclusions and deaths are reported in it.
- Accounting books:
 - Journal: it is the chronological record of the economic activity of the cooperative, with the day-by-day expenses and purchases and all the financial and accounting operations.
 - Inventory book: compiled at the beginning of the entrepreneurial activity and then once a year; it contains indications and estimates on the assets and liabilities of the enterprise.
 - VAT registers: they contain all the invoices issued and received by the cooperative.
 - Register of depreciable goods: contains a list of goods purchased by the cooperative, which are useful or necessary for its activity and can be depreciated.
- Warehouse books: used by cooperatives which must keep stock accounting.
- Work relation books: they are related to the cooperative employees and they are compulsory. They include the Payroll, the Registration book and the Accident register.

STEP BY STEP GUIDE

4.4.2. FORMALITIES TO COMPLY WITH LAW REQUIREMENTS

When a cooperative is started, it is important to make sure that it complies with the law.

In particular, two law decrees on safety and privacy must be taken into account:

- Law Decree 626/94 on hygiene and safety in the workplace (drafting of a document on hazard assessment; appointment of a person in charge of the prevention and protection service, of fire-fighting and first aid personnel; information and training for workers, appointment of a qualified medical doctor; drafting of a fire hazard assessment document, etc.).
- Law Decree 196/03 Regulations on personal data treatment (to be taken into account for resolutions, engagement letters, safety measures, safety planning documents, reports, etc.).

GLOSSARY

Accounting period statements

Calculation of the receipts and expenditures in a given period for the administrative management of an organization or company; the document reporting said calculation.

Agricultural consortiums

Cooperatives "aiming at contributing to the improvement of agricultural production, as well as to the arrangement and management of useful services for agriculture"; they are regulated by special law No. 410 of October, 28th 1999.

Agricultural cooperatives

Cooperatives of farmers for the cultivation, transformation, conservation, marketing and distribution of agricultural products.

Agricultural work cooperatives

Cooperatives dealing with land management.

Article 45 of the Italian Constitution

"The Republic recognizes the social function of cooperation based on mutuality and without private speculation purposes. The law promotes and encourages cooperative development with the most appropriate means and it guarantees its features and objectives with suitable controls".

Association capital variability

In cooperatives, the association capital is not a preset amount. Therefore, the admission of new members in the cooperative does not require a change to the articles of association.

Board of directors

In a cooperative, the executive body appointed by the Members' meeting and chaired by the Chairperson.

Board of statutory auditors

It is the control body of the cooperative. In compliance with the structural, economic and management features of the cooperative, its appointment is compulsory and its components must have specific professional requisites.

Consumers' cooperatives

They are aimed at helping members (and non-members) with favourable prices.

Cooperation

Activity, economic, social and cultural organization based on cooperative associations; all the cooperatives of an economic sector or a geographical area.

Cooperative

Open-end company characterized by its mutualistic objectives, regulated by the

civil code and by special laws. It is composed of several members and it aims at obtaining goods or services or at managing an economic activity at conditions that are more favourable than those of the market, it is non-profit making and the profits are not shared among the members, but they are reinvested to pursue the cooperative objectives.

"A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise". (Statement on Cooperative Identity adopted at the XXXI General Assembly of the International Co-operative Alliance, held in Manchester in 1995).

Cooperative consortiums

(Second-level) cooperatives set up by cooperatives to carry out shared economic activities, for production coordination and for shared services.

Cooperatives for the contribution of agricultural and farming products

Service cooperatives set up by (agricultural and food) farms

Democratic management

Cooperatives are democratic and participatory organizations managed by members, who enjoy equal rights in compliance with the "one member - one vote" principle, regardless of the value of the share or the number of shares owned.

Different cooperatives

In the civil code, "different" cooperatives are those in which mutuality is not prevalent.

External mutuality

It is a concept which aims at defining the social function of cooperation as an answer to the needs of society and as a resource of local communities (local investments, employment, etc.). It is typical of social cooperatives (since they work, in the general interest of society, for the human promotion and social integration of citizens through socioeducational and welfare services and working placement of the disadvantaged).

Fishing cooperatives

They are aimed at sharing fishing and related activities.

(Former) small cooperative

Cooperative having between 3 and 8 members (natural persons). The new civil code states that "small cooperatives" must be transformed into cooperatives acting as limited liability companies.

Funding member

A backing member (natural or legal person) investing capital in the cooperative in order to gain profits.

Housebuilding cooperatives

Cooperatives aiming at the allocation of houses to their members, as property or in use.

Joint cooperative group

Contract with which several cooperatives, also from different categories, regulate, possibly as a consortium, the management and coordination of their respective enterprises.

LEGACOOP

National league of cooperatives and mutual associations. One of four legally recognized cooperative centrals working as a representation, assistance and protection association for cooperatives.

Member

A member is the natural or legal person who participates, in various capacities, in the cooperative through the subscription of a share of the association capital. The members may be: cooperating members, backing members (and, in social cooperatives, also voluntary members). In order to set up a cooperative there must be at least nine members. In special situations a minimum of three members is acceptable.

