

THE COOPERATIVES ACT (NO. 2),  
B.E. 2553 (2010)

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BHUMIBOL ADULYADEJ, REX.

Given on the 9th Day of April B.E. 2553;  
Being the 65th Year of the Present Reign.

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:  
Whereas it is expedient to amend the law on Cooperatives;

This Act contains certain provisions in relation to the restriction of rights and liberties of a person, in respect of which section 29 in conjunction with section 41 of the Constitution of the Kingdom of Thailand so permit by the virtue of law;

Be it, therefore, enacted by the King by and with the advice and consent of the National Assembly, as follows:

**Section 1.** This Act is called “The Cooperatives Act (No. 2), B.E. 2553 (2010)”.

**Section 2.** This Act shall come into force as from the day following the date of its publication in the Government Gazette.

**Section 3.** The provision of section 9, paragraph one of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“Section 9. There shall be a National Cooperative Development Board, consisting of the Prime Minister as Chairperson; the Permanent Secretary of Ministry of Agriculture and Cooperatives as Vice-Chairperson; the Permanent Secretary of Ministry of Social Development and Human Security, the Permanent Secretary of Ministry of Commerce,

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\* Translated by Ms. Arriya Phasee under contract for the Office of the Council of State of Thailand's Law for ASEAN project. – Tentative Version – subject to final authorisation by the Office of the Council of State.

the Permanent Secretary of Ministry of Education, the Permanent Secretary of Ministry of Industry, the Secretary-General of National Economic and Social Development Board, the Director-General of Cooperative Auditing Department, the Director of Bureau of the Budget, the Director of Fiscal Policy Office, the General Manager of Bank for Agriculture and Agricultural Co-operatives, the Chairperson of Islamic Bank of Thailand, a representative of the Cooperative League of Thailand who is the board member, one chairperson of the board of directors from each type of National Cooperative Federation and the Chairperson of Central Committee of National Farmers Groups as ex officio members; and not more than five qualified persons appointed by the Minister as members.”

**Section 4.** The provision of section 15 of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“Section 15. The Director-General of Cooperative Promotion Department shall be a Registrar of the Cooperatives.

The Registrar of the Cooperatives shall appoint a government official of the Ministry of Agriculture and Cooperatives having a position not lower than a division director or equivalent to be a Deputy Registrar of the Cooperatives with the power and duties as stipulated in this Act or as assigned by the Registrar of the Cooperatives.

The appointment under paragraph two shall be published in the Government Gazette.”

**Section 5.** The provision of section 30 of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“Section 30. There shall be an Executive Board of CDF, consisting of the Director-General of Cooperative Promotion Development as Chairperson; the Director-General of Cooperative Auditing Department, the Director-General of Department of Fisheries, the Director-General of Department of Livestock Development, the Director-General of Department of Agricultural Extension, a representative of the Comptroller General’s Department and a representative of the Bureau of the Budget as ex officio members; and other members appointed by the Minister from one representative from each type of the cooperatives and one representative of the farmers groups as members.

The Deputy Director-General of Cooperative Promotion Development entrusted by the Director-General of Cooperative Promotion Development shall be a member and secretary.

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The selection of the representatives of the cooperatives and the farmers groups for appointment by the Minister under paragraph one shall be in accordance with the criteria prescribed by the National Cooperative Development Board.

The Executive Board of CDF shall have the power and duties to administer CDF as well as to examine, monitor and evaluate the performance of works carried out by the cooperatives receiving business promotion from CDF in accordance with the criteria stipulated in the rules of the Cooperative Promotion Development.”

**Section 6.** The provision of section 31 of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“Section 31. The provisions of section 11 and section 12 shall apply, *mutatis mutandis* to the holding of office of the members of the Executive Board of CDF appointed by the Minister from the representatives of the cooperatives and the farmers groups.”

**Section 7.** The provision of section 42, paragraph two of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“During when the membership of a member has not been terminated, no creditor of the member may exercise the right to demand or forfeit the value of shares of such member, and when the membership has been terminated, the cooperative may offset money in the value of shares held by the member against the debt to be payable by the member to the cooperative and the cooperative shall have the status of a creditor having a preferential right over the value of shares.”

**Section 8.** The following provisions shall be added as section 42/1 and section 42/2 of The Cooperatives Act, B.E. 2542 (1999):

“Section 42/1. When a member has consented in writing with the cooperative to allow supervisors of the State agencies or employers of the business facilities or of any other agencies for which the member is working to deduct the salary or wage or any other money due to such member for settlement of the debt or obligation owed to the cooperative in favour of the cooperative in the amount notified by the cooperative until such debt or obligation has been settled, such agencies shall deduct such money and remit it to the cooperative at prompt.

The consent given under paragraph one may not be revoked unless the cooperative has consented thereto.

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The deduction of money under paragraph one shall be made firstly in favour of the cooperative following the tax obligations and the contributions to the funds to which the member is required to make contributions under the law on government pension fund, the law on provident fund, the law on labour protection and the law on social security.

Section 42/2. A member may appoint one or several persons in writing to be a beneficiary who will receive the value of shares, deposits or any other money from the cooperative when the member is deceased by placing such instrument with the cooperative as evidence.”

