

SPECIAL CAPITALIZATION INSTRUMENTS IN THE URUGUAYAN COOPERATIVE LAW

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Summary: This article refers to the capitalization instruments (of financing in a broad sense) provided in the General Cooperatives Law of Uruguay of 2008: the so-called Subordinated Participations and Interested Participations. We introduce the capitalization theory of cooperatives in general, and then describe and analyze some points of said Act: (i) emission requirements, (ii) legislation application on the stock market; (iii) possible categorization as securities; (iv) impact that the Income Tax may have on its viability; and (v) legal nature of the assets.

Resumen: Este artículo refiere a los instrumentos de capitalización (de financiación en sentido amplio) previstos en la ley general de cooperativas de URUGUAY del año 2008: las denominadas Participaciones Subordinadas y Participaciones con Interés. Se hace una introducción a la temática de la capitalización de las cooperativas en general, y luego se describe y analizan algunos puntos de dicho instituto jurídico: (i) los requisitos de emisión, (ii) la aplicación de la legislación sobre mercado de valores; (iii) la posible categorización como títulos valores; (iv) la incidencia que puede tener el Impuesto a las Rentas en su viabilidad; y (v) la naturaleza jurídica patrimonial.

1. Cooperatives: Financing problems and capitalization instruments under the General Law of Cooperatives (LGC) of Uruguay: Participations

In cooperatives, capital has an instrumental character, that is, there is no element of power or profitability, but a necessary instrument for the fulfillment of the corporate purpose. However, as Cracogna says, *"the need to have an imperative of all productive economic activity"*, and in that sense *"cooperatives experience the same requirements as any other company."*¹

This need for capitalization (or financing, in a broad sense) has been a historical and constant concern of cooperativism, both globally and nationally. For example, in 1862, said Holyoake², the historian of the Rochdale Pioneers Cooperative: *"Many cooperative experiments have failed because of a lack of capital. Its members considered it immoral to gain interest and, however, lacked sufficient mysticism to lend their money without interest. Others had moral objections to pay interest and, since money is not made without it, those virtuous people did nothing, they were too moral to be useful"*.

In Uruguay, Rippe already pointed out in 1987, as one of the problems of cooperatives: *"the financial issue is one of the largest and most widespread problems of cooperatives, traditionally attributed -among*

¹ Cracogna, Dante, "Separata de la Revista del Derecho Comercial y de las Obligaciones", N° 154/156, 1993, Bs. As., Ediciones Depalma.

² Holyoake, George Jacob, "La Historia de los Pioneros de Rochdale", 1989, Bs. As., Intercoop.

*other causes- to insufficient capitalization*³; On the other hand, Reyes Lavega *et al.* collected the expressions contained in a CUDECOOP document from the time prior to the General Law of Cooperatives of Uruguay 18407 (hereinafter referred to as LGC for its initials in Spanish) approved in 2008, which read: *"The limitations in the Cooperatives financing is a difficulty that the cooperative movement has been facing for a long time."*⁴

However, as Henry⁵ points out, the point is that *"the social contributions of the associates do not constitute an attractive investment"*, and they only remain while the people remain as associates. Therefore, the key to the issue, as explained by Celaya⁶, is *"to have an incentivized capitalization vehicle"*, at the same time to affirm that the capitalization of resources through reserve funds, the form through which they are capitalized mainly cooperatives, is a capitalization "discouraged" because they are not distributable. For Celaya, the objectives of a legal regulation of capital must meet two objectives: (i) be an effective instrument for the stable and incentivized capitalization of the cooperative, and (ii) be definable with market criteria.

Certainly, the term by which the instruments for raising capital remain linked to the cooperative is very important. To a large extent, this term will determine the strength as a financial guarantee by the contracting third parties with the cooperative (probably, the highest valuation will be given when the capital is invested in the cooperative until the eventual liquidation of the same). In that sense there are legislations that have established minimum terms; for example, it is the case of "special participations" of the Basque law 1/2000 (article 64.1), which established that investments must remain at least for a period of 5 years.

However, in this article the topic of financing in general will not be discussed, but only some preliminary considerations will be raised about the new capitalization instruments of the cooperatives contained in articles 64 to 67 of the LGC, that is, the Subordinated Participations (hereinafter the SPs) and the Participations with Interest (hereinafter the PIs, and collectively, hereinafter referred to as the Participations). In short, the intention is simply to open the way for the dissemination, analysis and debate in the legal field of this new legal institute of Uruguayan Cooperative Law.

