

LAW
No. 38/2012

ON AGRICULTURAL COOPERATION SOCIETIES¹

Pursuant to Articles 78 and 83 point 1 of the Constitution, upon the proposal of the Council of Ministers,

PARLIAMENT
OF THE REPUBLIC OF ALBANIA
DECIDED:

GENERAL PROVISIONS

Article 1
Subject matter

The subject matter of this law is the determination of rules, criteria, and conditions for the establishment and administration of agricultural cooperation societies, the rights and obligations of their founders and members, their reorganization and dissolution, as well as the regulation and establishment of criteria for certain aspects of their activities.

Article 2
Scope of application

1. This law applies to agricultural cooperation societies, which are established and carry out their activity in the Republic of Albania.

2. Except in expressly provided cases, the provisions of Law No. 9901, dated 14.4.2008 “Për tregtarët dhe shoqëritë tregtare”, Titles II, III, and IV, shall also apply to agricultural cooperation societies, insofar as they are applicable and consistent with the provisions of this law.

Article 3
Agricultural cooperation society

1. An agricultural cooperation society is a voluntary organization among natural or legal persons, with the purpose of fulfilling their needs or interests in the production, processing, and marketing of agricultural and livestock products, primarily but not limited to, through agreements or mutual cooperation between themselves and the society for services, goods, or products of the agricultural or livestock sector, as well as through the promotion of their economic activities.

2. Agricultural cooperation societies, established and operating in accordance with the provisions of this law, are subject to fiscal facilities and support schemes, pursuant to the applicable legislation.

CHAPTER II
ACTIVITY OF THE AGRICULTURAL COOPERATION SOCIETY

¹ This law is partially aligned with Council Regulation 1435/2003/EC, dated 22 July 2001 “On the Statute for a European Cooperative Society”. CELEX number 32003R0095, Official Journal of the European Union, series L, no. 207, dated 18.8.2003, pages 1-24.

Article 4

Subject matter of activity and types of agricultural cooperation societies

Societies, based on the subject matter of their activity, are divided into several types as follows:

- a) Cooperation societies in the field of agricultural production and marketing. These societies may produce, handle, process, store, classify, transport, distribute, and market agricultural or livestock products in their natural state or previously processed.
- b) Cooperation societies in agricultural labor activity. These societies may carry out agricultural labor activities for the members or third parties, including worker-members.
- c) Cooperation societies for the consumption of materials and goods. These societies may carry out supply activities with goods and services purchased by the members, third parties or produced by the society itself, for use and consumption by the members or third parties.
- c) Cooperation societies for inputs. These societies may purchase, process, produce, and manufacture by any kind of process animal feed, chemical fertilizers, plants, seeds, plant protection products, materials, instruments, machinery, installations, products of animal origin, and any other products necessary and suitable for the development of agricultural and livestock production.
- d) Cooperation societies for other purposes in the field of agriculture. These societies may engage in any other activity necessary to promote and facilitate the economic, technical, ecological improvement and working conditions of any type of farmer or economic operator who operates in the field of agriculture and livestock.

Article 5

Limited liability

1. The society is liable for its obligations with all its present and future property.
2. The members of the society are liable for the society's obligations up to the value of the subscribed capital contributions of the society, whether paid or not.

Article 6

The seat and name

1. The seat of the society is determined by the statute, primarily in the area where the society carries out its activity or where its managerial activity is concentrated.
2. The society has its name, which is determined by the statute and must contain the words “Shoqëri e bashkëpunimit bujqësor”.
3. In all correspondence, publications and documents of the society, its name must be preceded by the words “Shoqëri e bashkëpunimit bujqësor”, followed by the name of the society and its registration number. In no case may another society use the same name.

Article 7

Transactions with third parties

The statute may provide that the society may carry out activities and services within the scope of the object defined in the statute, not only with its members, but also with third parties, natural or legal persons, non-members, up to 40 percent of the total income from its activities, always in accordance with the provisions of this law.

CHAPTER III

ESTABLISHMENT, NUMBER OF MEMBERS AND STATUTE OF THE AGRICULTURAL COOPERATION SOCIETY

The act of establishment

The act of establishment of the society is signed by all the founders and contains the following data:

- a) the identity of the founders and of the administrator or administrators;
- b) the declaration of fulfillment of the criteria to become a member;
- c) the name of the society; c) the object of the society;
- d) the headquarters;
- dh) the capital of the society;
- e) the percentage of the capital held by each member.

