

Official Emblem
The Bank for Agriculture and Agricultural Cooperatives Act,
B.E.2509 (1966)

Bhumibol Adulyadej, Rex.

Given on the 13th day of July, B.E.2509 (1966)

Being the 21th Year of the Present Reign

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to establish the Bank for Agriculture and Agricultural Cooperatives in order to provide financial assistance to farmers, farmers' groups or agricultural cooperatives;

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

Section 1. This Act is called "The Bank for Agriculture and Agricultural Cooperatives Act, B.E. 2509 (1966)."

Section 2.¹ This Act shall come into force as from the day following the date of its publication in the Government Gazette.

Section 3. In this Act:

"Bank" means the Bank for Agriculture and Agricultural Cooperatives;

"Board" means the Board of Directors of the Bank for Agriculture and Agricultural Cooperatives;

"Director" means the Director of the Bank for Agriculture and Agricultural Cooperatives;

"Manager" means the Manager of the Bank for Agriculture and Agricultural Cooperatives;

"Farmer"² means a person engaging in rice farming, crop farming, vegetable farming, animal-husbandry, fishery, sericulture, salt farming, orchid or flowering plant farming, pine farming, forestry, apiculture, lac cultivation, mushroom growing or other agricultural

* This text has been translated by The language Centre Faculty of Humanities Kasetsart University under contract of the Bank for Agriculture and Agricultural Cooperatives. The legal department compiled from the translation of The Bank for Agriculture and Agricultural Cooperatives Act, B.E. 2509 (1996) and amended version.

¹ Published in the Government Gazette, Vol. 83, Part 62, Special Issue, Dated 20th July, B.E. 2509 (1966).

² Definition of "Farmer" is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.4) A.D. 1992 (2535).

occupations designated by the Board and published in the Government Gazette, and also includes a farmer under the law on agricultural land reform”

“Farmers’ group” means a group of farmers recognized by law as a juristic person and having the objective to conduct business for the benefit of their occupation;

“Agricultural cooperative” means a cooperative of only farmers as members registered under the law on cooperatives and includes such cooperatives uniting together as a federation of cooperatives under the law on cooperatives;

“Minister” means the Minister having charge and control of the execution of this Act.

Section 4.³ The Minister of Finance shall have charge and control of the execution of this Act and shall have the power to issue Ministerial Regulations for the execution of this Act.

Such Ministerial Regulations shall come into force upon their publication in the Government Gazette.

Chapter I Establishment

Section 5. There shall be established a bank called the “Bank for Agriculture and Agricultural cooperatives” and this Bank shall be a juristic person.

Section 6.⁴ The Bank shall have its headquarters in Bangkok Metropolis or other provinces and may establish a branch office or agent at other places both within and outside the Kingdom. However, the establishment of a branch office or agent outside the Kingdom must receive approval from the Minister first.

Section 7.⁵ The share capital of the Bank shall be fixed at four billion Baht, divided into forty million shares valued at one hundred Baht per share to be sold by the Bank to the Ministry of Finance, farmers, farmers’ groups, agricultural cooperatives, cooperatives, financial institutions or other persons, and agricultural funds or other public funds as announced by the Minister and prescribed in the regulations of the Bank.

The Ministry of Finance shall hold no less than 75% of the Bank’s sold shares.

In case there are remaining shares from those held by the Ministry of Finance, the Bank may sell its shares to other entities according to paragraph one. However, if those

³ Section 4 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.3) A.D. 1982 (2525).

⁴ Section 6 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

⁵ Section 7 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

entities are not public financial institutions or government agencies, the Bank may not sell shares exceeding 5% of the sold shares.

Under paragraphs two and three, no person is permitted to hold more than 5% of the Bank's total sold shares.

The Bank's shares held by the following person, partnership, or company shall be regarded as the shares of the person in paragraph four.

(1) The spouse of the person in paragraph four.

(2) A child under a legal age of the person in paragraph four.

(3) An ordinary partnership where the person in paragraph four or in (1) or (2) is a partner.

(4) A limited partnership where the person in paragraph four or in (1) or (2) is a partner with unlimited liability or a partner with limited liability with the total shares exceeding the rate announced by the Minister.

(5) A limited company or a public limited company where the person in paragraph four or in (1) or (2) or a partnership in (3) or (4) holds shares altogether exceeding the rate announced by the Minister.

