

Kingdom of Cambodia

Nation-Religion-King

The Royal Government of Cambodia

Draft Law

On

Agricultural Communities

Chapter 1

General Provisions

Article 1.-

The purpose of this Law is to increase voluntary participation of all Cambodian citizens, who have major businesses within the framework of systems of agricultural production, agro-industry, agro-business or agricultural production-related services, in establishment and development of agricultural communities to promote economy, society and culture of their members and thus to contribute to development of national economy.

Article 2.-

The goal of this Law is to determine establishment, functioning, and management of and mechanisms for supporting the agricultural communities, agricultural community unions, and a Cambodia agricultural community league.

Article 3.-

This Law covers the agricultural communities, the agricultural community unions, and the Cambodia agricultural community league in the Kingdom of Cambodia.

Article 4.-

An agricultural community is a private legal entity as an agricultural economic enterprise that has been voluntarily established by a group of persons who have combined together to establish capital, to be in ownership and to carry out management in a democratic way to extend the capacity of agricultural production, agro-industry, agro-business or agricultural production-related services in order to promote economy, society and culture of its members in line with the fundamental principles as follows:

- Voluntary and open participation as membership
- Democratic management by members
- Economic contribution of members
- Autonomy and independence
- Education, the training and the provision of information
- Cooperation with other agricultural communities
- Taking care of communities

Article 5.-

Terms used in this Law are defined in the glossary that is attached as Annex to this Law.

Chapter 2

Mechanisms for Supporting Agricultural Communities

Section 1

Council for Agricultural Communities Policies (CACP)

Article 6.-

The Council for Agricultural Communities Policies(CACP) shall be established, which is led by the Minister of the Ministry of Agriculture, Forestry and Fisheries (MAFF), which consists of members who are representatives from the Office of the Council of Ministers, representatives of the ministries or institutions that are related to the agricultural communities, the Cambodia agricultural community league's representatives, private sector's representatives, civil society's representatives and heads of specialized units concerned under the Ministry of Agriculture, Forestry and Fisheries (MAFF).

The Council for Agricultural Communities Policies (CACP) has one secretariat in the Ministry of Agriculture, Forestry and Fisheries (MAFF).

Article 7.-

The Council for Agricultural Communities Policies (CACP) has the roles and responsibilities as follows:

- Conduct research, consult to develop legal standards, policies, strategic plans and action plans related to the agricultural communities development in accordance with socio-economic conditions;
- Submit a National Policy on Development of Agricultural Communities to the Royal Government for approval;
- Monitor and evaluate the implementation of the policies, strategic plans, action plans and platform of the development of agricultural communities;
- Establish objectives to increase and strengthen the capacity and urge the agricultural communities to cooperate with the private sector and development partners;
- Carry out the coordination between State's institutions concerned, the private sector and finance institutions to support the operations of the agricultural communities;
- Issue decisions or directives for the ministries, the institutions concerned, Capital or provincial departments to implement the platforms within their own jurisdictions, which are related to the policies, the strategic plans, and the action plans for the development of agricultural communities;
- Deal with issues or obstacles that obstruct the implementation of the policies, strategic plans and action plans for the development of agricultural communities;

- Regularly report on results of the development of agricultural communities to the Royal Government;
- Fulfill other duties that support agricultural communities development policies covered by this Law;
- The organization and functioning of the Council for Agricultural Communities Policies (CACP) shall be determined by Sub-decree (Anukret).

Section 2

Competent Institutions

Article 8.-

The Ministry of Agriculture, Forestry and Fisheries (MAFF) is a competent institution that pushes for and supports the establishment, the registration, the operations and the development of agricultural communities.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall have one Department of Agricultural Communities Development (DACD) that is under the General Directorate of Agriculture to be in charge of development of agricultural communities, which shall be determined by Sub-decree (Anukret).

Article 9.-

Within the framework of agricultural communities development, the Ministry of Agriculture, Forestry and Fisheries (MAFF) shall fulfill missions as follows:

- Urge and support the agricultural communities' functioning, operations and development;
- Study, develop the policies, legal frameworks, the strategic plans and training programs for urging, strengthening the capacity and the development of agricultural communities;
- Determine units that are in charge of registration and management of agricultural communities data;
- Provide training services for the agricultural communities and agricultural communities development agencies;
- Implement educational dissemination program, promote awareness and training to strengthen the capacity of agricultural communities;
- Establish general ledger forms of the agricultural communities with the approval of the Ministry of Economy and Finance (MEF);
- Carry out the coordination between the agricultural communities, the private sector or other concerned sectors inside or outside the country;
- Study and evaluate the agricultural communities' economic situation to respond to the needs of markets and to provide information on agricultural produce market for the agricultural communities;

- Cooperate on the agricultural communities within the national and international framework;
- Recruit auditors or inspectors and liquidators in case where any agricultural community shall be dismantled;
- Monitor and evaluate the functioning and the operations of agricultural communities;
- Take part in the settlement of disputes of the agricultural communities;
- Fulfill other duties within the framework of agricultural communities development covered by this Law.

Article 10.-

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall establish a Center for Agricultural Communities Research and Development to conduct research and build technical capacity of the agricultural communities within the national and international framework.

Section 3

Agricultural Community Development Foundation (CDF)

Article 11.-

The Agricultural Community Development Foundation that is abbreviated to CDF shall be established, which is under the supervision of the Ministry of Agriculture, Forestry and Fisheries (MAFF) for usage within the framework of support and development of the agricultural communities.

The Agricultural Community Development Foundation (CDF) shall be led by one governing board that consists of a Chairperson who is the Minister of the Ministry of Agriculture, Forestry and Fisheries (MAFF) and of members who are heads or representatives of the units concerned under the supervision of the Ministry of Agriculture, Forestry and Fisheries (MAFF), the Cambodia agricultural community league's representatives, and of one permanent member as secretary of CDF who is deputy head of the Department of Agricultural Communities Development.

The organization and the functioning of the Agricultural Community Development Foundation (CDF) shall be determined by Sub-decree (Anukret).

Article 12.-

The Agricultural Community Development Foundation (CDF) includes budgets and assets that come from the sources as follows:

- 1- Contributions from the State;
- 2- Budget or in-kind donations from generous persons;
- 3- Financing from the State or other sources;
- 4- Sale of assets that come from points (2) and (3);

5- Contributions of the agricultural communities that benefit directly from CDF.

The budgets and assets of CDF as prescribed in the paragraph 1 of this Article shall be kept under the account of CDF.

Section 4

Institutions Concerned Working with Agricultural Communities

Article 13.-

The ministries/institutions concerned have the responsibilities for supporting, in their own jurisdictions, all activities and operations of the agricultural communities according to the policies of the Royal Government of Cambodia.

Article 14.-

The sub-national level administrations at all levels, under their own jurisdictions, shall have the responsibilities for helping the agricultural communities as follows:

- Conduct the dissemination to citizens and create an enabling environment for establishing and developing the agricultural communities;
- Provide both spiritual and in-kind supports for the development of agricultural communities;
- Collaborate, coordinate with the Department of Agricultural Communities Development (DACD) and Capital or Provincial Agricultural Departments in the establishment and the functioning of the agricultural communities;
- Take part in the settlement of the disputes that have arisen in the operations of the agricultural communities;
- Take part in the monitoring and evaluation of the operations and implementation of the Law on Agricultural Communities.

Article 15.-

The agricultural communities are encouraged and have the rights to be exempted by the Royal Government, which shall be determined by Sub-decree (Anukret).