Article 9

Legal personality

1. After its establishment, the society is registered at the National Registration Center, in accordance with the provisions of this law and Law no. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”.
2. With registration at the National Registration Center, the society acquires legal personality.

Article 10

The number of members of the agricultural cooperative society

For the establishment of the society, the minimum number of required members must be 7. This number may be increased or decreased without any restriction during the activity of the society, but it must not fall below the minimum member threshold specified in this article.

Article 11

The statute

1. The statute of the society contains the following data:
 - a) the name;
 - b) the subject matter of activity;
 - c) the headquarters and its address;
 - c) the term of activity, if it is foreseen that the society is established for a limited period;
 - d) the value of the subscribed capital;
 - (dh) the minimum mandatory amount to be paid into the capital as a contribution, as well as the form and deadlines for acquiring member status;
 - e) the number of parts into which the capital is divided, and the value of each part according to the members' contributions; ë) the data on the founding members;
 - f) the criteria for the admission of members, the conditions and deadlines for voluntary departure and exclusion of members;
 - g) the rights and obligations of the members;
 - gj) the organs of the society, their competences, manner of functioning and decision-making;
 - h) the identity of the administrator or administrators at the time of drafting the statute, as well as the deadlines, removal, and responsibilities of the administrator during the performance of duties;
 - i) the right to reimbursement of the contributions of departing members;
 - j) the data of the company's accounting expert(s).
2. Any change in the data of the statute, as specified above, is registered with the National Registration Center.

CHAPTER IV

MEMBERS OF THE AGRICULTURAL COOPERATION SOCIETY

Article 12

Members of the agricultural cooperation society

Members of the society are natural or legal persons who fulfill their needs and interests related to the agricultural and livestock activities they carry out, through the services, goods, or products offered by the society.

offered by the society.

Article 13 **Admission of new members**

1. The request for admission of a new member is made in writing and addressed to the administrator, who forwards the request to the general assembly at its next meeting, according to the procedure specified in the statute.

2. The admission of a new member is accompanied by the signing of the contribution and the payment of the mandatory contribution to the company's capital, in accordance with the provisions of this law and the statute.

3. The statute may provide criteria for the admission of new members, which are related to the company's object.

4. The society keeps at its headquarters a register of members, which is public and available for consultation and contains all their identifying data, addresses, as well as the capital subscribed and paid by them.

5. Every new member and every action that alters the subscribed capital or its mode of allocation, as a result of the admission of a new member, must be recorded in the register of members maintained by the society, as well as registered with the National Registration Center.

Article 14 **Rights of members**

1. The rights and responsibilities of members are determined in this law and in the statute of the company.

2. According to this law, members have the following rights and responsibilities:

- a) to propose the change of the company's administrators.
- b) to propose changes or improvements to the statute.
- c) to request and to have copies of the statute, the internal regulations, or the decisions of the company's governing bodies, particularly when their interests are affected.
- c) to request and to receive data regarding their financial and economic situation within the company.
- d) to be informed, whenever they submit a written request, regarding the financial situation of the company, particularly, for:
 - i) annual financial accounts;
 - ii) the company's activity report;
 - iii) the manner and procedures for the distribution of profit;
 - iv) expert accountants' reports;
- dh) to be regularly informed about the meetings of the general assembly, including in the information the items on the agenda, the documentation prepared for the meeting, as well as other data related to decision-making on certain issues which may affect their interests.

3. Unless otherwise provided by the statute, the administrator informs the member in writing about the issues addressed in their request within 30 days from the date of its submission.

4. Issues related to statutory regulations, the conditions of registration or the manner in which the company is managed, as well as other matters addressed in the request of members who own 10 percent of the company's capital, are included for review and discussion in the agenda of the next meeting of the general assembly.

5. The requesting member has the right to challenge the refusal to provide information by addressing the court within 30 days from the notification of the refusal.

Article 15 **Obligations of the members**

Members are required to fulfill the obligations provided by law and the statute, and in particular:

- a) to participate in the meeting of the general assembly;
- b) to implement the agreements approved by the company's bodies;
- c) to participate in activities that constitute the company's object, according to the provisions of the statutes, except when the general assembly, in case of a justified reason, may exempt the member from this obligation to the extent due to him and according to the circumstances;

c) to maintain confidentiality regarding those matters and data of the company, the disclosure of which may harm its legitimate interests;

d) not to engage in activities that compete with the activities of the company, except when such activity is carried out within the framework of their capacity as a member of the company and its object, and not to cooperate with those who carry out competitive activities in the same sector as the company, except in cases when they are formally authorized by the general assembly;

d) to participate in training and qualification activities;

e) to make payment of their contributions to the company's capital in the prescribed manner; e) to fulfill other obligations arising from the law and the statutes.

