

DRAFT LAW ON

LOCAL ASSOCIATIONS AND NON-GOVERNMENTAL ORGANIZATIONS

CHAPTER I GENERAL PROVISIONS

Article 1:

This law has an objective to determine formalities, conditions of establishment, registration of associations and non-governmental organisations (NGOs).

Article 2:

This law shall not be applicable to:

- political parties;
- profit organisations in the field of industry, trade or services;
- employer associations;
- trade unions;
- foreign NGOs.

Article 3:

1. An association is a group of natural persons organized by Khmer citizens for the purpose of finding out a common objective aiming at serving the interests, either morally or materially, of members the associations without seeking private profits.

2. Local non-governmental organization is a group of natural persons, organized by Khmer citizens, aiming at serving the public interests without making business and seeking private profits.

Article 4:

The local associations and non-governmental organizations shall have a permanent office in the Kingdom of Cambodia.

Article 5:

The registration of the local associations and non-governmental organizations is a competence of the Ministry of Interior.

CHAPTER II ESTABLISHMENT AND MANAGEMENT OF ASSOCIATION

Article 6:

In order to enable an association to receive judicial personality as a legal entity, the founder shall file or send an application for registration with the Ministry of Interior, by enclosing the following documents:

1. Two copies of personal data of at least 3 founding members of the association, who are over than 18 years of age, shall be attached with a photo of 4 x 6.
2. Full name, acronym in Khmer and English and logo of the association, if any.
3. Address of the head office of the association.

4. Two copies of the original by-law of the association.
5. The association's internal regulations, if any.

Article 7:

The Ministry of Interior shall issue a receipt to the founder of any association who has provided sufficient documents of application for registration in accordance with Article 6 of this law.

Article 8:

The Minister of Interior shall respond in writing to a founder of the association within forty-five (45) days from the date of reception of the documents of application for registration. This response shall have an indication as follows:

- the association has been authorised to be legally registered.
- the association shall modify or additionally fill up documents.
- the association has been rejected for the registration.

If the Ministry of Interior fails to respond in writing within 45 days after the reception of the documents of application for registration, an association shall be considered to have legally received validity.

Article 9:

In case of a modification, which required or additionally filled up documents of the application, the founder of the association shall provide or fill up his/her inadequate document(s), within at least thirty (30) days from a date of the reception of the notice by the Ministry of Interior. If it is over this specified period, the Ministry of Interior considers the association's founder to have abandoned their projects, and shall not be legally receiving validity as stated in Article 5 of this law.

Article 10:

If any association has been rejected for the registration, an initiative of the association may have rights to file a suit with a court, in order to claim for the registration.

Article 11:

An association shall have at least three (3) founding members. Members of the association are those who have supported or provided or joined in to serve the activities of the association. The rights, duties and procedures for the selection or termination of memberships shall be determined in by-law.

Article 12:

Each of the governing body of the association shall consist of at least: a President, a Board of Directors, a Treasurer and a General Assembly. Mandate, duties and procedures for election, removal and rights, decision on any matter, shall be determined in the by-law.

Article 13:

Resources of the association include:

- contributions and subscription fees of the members.
- incomes from its legitimate activities;
- financial contributions or donations from individuals or legal entities;
- donations and testamentary gifts from private individuals.

Rules and procedures of management of the association's resources shall be determined in the by-law.

Article 14:

The Ministry of Interior examines on the legality of the by-law of the Associations, which are applying for the registration. The by-law shall be written in Khmer and shall consist of at least the following important points:

1. Identity of the association includes name, logo (if any), address, head office, goal and propensity.
2. Important governing bodies of the association consist of: the President, Board of Directors, a Treasurer and General Assembly.
3. Regime of annual meetings of the association consists of: number of the annual meetings of various bodies, a quorum for making a decision, rules of election and a majority of voices to be accepted in general case or in a special case.
4. Rules and procedures of management of the resources.
5. Rules of modification of the by-law, dissolution, alliances, and transfer of assets, after the association is dissolved.
6. The by-law of the association shall be signed by a representative of the founding members or by the President.

CHAPTER III ALLIANCE, DISSOLUTION AND REPORT

Article 15:

Any association, which has already been registered, may make a bilateral or multilateral alliance, by simply giving a written notice to the Ministry of Interior.

Article 16:

The dissolution of the association may be done through the following cases:

- by a self dissolution decision;
- by an administrative dissolution decision;
- by a court's dissolution decision.

1. A self-dissolution is the dissolution by the association itself in accordance with a decision of the General Assembly, which is based on a determination of the Board of Directors and by-law. The association, which has declared dissolving itself, shall notify in writing to the Ministry of Interior.

2. An administrative dissolution is a cease of activity of the association which is made by a Prakas of the Ministry of Interior, if the association has committed any activity in violation of a law, which caused harm to public order or national security or good Khmer tradition, or which has abused the by-laws and internal rules of the association. The Ministry of Interior shall send dossiers, evidence of the offending acts of the association to a court. By means of the administrative dissolution, the association may have the right to file an objection with the court within a period of fifteen (15) days from the date of the Ministry of Interior's Prakas. If exceeding this specified period, the Prakas of the Ministry of Interior shall take its effects and sets for application.

