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TRANSLATED FROM THE ICELANDIC

(r/jonogm/evr.samv.log.thyding)

No. 92

14 June 2006

A C T respecting European Cooperative Societies

THE PRESIDENT OF ICELAND

makes known:- The Althingi (Legislative Assembly) has passed the present Act and I have ratified it by means of my approval:-

CHAPTER I

General Provisions

Art. 1

Scope

The provisions of the Council (EC) Regulation No.

1435/2003 of 22 July 2003 concerning Statutes for a European Cooperative Society (SCE) shall have the force of Law in this Country in conformity with Protocol 1 concerning universal alignment to the Agreement on the European Economic Area, cf. Act No. 2/1993 respecting the European Economic Area, whereby the Protocol is legalized. The Regulation is printed as an Appendix to the present Act. In conformity with Regulation on European Cooperative Societies the present Act lays down further provisions concerning these Societies. These provisions extend only to European Cooperative Societies which are registered in Iceland, unless otherwise specified.

Art. 2

Book-keeping and Annual Accounts

European Cooperative Societies which are registered in this Country are subject to Acts on Book-keeping and Acts on Annual Accounts unless otherwise stipulated in the Regulation on European Cooperative Societies. A European Cooperative can obtain authority from the Register of Annual Accounts operated by the Director of Internal

Revenue to enter its books in a foreign currency in conformity with the provisions of Acts on Book-keeping and to prepare and publish its annual accounts in a foreign currency in conformity with Acts on Annual Accounts.

In case a European Cooperative Society move its office to another State in the European Economic Area, a State being a party to the Convention of the European Free Trade Association or the Faeroe Islands the Board of Directors or the Management Board of the Society shall prepare a special Profit and Loss Account for the period as of the end of the latest annual accounts until the date on which the movement of a registered office has entered into force in accordance with para. 10, Art. 7 of the Regulation on European Cooperative Societies.

In case a Cooperative Society participate in the establishment of a European Cooperative Society by means of a merger, cf. Art. 19 of the Regulation on European Cooperative Societies and the European Cooperative Society will have a registered office in another State of the European Economic Area, a State being a party to the

Convention of the European Free Trade Association or in the Faeroe Islands until the day when the European Cooperative Society is registered in accordance with para. 1, Art. 11 of the Regulation.

The Annual Accounts shall be delivered to the Register of Cooperative Societies within a month as of the end of the period to which the accounts extend.

In case a European Cooperative Society with a registered office in another State in the European Economic Area, a State being a party to the Convention of the European Free Trade Association or in the Faeroe Islands operate a business in this Country in the form of a branch that branches book-keeping and annual accounts shall be in conformity with Acts on Book-keeping and Annual Accounts. Authority contained in the second sentence of para. 1 also applies to these branches.

Art. 3

Name

A European Cooperative Society is in duty bound to have the abbreviation SCE in its name. In addition thereto a

Society is authorized to have the words “European Cooperative Society” in its name and also to use the abbreviation SCE/esvf. The name shall be clearly stated to be different from the name(s) of other cooperative societies which have been recorded in the Register of Cooperative Societies, cf. Art. 9.

Art. 4

Participation of Employees in European Cooperative Societies

The Act having an identical name applies to the participation of employees in European Cooperative Societies.

CHAPTER II

Establishment of a European Cooperative Society

Art. 5

Participation in the Establishment of a European Cooperative Society

A Cooperative Society or a Company in a corresponding legal form having a head office in a State extend to the European Economic Area, a State being a party to the