Article 16

Member's departure

1. A member may leave the company:

a) voluntarily, by resignation;

b) compulsorily, by exclusion in the cases provided for in this law;

c) when, if the statute does not prohibit it, transfers their owned share in the company's capital to an individual or legal person who has received the approval of the general assembly to become a member;

c) in the event of liquidation, when the member is a legal person;

d) in case of

insolvency; d) in case

of death;

e) in any other case specified by law or by the statute.

2. The administrator issues a reasoned decision regarding the member's departure, for each of the cases provided for in point 1 of this article, and forwards the decision taken to the general assembly for approval.

3. The member's departure and any action that alters the subscribed capital or the manner of its distribution as a result of the member's departure must be recorded in the members' register maintained by the company, and must also be registered with the National Registration Center.

Article 17

Voluntary departure of the member

1. The member may voluntarily leave the company by means of a prior written notice addressed to the administrator, according to the deadlines and procedures provided for in the company's statute.

2. If the administrator does not issue a decision within the deadline provided for in the company's statute, the member's departure is considered harmless.

3. The statute may provide for a clause that commits the member not to leave voluntarily until the completion of a specific term, which may be linked to the end of the financial year or to having been a member of the company for more than one year.

Article 18

Cases of exclusion of the member

1. The member may be excluded from the company by decision of the general assembly, in cases where:

a) has committed a serious breach of his duties or has acted contrary to the interests of the company;

b) does not meet the criteria to be a member, according to the provisions of this law;

c) has violated his obligations, as provided in letters "b", "d", "e" and "ë" of Article 15 of this law; c) is involved in actions that make it impossible to continue the relationship between the member and the company.

2. The decision of departure from the company is notified to the member, according to the deadlines and methods specified in the statute.

3. The member has the right to file a lawsuit in court against the company's decision for his exclusion.

CHAPTER V
ORGANISATION OF THE AGRICULTURAL COOPERATION COMPANY

Article 19

The bodies of the company

The bodies of the company are the general assembly and the administrator.

Article 20

The general assembly

1. The general assembly is the decision-making body and consists of all members of the company.
2. The assembly elects the chairman and the secretary. The rules and criteria for their election, the period of activity, and the procedure for dismissal are determined in the company's statute.
3. The general assembly, except as may be provided in the statute, has the following competences:
 - a) decides on the direction of the company's economic policies;
 - b) analyses the financial status report, including the annual accounts, profit distribution, loss allocation, financial management, and other issues of the economic activity, which are considered important;
 - c) appoints and dismisses the administrator(s), the accountant(s) and the liquidator(s), as well as determines the amount of their remuneration;
 - c) approves the decrease or increase of the capital;
 - d) approves amendments to the statute;
 - d) decides on the distribution or the manner of use of the company's profit, according to the provisions of this law and the statute;
 - e) decides on the merger, division, transformation or dissolution of the company;
 - e) decides on changes to the economic, social, organisational or functional structure of the company;
 - f) decides on participation in other forms of economic cooperation, including participation in capital, accession to organisations of a representative nature, and withdrawal from them;
 - g) approves the financial statements, reports on the performance of the company's activity, reports of accountants and liquidators;
 - f) approves the admission of new members and their participation in the company's capital, as well as their removal or exclusion;
 - h) performs other duties and matters specified in law or in the statute.
4. For the matters it examines, the general assembly adopts the relevant decisions, which are binding on all members of the company.

Article 21

Convening of the general assembly

1. The general assembly is convened in the cases specified by law, in the statute or whenever a meeting is necessary to protect the interests of the company.

The general assembly is convened at least once a year and within six months from the end date of the financial year.
2. The general assembly is convened by the administrators or by the members specified according to point 4 of Article 14 of this law.
3. The general assembly is convened by means of written notification, no later than 30 days before the scheduled date of the assembly meeting. However, in urgent cases, this period may be reduced to 15 days. The notification must contain:
 - a) the name of the company, the registered office, the place and time of the general assembly meeting;

b) the agenda of the general assembly meeting.

The right to vote

Except where otherwise provided in the statute, each quota gives the right to one vote in the general assembly.