(6) A limited company or a public limited company where the person in paragraph four or in (1) or (2) or a partnership in (3) or (4), or a limited company or a public limited company in (5) holds shares altogether exceeding the rate announced by the Minister.

When it is found that the acquisition of the Bank's shares allows any person to hold shares exceeding the amount in paragraph four, such person cannot claim such excess with the Bank, and the Bank may not pay dividends or other compensation to such person, nor allow such person to vote in the shareholders' meetings for such excessive part.

For the purpose of compliance with paragraphs four and six, the Bank shall examine the Shareholder Registration prior to every shareholders' meeting and before paying dividends and other compensation. Then, the examination results shall be reported to the Minister based on the particulars and period prescribed by the Minister. In case it is found that any shareholder holds shares exceeding the amount prescribed in paragraph four, the Bank shall notify such person to proceed with selling the excessive shares.

Section 7 bis.⁶ In the case where it is necessary for the Bank to increase its share capital, it shall from time to time make a request to the Council of Ministers for approval.

The provisions of section 7, paragraph one shall apply mutatis mutandis to the fixing of the value and sale of shares for increasing the share capital under paragraph one.

Section 8. The liability of shareholders shall be limited to the par value of shares held by them.

⁶ Section 7 bis is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.4) A.D. 1992 (2535).

Chapter II

Objectives

Section 9.⁷ The Bank's objectives are as follows:

(1) To provide financial assistance to farmers, farmers' groups or agricultural cooperatives:

- (a) to perform agricultural occupations or occupations related to agriculture;
- (b) to perform other occupations to supplement income;
- (c) to develop agricultural knowledge or other occupations to supplement income or improve the quality of life of farmers or their families;
- (d) to conduct business according to the project to promote or support agricultural occupations jointly with business operators in order to supplement income or improve the quality of life of farmers or their families.

(2) to conduct other business to promote or support agricultural occupations.

(3)⁸ to serve as a financial institution for developing rural areas by providing financial assistance or management to persons, groups of persons, business operators, village or community funds, and organizations established in any form with the purpose to support the occupations of farmers or communities and to promote the development of effective productivity or products of farmers or communities through investments, manufacturing, processing and marketing, or to promote economic strength or improvement of the quality of life.

(4)⁹ to provide financial assistance to cooperatives to be used for their operations under the scope of their cooperatives establishment objectives.

The financial assistance as stated in paragraph one (1), (b), (c), and (d), and the operations as stated in paragraph one (2), (3), and (4) may be carried out to the extent prescribed in the Ministerial Regulations.¹⁰

Section 10.¹¹ The Bank shall have the power to carry out the activities within the scope of the objectives under section 9, which shall include the power:

⁷ Section 9 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.5) A.D. 1999 (2542).

⁸ Section 9 (3) is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

⁹ Section 9 (4) is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

¹⁰ Section 9 paragraph second is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

¹¹ Section 10 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.5) A.D. 1999 (2542).

- (1)¹² to grant loans in accordance with the objective in section 9.
- (2)¹³ to guarantee loans as prescribed in the regulations of the Bank.
- (3) to acquire capital in order to carry out the business of the Bank;
- (4) to procure or hold ownership or real rights, possess, hire or let, buy or sell by hire-purchase, transfer or accept transfer of leases or rights under a hire purchase agreement, mortgage or accept mortgage, pledge or accept pledge, sell or dispose in any manner of movable or immovable properties;
- (5) to accept on-call or fixed deposits;
- (6) to extend loans or to issue a letter of guarantee to depositors or to any person within the amount of deposits using the deposit as security;

The provisions of paragraph one shall not apply to a depositor who is a commercial bank under the law on commercial banks.

(6/1)¹⁴ to grant loans or issue a letter of guarantee to bearers of financial instruments issued by the Bank to any person as prescribed by the Board by using the financial instruments issued by the Bank as security.

(7) to issue, purchase or sell bills or any other negotiable instruments as well as collect the money due under such bills or negotiable instruments;

(8) to open a deposit account with other banks as may be necessary for carrying out the business of the Bank;

(9) to purchase Government securities such as bonds or treasury notes as the Board deems appropriate;

(10) to collect interest on loans, fees in relation to granting or guaranteeing loans and other service charges;

(11) to act as agent of government agencies or state enterprises in order to make payment, collect installments of land prices, compensation of investment, service charges, fees or other money from any person as entrusted by them, or to act as agent of other persons for such purposes in compliance with the regulations of the Bank;

(12)¹⁵ to provide a deposit service to support farmers and their families as prescribed in the regulations of the Bank.

