

NATIONAL CHAMBERS OF COMMERCE

**A PRIMER ON THE ORGANIZATION AND ROLE
OF CHAMBER SYSTEMS**

by

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for

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The Center for International Private Enterprise (CIPE), an affiliate of the U.S. Chamber of Commerce, is the business representative in the National Endowment for Democracy. CIPE's mandate is to advance private enterprise and market institutions that support democratic development. CIPE works directly with foreign business organizations, think tanks and other business-oriented private sector organizations, assisting them to function effectively as private sector advocates of policies supportive of private enterprise. Since 1983, CIPE has funded over 300 projects in 50 countries.

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Introduction

In the emerging business environment, characterized by greater reliance on market forces and private enterprise, there is an increasing recognition of the need for stronger private sector involvement in developing national economies. Therefore, business organizations representing the private sector find themselves challenged to advocate the needs of private enterprise through an effective dialogue with government; to complement and take over efforts and responsibilities of government in the field of business promotion; and to reply to a growing demand for services from the business community.

This primer focuses on chambers of commerce and industry, the most important form of multi-sectoral business organizations throughout the world. The objective is to give an introduction to different existing chamber systems, including a comparative analysis of the structure, status, and range of activities of chambers in selected countries.

Case studies from both developed and developing countries are considered. The primer is addressed to chamber officials and professionals, government policy-makers and other interested readers in order to provide a foundation for discussing the future role of chambers in modern society.

Chapter 2 provides a brief definition of chambers and an outline of their historical development.

Chapter 3 analyzes the legal status of chambers, comparing three different systems and giving country examples for each system.

Chapter 4 describes how chambers actually work under different systems. This chapter is based on case studies including Germany, France, USA, Philippines, Japan, and Thailand. All important aspects of chamber management and organization are covered including membership and regional structure, internal organization, sources of income and range of activities.

The final chapter sums up by discussing the advantages and disadvantages of the different chamber systems.

For further reading, an extensive bibliography of chamber literature is provided. In the annex, chamber laws available in

English are provided.

We hope that this publication will find a wide readership.

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Origins of Chamber Development

Definition of Chambers

Chambers are membership organizations representing the business community and comprised of enterprises and individuals engaged in trade, industry and services. Their general purpose is to protect and promote business. They are both service and representative organizations -- on the one hand providing assistance to their members and on the other advising and influencing government to create a more favorable business environment.

All chambers have certain common characteristics. First, they are not-for-profit organizations. Second, they are self-administered, meaning that members direct chamber policy. Finally, chambers are territorially organized, representing different economic sectors within a defined area (e.g. city, province, state).

The definition becomes clearer when a distinction is made between chambers and two other common forms of business organizations -- trade associations and employers' organizations. While chambers are multi-sectoral organizations, trade and industry associations have more homogeneous memberships as sectoral organizations representing specific industries. In contrast to chambers and trade associations, employers' associations have a relatively narrow mission which is confined to labor and social policy issues.

A Brief History of Chambers

The history of chambers has basically two roots. The oldest predecessors of today's chambers are the medieval European corporations and merchant guilds. These organizations were local self-help bodies established and run by merchants in order to protect and regulate their trades. They did not exist on a nationwide basis, but were concentrated in major trade centers. The merchant guilds organized commodity exchanges, determined and supervised weights and measurements, ran arbitration boards, and administered ports and markets.

Merchant Guilds

With the emergence of modern nation-states after the French

Revolution, the power of cities and merchants declined as state administration began to organize and regulate the economy on a national level. France and England abolished guilds with the *Loi Le Chapelier of 1791* and the *General Combination Act of 1799*, respectively. In other countries, their influence declined as freedom of trade was introduced.

French "chambres de commerce"

The modern form of chambers dates back to the so-called "chambres de commerce" introduced at the national level in France during the Napoleonic period. Between 1802 and 1804, 176 chambers were established in French territory. The chamber law stipulated that all entrepreneurs had to belong to their respective chamber. Further, the law regulated regional coverage of the chambers by allowing only one officially recognized chamber in each city or district.

Originally, these chambers were the foremost advisory bodies of state administration. Their main tasks were to gather, aggregate and present business community views and proposals regarding economic legislation, tariffs and business promotion to the government. The chambers also had to collect and provide statistical information on commerce and industry.

The Napoleonic chambers were not self-administered and did not have their own budgets. Instead, they were headed by a civil servant and could be viewed as parastatal support bodies of government.

Emergence of Continental Model

This French model is characterized by obligatory membership and a special chamber law which defines its status and tasks. It was adopted by several states in continental Europe including Germany, Italy, Austria, Netherlands, and Spain during the late 19th and early 20th centuries. Therefore, chamber systems under public law are frequently referred to as "Continental" models. This system was also introduced in most French colonies.

A different chamber system emerged in Great Britain. Following the liberal tradition of British economic policy, public authorities pursued a less interventionist approach, favoring self-administration of the business community.

Emergence of Anglo-Saxon Model

As a result, there is no law specifically governing chambers in Great Britain. Instead, chambers are established under private law requiring registration either in the business or association register. Membership is voluntary; regional coverage is not regulated; and the tasks of chambers are not legally defined.

The worldwide importance of this chamber system -- often referred to as Anglo-Saxon or Anglo-American model -- resulted in part from its introduction in the British colonies.

The Continental and the Anglo-Saxon Models represent two opposite poles in chamber development. Chamber systems in most countries can be classified as one of the two models. However, there are some countries whose chamber systems incorporate characteristics from both models. These hybrids will be referred to as "Mixed Systems".¹

Mixed Systems

¹⁾ Before economic and political reform in the former communist countries, a fourth chamber system of state chambers existed as departments of the foreign trade ministries which focused on promoting exports from state enterprises. Further, in both China and Vietnam chambers of commerce are government agencies.

<i>Continental Model</i>	<i>Anglo-Saxon Model</i>	<i>Mixed Systems</i>
<i>Africa:</i> Algeria Côte d'Ivoire Djibouti Egypt Eritrea Morocco Senegal Tunisia	<i>Africa:</i> Ghana Mozambique Namibia* Sierra Leone South Africa Zimbabwe	
<i>Europe:</i> Austria France Germany Hungary Italy Netherlands Slovak Republic Slovenia Spain	<i>Europe:</i> Czech Republic Denmark Estonia Ireland Lithuania Norway Poland** Sweden Switzerland U.K.	
	<i>North America:</i> Canada U.S.A.	
	<i>Latin America:</i> Argentina Chile Jamaica Peru Venezuela	<i>Latin America:</i> Brazil*** Mexico***
	<i>Asia and Australia:</i> Australia India Nepal New Zealand Philippines Singapore Sri Lanka	<i>Asia:</i> Japan Thailand

* Namibia is currently debating a move towards a Mixed System whereby membership would still be voluntary but a Chamber Law would be passed to enable the state to delegate functions to chambers.

** Poland is currently debating the implementation of the Continental Model.

*** Brazil and Mexico are currently in the process of reforming their chamber systems toward a pure Anglo-Saxon Model rather than Mixed Systems.

Legal Structures of Different Chamber Systems

This chapter will describe the legal characteristics of the Continental and Anglo-Saxon Models.

Continental Model

Under the Continental Model, chambers are created on the basis of national legislation. The chamber law prescribes the creation of chambers as corporations under public law. This legal status enables the government to delegate to the chamber certain functions which are normally assigned to public authorities (e.g., education, examinations, business registration).

Public Law Status

Public law status does not necessarily dictate obligatory membership. However, under the Continental Model, chamber law prescribes obligatory membership for all self-employed persons and legal entities entitled to run businesses within the chamber district. Obligatory membership includes a regular and mandatory financial contribution to the local chamber. Generally, three reasons are given for the introduction of obligatory membership. First, mandatory membership guarantees that chambers represent enterprises of all sectors, sizes and legal forms. Second, compulsory membership guarantees that all enterprises contribute financially, avoiding free-rider behavior. Finally, compulsory membership ensures a broad and stable source of income.

Mandatory Membership

Under the Continental Model, governments are legally obligated to consult with chambers before ruling on legal and economic matters. In this context, chambers send delegates to parliamentary hearings and public committees. The regulation attempts to ensure that policy-makers draw on business sector expertise.

Another legal feature of the Continental Model is the regulation of regional coverage, which ensures that there is one (and only one) chamber in each major town or district.

Delegation of Public Tasks

Unique to the Continental Model, chambers are obligated to fulfill certain tasks defined by chamber law. Under this arrangement, the government delegates certain public tasks to the chambers because of their close links to the business community. Additionally, chambers can provide autonomous tasks (membership services) as long as they keep within the general framework of the chamber mission as specified in the statute. However, implementation of such services is not enforced by law.

Public Supervision

While the Continental Model guarantees the above mentioned privileges and rights under public law, it also includes a special supervision of the chambers' activities by state authorities. When authorizing chambers to implement mandatory membership or to assume delegated functions, the government seeks to ensure that members are not exploited and public interest is not harmed by the chambers.

In summary, six key characteristics of the Continental Model are:

- Special legislation governs chambers (public law status).
- Mandatory membership is required by law.
- Chambers have a formal consultative status vis-à-vis government.
- There is only one chamber per legally specified area.
- Chambers must assume tasks delegated by government.
- Chambers are subject to public supervision.

Anglo-Saxon Model*Private Law Status*

Under the Anglo-Saxon Model, there is no specific legislation regulating chambers. Chambers must adhere to local laws of incorporation where they are registered. Anglo-Saxon Model chambers are also referred to as private law chambers.

In contrast to the Continental Model, membership in the Anglo-Saxon Model chambers is voluntary. As a consequence, the membership base is generally smaller and does not necessarily include all the enterprises within the region. However, as there is no legal definition, the membership base can include more diverse sectors including trade, industry, agriculture, services, banking, insurance and service professionals like lawyers, accountants and consultants.

Voluntary Membership

Without mandatory membership, income from membership fees is not guaranteed. Therefore, chambers under the Anglo-Saxon model generally place more emphasis on marketing their services and being responsive to membership needs.

Chambers under the Anglo-Saxon Model live in a competitive environment. Since the designation "chamber" is not legally protected and the regional coverage is not regulated, anyone is free to establish a chamber. As a result, there may be several chambers competing for membership or no chamber representing the business community in a given area.

Another important feature of the Anglo-Saxon Model is that a chamber's scope of activities is not regulated. Since there is no special legislation governing chambers, these organizations do not have to fulfill functions delegated to them by the state. Each chamber is free to decide whether to put more emphasis on lobbying or on providing direct services to its members.

No Delegated Tasks

In summary, four key characteristics of the Anglo-Saxon Model can be identified:

- There is no special law regulating the establishment and running of chambers (private law status).
- Chamber membership is voluntary.
- Anyone is free to establish a chamber.
- Chambers are not required to fulfill government delegated functions.

Mixed Systems

There are chamber systems which cannot be categorized as either Continental or Anglo-Saxon as defined by the above characteristics. These chamber systems use one model as a foundation, but then introduce elements from the opposing model creating a new hybrid. These chamber systems are characterized as Mixed Systems.

Country Cases: Role and Organization of Chambers

While chapter 3 describes the legal structure of chamber systems, chapter 4 will provide more concrete information on how chambers work under the three different models. All important aspects of chamber management and organization are covered, including membership, regional structure, internal organization, income sources and activity ranges. Country cases include Germany and France as examples of the Continental Model; the United States and Philippines as examples of the Anglo-Saxon Model; and Japan and Thailand as examples of Mixed Systems.

Membership, Regional Structure and Relative Importance of Chambers

Since chambers are defined as “membership organizations,” their strength and power depends on their membership base. The economic and political power of chambers is directly linked to the number of members and their willingness to support chamber activities.

Continental Model

Germany

Membership in German chambers of commerce and industry is obligatory for all self-employed persons and legal entities conducting business, including entrepreneurs and enterprises from industry, trade and commerce. There are separate mandatory chambers for agriculture, small businesses, and professionals like lawyers, physicians and architects.

Membership Definition

There are 83 chambers of commerce and industry in Germany, each covering a specific region as defined by the government. A German chamber of commerce and industry has on average 30,000 members. The smallest chamber has 4,200 members. The largest chamber (Munich Chamber of Commerce and Industry) has 220,000 members. The apex body of the chambers is the Association of German Chambers of Commerce and Industry (DIHT) representing the 83 German chambers and about 2.6 million companies. Unlike the regional chambers, the apex body is a voluntary organization and has no public law status.

Regional Structure

*Other Business
Organizations*

While German chambers are obligatory membership organiza-

tions, there are two other important forms of business organizations in Germany: (1) employers' organizations and (2) trade associations, both of which are based on voluntary membership.

First, there are approximately 800 regional and sectoral employers' organizations in Germany which cover about 80% of all enterprises. The apex body is the Confederation of German Employers' Associations (BDA). Employers' organizations have a rather limited scope of activities which focus on labor relations. Their main task is collective bargaining with trade unions on salaries and other labor issues.

Second, the most important trade association is the German Confederation of Industries (BDI). This apex body consists of 34 trade confederations representing more than 450 trade associations, all from the industrial sector. Thus, BDI indirectly represents about 100,000 member enterprises. In comparison to the German chambers, BDI and its member associations focus more on advocacy. The range of services is rather limited when compared to the chambers and concentrates on disseminating information concerning the industrial sector.

France

Membership Definition

Since German chamber legislation is strongly influenced by the French model, there are many similarities between the two. As in the case of Germany, membership in the French chambers of commerce and industry is obligatory for all businesses listed in the trade register. This register includes enterprises from the industrial, commercial and trade sectors. Other sectors like agriculture and small business have separate chambers which they are required to join.

Regional Structure

The organization of French chambers has a three-tiered structure. There are 162 local chambers of commerce and industry each covering one specific geographic area as defined in the chamber law.

A local chamber of commerce and industry has an average of 10,500 members. At the regional level, these local chambers are represented by 21 regional chambers. Finally, both the local and regional chambers are members of the national apex body, the Assembly of French Chambers of Commerce and Industry. In contrast to Germany's apex organization, the French national chamber (representing 183 chambers and about 1.7 million companies) is a corporation under public law.

The most important voluntary business organization in France is the National Council of French Employers (CNPf). Unlike in Germany, CNPF is both an employers' organization and a confederation of trade associations. The membership of the council consists of about 250 sectoral and regional associations representing 1.5 million enterprises from all sectors. In addition to bargaining with the trade unions, CNPF offers services in the form of training, information and consultation to its members as well as involvement in government relations. There are very close relations between the French chambers and CNPF. Very often, elected chamber officials also hold positions in CNPF. Thus, CNPF benefits from the infrastructure and services provided by the chambers.

Other Business Organizations

The General Confederation of Small and Medium-sized Enterprises (CGPME) is another voluntary business organization with about 820,000 members mainly from trade and service sectors. The Confederation is primarily an advocate for small and medium-sized businesses.

Anglo-Saxon Model

United States

Unlike the Continental Model, U.S. chambers are not regulated by a special chamber law. However, all chambers must conform to certain local, state, and federal rules and regulations which govern the operation of a 501(c)(6)(tax-exempt) organization. Failure to comply with these laws can result in the loss of favorable tax status. Further, there are certain state laws and regulations which chambers must conform to when applying to be recognized as a non-profit organization.

Membership Definition

Membership is completely voluntary and individual chambers define membership eligibility in their by-laws. In general, any person, association, cooperation, partnership or estate having an interest in the organization's mission is eligible to apply for membership.

Regional Structure

Since anyone can establish a chamber in the United States and chambers are not centrally registered, no exact figure on the total number of chambers can be given. However, in 1992, approximately 5,000 local and state chambers existed, each covering a geographic area defined in its by-laws. Both the membership base and geographic representation vary greatly among chambers.

The smaller chambers may have as few as 100 members or less while larger metropolitan or state chambers could have several thousand members. There are small towns of fewer than 5,000 residents with a chamber and some larger metropolitan areas have that several chambers. Larger metropolitan areas may have several chambers of commerce in the area in addition to the metropolitan chamber. As such, there are likely to be many chambers in the suburban areas surrounding the central city. Many of the suburban chambers are very influential and have hundreds of members in their own right.

Local chambers may join the state chamber or the national chamber; however, there is no requirement to join either. The apex organization of the local and state chambers is the U.S. Chamber of Commerce. In contrast to the German and French national chambers, the membership of the U.S. apex body includes not only chambers, but also individual enterprises and trade associations.

The U.S. Chamber of Commerce represents about 215,000 private enterprises, 3,000 local and state chambers of commerce and 1,200 trade and professional associations. Many members belong directly to a local chamber as well as the national chamber.

In addition to chambers, there are approximately 17,000 trade associations in the United States representing companies in specific businesses and industries. Like chambers, these associations are based on voluntary membership. Many of them are very small and without full-time staff. Others have thousands of members with a state or nationwide membership. The most important functions of associations are reporting governmental developments which might affect their members' industry, and representing an industry viewpoint to the government. In addition to this advocacy role, many associations offer educational seminars, publications, and statistical analysis.

Other Business Organizations

In contrast to the Continental Model, trade and professional associations can become members of the chambers. Thus, 1,200 trade and professional associations are members of the U.S. Chamber of Commerce. While the U.S. Chamber and the affiliated 3,000 local and state chambers form the most important U.S. business group, there are two other important national business organizations. The National Association of Manufacturers (NAM) represents most of the important manufacturers in the nation, accounting for nearly 75 % of the country's manufacturing output. NAM has a total membership of about 13,000 enterprises, and 110 manufacturing trade associations are also affiliated with this organization. NAM is primarily concerned with government relations with respect to industry's views on national and international economic issues.

While NAM represents large manufacturing enterprises, the National Federation of Independent Business (NFIB) represents small-scale enterprises. NFIB's membership covers more than 500,000 independent businesses and professionals. NFIB is primarily an advocate for this sector.

Philippines

Chamber membership in the Philippines is voluntary and defined in each chamber's bylaws. In general, chambers are open to all economic sectors, including large and small businesses as well as self-employed professionals.² Most chambers have five classes of membership: regular, institutional, sustaining, associate and honorary.

Membership Definition

Local chambers have fewer members (e.g., the Naga City

² For membership in PCCI, the enterprise is only required to have a minimum of 5 regular employees.

chamber with 300 members or the Albay chamber with 185 members). Most local chambers are even smaller with 50 - 100 members. The Philippine Chamber of Commerce and Industry (PCCI) is the largest chamber in the country with 98 affiliate chambers of commerce, 148 industry and sectoral associations, 135 associate, 23 sustaining and more than 1,400 private enterprises as regular members.

Regional Structure

Chambers in the Philippines are not regulated by chamber law but are corporations under private law. There are no regulations with regard to size or area of representation of chambers. Thus, distribution of chambers varies throughout the country.

However, the country is divided into 14 regions, and most chambers are located in the regional centers and urban areas. In total, there are 98 local chambers of commerce and industry. Chambers are registered with the Security and Exchange Commission like other business associations or companies.

The Philippine Chamber of Commerce and Industry (PCCI) has a special position in the Philippine chamber system. It was created through the merger of two important chambers, the Philippine Chamber of Industries (PCI) and the Chamber of Commerce of the Philippines (CCP), and was recognized by the Philippine government as the single voice of the private sector through the Letter of Instruction No. 780, issued by the President of the Republic.

Today, the PCCI has two roles. It is the largest chamber in the country, representing enterprises nationwide, and it acts as the apex body of the Philippine chamber system. As the voice of the private sector, it is represented in government councils such as the Monetary Board and Export Development Council. The PCCI must authorize the use of the name "chamber of commerce and industry." Some local chambers were organized by the PCCI and most local, if not all, chambers have registered as affiliated members of the PCCI.

In addition to the Philippine chambers, there are many voluntary trade associations, most of which are very small. As

Other Business Organizations

in other countries, the associations advocate on behalf of their respective sectors and disseminate information. There is no confederation of trade associations in the Philippines. However, the relatively larger trade associations are members in the Philippine Chamber of Commerce and Industry. The PCCI has 148 affiliated associations.

Mixed Systems

Japan

In Japan, chambers are regulated under public law status but membership is voluntary. Every self-employed person or legal entity running a business in the chamber district is eligible for chamber membership. While the average number of members is about 3,000, chambers in larger cities like Tokyo or Osaka include around 15,000 members. The Japanese chambers traditionally represent small- and medium-scale enterprises. Members belong to the specific trade sections that represent their type of business.

Membership Definition

A special feature of Japanese chambers is the regulation of "specific merchants and industrialists." These are the largest enterprises in the chamber district whose amount of tax payments or paid-up capital exceeds certain limits. These specific merchants and industrialists are obligated to register with their respective chamber. This registration does not constitute membership, but provides them a special status in the chamber. They have the right to vote in the general meeting of delegates and they must pay dues as imposed by the chamber.

The chamber law in Japan requires that the area of one chamber does not intersect with the area of another. The law does not require a chamber for each region. However, today every major city has its own chamber. There are 496 Chambers of Commerce and Industry with an approximate total of 1.4 million members nationwide.³ The national federation of local chambers is the Japan Chamber of Commerce and Industry (Nisshô).

Regional Structure

Other Business Organizations

In addition to the Japanese chambers, there are three important national business groups, all of which are based on voluntary membership.

3) Additionally, there are 2,856 Societies of Commerce and Industry which are based in rural areas and represent another 1 million firms from towns and villages. Their apex body is the National Federation of Boards of Commerce and Industry.

The Federation of Economic Organizations (Keidanren) is regarded as the leading economic organization of the country. The Keidanren is the voice of the largest firms in manufacturing, finance, and international trade. In fulfilling this role, Keidanren maintains very close formal and informal contacts with government. Its membership includes all major trade associations in the country, such as the Japan Banking Association, the Japan Iron and Steel Federation, and the Japan Automobile Manufacturers' Association. Other members include about 1,000 of the largest private corporations in Japan and a small group of individuals, most of them prominent former business leaders or authorities on economic affairs.

The Japan Federation of Employers' Associations (Nikkeiren) speaks for employers, both large and small, concerning labor relations and wages. Nikkeiren represents about 54 sectoral and regional employers' associations.

The third organization is the Japan Committee for Economic Development (Keizai Doyukai) which is essentially a businessmen's forum for discussion and a sponsor of basic research rather than an advocacy organization. Its membership includes some of the country's most articulate business leaders, especially those concerned with industrial relations. The Committee consists of about 1,500 business leaders organized in 30 branches.

Thailand

Membership Definition

Chambers in Thailand are under public law status but membership is voluntary and the law does not provide for the establishment of chambers.

However, all provincial chambers must be members in the Thai Chamber of Commerce which has a dual role. It is both the apex organization of the provincial chambers and the regional chamber for the Bangkok Metropolitan area. Therefore, individual enterprises are eligible for membership in the Thai Chamber of Commerce. As the largest chamber in the country, it has more than 1,300 individual members.

Under the chamber law in Thailand, the designation "chamber" is protected. Further, chamber law mandates that there be only one chamber in each province and only one national chamber.

Regional Structure

A remarkable development in Thailand has been the tremendous proliferation of provincial chambers during the 1980's. From only six provincial chambers in 1981, the number of chambers increased to 28 in 1983. By 1987 there were chambers in all 72 provinces of the country. A major reason for this proliferation was the Thai government's initiative in 1981 to create Joint Public-Private Consultative Committees (JPPCC) in each province. The mission of these committees is to ensure government-business dialogue. As chambers are guaranteed a place on the committees, there is a powerful incentive for provincial businesses to establish a chamber. Apart from this, establishment of provincial chambers was supported by the Thai Chamber of Commerce and the provincial governments as well.