Article 23

Representation at meetings

1. A member may be represented at the general assembly by another member or by a third person, on the basis of a power of attorney issued by the member being represented.
2. Administrators may not act as representatives of members at the general assembly.
3. The power of attorney may be granted only for one meeting of the general assembly, which also includes subsequent meetings with the same agenda.
4. The authorised representative is obliged to declare any fact or circumstance which, in the judgment of the represented member, risks influencing the decision-making of the representative in the interests of others, different from those of the represented member.

Article 24

Quorum and decision-making

1. Except as provided in point 2 of this article, in the case of matters to be addressed at the meeting of the general assembly, according to point 3 of Article 20 of this law, the assembly may take valid decisions only if members with voting rights representing more than 30 percent of the company's capital are present.
Except in cases where otherwise provided in this law or in the charter, the general assembly approves its decisions on the issues specified in point 3 of Article 20 of this law, by the votes of members representing the majority of the company's capital, present or represented at the meeting.
2. The general assembly approves its decisions, in accordance with the provisions of letters "ç", "d", "e", and "ë" of point 3 of Article 20 of this law, by the votes of members representing three quarters of the company's capital, present or represented at the meeting. When the assembly must decide on matters specified in letters "ç", "d", "e", and "ë" of point 3 of Article 20 of this law, it may take valid decisions only if members with voting rights representing more than 50 percent of the company's capital are present.
3. If the general assembly cannot convene due to lack of the quorum referred to in points 1 and 2 of this article, the assembly shall reconvene no later than 30 days, with the same agenda.
4. Voting is open, except in cases where otherwise provided in the statute.

Article 25

The minutes of the general assembly meeting

1. All decisions of the general assembly are recorded in the minutes of the meeting, which are signed by the speaker and by the secretary.
2. The minutes and attached documents must be retained for a period of 5 years and the members may request copies thereof.

Article 26

Administrator

1. The general assembly appoints one or more natural persons as administrator(s) of the company for a period determined in the statute, which may not be longer than 5 years, with the right of renewal.
2. The administrators have the following powers:

- a) carry out all acts of administration of the company's activity, implementing the policies determined by the general assembly;
 - b) represent the company;
 - c) ensure the accurate and proper keeping of the company's documents, registers, and accounting books;
 - c) prepare and sign the annual balance sheet, consolidated balance sheet, and the activity progress report and, together with the proposals for profit distribution, submit these documents to the general assembly for approval;
 - d) establish an information and assessment system in a timely manner for circumstances that threaten the proper functioning of the activity and the existence of the company;
 - d) carry out registrations and submit the mandatory company data to the National Registration Center, pursuant to this law;
 - e) report to the general assembly on the implementation of guidelines and on the execution of special actions of particular importance for the company's activity;
 - e) perform other duties specified in law and in the statute.
3. If the statute provides for more than one administrator, they shall jointly manage the company or exercise separate competences as specified in the statute.
4. Administrators are obliged to:
- a) to perform their duties as specified in law or in the statute in good faith and in the best interest of the company as a whole, paying special attention to the successful achievement of the company's subject matter and the impact of the company's activity on the environment;
 - b) to exercise the powers granted to them by law or by the statute solely for achieving the objectives specified in these provisions, and considering as important the interests of the company and its members;
 - c) to prevent and eliminate cases of conflict, present or potential, between personal interests and those of the company;
 - c) to perform their duties with the necessary professionalism and care.
5. The general assembly may dismiss the administrator or administrators at any time by a simple majority, without this being treated as an amendment to the statute, as specified in point 2 of article 24 of this law. An administrator whose full term of appointment has expired shall perform only those duties necessary for fulfilling the company's legal obligations until the appointment of a new administrator.

CHAPTER VI ECONOMIC REGIME

Capital

1. The company's capital consists of the contributions of its members, which may be in cash or in kind. The capital is divided into shares, which are owned by the members and represent the value of their contribution to the capital.
2. Contributions in kind must be expressed in economic value, based on a valuation report prepared by an expert. If agreement on the valuation cannot be reached, each member may address the competent court to appoint a valuation expert, by a decision with binding effect. The expert's report on the valuation of contributions is submitted to the National Registration Center, together with the other information required for registration.
3. The minimum capital for the establishment of an agricultural cooperation company is 100,000 (one hundred thousand)

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Mandatory contributions

1. The statute may determine the minimum mandatory contribution to be subscribed by the members, as well as the percentage of this contribution to be paid at the moment the shares are subscribed. The amount of the minimum mandatory contributions must not be less than the minimum capital specified in point 3 of article 27 of this law.