¹² Section 10 (1) of is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

¹³ Section 10 (2) of is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

¹⁴ Section 10 (6/1) is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

¹⁵ Section 10 (12) is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

(13) to jointly implement the project to compensate farmers for damage to their agricultural occupations caused by natural disasters under the government's regulations;

(14)¹⁶ to establish a limited company or public limited company to operate agricultural business or business which directly benefits the Bank's activities as deemed appropriate by the Board upon approval from the Minister and proposal to the Council of Ministers for acknowledgement.

(15)¹⁷ to jointly invest with a juristic person with the operation objectives under the scope prescribed in section 9 as deemed appropriate by the Board upon approval from the Minister and proposal to the Council of Ministers for acknowledgement.

(16) to provide reasonable aids to the present or former Manager, officers or employees of the Bank and their families;

(16/1)¹⁸ to operate a foreign currency business as announced by the Minister.

(16/2)¹⁹ to grant loans or other conventional forms of financial services of commercial banks in accordance with the objectives in section 9 as announced by the Minister.

(17)²⁰ to perform other businesses relating to or for achieving the Bank's objectives as deemed appropriate by the Board upon approval from the Minister.

Section 11. The Bank shall not:

(1) grant loans to a Director or Manager or his wife or husband;

(2) accept shares of the Bank as security for loans;

(3) pay money or give property other than the salaries and other money payable under section 20 and section 26 and under the regulations of the Bank issued under section 18(6) and (8) to the Director, Manager, officer or employee of the Bank as broker fee or remuneration for or in connection with any act or business of the Bank;

(4)²¹ to purchase or have immovable property, except

¹⁶ Section 10 (14) is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

¹⁷ Section 10 (15) is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

¹⁸ Section 10 (16/1) is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

¹⁹ Section 10 (16/2) is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

²⁰ Section 10 (17) is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

²¹ Sub-section (4) of Section 11 is amended by Section 6 of the BAAC Act (No.3) A.D. 1982 (2525) and has been in force since August 27, 1982 (2525)

(a) for appropriate use as places of business, or by manager, officers and employees of the Bank;

(b) that it is acquired by the performance of obligations, or by the guarantee of the principal amount of loans, or by the purchase of immovable property mortgaged to the Bank from the sale by public auction ordered by the Court.

All immovable properties which become properties of the Bank as a result of the performance of obligations, the guarantee of the principal amount of loans, or the purchase of immovable property mortgaged to the Bank from the sale by public auction ordered by the Court shall be disposed of within nine years after such immovable properties had become the properties of the Bank or within a longer period as permitted by the Minister, unless the Minister permits them to be used as places of business, or by manager, officers or employees of the Bank.

The disposal of such immovable properties under the preceding paragraph shall be by public auction or by any other means as the Board deems appropriate with the approval of the Council of Ministers.

Chapter III

Supervision, Control and Management

Section 12. The Minister shall have the power and duty to exercise general supervision of the activities of the Bank. For this purpose, he has the power to order the Bank to give statements of fact and opinion, or to submit reports on the activities of the Bank, and the power to appoint a person to inspect and report on the activities and properties of the Bank. But, in whichever case, the Minister shall not order an inspection or report for information on the activities or properties of any particular person as disclosed or apparent to the Bank.

After the Minister has received the report from the inspector, if he is of the opinion that the business carried out by the Bank is contrary to a resolution of the Council of Ministers or is of such nature as to have a serious adverse effect to the Bank or public interest, the Minister has the power to stop or order correction to be made in the business of the Bank.

Section 12/1.²² The Bank shall maintain a good proportion between capital versus assets and liabilities or obligations, and shall maintain a good proportion between reserved cash and liquid assets versus deposits and loans according to the criteria, methods and conditions prescribed in the Ministerial Regulations.

²² Section 12/1 is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

Section 13. In the case where the Bank is required to submit any matter to the Council of Ministers pursuant to this Act, the Board shall submit it through the Minister.