Chapter 3

Agricultural Communities (AC)

Section 1

Establishment and Registration of the Agricultural Communities (AC)

Article 16.-

An Agricultural Community (AC) that is eligible to be registered shall meet the criteria as follows:

1- Consists of 15 (fifteen) members or more, who are the Cambodian national and at the ages of 18 or above, who live in the geography of specific village, commune, Sangkat, municipal, district or Khan administrations of Capital/provinces in the Kingdom of Cambodia, and who have major businesses within the framework of the system of agricultural production, agro-business, agro-industry or services that are related to an agricultural sector;

2- Consists of members who invest their capital by paying shares that were bought, but each member shall own at least one share. Owning of the shares of the members shall be in accordance with a statute of the Agricultural Community (AC) concerned.

3- Has at least one type of major businesses within the framework of the system of agricultural production, agro-business, agro-industry or services that are related to the agricultural sector.

Article 17.-

Members of a team that makes a request for establishment of an Agricultural Community (AC) shall select members of “a Steering Committee” from amongst the members of the team to coordinate the establishment of an Agricultural Community (AC) for an initial period of time and to develop necessary documents to apply for registration of the Agricultural Community (AC).

The Steering Committee shall study and develop the documents as follows:

- 1- The types of businesses of an Agricultural Community (AC) that shall be establish.
- 2- The relevant Agricultural Community (AC) business plan and the types of businesses.
- 3- Lists of nominees for a Governing Board and an Inspecting Committee.
- 4- Name, logo and address of an Agricultural Community (AC).
- 5- Drafts of a statute and internal rule of an Agricultural Community (AC) that shall be submitted for approval of a First-Established General Assembly of an Agricultural Community (AC).

Article 18.-

The Steering Committee shall convene a plenary meeting of a First-Established General Assembly with participation of the members of the team that has made a request for establishment of an Agricultural Community (AC) to elect members of the Governing Board and Inspecting Committee of an Agricultural Community (AC) and to adopt the documentation that were developed for registration of an Agricultural Community (AC).

A process and results of a First-Established General Assembly shall be recorded as a report, to which the lists of attendants with their signatures or right thumbprints of all participating members who have made a request for establishment of an Agricultural Community (AC) are attached.

Article 19.-

After a First-Established General Assembly, the Steering Committee shall coordinate with the elected members of a Governing Board to submit an application for endorsement and for registration of an Agricultural Community (AC) to the Capital or Provincial Agricultural Department concerned to secure the legality of an Agricultural Community (AC).

An application for registration of an Agricultural Community (AC) and the attached documents that were signed by the elected Chairperson of a Governing Board are as follows:

- The First-Established General Assembly report
- A business plan of an Agricultural Community (AC) that has submitted an application
- A statute and an internal rule of an Agricultural Community (AC)
- Lists of members of a Governing Board and of an Inspecting Committee, mentioning the names, jobs and their addresses
- Lists of members of an Agricultural Community (AC) and number of shares and membership fee of each member
- A sample signature or right thumbprint of the elected Chairperson of a Governing Board of an Agricultural Community (AC) or a person who has the right to represent an Agricultural Community (AC).

Article 20.-

When receiving the Agricultural Communities' applications for registration, the Capital or Provincial Agricultural Department concerned shall receive applications by issuing receipts mentioning the specific date of the receiving.

The Capital or Provincial Agricultural Department concerned shall issue an Agricultural Community (AC) registration certificate that attests to the official recognition of the application for registration of that Agricultural Community (AC) at least 20 (twenty) working days from the date of the receiving of complete application with free of charge, but only in case where formalities for establishment of an Agricultural Community (AC) that has submitted an application are legal in accordance with the provisions and procedures of this Law.

In case where there is no response within a given period of time as mentioned above, an application for registration of an Agricultural Community (AC) shall be considered as official approval, and the Capital or Provincial Agricultural Department concerned shall automatically issue an Agricultural Community registration certificate.

Article 21.-

The Capital or Provincial Agricultural Department concerned has the right not to issue a registration certificate to any Agricultural Community (AC) in case where the registration documentation is not legal in accordance with the provisions and procedures of this Law by notifying that a Steering Committee should make modifications at least 60 (sixty) days from the date of the notification.

In case where a Steering Committee fails to make the modifications within a given period of time as mentioned above, the Capital or Provincial Agricultural Department concerned has the right to reject the registration of that Agricultural Community (AC).

Article 22.-

A Steering Committee has the right to appeal against the decision of the Capital or Provincial Agricultural Department on registration of an Agricultural Community (AC) by sending an appeal letter to the Department of Agricultural Communities Development (DACD) at least 60 (sixty) days from the date of the notification of rejection of the Capital or Provincial Agricultural Department concerned.

The Department of Agricultural Communities Development (DACD) shall issue a final decision on the appeal of a Steering Committee of an Agricultural Community that has submitted an application at least 60 (sixty) days after the date of the receiving of an appeal letter.

Article 23.-

A Steering Committee shall be dismantled automatically when an Agricultural Community (AC) was officially registered, and a Governing Board of an Agricultural Community (AC) shall take their own rights, roles and responsibilities from the date when an Agricultural Community (AC) was registered.

Individuals whose names are in the lists of the members of an Agricultural Community (AC) shall serve as full members of an Agricultural Community (AC) from the date of the registration and when shares and membership fees were paid according to their obligations.

Article 24.-

The Capital or Provincial Agricultural Department concerned shall publicly carry out the dissemination of an Agricultural Community (AC) that was officially registered by posting in a Capital or provincial agricultural department, and a Khan, municipal and district agricultural office, and a Khan, municipal or district hall, and the Sangkat or commune office

concerned within 15 (fifteen) days from the date of the registration of an Agricultural Community (AC) and send one copy of the registration certificates to each of Capital or Provincial Department of Commerce.

Article 25.-

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall carry out the dissemination of and urge the establishment of an Agricultural Community (AC) in accordance with the provisions of this Law.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Procedural Guidelines of Establishment and Registration of an Agricultural Community.

Section 2

Agricultural Community Statute

Article 26.-

An Agricultural Community state shall prescribe conditions as follows:

- Name
- Logo, office and address
- Types of businesses
- Amount of capital that is established by shares, share prices and conditions of payment of shares
- Conditions of financial management
- Conditions of financing and credits
- Procedures in conduct of bookkeeping and documentation management
- The financial responsibility of a member for debt of an Agricultural Community (AC). This responsibility shall not exceed 4 (four) times of the number of shares that each member owns.
- Rights and obligations of a member
- Conditions of admission as membership
- Conditions of resignation and dismissal of an Agricultural Community member
- Functioning of a General Assembly and a Representing General Assembly
- Composition of a Governing Board and an Inspecting Committee
- Conditions of convening meetings of a Governing Board and an Inspecting Committee
- Roles and responsibilities of a Governing Board and an Inspecting Committee
- Conditions of consolidation of Agricultural Communities
- Conditions of dismantlement of an Agricultural Community (AC)
- Procedures in settling the disputes in an Agricultural Community (AC)
- Procedures in modifying or making an amendment to a statute

- Other procedures that are decided by a General Assembly or a Representing General Assembly.

Article 27.-

In case where an Agricultural Community (AC) makes an amendment to its own statute, that Agricultural Community (AC) shall re-submit a new statute to the Capital or Provincial Agricultural Department concerned at least 30 (thirty) days from the date of the decision made by a General Assembly. In case of the change in the name, that Agricultural Community (AC) shall return a registration certificate to the Capital or Provincial Agricultural Department concerned to get a new registration certificate with a new name.

Article 28.-

An Agricultural Community (AC) shall develop an internal rule to manage its own business operations.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Sample Statute and Sample Internal Rule for an Agricultural Community (AC).

Section 3

Rights and Obligations of an Agricultural Community (AC) Member

Article 29.-

All Cambodian citizens who are at the age of 18 (eighteen) or above are eligible to voluntarily apply for membership of the Agricultural Community (AC) if they meet the criteria as follows:

- Have major businesses within the framework of the system of agricultural production, agro-industry, agro-business or services that are related to the agricultural sector;
- Buy shares;
- Pay membership fees;
- Follow the provisions of this Law, the statute, the internal rule and resolutions adopted by a General Assembly of an Agricultural Community (AC).