2. The portion subscribed as a contribution in kind must be paid in full at the moment of its subscription.

Article 29

Change of capital

1. The change of capital cannot result in the capital being less than the minimum capital specified in point 3 of article 27 of this law.
2. The statute provides the methods for changing the capital, in accordance with the provisions of this law.

Article 30

Transfer of capital share

The capital share in the company is acquired or transferred taking into account the provisions of article 13 of this law and the provisions of the statute, through:

- a) subscription of the contribution to the capital of the company;
- b) donation;
- c) inheritance, when the interested parties request to become members. The transfer of the share to the interested parties, who have the status of heir and who request to become members, is carried out within six months from the death of the member. In cases where the aforementioned condition is not met, they have the right to request the liquidation of the corresponding share;
- c) any form, as provided by law.

Article 31

Reimbursement of contributions

1. Members who leave the company are reimbursed for their contributions paid into the capital.
2. Reimbursement is made without affecting the value of the minimum capital, as determined in point 3 of article 27 of this law, and must be carried out no later than 5 years.
3. The statute provides for the manner and procedure of reimbursement of contributions.

Article 32

The compulsory reserve fund

1. The company creates the compulsory reserve fund, which is intended for the consolidation and guarantee of the capital of the agricultural cooperation company and its solvency, and is indivisible among the members and non-transferable, except in the cases provided for in article 56 of this law.

2. The compulsory reserve fund is created by allocating to this fund not less than 15 percent of the net profit realized during the previous financial year, after deducting carried forward losses, until this reserve is equal to the company's capital, according to article 27 of this law.

Article 33

The risk coverage fund

1. The company creates the risk coverage fund, which serves for the company to face risks or damages of any kind, which the company's activity may encounter, including natural phenomena or those damages and risks that are linked to the very type of activity or product.

2. The company deposits in the risk coverage fund a percentage of its profit, which is determined in the statute, but which cannot be less than 10 percent of the net profit realized during the previous financial year, after deducting carried forward losses. This fund is indivisible among the members and non-transferable, except in cases provided for in article 56 of this law.

Article 34

Economic year and determination of profits

1. The economic year lasts twelve months, according to the fiscal year, in accordance with the time limits specified in the applicable tax and accounting legislation.

2. The determination of profits for the fiscal year is carried out in accordance with the provisions of Law No. 8438, dated 28.12.1998 “Për tatimin mbi të ardhurat”, as amended.

Article 35

Use of profit

The portion of profits generated from the activity of the company, after deposits made in accordance with articles 32 and 33 of this law, may, by decision of the general assembly, be deposited wholly or partially in the risk coverage fund or may be distributed to the members or used for other funds or purposes, as determined by the statute.

Article 36

Charging of losses

In cases where the company’s activity at the end of the financial year results in a loss, the general assembly decides whether the mandatory reserve will be used to cover the losses or whether they will be carried forward to the following year.

CHAPTER VII

DOCUMENTATION AND ACCOUNTING

Article 37

The documentation of the agricultural cooperative company

1. The company keeps records of its activity in:

- a) the register of members;
- b) the register of the decisions of its governing bodies;
- c) registers for financial and accounting transactions.

2. The keeping of the company’s registers is the responsibility of the administrators. The methods and deadlines for their retention are determined in the statute.

Article 38

Accounting and annual accounts

1. The company maintains the accounting of its economic activity, in accordance with Law No. 9228, dated 29.4.2004 “Për kontabilitetin dhe pasqyrat financiare”, as amended.

2. The administrators prepare the activity report, inventories, and annual accounts, in accordance with accounting legislation, which they present to the general assembly for approval.

Audit of financial statements

The company’s financial statements are prepared according to the applicable legislation and the provisions for limited liability companies, as provided in Law No. 10 091, dated 5.3.2009 “Për auditimin ligjor, organizimin e profesionit të ekspertit kontabël të regjistruar dhe të kontabilistit të miratuar”, as amended.

CHAPTER VIII

REGISTRATION OF THE AGRICULTURAL COOPERATIVE SOCIETY

Article 40

Registration of the agricultural cooperative society at the National Registration Center

1. The agricultural cooperative society must be registered at the National Registration Center, in accordance with the provisions of Article 22 of Law No. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”.

2. For other mandatory registrations, according to this law, the application is made in accordance with the provisions of Article 22 of Law No. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”.

