

Trading and obtaining monetary benefits

This provides general information on trading and obtaining monetary benefits for members of associations incorporated under the [Associations Incorporation Act 1984](#). References to the Act refer to this legislation, which is administered by the Office of Fair Trading.

Is an incorporated association allowed to trade or secure monetary gains for its members?

An incorporated association cannot trade or secure monetary gains for its members. However, associations are allowed to undertake certain types of activities without these being considered as trading or securing pecuniary gain for members.

Examples of activities that are not considered to breach this prohibition include:

- certain trade allowed for charitable purposes under the [Charitable Fundraising Act 1991](#) (for further information regarding charities the association should contact the [NSW Office of Liquor, Gaming and Racing](#)),
- the charging of admission fees to exhibitions, sporting fixtures or other occasions organised for the promotion of the objects of the association,
- if a member obtains a benefit to which that member would be entitled if he or she was not a member of the association,
- if any member derives pecuniary gain through enjoyment by members of the facilities or services offered by the association for social, recreational, educational or other like purposes,
- if members of the association compete for trophies or prizes in contests directly related to the objects of the association,
- if a member of the association derives pecuniary gain from the association by way of bona fide payment of remuneration, and
- the limited buying and selling of goods or the provision of services where those transactions are ancillary to the principal objects of the association (provided where the buying or selling or provision of services is with the public and the transactions are not substantial in number or value in relation to the other activities of the association).

Breach of the prohibition of trading or securing pecuniary gain attracts possible prosecution and penalty of \$550. Engaging in trade will also render the association liable to have its incorporation cancelled under section 54(1)(b).

If the association is unsure whether any of the activities of your association or proposed association could breach these restrictions, you should contact the [Registry of Co-operatives & Associations](#) or seek advice from your own legal adviser.

This page must not be relied on as legal advice. For more information about this topic, please refer to the appropriate legislation.

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