Section 14.²³ There shall be a Board of the Bank for Agriculture and Agricultural Cooperatives consisting of the Minister of Finance as Chairman, a Vice-Chairman and not more than twelve other Directors appointed by the Council of Ministers, and the Manager shall be a Director and the Secretary.²⁴

The Directors appointed by the Council of Ministers shall at least include a representative of the Ministry of Finance, a representative of the Ministry of Agriculture and Cooperatives, a representative of the Cooperative Promotion Department, a representative of the Agricultural Land Reform office, a representative of the Bank of Thailand, and a representative of the shareholders being agricultural cooperatives.²⁵

The Vice-Chairman or Directors appointed by the Council of Ministers shall hold office for a term of three years, and the outgoing Vice –Chairman or Directors may be re-appointed.

Section 15. A person under any of the following prohibitions shall not become Chairman, Vice-Chairman or Director;

- (1) being an officer or employee of the Bank;
- (2) being or having been a bankrupt;
- (3) being imprisoned by a final judgment to a term of imprisonment, except for an offence committed through negligence or petty offence;
- (4) being an incompetent or quasi-incompetent person

Section 16.²⁶ Apart from vacating office at the expiration of the term under section 14, the Vice-Chairman and Directors appointed by the Council of Ministers vacate office upon;

- (1) death;
- (2) resignation;
- (3) being under any prohibition under section 15
- (4)²⁷ The Council of Ministers orders resignation due to failure to perform duties, bad conduct or incapability.

²³ Section 14 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.3) A.D. 1982 (2525).

²⁴ Section 14 paragraph one is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.5) A.D. 1999 (2542).

²⁵ Section 14 paragraph two is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

²⁶ Section 16 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.2) A.D. 1976 (2519).

²⁷ Section 16 (4) is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

When the Vice-Chairman or Director appointed by the Council of Ministers vacates office before the expiration of his term, the Council of Ministers may appoint another person to replace him, and the appointee shall hold office for the remaining term of the person he replaces.

Section 17. At a meeting of the Board, the presence of not less than one-half of the total number of Directors is required to constitute a quorum. If the Chairman is not present at any meeting, the Vice-Chairman shall preside over the meeting. If the Chairman and Vice-Chairman are not present at the meeting, the Directors present shall elect one among themselves to preside over the meeting.

Subject to section 21(4), the resolution of the meeting of the Board shall be by a majority of vote. Each Director shall have one vote. In case of an equality of votes, the person presiding over the meeting shall have an additional vote as the casting vote.

Section 18. The Board shall have the power and duty to lay down policies and to supervise generally the activities of the Bank, which shall include:

- (1) issuing regulations on the shares of the Bank,
- (2) issuing regulations on the guarantees of loans under section 10 (2);
- (3) issuing regulations on delegation of power of the Manager to officers of the Bank under section 23;
- (4)²⁸ issuing regulations on granting of loans under section 31.
- (5) issuing regulations on sale or discount of bills to various financial institutions under section 33;
- (6) issuing regulations prescribing the number of positions, salaries, wages, transportation expenses, per diem allowances, accommodation allowances, entertainment allowances and other remuneration for officers and employees of the Bank;
- (7) issuing regulations on recruitment, appointment, requirement of guarantee, increase of salaries, removal from office, disciplinary investigation and punishment of officers and employees of the Bank;
- (8) issuing regulations on aids for the present or former Manager, officers, employees, and their families;
- (9) establishing a branch office or agent of the Bank;
- (10) issuing regulations on other activities of the Bank;

Section 18/1²⁹ (repealed)

²⁸ Section 18(4) is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.5) A.D. 1999 (2542).

²⁹ Section 18/1 was repealed by The Bank for Agriculture and Agricultural Cooperatives Act (No.7) A.D. 2007 (2550).

Section 18/2³⁰ (repealed)

Section 19. The Board shall have the power to appoint a sub-committee to consider various matters as entrusted by the Board.

Section 20. The Bank shall have a Manager.

The Manager must be of Thai nationality and is not under any prohibition under section 15, possess adequate knowledge or experience in banking, economics, agriculture, cooperatives or law and can devote full time to the Bank.

The Board shall appoint a Manager and determine his salary scale with the approval of the Minister.

The Manager shall receive the salaries, transportation expenses, per diem, accommodation allowances, entertainment allowances or other remuneration as prescribed by the Board.

Section 21. The Manager vacates office upon:

- (1) death;
- (2) resignation;
- (3) loss of Thai nationality or being under any prohibition under section 15;
- (4) being removed by the Board on the ground of inefficiency, neglect of duty, tarnished record or dishonesty in the performance of duties. A resolution removing the Manager must be made by votes of not less than three-fourths of the total number of Directors excluding the Manager.