3. The reservation of the name is carried out in accordance with the provisions of Law No. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”.

4. The application for the initial registration of the society is made by the administrators or persons authorized by them.

5. The application for other registrations is made by the persons responsible for representing the society in relations with third parties or any person authorized by them. The application for the registration of legal actions related to participation in the capital may also be carried out by the member to whom the share of the capital belongs.

6. The application and the form of the accompanying documents are defined in Article 27 of Law No. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”.

7. The form and content of the acts issued by the Qendra Kombëtare e Regjistrimit, as well as any action performed before it, are approved by order of the Minister of Economy, Trade and Energy, upon the proposal of the head of the Qendra Kombëtare e Regjistrimit.

Article 41

Initial registration

1. Societies are registered in the commercial register by submitting the application for initial registration, completed with all mandatory data, according to this law, the statute and the act of establishment, in case they have been drafted as two separate documents, the acts of appointment of the society's bodies, if not included in the above acts, as well as any other acts necessary for establishment, according to applicable legislation.

2. For the initial registration of the company, the following data are mandatory:

- a) name;
 - b) form;
 - c) date of establishment;
 - c) identification data of the members;
 - d) registered office;
 - d) subject matter, if specified;
 - e) duration, if specified;
 - e) identification data of the persons responsible for the administration and representation of the company in relations with third parties, their representation powers, as well as the terms of their appointment;
 - f) the signature specifications of the persons representing the company before third parties;
 - g) notification of the value of the subscribed share capital; f) the number of shares in the capital;
 - h) the value of each share held;
 - i) participation in the capital;
 - j) the value and type of each member's contributions;
 - k) information on whether the initial subscribed capital has been paid or not.
3. Proof of payment of the initial share capital does not constitute a condition for initial registration.

Article 42

Other registrations

1. Any change in the notified data and in the accompanying documents, which are deposited in the register according to the articles of this chapter, shall be notified and registered with the National Registration Center.

2. In addition to what is provided for in point 1 of this article, the entity must register and deposit the acts

respectively as follows:

- a) the annual accounting balance sheet and the approved report of the statutory auditors, prepared in accordance with the provisions of the legislation on accounting and financial statements;
- b) the act of appointment and dismissal of the statutory auditor, as well as the identification data;
- c) the act of appointment of the liquidators, as well as their identification data;
- c) the act of termination of the economic commercial activity, acts of dissolution, closure or liquidation, acts of transformation, merger, division, opening of administration, liquidation or reorganization proceedings, as well as other intermediate acts, as provided for by the applicable legislation;
- d) data on other places of activity different from the headquarters; dh) any change in the number of members and capital;
- e) the documents proving the establishment of pledges, or other guarantees for the shareholdings in the capital of the entity;
- ë) any other mandatory registration, in accordance with the applicable legal provisions.

Article 43

Deregistration

The deregistration of the company at the National Registration Center is carried out in the cases and in the manner provided for by this law and Law No. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”.

CHAPTER IX

MERGER, DIVISION AND DISSOLUTION OF THE AGRICULTURAL COOPERATION COMPANY

Article 44

The merger, division and dissolution of the agricultural cooperation company

The merger, division and dissolution of the agricultural cooperation company are carried out in accordance with the provisions of Part IX of Law No. 9901, dated 14.4.2008 “Për tregtarët dhe shoqëritë tregtare”, to the extent that they are compatible with the provisions of this law.

Article 45

Dissolution of the agricultural cooperation company

The company is dissolved and enters into liquidation for the following reasons:

- a) the expiration of the company's term, according to the provisions of the statute;
- b) the will of the members, manifested through the decision of the general assembly;
- c) the complete fulfillment of the company's object or the impossibility to fulfill it;
- c) the reduction of the number of members below the legal minimum necessary to establish a company, according to the provisions of this law, if the required number of members is not restored within a period of 6 months;
- d) the blocking of the decision-making activity of any of the company's bodies or the non-performance of the company's activity for a continuous period of 5 years;
- d) the reduction of the company's capital below the minimum established by law, if it is not restored within a six-month period;
- e) the commencement of insolvency proceedings;
- e) the non-performance of activity for a continuous period of 5 years and the failure to notify the suspension of activity, in accordance with Law No. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”;
- f) if the company results in losses for a continuous period of 5 years;
- g) by court decision;
- f) for any other reason, specified in this law or in the statute.

Article 46

Registration of dissolution

1. The administrators are obliged to register the decision for the dissolution of the company with the National Registration Center.

