

KINGDOM OF CAMBODIA

NATION RELIGION KING



Unofficial Translation

Prakas On The Guideline for the Establishment and Registration of Agricultural Cooperatives



The Minister of Agriculture, Forestry and Fisheries

- Having seen The Constitution of the Kingdom of Cambodia;
- Having seen Royal Decree No. NS/RD/0913/903, dated September 24, 2013, on the Appointment of the Royal Government of Cambodia;
- Having seen Royal Decree No. NS/RKT/1213/1393, dated December 21, 2013, on the Revision and Addition of the Compositions of Royal Government of Kingdom of Cambodia;
- Having seen Royal Decree No. NS/RKT/0416/368, dated April 4, 2016, on the Revision and Addition of the Compositions of Royal Government of Kingdom of Cambodia;
- Having seen Preah Reach Kram No. 02/NS/94, dated July 20, 1994, promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen Preah Reach Kram No. NS/RK/0196/13, dated January 24, 1996, promulgating the Law on the Establishment of the Ministry of Agriculture, Forestry and Fisheries;
- Having seen Preah Reach Kram No. NS/RK/0613/008, dated June 6, 2013, promulgating the Law on Agricultural Cooperatives;
- Having seen Sub decree No. 17 S.E., dated April 7, 2000, on the Organization and Functioning of the Ministry of Agriculture, Forestry and Fisheries;
- Having seen Sub decree No. 105 S.E., dated August 22, 2005, on the addition of the duties to the Ministry of Agriculture, Forestry and Fisheries and establishment of the Department of Internal Audit, Department of Planning and Statistic, Department of International Cooperation and Center of Information and Agricultural Documents subordinate to the Ministry of Agriculture, Forestry and Fisheries;
- Having seen Sub decree No. 188 S.E., dated November 14, 2008, on the amendment to the General Department of the Ministry to become the Secretariat General, promotion of the forestry administration, fisheries administration to be equivalent to the General Department,

promotion of the Department of Agronomy and Agricultural Land Improvement to become the General Department of Agriculture and amendment to the General Department of Rubber Plantation to become the General Department of Rubber under the custody of the Ministry of Agriculture, Forestry and Fisheries;

- Having seen Sub decree No. 179 S.E., dated May 12, 2014, on the Establishment of Department of Agricultural Cooperatives Development subordinate to the General Department of Agriculture of the Ministry of Agriculture, Forestry and Fisheries;
- Having seen Prakas No. 220 P.A.E., dated March 14, 2012, on the Organization and Functioning of Municipal/Provincial Department of Agriculture;
- Having seen Prakas No. 090, P.A., dated January 29, 2015, on the Organization and Functioning of the Bureaus and Units subordinate to the Department of Agricultural Cooperatives Development under supervision of the General Department of Agriculture;
- Having seen Prakas No. 185 P.A., dated February 18, 2016, on the Model Statutes and Internal Regulations of the Agricultural Cooperatives;
- Having seen Prakas No. 609 P.A., dated September 27, 2016, on the Change of Name of the Municipal/Provincial Department of Agriculture and Inclusion of Forestry Administration District and Fisheries Administration District to be under the Municipal/Provincial Department of Agriculture;
- Pursuant to the Necessity of the Ministry of Agriculture, Forestry and Fisheries;

Hereby decides
Chapter 1
General Provision

Article 1. –

This Prakas aims to define the procedure for establishing and registering an agricultural cooperative in the Kingdom of Cambodia.

Article 2. –

This Prakas aims to provide a guideline on the procedure for establishing and registering an agricultural cooperative for local people whose businesses are fall within the agricultural production system, agro-industry, agro-business, and other services related to agricultural production to establish and register an agricultural cooperative in accordance with the Law on Agricultural Cooperatives.

Article 3. –

The effect of this Prakas shall cover all agricultural cooperatives in the Kingdom of Cambodia.

Chapter 2

Procedure for the Establishment of Agricultural Cooperatives Part 1: Conditions for the Establishment of Agricultural Cooperatives

Article 4. –

To establish an agricultural cooperative, the following conditions shall be fulfilled:

1. There shall be fifteen members or above having Khmer nationality, being eighteen of age or above, residing in a specific domicile, in a village, commune, sangkat, municipality, district, khan within the Kingdom of Cambodia and working primarily in agricultural production systems, agro-industry, agri-business or services related to agricultural production;
2. The members shall jointly invest by paying for the shares subscribed, and each member shall hold at least one share. Member's share-holding shall comply with their agricultural cooperative's statute;
3. At least one primary business type shall fall within agricultural production systems, agro-industry, agri-business or services related to agricultural sector.