Article 30.-

Members of an Agricultural Community (AC) shall pay share(s) that he/she bought in accordance with the terms and conditions as prescribed in a statute. Each member shall take both personal and common responsibilities for the debt of an Agricultural Community (AC) at a level as prescribed in a statute, which is his/her own financial responsibility for an Agricultural Community (AC).

Article 31.-

An Agricultural Community (AC) member has the rights and obligations as follows:

- Attend a General Assembly and cast a vote on equal terms with other members, irrespective of the level of shares that were owned in an Agricultural Community (AC);
- Follow the resolutions adopted by a General Assembly;
- Cast a vote and stand for election for an Agricultural Community (AC) structure in accordance with the provisions of this Law;
- Receive the information on the financial situation of an Agricultural Community (AC) and agricultural markets from a Governing Board or an Inspecting Committee;
- Make a request for the convening of an Extraordinary General Assembly to discuss any important issue on the basis of a statute and an internal rule of an Agricultural Community (AC) if 1/3 (one third) of all the Agricultural Community (AC) members agree to do it.
- Make a request for the incorporation of the issues that are important for an Agricultural Community (AC) into an agenda of a General Assembly;
- Get a dividend personally;
- Hire or use the services and equipment of an Agricultural Community (AC) in the same way as other members;
- Take part in all activities of an Agricultural Community (AC);
- Make a request for resignation from membership of an Agricultural Community (AC) by giving the written notification to a Governing Board in line with the practical determinations in a statute of an Agricultural Community (AC) concerned;
- Receive all shares that have been paid plus interest in line with the determinations in a statute when a member made a request for the resignation or was dismissed. In case where an Agricultural Community (AC) made a loss, a member who made a request for the resignation or was dismissed shall be responsible for the loss according to the proportion of the shares that he/she has owned in line with the determinations in a statute.

Article 32.-

Any Agricultural Community (AC) member who failed to pay all shares and membership fee required by a statute shall not be allowed to exercise their rights and get benefits from an Agricultural Community (AC).

Article 33.-

In case where any Agricultural Community (AC) member committed gross misconduct, which damages the interests of an Agricultural Community (AC) or other members of an Agricultural Community (AC), his/her membership shall be suspended or he/she shall be dismissed from an Agricultural Community (AC) after his/her defense before a Governing Board. Dismissal from an Agricultural Community (AC) shall be decided by a General Assembly. In case of urgency, a Governing Board can announce the suspension of membership, but an urgent, Extraordinary

General Assembly shall be convened to discuss and decide the cases of retaining of membership or dismissal of that member from an Agricultural Community (AC).

Article 34.-

The membership of an Agricultural Community (AC) shall be terminated based on one of the cases below:

- An Agricultural Community (AC) went bankrupt or was dismantled;
- A member passed away or is lost on the basis of a statute of an Agricultural Community (AC);
- A member who transferred all his/her shares to other member;
- A member who was dismissed from an Agricultural Community (AC) in line with a resolution of a General Assembly;
- Other cases as prescribed in a statute.

Section 4

Rights, Obligations and Functioning of an Agricultural Community (AC)

Sub-Section 1: Rights and Obligations of an Agricultural Community (AC)

Article 35.-

An Agricultural Community (AC) has the rights and obligations as follows:

- 1- Operate its own businesses within the framework of agricultural production, agro-industry, agro-business or other related services to make profits for members;
- 2- Represent members to enter into a contract and implement the contracts with the private sector or other development partners;
- 3- Guarantee the rights of members to take part in the achievement of socio-economic and cultural goals;
- 4- Provide the technical assistance, training to increase the capacity of members and provide information for members to participate in the economic activities of an Agricultural Community (AC);
- 5- Make a request for or accept the technical assistance or financial aid from the Royal Government and other legal sources;
- 6- Carry out the management of finance, accounting, inspecting, and maintaining and increasing the amount of capital and other resources of an Agricultural Community (AC) in accordance with the laws and provisions that are in force;
- 7- Pay tax and fulfill other financial obligations in accordance with the provisions and procedures of the laws that are in force;
- 8- Fulfill other obligations that are related to the goals of an Agricultural Community (AC).

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakason Guidelines of Contract for Business Operations of an Agricultural Community.

Article 36.-

An Agricultural Community (AC) shall keep the documents or the lists in its own office and other places that are determined by the laws. The documents or the lists that shall be kept are as follows:

- 1- A statute and an internal rule of an Agricultural Community (AC);
- 2- The lists of the Agricultural Community (AC) members include:
 - The name and address of an office of an Agricultural Community (AC);
 - The names, nationalities, dates of birth and addresses of members;
 - The dates of the admission as membership.
- 3- The lists of shares of members include:
 - The name and address of an office of an Agricultural Community (AC);
 - The names of members who own the shares, share prices, number of shares and the shares that were paid.
- 4- An annual balance sheet of an Agricultural Community (AC);
- 5- An annual report of an Agricultural Community (AC) on outcomes of its own business operations;
- 6- The minutes of the meetings and all types of the reports;
- 7- Other documents of an Agricultural Community (AC).

Sub-Section 2: A General Assembly of an Agricultural Community (AC)

Article 37.-

A General Assembly is a top organization of an Agricultural Community (AC) that is responsible for approving and issuing resolutions in the establishment and functioning of an Agricultural Community (AC), which consists of a First-Established General Assembly, an Annual General Assembly, a Representing General Assembly and an Extraordinary General Assembly.

A General Assembly of an Agricultural Community (AC) has the responsibilities as follows:

- Approve and make amendments to a statute and an internal rule;
- Elect, from amongst members of an Agricultural Community (AC), a chairperson and other members of a Governing Board and members of an Inspecting Committee by secret voting;
- Vote off those elected members and establish a dividend for those members, if any;
- Determine the responsibilities of a Governing Board and an Inspecting Committee;
- Recruit the auditors or inspectors and approve an audit report of an Agricultural Community (AC);
- Establish a maximum level of a loan (debt) that an Agricultural Community (AC) can get for its own subject by maintaining the autonomy of an Agricultural Community (AC);
- Approve the investment, entering into a contract, loan and mobilization of funds for an Agricultural Community (AC);
- Establish the formalities, amount of cash and interest rate for members to borrow;

- Approve the net profits each year equal to gross profits minus reserve fund plus training fund plus other funds on the basis of a statute of the Agricultural Community (AC) concerned, and pay debts of an Agricultural Community (AC) for the past year;
- Determine the distribution of net profits to the Agricultural Community (AC) members;
- Re-stabilize the distribution of shares to each member in case of change in the number of members;
- Check and approve a balance sheet and a report on the outcomes of business operations of an Agricultural Community (AC);
- Discuss, approve an annual report of an Inspecting Committee after it was reviewed;
- Approve the minutes of the meetings of a Governing Board and an Inspecting Committee;
- Approve a liquidation report of an Agricultural Community (AC);
- Approve an action plan and a financial plan of an Agricultural Community (AC) for the next fiscal year;
- Decide the application for admission as a new member, and suspension and dismissal of any member;
- Decide the changes, such as division, consolidation or dismantlement of an Agricultural Community (AC);
- Approve or decide other works within the framework of the functioning of an Agricultural Community (AC).

Article 38.-

A First-Established General Assembly of an Agricultural Community (AC) is responsible for approving the important documents and requirements as prescribed in Articles 17 and 18 of this Law to file an application for registration and put in place the fiscal years for an Agricultural Community (AC).