There are about 180 trade associations in Thailand. A large number of these associations still function mainly as social clubs or as venues for welfare-oriented activities. Only about a third can be considered active advocates for their sectors.

*Other Business
Organizations*

The most important and influential association is the Federation of Thai Industries (FTI). In addition to the Thai Chamber of Commerce, FTI is the only member of JPPCC from trade and industry. FTI has about 1,400 members, mostly larger enterprises from the industrial sector. In 1988, by a government act FTI was recognized as the official spokesman for the entire private industrial. Besides chambers and trade associations there are also special employers' associations in Thailand dealing with labor issues. They came into existence after 1975, in response to a new law on labor relations. The apex body is the Employers' Confederation. However, it is not an important policy actor and is not included in the JPPCC.

Internal Organization

Adopting and applying management concepts is necessary for all organized activity. For organizations like chambers, which by their very nature cannot always quantify their results, the task of managing becomes more difficult. Therefore, it is useful to describe the internal organization of different chambers.

Continental Model

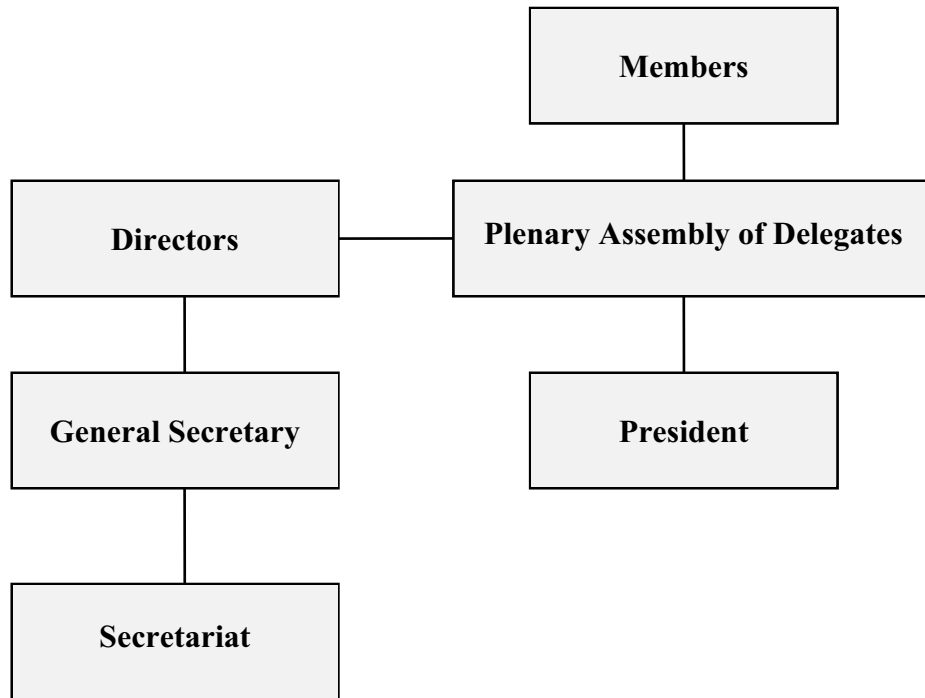
Germany

The German chamber law provides a general framework regarding the internal organization of the chambers. The Ministry of Economics must approve the remaining details regarding the organization which are established in the bylaws. The bylaws govern the duties of the plenary assembly, president, secretary general and special committees.

Decision-making

Decision-making in German chambers is organized according to an indirect system. Every four years, chamber members elect delegates to form a plenary assembly which generally meets once a year. This plenary assembly has 65 delegates on average. Seats are distributed according to the district's economic structure. Every two years, the assembly elects a president from among the delegates. The assembly also elects the secretary general. While the delegates and the president work on an honorary basis, the secretary general is a full-time professional heading the staff of the chamber which averages 80 employees. The president and the secretary general jointly represent the chamber; however, the secretary general manages the chamber. The 83 German chambers nationwide employ about 6,500 professionals.

Chart 1: Organizational Structure of German Chambers



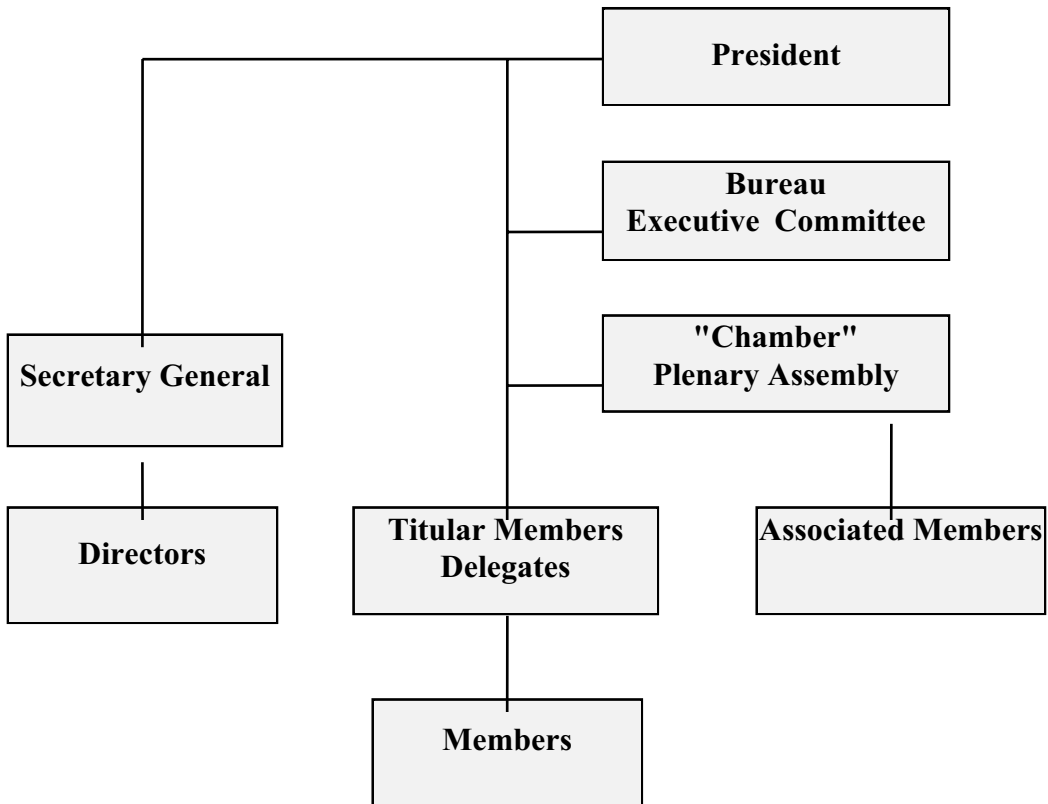
France

Decision-making

The French chamber law regulates the duties of each body within the chamber in great detail. Similar to the case of Germany, decision-making in French chambers of commerce and industry is organized according to an indirect system.

Chamber members elect delegates, also called titular members, who serve for six years and form the "chambre" or plenary assembly. In addition to the elected delegates, the plenary assembly also consists of associated delegates from employers' associations, trade unions and public administration. However, these delegates are limited to a consultative status. Only titular members have the right to determine chamber policies, vote on the budget, or elect the president and other executive officers. The president is elected every 3 years from among the members. Unlike in Germany, the plenary assembly does not elect the secretary general. Instead, he is appointed by the president. The secretary general and the professional staff implement chamber policies. The 183 French local and regional chambers employ about 22,000 professionals. On average, chambers have 120 employees.

Chart 2: Organizational Structure of French Chambers



Anglo-Saxon Model

United States

The internal organization of a U.S. chamber is determined exclusively by its bylaws. State and local chambers of commerce are free to establish their own bylaws in conformity with local, state, and federal laws. However, there is a considerable amount of common language found in all local chamber bylaws. The founding members of the U.S. Chamber of Commerce established the original bylaws and they have been revised over the years. The bylaws govern the rights and duties of the various bodies, namely the board of directors, chairman of the board, president and committees. Although a wide range of different bylaws is currently used by the approximately 5,000 local chambers in the United States, certain common characteristics can be identified.

Decision-making

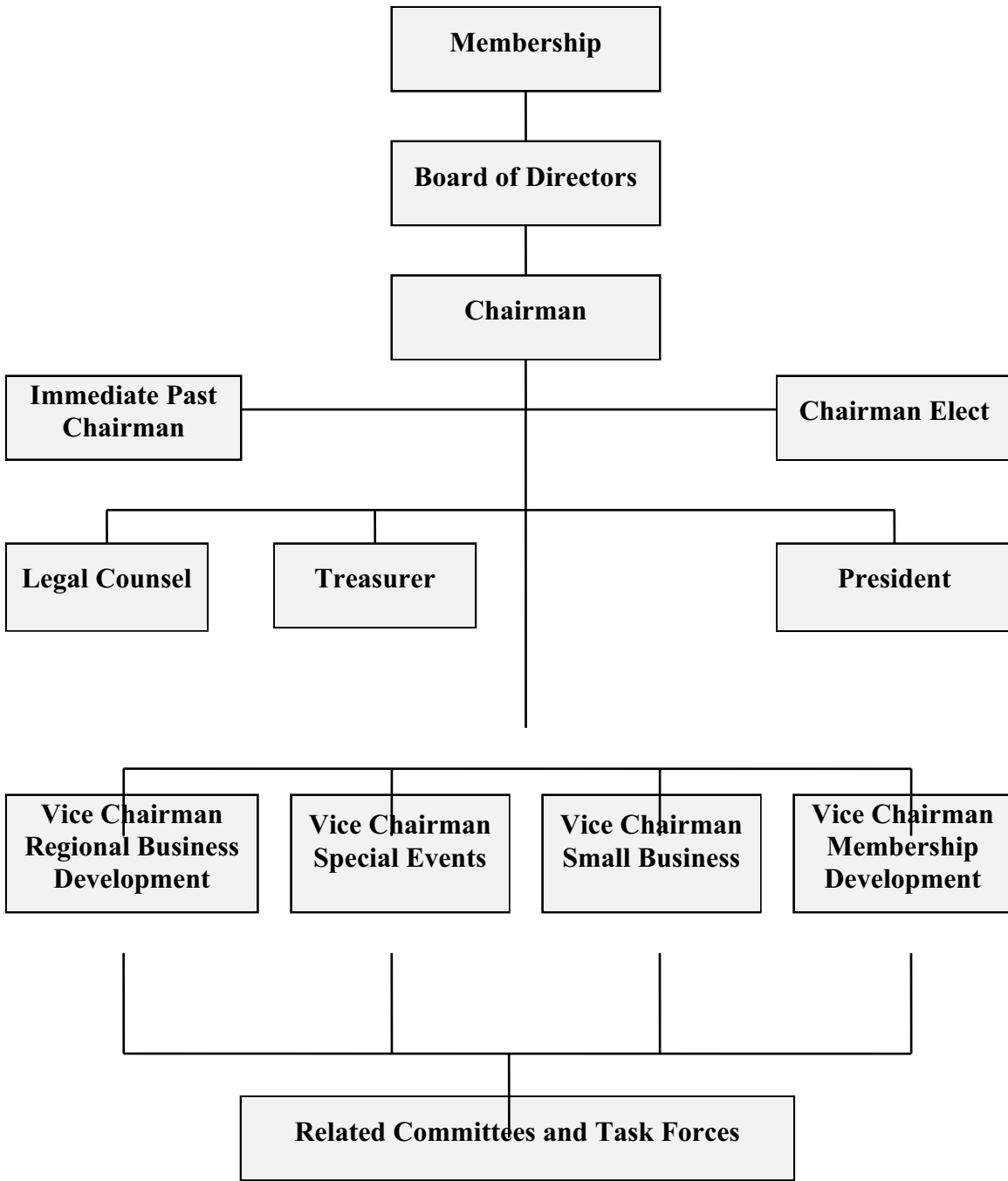
The most important body of a U.S. chamber is the Board of Directors which is elected directly by the members. Candidates for the Board must be members of the chamber and usually serve a 3-year term. The Board of Directors has a central position in the chamber's decision-making process and most meet on a monthly basis. The board is the chief policy-maker, determining policies and setting goals.

Between meetings, the Board's executive committee takes action whenever quick responses are necessary. Policy recommendations to the Board are developed in various standing and special committees which range from economic development, education, and human resources to convention, tourism, public affairs, and government relations.

The Board of Directors elects the Chairman of the Board and other officers from among its members. The chairman is the highest elected official. In most U.S. chambers, the Board hires the chief staff executive who then hires the other professional and management staff.

In about 3,000 chambers, the chairman and the directors work on a volunteer basis and the president is a full-time professional heading the chamber staff. It is the staff's task to handle the day-to-day chamber operations. Some small chambers have either part-time or no professional staff. These organizations are managed by volunteers.

Chart 3: Organizational Structure of U.S. Chambers



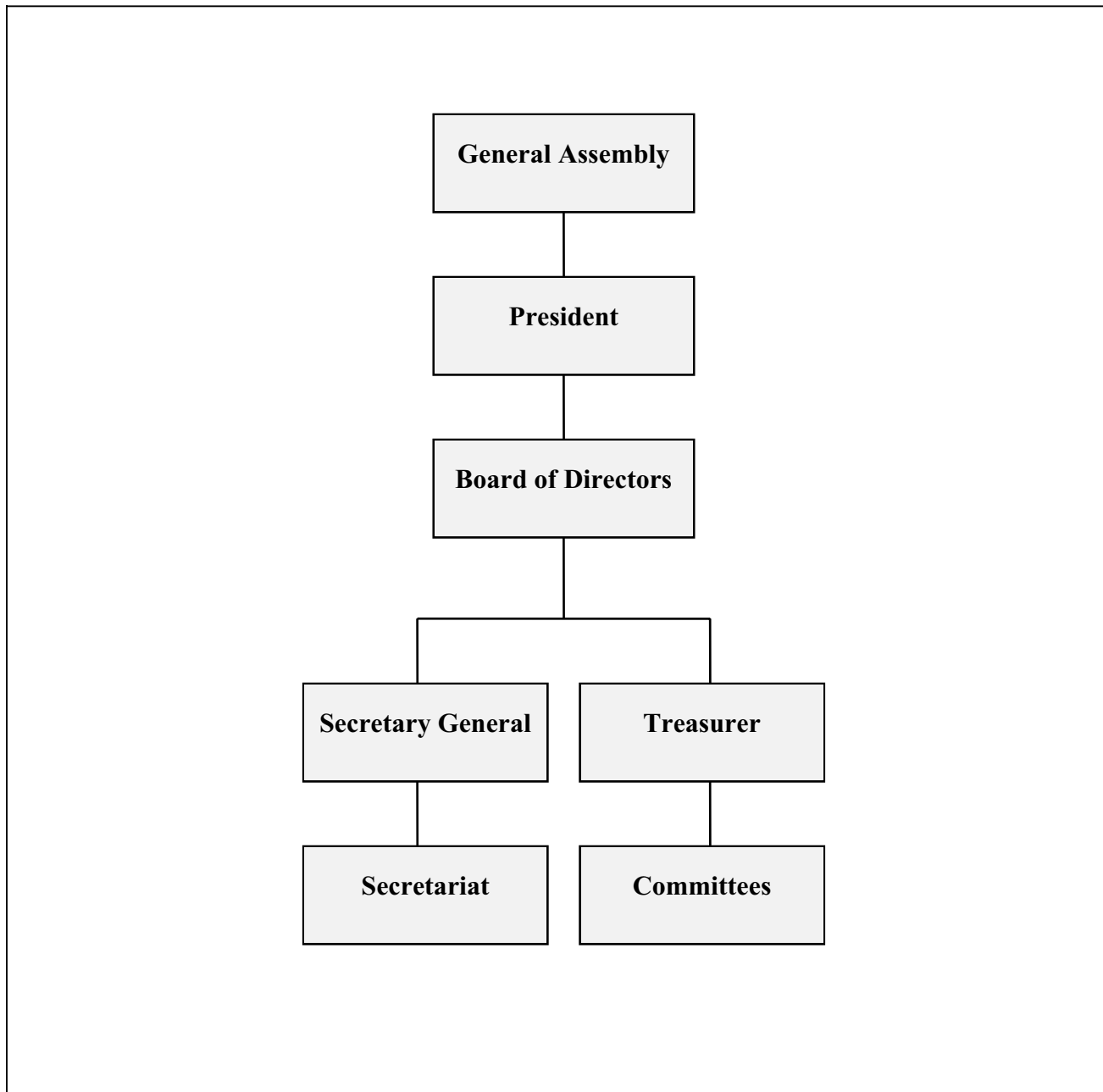
Philippines

Since Philippine chambers are not regulated by special law, internal organization is determined in the bylaws of each chamber. In general, chamber organization is comprised of a general assembly, board of directors, president, treasurer, secretary-general and various committees.

Decision-making

The general assembly consists of all members of the chamber. It convenes at least once a year and is the highest ranking decision-making body of the chamber. The highest ranking executive body is the Board of Directors which controls and manages the affairs of the chamber. Directors are elected by the general assembly and usually serve a one or two-year term. The Board of Directors meets at least once a month. The president, vice presidents and treasurer are elected from among the Board of Directors. The president is the chief executive officer of the chamber and presides over all meetings of the board. Most chambers have various committees on different issues to advance chamber activities by providing expert opinions and developing proposals.

The secretary general is either an appointed director or an employed staff member and is responsible for organizing the chamber's day-to-day work. When the chamber has a secretariat with employed staff, the secretary general is the head of this staff. In contrast to other chambers and particularly the Continental Model, Philippine chambers are run by the elected officials with the secretariat acting as support staff only.

Chart 4: Organizational Structure of Philippine Chambers

Mixed Systems

Japan

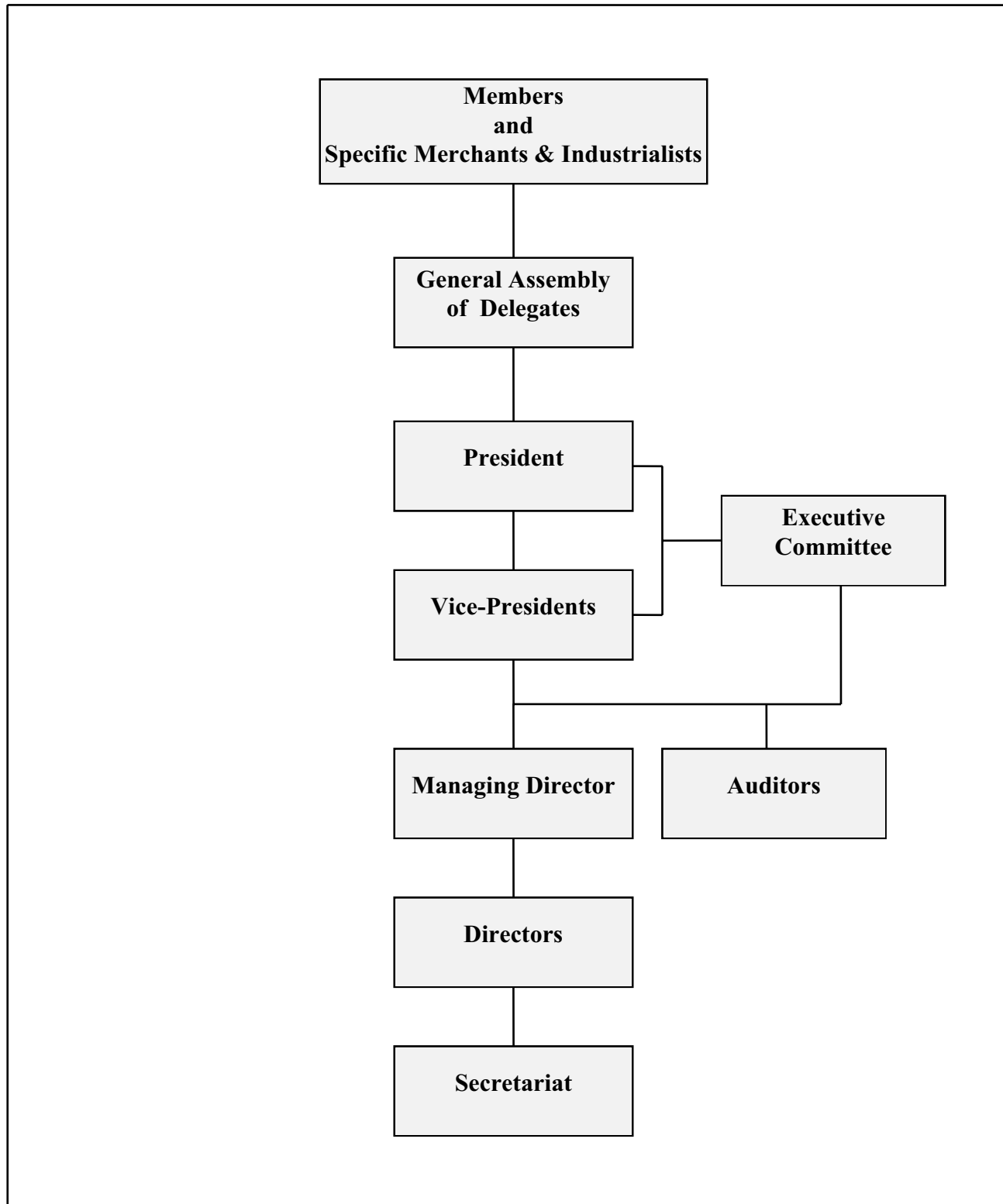
In Japan, chamber law provides the general organizational structure of chambers. Its main bodies are the president, the general assembly of delegates, a managing director, and two or three auditors.

The president is the highest ranking official, assisted by up to four vice-presidents. The president represents the chamber and presides over its affairs. The managing director, assisted by up to four directors, controls and executes chamber programs in accordance with presidential orders. The auditors supervise and inspect the affairs and accounting of the chamber and report their results to the general assembly. The auditors should not hold other posts within the chamber. Finally, chambers have an executive committee to resolve urgent issues and may establish other committees to conduct research. While the president, vice-presidents, auditors and committee members must belong to the chamber, the directors and managing directors do not. They are appointed by the president with the consent of the general assembly and head the chamber secretariat.

Decision-making

The general assembly of delegates is the highest ranking decision-making body of Japanese chambers. It consists of delegates elected from among the members, merchants and industrialists, as well as representatives from the different trade sectors within the chamber. The number of delegates ranges from 30 to 150 per chamber, usually elected for a three-year term. The general assembly meets at least once a year and must approve all important matters such as bylaw modifications, fees, funding and programs. It also elects the president, the committee members and the auditors.

The work of the chamber is supervised by the Japanese Ministry of International Trade and Industry (MITI) and the chambers are required to file financial reports every year.