Article 5. –

The establishment of an agricultural cooperative shall be in conformity with the bottom-up approach which voluntary basis is purely applied to ensure consistency with the seven principles of the agricultural cooperative stated in the Law on Agricultural Cooperatives.

Part 2: Dissemination of the Concept of Agricultural Cooperatives and Opinion Survey

Article 6. –

Municipal/provincial departments of agriculture, forestry and fisheries shall disseminate the concept of agricultural cooperatives to the people to survey their opinion concerning the possibility of their participation in establishing an agricultural cooperative.

The main concept of an agricultural cooperative shall be described as follows:

- Definition of the agricultural cooperative
- Objectives of the agricultural cooperative
- Fundamental principles and values of the agricultural cooperative
- Mission and duties of the agricultural cooperative
- Benefits the members may receive from the agricultural cooperative
- Organizational structure of the agricultural cooperative
- Rights and obligations of the agricultural cooperative members
- The businesses that the agricultural cooperative is entitled to operate in accordance with the Law on Agricultural Cooperatives
- Conditions for the establishment of the agricultural cooperative

Chapter 3

Establishment of Organizing Committee

Article 7. –

People in the local community whose businesses are fall within the agricultural production system, agro-industry, agro-business, and other services that are related to agricultural production and who wish to establish an agricultural cooperative shall be entitled to submit a request to the municipal/provincial departments of agriculture, forestry and fisheries where they are located or to the Department of Agricultural Cooperative Promotion through a written letter or other means.

In case people request to their local authority or authorities concerned, those authorities shall send people's request to provincial Department of Agriculture, Forestry and Fisheries to examine the request.

Article 8. –

Municipal/Provincial Departments of Agriculture, Forestry and Fisheries or/and Department of Agricultural Cooperative Promotion shall be tasked with facilitating the establishment of the organizing committee for establishment of agricultural cooperatives.

The organizing committee for establishment of agricultural cooperatives shall be composed of at least 3 (three) people who are selected from the members who wish to establish the agricultural cooperative.

The organizing committee for establishment of agricultural cooperatives shall be entitled to request assistance for the commission.

Article 9. –

Municipal/Provincial Departments of Agriculture, Forestry and Fisheries or/and Department of Agricultural Cooperative Promotion shall assist the organizing committee in disseminating and explaining the model statutes and internal regulations of agricultural cooperatives to people who request for establishment of an agricultural cooperative to develop statutes and internal regulations of their agricultural cooperative.

Article 10. –

The organizing committee for establishment of agricultural cooperatives shall study and develop several necessary documents as follows:

- Types of business of the agricultural cooperative to be established
- the agricultural cooperative's business plan concerning the types of business
- Candidates who apply for membership of the Board of Directors and Supervisory Committee (women are encouraged and prioritized)
- Name, logo and address of the agricultural cooperative
- Draft statutes and internal rules and regulations of the agricultural cooperative
- Perform other necessary tasks as required by the organizing committee

Chapter 4: Organization of the First Founding General Meeting

Article 11. –

The first founding assembly of the agricultural cooperative shall be held in the form of plenary assembly attended by all members who have voluntarily taken part in establishing the agricultural cooperative.

The organizing committee shall be entitled to invite local authorities, private sector actors, social organizations and other stakeholders to attend and observe the first founding general meeting of the agricultural cooperative; however, the observers shall not have the right to vote.

Municipal/Provincial Departments of Agriculture, Forestry and Fisheries or/and Department of Agricultural Cooperative Promotion shall coordinate with the organizing committee for establishment of agricultural cooperatives to organize the first founding general meeting according to the following procedure:

- Pronounce the composition, roles and duties of the organizing committee in establishing the agricultural cooperative
- Pronounce the objectives and procedures to be implemented during the general meeting
- Announce the attendance of members who have voluntarily taken part in establishing the agricultural cooperative and the quorum for the first founding general meeting
- Select a chair of the first founding general meeting
- Select a secretary to develop a report of the first founding general meeting
- Hold an election to approve the statutes, rules, regulations, and composition of the Board of Directors, the Supervisory Committee, the business and the business plan, the value of shares, the membership contribution, and other relevant tasks
- Record the process and results of the first founding general meeting and produce a report with an attendance list with the signatures or thumbprints of the members who attended the first founding general meeting attached.

Chapter 3

Preparation of Documents for the Registration

Article 12. –

No longer than 30 (thirty) days after the first founding general meeting of the agricultural cooperative has concluded, the organizing committee shall coordinate with the elected Board of Directors to submit an approval application and register the agricultural cooperative with the provincial/municipal Department of Agriculture, Forestry and Fisheries concerned to obtain legality of the agricultural cooperative.

The application for agricultural cooperative registration shall be duly certified by the commune or sangkat chief and the governor of the

city/district/khan governing board where the agricultural cooperative is located.