2. Cooperatives particularities

The Participations have similarities with some forms of capitalization of the commercial companies (limited company, limited partnership, limited liability company, etc.), but it is pertinent to remember the

³ Rippe, Siegbert, "Los problemas jurídicos de las cooperativas", 1987, Montevideo, FCU.

⁴ Reyes Lavega, Sergio; Lamenza, Alfredo; Gutiérrez, Danilo; Machado, Jorge; "Derecho Cooperativo Uruguayo", 2011, Montevideo, FCU.

⁵ Henry, Hagen, "Orientaciones para la legislación cooperativa", segunda edición, 2013, Ginebra, OIT.

⁶ Celaya, Adrián, "Criterios básicos para una regulación legal del capital en las sociedades cooperativas", en Boletín de la AIDC, "El capital de las cooperativas", 2001, Bilbao, Universidad de Deusto.

special characteristics of cooperatives, since they lead to some particularities of the regulation of the LGC.

It is known that cooperatives were born at the time of the first industrial revolution, in the search for alternatives to the social conditions generated by nascent industrial capitalism. Also, it is known that the *"Rochdale Society of Equitable Pioneers"* formed in 1844, is accepted as the first cooperative of the modern era. That status arose, mostly, from the need that those entrepreneurs felt to gather and make explicit a set of rules -developed later in the cooperative principles- that allowed them to delineate clearly the cooperative form of production, distribution and consumption of goods and services.

In the Statement of Motives of the LGC of Uruguay, the particularities should be used as follows: *"the cooperative socioeconomic phenomenon is a special form of organization for the production and distribution of goods and services" ... (and its actions) "are guided by a set of doctrines, values, rules and principles that, since the first cooperatives, have helped with its validation and have found in the International Co-operative Alliance (ICA) the scope for its discussion, updating and reformulation"* stresses that the International Labour Organization (ILO), in its Recommendation 193/2002, has recognized *"the importance of cooperatives for the creation of jobs, the mobilization of resources and the generation of investments, as well as their contribution to the economy"*, as well as ways that *"promote the fullest participation of the entire population in economic and social development"*, for which reasons it recommends encouraging *"the development and strengthening of the identity of cooperatives, based on cooperative values and principles"*.

It is also known that in commercial societies the end is profit and in cooperatives the goal is service. Precisely, art. 1 ° of the law of commercial companies of Uruguay 16060 establishes that: *"There will be a commercial partnership when two or more persons, physical or legal, are obliged to make contributions to apply them to the exercise of a commercial activity organized in order to participate in the profits and endure the losses that it produces."* On the other hand, art. 4 of the LGC states that *"Cooperatives are autonomous associations of people who join voluntarily on the basis of self-help and mutual aid, to meet their common economic, social and cultural needs, through a jointly owned company and democratically managed."*

Likewise, it is noteworthy that the LGC collects (in its article 7), in full, the universal cooperative principles.

Finally, at this point, should be noted that the evolution of cooperative legislation in Uruguay has led some legal theorists to argue that the legal nature of cooperatives has evolved, since it was considered a commercial type of business (as it was qualified by the first law of cooperatives, 10008 of 1941) until reaffirming itself as a genre of its own.⁷

⁷ Ver: Faedo, Alvaro; Cazéres, José Luis; Medero, Héctor; González Chiappara, Miguel; Raffo, Alberto; "Digesto Cooperativo", 1992, FCU; y Reyes Lavega *et al.* ob. cit.

3. The various forms of financing of cooperatives at an international level

To give a better framework to the PARTICIPATIONS of the Uruguayan Cooperative Law, and following Cracogna⁸, it is important to remember that *"the necessary investments are financed with own resources (capital and reserves) or those of third parties (indebtedness) under different species, each one of which has a specific legal and economic nature"*, which can be summarized in the following modalities: a) capital, b) reserves, and c) debts. The first two make up the social assets and the third is a liability.

Also, the prestigious author lists the variants that exist within these modalities, based on the legislation of several countries. In the following text, we are going to take that enumeration and consider, in a concise way, how it relates to the alternatives provided in the legal framework of Uruguay.