Chart 5: Organizational Structure of Japanese Chambers

Thailand

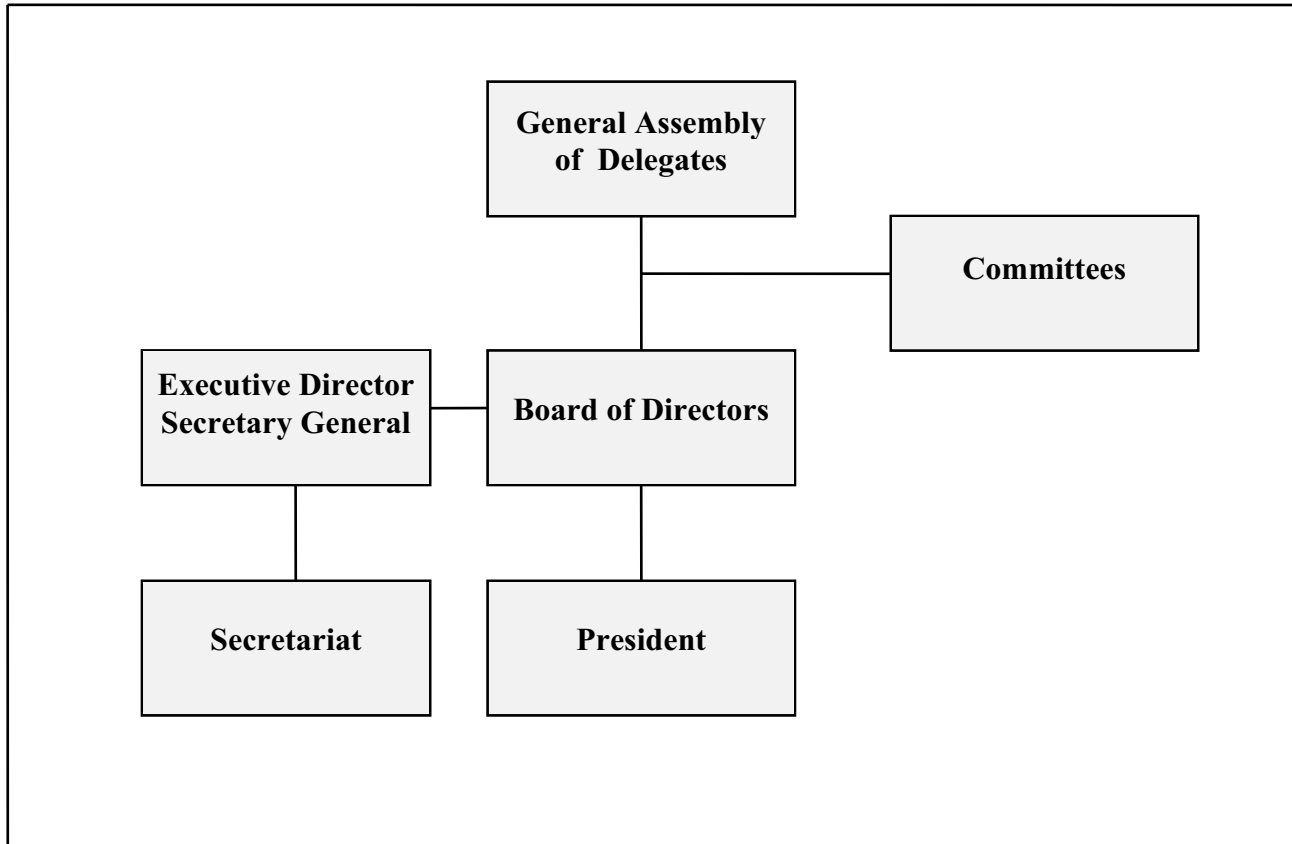
The Thai chamber law regulates only the general organizational structure of chambers giving them some autonomy regarding their internal organization. The main bodies are the general assembly, the board of directors, the president and various committees. Chambers also have secretariats headed by an executive director or secretary general.

Decision-making

The general assembly is comprised of all chamber members. It usually meets once a year and rules on bylaw amendments and other regulations, approves annual reports and balance sheets, and elects the directors. Seats on the board of directors are distributed according to chamber regulations. In principle, they should represent all major business sectors within the province. The board sets chamber policy and directs its activities. Usually, the board meets once a month. The president is elected from among the directors, chairs the board of directors, and represents the chamber at all official functions. Additionally, chambers have various committees formed by members with similar interests. These committees develop proposals and recommendations to the chamber in their special fields.

The executive director or secretary general of the chamber organizes chamber work, cooperates closely with the president and the board, and reports all important affairs or problems to the president. Due to funding limitations, not all provincial chambers have a full-time secretary general. In such instances, a well respected chamber member may perform the tasks on a part-time or volunteer basis. The national Thai Chamber of Commerce has a paid staff of approximately 100 employees.

A special feature in the case of Thailand is that all appointed directors of a chamber must be registered with the supervisory authority (Minister of Economic Affairs) and registration can be denied. Furthermore, the supervisory authority has the right to regulate the board of directors if its activities are inconsistent with the chamber law. However, the government rarely uses this power to intervene in chamber activities.

Chart 6: Organizational Structure of Thai Chambers

Sources of Income

Chambers are non-profit organizations. Nevertheless, they need sufficient funds to maintain an adequate infrastructure in order to fulfill their advocacy and service roles. A chamber's value to its members depends on the range and quality of services which can only be maintained if sufficient income is generated. This is especially true for chambers with voluntary membership. Basic sources of chamber income are:

- Membership fees
- Income from services
- Public subsidies

Continental Model

Germany

The most important source of income for German chambers of commerce comes from compulsory membership dues. Between 70 and 80% of the annual chamber budget is financed by membership fees.

Until 1994, the membership fee was calculated on the basis of two components: (1) a flat fee per firm (US \$200 annually), and (2) a variable contribution. Member enterprises listed in the trade register paid the flat fee and a variable contribution calculated according to their level of trade tax payments. Firms not listed in the trade register paid a reduced flat fee (US \$100 per year). Those members not registered in the trade register and not subject to trade taxes were totally exempted from membership fees. Consequently, most chamber funds came from the variable contribution and only about 50% of the members paid dues. Under this system, the burden of financing the chamber fell on the few largest enterprises located in the district. To increase fairness, the Federal Administrative Court directed the chambers to change the structure of membership fees.

Today, annual membership dues are established by the chamber's plenary assembly. However, changes in membership fees are subject to public supervision. The government does not collect or administer the funds. It only requires membership and regulates the fee schedules. Membership dues are collected by the chambers and all member enterprises, regardless of legal status, are required to pay two fees. One is based on the size of the company and the other variable contribution is set according to their level of trade taxes. Under the new regulations, a small enterprise with 10 employees pays a yearly membership fee of US \$350, while large enterprises with 1,000 employees pay US \$60,000 per year.

Between 20 and 30% of a chamber's budget is financed through selling services, with the most important sources of income being training activities, issuance of certificates of origin, sale of business information, and grants. When compared to revenues from membership fees, income generation through services is of minor importance. Many services are provided free of charge or below cost since compulsory membership fees already provide a sound financial base for the chambers.

In general, German chambers of commerce do not receive public subsidies.

France

The most important source of income for French chambers of commerce and industry comes from special taxes levied by public tax authorities and channeled to the chambers. These taxes are collected instead of mandatory membership fees. There are two types of taxes which fund chamber activities. First, a surcharge on the trade tax is collected from every business subject to this tax. The rate is fixed by the chamber's plenary assembly and must be approved by the government. Currently, it amounts to approximately 4% of total trade taxes collected in France and finances roughly 30% of local chamber budgets. Second, French law requires that all firms with 10 or more employees pay a training tax amounting to 1% of their payroll. A percentage of these funds is given to the chambers for vocational training centers. The income from this tax source amounts to approximately 20% of chamber budgets.

Selling services accounts for about 30% of chamber budgets, with the most important sources of income coming from con-

sultancy services and the administration of ports and airports. The latter source of income is unique to the French chamber system. The French chamber law authorizes chambers to establish and run infrastructure projects like airports, ports, trade and exhibition centers as well as industrial parks. To finance these infrastructure projects, chambers are allowed to borrow funds. These loans are a third source of funding and account for about 10% of chamber budgets. Finally, chambers receive public subsidies for certain activities which account for another 10% of chamber budgets.

Anglo-Saxon Model

United States

State and local chambers of commerce in the United States generate their income from two primary sources. These are voluntary membership dues and income from services provided to members. Fees from services are more important to chambers under the Anglo-Saxon Model than under the Continental Model.

Membership income is extremely important to state and local chambers. It provides the foundation of income for the organization and establishes a level of commitment to the organization. Through membership, the chamber develops a critical mass of business members which enables it to carry out its business plans. Membership income represents more than 50% of the total income of most chambers of commerce in the United States.

Membership dues in chambers of commerce are typically based on an investment schedule loosely established according to the size of the company. The schedule includes a minimum dues level (also called a base rate which ranges from \$100 to \$300+ dollars based on the size of the chamber) plus an additional fee based on the number of employees in the business. Although there may be some flexibility, most chambers adhere to their dues schedule as approved by the Board of Directors.

Chambers of commerce have become very aggressive in identifying and developing non-dues income sources. The revenue generated from these non-dues sources has been growing steadily for the past several years. In fact,

membership income is decreasing as a percentage of overall income.

Sources of non-dues revenue range from highly sophisticated, wholly-owned, for-profit subsidiary corporations to direct services such as group insurance programs. Other popular programs generating non-dues income include foundations, publications, trade fairs, and educational seminars.

U.S. chambers do not receive public subsidies or a percentage of taxes. Although chambers of commerce are not directly financed with public funds, many organizations have established very strong public-private partnerships for specific programs which are managed and administered through the chamber. Significant public funds are received by many organizations to carry out these programs which include economic development initiatives, tourism and convention projects, and education programs.

Philippines

In Philippine chambers, membership dues and income from services are the major sources of income. Most chambers collect an admission fee and annual fees from their members. Fees vary according to the class of membership and range between US \$8.00 and US \$35.00 per year. Since most local chambers have a very small number of members and fees are moderate, their financial base is weak. Only 25 of the 98 local chambers can afford to maintain a secretariat. Some chambers provide services in order to improve their financial base such as credit programs, or selling publications.

The PCCI, the largest Philippine chamber, has a total annual budget of about US \$320,000. Membership dues are the main source of income accounting for about 40% of PCCI's budget. Another important source of financing is the annual Philippine Business Conference organized by PCCI. Additional income is generated by selling publications like trade directories and business magazines, and issuing certificates of origin. The PCCI also receives grants to support some of its activities.

Philippine chambers do not receive public subsidies.

Mixed Systems

Japan

Japanese chambers collect membership dues, service charges and public subsidies as sources of income. Every member must pay membership fees and chambers have the right to collect fees from specific merchants and industrialists for administering the legal register. The government provides subsidies for certain activities like small business consultancy. On average, public subsidies account for about a fifth of chamber revenues.

Thailand

Membership dues are the major source of income for chambers in Thailand. The dues level is different in each province and varies according to the category of membership. The Minister of Economic Affairs has the right to establish membership fees. Most chambers charge annual fees as well as initiation fees. For example, the Thai Chamber of Commerce charges US \$80.00 initiation fee and an annual fee of US \$55.00. Other important sources of income include the issuance of certificates of origin and the certification of other trade documents. Additional income is generated by organizing social events, special meetings and conferences, renting office facilities, and selling publications.

Range of Activities

*Twofold Mission:
Advocacy and
Member Services*

As membership organizations, chambers can only justify their existence by organizing activities which benefit their members. The range of chamber activities is characterized by their dual role: representing the interests and views of the business community vis-à-vis the government and providing services to their members. Chambers engage in both areas of activity independent of their legal status. In addition to these autonomous functions, chambers under the Continental Model must also perform certain functions delegated to them by government.

Continental Model

Germany

Like all chambers, German chambers of commerce and industry have a twofold task with regard to interest representation. The chambers maintain a constant dialogue with government on the likely impact of policies affecting the business sector. Further,

*Interest
Representation*

they bring forward the views and grievances of the members in order to solve problems affecting the business community. With regard to the first task, local, state and federal governments are legally obliged to consult the chambers about all draft laws and ordinances affecting trade and industry. At the local level, chambers express their views on municipal budgets, tax issues, construction and urban development plans, infrastructure projects and environmental protection measures. At the state and federal levels, the chambers have a say in state development, economic promotion, and traffic planning. The chambers are not only consulted by the Ministry, but also by the relevant parliamentary committees. In the context of these consultations, the Association of German Chambers of Commerce and Industry presents about 170 position papers annually to the federal ministries. The chambers try to multiply their lobbying efforts through organizing press conferences, sending press releases, and conducting surveys and studies.

Services provided by German chambers include four major areas: foreign trade, training, consultancy and research.

Services

One of the most important services German chambers offer is foreign trade guidance. This includes information on foreign trade regulations, foreign exchange regulations, trade fairs and exhibitions as well as joint-venture opportunities. Further support with regard to foreign trade is given by the 43 bilateral German chambers established abroad.⁴

Training activities focus on advanced training in management, accounting, data processing, and foreign languages as well as technical subjects. The 83 German chambers of commerce organize roughly 13,000 seminars a year with more than 300,000 participants. Advanced training is also open for non-members. All participants must pay fees, regardless of whether they are members or not.

Consultancy services are provided free of charge and cover technical, environmental and managerial advice as well as information on public assistance programs. A special advisory service is provided for the creation of new enterprises. Advice is generally provided by experts employed by the chamber.

Information topics include general economic development, market information and tax issues. Dissemination is through publications, circulars, brochures, libraries or data base listings.

4) These bilateral chambers are subsidized by the Association of German Chambers which is also responsible for officially recognizing the bilateral chambers.

Delegated Functions

The public law status of the German chambers of commerce mandates that they assume some responsibilities delegated to them by the government. The most important delegated functions are vocational training, business registration, running arbitration courts, and issuing foreign trade documents.

Vocational training is the most important delegated activity. Vocational training in Germany is conducted by both the government and private sector which have each assumed separate duties. The apprentice receives on-the-job training in the enterprise and is given time off to attend a part-time vocational school run by the government. While vocational schools are run by government, in-company training is organized and supervised by the chambers.

With regard to the delivery of vocational training, German chambers of commerce have taken over the following tasks:

- Apprenticeship training contracts are approved and registered by the chambers. Presently, about 1 million apprenticeship contracts are registered with the chambers.
- The chambers supervise in-company training and organize training of trainers.
- Final examinations for apprentices are held by chamber examination committees. Presently, the German chambers maintain about 20,000 examination committees which conduct 360,000 exams per year.
- Joint committees of the chambers and government authorities design the curricula, specify the skills and knowledge to be acquired by the apprentices, and establish the examination requirements.

The German trade register is run by the district courts but the German chambers of commerce must prescreen the applications and give recommendations to the district court. Further, the chambers have established courts of arbitration for settling trade disputes. The chambers are also responsible for selecting and swearing-in official experts to testify before the courts and public authorities.

Like most chambers of commerce, German chambers are entitled to issue certain trade documents including certificates of origin and ATA carnets (Admission Temporaire/Temporary

Admission or sometimes known outside the U.S. as temporary importation vehicles) as well as certification of invoices and other trade documents.

France

The tasks of French chambers of commerce and industry with regard to advocacy are very similar to German chambers. Therefore, a detailed description is not necessary. The salient feature is that the chamber law mandates that government consult with chambers in all issues regarding regional development policies, especially transportation projects and town planning.

Interest Representation

Similar to the case of Germany, services provided by French chambers include four major areas: foreign trade, training, consultancy and research.

Services

Foreign trade services includes information on foreign trade regulations, trade fairs and exhibitions as well as business opportunities. Most of the French chambers maintain specialized foreign trade data banks on export/import companies, business opportunities abroad and export formalities. Further support is provided by the 61 French chambers of commerce and industry abroad that cooperate closely with the French chambers but are not members.

The French chambers are the second largest training organization in France after the government. The chambers run about 400 training centers, providing advanced training to 270,000 participants per year. Some courses are tailored to specific sectors -- service (communication, hotel industry, catering) and industrial -- and others are more general (managerial skills or foreign languages). Training taxes levied by the government subsidize fees charged to participants.

French chambers employ about 2,000 consultants. Among them are specialists for retail, hotel and tourist industries, scientific and technological information, as well as foreign trade. Further, each chamber has created a "Company Formalities Center" which supports new enterprises in facilitating legal procedures for registering in the national trade register.

Information services cover economic information on products, sectors and markets, as well as scientific information, technical information (patents) and technological information. Information is disseminated through publications, circulars, brochures and data bases. Additionally, French chambers run 180 documenta-

tion and economic information centers.

Delegated Functions

The public law delegates certain tasks to the chambers including public infrastructure projects and vocational training.

A unique feature of the French chamber system is that chambers are legally authorized to establish infrastructure projects like airports or industrial parks. The French chamber law gives the chambers the right to expropriate landowners and to issue bonds to fund these projects. Today, almost all the 121 airports in France are administered by chambers. Further, chambers run 59 sea and river ports, 336 industrial parks, and 34 trade centers. About 50-60% of the chambers' total staff administers these infrastructure projects.

Similar to Germany, the government and private sector assume separate duties for vocational training in France (see Chapter 4.4.1a, The Case of Germany). The French chambers have assumed the following tasks:

- acting as intermediaries between apprentices seeking employment and entrepreneurs;
- supporting entrepreneurs in fulfilling all legal requirements concerning the apprenticeship contracts;
- running 86 apprentice training centers for classroom instruction of apprentices.

Unlike in Germany, the French chambers are also engaged in formal education. The chambers run about 80 high schools and 50 business schools.

Anglo-Saxon Model

United States

Since U.S. chambers are organizations under private law, their general status is not different from other advocacy groups. They do not have privileged access to government as exists in the Continental Model, where the government is obligated to consult chambers on economic matters. Although no formal relations exist between public and private sector, the government is very interested in drawing on the expertise and opinions of chambers as the voice of the business sector. Thus, in 1912 the President of the United States suggested the foundation of a National Chamber of Commerce (today the

Interest Representation

U.S. Chamber of Commerce) in order to develop stronger links between business and government.

Today, U.S. chambers are very influential in representing business sector interests. While local chambers work on behalf of the members in the local community, the U.S. Chamber of Commerce concentrates on national policy issues and coordinates with its local member chambers for joint actions.

For the purpose of advocacy, U.S. chambers apply two major strategies. First, chamber staffs engage in conventional or direct lobbying (i.e. chamber representatives contact legislators and public administration officers). A second strategy frequently applied is grassroots advocacy. The basic idea behind such efforts is to mobilize members to support the chamber's lobbying activities. Grassroots activities include letter-writing, telephone campaigns and member participation in public meetings. The success of these grassroots activities depends on close and fast communication between chambers and their members.

Thus, the U.S. Chamber of Commerce organizes some 40,000 locally-based businessmen and women, with regional expertise and easy access to their legislators. Through the U.S. Chamber's Grassroots Action Information Network (GAIN) program, state and local chambers can join forces in a grassroots network with other chambers to work for the passage of pro-business laws.

GAIN provides participating chambers with timely, easy-to-read updates on legislative issues that are of interest to the chambers and their members. It is an opportunity for state and local chambers of commerce to work in concert with the U.S. Chamber to help influence and shape public policy. GAIN is a free service to state and local chamber members of the U.S. Chamber.

The U.S. Chamber also organizes and participates in a variety of coalitions, working with other trade associations on issues of mutual interest. Further, the U.S. Chamber runs a modern TV and radio network and publishes several business publications to inform members and the general public.

Services

Business advocacy initiatives are a key part of the program efforts of state and local chambers of commerce. However, many chambers have a broad business plan and are very active in other areas as well. These efforts include: economic development, community development, improving education,

and direct services to members (seminars, meetings, conferences, member discount programs, group insurance programs). A growing number of chambers have also become very active in international programs.

Information services include the above mentioned TV and radio programs, the U.S. Chamber's Briefing Center and regular publications like *Nation's Business*, a monthly magazine with a circulation of 865,000.

Training activities include management seminars and self-study courses for member enterprises as well as training of chamber and association staff. Further, the U.S. Chamber sponsors educational loans for members, including employees of member enterprises and their relatives.

Consultancy services are offered especially for small-scale enterprises. This consultancy includes orientation and general advice. Unlike in the cases of Germany or France, the chambers do not employ a large number of specialized consultants on different subjects like legal, technical or environmental advice. These activities for the small-scale enterprise sector are coordinated by the small business center of the U.S. Chamber of Commerce.

The U.S. Chamber's accreditation program is a voluntary system under which chambers submit themselves to impartial review by outside organizational advisors. These experts evaluate chamber operations and point out strengths and weaknesses. Chambers meeting certain criteria are designated as "accredited."

Since U.S. chambers are organized as private entities, they do not fulfill any functions delegated to them by the government.

Philippines

Interest Representation

Representation of interests vis-à-vis public authorities is done by all Philippine chambers. They initiate policy dialogue with the government and present proposals for policy measures in order to create a more favorable business environment. In general, chambers have a good and cooperative relationship with the public authorities.

Because the PCCI is the only officially recognized body representing commerce and industry in the country, its advocacy role is strengthened. It is represented in key government agencies concerned with economic matters and is consulted on issues affecting the business community. The annual Philippine Business Conference, initiated by PCCI, has become an institutionalized forum for dialogue between high ranking government officials and business community leaders. Regional business conferences are also organized to address local issues and prepare for the conference.

Services

With regard to member services, most local chambers offer only a limited range of activities due to their small financial base. However, most chambers disseminate information through circulars, bulletins and meetings, such as business developments, laws and regulations, tax issues, business opportunities, other news and chamber activities. Further, chambers organize conferences and seminars on business matters, offer skills and entrepreneurship development training, and provide advice and assistance.

A more extensive range of services is provided by PCCI including business and trade promotion, information, training, and consultancy.

In the field of business and trade promotion, PCCI established a trade information referral system for passing on trade inquiries from abroad and to assist members in finding business partners. The chamber informs members about public sector contracts available for tender and organizes fairs and exhibitions. Finally, PCCI certifies export documents and organizes trade missions.

In the field of information services, PCCI provides a library and documentation center offering reference materials and business data such as market, country and product profiles, statistics and business reports. Further, PCCI issues a variety of publications including a trade and industry directory, a business magazine, and bulletins on chamber news, small business promotion and legislation.

As chambers in the Philippines are under private law they do not perform tasks delegated to them by government. The only exceptions are the issuing of certificates of origin by PCCI and some local chambers, and the business registration by a few local chambers. The range of chamber activities is dominated by interest representation and membership services.

Mixed Systems

Japan

The Japanese chamber law provides chambers with the mission to improve and develop commerce and industry and to contribute to social welfare. Chamber activities include advocacy, services and delegated tasks.

Interest Representation

In the field of interest representation, both the Japan Chamber of Commerce and Industry (JCCI) and the local chambers are influential lobbying organizations and maintain very close relationships with the government. Like other chambers under public law, they are obligated to report their opinions to the legislative and administrative bodies of the country. To fulfill this obligation, chambers compile statistics and conduct research on various business and policy matters.

Chambers are involved in regional development, environmental planning, technology development, city planning, promotion of local industry as well as the promotion of foreign trade. In these fields they cooperate closely with the state and offer policy recommendations. Further, chambers nominate representatives to participate in central government councils and present their opinions to regional economic councils and the local community. Apart from this, Japanese chambers enhance their lobbying activities by regularly organizing press conferences and publishing news magazines, bulletins and circulars.

Services are another important area of activity for Japanese chambers. Major service fields include foreign trade, consultancy for small-scale enterprises and training.

Services

With regard to foreign trade, chambers organize trade missions, participate in international trade fairs, disseminate information, settle business disputes in foreign trade and hold seminars (e.g., on foreign investment, trade insurance and customs procedures). The JCCI receives around 10,000 trade inquiries each year from overseas and passes them on to Japanese companies. The chambers also issue over a million certificates of origin annually as well as other foreign trade documents. Additionally, the JCCI maintains five representative offices overseas to provide consultation.

