



**ICOS Guide**  
**to**  
**Starting a Co-operative**

**Irish Cooperative Organisation Society**

**CoOp.ie**

# ICOS

The Irish Co-operative Organisation Society (ICOS) is a co-operative umbrella organisation that serves and promotes commercial co-operative businesses and enterprise across multiple sections of the Irish economy. Our mission is to promote leadership, competitiveness and value through stronger co-operation and world class service. We aim to embrace the pioneering, innovative and tenacious spirit of our founding members to help strengthen our co-operatives operating in today's commercial and competitive world.

Our core values are:

## Innovation - Direction - Sustainability

**Innovation** - As the umbrella organisation representing many of Ireland's co-operatives, ICOS has a responsibility to sense the future, innovate and help evolve the co-operative movement to help meet the needs of its members and the needs of the market place.

**Direction** - ICOS is the unifying voice for Irish co-operatives. ICOS endeavours to show leadership and direction to maintain sustainable business growth in an ever growing globally competitive marketplace.

**Sustainability** - ICOS strives to deliver tangible value to its members. We aim to educate our members on the value of the co-operative, encourage and develop the next generations of co-op leaders to ensure sustainability, self-governance and self-responsibility.

ICOS member co-operatives collectively:



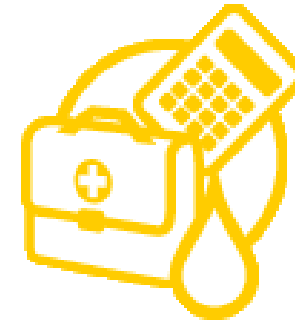
# The Sectors



Multi purpose dairy



Community, media,  
culture, sport &  
leisure



Service & utilities:  
Water & energy



Livestock marketing,  
breeding & animal  
health

Starting from our agricultural roots and the vision of our founding President Sir Horace Plunkett in 1894, today ICOS has evolved to serve the co-operative sector in several categories:



Store, trade &  
wholesale



Food, fisheries &  
beverages



Advisory &  
education

## What is a co-operative?

- A co-operative is an autonomous enterprise owned and controlled by its user members and operates for the benefit of its user members.

# Starting a co-operative

Our background and knowledge in the co-operative movement benefits those wishing to set up new co-operatives. In fact, we try to make setting up a co-operative as easy as A - B - C.

<b>A</b> pproach	<b>B</b> usiness Plan	<b>C</b> ommercially Feasible	<b>D</b> etermining Commitment	<b>E</b> nlisting Members	<b>F</b> ile a request with ICOS
<p>Do you have a minimum of seven people who have a common need and are willing to form a co-operative?</p> <p>Have you defined an economic need for that co-operative?</p>	<p>Has a business plan for the proposed co-operative been drafted?</p> <p>An example of a Business Plan template is available on request from ICOS.</p>	<p>On the basis of this business plan and the projections outlined within it, is the enterprise commercially viable?</p> <p>Will it at least breakeven annually?</p>	<p>Are the proposed members willing to contribute the required start-up capital?</p>	<p>Discuss and agree the level of support, (e.g. the percentage of member share capital in start-up funds) that the members are willing to commit to the enterprise.</p>	<p>When the steps outlined above have been completed please file a request with ICOS.</p> <p>ICOS may require to meet with the group prior to registration.</p>

# Co-operative Vs Limited Company

When making the choice between registering as a co-operative under the Industrial and Provident Societies Act or as a company under the Companies Act, your group should determine the suitability of the corporate structure to the aims and activities of the organisation being established.

Co-operatives place considerable emphasis on the ethos of member benefit, member participation and member loyalty. Transparency, openness and democratic accountability are a key part of the co-operative ethos. If, in the organisation of the new venture, practical measures and policies can be put in place to cultivate and sustain these values, the co-operative corporate form should yield competitive advantages over use of a company structure.

The advantages that come from these values are a greater connection and commitment to the co-operative and a willingness to use the co-operative's services.

Therefore, it is critical the founding members of the co-operative give some thought to the process they will use to communicate and win support for whatever structure they seek to put in place, as this should yield a greater loyalty dividend in the future.

The two corporate forms differ fundamentally in identity and ownership. Cooperatives are uniquely associated with the idea of democratic control and being open accountable and accessible organisations.

The core of the co-operative ethos – members who actively use the services of the co-operative are the persons who should be in control and should benefit from its services.

In parallel, these members should also contribute to the financing of the business in proportion to the use they are making of it.