3. The dissolution by the court is made through a judgement or appeal judgement of the court, in case if it is evident that the association has committed or given an order to commit any act involving any serious abuse of the law or other crimes. The dissolution by the court shall take effects, after the association has exercised already its right of appeal.

Article 17:

Properties of the dissolved association shall be firstly prioritised for a repayment of legitimate debts of the concerned association. The remaining properties, after settling the legitimate debts, shall be transferred to any registered association according to provisions of

the by-law or to decision of the Assembly. In case of dissolution by a court's decision, the remaining properties after repayment of the legitimate debts shall be transferred to the Cambodian Red Cross.

Article 18:

The association, which has been already registered, shall make its annual report of the main activities, balance sheet, accounts of the turnover, incomes and expenses, other relevant documents to the Ministry of Interior and with a copy to the Ministry of Economy and Finance, before the 15th of December of each year. All the publics may have rights to have direct contact with the Ministry of Interior or with the Central Office of the association—so as to understand more clearly about the report or other documents.

**CHAPTER IV
JUDICIAL REGIME
FOR NON-GOVERNMENTAL ORGANIZATIONS**

Article 19:

Non-governmental organizations shall fill up conditions as set forth in Chapters II and III of this law, except for contrary provisions. All Non-governmental organizations shall be under provisions of Chapter IV of this law.

Article 20:

A non-governmental organization may carry out a service activity in any field, such as election, health, education, culture, arts, environment, social aid, public authority aid, protection of human rights and other fields, which serve the public interests.

Article 21:

The resources for implementing of projects of a non-governmental organization may be derived from sources outside of the country. When applying for a registration with the Ministry of Interior, the non-governmental organization shall indicate the original sources of funding and the estimate amount of budget used for implementing each program/project. In case of any modification or new program/project, written notice shall be given to the Ministry of Interior.

Article 22:

A non-governmental organization, who has been already registered, shall make its annual report of the main activities on an usage of the fund it has received, its list of projects and achievements/products, balance sheet, accounts of the turnover, incomes and expenses and other relevant documents to the Ministry of Interior. A copy of the annual report shall also be sent to the Ministry of Economy and Finance, before the 15th of December of each year. All the publics may have rights to contact directly to the Ministry of Interior or to the Central Office of the non-governmental organizations in order to seek to understand more clearly about the report or other documents.

**CHAPTER V
RIGHTS AND INTERESTS OF THE ASSOCIATIONS AND
NON-GOVERNMENTAL ORGANIZATIONS**

Article 23:

All financial contributions or gifts provided by an individual or legal entity to a registered association or non-governmental organization shall be deducted from initial incomes of which a tax is levied, before a calculation of the tax is to be paid on the initial incomes of that individual or legal entity.

Article 24:

The financial incomes or materials and equipment, machinery and vehicles which an association or non-governmental organization received from an individual or legal entity for serving the public interests shall be allowed to be imported. The (payment of) taxes and duties for the importation shall be the burden of the State.

Article 25:

The determination of other fiscal taxes to be imposed to associations and non-governmental organizations apart from the points as stated in Article 24 of this law, shall be complied with law and provisions relating to taxes of the Kingdom of Cambodia.

Article 26:

The registered association and non-governmental organization shall have rights:

- a. to sign contracts;
- b. to hire staff and workers;
- c. to open accounts on behalf of the association and non-governmental organization, in any bank recognized by the National Bank of Cambodia;
- d. to control and decide by itself on its own items of expenses;
- e. to organize meetings according to the setting dates and places, at its own choice;
- f. to publicize their activities through various means of legitimate media.

**CHAPTER VI
PENALTY**

Article 27:

Shall be subject to a fine penalty of 100,000 riels (a hundred thousand riels), for any association or non-governmental organization which fails to dully provide an annual report, as stated in Article 18, chapter 3, and Article 22, chapter 4 of this law.

Within 30 days after the reception of a letter of notice, which reminds of providing a report to the Ministry of Interior, if any association or non-governmental organization still fails to provide such report, the Minister of Interior may have rights to issue a Prakas to temporarily cease the activities of that association or non-governmental organization.

**CHAPTER VII
TRANSITIONAL PROVISIONS**

Article 28:

After this law takes its effect, all the associations or non-governmental organizations operating in the Kingdom of Cambodia shall, within 90 days the latest, prepare documents for the registration with the Ministry of Interior as stipulated in the article 6 of this law. These associations or non-governmental organizations shall not be given a status as legal entities, if over the above-mentioned period.

**CHAPTER VIII
FINAL PROVISIONS**

Article 29: All provisions contrary to this law shall be hereby repealed.

Article 30: This law shall be declared urgent.