(Capital)

Minimum capital: it is not established in the law, but a minimum amount of capital must be determined in the Social Statute (social contract) of each cooperative (in general, very low figures are established, for some classes of cooperatives the regulatory norms of the type of activity they practice requires minimum capital, for example, savings and credit and insurance);

obligatory minimum contributions and voluntary contributions: the former must be established in the Social Statute as a condition to be a member (in general, very low figures are established), and the latter is also admitted if the Social Statute so establishes and the General Assembly of the cooperative so resolves it;

mandatory capital increases: the General Assembly will be able to determine them (and a member who does not contribute to them will be regarded as in breach of her obligations and/or will have the right to resign);

rotating capital: it is not specifically established, but, in my opinion, it can be included within the special figure provided by the LGC as *"special patrimonial funds"*;

proportional capital: it is contemplated especially in the LGC, and to be used it must be provided in the Social Statute of the cooperative;

different types of partners: the LGC does not establish this. In the Act Project that originated the LGC the figure of the "collaborating partner" was provided, but it was suppressed in the parliamentary discussion process;

investor partners (Cracogna cites the Italian case): it is not provided by our law (the figure of the "collaborating partner" was very similar);

⁸ Cracogna, Dante, ob. cit.

social parties with particular advantages (Cracogna cites the French case): it is not provided by the LGC;

social parties without the right to vote: it is not established in the LGC, but it closely resembles the figure of the Participations exposed in this article;

greater return on capital: it is not provided by the LGC;

revaluation of social quotas: it is specifically established by the LGC;

capitalization of interest and returns: it is established in the LGC as an attribution of the General Assembly.

(Reserves)

Special reserves: the following reserve funds are defined in the LGC: (a) "*legal reserve*" (15% of surpluses until equal to the capital and then 10% up to tripling the capital), (b) the "*reserve for operations with non-members*" (10% of surpluses), and a reserve called "*cooperative education and training fund*" (5% of surpluses) is also planned, strictly speaking it is not a patrimonial reserve, but rather it is resources to cover expenses of training activities; the constitution of other "*special voluntary reserves*" (resolved by the General Assembly) is also possible in our country;

reserves of high or variable percentages: it is not provided by the LGC;

incorporation (of reserves) into the capital (Cracogna cites the French case): it is not provided in the LGC, but it is established that the reserves may "*only be affected to absorb losses*".

(Indebtedness)

Revolving funds (they are different from revolving or rotating capital, they are compulsory loans of interests and returns that correspond to the partners at the end of each exercise and are returned after a certain period) (Cracogna cites the Canadian, Peruvian and Brazilian case): they are not provided for in the LGC;

cooperative investment certificates (the French and Portuguese cases are cited): they are not provided by our LGC;

special Participations: they are not provided in our law; they have some similarity with the Participations that this work deals with, but they differ in that in case of liquidation they would be paid before the social parts of the partners, but, in the Uruguayan case, Participations are on equal terms with the partners;

other forms of liability: it is expressly established in the LGC that "*cooperatives may assume all forms of liabilities and issue bonds to be subscribed by partners or third parties*"; they may be, for example, bank or commercial loans, negotiable obligations, etc.

4. The forecast of the capitalization instruments (the PARTICIPATIONS) in the Uruguayan LGC

Participations are instruments through which cooperatives can raise capital, both from members and from non-members, for the development of their activities.

It is a novel instrument in the Uruguayan Cooperative Law and is regulated in general for all classes of cooperatives. The only national antecedents were the so-called "actions with interest", figure that was contained in a decree of the Executive Power of the year 1948 - but that presented many limitations - and the same instrument regulated more precisely in art. 12 of Law 17613, but exclusively for credit unions that practiced financial intermediation.

It is almost obvious to say that when these types of instruments are established in the legal system of any country, care must be taken, fundamentally, not to contradict cooperative principles. And especially to ensure that they do not imply, for the cooperatives, the loss of control and democratic management, or their independence and autonomy. Therefore, one of the most sensitive and debatable aspects of this topic refers to the concession or not of political (or para-political) rights, and if they are granted, of their scope⁹.