Article 39.-

A General Assembly of an Agricultural Community (AC) shall be convened each year and has a number of major responsibilities, such as summing-up the outcomes of annual business operations, presenting a balance sheet, distributing a dividend, approving business operations for a new year, approving the resignation of current members, approving the application for admission as a new member, making an amendment to a statute, and discussing and approving other works.

Article 40.-

In case where an Agricultural Community (AC) has more than 200 (two hundred) members, an Agricultural Community (AC) can select representing delegates to attend a General Assembly that, in this regard, is called, a Representing General Assembly.

Article 41.-

An Extraordinary General Assembly of an Agricultural Community (AC) has the major responsibilities for addressing any urgent issue, which can be convened many times per year depending on the required situations of the Agricultural Community (AC) concerned.

An Extraordinary General Assembly can be convened in accordance with the provisions and procedures of this Law.

Article 42.-

The convening of a General Assembly shall be arranged by a chairperson of a Governing Board of an Agricultural Community (AC) by notifying members of a venue, a date and an agenda at least 10 (ten) days in advance. A notification shall be arranged in the normal way of disseminating the information and shall be posted at an office of the Agricultural Community (AC) concerned.

A General Assembly can discuss, approve and decide something, unless a quorum is 2/3 (two-third) of the whole Agricultural Community members. In case where the above conditions cannot be met, the convening of a second General Assembly using the same agenda shall be arranged within 10 (ten) days after the given date of the first General Assembly. The second General Assembly does not require a quorum.

A General Assembly shall be presided over by a chairperson of a Governing Board or a Chair of a General Assembly that was selected by voting from amongst members who are present. A General Assembly shall assign one General Assembly secretary to take the minutes mentioning resolutions adopted by a General Assembly, to which a list of attendants is attached, and the secretary and the Chair of a General Assembly shall sign the minutes.

Article 43.-

One member has only one vote in a General Assembly and cannot be replaced by a representative or his/her family member who does not have the responsibility for his/her own discretion.

The resolutions that are related to a statute, an internal rule, division, Agricultural Communities consolidation or dismissal of any member shall be voted for by 2/3 (two-third) of all members who are present. Other resolutions of a General Assembly shall be voted for by the majority of all members who are present.

Sub-Section 3: An Agricultural Community Governing Board

Article 44.-

A Governing Board is an executive organization of an Agricultural Community. A chairperson and all members of a Governing Board shall be elected by a General Assembly. The number of members of a Governing Board is odd number, starting from 3 (three) including a chairperson based on the number of members and practical business operations of an Agricultural Community (AC) that is determined by a statute of an Agricultural Community (AC). Member's spouse, his/her own parent, his/her parent in law and his/her own children cannot be allowed to be admitted to the same Governing Board.

The members of a Governing Board shall be elected by a General Assembly for a 5 (five)-year mandate.

The current members of a Governing Board are allowed to stand for election again on the basis of a statute of the Agricultural Community (AC) concerned.

Article 45.-

The elected Governing Board shall make an appointment as a treasurer and a secretary from amongst its own members. In case where no member can be appointed from amongst its own members, a Governing Board can make the appointments from amongst the Agricultural Community (AC) members.

A chairperson of a Governing Board is a representative of an Agricultural Community (AC) and has the responsibilities for convening a meeting of a Governing Board once a month or can convene an extraordinary meeting as necessary. A Governing Board can organize a meeting and approve any issue, unless a quorum is 2/3 (two-third) of all of its own members.

A decision of a Governing Board can be considered effective, unless it is voted for by the majority of all the meeting participants. In case where the votes for and the votes against are equal, the vote of a chairperson prevails.

A meeting of a Governing Board can be attended by members of an Inspecting Committee.

Article 46.-

The members of a Governing Board shall regularly attend a meeting of their Governing Board. In case where any Governing Board member was absent for 3 (three) consecutive times without reasons, he/she shall be suspended as member from an Agricultural Community (AC).

The next General Assembly shall decide the membership of an Agricultural Community (AC) member who has been suspended.

Article 47.-

In accordance with the provisions of this Law, a statute and resolutions of a General Assembly, a Governing Board is entrusted a comprehensive authority to lead and manage an Agricultural Community (AC), and shall perform a role and responsibilities as follows:

- Be responsible for the financial management on the basis of a general ledger form for an Agricultural Community (AC);
- Convene a General Assembly;
- Present an annual report that was endorsed by an Inspecting Committee and a balance sheet to a General Assembly;
- Present an action plan that include training activities for the members and staff members and a financial plan for the next fiscal year to a General Assembly;

- Prepare the necessary documents for audit that are required by laws, which will be reported to a General Assembly;
- Convene an Extraordinary General Assembly of an Agricultural Community (AC) in case of necessity;
- Send one copy of an annual report and a balance sheet each to its own registration unit;
- Manage the assets of an Agricultural Community (AC);
- Fulfill other duties according to the determinations of an Agricultural Community (AC) General Assembly.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Sample General Ledger Form for an Agricultural Community (AC).

Article 48.-

A Governing Board can recruit one contracted executive director that is a member or is not a member of an Agricultural Community (AC), but that is not a member of a Governing Board or is not a member of an Inspecting Committee, who has the professional skills to serve as an assistant of a Governing Board to manage the business operations of an Agricultural Community (AC).

An executive director can attend a meeting of a Governing Board, but has only the right to provide consultation.

An executive director shall be paid a salary and follow conditions that are prescribed in a written contract to fulfill the duties that were assigned by a Governing Board and shall be accountable to the wrongful acts he/she committed during his/her duty.

Article 49.-

A Governing Board can recruit the contracted staff members as necessary to work in the business operations of an Agricultural Community (AC) in accordance with a Law on Labors.

The members of a Governing Board shall take both personal and common accountability to the wrongful acts they committed during their duty including the criminal accountability.

Sub-Section 4: An Agricultural Community Inspecting Committee

Article 50.-

An Inspecting Committee is an internal, permanent inspecting organization of an Agricultural Community (AC) that has the duty to examine the activities of a Governing Board and an executive director to maintain the accountability of the members of an Agricultural Community (AC). An Expecting Committee shall be elected by a General Assembly. A chairperson of an Inspecting Committee shall be elected from amongst its own members.

An Inspecting Committee has 3 (three) to 5 (five) members who are not a Governing Board member's spouse, his/her own parent, his/her parent in law and his/her children and who are not the staff members of an Agricultural Community (AC) who are paid salaries.

The members of an Inspecting Committee shall be elected by a General Assembly for a 5 (five)-year mandate.

The current members of an Inspecting Committee have the rights to stand for elections again on the basis of a statute of the Agricultural Community (AC) concerned.

Article 51.-

An Inspecting Committee shall organize a meeting according to the convening of a chairperson or to the request made by at least 2/3 (two-third) of the members. In case where the votes for and the votes against in a meeting are equal, the vote of a chairperson prevails. The members of an Inspecting Committee can attend a meeting of a Governing Board, but have only the rights to provide the consultation.

Article 52.-

An Inspecting Committee has the rights and obligations as follows:

- Inspect or order the inspection of the general ledger of an Agricultural Community (AC);
- Inspect an inventory list and a balance sheet as necessary;
- Shall notify a Governing Board of the situations it has noticed and reflect these situations in its own annual report that will be presented to a General Assembly;

In case where there is any specific, urgent issue or where most of the members of a Governing Board are in a situation where they experience inability to fulfill their duties and obligations, an Inspecting Committee has the right to request a chairperson of a Governing Board to convene or organize a General Assembly to address that issue.

Article 53.-

A Governing Board and an Inspecting Committee are not paid salaries, but a General Assembly can allocate budgets for the expenses when they work and for a Governing Board and an Inspecting Committee.