2. If the dissolution of the company is made by court decision, the court notifies the National Registration Center of the decision and requests its implementation.

Liquidation

1. Except in cases where an insolvency proceeding against the legal person has been opened, according to the provisions of Law No. 8901, dated 23.5.2002 “Për falimentimin”, as amended, the verification of one of the causes mentioned in Article 45 of this law results in the opening of the liquidation phase of the company in a state of solvency.

2. The liquidation is carried out by the liquidators appointed by the general assembly. If the general assembly does not make a decision on the appointment of the liquidators within 30 days after the decision on dissolution, any interested person may address the court to appoint a liquidator.

3. Any interested person has the right to request from the court the replacement of the liquidator, if they present sufficient reasons to suspect that the proper liquidation of the company may be jeopardized by the liquidators appointed as above.

4. Any interested person has the right to request from the court the replacement of the liquidator appointed pursuant to points 2 and 3 of this article, if they present sufficient reasons to suspect that the proper liquidation of the company may be jeopardized by the liquidators appointed as above. The request must be submitted to the court within 30 days from the date of appointment of the liquidator.

5. The liquidator is appointed by the court in cases where the company is dissolved by court decision.

Article 48

Dismissal of liquidators

1. The liquidators are dismissed and replaced under the same conditions provided for in the provisions regarding their appointment.

2. Lawsuits related to the compensation of the liquidator, based on contractual relationships with the company, are regulated according to the applicable legal provisions.

Registration with the National Registration Center

1. The company administrators notify the National Registration Center for registration of the details of the initial liquidators and their powers to represent the company, together with the relevant documents, pursuant to Law no. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”.

2. The liquidators deposit their signature. The liquidators notify the National Registration Center of any change regarding their identity and representation powers for registration. The appointment of liquidators by the court is registered pursuant to Law no. 9723, dated 3.5.2007 “Për Qendrën Kombëtare të Regjistrimit”.

3. With the opening of liquidation proceedings, the registered name of the company is followed by the notation “in liquidation”.

Invitation to creditors

The liquidators must invite the company’s creditors to file their claims regarding its dissolution, in accordance with the provisions of Article 195 of Law no. 9901, dated 14.4.2008 “Për tregtarët dhe shoqëritë tregtare”.

Article 51

Administration by the liquidators

1. The liquidator assumes the rights and duties of the administrators from the date of his appointment.
2. If the company appoints more than one liquidator, except where the act of appointment stipulates that they act separately from each other, the liquidators exercise jointly the rights and duties under this law. The liquidators may authorize one of them to carry out actions of a particular category.
3. The liquidator is subject to the supervision of the members and the general assembly.

Article 52

The rights and duties of the liquidator

1. The duty of the liquidators is to conclude all the company's affairs, collect outstanding receivables and unpaid contributions, liquidate all the company's assets, including, if necessary, the funds created pursuant to this law, for the purpose of settling the creditors, respecting the order of priority, according to Article 605 of the Civil Code.
2. If, based on the claims raised by the creditors according to Article 50 of this law, the liquidators note that the assets of the company, including unpaid contributions, are not sufficient to satisfy these claims, the liquidators are obliged to suspend the liquidation procedure and to request the competent court to initiate insolvency proceedings.

Balance sheets

The liquidator prepares a balance sheet of the company's financial situation and assets at the moment of opening the liquidation and a final balance sheet at the moment of closing these procedures. If the liquidation procedure lasts more than one year, the liquidator also prepares the company's annual financial statements. The balance sheets are approved by the general assembly.

Article 54

Protection of creditors

1. The liquidators may not distribute the remaining assets before the expiration of the period referred to in Article 199 of Law no. 9901, dated 14.4.2008 "Për tregtarët dhe shoqëritë tregtare".
2. If a creditor of the company, of whom the liquidator is aware, does not claim his rights, the corresponding amounts are deposited with the court, while the goods are stored in a warehouse at the creditor's expense. The general rules for the deposit contract are applicable.
3. If an obligation cannot be settled immediately or if it is disputed, the assets may be distributed only if the creditor has been given appropriate security.

Article 55

The liquidator's report, remuneration and discharge

1. After the settlement of the company's obligations to the creditors, the liquidators shall present to the general assembly a report on the liquidation procedure, the obligations that have been settled, as well as their remuneration.
2. If the general assembly approves the report, the liquidators are discharged from their duties and receive the remuneration specified in the report.
3. If the report is not approved, the liquidators may address the court with a request to be discharged from their duties, as a result of the proper fulfillment of their duties.
4. After the discharge of the liquidator by the court, he is entitled to receive the remuneration specified in the report.