In the Uruguayan regulation, the main characteristics of the Participations are the following:

- nominative;
- transferable, with prior authorization of the Board of Directors and if the Statute of the cooperative had established it;
- they do not grant political or social rights to their holders (as such, therefore, they have no right to participate in the General Assembly, nor to integrate the Board of Directors, nor the Electoral Commission, nor the Commission of Education, Training and Cooperative Integration, nor other Auxiliary Commissions), but they can have the right to integrate the Fiscal Commission (internal control body) if the Statute of the issuing cooperative establishes it;
- they have a ceiling for their issuance of up to 50% of the cooperative's assets;
- the possibility of its issuance must be established in the Statute;

⁹ For example, in Argentina, in the 1990s, a reform of the cooperative law 20337 was proposed, which, among other aspects, provided that cooperatives could issue an optional capital (additional to that of the user members) including the granting of participation in the administrative bodies, not exceeding one third. This point divided the opinions and finally the project was not approved.

- the resolution on the issue and its conditions (term, interest rate, etc.) is approved by the General Assembly;
- they must contain a set of enunciations, for example: denomination, data of the cooperative, date of issuance and rescues, interest rate, etc. (all according to the detail of article 67 of the LGC);
- the issuing cooperative has the right to early redemption before expected due dates;
- in case of liquidation of the issuing cooperative, the holders of these instruments will concur to it on an equal conditions with the common partners for their social parts;
- The Statute of the cooperative may establish the possibility of limiting the reimbursement of the social parts and the PIs (as a whole), and in this case this must be defined in the respective certificates when issued (as stipulated in article 73 of the LGC).

It should be noted that the fundamental difference between the two classes of the new instrument is that, although both are *"subject to management risk"*, the payment of interest in the Subordinated Participations (SPs) depends on *"the existence of net surpluses of management of the cooperative"*, with the advantage that if the surpluses are positive they are in the first place of their distribution (article 70 LGC); while Participations with Interests (PIs) will receive *"remuneration regardless of the existence or not of net management surpluses"*.

5. The application to the Participations of other legal norms, beyond the Cooperative Law: the laws of the stock market and of securities

(about the stock market regulations)

The penultimate paragraph of art. 67 of the LGC establishes that the PARTICIPATIONS, in addition to complying with the formalities indicated therein (mentioned in the preceding section), *"may establish in their representative titles other conditions that in the opinion of the cooperative are deemed necessary, in accordance with the legal provisions and regulations in force relating to this type of security"*. From now it is appreciated that this rule involves an interpretative task: to define what "type of values" are the Participations, and in this way to determine what other legal and regulatory provisions could be applicable to them.

And in the same direction it is pertinent to remember that not only the aforementioned article contains a norm that links the Cooperative Law with other branches of the legal system. For example, art. 3 of the LGC establishes that the cooperatives *"will be ruled supplementarily by the provisions of the law of commercial companies in the absence of any cooperative law provision and if such laws are compatible"*, and art. 9 that: *"In all matters not provided for in cooperative laws, the general principles regarding legal business in general and contracts in particular, as compatible and as applicable or pertinent, shall apply to the cooperative act."*

As we know, it is impossible to think of an isolated "cooperative system" that is completely independent of the rest of society, that is, of the socio-economic and legal context that surrounds it, and even that context claims the need to define a regulatory framework the most complete, clear and safe possible, with the understanding that this is fundamental for the effective use of the new instruments.

However, in Uruguay everything related to the stock market is regulated by Law No. 18627, and this contains, in its art. 13, the following definition of values: *"transferable assets or rights, whether or not incorporated into a document, that meet the requirements established by the regulations in force. Included in this concept are shares, negotiable obligations, futures markets, options, investment fund shares, securities and, in general, any right of credit or investment."*

It is clear that the aforementioned law contains the general legal framework in this area, therefore, there is no doubt that, without prejudice to what is established in the LGC, its application corresponds to the Participations. However, a precision must be made: Articles 1 and 2 of Law 18.627 establish that the scope or scope of the same refers to the *"stock market, all the agents that participate in it, the stock exchanges and other markets for the negotiation of public offering issues"*, these being the ones that are made *"to the general public or to certain sectors or specific groups of the latter, in order to acquire, sell or exchange said securities."*, and then adds: Private issues are excluded from a large part of their dispositions.

Therefore, issues of Share made through public offer will be subject to the law of the stock market in everything related to the state registration, authorization, negotiation form, etc., without prejudice to the provisions of the Law Cooperative. On the contrary, they will not be regulated by said law, in such aspects, in the case of private issues; in such case, *"it should be expressly stated that it is private, only individuals or legal entities can be placed directly and can not be quoted on the stock exchange or advertise their placement"*, and it should also be expressly stated that said issues have not been registered in the Superintendence of Financial Services.