With regard to consultancy for small-scale enterprises (SSE), chambers cooperate closely with the government. All chambers maintain consultation offices as part of their facilities. They give advice to SSE in financing, tax matters, labor problems, bookkeeping, bankruptcy prevention and other fields. An important service is the “Managerial Guidance System” designed to improve business management in SSE. It is administered through the chambers and has over 8,500 full time consultants.⁵ The service is provided free to entrepreneurs. Further, chambers recommend SSE to government-related financial institutions that can provide them with loans without guarantees or collateral.

⁵ These consultants are based in the local chambers and in the local societies of commerce and industry.

With regard to training, chambers organize study courses and seminars such as practical English conversation, business and bookkeeping. Japanese chambers are empowered to conduct standard business skills and qualification tests nationwide in abacus calculation, bookkeeping, retail sales, typewriting, business English and word processing in Japanese. These tests are highly appreciated in the business community and are given to approximately 2.2 million applicants per year.

Japanese chambers also provide extensive information for their members on wholesale prices, business trends, research results, finance and economics. Some chambers operate mutual life insurance systems for member firms or organize other welfare activities. Finally, chambers facilitate cooperation among enterprises.

Delegated Functions

Since Japanese chambers are under public law, they are obligated to assume tasks delegated to them by the government. The most important task is to establish and administer the legal register which includes data from all merchants and industrialists within the chamber district. The legal register not only includes the name and type of business but also production, sales and purchases of the firm during the previous year. Entrepreneurs are not entitled to refuse requests from the chamber concerning the legal register without justifiable reasons. Other delegated functions fulfilled by the chambers are the above mentioned skills tests as well as issuing certificates of origin. Other activities like SSE consultancy can also be defined as delegated functions.

Thailand

The Thai chamber law states that chambers are non-profit organizations for the promotion of trade, industry, agriculture, finance and the economy. Thai chambers perform the same kinds of activities as public law chambers.

Interest Representation

Advocacy is the most important activity of Thai chambers. Provincial chambers as well as the Thai Chamber of Commerce work closely with the government, offering opinions and recommendations on economic policies. The chamber law requires that chambers advise the government on economic development.

Policy dialogue is institutionalized through regular meetings of

the Joint Public-Private Consultative Committees (JPPCC).

The Thai Chamber of Commerce is recognized as a major voice of the business community and sends representatives to more than 50 government committee and sub-committee meetings.

Providing services for members (and non-members) is another important field of chamber activity. Most Thai chambers supply members with monthly newsletters on business and related government activities. Organizing trade fairs to stimulate local economies, attract buyers, and promote tourism is another common activity. Many chambers attract new members with discount cards for certain stores. However, since most provincial chambers were established only ten years ago, their range of services is still limited.

Services

The Thai Chamber of Commerce supports provincial chambers in institution building and strengthening their capacities through assistance in office organization, training courses for chamber officials, and seminars for members. Further, the Thai chamber disseminates several publications to the provincial chambers as well as its members. Other major services of the Thai chamber include promoting foreign trade, issuing certificates of origin, and certifying trade documents. It provides information on trade opportunities in foreign markets, relevant laws and regulations and organizes trade missions. Additionally, the Thai chamber arranges seminars and workshops for members to improve business efficiency, strengthen management practices, business development, project analysis, and customs requirements.

The Thai chamber law states that government tasks can be delegated to the chambers. However, these activities have been limited to the certification of trade documents. The Board of Trade fulfills many tasks which might otherwise be delegated to chambers.

Delegated Functions

Strengths and Weaknesses of Chamber Models

This final chapter analyzes the strengths and weaknesses of each of the chamber systems. As shown in previous chapters, the Mixed System is a combination of elements from the Continental and the Anglo-Saxon Models. Therefore, the following discussion will focus on analyzing these two models without favoring a specific model.

Discussing the Continental Model

Under the special chamber laws of the Continental Model, the designation “chamber” is legally protected. The basic advantage of such legislation is that the profile and scope of the chambers are clearly defined. Disadvantages of the legal definition may arise from the fact that chamber laws regulate and limit chamber activities. Chambers under the Continental Model are not free to engage in any field concerning the business community. For example, in Germany, chambers are not allowed to take over the employers' organizations' mandate in social policy issues.

Obligatory membership is a defining feature of the Continental Model. There are four arguments in favor of obligatory membership. First, the membership of all enterprises ensures that the chamber is truly representative of the business community. This lends chambers' opinions and proposals particular credibility in policy dialogues with government. Second, under mandatory membership the problem of free-rider behavior is avoided. Without mandatory membership, entrepreneurs might try to get a “free ride” (i.e. receive the benefits of the chambers' work without becoming a member and paying membership). Third, mandatory membership can insulate chambers from the particular interests of individual members because they do not have to fear the withdrawal of financially powerful members who oppose their decisions. Finally, since obligatory contributions are a broad and stable source of income, chambers can subsidize certain services, making them more affordable for small- and medium-sized enterprises.

Obligatory membership, however, can cause incentive problems. Since members cannot withdraw membership or stop paying mandatory contributions, the income of the chambers is

guaranteed, and there is a lack of pressure on chamber management to perform efficiently and meet the demands and needs of the members. The chamber might run the risk of alienating members who may feel resentment that they are forced to belong to an organization from which they feel they derive little benefit.

The Continental Model obligates governments to consult with chambers before enacting legislation and regulations. This seeks to ensure that the public administration draws on the expertise of the business sector. However, since the chambers are also legally obligated to represent a balanced view of the business community's interests, they sometimes find representing clear-cut positions difficult.

Regional coverage under the Continental Model is regulated, ensuring the designation of a single and comprehensive strong organization. As there can be only one chamber per region, chambers can concentrate on fulfilling their tasks and do not have to spend resources competing with each other. Nevertheless, this regulation also creates regional monopolies with built-in tendencies toward inefficiency and less demand-oriented activities.

Another feature of the Continental Model is that chambers fulfill certain delegated government functions concerning the business community (e.g. registration, vocational training, issuance of official documents). There are two main arguments in favor of delegation. First, delegation is less expensive for government. As chambers are membership organizations of the business sector, they are more familiar with the problems and needs of entrepreneurs than government agencies. They have the know-how and capacity to solve the entrepreneurs' problems. Second, the allocation of public responsibilities to self-administered bodies such as chambers is in line with a policy emphasizing decentralization and public participation.

Under the *German* expression of the Continental Model, chambers are fully responsible for the collection and expenditure of their operating funds *independent* of any government ministry, even though the chamber's activities may be circumscribed by law and/or under the supervision of a ministry. Nevertheless, by taking over public tasks members may look upon chambers as part of the public bureaucracy rather than as independent self-governing institutions. Further, chambers might face a certain dependency on the government since taking over public tasks is necessarily linked to some public control.

Table 2: Features of the Continental Model

Features	Strengths	Weaknesses
1. Special Chamber Law (Public Law Status)	<ul style="list-style-type: none"> • designation "chamber" is legally protected 	<ul style="list-style-type: none"> • limited range of activities
2. Mandatory Membership	<ul style="list-style-type: none"> • fully representative • no free-rider behavior • broad and stable income 	<ul style="list-style-type: none"> • incentive problems to work efficiently and be demand-oriented
3. Formal Consultative Status vis-à-vis Government	<ul style="list-style-type: none"> • formal access to public administration 	<ul style="list-style-type: none"> • difficulty in presenting clear-cut position due to an obligation to represent balanced view
4. Regulated Regional Coverage	<ul style="list-style-type: none"> • only one chamber per location 	<ul style="list-style-type: none"> • incentive problems due to monopoly
5. Delegation of Public Tasks	<ul style="list-style-type: none"> • chambers are closer to the private sector 	<ul style="list-style-type: none"> • identity conflict -- public or private sector entity
6. Special Public Supervision	<ul style="list-style-type: none"> • protection 	<ul style="list-style-type: none"> • public interference

Discussing the Anglo-Saxon Model

Chambers under the Anglo-Saxon Model are not regulated by a special law or under special public supervision. This independence guarantees that the chambers are purely private sector organizations working for their members without any obligation to assist the government. While there is no institutionalized policy dialogue, due to the business constituencies that chambers represent, most government bodies (local, state and federal) seek chamber views on legislative proposals that affect the business community.

The most outstanding characteristic of the Anglo-Saxon Chamber Model is its voluntary membership. The advantage of voluntary membership is that chambers have a strong incentive to fulfill membership needs since members are free to withdraw their membership and to discontinue paying contributions if they are not satisfied with the chamber's performance. Therefore, chambers are under strong pressure to work efficiently and provide effective services to satisfy existing members and attract new members.

A general problem with voluntary membership is that entrepreneurs cannot be prevented from choosing the free-rider strategy. As a result, chambers with relatively small membership bases can face three major problems. First, there could be insufficient income generated from membership fees to operate efficiently. Second, they may become dependent on big and powerful single members. Third, their political influence may be limited as they represent only part of the business community.

Another characteristic of the Anglo-Saxon Model is freedom of association (i.e. entrepreneurs are free to affiliate with any business organization or to establish their own chamber). This principle ensures that chambers are established only on the initiative of entrepreneurs themselves. In the liberal tradition of Anglo-Saxon countries, freedom of association is an important value as the society is based on pluralism and freedom of the individual.

Problems resulting from freedom of association may arise from

an unlimited and unregulated number of chambers being created. This could theoretically lead to a fragmentation of chambers whereby each business organization is too small to fulfill its service and representation tasks. In practice, the number of viable chambers is determined by the demands of the business community and the chambers' ability to competitively meet their needs. It is also possible that some locations or regions could have no chamber representing their interests.

Another feature of the Anglo-Saxon Model is that the scope of chamber activity is not regulated by any special law. Chambers do not have to assume any tasks delegated to them by government and are free to decide the range of their activities. An argument in favor of this system is that chambers can act more flexibly to survive and grow and be motivated to solve entrepreneurs' problems. This "profit-orientation" means that chambers are managed as if they were businesses, with an eye on their bottom line. Chambers under the Anglo-Saxon Model are not-for-profit organizations. However, this not-for-profit status does not mean that they cannot creatively generate revenues to enhance their operations and effectiveness, as if they were businesses. The difference between businesses and chambers is that businesses redistribute their profit as dividends to shareholders or investors, whereas chambers do not. Instead, chambers direct all revenue generated under this "profit-orientation" into the achievement of the chambers' activities to benefit their members.

Table 3: Features of the Anglo-Saxon Model

Features	Strengths	Weaknesses
1. No Chamber Legislation (Private Law Status)	<ul style="list-style-type: none"> • independence • freedom of individual businesses to join or establish a chamber 	<ul style="list-style-type: none"> • overlapping chambers in certain geographical locations
2. Voluntary Membership	<ul style="list-style-type: none"> • strong incentive to work efficiently and remain demand-oriented 	<ul style="list-style-type: none"> • free-rider behavior • limited influence because of low membership • lack of financial income from membership dues
3. No Delegation of Public Tasks	<ul style="list-style-type: none"> • free decision of chamber on range of activities 	<ul style="list-style-type: none"> • lack of financial income from fees for delegated services

Conclusions

Based on the discussion of the strengths and weaknesses of the two chamber models in the previous chapter, this concluding section shares some options on how to use the experiences documented in the primer. It is important to keep in mind that the country cases presented are reflections of each country's particular historical circumstances. Thus, attempting to copy another country's chamber system is neither feasible nor desirable. Each chamber system must take into account its own country's political, economic and social conditions. Since chambers are not static entities, there is constant need to revise and reform chamber systems. Therefore, this concluding chapter will discuss how chambers could be strengthened by adopting one or more elements from the Continental and/or Anglo-Saxon Models.

The strongest features of the Continental Model which might be attractive for adoption are the privileged legal status and the sound financial basis. The particular strengths of the Anglo-Saxon model lie in its independence from government and in its demand orientation.

The strengths of the Continental Model center on obligatory membership, which depends on the enactment and implementation of a special chamber law. Two major obstacles may arise in this process. First, the government must be convinced to introduce and enforce such legislation. This might be very difficult in a world where deregulation and privatization is being pursued by most countries. Second, the introduction of obligatory membership is only viable if accepted by the business community. Thus, a chamber must demonstrate a proven ability to represent the business sector and provide quality services to members before introducing mandatory membership. Further, there is the question of who will collect the dues -- the chamber or the state.

A less difficult approach to create a substantial membership base and a stable income source is to keep membership voluntary, but to introduce obligatory registration of some or all enterprises. Under this arrangement, firms would pay a nominal registration fee, but would only join a chamber if they were satisfied with its performance.

One advantage of this arrangement is that no special chamber law is required. Further, the chambers would have a stronger incentive to maintain the registry more efficiently than public administration. From the point of view of the entrepreneur, this arrangement is more acceptable because membership is still voluntary. The benefits for the chambers include a guaranteed source of income to maintain a basic infrastructure. Further, the registry can serve as a marketing tool for the publication of business directories and facilitation of business contacts. Finally, this arrangement creates a sufficient incentive for the chamber to offer need-oriented services because a considerable part of the chamber budget still must be covered by membership fees.

Another approach to broaden membership and generate income is to assume certain governmental regulatory or promotional functions. Examples of regulatory functions are registration and licensing, holding examinations, and developing curricula for vocational training. Examples of promotional functions are credit programs, advisory services, seminars and courses, exhibitions, fairs, and trade missions. By taking over tasks like these, chambers can improve the range of services offered to enterprises and earn additional funds. The government would then delegate functions to the chambers since chambers are closer to the business community and are more familiar with the needs of the private sector.

The strongest features of the Anglo-Saxon Model are its demand-orientation and independence from government. The most far-reaching approach to achieve complete independence of chambers from government is complete deregulation through abolishing all laws regulating chambers. However, giving up the public law status may have negative consequences. If the designation "chamber" and the regional assignments of chambers are not legally protected, an unlimited number of chambers could be built up. This could lead to a fragmentation of chambers with each organization becoming too small to efficiently perform its tasks.

A more feasible approach to reduce government influence is to revise chamber laws. Laws which give detailed regulations on how to organize and operate a chamber should be streamlined, giving more autonomy to the chambers. Legislators should leave the drafting of chamber bylaws determining organizational structure and scope of activities to the business community.

A precondition for more demand orientation of chambers'

performance is to directly link chamber income to member satisfaction. In order to improve demand orientation, chambers should not have a guaranteed source of income covering most or all expenses. Therefore, mandatory contributions of the members should only finance a part of the chamber's budget, while a considerable amount should be funded through the marketing of services.

ANNEX A

Synoptic Overview :

Structure and Legal Status of Chambers in Selected Countries

Chamber System / Country Case	Applicable Law ⁶
Continental Model/ Germany	. Law on the Provisional Settlement of the Regulations Governing the Chambers of Commerce and Industry (1956)
Anglo-Saxon Model/ USA	. No special Chamber law. Chambers incorporate with the appropriate state agency and apply for tax exempt status with the Internal Revenue Service
Mixed Systems/ Thailand	. Chamber of Commerce Act (1966)
Mixed Systems/ Japan	. Chamber of Commerce and Industry Law (1953)

Chamber System / Country Case	Legal Status of Chambers
Continental Model/ Germany	. Public-law corporation . "Chamber" is a proprietary designation
Anglo-Saxon Model/ USA	. Private-law corporation
Mixed Systems/ Thailand	. Public-law corporation . "Chamber" is a proprietary designation
Mixed Systems/ Japan	. Public-law corporation . "Chamber" is a proprietary designation

⁶ Note: A quantitative comparison regarding the number of regulations under the different chamber-laws may serve as a first indicator how exhaustive the respective regulations are: the **German** law on chambers of commerce and industry comprises 12 sections. The **Thai** regulation counts 61 sections and the **Japanese** law comprises 91 articles. These significant differences regarding the degree of regulation imply that the shorter the chamber laws are the more can be regulated through statutes and bylaws, thereby giving chambers a greater autonomy, at the same time risking a lesser uniformity within the chamber organization. Concerning the relatively short **German** chambers-laws a peculiarity has to be noted. The law on chambers of commerce and industry does not comprise regulations on the national apex organization.

Chamber System / Country Case	Membership
Continental Model/ Germany	<ul style="list-style-type: none"> . Mandatory membership for individual businessmen and companies who are liable for trade taxes and operate either a commercial branch, industrial plant or retail outlet within the chamber-district . Voluntary membership for state enterprises run by the local authorities
Anglo-Saxon Model/ USA	<ul style="list-style-type: none"> . Voluntary membership for any person, association, corporation, partnership or estate
Mixed Systems / Thailand	<ul style="list-style-type: none"> . Voluntary membership of varying status . Ordinary membership, if domiciled in the chamber district, for Thai self-employed persons and legal entities, also for associations, state enterprises and cooperative societies . Associate membership for foreign-owned enterprises and associations . Extraordinary and honorary membership subject to chamber regulations
Mixed Systems / Japan	<ul style="list-style-type: none"> . Voluntary membership for self-employed persons and legal entities maintaining a business place, office, plant or working place as merchants or industrialists in the chamber district . Obligatory registrations (not membership) of all major businesses with chambers

Chamber System / Country Case	Area Definition
Continental Model/ Germany	<ul style="list-style-type: none"> . One chamber per every major town with surrounding economic area as defined by the supervisory authorities
Anglo-Saxon Model / USA	<ul style="list-style-type: none"> . No regulation of chambers regarding regional coverage
Mixed Systems / Thailand	<ul style="list-style-type: none"> . One chamber per district . One foreign chamber for each nationality . A “Thai Chamber” in the capital
Mixed Systems / Japan	<ul style="list-style-type: none"> . One chamber per city-area with non-intersecting chamber districts . Area definition subject to ministerial advise

Chamber System / Country Case	Supervising Authority
Continental Model/ Germany	<ul style="list-style-type: none"> • Federal State Government
Anglo-Saxon Model / USA	<ul style="list-style-type: none"> • No supervisory body
Mixed Systems / Thailand	<ul style="list-style-type: none"> • Minister of Economic Affairs and by delegation the Central Chamber of Commerce, Registration Office, Ministry's Dept. of Internal Trade
Mixed Systems / Japan	<ul style="list-style-type: none"> • Minister of International Trade & Industry; by delegation, Director of International Trade & Industry Bureau and prefecture Governor

Chamber System / Country Case	Supervisory Measures ⁷
Continental Model/ Germany	<ul style="list-style-type: none"> • General legal supervision on observance of chamber-law, statutes and chamber-regulations • Approval of general assembly resolutions concerning amendments of the statutes and of regulations on elections, fees and charges
Anglo-Saxon Model / USA	<ul style="list-style-type: none"> • No supervisory measures
Mixed Systems / Thailand	<ul style="list-style-type: none"> • General legal supervision on the execution of the chamber-law • Legal supervision through: <ul style="list-style-type: none"> - inspection, registration, licensing and dissolution of chambers - registration of regulations and bylaws - appointment/ replacement of directors
Mixed Systems / Japan	<ul style="list-style-type: none"> • Legal supervision through: <ul style="list-style-type: none"> -inspection, registration and cancellation of chambers -suspension of acts of chambers -approval of articles of incorporation • Audit balance sheets and operations

⁷ Note: *The strictness of supervision on the observance of legal regulations certainly depends on how numerous, definite and concrete the regulations on chambers are. Judging by this legal standard, and regardless of the actual practice in the respective countries, one should expect a rather strict supervision on **Thai** and **Japanese** chambers. As a special feature, the **Thai** chamber-law allows a screening of the elected chamber officers by the supervising authority.*

Chamber System / Country Case	Autonomous Functions of Chambers ⁸
Continental Model/ Germany	<ul style="list-style-type: none"> . Safeguarding members' interests within the appointed district . Support and advice to administrative and governmental authorities through proposals, expert opinions and reports . Establishment, operation, and support of facilities to promote trade and industry in general and individual sectors
Anglo-Saxon Model / USA	<ul style="list-style-type: none"> . As there is no chamber law, the tasks of a chamber are outlined in bylaws and specified in annual business plans
Mixed Systems / Thailand	<ul style="list-style-type: none"> . Promotion of trade, industry, agriculture, finance or other sectors as stipulated by regulations . Advice and recommendations to government . Coordination between government and business . Collection of statistics and research related to trade and industry . Assistance to members via advice and provision of business facilities . Issuance of certificates of origin . Operation of educational facilities, trade centers, trade exhibitions . Arbitration in trade disputes
Mixed Systems / Japan	<ul style="list-style-type: none"> . Promotion for improvement and development of commerce and industry and contribution to social welfare in general . Reports to legislature and administrative organs . Research and publication of information . Certification and expertise concerning commerce and industry . Issuance of certificates of origin . Operation of facilities related to commerce and industry . Training courses, lectures, examinations . Organization of exhibitions, trade fairs, and business transactions . Mediation and arbitration in trade disputes

⁸ Note: The enumeration of autonomous functions in chamber-laws must be regarded as a clarification rather than as an authorization. Whereas **Thailand** and **Japan** extensively list up the autonomous functions, the **German** chamber-laws are confined to name the elementary functions. Nevertheless, the range of autonomous functions of chambers is similar. As autonomous functions are assumed by the chambers as characteristic functions, all chamber-laws include a general definition of autonomous functions as a basic competence rule.

Chamber System / Country Case	Delegated Functions
Continental Model/ Germany	<ul style="list-style-type: none"> . Promotion and implementation of commercial and vocational training . Issuance of certificates of origin and other business certificates . Other delegated functions are not enumerated by the chamber law, but may be delegated pursuant to a law or ordinance
Anglo-Saxon Model / USA	<ul style="list-style-type: none"> . No delegated functions
Mixed Systems / Thailand	<ul style="list-style-type: none"> . Activities specified by law or entrusted by the government
Mixed Systems / Japan	<ul style="list-style-type: none"> . Activities entrusted by government agencies . Administration of specific merchants' and industrialists' registration

Chamber System / Country Case	Fees, Revenues, etc. ⁹
Continental Model/ Germany	<ul style="list-style-type: none"> . Fees consist of uniform basic dues and of additional charges computed on the basis of the trade tax rates
Anglo-Saxon Model / USA	<ul style="list-style-type: none"> . The board of directors determines the annual dues for each member or each class of member
Mixed Systems / Thailand	<ul style="list-style-type: none"> . Fees prescribed by regulations of the Minister of Economic Affairs
Mixed Systems / Japan	<ul style="list-style-type: none"> . Collection of charges and fees, such as admission and membership fees, in accordance with articles of incorporation . Legal register fees levied on registered merchants and industrialists with the consent of the majority and the supervising minister

⁹ Note: **German** chamber-law contains very detailed regulations on financial matters. This is due to the fact that membership is compulsory and consequently contributions to chambers are obligatory too. The strict regulations serve to minimize the financial strain on the members. **Thailand** and **Japan** leave detailed regulation to ministerial regulation and to the statutes.