Section 5

Capital, Funds and Assets of an Agricultural Community (AC)

Article 54.-

The sources of capital of an Agricultural Community (AC) are as follows:

- The shares that were bought and paid by the members;
- The reserve fund that comes from the gross profits;
- The donations or contributions that shall be put into the assets of an Agricultural Community (AC) and kept in a separate account;
- The loans from the third parties;
- The loans from members that are in the forms of deposits or savings;
- Other legal assistance;
- Other funds.

Article 55.-

The amount of capital of an Agricultural Community (AC) may increase due to additional payment of the new members or buying the additional shares, and may decrease due to repayment when the shares were withdrawn on the basis of a statute of an Agricultural Community (AC).

The initial price of a share shall be established by a statute and due dates for payments with one or more installments can be set in advance.

Article 56.-

A share under a member's name cannot be divided and cannot be sold to an external person who is not a member of an Agricultural Community (AC), but it can be transferred from one member to another member of an Agricultural Community (AC) or to his/her child in accordance with the laws that are in force.

Article 57.-

An Agricultural Community (AC) shall establish one reserve fund by transferring at least 20 (twenty) percent of the gross profits to this reserve fund until it reaches 5 (five) times of total number of shares. The reserve fund cannot be distributed to the members.

Article 58.-

An Agricultural Community (AC) shall establish one training fund for the members, managers, and staff members, to which at least 3 (three) percent of the gross profits per year is transferred. This training fund shall be used only for the purposes of its establishment.

Article 59.-

The gross profits of an Agricultural Community (AC) shall be distributed in accordance with the principles as follows:

- Be retained for a reserve fund and a training fund or other funds that are established by an Agricultural Community (AC);
- Be distributed to the members according to the proportion of the business activities of a member with an Agricultural Community (AC);

- Distribute a dividend to the members based on the shares that a member has owned.

Article 60.-

The assets of an Agricultural Community (AC) include budgets, lands, all types of buildings, all types of equipment, contributions, all forms of donations and other assets that were established by an Agricultural Community (AC).

Article 61.-

An Agricultural Community (AC) can use the reserve fund to cover its own losses.

Section 6

An Agricultural Community (AC) Audit

Article 62.-

An Agricultural Community (AC) shall be audited every year. An audit report shall be presented to a General Assembly for approval through an Agricultural Community (AC) Governing Board. A decision made by a General Assembly on the results of audit shall be incorporated in an annual report.

An audit shall not be conducted with an Agricultural Community (AC) that has a capital of less than 100,000,000.00 (one hundred million) Riels.

Article 63.-

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Subjects of an Agricultural Community (AC) Audit.

Section 7

The Dismantlement of an Agricultural Community (AC)

Article 64.-

An Agricultural Community (AC) shall make a request for its dismantlement based on one of the grounds as follows:

- 1- Agreeing on the dismantlement through a decision made by a General Assembly of an Agricultural Community (AC);
- 2- The conditions that require the dismantlement of an Agricultural Community (AC) as prescribed in a statute;

3- When the members resigned until the remaining number of the Community members was less than 6 (six) members;

4- When an Agricultural Community (AC) went bankrupt or the debt was more than half of the total capital;

5- The judgment or the authoritative decision that requires the dismantlement;

6- When the Capital or Provincial Agricultural Department concerned revoked the registration certificate of an Agricultural Community (AC) in accordance with Article 66 of this Law.

Article 65.-

The Agricultural Community (AC) that made a request for the dismantlement according to the provisions of any point amongst the points 1, 2, 3 and 4 of the above Article 64 shall give the written notification to the Capital or Provincial Agricultural Department concerned in a period of not exceeding 30 (thirty) days after the date of the dismantlement by submitting a request to the Capital or Provincial Agricultural Department concerned and sending a copy of the request to the commune or Sangkat office and the municipal, district or Khan hall where the Agricultural Community (AC) is located.

In case where an Agricultural Community (AC) is dismantled, that Agricultural Community (AC) shall go into liquidation in accordance with the provisions of this Law.

Article 66.-

Capital or Provincial Agricultural Departments that are responsible for registering the Agricultural Communities have the rights to revoke a registration certificate of any Agricultural Community in case where:

1- An Agricultural Community (AC) that was registered did not work or conduct the operations within 18 (eighteen) months from the date of the registration or an Agricultural Community (AC) paused its own operations in a period of exceeding 2 (two) consecutive years from the date of the pausing.

2- An Agricultural Community (AC) that seriously violated the Law on Agricultural Communities or the relevant laws that are in force.

Article 67.-

The Agricultural Community (AC) whose registration certificate was revoked by the Capital or Provincial Agricultural Department has the right to file a complaint to the Ministry of Agriculture, Forestry and Fisheries (MAFF) in a period of not exceeding 30 (thirty) days from the date when the registration certificate was revoked by the Capital or Provincial Agricultural Department concerned.

In a period of not exceeding 45 (forty-five) days from the date of the accepting of a complaint, the Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue a decision on the complaint filed by the Agricultural Community (AC) whose registration certificate was revoked.

In case where there is no agreement on that decision, an Agricultural Community (AC) can file an appeal to the ministries/institutions concerned or to a court within 30 (thirty) days from the date of the receiving of the decision of the Ministry of Agriculture, Forestry and Fisheries (MAFF), and that decision shall be suspended, while awaiting the judgment from the court.

Section 8

The Liquidation of an Agricultural Community (AC)

Article 68.-

In case where an Agricultural Community (AC) shall be dismantled, an Agricultural Community (AC) General Assembly shall appoint one or more liquidators who have high capacity in a period of not exceeding 30 (thirty) days from the date when an Agricultural Community (AC) was dismantled or from the date when the Department of Agricultural Community Development of the Ministry of Agriculture, Forestry and Fisheries (MAFF) issued a decision on the complaint.

In case where a General Assembly cannot appoint the liquidators within the given period as mentioned above, the Capital or Provincial Agricultural Department concerned that is responsible for registering the Agricultural Community (AC) shall appoint one or more liquidators to carry out the liquidation of an Agricultural Community (AC) that shall be dismantled.

Article 69.-

The decisions on the appointment of liquidator(s) and the dismantlement of an Agricultural Community (AC) shall be posted in an office of the Agricultural Community (AC) concerned, a municipal, district or Khan Agricultural office, the Capital or Provincial Agricultural Department concerned, and a commune or Sangkat office, and a municipal, district or Khan hall within 15 (fifteen) days from the date of the appointment.

Article 70.-

When an Agricultural Community (AC) was dismantled, a liquidator shall be entrusted all powers and authority as a Governing Board and an Inspecting Committee for use in the liquidating process.

A chairperson of a Governing Board has an obligation to keep the assets of an Agricultural Community (AC) during a period of the liquidating process until the liquidation is ended.

Article 71.-

A liquidator has the powers and authority as follows:

- Order a Governing Board to show assets together with a general lodger and other lists or documents of an Agricultural Community (AC) as necessary;
- Maintain continuity by taking the responsibilities for works of an Agricultural Community (AC) that was dismantled, to protect the interests of an Agricultural Community (AC) until the liquidation is completely ended;
- Make a request for the convening of an Agricultural Community (AC) General Assembly as necessary;
- Organize the assets of an Agricultural Community (AC) with the approval of the Capital or Provincial Agricultural Department concerned;
- Pay a debt or collect a debt, which is related to the Agricultural Community (AC);
- Organize every civil proceeding and address all issues on behalf of an Agricultural Community (AC);
- Perform other works as necessary to end the liquidation.

Article 72.-

A liquidator shall give the written notification to creditors of an Agricultural Community (AC) whose names were recorded in a general ledger or the creditors who were located to inform them of the dismantlement of an Agricultural Community (AC) and to pay off the debts within 60 (sixty) days from the date when the appointment of a liquidator is effective.