(about value titles regulations)

On the other hand, in Uruguay, everything related to securities is regulated by Decree-Law 14701.¹⁰

Following the definition of Sánchez Calero *et al.* the value title is *"the document essentially transmissible necessary to exercise the literal and autonomous right mentioned therein"*¹¹. On the other hand, Rippe *et al.* express that in our Law the expression value is used (which in Comparative Law is also known as "titles of credit") *"to designate certain documents whose value is represented by the right to which the document refers and is inseparable of the title itself"*.¹²

¹⁰ In Uruguay, all laws issued between June 27, 1973 and March 1, 1985 are called decree-laws, because they have been approved by a dictatorial government.

¹¹ Sánchez Calero, Fernando; Sánchez-Calero Guilarte, Juan; "Instituciones de Derecho Mercantil", Vol. II, 2005, Madrid, Thomson-Aranzadi.

¹² Rippe, Siegbert; Bugallo, Beatriz; Longone, María Rosa, Miller, John; "Instituciones de Derecho Comercial Uruguayo", 1996, Montevideo, FCU.

Meanwhile, the figure of the Participations has some points of contact with the aforementioned definition, and with the concepts contained in the Securities Act No. 14,701. For example art. 1 °, which defines the value title (*"The securities are the necessary documents to exercise the literal and autonomous right that is recorded in them."*), and art. 3 °, which establishes the requirements to be considered such, it arises that they are documents in which a right and a correlative obligation to pay a sum of money, created by the unilateral will of the debtor, aspects that in principle they can coincide with the essential notes of the Participations.

Also a first glance leads one to think that this figure of Cooperative Law finds other similarities with some characters of the value titles, namely:

(i) in relation to the document: the necessity (the document is indispensable to exercise the right contained in it), the time of constitution of the right (the right consigned in the title is born with it) and the solemnity (the document to be valid and effective must meet certain legal requirements);

(ii) regarding the right: by literalness, the autonomy of law and abstraction; and

(iii) regarding the obligation: unilaterality and the autonomy of the obligation.

Finally, it is estimated that some peculiarities of the Participations (subject to the management risk of the issuing cooperative, its patrimonial nature), do not prevent that in the absence of any more precise regulation in the Cooperative Law, it may be applied, by analogy, some aspects of the regulations corresponding to value titles (for example, in legal procedural aspects).

6. The tax treatment of the Participations, in particular in relation to the income tax for individuals (IRPF by its initials in Spanish)

With the understanding that the Participations constitute a good attempt to resolve the question of the financing of the cooperatives, it would be important to find elements that encourage people to invest their savings in them, or at least, that they do not hinder them, but it is not what happens with the tax treatment in relation to the tax that levies the income obtained by the natural persons.

Law 18083, which contains the tax system of Uruguay, created, among other taxes, income tax (modified in relation to cooperatives by article 315 of law 18,172 and by article 807 of law 18,719). The point is that none of these rules expressly establishes to which regime the remunerations obtained by the individuals are subject, by means of the figure of the Participations.

There is no doubt that the remunerations (the interests) that individuals obtain from the investments made through these instruments are included in the income taxable event as any other capital income and are taxed as such (it is concluded that they have the same income treatment that generated by the investment in any other type of company).

Perhaps a doubt could be generated as to whether the funds returned from the capital invested in the time periods agreed upon remain or are not included in the IRPF. But, although the regulations are not clear, it

can be concluded that these funds should not be taxed. On the one hand, the tax law (18083) could not envisage the Participations because they were created by a later (Law 18407), and added to it the simple reason that if taxed on those funds the instrument would lose its purpose, since no-one person would invest in a cooperative if, later, when he redeems his capital, he must give part of it as a tribute.

7. The patrimonial nature of the Participations and their legal-accounting treatment

The art. 52 of the LGC contains a clear description of the resources of patrimonial nature of the cooperatives, and among them are *"The resources that are derived from the other capitalization instruments"*. In turn, the "Other capitalization instruments" are, precisely, the Participations (Articles 64 to 67 of the LGC).

Moreover, in the arts. 65 and 66 it is clearly established that the Participations *"are incorporated into the assets of the cooperative"*.