Chamber System / Country Case	Internal Organization of Chambers
Continental Model/ Germany	<ul style="list-style-type: none"> • <u>Plenary Assembly</u> decides on all matters affecting chambers unless otherwise provided by the statutes; exclusively resolves on statutes, regulations, elections, fees, special charges and dues, and the budget; and approves the annual balance sheet. • <u>President</u> represents chamber, chairs Presidium & Plenary Assembly • <u>Members of the Presidium</u> support the President • <u>General Secretary</u> is employed by the chamber and executes chamber operations following the directives of the Presidium and plenary assembly supported by a permanent secretariat • <u>Committees</u> on specific matters are established by the general assembly and need not consist of chamber members only
Anglo-Saxon Model / USA	<ul style="list-style-type: none"> • <u>Board of Directors</u>, elected directly by the members, is the chief policy-maker of the chamber, directs its affairs, controls chamber property, and is responsible for its finances • <u>Chairman of the Board</u> is the highest elected official. • <u>President</u> is the top staff member selected by the Board. The president and his staff are in charge of implementing chamber programs. • <u>Committees</u> are established by the Board to make recommendations
Mixed Systems / Thailand	<ul style="list-style-type: none"> • <u>General Meeting</u> elects the Board; votes on regulation amendments; approves annual report and balance sheet; and votes on dissolution • <u>Board of Directors</u>, chaired by the <u>President</u>, represents the chamber
Mixed Systems / Japan	<ul style="list-style-type: none"> • <u>General Meeting of Delegates</u> convenes at least once a business year to vote on modifications to the articles of incorporation, bylaws, elections, fees, budget, programs, membership issues or dissolution. • <u>President</u> represents the chamber • <u>Managing Director</u> controls and executes chamber affairs in accordance with presidential orders • <u>Vice-Presidents</u> (a maximum of four) assist the President • <u>Directors</u> assist the managing director • <u>Auditors</u> supervise and inspect the affairs and accounting of the chamber and report to General Meeting • <u>Executive Committee</u> resolves on matters urgent, proposed by the General Meeting of delegates, or stipulated in articles of incorporation

Chamber System / Country Case	Election of Chamber Officers ¹⁰
Continental Model/ Germany	<ul style="list-style-type: none"> • <u>Plenary Assembly</u> consists of delegates elected from among members and weighted according to the importance of the sector • <u>President</u> and <u>Vice-Presidents</u> are elected by the delegates • <u>General Secretary</u> is appointed by the plenary assembly
Anglo-Saxon Model / USA	<ul style="list-style-type: none"> • <u>Board of Directors</u> is elected from among the members. Candidates are selected by a Nomination Committee. Additional nominations can be made by members • <u>Chairman</u> of the Board and other executive officers are elected by the Board of Directors • <u>President</u> is appointed by the Board
Mixed Systems / Thailand	<ul style="list-style-type: none"> • <u>General Meeting</u> is comprised of all members • <u>Directors</u> are elected by General Meeting from the membership in accordance with the bylaws of the chamber
Mixed Systems / Japan	<ul style="list-style-type: none"> • <u>General Meeting of Delegates</u> is elected by members and others. Delegates represent each group • <u>President</u> is elected by the General Meeting of Delegates • <u>Vice-Presidents</u> and <u>Managing Director</u> are appointed by President with the consent of delegates • <u>Executive Committeemen</u> are appointed from delegates • <u>Auditors</u> are appointed by the delegates • <u>Directors</u> are appointed by the president with the consent of the executive committee

¹⁰ Note: The *Japanese* chamber-law contains a very detailed regulation of the internal organization with several types of chamber officials and committees that cannot be described exhaustively in this study. Sectoral representation is provided for in all chamber-systems under review. By comparison, *German* and *Thai* chamber laws provide for a greater autonomy of chambers with regard to internal organization than the Japanese chamber law. However, *U.S.* chambers are only regulated by its bylaws and are the most autonomous of the four countries.

ANNEX B

German Chamber Law on the Provisional Settlement of Regulations Governing the Chambers of Commerce and Industry

**Law on the Provisional Settlement of the Regulations
Governing the Chambers of Commerce and Industry**

**of 18 December 1956 (Federal Law Gazette part I, p. 920)
as last amended by Art. 95, para. 5 of the Law to introduce
the Tax Code of 14.12.76 (Federal Law Gazette part I, p. 1 3341)**

With the approval of the Federal Council (Upper House), the Bundestag (Lower House) has voted the following statute.

Article 1

- (1) Unless the organizations of the trades and crafts are deemed to be the competent bodies pursuant to the Crafts Code (Handwerksordnung) of 17 September 1953 (Federal Law Gazette part I, p. 1411), the chambers of industry and commerce shall discharge the functions of safeguarding the overall interests of such tradesmen as are members of the said organizations within their appointed district, promoting commercial activities there and giving due consideration to achieving a judicious balance between the economic interests of individual branches of business. Another of their duties shall consist in furnishing support and guidance for the public authorities in particular by submitting proposals, expert opinions and reports and also in promoting adherence to proper standards of conduct and ethical behaviour among respectable members of the business community.
- (2) The chambers of industry and commerce may set up, operate and support facilities and establishments designed to further the interests of trade and industry in general or individual branches of the economy. They may also adopt measures to promote and implement commercial and vocational training with due regard for valid legal provisions including those contained in the Vocational Training Act.
- (3) The chambers of industry and commerce shall issue certificates of origin and other vouchers designed to promote business unless this task devolves upon other agencies by virtue of certain legal provisions.
- (4) The chambers of industry and commerce may be appointed to discharge other functions pursuant to a law or ordinance.
- (5) The terms of reference of the chambers of industry and commerce shall not include the safeguarding of social welfare and labour interests.

Article 2

- (1) The members of chambers of industry and commerce shall comprise such natural persons as are liable to pay trade tax, trading companies, other types of partnership not capable of acting as legal entities and juristic persons incorporated under private and public law who operate either a commercial branch establishment or an industrial plant or a selling agency within the official district of the chambers or industry and commerce (“chamber members”).
- (2) Paragraph 1 shall apply to natural persons and companies which engage exclusively in a business operated on a self-employed basis or which carry on a farming or forestry business or an ancillary business connected therewith.
- (3) Paragraph 1 shall also apply to natural and juristic persons entered in the Roll of Craftsmen kept by the Chamber of Craftsmen (Art. 6 of the Crafts Code of 17 September 1953) in respect of their business (at least one main establishment) inasmuch as they are also entered in the Commercial Register on the understanding that they are entitled - but not required - to belong to the chambers of industry and commerce.
- (4) Paragraph 1 shall not apply to agricultural cooperatives. For the purposes of the present provision, the latter shall be deemed to be the following:
- a) rural credit associations whose members largely consist of farmers;
 - b) cooperatives which, wholly or in part, serve to promote the utilization of agricultural facilities or the supply of operating funds to farmers or the sale, storage, processing or production of agricultural products inasmuch as such processing or production is deemed to constitute farming in the customary meaning of the term;
 - c) mergers between cooperatives named under letter b) up to an amount which shall be determined by an ordinance issued by the Federal Minister of Food, Agriculture and Forestry on the basis of the cooperatives’ own capital resources.
- (5) Paragraph 1 shall not apply to local authorities operating their own enterprises. By virtue of this fact, however, they may also join the chambers of industry and commerce.

Article 3

- (1) A chamber of industry and commerce is a public-law entity.
- (2) Inasmuch as the cost of establishing and operating a chamber of industry and commerce is not covered elsewhere, the sum involved shall be raised in accordance with the agreed budget by means of fees from chamber members computed pursuant to a scale of charges. The budget shall be drawn up annually and implemented in accordance with the principles of prudent and sound financial conduct with due consideration for the paying capacity of members.
- (3) The fees shall be collected as charges computed on the basis of the fixed trade tax rates and also as uniform basic dues. Notwithstanding the provisions contained in Art. 3 of the Law on the Commercial Qualifications of Craftsmen of 31 March 1953 (Federal Law Gazette part 1, p. 106), chamber members who fall within the terms of the said Law shall not be required to pay fees.

In addition to the basic dues, chamber members who are entered in the Commercial Register as the owners of a dispensing chemist’s business shall pay a further 25% over and above the annual fees.

(4) Chamber members whose business enterprise does not require proper commercial premises because of its nature and its size shall be exempt from payment of fees. The basic dues payable by such members may not exceed an amount corresponding to half of the basic dues paid by other chamber members. If they were not liable under their last tax assessment to pay trade tax or if they are only liable to pay a minimum trade tax pursuant to Art. 17a of the Trade Tax Law, they shall also be exempt from paying the basic dues. Each Land may enact legislation stipulating a maximum amount for the category or persons named in the first article of the first sentence above.

(5) In respect of costs caused by the setting up, maintenance or support of facilities and establishments (Art. 1 para. 2), a chamber of industry and commerce may levy special charges on chamber members in those branches of business who benefit exclusively or to a special extent from the said facilities and establishments. Prior to the setting up of such facilities and establishments, the parties involved shall be given an opportunity to express their views.

(6) A chamber of industry and trade may charge fees for the use of certain facilities and establishments (Art. 1 para. 22) or activities.

(7) Special charges pursuant to para. 5 shall be computed in accordance with the relevant provisions governing such charges whilst the fees cited in para. 6 shall be raised pursuant to the given provisions thereon. The regulations on fees, special charges and dues shall also make provision for exemption from, and cancellation of, fees and dues.

(8) As regards the limitation of fees, special charges and dues, the provisions of the Tax Code shall apply to the statute-barring of taxes on income and assets. However, their collection or compulsory collection shall be governed *mutatis mutandis* by the Land legislation applicable to municipal imposts. The Land laws may contain varying provisions on the procedures and competence for the aforesaid collection or compulsory collection.

Article 5

(1) The members of the plenary session shall be elected by the chamber members.

(2) Eligible for election are natural persons, who are entitled to vote in the chamber ballots, who have attained the age of majority by the date of the election and who are either members of the chamber themselves or else authorized on their own or together with other persons to represent in law a juristic person, a trading company or other types of partnership without legal capacity provided that the aforesaid are members of the chamber. Specially appointed authorized agents and signing clerks of chamber members, duly entered in the trade register, are also eligible.

(3) Particulars on exercising the right to vote, on holding elections and on the duration and premature cessation of membership shall be set out in the electoral statute. The statute must contain provisions on dividing chamber members into special electoral groups, and it must take into account the special commercial features of each individual chamber district in addition to the overall economic significance of the various branches of trade and industry.

Article 6

(1) The plenary session shall elect a President (“Praeses”) from among its ranks plus a number of further members of the Presidium whose size is set out in the statutes.

(2) The President is the Chairman of the Presidium. He convenes the plenary session and chairs the meetings.

Article 7

- (1) The plenary session shall appoint the Executive Secretary (Hauptgeschäftsführer).
- (2) The President and the Executive Secretary shall represent the chambers of industry and commerce in legal matters and in court pursuant to the provisions of the statutes.

Article 8

If the chamber of industry and commerce sets up committees to discharge functions other than those specified in Art. 58 of the Vocational Training Act, the statutes may provide that persons not eligible under Art. 5, para. 2 of the present Law may also be appointed members of these committees.

Article 9

(1) Inasmuch as the chambers of industry and commerce existing upon the entry into force of the present Law do not accord with the provisions set forth in Art. 3, para. 1, they shall be reorganized accordingly. The reorganization shall be effected in such a manner as to ensure that the plenary sessions (governing board) set up pursuant to the regulations hitherto in force shall adopt the statutes framed in accordance with the present Law. The statutes shall require approval by the supervisory authority, this shall be granted together with the incorporation rights if and when the . . . have been fulfilled.

(2) In the following circumstances, chambers of industry and commerce subject to reorganization in accordance with para. 1 may no longer use their former designation nor continue to discharge the functions of a chamber of industry and commerce:

- 1) if they fail to adopt within one year after the entry into force of the present Law a resolution on their reorganization (sentence 2 of para. 1) - applicable upon the expiry of the said period of one year,
- 2) if the reorganization is rejected by virtue of a resolution - as from the point of time of the latter, and
- 3) if the approval referred to in sentence 3 of para. 1 is withheld - as soon as the notification of refusal has become non-appealable.

Article 10

Insofar as the chambers of industry and commerce existing upon the entry into force of the present Law do not meet the requirement set forth in Art. 3, para. 1, new elections shall be held within one year after the reorganization (Art. 9) has taken place. The members of those bodies corresponding to the plenary session (Art. 4) and the Presidium (Art. 6, para. 1), who hold office upon the entry into force of the present Law shall retain their positions until the new elections.

Article 11

(1) The chambers of industry and commerce shall be subject to supervision by the authorities of the Land, who shall ensure that they carry out their activities in accordance with the relevant provisions (including those in respect of the statutes, elections, fees, special charges and dues).

(2) The resolutions adopted by the plenary session on the statutes, elections, fees, special charges and dues as well as on a criterion to govern fees and special charges in excess of 10% of the basic amounts for trade tax shall be subject to approval.

(3) Any legal provisions at variance with the present Law shall be annulled: section 1 of the "Law on Maintaining and Raising Purchasing Power" of 24 March 1934 (Reich Law Gazette

part 1, p. 235) and the “Ordinance on the Rendering of Accounts and Auditing during the War” of 5 July 1940 (Reich Law Gazette part II, p. 139) shall not apply to the chambers of industry and commerce.

Article 12

- (1) Supplementary provisions may be issued by virtue of Land Law on:
- 1) the establishment and dissolution of chambers of industry and commerce;
 - 2) the alteration of districts of existing chambers of industry and commerce;
 - 3) the public authorities competent to exercise the powers listed under Art. 11 paras. 1 and 2;
 - 4) the supervision required to permit the exercise of the powers set forth in Art. 11, paras. 1 and 2;
 - 5) the obligation incumbent upon the tax assessment authorities to notify the chambers of industry and commerce of the data and supporting documents needed to establish the level of their fees;
 - 6) the obligation incumbent upon the public authorities to assist in the collection and compulsory collection of fees;
 - 7) the principles governing the rendering of accounts and the auditing of the annual balance sheet;
 - 8) the authorization of the chambers of industry and commerce to use an official seal; and
 - 9) the competence and procedure for appointing committee members pursuant to sentence 2 of para. 22 of Art. 8.
- (2) Pursuant to para. 1 of Art. 2, chamber members shall be consulted before any decisions on measures pursuant to figs. 1 and 2 of para. 1 are taken.

Article 13

The Chambers of Commerce in Bremen and Hamburg shall be entitled to retain the designation they have hitherto used.

Article 14

Pursuant to para. 1 of Art. 13 of the Third Transference Law of 4 January 1952 (Federal Law Gazette, part I, p. 1), the present Law shall also apply in the Land of Berlin.

Article 15

This Law shall enter into force on the day of its promulgation.

The foregoing Law is promulgated herewith.

Bonn, 18 December 1956 The President of the Federal Republic
Theodor Heuss

The President of the Federal Republic
Chancellor
Blücher

The Minister of Economics
Ludwig Erhard

ANNEX C

Certificate and Articles of Incorporation of Chamber of Commerce of the United States of America

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
BUSINESS REGULATION ADMINISTRATION

THIS IS TO CERTIFY that the pages attached hereto constitute a full, true and complete copy of:

CERTIFICATE AND ARTICLES OF INCORPORATION OF CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA AS RECEIVED AND FILED DECEMBER 4, 1915

as the same appears of record in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of this office to be affixed, this the 8th day of JULY, 1988.

Donald F. Murray
Director

Henry C. Lee III
Acting Administrator

Vandy L. Jamison, Jr.
Assistant Superintendent of Corporations
Corporations Division

Government of the District of Columbia
Marion Barry, Jr., Mayor

CERTIFICATE OF INCORPORATION

of

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA

* * *

We, the undersigned, JOHN H. FAHEY, JOHN JOY EDSON, and ELLIOT H. GOODWIN, all citizens of the United States, and a majority of whom are residents of the District of Columbia, do by these presents, pursuant to and in conformity with the provisions of Subchapter three (3) of Chapter eighteen (18) of the Code of Law for the District of Columbia, enacted March 3, 1901, and as subsequently amended, associate ourselves together as a body politic and corporate, and do hereby certify in writing:

First: The name by which the corporation shall be known is CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA.

Second: The existence of this corporation shall be perpetual.

Third: The particular business and objects of the corporation are: to encourage trade and commercial intercourse between the States, the Territories, and Insular possessions of the United States of America and with foreign nations, and to promote cooperation between chambers of commerce, boards of trade, and other commercial and manufacturers' organizations of the United States, increasing their efficiency and extending their usefulness; to promote the mutual improvement of its members; to secure cooperative action in advancing the common purposes of its members, uniformity and equity in business usages and laws, and proper consideration and concentration of opinion upon questions affecting the financial, commercial, civic, and industrial interests of the country at large; to succeed, and to carry on the affairs of, the Chamber of Commerce of the United States of America, an unincorporated association formed on April 22, 1912, in the city of Washington, District of Columbia, and since conducting its affairs with headquarters at the said city of Washington.

Fourth: The number of directors who shall manage the corporation for the first year is thirty-one (31). At the Annual Meeting of the corporation held in the year 1916 there shall be elected thirteen (13) directors, and at the Annual Meeting held in the year 1917 there shall be elected twelve (12) directors, and thereafter the directors shall be elected in the manner prescribed by the bylaws of the corporation. A majority of the board of directors shall be a quorum for the transaction of business. The board of directors of the unincorporated association shall serve in that capacity for the balance of their unexpired terms, that is to say, the persons at the time occupying the offices of president, vice presidents, and treasurer of the unincorporated association as ex-officio members of the board, and, until the Annual Meeting in 1916, the following:

Frederic E. Boothy, Portland, ME	James R. MacColl, Providence, RI
William Butterworth, Moline, IL	Charles Nagel, St. Louis, MO
Franklin Conklin, Newark, NJ	F.A. Seiberling, Akron, OH
Homer L. Ferguson, Newport News, VA	Leon C. Simon, New Orleans, LA
L.S. Gillette, Minneapolis, MN	William Stevenson, Pittsburgh, PA
Granger A. Hollister, Rochester, NY	T.L.L. Temple, Texarkana, AK
Willoughby M. McCormick, Baltimore, MD	

Until the Annual Meeting in 1917, the following:

L.C. Boyd, Indianapolis, IN	Henry B. Joy, Detroit, MI
Thomas Burke, Seattle, WA	Charles S. Keith, Kansas City, MO
Howell Cheney, South Manchester, CT	E.T. Meredith, Des Moines, IA
R.T. Cunningham, Fairmont, WV	John W. Philip, Dallas, TX
William H. Douglas, New York, NY	R.G. Rhett, Charleston, SC
A.E. Esberg, San Francisco, CA	Thomas B. Stearns, Denver, CO

Fifth: The names and places of residence of the incorporation members are as follows:

John H. Fahey,	Boston, MA.
John Joy Edson,	Washington, DC.
Elliot H. Goodwin,	Washington, DC.

IN WITNESS WHEREOF, we have made, signed, and acknowledged, in duplicate, this certificate this 3rd day of December, One thousand nine hundred and fifteen.

City of Washington
District of Columbia

I, Katherine V. Boswell, Notary Public in and for the District of Columbia, do hereby certify that JOHN H. FAHEY, JOHN JOY EDSON, and ELLIOT H. GOODWIN, whose names are signed to the writing hereto annexed, bearing date the 3rd day of December, 1915, are personally well known to me, and personally appeared before me in the District of Columbia on the day and year aforesaid, and separately and individually acknowledged the same before me, and that they generally signed the same for the purposes therein set forth.

Under my hand and notarial seal, this 3rd of December, One thousand nine hundred and fifteen.

Notary Public, D.C.

ANNEX D

Chamber of Commerce Bylaws Guidelines for Wording and Format

**CHAMBER OF
COMMERCE
BYLAWS**

A Guideline for Wording and Format

**Office of Chamber of Commerce Relations
U.S. CHAMBER OF COMMERCE
February 1991**

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Introduction

Chamber of Commerce Bylaws is prepared as a guideline for chambers of commerce which are either preparing a bylaws document for the first time or revising an existing bylaws document.

Taken from a wide range of existing formats currently used by chambers, it includes the most important provisions essential to a good set of bylaws.

The wording and format are suggestions. Chambers can adapt them to their individual needs. We have inserted blank spaces for chambers to insert numerical information relevant to their organization. Most of this numerical information relates to dates for election and orientation of Officers and Directors. Because the timing for these procedures is vitally important to a chamber's success, we have included a sample timetable at the end of this booklet.

For additional information, please feel free to contact the Office of Chamber of Commerce Relations.

ARTICLE I

General

Section 1: Name

This organization is incorporated under the laws of the State of _____ and shall be known as the _____ Chamber of Commerce, Incorporated.

Section 2: Purpose (Include enough detail and specifics to reflect the purposes of the organization)

The _____ Chamber of Commerce is organized to achieve the objectives of: (1) Preserving the competitive enterprise system of business by: creating a better understanding and appreciation of the importance of business people and a concern for their problems; educating the business community and representing them in city, county, state, and national legislative and political affairs; preventing or addressing controversies which are detrimental to expansion and growth of business and the community if they arise; creating a greater appreciation of the value of a more liberal investment of substance and self on behalf of the interests of competitive business; (2) Promoting business and community growth and development by: promoting economic programs designed to strengthen and expand the income potential of all business within the trade area; promoting programs of civic, social and cultural nature which are designed to increase the functional and aesthetic values of the community; and discovering and correcting abuses which prevent the promotion of business expansion and community growth.

or

The _____ Chamber of Commerce is organized to advance the general welfare and prosperity of the _____ area so that its citizens and all areas of its business community shall prosper. All necessary means of promotion shall be provided and particular attention and emphasis shall be given to the economic, civic, commercial, cultural, industrial, and educational interests of the area.

Section 3: Area (Identify the area served.)

The _____ Area or _____ economic region shall mean to include the cities (or communities) of: _____, _____, and _____, and the counties of _____, _____, and _____.

Section 4: Limitation of Methods

The _____ Chamber of Commerce shall observe all local, state, and federal laws which apply to a non-profit organization as defined in Section 501(c)(6) of the Internal Revenue Code.

ARTICLE II***Membership***

Section 1: Eligibility

Any person, association, corporation, partnership or estate having an interest in the objectives of the organization shall be eligible to apply for membership.

Section 2: Election (How application is made, received, approved.)

Applications for membership shall be in writing, on forms provided for that purpose, and signed by the applicant. Election of members shall be by the Board of Directors at any meeting thereof. Any applicant so elected shall become a member upon payment of the regularly scheduled investment as provided in Section 3 of Article II.

Section 3: Investments

Membership investments shall be at such rate or rates, schedule or formula as may be from time to time prescribed by the Board of Directors, payable in advance.

Section 4: Termination (Resignation, expulsion, and delinquency.)

(a) Any member may resign from the chamber upon written request to the Board of Directors; (b) Any member shall be expelled by the Board of Directors by a two-thirds vote for nonpayment of dues after ninety (90) days from the date due, unless otherwise extended for good cause; (c) Any member may be expelled by a two-thirds vote of the Board of Directors, at a regularly scheduled meeting thereof, for conduct unbecoming a member or prejudicial to the aims or repute of the chamber, after notice and opportunity for a hearing are afforded the member complained against.

Section 5: Voting

In any proceeding in which voting by members is called for, each member in good standing shall be entitled to cast one (1) vote.

or

In any proceeding in which voting by members is called for, each member person shall be entitled one vote, and each member firm, association or corporation shall be entitled to a number of votes determined by the amount of investment paid, not to exceed ten (10) votes.

Section 6: Exercise of Privileges (Assignment of membership within subscription and any limitations.)

