

Kingdom of Cambodia
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Ministry of Agriculture, Forestry and Fisheries

General Directorate of Agriculture

Department of Agricultural Cooperative Promotion



Japan International Cooperation
Agency

**INTERNAL REGULATIONS
FOR CREDIT BUSINESS OF
AGRICULTURAL COOPERATIVE**

Prepared by: Project for Establishing Business-Oriented Agricultural Cooperative Models (BPAC)

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Internal Regulations for Credit Business of Agricultural Cooperative

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CHAPTER I

“General Provision”

Article 01

The purpose of this internal regulations for credit business ofagricultural cooperative is to determine procedures, amount of loan and interest rate. Members ofagricultural cooperative and non-members ofagricultural cooperative shall comply with these internal regulations in accordance with the article 37 of the Law on Agricultural Cooperative.

Article 02

..... agricultural cooperative which runs credit business of agricultural cooperative shall follow the Law on Agricultural Cooperative and these internal regulations.

CHAPTER II

“Loan”

Article 03

Borrowers shall use loan of agricultural cooperative for running agricultural production business, agricultural business, and other businesses to improve their living standard.

Article 04

Loan of agricultural cooperative is provided in cash in exchange of borrowing receipt.

Article 05

Interest rate for loan of agricultural Cooperative shall be determined as follows:

- a) For members of agricultural cooperative
 - From 1 month to 6 months, the interest rate is % per month.
 - Over 6 months to 12 months, the interest rate is % per month.
 - Over 12 months, the interest rate is % per month.
- b) For non-members of agricultural cooperative
 - From 1 month to 6 months, the interest rate is % per month.
 - Over 6 months to 12 months, the interest rate is % per month.
 - Over 12 months, the interest rate is % per month.

Article 06

The maximum amount of loan thatagricultural cooperative may provide to borrowers shall be determined as follows:

- 1) For members of the agricultural cooperative: riel.
- 2) For non-members of the agricultural cooperative: riel.

Article 07

In case of being overdue to return the loan toagricultural cooperative, borrowers will be fined by paying interest as follows:

- 1) For one month late,% shall be charged by adding to the interest rate described in article 05.
- 2) For two months late,% shall be charged, plus the interest fined for the case of one month late by adding to the interest rate described in article 05.
- 3) For three months late,% shall be charged, plus the interest fined for the case of one month late and two months late, by adding to the interest rate described in article 05. For the following months, shall charge as in case of three months late.

Article 08

In case borrowers face incidents such as natural disasters, etc., agricultural cooperative may consider on the delay of loan repayment without any penalties as stipulated in article 07.

Article 09

- 1) In case that a member of agricultural cooperative borrows less than or equal to times of total share values that he/she bought fromagricultural cooperative, collateral is not required.
2. In case that a member of agricultural cooperative borrows more than times of capital that he/she bought from agricultural cooperative, he/she shall be required to set up a guarantee group consisting of at least 5 members of including him/her or provide collateral which price shall be at least equal to the amount calculated by the following formula:

The cost of collateral = {the amount of loan – (..... x the amount of share capital)} x

Article 10

In case a borrower who is non-member of agricultural cooperative, collateral shall be required, which price shall be at least equal to the amount calculated by the following formula:

The cost of collateral = the amount of loan x

CHAPTER III

“Current Saving and Fix Saving”

Article 11

Type of saving and interest rate of agricultural cooperative shall be determined as follows:

1. Current saving

The interest rate of current saving is % per month.

2. Fix saving

- The interest rate of fix saving for 6 months is % per month.
- The interest rate of fix saving for 1 year is % per month.
- The interest rate of fix saving for 2years is % per month.

Article 12

A depositor of agricultural cooperative may withdraw his/her current saving anytime, but he/she shall inform agricultural cooperatives day(s) in advance accordingly.

Article 13

A depositor of agricultural cooperative may withdraw his/her fix saving before due date, but he/she shall inform agricultural cooperative day(s) in advance accordingly. In such case, he/she may receive the interest% per month.

Article 14

..... agricultural cooperative shall keep % of current saving and % of fix saving in the commercial bank or Microfinance Institution for reserve once depositors of agricultural cooperative ask for withdrawing.

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