A liquidator shall prepare a balance sheet of an Agricultural Community (AC) and submit it to an auditor or an inspector who was selected in accordance with Article 63 of this Law for review. When the balance sheet was endorsed by an auditor or an inspector, a liquidator shall submit this balance sheet to the Capital or Provincial Agricultural Department concerned for approval.

Article 73.-

The creditors of an Agricultural Community (AC) shall declare their debts before a liquidator and have the rights to claim the payment of their own debts within 6 (six) months from the date of the notification by the liquidator.

When the period as prescribed in the above paragraph 1 was ended, all debts will be extinguished, and the remaining budgets will be organized as follows:

- Cover the expenses for the liquidation process;
- Pay tax that is required by the State;
- Pay a debt and the salaries of the staff members who worked with an Agricultural Community (AC);
- Repay the shares according to the proportion of the shares that the members have owned.

Article 74.-

After the full payment of the debts of an Agricultural Community (AC) and if there are remaining assets, the Agricultural Community (AC) General Assembly concerned has the right to transfer these assets to one other Agricultural Community (AC) in the same Agricultural Community Union or a Cambodia agricultural community league or to an Agricultural Community Development Foundation.

In case where a General Assembly cannot be convened, a liquidator shall request the Capital or Provincial Agricultural Department and the Department of Agricultural Community Development of the Ministry of Agriculture, Forestry and Fisheries (MAFF) to organize the remaining assets of that Agricultural Community (AC).

Article 75.-

After the completion of the liquidation of an Agricultural Community, a liquidator shall prepare a report on the liquidation together with a balance sheet of a liquidation account that will be submitted to an auditor or an inspector for review. After a report on the results of the closure of the liquidation was endorsed by an auditor or an inspector, a liquidator shall submit it to a head of the Capital or Provincial Agricultural Department concerned for approval, and the Agricultural Community (AC) is abolished from a list by posting in the same way as the registration process.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Procedures in Liquidating an Agricultural Community (AC).

Article 76.-

A liquidator shall hand over the general ledger and the documents on liquidation to the Capital or Provincial Agricultural Department concerned at least 30 (thirty) days from the date of the closure of the liquidation.

A unit in charge of registration shall keep all the lists and relevant documents within 2 (two) years from the date when the Agricultural Community (AC) was abolished from a list for the examining or inspecting of members or those involved upon request.

Section 9

The Consolidation of the Agricultural Communities

Article 77.-

2 (two) or more Agricultural Communities situated in the geographical locations that are next to each other can be consolidated through a decision made by the General Assembly of each Agricultural Community (AC) to form only one Agricultural Community (AC) that shall be re-registered in accordance with the provisions of this Law.

Article 78.-

Each Agricultural Community (AC) that is consolidated shall pay off a creditor involved before the consolidation is effective.

Any Agricultural Community (AC) that did not pay off a debt to a creditor is not allowed to apply for the consolidation.

Article 79.-

The documents for the registration of a new Agricultural Community (AC) shall bear a signature or a right thumbprint of a representative of each Agricultural Community (AC) that was assigned by a Governing Board and there shall be additional documents as follows:

1- A debt payment letter of an Agricultural Community (AC) that is consolidated, which certified that a debt was paid off to a creditor or the assurances that proved its non-involvement with a debt;

2- A new statute of an Agricultural Community (AC) that is consolidated and registered;

3- The minutes of a General Assembly of each Agricultural Community (AC) that decided to consolidate itself.

The 2nd and 3rd documents as mentioned in the above paragraph 1 shall be signed by the representatives of the Agricultural Communities that are consolidated, which also bear the signatures or the right thumbprints of all members and are used for registration as a new Agricultural Community.

Article 80.-

After the consolidation, a new Agricultural Community (AC) shall convene a First-Established General Assembly by electing a Governing Board and an Inspecting Committee and approving a statute and other rules in accordance with the provisions of this Law.

Article 81.-

The Agricultural Community (AC) that was consolidated shall file an application for registration of a new Agricultural Community (AC) by submitting the documentation as prescribed in Article 19 and the additional documents as prescribed in Article 79 of this Law.

After the registration of a new Agricultural Community (AC), the Capital or Provincial Agricultural Department concerned shall delete the names of the old Agricultural Communities that were consolidated from a list of the Agricultural Communities and shall publicly disseminate the registration of a new Agricultural Community (AC) in accordance with the provisions of this Law.

Article 82.-

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Procedures in Consolidating the Agricultural Communities.

Section 10

The Division of the Agricultural Communities

Article 83.-

One Agricultural Community (AC) can be divided in case where an administrative jurisdiction and an administrative geography have changed or a business structure in an Agricultural Community (AC) was divided, which requires a division.

A request for the division of an Agricultural Community (AC) can be made, unless from 1/2 (one-second) of all the Agricultural Community (AC) members agreed.

Article 84.-

An Agricultural Community (AC) Governing Board shall convene a General Assembly in case where a request for the division of an Agricultural Community (AC) was made. The General Assembly shall review the request for the division of an Agricultural Community (AC), taking into consideration the distribution of the assets and other obligations of an Agricultural Community (AC) that is divided.

A General Assembly can make a decision on the division of an Agricultural Community (AC), unless it is voted for by 2/3 (two-third) of the members or the representing delegates who were present in a General Assembly.

Article 85.-

After the date when an Agricultural Community (AC) was decided, a Governing Board shall give a creditor the written notification of a portion of a debt that was divided. In case where a creditor had an objection, an information shall be provided for an Agricultural Community (AC) within 30 (thirty) days after the receipt of a notification.

Article 86.-

The new Agricultural Communities that were established due to the division of an old Agricultural Community (AC) shall be registered in accordance with the provisions as prescribed in this Law.

The additional documents indicated below shall be attached to an application for registration:

1- A request for the division and the minutes of a General Assembly in which a decision on the division of an Agricultural Community (AC) was incorporated;

2- An notification letter to a creditor involved and a debt payment letter that certified that all debts were paid off.

Article 87.-

An asset of an old Agricultural Community (AC) that is distributed to the new Agricultural Communities together with an inventory list of this asset shall be handed over to the new Agricultural Communities when the registration of the new Agricultural Communities is effective.

Article 88.-

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Procedures in Dividing an Agricultural Community.

Chapter 4

The Agricultural Community (AC) Union

Article 89.-

2 (two) Agricultural Communities or more that have the similar economic activities or economic connections in the system of common business operations can combine voluntarily together to form “an Agricultural Community (AC) Union” to mobilize the forces of production and means of production, and to extend the capacity in the agricultural production, agro-industry, agro-business or services that are related to the agricultural sector.

Private legal entities apart from the Agricultural Communities that have the major businesses within the framework of agricultural production, agro-industry, agro-business or services that are related to the agricultural sector can apply for admission as membership of an Agricultural Community (AC) Union voluntarily.

Article 90.-

An Agricultural Community (AC) Union shall be established, which is not dependent on the administrative geographic domains where the Agricultural Communities as members are located.

The Agricultural Community (AC) Unions shall be classified into 3 (three) levels, which include:

1- A National Agricultural Community (AC) Union that implements its economic activities in all regions throughout the Kingdom of Cambodia;

2- A Regional Agricultural Community (AC) Union that implements its economic activities within the framework of any region of the Kingdom of Cambodia;

3- A Local Agricultural Community (AC) that implements its economic activities within the framework of any commune, Sangkat, city, district, Khan, Capital or province in the Kingdom of Cambodia.

Article 91.-

An Agricultural Community (AC) Union shall be established through the decisions made by the General Assemblies of the separate Agricultural Communities that combined together to form an Agricultural Community (AC) Union.

A Governing Board of each Agricultural Community (AC) shall assign one representative to form a Steering Committee to fulfill the duty to establish an Agricultural Community (AC) Union, and shall perform the procedures in the same way as a First-Established General Assembly that establishes an Agricultural Community (AC).