Any firm, association, corporation, partnership, or estate holding membership may nominate individuals whom the holder desires to exercise the privileges of membership covered by its subscriptions, and shall have the right to change its membership nomination upon written notice.

Section 7: Orientation (Indicate areas of complete orientation. Make certain that detailed outlines of each group are part of the chamber's procedures manual.)

At regular intervals, orientation on the purposes and activities of this organization shall be conducted for the following groups: new directors, officers and directors, committee chairmen, committees, and new members. A detailed outline for orientation of each of these groups shall be a part of this organization's procedures manual (or orientation handbook).

Section 8: Honorary Membership

Distinction in public affairs shall confer eligibility to honorary membership. Honorary members shall have all the privileges of members, except the right to vote and shall be exempt from payment of membership dues. The Board of Directors shall confer or revoke honorary membership by a majority vote.

ARTICLE III

Meetings

Section 1: Annual Meeting

The annual meeting of the corporation, in compliance with State law, shall be held during (month) of each year. The time and place shall be fixed by the Board of Directors and notice thereof mailed to each member at least (10) days before said meeting.

Section 2: Additional Meetings (General membership, Board and committee meetings.)

General meetings of the chamber may be called by the Chairman of the Board at any time, or upon petition in writing of any (number or % of) members in good standing: (a) Notice of special meetings shall be mailed to each member at least five (5) days prior to such meetings; (b) Board meetings may be called by the Chairman of the Board or by the Board of Directors upon written application of three (3) members of the Board. Notice (including the purpose of the meeting) shall be given to each director at least one (1) day prior to said meeting; (c) Committee meetings may be called at any time by the Chairman of the Board, respective department Vice Chairman, or by a committee's chairman.

Section 3: Quorums

At any duly called general meeting of the chamber, (number or % of) members shall constitute a quorum; at a Board meeting, a majority of directors shall constitute a quorum; at committee meetings, a majority shall constitute a quorum except when a committee consists of more than nine (9) members. In that case, five (5) shall constitute a quorum.

Section 4: Notices, Agenda, Minutes

Written notice of all chamber meetings must be given at least _____ days in advance unless otherwise stated. An advance agenda and minutes must be prepared for all meetings. A detailed outline for preparation of both shall be part of this organization's procedures manual.

ARTICLE IV

Board of Directors

Section 1: Composition of the Board

The Board of Directors shall be composed of (number) members, (one third) of whom shall be elected annually to serve for three (3) years, or until their successors are elected and have qualified. The incoming Chairman of the Board may appoint, subject to the approval of the Board from (3) to (6) members to the Board to serve one-year terms. The Past Chairman and the President shall serve as members of the Board.

The government and policy-making responsibilities of the chamber shall be vested in the Board of Directors, which shall control its property, be responsible for its finances, and direct its affairs.

Section 2: Selection and Election of Directors (See last page for sample timetable.)

A. **Nominating Committee.** At the regular (month) Board meeting, the Chairman of the Board shall appoint, subject to approval by the Board of Directors, a Nominating Committee of (number) members of the Chamber. The Chairman of the Board shall designate the chairman of the committee.

Prior to (date), the Nominating Committee shall present to the President a slate of (number of vacancies) candidates to serve three-year terms to replace the directors whose regular terms are expiring. Each candidate must be an active member in good standing and must have agreed to accept the responsibility of directorship. No Board member who has served two consecutive three-year terms is eligible for election for a third term. A period of one (1) year must elapse before eligibility is restored.

B. **Publicity of Nominations.** Upon receipt of the report of the Nominating Committee, the President shall immediately notify the membership by mail of the names of persons nominated as candidates for directors and the right of petition.

C. **Nominations by Petition.** Additional names of candidates for directors can be nominated by petition bearing the genuine signatures of at least (number) qualified members of the chamber. Such petition shall be filed with the Nominating Committee within ten (10) days after notice has been given of the names of those nominated. The determination of the Nominating Committee as to the legality of the petition(s) shall be final.

D. **Determination.** If no petition is filed within the designated period, the nominations shall be closed and the nominated slate of (number of vacancies) candidates shall be declared elected by the Board of Directors at the regular (month) Board meeting.

If a legal petition shall present additional candidates, the names of all candidates shall be arranged on a ballot in alphabetical order. Instructions will be to vote for (number of vacancies) candidates only. The President shall mail this ballot to all active members at least 15 days before the regular (month) Board meeting.

The ballots shall be marked in accordance with instructions printed on the ballot and returned to the chamber office within ten (10) days. The Board of Directors shall at its regular (month) Board meeting declare the (number) candidates with the greatest number of votes elected.

E. **Judges.** The Chairman of the Board shall appoint, subject to the approval of the Board of Directors, at least three (3), but not more than five (5), judges who are not members of the Board of Directors or candidates for election. One will be designated chairman. Such judges shall have complete supervision of the election, including auditing the ballots. They shall report the results of the election to the Board of Directors.

Section 3: Seating New Directors

All newly-elected and appointed Board members shall be seated at the regular (month) Board meeting and shall be participating members thereafter. Retiring directors shall continue to serve until the end of the program year.

Section 4: Vacancies

A member of the Board of Directors who shall be absent from three (3) consecutive regular meetings of the Board of Directors shall automatically be dropped from membership on the Board unless confined by illness or other absence approved by a majority vote of those voting at any meeting thereof.

Vacancies on the Board of Directors, or among the officers, shall be filled by the Board of Directors by a majority vote.

Section 5: Policy (Statements of position on issues.)

The Board of Directors is responsible for establishing procedure and formulating policy of the organization. It is also responsible for adopting all policies of the organization. These policies shall be maintained in a policy manual, to be reviewed annually and revised as necessary.

Section 6: Management

The Board of Directors shall employ a President (or appropriate title) and shall fix the salary and other considerations of employment.

Section 7: Indemnification

The Chamber may, by resolution of the Board of Directors, provide for indemnification by the chamber of any and all current or former officers, directors, and employees against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which they or any of them are made parties, or a party, by reason of having been officers, directors, or employees of the chamber, except in relation to matters as to which such individuals shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

ARTICLE V

Officers

Section 1: Determination of Officers

The Board of Directors (new and retiring) at its regular (month) meeting, shall reorganize ~~for the coming year. The Nominating Committee for Directors shall also nominate officers each~~ year. At this meeting, the Board shall elect the Chairman of the Board, Chairman-elect, as many Vice Chairmen as is deemed necessary to conduct the activities of the chamber, and the Treasurer. Officers will be elected from members of the new Board. All officers shall take office on the first day of the new fiscal year and serve for a term of one (1) year or until their successors assume the duties of office. They shall be voting members of the Board of Directors.

Section 2: Duties of Officers

A. **Chairman of the Board.** The Chairman shall serve as the chief elected officer of the chamber of commerce and shall preside at all meetings of the membership, Board of Directors and Executive Committee.

The Chairman of the Board shall, with the advice and counsel of the President, assign Vice Chairmen to divisional or departmental responsibility, subject to Board of Directors approval.

The Chairman of the Board shall, with advice and counsel of Vice Chairmen and the President, determine all committees, select all committee chairmen, assist in the selection of committee personnel, subject to approval of the Board of Directors.

B. **Chairman-elect.** The Chairman-elect shall exercise the powers and authority and perform the duties of the Chairman in the absence or disability of the Chairman. The Chairman-elect shall also serve as head of the Program of Work Committee of the chamber. As such, the Chairman-elect and committee will be responsible for determining that the program activities of the chamber are of such duration as is required, at all times being alert to assure that the activities of the chamber are directed toward achieving business and community needs in the area served by the chamber.

C. **Vice Chairmen.** The duties of the Vice Chairmen shall be such as their titles by general usage would indicate, and such as required by law, as well as those that may be assigned by the Chairman and Board of Directors. They will also have under their immediate jurisdiction all committees pertaining to their general duties.

D. **Treasurer.** The Treasurer shall be responsible for the safeguarding of all funds received by the chamber and for their proper disbursement. Such funds shall be kept on deposit in financial institutions, or invested in a manner approved by the Board of Directors. Checks are to be signed by the Treasurer and the President, or, in the absence of either or both, by any two officers. The Treasurer shall cause a monthly financial report to be made to the Board.

E. **President (or preferred title).** The President shall be the chief administrator and executive officer. The President shall serve as secretary to the Board of Directors, and cause to be prepared notices, agendas, and minutes of meetings of the Board.

The President shall be a member of the Board of Directors, the Executive Committee and all committees.

With the assistance of the divisional Vice Chairmen, the President shall be responsible for administration of the program of work in accordance with the policies and regulations of the Board of Directors.

The President shall be responsible for hiring, discharging, directing and supervising all employees.

With the cooperation of the Program of Work Committee and Budget Committee, the President shall be responsible for the preparation of an operating budget covering all activities of the chamber, subject to approval of the Board of Directors. The President shall also be responsible for all expenditures with approved budget allocations.

Section 3: Executive Committee

The Executive Committee shall act for and on behalf of the Board of Directors when the Board is not in session but shall be accountable to the Board for its actions. It shall be composed of the Chairman of the Board, Past Chairman, Chair-elect, Vice Chairmen, Treasurer, and the President. The Chairman of the Board will serve as chairman of the Executive Committee.

Section 4: Indemnification

The chamber may, by resolution of the Board of Directors, provide for indemnification by the chamber of any and all of its officers or former officers as spelled out in Article IV, Section 7 of these bylaws.

ARTICLE VI

Committees and Divisions

Section 1: Appointment and Authority

The Chairman of the Board, by and with the approval of the Board of Directors, shall appoint all committees and committee chairmen. The Chairman of the Board may appoint such ~~ad hoc committees and their chairmen as deemed necessary to carry out the program of the~~ chamber. Committee appointments shall serve at the will and pleasure of the Chairman of the Board and shall serve concurrent with the term of the appointing Chairman of the Board unless a different term is approved by the Board of Directors.

It shall be the function of committees to make investigations, conduct studies and hearings, make recommendations to the Board of Directors, and to carry on such activities as may be delegated to them by the Board.

Section 2: Limitation of Authority

No action by any member, committee, division, employee, director or officer shall be binding upon, or constitute an expression of, the policy of the chamber until it shall have been approved or ratified by the Board of Directors.

Committees shall be discharged by the Chairman of the Board when their work has been completed and their reports accepted, or when, in the opinion of the Board of Directors, it is deemed wise to discontinue the committees.

Section 3: Testimony

Once committee action has been approved by the Board of Directors, it shall be incumbent upon the committee chairmen or, in their absence, whom they designate as being familiar enough with the issue, to give testimony to, or make presentations before civic and governmental agencies.

Section 4: Divisions

The Board of Directors may create such divisions, bureaus, departments, councils, or subsidiary corporations as it deems advisable to handle the work of the chamber.

The Board shall authorize and define the powers and duties of all divisions, bureaus, departments, councils, and subsidiary corporations. The Board shall annually review and approve all activities and proposed programs of such divisions, bureaus, departments, councils, or subsidiary corporations, including collection and disbursement of funds.

No action or resolution of any kind shall be taken by divisions, bureaus, departments, councils, or subsidiary corporations having bearing upon or expressive of the chamber, unless approved by the Board of Directors.

ARTICLE VII

Finances

Section 1: Funds

All money paid to the chamber shall be placed in a general operating fund. Funds unused from the current year's budget will be placed in a reserve account.

Section 2: Disbursements

Upon approval of the budget, the President is authorized to make disbursements on accounts and expenses provided for in the budget without additional approval of the Board of Directors. Disbursements shall be by check.

Section 3: Fiscal Year

The fiscal year of the chamber shall close on (date).

Section 4: Budget

As soon as possible after the election of the new Board of Directors and officers, the Executive Committee (or Budget Committee if preferred) shall adopt the budget for the coming year and submit it to the Board of Directors for approval.

Section 5: Annual Audit

The accounts of the chamber of commerce shall be audited annually as of the close of business on (date ending fiscal year) by a public accountant. The audit shall at all times be available to members of the organization within the offices of the chamber.

Section 6: Bonding

The President and such other officers and staff as the Board of Directors may designate shall be bonded by sufficient fidelity bond in the amount set by the Board and paid for by the chamber.

ARTICLE VIII

Dissolution

Section 1: Procedure

The chamber shall use its funds only to accomplish the objectives and purposes specified in these bylaws, and no part of said chamber funds shall inure, or be distributed, to the members of the chamber. On dissolution of the chamber, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors as defined in IRS Section 501(c)(3).

ARTICLE IX

Section 1: Parliamentary Authority

The current edition of *Roberts Rules of Order* shall be the final source of authority in all questions of parliamentary procedures when such rules are not inconsistent with the charter or the bylaws of the chamber.

ARTICLE X

Amendments

Section 1: Revisions

These bylaws may be amended or altered by a two-thirds ($\frac{2}{3}$) vote of the Board of ~~Directors, or by a majority of the members at any regular or special meeting, providing the~~ notice for the meeting includes the proposals for amendments. Any proposed amendments or alterations shall be submitted to the Board or the members in writing, at least ten (10) days in advance of the meeting at which they are to be acted upon.

Adopted: (date)

Amended: (date)

(date)

(date)

A Time Schedule for Single Slate Election and Orientation of Officers and Directors

This time schedule is designed for an organization with a fiscal year beginning in January and concluding in December. Adapt the timing to your organization’s requirements. If your chamber prefers a “double slate” election procedure, use the same procedure and time schedule and substitute “one candidate per vacancy” with “two candidates per vacancy.”

Lead Time	Month Prior to New Board Taking Office	Action to Take
5 months	August	Chairman of the Board appoints Nominating Committee with Board’s approval at regularly scheduled Board meeting. (Article IV, Section 2A).
4 months	September	Nominating Committee presents (single slate) to Directors. (Article IV, Section 2A) Immediate notice of slate is given to the membership and right of petition explained. Petitions must be received within ten (10) days of notice. (Article IV, Sections 2B and C).
3 months	October	Election of Directors at regularly scheduled Board meeting. (Article IV, Section 2D).
2 months	November	Election of Officers at regularly scheduled Board meeting. (Combination of old and new Board). (Article IV, Section 3 and Article V, Section 1).
1 month	December	Orientation of new Officers and Directors; plan new program of work; appointment and orientation of new committee chairmen, committee members and other action groups; and plan budget.
	January	New Officers and Board of Directors take office. Committees and other action groups begin work.

ANNEX D

Chamber of Commerce Bylaws Guidelines for Wording and Format

Internal Revenue Code - Exempt Organizations

Business Leagues, Chambers of Commerce, Real Estate Boards, and Boards of Trade. Business leagues, chambers of commerce, real estate boards, and boards of trade are tax-exempt under Code Sec. 501(c)(6). Professional football leagues also come under this exemption classification regardless of whether they administer pension funds for football players.

An organization must meet the following requirements to qualify for business league status:

1. It must be an association of persons having a common business interest;
2. Its purpose must be to promote a common business interest;
3. It must not be organized for profit;
4. It must not engage in a business ordinarily conducted for profit;
5. Its activities must be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons; and
6. It must be of the same general class as a chamber of commerce or a board of trade.

Neither associations engaged in the furnishing of information to prospective investors to enable them to make sound investments nor stock or commodities exchanges qualify as exempt business leagues.

If all the requirements of qualification are met, the fact that such an association makes a profit is not fatal to its right to exemption, provided the profit does not inure to the benefit of any individual (.05).

Common business interests

The members of an exempt business league must share a common business interest, and the purpose of the business league must be to promote that interest. The term “business” is construed broadly and includes almost any enterprise or activity conducted for remuneration. However, because hobbies are not conducted as businesses, organizations to promote the common interest of hobbyists do not qualify as exempt business leagues (.07).

Examples of organizations that have business interests include:

1. An organization formed by members of a state medical association to operate peer review boards that had as its primary purpose to establish and maintain standards of quality, quantity and reasonableness of costs of medical services (.09);
2. An organization of business and professional women that promoted the acceptance of women in business and the professions (.11); and
3. An organization composed of persons studying for a degree in a particular profession

that promoted their common business interests as future members of that profession (.13).

Improvement of business conditions

The activities of a business league must be directed to the improvement of one or more lines of business. Whether or not the activities of a business league actually lead to real and permanent improvement of business conditions is immaterial as long as reasonably prudent people believe that they will improve business conditions (.15). Examples of activities that are directed toward the improvement of business conditions are:

1. The presentation of information, trade statistics, and group opinions to government agencies and bureaus (.17);
2. Attempts to influence legislation germane to the common business interests of an organization's members (.19);
3. The maintenance of a nonprofit lawyer referral service aimed at improving the image and functioning of the legal profession (.21); and
4. The promotion of the line of business of members by publishing statistics on business conditions in the industry (.23).

Although an organization composed of businessmen was held exempt where the activities were limited to holding luncheon meetings devoted to discussions of various problems in a particular industry (.25), an organization of business and professional persons of a community that provided luncheon and bar facilities for its members but had no specific program directed toward the improvement of business conditions did not qualify for exempt status (.27).

An individual practice association that provided health services through written agreements with health maintenance organizations did not qualify for exempt status as a business league since it rendered particular services for individual persons, as distinguished from the improvement of business conditions in the medical profession and public health area generally (.28).

Lines of business

The term lines of business has been interpreted to mean either an entire industry (.29) or all components of an industry within a geographical area (.31). An organization that directs its activities solely to users of one brand of products, such as users of computers made by one manufacturer, is not directed toward the improvement of one or more lines of business (.33). Rather, such an organization is helping to provide a competitive advantage to one segment of a line of business at the expense of a product's competitors and their customers.

Among the organizations that have been held to include a line of business is an organization formed by the members of a particular industry that contacted various research organizations to develop new and improved uses for existing products of the industry when no services were performed by the organization for any particular member and none of the organization's patents and trademarks were licensed to any member on an exclusive basis (.35). In addition, the IRS will not follow a decision by the U.S. Court of Appeals for the Fifth Circuit that held a bottlers'

association qualified as an exempt business league even though membership was limited to bottlers of one brand of soft drink (.37).

Organizations that have failed to meet the line-of-business test but instead were found to have served only a segment of a line include groups composed of businesses that had licenses to a single patented product (.39); marketed a certain make of automobile (.41); or were muffler dealers franchised by a particular company which confined its activities to the business of that company (.43).

Performance of particular services

A business league may not perform particular services for individual members. For example, advertising activities prevented the following organizations from obtaining exempt status:

1. An association deriving its principal income from an advertising catalog benefiting a limited number of members (.45);
2. An organization formed to promote the tourist industry in its area that had as its principal activity the publication of a yearbook that consisted largely of paid advertisements for its members (.47); and
3. An association of merchants whose business constituted a shopping center and whose funds were used exclusively for advertising to attract customers to the shopping center (.49).

Unrelated business income tax

Organizations exempt from tax under this provision may be subject to a tax on income from “unrelated” business activities.

Forms

Business leagues, chambers of commerce, real estate boards and the like must file their applications for recognition of exemption on Form 1024. They must also file information returns on Form 990.

- .01 Reg. § 1.501(c)(6)-1.
- .05 *Waynesboro Manufacturing Assn.*, 1 BTA 911, CCH Dec. 333 (Acq.).
- .07 Rev. Rul. 66-179, 1966-1 CB 139.
- .09 Rev. Rul. 73-567, 1973-2 CB 178.
- .11 Rev. Rul. 76-400, 1976-2 CB 153.
- .13 Rev. Rul. 77-112, 1977-1 CB 149.
- .15 *Associated Industries of Cleveland*, 7 TC 1449, Dec. 15, 530 (Acq.).
- .17 *American Refractories Institute*, 6 TCM 1302, CCH Dec. 16, 184 (M).
- .19 Rev. Rul. 61-177, 1961-2 CB 117.
- .21 Rev. Rul. 80-287, 1980-2 CB 185.
- .23 Rev. Rul. 68-657, 1968-2 CB 218.
- .25 Rev. Rul. 67-295, 1967-2 CB 197.
- .27 Rev. Rul. 70-244, 1970-1 CB 132.
- .28 Rev. Rul. 86-98, 1986-2 CB 74.
- .29 *American Plywood Assn.*, (DC-Wash.) 67-2 USTC ¶ 9568, 267 Fsupp 830, mod'g 67-1 USTC ¶ 9245.
- .31 *Chicago Graphic Art Federation, Inc.*, CA-7, 42-2 USTC ¶ 9484, 128 F2d 424.
- .33 Rev. Rul. 83-164, 1983-2 CB 95.
- .35 Rev. Rul. 69-632, 1969-2 CB 120.
- .37 *Pepsi-Cola Bottlers' Assn.*, CA-7, 66-2 USTC ¶ 9744, 369 F2d 250. The IRS's position is stated in Rev. Ruls. 58-294, 1958-1 CB 244, and 68-182, 1968-1 CB 263.
- .39 Rev. Rul. 58-294, 1958-1 CB 244.
- .41 Rev. Rul. 67-77, 1967-1 CB 138.
- .43 *National Muffler Dealers Assn., Inc.*, Sct, 79-1 USTC ¶ 9264, aff'g CA-2, 77-2 USTC ¶ 9756, 565 F2d 45.
- .45 *Automotive Electric Association*, CA-6, 48-1 USTC ¶ 9287, 168 F2d 366, aff'g 8TC894, Dec.15, 739.
- .47 Rev. Rul. 65-14, 1965-1 CB 236.
- .49 Rev. Rul. 64-315, 1964-2 CB 147, as clarified by Rev. Rul. 73-411, 1973-2 CB 180, distinguished by Rev. Rul. 78-225, 1978-1 CB 159.

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ANNEX F

Chamber of Commerce and Industry Law of Japan

**CHAMBER OF COMMERCE
AND INDUSTRY LAW**

(Law No. 143, August 1, 1953)

1976

Amendments:

- (1) Law No. 89, May 20, 1960
- (2) Law No. 123, June 10, 1961
- (3) Law No. 161, September 15, 1962
- (4) Law No. 130, December 31, 1971
- (5) Law No. 23, April 2, 1974

CHAMBER OF COMMERCE AND INDUSTRY LAW

(Law No. 143, August 1, 1953)

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CHAPTER I GENERAL PROVISIONS

(Purpose of this law)

Article 1. The purpose of this law is to prescribe the organization and operation of Chambers of Commerce and Industry and the Japan Chamber of Commerce in order to promote a sound development of national economy, and at the same time, to contribute to the progress of international economy.

(Personality and address)

Article 2. Chamber of Commerce and Industry or the Japan Chamber of Commerce and Industry (hereinafter in this Chapter, Chapter IV, and Chapter V referred to as “Chamber of Commerce and Industry, etc.”) shall be a juridical person.

2. The address of Chamber of Commerce and Industry, etc. shall be the location of its principal office.

(Name)

Article 3. Chamber of Commerce and Industry, etc. shall use the letters of Chamber of Commerce and Industry or the Japan Chamber of Commerce and Industry in its name.

2. Any organization that is not Chamber of Commerce and Industry, etc. shall not use any letters indicating that it is Chamber of Commerce and Industry, etc. or causing others to mistake it for Chambers of Commerce and Industry, etc. in its name:

Provided that this shall not apply in case the permission of the Minister of International Trade and Industry has been obtained in the case of special necessity.

(Principle)

Article 4. Chamber of Commerce and Industry, etc. shall not engage in any business whose purpose is to gain profit.

2. Chamber of Commerce and Industry, etc. shall not take any business for the interest of any specific individual, juridical person, or any other organization.