Article 56

Distribution of the remaining assets

1. After the settlement of obligations to creditors, the liquidator distributes the remaining assets to the members, including the funds created under this law, in proportion to the mutual cooperation activity carried out by each member.

2. Properties that have been given to the company by lease or for use under any title are returned to the members. Members do not have the right to compensation in the event of destruction, damage, or reduction in the value of the property, unless this results from the action or inaction of the company or of persons acting on its behalf.

Article 57

Completion of liquidation and deregistration of the company

After the distribution of the remaining assets, the liquidator notifies the National Registration Center of the completion of the liquidation and requests the deregistration of the company.

Article 58

The responsibility of the liquidator

1. The activity of the liquidator cannot be challenged after the deregistration of the company by the National Registration Center.

2. Liquidators are liable to creditors for damages caused during the liquidation procedure, in accordance with the provisions regulating the liability of administrators. If there are several liquidators, they are jointly liable. In addition to the liquidators, the members are also jointly liable to the creditors of the company up to the value distributed to them. Creditors who have not submitted their claims within the deadline, according to Article 50 of this law, or creditors of whom the liquidator was not and could not have been aware, have no right to bring an action, pursuant to the first and second sentences of this paragraph.

3. The actions referred to in paragraph 2 of this article must be brought within 3 years after the deregistration of the company by the National Registration Center.

Article 59

Simplified liquidation, conditions and procedure

1. The company may be liquidated through an expedited procedure if this is decided by all members and when they declare before the competent court that all obligations of the company to creditors have been settled and all relationships with employees have been resolved.

2. The administrators register with the National Registration Center the decision for the liquidation of the company through the simplified procedure.

3. The administrators are liable for any damage caused by the breach of their duties during the simplified liquidation. In addition to the administrators, the members of the company are also jointly liable up to the amounts received.

4. The actions, according to paragraph 3 of this article, must be brought within 3 years from the date of deregistration of the company by the National Registration Center.

Article 60

Deletion after simplified liquidation

Article 57 of this law also applies in the case of the completion of the simplified liquidation.

Federations of agricultural cooperation companies

1. Agricultural cooperation companies may join together in federations in order to protect and promote their interests.

2. For the establishment and operation of a federation, at least three agricultural cooperation companies must join together.
3. The bodies of the federation are the general assembly and the administrators.
4. The composition, number, operating and organizational procedures of the general assembly and the administrators of the federation are determined in the statute.
5. The federation performs the following duties:
 - a) protects the general interests of the member companies;
 - b) promotes, creates and unites agricultural cooperation companies;
 - c) resolves conflicts between member companies;
 - c) mediates and represents the companies with organizations and state institutions.
6. The federation must be registered at the National Registration Center, thereby acquiring the status of a legal person. The public document for establishment must contain:
 - a) the list of member companies;
 - b) the act of the establishment agreement;
 - c) the representative and governing bodies; c) the name;
 - d) the statute.
7. The statute includes information on:
 - a) the name of the federation;
 - b) the address and territorial scope;
 - c) the conditions and procedures for the membership of companies in the federation;
 - c) the composition, functioning and election of its representative and management bodies.
8. For the functioning of the federation, the provisions of this law are valid insofar as they are applicable.

CHAPTER X TRANSITIONAL AND FINAL PROVISIONS

Article 62

The transformation of farmers' associations and mutual cooperation companies into agricultural cooperation companies

1. Mutual cooperation companies and farmers' associations, established according to the legislation in force, within six months from the entry into force of this law, may be transformed into agricultural cooperation companies in accordance with this law. This transformation into an agricultural cooperation company is not accompanied by the liquidation of the company or the association.
2. The governing bodies of the company or associations to be transformed must prepare a draft transformation plan and an explanatory report on the legal and economic aspects of this transformation, as well as the consequences for the members and employees.
3. The general assembly of the company or association to be transformed approves the draft transformation plan and the new statute of the agricultural cooperation company, as well as registers the relevant changes at the National Registration Center.

Article 63 **Entry into force**

This law enters into force 15 days after its publication in
the Official Gazette. Approved on 5.4.2012

Promulgated by Decree No. 7409, dated 23.4.2012 of the President of the Republic of Albania, Bamir Topi