Article 92.-

An Agricultural Community (AC) Union that was established shall be registered to secure its legality at the Department of Agricultural Community Development of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Procedures in Establishing and Registering an Agricultural Community Union.

Article 93.-

An Agricultural Community (AC) Union fulfills the duties as follows:

1- Implement the integrated economic activities amongst members within the framework of agricultural production, agro-industry, agro-business or services that are related to the agricultural production;

2- Establish and manage the funds to support the business operations of the members;

3- Conduct agricultural marketing, analyze the needs and supply joint agricultural inputs, and provide the information that serves the purposes of the production and the business operations of the members;

4- Support and promote the techniques or the professions of the members;

5- Be responsible and safeguard the interests of the members in the presence of the public authorities and the private partners;

6- Help settle a dispute that may arise between its own members or a dispute with a third party;

7- Provide an advice and orient the business operation of a member to extend an economic activity of an Agricultural Community (AC) Union;

8- Fulfill other duties that serve the purposes of the business operations and the interests of the members covered by this Law.

Article 94.-

The representing delegates of an Agricultural Community (AC) as a member of an Agricultural Community (AC) Union shall attend a General Assembly of the Agricultural Community (AC) Union on basis of a statute of the Agricultural Community (AC) Union concerned.

A private legal entity apart from an Agricultural Community (AC) as a member of an Agricultural Community (AC) Union has only 1 (one) vote in a General Assembly of an Agricultural Community (AC) Union.

Article 95.-

The procedures of the establishment and functioning of an Agricultural Community (AC) Union shall be performed in the same way as the procedures for an Agricultural Community (AC) as prescribed in the sections 1-10 in the chapter 3 of this Law.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Sample Statute and Internal Rule of an Agricultural Community (AC) Union.

Chapter 5

The Cambodia Agricultural Community (AC) League

Article 96.-

An Agricultural Community (AC) League is a top organizational structure of an Agricultural Community (AC), which shall be established through a Representing General Assembly of an Agricultural Community (AC) and an Agricultural Community (AC) Union with the coordination by the Ministry of Agriculture, Forestry and Fisheries (MAFF) in accordance with the provisions and the procedures of this Law.

The Agricultural Communities and the Agricultural Community (AC) Unions in the Kingdom of Cambodia shall automatically be the members of the Cambodia Agricultural Community (AC) League.

Article 97.-

The Cambodia Agricultural Community (AC) League fulfills the duties as follows:

1- Be a legal representative of the Agricultural Communities in the Kingdom of Cambodia to protect the rights and the interests of the members;

2- Provide the technical consultation for the members, and coordinate the relationship between its own members and the Royal Government institutions or the private sector or the development partners;

3- Provide the technical trainings that are related to the works of the Agricultural Communities;

4- Provide an audit service for the members with a view to providing an advice and orienting the development of the business operations;

5- Promote the relationship and the cooperation between the Agricultural Communities inside and outside the country or with the Agricultural Community Leagues outside the country or other international organizations that have the same goals;

6- Help the members deal with the issues and obstacles that are related to the works of the Agricultural Communities;

7- Cooperate with the ministries/institutions to promote the real interests of the Agricultural Communities in line with a National Policy on Development of Agricultural Communities;

8- Fulfill other duties whose goals are to serve the interests of the members.

Article 98.-

The Cambodia Agricultural Community (AC) League can establish the foundations in which the funds come from the sources as follows:

- The membership fees of the Agricultural Communities and the Agricultural Community (AC) Unions;
- The budgets provided by the Royal Government and the national and international development partners;
- The budget or in-kind donations of the generous persons;
- The remaining budget or assets of the Agricultural Communities or the Agricultural Community (AC) Unions that were dismantled in accordance with this Law;
- The revenues from other services of the Cambodia Agricultural Community (AC) League;
- Other revenues or assets of the Cambodia Agricultural Community (AC) League.

Article 99.-

The Cambodia Agricultural Community (AC) League shall elect the members of a Governing Board, of whom the number shall not exceed 15 (fifteen) people, from amongst the representing delegates of the Agricultural Communities or the Agricultural Community (AC) Unions as members, whom shall be decided by a General Assembly of the Cambodia Agricultural Community (AC) League.

A member of a Governing Board of the Cambodia Agricultural Community (AC) League has a 5 (five)-year mandate.

A current Governing Board member can stand for the election again on the basis of a statute of the Cambodia Agricultural Community (AC) League.

Article 100.-

A Governing Board of the Cambodia Agricultural Community (AC) League shall assign 1 (one) executive director to serve as a secretary of a Governing Board.

An executive director of the Cambodia Agricultural Community (AC) League takes the responsibilities for managing all the works of the Cambodia Agricultural Community (AC) League in accordance with a statute and internal rule of the Cambodia Agricultural Community (AC) League.

Article 101.-

The Cambodia Agricultural Community (AC) League shall be registered to secure its legality at the Department of Agricultural Community Development of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

The procedures of the establishment and functioning of the Cambodia Agricultural Community (AC) League shall be performed in the same way as the procedures for an Agricultural Community (AC) as prescribed in the sections 1-10 in the chapter 3 of this Law.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) shall issue Prakas on Sample Statute and Internal Rule of the Cambodia Agricultural Community (AC) League.

Chapter 6

The Monitoring and the Settlement of Disputes

Article 102.-

A registering unit of the Ministry of Agriculture, Forestry and Fisheries (MAFF) has the competence in monitoring all the business operations and functioning of an Agricultural Community (AC), an Agricultural Community (AC) Union, the Cambodia Agricultural Community (AC) League in a view to urging and orienting the development of an Agricultural Community (AC).

Article 103.-

A dispute that arose between a member and a member of an Agricultural Community (AC) or between a member and an Agricultural Community (AC) shall be settled by an Annual General Assembly or an Extraordinary General Assembly of that Agricultural Community (AC) concerned.

In case where a General Assembly could not settle a dispute, the Capital or Provincial Agricultural Department concerned shall intervene in the settlement.

In case where a dispute still could not be settled by the Capital or Provincial Agricultural Department concerned, the Department of Agricultural Community Development of the Ministry of Agriculture, Forestry and Fisheries (MAFF) shall intervene in the settlement.

Article 104.-

The Capital or Provincial Agricultural Department concerned shall intervene in the settlement of the disputes that arose between an Agricultural Community (AC) and an Agricultural Community (AC).

In case where the disputes still could not be settled by the Capital or Provincial Agricultural Department concerned, the Department of Agricultural Community Development of the Ministry of Agriculture, Forestry and Fisheries (MAFF) shall intervene in the settlement.

Article 105.-

The disputes that arose between an Agricultural Community (AC) as a member and an Agricultural Community (AC) Union or the Cambodia Agricultural Community (AC) League shall be settled by an Annual General Assembly or an Extraordinary General Assembly of the Agricultural Community (AC) Union concerned or the Cambodia Agricultural Community (AC) League.

In case where a General Assembly still could not settle the disputes, the Department of Agricultural Community Development of the Ministry of Agriculture, Forestry and Fisheries (MAFF) shall intervene in the settlement.

Article 106.-

All disputes that could not be settled between:

- A- A member and a member of an Agricultural Community (AC),
- B- A member and an Agricultural Community (AC),
- C- An Agricultural Community (AC) and an Agricultural Community (AC),
- D- An Agricultural Community (AC) with an Agricultural Community (AC) Union,
- E- An Agricultural Community (AC) or an Agricultural Community (AC) Union with the Cambodia Agricultural Community (AC) League or any external organization with an Agricultural Community (AC), the Ministry of Agriculture, Forestry and Fisheries (MAFF) shall intervene in the settlement.