3. Chamber of Commerce and Industry, etc. shall not be use for any specific political party.

(Registration)

Article 5. Chamber of Commerce and Industry, etc. shall make the registration pursuant to Cabinet Order in each case of its incorporation, new establishment of subordinate offices, transfer of offices, dissolution, appointment of liquidator, completion of liquidation, etc.

2. Such matter as required the registration in accordance with the provisions of the preceding paragraph shall not be set up against a third person after the registration has been made.

CHAPTER II

CHAMBER OF COMMERCE AND INDUSTRY

Section 1

General Provisions

(Purpose)

Article 6. The purpose of a Chamber of Commerce and Industry is to promote a multiple improvement and development of commerce and industry in its area, and at the same time, to contribute to the furtherance of social welfare in general.

(Definitions)

Article 7. In this Chapter “merchants and industrialists” shall mean persons engaging in commercial activities in their own names, persons offering for sale commodities at a store or a similar facility thereto, persons engaging in mining, or exchanges, companies as mentioned in Article 52, paragraph 2 of the Commercial Code (Law No. 48 or 1900), limited companies, and mutual companies.

2. In this Chapter “specific merchants and industrialists” shall mean any person coming under any one of the following items from among merchants and industrialists who maintain a business place, an office, a plant, or a working place for the period of not less than six consecutive months as from the closing date of the general meeting for inauguration in the case of article 26, and from the commencement date of every other business year of a Chamber of Commerce and Industry in the other cases (hereinafter referred to as “base date”) within the area of each Chamber of Commerce and Industry as indicated in the left column of the attached Table:

- (1) Any person paid or required to pay by the base date the business tax in a prefecture covering the area of the Chamber of Commerce and Industry or the mining production tax in a city, town, and village within the area of the Chamber of Commerce and Industry imposed thereon for the business year between the calendar year to which the date previous to one and half years from the base date belongs or the business year to which the date previous to one and half years from the base date belongs and the business year to which the date previous to six months from the base date belongs, the amount of which respectively corresponds to such amount as mentioned in the middle column of the said table or as exceeding the said amount which has, after obtaining by the Chamber of Commerce and Industry concerned the permission from the Minister of International Trade and Industry, been fixed and made public for each business year;
- (2) Any person whose capital amount or the total paid-in investment at the base date

respectively corresponds to such amount as mentioned in the right column of the said table or to such amount as exceeding the said amount, which has been fixed and made public by the Chamber of Commerce and Industry concerned with the permission of the Minister of International Trade and Industry in every business year.

(Area)

Article 8. The area of a Chamber of Commerce and Industry shall be a city limits (with regard to a district where there are many wards in a “To”, an aggregate area of all wards combined; hereinafter the same.): Provided that in case it is necessary according to the condition of commerce and industry, such area may be a town or towns limits, and village or villages, or of a town and another town, adjacent towns, and a village or villages.

2. Of the area as indicated in the proviso to the preceding paragraph, a town limits or an aggregate area of a town and a village or villages shall conform to such requirements as mentioned in Article 8, paragraph 1 items (1) to (3) inclusive of the Local Autonomy Law (Law No. 67 of 1947): Provided, that this shall not apply in case it is particularly necessary in view of the condition of commerce and industry.

3. The area of a Chamber of Commerce and Industry shall not intersect the area of another Chamber of Commerce and Industry or the area of Commerce and Industry Association.

(Special case of area incidental to abolition, organization, division or consolidation of city, town or village)

Article 8-2. In the case where abolition, organization, division or consolidation has, after a Chamber of Commerce and Industry was established, been made as regards the city, town, or village of the area under jurisdiction thereof, the area of such Chamber of Commerce and Industry shall, regardless of the provision of paragraph 1 of the preceding Article, be the area before the abolition, organization, division, or consolidation, until the articles of incorporation was modified for making the area of the city, town or village after the abolition, organization, division, or consolidation, or such Chamber of Commerce and Industry was dissolved.

Section 2

Business

(Kinds of business)

Article 9. A Chamber of Commerce and Industry shall carry on, in whole or in part, the following business in order to attain its purpose:

- (1) To make public the opinion of Chamber of Commerce and Industry, and report or present memorials to the Diet or administrative agencies;
- (2) To reply in compliance with the inquiries of an administrative agency, etc.;
- (3) To conduct research and study concerning commerce and industry;
- (4) To collect or publish information or materials concerning commerce and industry;
- (5) To make certifications determination, or inspections concerning quality or quantity

- of a commodity or commodities, the substance of merchants' and industrialists' business, or other matters pertaining to commerce and industry;
- (6) To issue a certificate of place of origin for export goods;
 - (7) To provide, maintain, or operate facilities relating to commerce and industry;
 - (8) To hold lecture meetings and short training courses;
 - (9) To familiarize techniques or skills relating to commerce and industry, or conduct examinations thereof;
 - (10) To hold exhibitions, sample fairs, etc., or make good offices for holding them;
 - (11) To act as agency or make good offices relating to commercial transactions;
 - (12) To make good offices, mediation, or arbitration relating to disputes on commercial transactions;
 - (13) To receive consultations or give guidance in regard to commerce and industry;
 - (14) To conduct credit standing investigation of merchants and industrialists in regard to commerce and industry;
 - (15) To promote an improvement and development of tourist industry pertaining to commerce and industry;
 - (16) To conduct such business as to contribute to the furtherance of social welfare in general;
 - (17) To carry out the works entrusted by administrative agencies;
 - (18) In addition to those as mentioned in each preceding item to conduct necessary business in order to attain the purposes of a Chamber of Commerce and Industry.

(Legal register)

Article 10. A Chamber of Commerce and Industry shall, within a year as from the formation thereof, make the merchants and industrialists legal register (hereinafter referred to as "legal register") in which such matters as prescribed by Cabinet Order with regard to the specific merchants and industrialists have been entered.

2. Notwithstanding the provisions of the preceding paragraph, the Minister of International Trade and Industry may, in case it is deemed that particular cause exists, extend such period as stipulated in the preceding paragraph upon application of a Chamber of Commerce and Industry.

3. The Minister of International Trade and Industry shall, when extending the period as mentioned in the preceding paragraph, notify without delay to the said Chamber of Commerce and Industry.

4. A Chamber of Commerce and Industry shall upon receipt of the notification as indicated in the preceding paragraph, make public that effect without delay.

5. A Chamber of Commerce and Industry shall, within six months as from the commencement date of every business year, correct the legal register made pursuant to the provisions of paragraph 1 in order to make it to be in the legal register of such business year.

6. In case a Chamber of Commerce and Industry has, after it had made or corrected the legal register in accordance with the provisions of paragraph 1 or the preceding paragraph, come to its knowledge that such matters as registered in the legal register were altered, it shall without delay correct it.

7. Specific merchants and industrialists shall, in case the change with regard to the matters as prescribed by Cabinet Order from among those as mentioned in paragraph 1 has come out, immediately file such effect with the Chamber of Commerce and Industry concerned.

8. Specific merchants and industrialists shall, in case they have been asked by a Chamber of Commerce and Industry to submit materials concerning the making or correction of the legal register, not refuse it without justifiable reasons.

(Operation and administration of legal register)

Article 11. A Chamber of Commerce and Industry shall make use of the legal register in order to contribute toward the proper and smooth execution of its business.

2. A Chamber of Commerce and Industry shall administer the legal register with care of a bona fide administrator.

3. A Chamber of Commerce and Industry shall not divulge to others or not make surreptitious use of such matters as belonging to the secrecy of merchants and industrialists which have come to its knowledge in connection with the making or correcting of the legal register.

(Share fund)

Article 12. A Chamber of Commerce and Industry may, after obtaining the permission from the Minister of International Trade and Industry, levy share fund on specific merchants and industrialists pursuant to the provisions of Cabinet Order in order to appropriate it to the expenses necessary for the making, administration, and operation of the legal register.

2. A Chamber of Commerce and Industry shall not apply for the permission as mentioned in the preceding paragraph with regard to share fund unless the content of the majority of specific merchants and industrialists has been obtained.

(Inquiries, etc.)

Article 13. A Chamber of Commerce and Industry may make inquiries in writing or orally to the merchants and industrialists within its area, or ask them to submit materials in such extent as may be necessary for attaining its purposes.

2. In case a Chamber of Commerce and Industry has made inquiries or asked to submit materials as indicated in the preceding paragraph, merchants and industrialists being within the area of such Chamber of Commerce and Industry shall not refuse them without justifiable reasons.

(Charges and fees)

Article 14. A Chamber of Commerce and Industry may collect charges and fees in accordance with its articles of incorporation.

Section 3

Members and Specific Merchants and Industrialists

(Qualifications)

Article 15. Persons qualified to be members of a Chamber of Commerce and Industry shall ~~be merchants and industrialists who maintain a business place, an office, a plant, or a working~~ place within its area for more than six consecutive months: Provided, that this shall not apply in such cases as otherwise prescribed in its articles of incorporation.

2. Any person coming under any one of the following items shall not be qualified to be a member:

- (1) Incompetent or quasi-incompetent person;
- (2) Persons being bankrupt and not yet reinstated;
- (3) Persons being punished by penalty heavier than imprisonment but having not yet completed or immune from such execution.

(Admission)

Article 16. A Chamber of Commerce and Industry shall not, in case of any person qualified to be a member desires to apply for an admission thereto, refuse his admission without just and reasonable causes, or stipulate unjust conditions as to his admission.

2. Any person intending to be a member of a Chamber of Commerce and Industry shall become a member of the Chamber of Commerce and Industry concerned when he obtained the approval in regard to his admission from such Chamber of Commerce and Industry as well as paid the admission and membership fees: Provided, that this shall not apply in such cases as otherwise prescribed in its articles of incorporation.

(Voting, election right and eligibility for election)

Article 17. Any member shall have a voting and election right to be elected pursuant to its articles of incorporation.

2. Any member may exercise a voting or election right by a letter or proxy in regard to such matters as have beforehand been notified pursuant to its articles of incorporation.

3. Any person exercising a voting right in accordance with the provisions of the preceding paragraph shall be deemed to be an attendant.

4. Such proxy as indicated in paragraph 2 shall submit to a Chamber of Commerce and Industry a letter demonstrating the power of attorney.

(Membership fee)

Article 18. Any member shall pay a membership fee in accordance with its articles of incorporation.

(Penalty money)

Article 19. A Chamber of Commerce and Industry may impose penalty money upon any member who has neglected the payment of a membership fee or any other obligation to it pursuant to its articles of incorporation.

(Suspension of member's right)

Article 20. A Chamber of Commerce and Industry may suspend the exercise of a member's right in accordance with its articles of incorporation to any member who has neglected the payment of a membership fee or any other obligation of being a member.

2. Such suspension of the exercise of the right as provided for in the preceding paragraph may not be set off against any member suspended the exercise of his right unless notifying him of that effect.

(Withdrawal)

Article 21. Any member may withdraw from a Chamber of Commerce and Industry at the end of business year by a prior notification before sixty days.

2. Any member shall withdraw therefrom by the following causes:

- (1) Loss of the qualification for membership;
- (2) Death or dissolution;
- (3) Removal.

(Removal)

Article 22. A Chamber of Commerce and Industry may remove any member falling under any one of the following items therefrom by the resolution of the general meeting of delegates: In this case, the Chamber of Commerce and Industry shall notify him of that effect before seven days from the day on which the general meeting of delegates will be held, and shall give him an opportunity to explain thereat.

- (1) Any member who has neglected the payment of a membership fee for a long time or obligation of being a member;
- (2) Any member who has injured the reputation of a Chamber of Commerce and Industry or has done acts contrary to the accomplishment of the purposes thereof;
- (3) Any member who falls under such causes as stipulated in its articles of incorporation.

2. The provisions of Article 20 paragraph 2 shall apply mutatis mutandis to the removal of members.

(Specific merchants and industrialists)

Article 23. The election right for delegates as mentioned in Article 41 paragraph 2 item (1) of specific merchants and industrialist shall be one vote for each of them.

2. A Chamber of Commerce and Industry may suspend the exercise of the rights as indicated in the preceding paragraph to specific merchants and industrialists who have neglected the payment of a membership fee and any other obligation of being specific merchants and industrialists in accordance with its articles of incorporation.

3. The provisions of Article 17 paragraphs 2 and 4 as well as Article 20 paragraph 2 shall apply mutatis mutandis to specific merchants and industrialists.

Section 4

Establishment

(General Meeting for inauguration)

Article 24. In establishing a Chamber of Commerce and Industry, thirty or more of persons qualified for a member shall become promoters.

2. Promoters shall draw up articles of incorporation, business program, and income and expenditure budget, make public at least fifteen days prior to the meeting such articles of incorporation, business program, and outline of income and expenditure budget together with date and time, place, and agenda of the meeting, invite persons desirous of being a member, and open the general meeting for inauguration.

3. Such public notice as prescribed in the preceding paragraph shall be so made as to enable all persons having the qualification for a member in the area as stipulated by its articles of incorporation to thoroughly know the same.

4. The determination on the approval of its articles of incorporation, business program, and income and expenditure budget, and any other matter necessary for the establishment shall be made by the resolution of the general meeting for inauguration.

5. At the general meeting for inauguration, such articles of incorporation, business program, or income and expenditure budget as mentioned in the preceding paragraphs may be revised: Provided that this shall not apply to the provisions of its articles of incorporation concerning area and qualification for a member.

6. Proceedings of the general meeting for inauguration shall, in the event that more than half of the persons having the qualification for a member and applied for being a member to the promoters by the date of the meeting are present, be decided by two thirds or more of such attendants.

7. The voting right of Article 17 paragraphs 2 to 4 inclusive, and of Article 224 (Minutes), Articles 247 to 250 inclusive, Articles 252 and 253 (Cancellation or invalidity of resolution) (excluding the part pertaining to the auditors among these provisions) of the Commercial Code shall apply mutatis mutandis to the general meeting for inauguration. In this case, in Article 247 paragraph 1 of the Commercial Code "Article 343" shall read as "Article 24

paragraph 6 of the Chamber of Commerce and Industry Law”.

(Matters to be entered in the articles of incorporation)

Article 25. In the articles of incorporation the following matters shall be stated, and three or more of the promoters shall sign thereto:

- (1) Purpose;
- (2) Name;
- (3) Business;
- (4) Area;
- (5) Location of office;
- (6) Matters relating to qualification for a member;
- (7) Matters relating to admission to and withdrawal from membership;
- (8) Matters relating to right and obligation of a member;
- (9) Matters relating to membership fee;
- (10) Matters relating to legal register;
- (11) Matters relating to share fund;
- (12) Matters relating to officers;
- (13) Matters relating to delegates;
- (14) Matters relating to general meetings of delegates;
- (15) Matters relating to meetings of executive committee;
- (16) Matters relating to trade sections;
- (17) Matters relating to staff office;
- (18) Matters relating to accounting;
- (19) Business year;
- (20) Method of public notice.

(Consent of establishment)

Article 26. Promoters shall without delay obtain the consent from the majority of specific merchants and industrialists as to the establishment of Chamber of Commerce and Industry after closing of the general meeting for inauguration.

(Approval of establishment)

Article 27. Promoters shall without delay submit an application to the Minister of International Trade and Industry together with such documents as stipulated in the Ministry of International Trade and Industry Ordinance after obtained the consent as indicated in the preceding Article, and shall apply for the approval of the establishment therefrom.

2. In the event that the application for approval as mentioned in the preceding paragraph has been made, the Minister of International Trade and Industry shall, when he deems that a Chamber of Commerce and Industry proposed to be established does not conform to any one of the following items not make approval:

- (1) Establishment procedure as well as contents of its articles of incorporation and business program do not violate laws and orders;
- (2) Such establishment contribute to the furtherance of commerce and industry within the area.

- (3) Economic basis facilities, and officers and staff necessary for the execution of its business are maintained.

(Notification of approval or disapproval)

Article 28. The Minister of International Trade and Industry shall, in case the application for approval as stipulated in paragraph 5 of the preceding Article has been made, take without delay such measure as to the approval or disapproval and shall notify the said promoters.

2. The Minister of International Trade and Industry shall, when notifying of the disapproval, inform at the same time of the reasons therefor.

(Transfer of affairs)

Article 29. In case an approval for establishment has been obtained, promoters shall without delay transfer the affairs to the officers.

(Formation)

Article 30. A Chamber of Commerce and Industry shall come into existence by making the registration of establishment at the location of its principal office.

(Mutatis mutandis application of Commercial Code.)

Article 31. The provisions of Article 428 (Suit for invalidity of establishment) (excluding the parts pertaining to the auditors) shall apply mutatis mutandis to the establishment of a Chamber of Commerce and Industry.

Section 5

Administration

(Officers)

Article 32. A Chamber of Commerce and Industry shall have a president, not exceeding four vice-presidents, and a managing director.

2. A Chamber of Commerce and Industry shall have executive committeemen, and the fixed ~~number thereof shall be within a third of the fixed number of delegates as prescribed in Article 42.~~

3. A Chamber of Commerce and Industry shall have two or three auditors.

4. A Chamber of Commerce and Industry may have directors not exceeding four pursuant to the provisions of its articles of incorporation in addition to officers as mentioned in the preceding three paragraphs.

(Duties of officers)

Article 33. The president shall represent a Chamber of Commerce and Industry and preside over the affairs thereof.

2. The vice-president shall assist the president and in case the president is incapacitated, shall act his duties and when the presidency is vacant, conduct the duties thereof in conformity with such order as beforehand determined by the president.

3. The managing director shall control and dispose of the affairs of the Chamber of Commerce and Industry by assisting the president and vice-presidents, and when they are incapacitated, shall act their duties and in case the presidency and vice-presidency are vacant, shall perform the duties thereof.

4. The executive committeemen shall dispose of the affairs of the Chamber relating to the special matters entrusted by the president.

5. The auditors shall supervise and inspect the affairs and accounting of the Chamber of Commerce and Industry, and shall report the general meeting of delegates the result thereof.

6. The directors shall dispose of the affairs of the Chamber by assisting the managing director.

(Prohibition on concurrent positions of auditors)

Article 34. Auditors shall not hold at the same time the position of the president, vice-president, managing director, executive committeeman, director, or staff employee.

(Appointment and release of officers)

Article 35. The president shall be appointed from among members (in case a member is a juridical person or any other organization, a person exercising the right of member; hereinafter the same in this Article) or shall be released from his office at the general meeting of delegates pursuant to its articles of incorporation.

2. Vice-presidents shall be appointed by the president from among members or shall be released by him from their officer in accordance with its articles of incorporation with the consent of the general meeting of delegates.

3. The managing director shall be appointed or released from his office by the president upon obtaining the consent from the general meeting of delegates pursuant to its articles of incorporation.

4. Executive committeemen shall be appointed from among the delegates (in case a delegate is a juridical person or any other organization, the person conducting the duties of a delegate as mentioned in Article 41 paragraph 5) or shall be released from their office pursuant to its articles of incorporation at the general meeting of delegates.

5. Auditors shall be appointed from among the members or shall be released from their office in accordance with its articles of incorporation at the general meeting of delegates.

6. Directors shall be appointed or released from their office by the president with the consent of the executive committee in accordance with its articles of incorporation.

7. Officers at the time of the establishment shall, notwithstanding the provisions of the preceding six paragraphs, be appointed at the general meeting for inauguration.

8. Any person falling under any one of the following items may not become any officer as mentioned in the preceding seven paragraphs:

- (1) Any person coming under Article 15 paragraph 2 item (1) or item (2);
- (2) A minor;
- (3) Any person punished by penalty heavier than imprisonment, and not passed five years as from the day of the completion of or immunity from such execution.

(Term of officer)

Article 36. The term of office of officers shall be prescribed by its articles of incorporation within three years: Provided, that the term of office of officers at the time of the establishment shall not exceed one and a half years.

2. Any officer may be re-appointed.

3. Officers shall, after the completion of their term of office, perform continuously their duties until the appointment of their successor will be made.

4. Any officer appointed to fill a vacancy shall hold office for the remaining term of his predecessor.

(Bylaws)

Article 37. Any matter necessary for the execution of affairs of a Chamber of Commerce and Industry may be stipulated by the bylaws except those as required to be prescribed by its articles of incorporation .

Article 38. bylaws, and the minutes of the general meeting of delegates at its principal office of the Chamber of Commerce and Industry.

2. Any member, or any specific merchant and industrialist other than a member may ask the president at any time to peruse such documents as indicated in the preceding paragraph. In this case, the president shall not refuse it without justifiable reasons.

(Submittal of documents relating accounting, providing and perusal thereof)

Article 39. The president shall submit the business report, the balance sheet, the income and expenditure statement, and inventory to auditors prior to a week as from the day of the ordinary general meeting of delegates, and shall provide them at its principal office.

2. The president shall submit such documents as mentioned in the preceding paragraph to the ordinary general meeting of delegates together with a memorandum of auditors, and shall ask for the approval therefor.

3. Any member, or any specific merchant and industrialist other than a member may ask the president for the perusal of the documents as indicated in paragraph 1. In this case, the president shall not refuse it without justifiable reasons.

(Perusal of accounting books, etc.)

Article 40. Any member may, after obtaining the consent from one tenth of all members, ask at any time the president for the perusal of books and documents relating to accounting. In this case, the president shall not refuse it without justifiable reasons.

(General meeting of delegates and delegates)

Article 41. A Chamber of Commerce and Industry shall set up the general meeting of delegates.

2. The general meeting of delegates shall be composed of the following persons:

- (1) Delegates elected from among members by vote of members and specific merchants and industrialists other than members;
- (2) Delegates chosen from among trade sections' members by trade sections;
- (3) In addition to those as mentioned in the preceding two items, delegates appointed from among members in accordance with its articles of incorporation.

3. The proportion to numbers of each delegate as mentioned in each item of the preceding paragraph shall be stipulated by Cabinet Order.

4. Delegates at the time of the establishment shall, notwithstanding the appointment procedures provided for in each item of paragraph 2, be appointed at the general meeting for inauguration.

5. A juridical person or any other organization that has become the delegate as mentioned in paragraph 2 or the preceding paragraph shall designate a person who performs the duties of a delegate and file therewith in accordance with its articles of incorporation.

6. Any person falling under any one of the items as mentioned in Article 35 paragraph 8 may not become a delegate as mentioned in paragraph 2 or paragraph 4 or a person who performs the duties of a delegate as indicated in the preceding paragraph.

7. Officers may state their view by attending at the general meeting of delegates.

8. No person may at the same time hold two or more positions of delegates or persons performing the duties of a delegate as mentioned in paragraph 5, nor may concurrently hold a position of a delegate and a person performing the duties of a delegate as indicated in paragraph 5.

(Fixed number of delegates)

Article 42. The fixed number of delegates shall be stipulated by its articles of incorporation ranging from thirty to not exceeding one hundred and fifty persons.

(Term of office of delegates)

Article 43. The term of office of a delegate shall be provided for by its articles of incorporation not exceeding three years: Provided, that the term of office of delegate at the time of the establishment shall not exceed one and a half years.

2. The provisions of Article 36 paragraphs 2 to 4 inclusive shall apply mutatis mutandis to the term of office of a delegate.

(Release from office of delegate)

Article 44. The general meeting of delegates may release a delegate coming under any one of the following items from his office by its resolution:

- (1) A delegate to be deemed unable to carry on his duties;
- (2) A delegate who has neglected the payment of membership fee or share fund, or any other obligation to a Chamber of Commerce and Industry;
- (3) A delegate who has injured the reputation of a Chamber of Commerce and Industry or has performed an act or acts contrary to the accomplishment of its purpose;
- (4) A delegate falling under such causes as prescribed by its articles of incorporation.