Article 13. –

Registration Application of agricultural cooperative shall attach the following documents:

1. Report of the first founding general meeting of the agricultural cooperative requesting to establish agricultural cooperative
2. Business plan of the agricultural cooperative
3. Statute and internal regulation of the agricultural cooperative that were approved by the first founding general meeting
4. List of the members of the Board of Directors and the Supervisory Committee that specifies the name, occupation and address of each member.
5. List of the agricultural cooperative members, share value and membership fee of the members that are recorded in the statute of the agricultural cooperative
6. Sample signature or right thumbprint of the chairperson of the Board of Directors or an authorized representative of the agricultural cooperative

Article 14. –

The municipal/provincial Departments of Agriculture, Forestry and Fisheries concerned shall receive the application for agricultural cooperative registration by issuing a receipt specifying the date of receiving the application.

The municipal/provincial Departments of Agriculture, Forestry and Fisheries shall issue a certificate of agricultural cooperative registration within no longer than 20 (twenty) working days from the date of receiving the accurate and sufficient application in compliance with the regulations and procedures of the Law on Agricultural Cooperatives.

The model application and certificate of agricultural cooperative registration appear in the annex of this Prakas.

Article 15. –

The municipal/provincial Department of Agriculture, Forestry and Fisheries may reject the application for agricultural cooperative registration in the case that the application for agricultural cooperative registration has been reviewed and found to be improper or noncompliant with the regulations and procedures of the Law on Agricultural Cooperatives.

The municipal/provincial Department of Agriculture, Forestry and Fisheries shall inform the organizing committee of the need to readjust the registration application within no longer than 60 (sixty) days from the date of notice on readjustment of improper points of the application for agricultural cooperative registration.

In the event that the organizing committee fails to make the readjustment within the timeframe stated in the notice, the municipal/provincial Department of Agriculture, Forestry and Fisheries shall declare the official rejection of the application for agricultural cooperative registration by specifying a valid reason.

Article 16. –

The organizing committee shall be entitled to appeal against the decision of the municipal/provincial Department of Agriculture, Forestry and Fisheries for rejecting its application for agricultural cooperative registration by submitting an appeal to the Department of Agricultural Cooperative Promotion within no longer than 60 (sixty) days from the date of notice of rejection of the municipal/provincial Department of Agriculture, Forestry and Fisheries.

The Department of Agricultural Cooperative Promotion shall designate a mechanism for reviewing, investigating and reevaluate the application for agricultural cooperative registration which is subject of the appeal and shall make a final decision on the application within no longer than 60 (sixty) days from the date of receiving the organizing committee's appeal.

Article 17. –

After the agricultural cooperative has been registered and recognized by the municipal/provincial Department of Agriculture, Forestry and Fisheries concerned, the organizing committee shall rescind the validity of its obligatory tasks and be automatically dissolved.

The Board of Directors of the agricultural cooperative shall start to perform its roles and duties from the date the agricultural cooperative has been officially registered.

Each member shall perform their roles and obligations as members of the agricultural cooperative in accordance with the statutes and internal regulation of the agricultural cooperative concerned and other relevant regulations in force.

Article 18. –

The municipal/provincial Department of Agriculture, Forestry and Fisheries concerned shall publicly provide information letters about the officially registered agricultural cooperative by placing the information with its office, with the Khan/City/District Office of Agriculture, as well as to the khan/city/district hall and the commune/sangkat office concerned within 15 (fifteen) days from the date of registration of the agricultural cooperative and send a copy of registration document to the provincial Departments of commerce concerned.

The municipal/provincial Department of Agriculture, Forestry and Fisheries concerned shall inform the Department of Agricultural Cooperatives Development on the newly-established agricultural cooperative within no longer than 2 (two) months from the date of agricultural cooperative registration.

Chapter 4 Final Provision

Article 19. –

Any provisions contrary to this Prakas shall be considered null and void.

Article 20. –

Secretary General, Inspector General, Cabinet Chief, Director General of the General Directorate of Agriculture, Directors of all relevant institutions under supervision of the Ministry of Agriculture, Forestry and Fisheries, Directors of Municipal/Provincial Departments of Agriculture, Forestry and Fisheries shall respectively implement this Prakas from the date of signature onwards.

Phnom Penh, 20 March 2018

Minister

**Ministry of Agriculture, Forestry and
Fisheries**

CC:

- Office of the Council of Ministers
- Ministry of Interior
- Ministry of Economy and Finance
- Secretary General of the Royal Government
- Cabinet of Samdech Akka Moha Sena Padei Techo
Prime Minister
- Cabinet of Samdech, Excellencies, Deputy Prime
Ministers;
- All provincial municipal halls
- As stated in Article 20
- Royal Gazettes
- File