The removal of the Manager under (4) shall require an approval of the Minister.

Section 22. The Manager has the duty to administer the activities of the Bank in accordance with the policies and regulations of the Bank, and is the superior official of all the officers and employees of the Bank.

The Manager must be responsible to the Board for the administration of the activities of the Bank.

Section 23. In respect of external relations. The Manager shall act as representative of the Bank. For this purpose, the Manager may delegate the power to any officer of the Bank to execute any work on his behalf, subject to the regulations of the Bank.

Section 24. The Manager has the power;

- (1) to recruit, appoint, promote, or increase the salaries of, impose disciplinary punishment on, or remove an officer or employee of the Bank, subject to the regulations of the Bank; but if such officer is of the rank of Deputy Manager, adviser, chief of a department or its equivalent, a prior approval must be obtained from the Board;

³⁰ Section 18/2 was repealed by The Bank for Agriculture and Agricultural Cooperatives Act (No.7) A.D. 2007 (2550).

(2) to prescribe rules governing the business carried out by the Bank and execution of works of the officers and employees of the Bank, in so far as they are not contrary to or inconsistent with the policies or regulations of the Bank.

Section 25. When the office of Manager becomes vacant or the Manager is unable to perform his duties from time to time, the Deputy Manager shall become Acting Manager or act on his behalf. But if there is no Deputy Manager or the Deputy Manager is unable to perform his duties, the Board shall appoint an officer of the Bank Acting Manager or to act on his behalf, as the case may be.

The Acting Manager or person acting on behalf of the Manager shall have the same power and duty as those of the Manager.

Section 26. The Chairman, Vice-Chairman and Directors shall receive remuneration as prescribed by the Council of Ministers.

The Chairman Vice-Chairman, Directors, Managers, officers and employees may receive bonuses in accordance with the rules prescribed by the Council of Ministers.

Chapter IV

General Meeting

Section 27.³¹ An ordinary general meeting of shareholders shall be held once a year within one hundred and fifty days after the end of each accounting year for the following activities;

- (1) to consider and approve the balance-sheet and profit and loss account;
- (2) to consider and approve the appropriation of annual net profit of the Bank as submitted by the Board;
- (3) to consider the annual report of the Bank;
- (4) to consider and appoint the auditor for the year;
- (5) to consider other matters.

Section 28. The Board may call an extraordinary general meeting of shareholders whenever it deems appropriate.

Section 29. The presence of not less than twenty shareholders or their proxies representing not less than one-fourth of the number of the issued shares is required to constitute a quorum of an ordinary general meeting and extraordinary general meeting.

Section 30. The provisions of the Civil and Commercial Codes on general meeting of shareholders of a limited company with respect to the rules of meeting, voting and right to vote shall apply mutatis mutandis to the general meeting of shareholders.

³¹ Section 27 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.3) A.D. 1982 (2525).

Chapter V

Granting of Loans

Section 31.³² The granting of loans or credits as in sections 10 (1), (6), (6/1) and (16/2) shall be in accordance with the regulations of the Bank.³³

Granting of loans for developing knowledge in agriculture or other occupations for supplementing income and improving the quality of life of farmers or their families according to section 9(1)(c) and for implementing the business according to the project to promote or encourage agricultural occupations under section 9(1)(d) shall not exceed 20% of the loan granted in each accounting year.

Section 32. The borrower shall not transfer, mortgage or pledge the movable or immovable property which the borrower acquired by using a loan from the Bank and the loan document shall contain a stipulation prohibiting the transfer, mortgage or pledge, unless a written permission is obtained from the Bank.

Chapter VI

Acquisition of Capital

Section 33.³⁴ In the acquisition of capital for its business, the Bank shall have the power:

- (1) to raise loans as the Board deems appropriate;
- (2) to issue bonds or any other instruments for the purpose of investment;
- (3) to sell or discount bills to various financial institutions in accordance with the regulations of the Bank;
- (4) to receive financial aids from the Government or other persons.
- (5)³⁵ to issue savings lotteries in accordance with the criteria and methods prescribed in the Ministerial Regulations.

Section 34. The total amount of debts of the Bank under section 33(1) and (2) shall not exceed twenty times the sum of its paid-up capital, reserves and accumulated profits.

³² Section 31 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.5) A.D. 1999 (2542).

³³ Section 31 paragraph one is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.6) A.D. 2006 (2549).

³⁴ Section 33 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.2) A.D. 1976 (2519).