And in the case of saving and credit cooperatives in particular, article 164 of the LGC adds that *"subordinated participations and interests with interest will be part of the essential and accounting assets of the cooperative"*. As you can see, this article is clearly in line with what is established in the aforementioned articles of the general part, but reinforces those concepts with terms that come from the central bank regulation ("essential equity") and accounting science ("accounting equity").

The previously mentioned determines, undoubtedly, the way in which the resources coming from such Participations must be accounted for and exposed. About this point, Reyes Lavega *et al.* (cited above) say that such standards *"should adjust the accounting standards and the formulation of the corresponding financial statements, and must abide to the control organisms"*, and meanwhile, Amorin and Algorta express that, in the case Uruguayan, must *"be computed as a patrimonial item"*.¹³

It is also opportune to reiterate that, without prejudice to the term established for the return of the capital in the conditions of each issue, by express provision of the law, the Participations are subject to *"management risk"* (articles 65 and 66), and , in turn, in the event of liquidation of the issuing cooperative, they will not have the preference of a foreign liability, but will share the fate of their own liabilities or social capital (risk) that the members have contributed (in social parts) insofar as *"they shall concur to it on an equal conditions with the common partners"* (Article 67, final paragraph).

At this point corresponds, once again, the task of integrating the law, particularly in relation to the legal-accounting aspect, so it is added next.

First of all, it is pertinent to recall the supplementary application to the cooperatives of the law of commercial companies, and, in turn, to bring up the definition of Cooperative Law that contains the LGC: *"Cooperative law is the set of special rules, jurisprudence, doctrine and practices based on the principles*

¹³ Amorin, Marcelo; Algorta, Paula; "Sociedades Cooperativas. Sistema y Derecho Cooperativo", 2010, Montevideo, La Ley.

that determine and regulate the performance of cooperative organizations and the subjects that participate in them" (both are contained in article 3).

Additionally, it should be noted that the law of commercial companies No. 16060 (Article 91) establishes that: *"Regulations shall establish the appropriate accounting standards to which the financial statements of the commercial companies shall adjust."*; This is how the so-called International Accounting Standards (IAS) come into play, since, according to what is established in the regulatory decree 266/07, these are the accounting guidelines that companies must follow, and, by this chain of forwarding, they result applicable to cooperatives.¹⁴

However, because of what was said earlier about the specificity of cooperatives and what is established in the LGC, it is clear that in the event of any contradictions between the IAS and the Cooperative Law regulations, what is most important is the latter, for which reason there is no doubts that the Participations in the Uruguayan Cooperative Law are an item of patrimonial character.¹⁵

Beyond its proclaimed patrimonial nature, it can not be ignored that the conditions in which they are issued, especially regarding the deadline, will be key elements for consideration by third parties in practice (shall they be state agencies, audits, etc.).

8. Conclusions

With all into account, these reflections on the Participations in the Uruguayan Cooperative Law, lead to the conclusion that:

- This is an attempt by the legislator to provide cooperatives with a tool that, while being compatible with cooperative principles, helps them to solve the problem of insufficient capitalization.
- The law established in a very detailed manner the characteristics and requirements that must be fulfilled for its issuance (formal, enunciative, statutory, procedural, etc.).
- To a large extent, it is up to the legal operators to define which other rules -in addition to the Cooperative Law- correspond to apply to the Participations. And in this sense, the general regulatory framework of the securities market and, in some aspects, value titles legislation is applicable.
- For greater security of the instrument, a greater regulatory precision would be pertinent in relation to the tax aspect, especially the Income Tax for Individuals (IRPF).
- According to the legal regulations, the resources obtained by the shares are of a patrimonial nature, and as such they must be registered and exhibited in the financial statements of the

¹⁴ It should be remembered that IAS 32 and Interpretation IFRIC 2 call into question the nature of the social capital of cooperatives, between equity and liabilities, especially due to the fact that cooperative members can withdraw from the cooperative. and demand the return of the capital they have integrated.

¹⁵ And this goes beyond some of the characteristics of these instruments, as well as some limitation that the statutes of the cooperatives can incorporate in relation to the return of the social shares and participations.

cooperatives; without prejudice to this, the extension of the term for which they were issued will be a very important element for those who operate with the cooperatives taking into account this financing.

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