A party involved that does not agree with a decision made by the Ministry of Agriculture, Forestry and Fisheries (MAFF) has the right to file an appeal to the ministry or institution concerned or a court within 30 (thirty) days from the date when the notification of a decision was received.

Chapter 7

The Penalties

Article 107.-

The penalties in this Law include a written warning, therevocation of a registration certificate and a criminal penalty. Imposing the punishment on an Agricultural Community (AC), an Agricultural Community (AC) Union and the Cambodia Agricultural Community (AC) League shall rest with a registering unit of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

Article 108.-

A written warning shall be given to any person who is responsible for an Agricultural Community (AC), an Agricultural Community (AC) Union and the Cambodia Agricultural Community (AC) League and committed one of the wrongful acts as follows:

- 1- Did not enshrine the documents or the lists as mentioned in Article 36 of this Law;
- 2- Failed to convene his/her own Annual General Assembly;
- 3- Failed to submit an annual report and a balance sheet to a registering unit of the Ministry of Agriculture, Forestry and Fisheries (MAFF), which are required by this Law;
- 4- Failed to conduct an audit or inspecting in accordance with Article 62 of this Law;
- 5- Failed to retain a reserve fund and a training fund in accordance with Articles 57 and 58 of this Law;
- 6- Hindered or did not provide an answer or obstruct an Inspecting Committee, a liquidator, an auditor or a competent official of the registering unit of the Ministry of Agriculture, Forestry and Fisheries (MAFF) that performed its or his/her own works.

Article 109.-

A registration certificate shall be revoked from any Agricultural Community (AC) or any Agricultural Community (AC) Union or the Cambodia Agricultural Community (AC) League that committed one of the wrongful acts as follows:

- 1- Did not convene an Annual General Assembly for two consecutive years without a reasonable ground;
- 2- Did not correct one of its own wrongful acts as prescribed in Article 108 on the basis of the instructions of the registering unit of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

Article 110.-

According to a criminal law that is in force, the punishment shall be imposed on the wrongful acts:

1- Falsified a name or a logo or any part of “an Agricultural Community (AC) or an Agricultural Community (AC) Union or the Cambodia Agricultural Community (AC) League” for implementing an economic activity or conducting a business operation in a view to serving its or his/her own interests;

2- Falsified a document, a product label, a product packaging cover or other documents of an Agricultural Community (AC) or an Agricultural Community (AC) Union in its or his/her own business operation.

Article 111.-

An official in charge of the registration of an Agricultural Community (AC), an Agricultural Community (AC) Union, the Cambodia Agricultural Community (AC) who abused his/her authority to conduct the registration, which is contrary to the provisions and the procedures of this Law, shall be punished with the administrative disciplinary according to the laws that are in force, including other criminal penalties concerned.

Chapter 8

Transitional Provisions

Article 112.-

After this Law comes into force, a standard in place that does not conflict with this Law shall remain valid until a new standard comes for replacement, and all the programs and the activities that are related to the works of an Agricultural Community (AC) shall be valid until the date of the completion of those programs and activities.

This Law shall be adopted by the National Assembly of the Kingdom of Cambodia on the of 2013 at its... plenary session of the 4th legislature.

Phnom Penh Capital,2013.

President of the National Assembly

Samdech Akkar Moha Ponhea Chakrei HENG SAMRIN

Annex to the Law on Agricultural Communities

Glossary

- 1- **Liquidation of Agricultural Community** refers to a process of liquidating all assets of an Agricultural Community that was dismantled to pay off a creditor of an Agricultural Community, to refund a capital to a member of an Agricultural Community and to distribute the remaining assets in accordance with a law or a statute of an Agricultural Community.
- 2- **Agro-business** refers to the activities of the business operations that are related to an agricultural sector, such as the supply of the agricultural materials (seeds, fertilizers, agricultural chemicals) and of the agricultural machinery and equipment, and the wholesaling, the retailing, the development of a market and the bidding for agricultural produce, etc.
- 3- **Agro-industry** refers to all pre-and-postharvesting activities, such as the classification, the packaging, the transportation, the storing and the processing of the raw materials of all the agricultural produce to improve the quality and a price for a domestic market and export.
- 4- **An Agricultural Community balance sheet** refers a financial statement that indicates the positions of a fixed asset and a current asset of an Agricultural Community.
- 5- **An Agricultural Community gross profit** refers to the total economic outcome at the end of a fiscal year that resulted from a business operation of an Agricultural Community.
- 6- **An Agricultural Community net profit** refers to the remaining budget at the end of a fiscal year, which is equal to a gross profit minus a reserve fund plus a training fund plus other funds that were established by an Agricultural Community.
- 7- **An agricultural production system** refers to an agricultural production that includes the growing of all kinds of the crops, an animal raising, an aquaculture, an arboriculture and other types of the cultivating cultures, which are within the framework of an agricultural sector.
- 8- **An Agricultural Community share** refers to a portion of the capital of an Agricultural Community that each Agricultural Community member has bought and paid in an Agricultural Community for a joint business operation.
- 9- **An agricultural economic enterprise** refers to an agricultural enterprise that implements an economic activity within the framework of the system of agricultural production, agro-business, agro-industry or the services that are related to the agricultural production.
- 10- **Agricultural production-related services** refer to the services that support the promotion of the agricultural production, such as the credit service, the saving, the depositing, the transportation of an agricultural produce, the promotion or an agricultural technical training, the agricultural material supply service, the soil preparation service, the fuel supply service,

the integrated pest management (IPM) service and other services that are conducted in the agricultural production system.

11- An Agricultural Community audit refers to the examination and advice for an Agricultural Community, focusing on an economic activity, a general lodger, and a business activity of an Agricultural Community.

12- A registering unit refers to the Capital and provincial departments and the Department of Agricultural Community Development that are responsible for registering an Agricultural Community, an Agricultural Community Union and the Cambodia Agricultural Community League.

Fundamental Principles of an Agricultural Community

Principle 1: Voluntary and Open Participation as Membership

An Agricultural Community shall be established voluntarily, which is open to all people who can use a service and agree to take the responsibilities for membership, regardless of gender, social issues, race, politics and religion.

Principle 2: Democratic Management by Member

An Agricultural Community shall be led and managed democratically by the members who took part in the definition of a policy and decision-making. A man and a woman who were elected for a leadership structure shall have accountability to their members. The members of an Agricultural Community have the equal rights to voting, namely, one member has one vote.

Principle 3: The Economic Contribution of a Member

All the members shall contribute their capital equally to a Community and shall manage it democratically. One portion of the capital of a member shall become a joint asset of an Agricultural Community. An Agricultural Community member shall distribute some or all profits in order to (A) develop an Agricultural Community and establish a reserve fund; (B) to distribute it to the members of an Agricultural Community according to the proportion of his/her business activities with an Agricultural Community; and (C) to support other activities that shall be decided by an Agricultural Community member.

Principle 4: The Autonomy and Independence

An Agricultural Community shall be autonomous and self-help, and shall be managed by a member. If an Agricultural Community has any agreement or any contract with the institution concerned, including the Royal Government or receives a financial support from the external sources, an Agricultural Community will be able to carry it out under the conditions that a democratic management by be reassured and that its own autonomy be maintained as well.

Principle 5: Education, the Training and the Provision of Information

An Agricultural Community shall provide education and the training for its own members, the elected representatives and the staff members to enable them to actively and effectively participate in the development of its own Agricultural Community and to publicly disseminate the subjects and the benefits of an Agricultural Community to youth and those who have leadership.

Principle 6: Cooperation with other Agricultural Communities

An Agricultural Community shall serve its own members in a more effective way and shall be strengthened through working together as a network at the local, national and international levels.

Principle 7: Taking Care of Communities

An Agricultural Community shall protect the joint interests, making sure the communities are developed in a sustainable way on the basis of the aims and objectives of a member.