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# Starting a co-operative

Item	Co-operative	Company Limited by Guarantee
<b>Limited Liability</b>	Yes (value of the share capital held by the individual members)	Yes (value of guarantee subscribed to by member)
<b>Membership</b>	Unlimited	Unlimited
<b>Ability to raise funds via share capital</b>	Yes	No
<b>Can reduce or expand share capital</b>	Yes	Not applicable
<b>Minimum number of members</b>	<ul style="list-style-type: none"> <li>7 natural persons, or</li> <li>2 co-operatives</li> </ul>	<ul style="list-style-type: none"> <li>1 (must have at least 2 directors)</li> </ul>
<b>Express legislative recognition of voting on basis of member, not level of equity (ie democratic control)</b>	Yes	No
<b>Compliance Burden</b>	<ul style="list-style-type: none"> <li>Annual return</li> <li>Annual audit</li> <li>Register of beneficial owners return</li> </ul>	<ul style="list-style-type: none"> <li>Conduct an annual audit (exemption available subject to certain conditions)</li> <li>Annual return</li> <li>Returns of changes of directors and officers</li> <li>Register of beneficial owners return</li> </ul>
<b>Power of Nomination of Shares</b>	Yes, up to €15,000	No
<b>Taxation Status</b>	Same for both co-operative and CLG	Same for both co-operative and CLG
<b>Back-up Services</b>	See below ICOS backup services and co-operative development	Separate legal fees and consultant costs

# Incorporating a Co-operative Society

## What Incorporation Means

Co-operative societies of all types are incorporated by being registered under the Industrial and Provident Societies Acts 1893 -2018. The Registrar of Friendly Societies administers these Acts.

A minimum of seven persons is required to incorporate a co-operative society under the legislation. (Where a federal or secondary co-operative is being established by two or more co-operatives a minimum of two participating co-operatives is sufficient.) A suitable name must be chosen for the co-operative and the name must include the words "Society" and "Limited". A registered office for the proposed co-operative must be identified to which all correspondence can be sent.

## Legal Nature of a Co-operative

A registered co-operative, like a company, is an incorporated legal entity. It is a legal person separate from the members who set it up. It can act on its own initiative, can enter contracts, can sue and be sued, but must also be responsible for its actions. Like a company, a co-operative enjoys limited liability. The liability of the members is limited to the shares they hold in the co-operative. The word "Limited" should always appear after the name of the co-operative. Members who sign the application for registration are called the Special Members. They must act as the Committee of Management or Board of Directors of the co-operative ("the Board") until the first Statutory General Meeting of the co-operative is held. In most cases, the members at this meeting will:

1. Consider and, if deemed appropriate, approve a resolution regarding the size and composition of the Board
2. Elect members to the Board under the Rules of the co-operative.

The ICOS Model Rules provide for a proportion of the Board to retire each year and be eligible for re-election.

## New Members

The Board have the authority admit applicants to membership of the co-operative and issue them with shares which they have applied. Usually a standard application form is available and each co-operative will set the level of investment required from members.

## Reporting Requirements

The law requires that each society must keep appropriate accounts, books and records and the members in general meeting must appoint a statutory auditor annually. There is also a requirement that the audited accounts be submitted with a properly completed Annual Return to the Registrar of Friendly Societies. The appropriate forms and further details in regard to these requirements can be obtained from the Registry of Friendly Societies website.

# ICOS Services & Co-operative Development

ICOS was formed in 1894, one year after the Industrial and Provident Societies Acts of 1893 was signed into law.

The Registry of Friendly Societies (the registering authority for new co-operatives in Ireland) recognises the role of ICOS in formulating model rules for Irish co-operatives and the ICOS model rulebook.

ICOS provides a broad range of services to its members, such as:

- Providing a co-operative voice
- Customer service
- Co-operative development
- New co-operative registration
- Co-operative rules & governance
- Lobbying & representation
- Sector specific expertise
- Training & education
- Networking & synergy
- Communication
- Funding opportunities

For further details please see our [Summary of Services](#)

The logo for CoOp.ie is displayed within a large, light blue circular graphic that has a textured, watercolor-like border. The text 'CoOp.ie' is centered in the circle. 'Co' is in a light green color, 'Op' is in a teal color, and '.ie' is in a darker teal color.



# Contact us:

ICOS  
The Plunkett House  
84 Merrion Square  
Dublin 2  
D02 T882

Tel: +353 1 676 4783  
Email: [info@icos.ie](mailto:info@icos.ie)  
Web: [www.icos.ie](http://www.icos.ie)  
[www.coop.ie](http://www.coop.ie)



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