Memorandum of a cooperative

A cooperative must be started through a public deed. The memorandum sets the rules for the mutualistic activity and it can include activities with third parties by the cooperative.

Money refund

The members' meeting may decide, if the economic conditions so allow, to allocate an economic-property award (also known as Money refund) to the members who started a mutualistic exchange with the cooperative. Said refund shall be proportional to the intensity of the relation between the members and the association.

Mutualistic funds

Instituted with law 59/92 and recalled in the New Civil Code, these are national funds constituted through the yearly compulsory deposit of 3% of the cooperatives' profits and the corporate assets of dissolved cooperatives or of cooperatives transformed in other kinds of companies. They are aimed at promoting and developing cooperation.

Mutualistic requisites (in cooperatives with a prevalent mutuality)

Cooperatives with a prevalent mutuality must include in their articles of association: a) the prohibition to distribute dividends for an amount above the maximum interest of the postal savings certificates, with a 2.5% increase on the called up capital; b) the prohibition to pay the financial instruments offered

in subscription to cooperating members in excess of 2% of the maximum limit for dividends; c) the prohibition to distribute the reserves among cooperating members; d) the obligation, in case of dissolution of the association, of devolution of all the assets, apart from the association capital and any developed dividend, to mutualistic funds for the development and promotion of cooperation. The cooperatives determine the introduction and elimination of the clauses under the above paragraph with the majorities set for extraordinary meetings.

Mutuality

Mutuality is one of the basic values of cooperatives. It means that the objective is "to provide goods or services or working opportunities directly to the members of the association, at more favourable conditions than those that may be obtained on the market". By virtue of the mutualistic exchange, the cooperatives with a prevalent mutuality behave as follows: 1) they carry out their activity mainly for their own members, consumers or users of goods or services; 2) in carrying out their activity they mainly resort to their own members' work; 3) in carrying out their activity they mainly resort to contributions in terms of goods or services by their own members. Prevalence is defined with reference to revenues and costs. Social cooperatives and cooperative credit banks are always considered cooperatives with a prevalent mutuality. The cooperatives in which mutuality is not prevalent are defined "different".

National register of cooperatives

Cooperatives must be registered in it through the local Chamber of Commerce (it replaces the prefect's register).

One member, one vote

During the association meetings, each cooperating member (natural person) is entitled to one vote, regardless of the number of shares owned.

Open doors

The cooperative has the features of an "open" company: anybody can become part of it, in compliance with the rules of the articles of association and with the requisites every member must have as regards the association purpose, with no discrimination whatsoever.

Other cooperatives

In the classification of the National register of cooperatives, this is the definition for the cooperative which cannot be included in the sectors identified in the register.

Production and work cooperatives

Cooperatives whose purpose is to provide employment for their members in manufacturing or service activities.

Profits

The main peculiarities of profit destination are related to the fact that the members' meeting, upon approving the accounting period statements, must allocate at least 30% of the yearly net profits to the ordinary and indivisible legal reserve fund and 3% to the mutualistic funds.

Regional register of cooperatives

It is managed by the Provincial authorities. Social cooperatives willing to entertain conventional relations with Tuscan local governments must be registered in it.

Regulations

The relations between associations and their members may be governed by regulations, which determine the criteria and rules related to the performance of the mutualistic activity between association and members. Regulations, when they are not integral part of the memorandum, are approved by the meeting with the majorities set for extraordinary meetings (see working member).

Retailers' cooperatives

Distribution cooperatives of retailers.

Review

Specific legal supervision tool for cooperatives. It is applied through ordinary (yearly or biennial, according to the specific features of cooperatives) and extraordinary inspections.

Social cooperatives

Cooperatives for the management of educational and socio-medical services, also aimed at the placement of the disadvantaged, subject to law 381/91.

Solidarity

It is one of the key principles of any cooperative. Solidarity is mainly based on the sharing of ideas, purposes and responsibilities, on mutual support, on the sense of belonging and on the awareness of shared interests and aims.

Special member

The memorandum may include the admission of a new member in a special category based on his training or his placement in an enterprise.

Tax concessions (for cooperatives)

The cooperatives, which are based on the principles of mutuality, may benefit from special tax concessions, provided that the articles of association contain specific requisites, which are complied with in everyday activities, and that special tasks are carried out.

Transport cooperatives

Cooperatives dealing with the transport of goods and people, goods loading and unloading, shipping.

Type A social cooperative

It aims at providing a job to all those citizens who would otherwise be confined in jails or charitable institutions. It devises actions at the local and domestic level, setting up relationships with the communities to which the workers belong.

Type B social cooperative

It is aimed at the employment, within the cooperative, of especially disadvantaged subjects, with quite serious psychical and physical handicaps.

Working member

It is the typical relation applied in cooperatives, where the mutualistic approach includes working activities by members. Said relation, which goes beyond the simple membership, is governed by the law and by an appropriate internal regulation.