³⁵ Section 33 (5) is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.5) A.D. 1992 (2542).

In calculating the amount of debts under the provisions of the preceding paragraph, if the debt is in foreign currency, it shall be calculated in Thai currency using the par value of such currency on the effective date of the loan agreement.

Section 34 bis.³⁶ There shall be established in the Bank a Fund called the “Land Fund” in order to provide assistance in the form of loans to farmers for acquiring agricultural land, making land development and engaging in agricultural occupations in accordance with the law on agricultural land reform. The Land Fund shall consist of the money obtained from the Agriculture Fund established under the Rule of the Office of the Prime Minister on Agriculture Fund which is deposited with the Bank by the Ministry of Agriculture and Cooperatives, the operating incomes and the money from other sources.

The money from the Land Fund shall be used for achieving the objectives under paragraph one and for financing its management expenditure in accordance with the rules, regulations of resolutions passed, with the approval of the Board, by the Land Fund Committee appointed by the Minister of Agriculture and Cooperatives.

The Manager shall have the power and duty to manage the Land Fund in accordance with the objectives under paragraph one and in compliance with the rules, regulations and resolutions of the Land Fund Committee under paragraph two, and the provisions of section 23 and section 25 apply mutatis mutandis.

The Manager must separate the accounts and financial documents or other assets of the Land Fund from the accounts and financial documents or other assets of the Bank.

Section 34 ter.³⁷ In case the Bank requests the government to guarantee loans the Bank has applied from sources within or outside the country, the government can do so provided that the total loan amount to be guaranteed, when combined with the outstanding principal sum guaranteed by the government, must not exceed twelve times the amount of paid-up share capital, reserves and accumulated profits of the Bank when calculated into Thai Baht under any law.

In calculating foreign currencies into Thai currency to find out the total debts under paragraph one, the par value of such currency on the effective date of the loan agreement shall be used.

Chapter VII

Appropriation of Profits

³⁶ Section 34 bis is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.4) A.D. 1992 (2535).

³⁷ Section 34 ter is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.5) A.D. 1992 (2542).

Section 35. The surplus of the annual net profits which had been appropriated for paying bonuses under section 26 shall be transferred to the accumulated profit account.

Section 36. The Bank shall not pay dividends to the shareholders out of the money other than the accumulated profits.

Section 37. At each payment of dividend, the Bank shall appropriate to the reserve an amount not less than one-half of the paid dividend from the accumulated profits.

When the reserve under the preceding paragraph is equal to or exceeds the amount of paid-up share capital, the Bank may cease to appropriate or reduce the amount to be appropriated to the reserve.

Chapter VIII Audit and Report

Section 38. The Board shall cause the accounts of the Bank to be audited at least once a year.

Within sixty days after this Act comes into force, the Board shall appoint an auditor to audit the accounts of the Bank for the first calendar year.

Section 39.³⁸ Within one hundred and fifty days after the end of each accounting year, the Board shall submit the balance-sheet and profit and loss account duly certified by the auditor together with the annual report to the general meeting for consideration.

Section 40.³⁹ The Bank shall submit the annual report, balance-sheet and profit and loss account approved by the general meeting to the Council of Ministers within one hundred and eighty days after the end of each accounting year. Such report shall refer to the achievement of the Bank in the preceding year, statement on policies of the Bank and working plan for the coming year.

Chapter IX Miscellaneous

Section 41. The Bank shall be exempted from taxes under the Revenue Code.

³⁸ Section 39 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.3) A.D. 1982 (2525).

³⁹ Section 40 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.3) A.D. 1982 (2525).

If the Bank takes part in any matter in which a law requires the registration of rights and juristic acts, in registering such rights and juristic acts, the Bank shall be exempted from payment of fees under the law on such matter.⁴⁰

Section 42. In the liquidation of the Bank, the money paid on shares shall be returned to the other shareholders in preference to the Ministry of Finance.

Chapter IX

Penalties

Section 43.⁴¹ Any person who violates section 32 shall be liable to imprisonment for a term not exceeding one year or to a fine not exceeding two thousand Baht or to both.

⁴⁰ Section 41 paragraph two is added by The Bank for Agriculture and Agricultural Cooperatives Act (No.3) A.D. 1982 (2525).

⁴¹ Section 43 is amended by The Bank for Agriculture and Agricultural Cooperatives Act (No.2) A.D. 1976 (2519).