**Section 9.** The provision of section 46 (5) of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“(5) to receive saving or fixed deposits from members or other cooperatives or the cremation associations of which not less than one-half of the members are the members of the cooperative receiving deposits, in accordance with the cooperative’s rules approved by the Registrar of the Cooperatives;”

**Section 10.** The provision of section 52 (1) of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“(1) having been subject to an imprisonment penalty by a final judgement to imprisonment, except for an offence committed through negligence or a petty offence;”

**Section 11.** The provision of section 60, paragraph one of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“Section 60. The annual net profit of a cooperative shall be allocated as reserve funds in an amount of not less than ten percent of the net profit and as maintenance fees for the Cooperative League of Thailand at the rate stipulated in the Ministerial Regulations but shall not exceed five percent of the net profit.”

**Section 12.** The provision of section 112 of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“Section 112. There shall be a Board of Directors of the Cooperative League of Thailand, consisting of one chairperson of the board of directors from each type of National Cooperative Federation or in the case where any type of cooperative does not have a National Cooperative Federation, one representative from such type of cooperative

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as ex officio members, and other members elected by a general meeting of the Cooperative League of Thailand from the cooperative representatives who are the board members in the number equal to the number of the ex officio members as members.

The Board of Directors of the Cooperative League of Thailand shall elect one member as a Chairperson and one or several members as Vice-Chairpersons.

The Board of Directors of the Cooperative League of Thailand shall appoint a Director of the Cooperative League of Thailand, and the Director shall be a secretary of the Board of Directors of the Cooperative League of Thailand.

Criteria and procedures on the selection of the representatives of the cooperatives that do not have a National Cooperative Federation shall be in accordance with the rules of the Cooperative League of Thailand.

Determination of the proportion of the cooperative representatives who will be elected as other members shall be in accordance with the rules prescribed in section 113 (3).

The provision of section 52 shall apply, *mutatis mutandis* to the Board of Directors of the Cooperative League of Thailand and the Director of the Cooperative League of Thailand.”

**Section 13.** The provision of section 115 of The Cooperatives Act, B.E. 2542 (1999) shall be repealed and replaced by the following:

“Section 115. In addition to vacating office on the expiration of term under section 114, a board member of the Cooperative League of Thailand vacates office upon:

- (1) death;
- (2) resignation;
- (3) being bankrupt;
- (4) being incompetent or quasi-incompetent;
- (5) being subject to an imprisonment penalty by a final judgement to imprisonment, except for an offence committed through negligence or a petty offence;
- (6) cessation of membership of the cooperative.

Subject to paragraph one, a board member of the Cooperative League of Thailand appointed by the general meeting shall vacate office upon removal by the resolution of the general meeting with the vote of not less than two-thirds of the number of the cooperative representatives present in the meeting.

In the case where the event under paragraph one or paragraph two occurs, the remaining members may continue to perform their duties and the Board of Directors of

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the Cooperative League of Thailand shall be regarded as comprising of the remaining members, except in the case that the remaining members are less than two-thirds.

If a board member of the Cooperative League of Thailand appointed by the general meeting vacates his or her office prior to the expiration of the term, a general meeting of the Cooperative League of Thailand shall elect a cooperative representative to replace the vacated position, unless the remaining term of such vacated member is less than ninety days, in which case, the election of a replacement member may be omitted. The newly elected person shall be in office for the remaining term of office of the member whom he or she replaces.”

**Section 14.** The following provision shall be added as section 116, paragraph four of The Cooperatives Act, B.E. 2542 (1999):

“In the case where the Board of Directors of the Cooperative League of Thailand fails to convene an extraordinary general meeting under paragraph three, the members of not less than one-tenth of the total number of the members may, within sixty days following the expiration of the time period referred to in paragraph three, submit a written request for the Minister to convene an extraordinary general meeting. In this case, the Minister shall convene an extraordinary general meeting within thirty days from the date of receipt of the request.”

**Section 15.** The following provision shall be added as section 117/1 of The Cooperatives Act, B.E. 2542 (1999):

“Section 117/1. In the case where there is any problem relating to the operation of the Cooperative League of Thailand, a Chairperson of the Board of Directors of the Cooperative League of Thailand or not less than one-third of the board members of the Cooperative League of Thailand or not less than one hundred member cooperatives may request the National Cooperative Development Board to make a decision.

The decision of the National Cooperative Development Board shall be final.”

**Section 16.** The National Cooperative Development Board, the Executive Board of CDF and the Board of Directors of the Cooperative League of Thailand holding office prior to the effective date of this Act shall continue to perform their duties until the existence of the National Cooperative Development Board, the Executive Board of CDF and the Board of Directors of the Cooperative League of Thailand under The Cooperatives Act,

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B.E. 2542 (1999) as amended by this Act, provided that such boards shall be established within one hundred and eighty days from the effective date of this Act.

**Section 17.** The rate of the maintenance fees for the Cooperative League of Thailand determined by the National Cooperative Development Board under section 60 of The Cooperatives Act, B.E. 2542 (1999) in effect prior to the effective date of this Act shall continue in force until the existence of the Ministerial Regulation issued under section 60 of The Cooperatives Act, B.E. 2542 (1999) as amended by this Act.

**Section 18.** The Minister of Agriculture and Cooperatives shall have charge and control over the execution of this Act.

Countersigned by:

Abhisit Vejjajiva

Prime Minister

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