2. The provisions of Article 20 paragraph 2 and of the latter part of Article 22 paragraph 1 shall apply mutatis mutandis to the release from office of a delegate.

(Convocation of general meeting of delegates)

Article 45. The president shall convene at least once the ordinary general meeting of delegates in accordance with its articles of incorporation in every business year.

2. The president may, when deems necessary, convene at any time an extra general meeting of delegates pursuant to its articles of incorporation.

3. In case a delegate has requested the convocation of the general meeting of delegates with the consent of more than one fifth of all delegates by submitting to the president in writing a document setting forth matters on the purpose of a meeting and the reasons for convocation thereof, the president shall within thirty days as from the day of such request, convene an extra general meeting of delegates.

4. In the convocation of the general meeting of delegates the notification in regard to matters on the purpose of a meeting, date and time, and place shall prior to at least seven days from the day of the meeting, be sent to each delegate.

(Matters required for resolution at general meeting of delegates)

Article 46. The following matters shall, except as otherwise prescribed by this Law, be passed by vote at the general meeting of delegates: Provided that such matters as mentioned in

items (4) to (6) inclusive and item (9) may be entrusted to the executive committee in accordance with its articles of incorporation after the vote at the general meeting of delegates:

- (1) Modification of articles of incorporation;
- (2) Dissolution;
- (3) Establishment, modification, and abolition of bylaws concerning membership fee, share fund, and election;
- (4) Establishment, modification, and abolition of bylaws (excluding bylaw as mentioned in the preceding item);
- (5) Decision on and change of business program and income and expenditure budget;
- (6) Suspension on exercise of members' right;
- (7) Removal of members;
- (8) Release from office of delegates;
- (9) Other matters as stipulated by its articles of incorporation.

2. The president shall, in case the resolution on the modification of articles of incorporation has been passed, submit without delay an application to the Minister of International Trade and Industry together with such documents as prescribed in the Ministry of International Trade and Industry Ordinance and shall apply for the approval thereof.

3. The modification of articles of incorporation shall not be effective unless obtained the approval from the Minister of International Trade and Industry.

4. The provisions of Article 27 paragraph 2 and Article 28 shall apply mutatis mutandis to the approval as indicated in the preceding paragraph.

(Chairman at general meeting of delegates)

Article 47. The chairman at the general meeting of delegates shall be determined in accordance with its articles of incorporation.

(Proceedings of general meeting of delegates)

Article 48. The general meeting of delegates may, except as otherwise stipulated in this Law, not open proceedings and may not vote unless more than a third of all delegates are present.

2. The proceedings of the general meeting of delegates shall, except as otherwise prescribed in this Law, be decided by the majority votes of attendants, and in case the votes are divided even, the chairman shall have the power to decide.

3. The voting right or election right of delegates at the general meeting of delegates shall be one vote for each delegate.

4. At the general meeting of delegates the voting may be carried out only in regard to such matters as beforehand notified in accordance with the provisions of Article 45 paragraph 4: Provided, that this shall not apply in case the consent has been obtained from more than two thirds of attendants.

(Method for special voting at general meeting of delegates)

Article 49. The following matters shall require the resolution passed by two thirds or more of delegates attended, the number of which exceeds more than a half of delegates:

- (1) Modification of articles of incorporation;
- (2) Dissolution;
- (3) Removal of members;
- (4) Release from office of delegates.

(Mutatis mutandis application)

Article 50. The provisions of Article 17 paragraphs 2 to 4 inclusive, and of Article 239 paragraph 2 (Voting right of specially interested person), Article 243 (Resolution on postponement or continuation), Article 252 and 253 (Cancellation or invalidity of resolution) (excluding the parts pertaining to the auditors among these provisions) of the Commercial Code shall apply mutatis mutandis to the general meeting of delegates. In this case, “Article 232” in Article 243 of the Commercial Code and “Article 343” in Article 247 paragraph 1 of the said Code shall read as “Article 45 of the Chamber of Commerce and Industry Law’ and “Article 49 of the Chamber of Commerce and Industry” respectively.

(Executive committee meeting)

Article 51. A Chamber of Commerce and Industry shall have an executive committee.

2. An executive committee shall be composed of executive committeemen and officers (excluding directors and auditors) other than executive committeemen.

3. The president shall, in case he deems necessary, or an executive committeeman has requested by obtaining the consent from more than one fifth of all executive committee-men, convene an executive committee meeting.

4. The voting right of executive committee-men and officers (excluding directors and auditors) other than executive committeemen at an executive committee meeting shall be one vote for each of them.

5. Directors and auditors may state their opinion by attending at an executive committee meeting.

(Matters required for resolution of executive committee meeting)

Article 52. The following matters shall be passed by vote at an executive committee meeting:

- (1) Matters to be proposed at the general meeting of delegates;
- (2) Matters as mentioned in Article 46 paragraph 1 items (4) to (6) inclusive and item (9) and required to be so urgent as may not lose time for discussion at the general meeting of delegations;
- (3) Any other matter as stipulated by its articles of incorporation.

2. The resolution with respect to such matters as indicated in item (2) of the preceding paragraph shall be reported at the next general meeting of delegates and the approval therefor shall be sought.

(Mutatis mutandis application)

Article 53. The provisions of Article 47, Article 48 paragraphs 1 and 2, and of Article 239 paragraph 5, Article 240 paragraph 2 (Voting right of specially interested person), Article 244 (Minutes), Article 247 (excluding the latter part of paragraph 1), Articles 248 to 250 inclusive, Articles 252 and 253 (Cancellation or invalidity of resolution) (excluding the parts pertaining to the auditors among these provisions) of the Commercial Code shall apply mutatis mutandis to an executive committee meeting.

(Trade sections)

Article 54. Trade sections shall be provided in a Chamber of Commerce and Industry for each kind of businesses in which members engage with a view to promoting the adequate improvement and development of the respective businesses.

2. Members shall belong to the trade section of business in which they engage.

3. Necessary matters in regard to the kind, organization, and operation of trade sections shall be prescribed by its articles of incorporation.

(Committee)

Article 55. A Chamber of Commerce and Industry may establish various committees in accordance with its articles of incorporation in order to conduct research and study of important matters necessary for the achievement of its purpose.

(Staff office)

Article 56. A Chamber of Commerce and Industry shall have the staff office.

2. Necessary personnel shall be provided in the staff office for the purpose of disposition of general affairs.

3. Matters necessary for the organization and operation of the staff office shall be stipulated by its articles of incorporation.

Section 6

Supervision

(Filing and report)

Article 57. A Chamber of Commerce and Industry shall when it made the registration of the establishment or the transfer of its principal office, file without delay that effect with the Minister of International Trade and Industry.

2. A Chamber of Commerce and Industry shall after the end of every business year, report without delay the income and expenditure settlement, business condition, or other matters as stipulated by the Ministry of International Trade and Industry Ordinance to the Minister of International Trade and Industry.

(Inspection, etc.)

Article 58. In such extent as may be necessary in order to secure a proper and smooth execution of this Law, the Minister of International Trade and Industry may get reports from a Chamber of Commerce and Industry, and may cause its officials to inspect the condition of affairs or books and documents, or other necessary things of a Chamber of Commerce and Industry.

2. Such officials as prescribed in the preceding paragraph shall carry with him the identification card showing his status, and shall show it upon request of persons concerned.

(Warnings, etc.)

Article 59. The Minister of International Trade and Industry may, when he deems that the operation of a Chamber of Commerce and Industry is in violation of this Law, orders issued under this Law, or its articles of incorporation or is conspicuously improper, issue a warning to such a Chamber of Commerce and Industry, and may, in case any improvement is not made even thereby, take any one of such measures as mentioned hereunder:

- (1) Suspension of part of business affairs;
- (2) Cancellation of approval for establishment.

2. If the Minister of International Trade and Industry has, as regards the Chamber of Commerce and Industry which makes a part of the area of a city, town, or village to be its area or a part of its area, considered it improper to lease as it is, he may advise such Chamber of Commerce and Industry to change its area so as to conform to Article 8 paragraph 1, or to dissolve.

3. The Minister of International Trade and Industry may, if the Chamber of Commerce and Industry having been advised as prescribed in the preceding paragraph does not obey such advise, cancel the approval of its establishment.

4. The Minister of International Trade and Industry shall in the case of taking the dispositions under the provision of Article 1 seek opinions of the concerned prefectural governor and the Japan Chamber of Commerce and Industry; and in the case of making the advice under paragraph 2 or taking the dispositions under the provision of the preceding paragraph, seek the opinions of the concerned prefectural governor, concerned mayor or chief of town or village, and the Japan Chamber of Commerce and Industry.

Section 7

Dissolution and Liquidation

(Dissolution)

Article 60. A Chamber of Commerce and Industry shall dissolve by the following causes:

- (1) Resolution passed at the general meeting of delegates;
- (2) Bankruptcy;
- (3) Cancellation of approval for establishment.

2. The president shall, when the resolution on dissolution was passed at the general meeting of delegates, submit without delay an application accompanying documents as prescribed by the Ministry of International Trade and Industry Ordinance and shall apply for the approval for dissolution.

3. The resolution on dissolution shall not take effect unless obtained the approval from the Minister of International Trade and Industry.

4. The provisions of Article 28 shall apply mutatis mutandis to the approval of the preceding paragraph.

(Liquidator)

Article 61. A liquidator shall be appointed at the general meeting of delegates in the case of the dissolution under the provisions of item (1) of paragraph 1 of the preceding Article, and by the Minister of International Trade and Industry in the case of the dissolution under the provisions of item (3) of the said paragraph of the said Article.

(Ditto)

Article 62. A liquidator shall, upon deciding the method for disposition of property and obtaining the resolution from the general meeting of delegates, obtain the approval from the Minister of International Trade and Industry.

2. In case the general meeting of delegates does not make such resolution as mentioned in the preceding paragraph or is unable to do so, a liquidator shall decide the method for disposition of property by obtaining the approval from the Minister of International Trade and Industry.

3. The remaining property shall be transferred to a Chamber of Commerce and Industry, or to a juridical person or any other organization having the purpose of public interest similar to the purpose thereof.

4. The provisions of Article 28 shall apply mutatis mutandis to the approval as mentioned in paragraphs 1 and 2.

(Mutatis mutandis application of the Civil Code)

Article 63. The provisions of Articles 70 (Bankruptcy), 73,75, 76, and Articles 78 to 81 inclusive, Article 82 (excluding those by dissolution), and Article 83 of the Civil Code (Law No. 89 of 1896) shall apply mutatis mutandis to the dissolution and liquidation of a Chamber of Commerce and Industry.

CHAPTER III

JAPAN CHAMBER OF COMMERCE AND INDUSTRY

(Purpose)

Article 64. The Japan Chamber of Commerce and Industry is, by making overall coordination among various Chambers of Commerce and Industry throughout the country, representing the opinion thereof, and by cooperating with economic organizations in the country and abroad, to aim at the promotion of sound development of Chamber of Commerce and Industry, thereby to contribute to the furtherance of commerce and industry of our country.

(Business)

Article 65. The Japan Chamber of Commerce and Industry shall undertake the following business in order to attain its purpose:

- (1) To make public the opinion through coordination of opinions of various Chambers of Commerce and Industry throughout the country, or to present or suggest to the Diet, administrative agencies, etc.;
- (2) To reply in conformity with inquiries of administrative agencies, etc.;
- (3) To conduct research and study relating to national and international economy;
- (4) To collect or publish information or materials relating to national and international economy;
- (5) To conduct liaison or make good offices concerning business of a Chamber of Commerce and Industry on national and international commercial transactions;
- (6) To hold exhibitions, sample fair, etc. in the country and abroad, or to make good offices for holding them;
- (7) To make good offices, mediate or arbitrate on disputes relating to international commercial transactions;
- (8) To carry out guidance concerning techniques or familiarization of skill or examination relating to commerce and industry undertaken by various Chambers of Commerce and Industry;
- (9) To make guidance relating to commerce and industry consultation business undertaken by various Chambers of Commerce and Industry;
- (10) To cooperate or make liaison with economic organizations in the country;
- (11) To cooperate or make liaison with Chambers of Commerce and Industry or other economic organizations abroad;
- (12) To promote overall improvement and development of tourist industry in regard to commerce and industry;
- (13) To conduct business relating to international goodwill;
- (14) In addition to those as mentioned in each preceding item, to undertake such business as may be necessary for the attainment of the purpose of the Japan Chamber of Commerce and Industry.

(Members)

Article 66. Every Chamber of Commerce and Industry may become a member of the Japan Chamber of Commerce and Industry in accordance with its articles of incorporation.

2. The provisions of Articles 17 to 22 inclusive apply mutatis mutandis to members.

(Establishment)

Article 67. In establishing the Japan Chamber of Commerce and Industry, more than one of the Chambers of Commerce and Industry in each prefecture shall jointly become promoters.

2. Promoters shall draw up articles of incorporation, business program, and income and expenditure budget, give persons having qualification for members then together with the date and time, place and agenda at least a month prior to the meeting, invite persons desirous of being members, and open the general meeting for inauguration.

3. The provisions of Article 17 paragraphs 2 to 4 inclusive, Article 24 paragraphs 4 to 7 inclusive, Articles 27 to 30 inclusive, and of Article 244 (Minutes), Articles 247 to 250 inclusive, Articles 252, 253 (Cancellation or invalidity of resolution), and 428 (Suit for invalidity of establishment) (excluding the parts pertaining to the auditors among these provisions) of the Commercial Code shall apply mutatis mutandis to the establishment of the Japan Chamber of Commerce and Industry.

In this case, “Article 343” in Article 247 paragraph 1 of the Commercial Code shall read as “Article 24 paragraph 6 of the Chamber of Commerce and Industry Law.”

(Matters to be entered in articles of incorporation)

Article 68. In articles of incorporation the following matters shall be stated:

- (1) Purpose;
- (2) Business;
- (3) Location of office;
- (4) Matters relating to admission to and withdrawal from membership;
- (5) Matters relating to rights and obligation of a member;
- (6) Matters relating to membership fee;
- (7) Matters relating to officers;
- (8) Matters relating to general meetings of members;
- (9) Matters relating to delegates;
- (10) Matters relating to general meetings of delegates;
- (11) Matters relating to executive committee;
- (12) Matters relating to staff office;
- (13) Matters relating to accounting;
- (14) Business year;
- (15) Method of public notice.

(Officers)

Article 69. The Japan Chamber of Commerce and Industry shall have a president, not exceeding five vice-presidents, a managing director, an executive director, and not exceeding four directors.

2. The Japan Chamber of Commerce and Industry shall have not exceeding fifty one executive committeemen.

3. The Japan Chamber of Commerce and Industry shall have two or three auditors.

4. The president, vice-presidents, and auditors shall be appointed at the general meeting of members from among members or shall be released from their office thereat.

5. Executive committeemen shall be appointed from among representatives of delegates at the general meeting of delegates, or shall be released from their office thereat.

6. A managing director, an executive director, and directors shall be appointed or released from their office by the president upon obtaining the consent from the general meeting of delegates.

(Duties of officers)

Article 70. The president shall represent the Japan Chamber of Commerce and Industry, and preside over the affairs thereof.

2. The vice-presidents shall assist the president and in case the president is incapacitated, shall act his duties, and when the presidency is vacant, conduct the duties thereof in conformity with such order as beforehand determined by the president.

3. The managing director shall control and dispose of the affairs of the Chamber by assisting the president and vice-presidents, and when they are incapacitated, shall act their duties and perform the duties thereof in case the presidency and vice-presidency are vacant.

4. The executive directors shall control and dispose of the affairs of the Chamber by assisting the president, vice-presidents, and the managing director, and when they are incapacitated, shall act their duties and perform the duties thereof in case the presidency, vice-presidency, and the position of the managing director are vacant.

5. The directors shall dispose of the affairs of the Chamber by assisting the managing director and executive directors.

6. The executive committeemen shall dispose of the affairs of the Chamber relating to the special matters entrusted by the president.

7. The auditors shall supervise and inspect the affairs and accounting of the Japan Chamber of Commerce and Industry and shall report the general meeting of members the result thereof.

(Prohibition on concurrent positions of auditors)

Article 71. Auditors shall not hold at the same time the positions of president, vice-president, managing director, executive director, director, executive committeemen, or staff employee.

(Mutatis mutandis application)

Article 72. The provisions of Article 35 paragraphs 7 and 8, and Article 36 shall apply mutatis mutandis to the officers.

(General meeting of delegates)

Article 73. The Japan Chamber of Commerce and Industry shall have the general meeting of members.

2. The general meeting of members shall be composed of all members.

3. The following matters shall, except as otherwise stipulated in this Law, be passed by vote at the general meeting of members: Provided, that such matters as indicated in items (4), (5), and (8) shall be entrusted to the general meeting of delegates in accordance with its articles of incorporation after the vote at the general meeting of members:

- (1) Modification of articles of incorporation;
- (2) Dissolution;
- (3) Establishment, modification, and abolition of bylaws concerning membership fee and election;
- (4) Establishment, modification, and abolition of bylaws (excluding bylaws as mentioned in the preceding item);
- (5) Decision on and change of business program and income and expenditure budget;
- (6) Removal of members;
- (7) Release from office of delegates;
- (8) Other matters as stipulated by its articles of incorporation.

4. The following matters shall, in the event that more than half of all members are present at the general meeting of members, be decided by vote of two thirds or more of such attendants:

- (1) Modification of articles of incorporation;
- (2) Removal of members;
- (3) Release from office of delegates.

5. The provisions of Article 17 paragraphs 2 to 4 inclusive, Article 41 paragraph 7, Article 45, Article 46 paragraphs 2 to 4 inclusive, Articles 47, and 48, and of Article 239 paragraph 5, Article 240 paragraph 2 (Voting right of specially interested persons), Article 243 (Resolution on postponement or continuation), Article 244 (Minutes), Articles 247 to 250 inclusive, Articles 252 and 253 (Cancellation or invalidity of resolution) (excluding the parts pertaining to the auditors among these provisions) of the Commercial Code shall apply mutatis mutandis to the general meeting of members. In this case, “Article 232” in Article 243 of the Commercial Code and “Article 343” in Article 247 paragraph 1 of the said Code shall read as “Article 45 of the Chamber of Commerce and Industry Law” and “Article 73 paragraph 4 of the Chamber of Commerce and Industry Law” respectively.

(General meeting of delegates)

Article 74. The Japan Chamber of Commerce and Industry shall set up the general meeting of delegates.

2. The general meeting of delegates shall be composed of delegates and officers (excluding directors and auditors) other than delegates.

3. The following matters shall be passed by vote at the general meeting of delegates:

- (1) Matters to be proposed to the general meeting of members;
- (2) Suspension of exercise of members' right;
- (3) Matters as mentioned in Article 73 paragraph 3 items (4), (5), and (8) and required to be so urgent as may not lose time for discussion at the general meeting of members.
- (4) Other matters as stipulated by its articles of incorporation.

4. The voting or election right of delegates and officers (excluding directors and auditors) other than delegates shall be one vote for each of them.

5. The provisions of Article 17 paragraph 2 to 4 inclusive, Articles 45 and 47, Article 48 paragraphs 1, 2, and 4, Article 51 paragraph 5, Article 52 paragraph 2, and of Article 239 paragraph 5, Article 240 paragraph 2 (Voting right of specially interested persons), Article 244 (Minutes), Article 247 (Excluding the latter part of paragraph 1), Articles 248 to 250 inclusive, Articles 252 and 253 (Cancellation or invalidity of resolution) (excluding the parts pertaining to the auditors among these provisions) of the Commercial Code shall apply mutatis mutandis to the general meeting of delegates. In this case, "Article 232" in Article 243 of the Commercial Code shall read as "Article 45 of the Chamber of Commerce and Industry Law" and "Article 73 paragraph 4 of the Chamber of Commerce and Industry Law".

(Delegates)

Article 75. The fixed number of delegates shall be prescribed by its articles of incorporation within one hundred and two persons.

2. Delegates shall be appointed by members in accordance with its articles of incorporation from among members.

3. The provisions of Article 41 paragraphs 4 and 8, Articles 43 and 44 shall apply mutatis mutandis to delegates.

(Meeting of executive committee)

Article 76. The Japan Chamber of Commerce and Industry shall establish the meeting of the executive committee.

2. The meeting of executive committeemen and officers (excluding director and auditors) other than the executive committeemen.

3. The following matters shall be passed by vote at the meeting of the executive committee:

- (1) Matters to be proposed to the general meeting of delegates;
- (2) Matters as mentioned in Article 73 paragraph 3 items (4) and (8) and required to be so urgent as may not lose time for discussion at the general meeting of delegates;
- (3) Other matters as stipulated by its articles of incorporation.

4. The provisions of Article 47, Article 48 paragraph 1 and 2, Article 51 paragraphs 3 to 5 inclusive, Article 52 paragraph 2, and of Article 239 paragraph 5, Article 240 paragraph 2 (Voting right of specially interested persons), Article 244 (Minutes), Article 247 (excluding the latter part of paragraph 1), Articles 248 to 250 inclusive, Articles 252 and 253 (Cancellation or invalidity of resolution) (excluding the parts pertaining to the auditors among these provisions) of the Commercial Code shall apply mutatis mutandis to the meeting of executive committee.

(Committees)

Article 77. The Japan Chamber of Commerce and Industry may establish committees in accordance with its articles of incorporation for the purpose of deliberation of important matters necessary for the attainment of the purpose.

(Dissolution and liquidation)

Article 78. The Japan Chamber of Commerce and Industry shall dissolve by the following causes:

- (1) Resolution of the general meeting of members;
- (2) Bankruptcy;
- (3) Cancellation of approval for establishment.

2. The provisions of Article 60 paragraphs 2 to 4 inclusive, Articles 61 and 62 and of Article 70 (Bankruptcy), Articles 73, 75 and 76, Articles 78 to 81 inclusive; Article 82 (excluding those under bankruptcy), and Article 83 (Liquidation) of the Civil Code shall apply

mutatis mutandis to the dissolution and liquidation of the Japan Chamber of Commerce and Industry.

In this case, “the general meeting of delegates” in Articles 61 and 62 shall read as “the general meeting of members.”

(Staff office)

Article 79. The Japan Chamber of Commerce and Industry shall have the staff office.

2. Necessary personnel shall be provided in the staff office in order to dispose of general affairs of incorporation.

3. Matters necessary for organization and operation of the staff office shall be prescribed by its articles.

(Mutatis mutandis application)

Article 80. The provisions of Articles 13 and 14, Articles 37 to 40 inclusive, Articles 57, 58 and 59 paragraph 1 shall apply mutatis mutandis to the Japan Chamber of Commerce and Industry. In this case, “merchants and industrialists within its area” in Article 13 paragraph 1 and “merchants and industrialists within the area of the said Article, and “ordinary general meeting of delegates” in Article 39 paragraphs 1 and 2 shall read as “Chamber of Commerce and Industry”, and “ordinary general meeting of members” respectively.

CHAPTER IV MISCELLANEOUS PROVISIONS

Article 81 and Article 82. Deleted.

(Public hearing in procedure of motion for objection)

Article 83. The Minister of International Trade and Industry shall, in case a motion for objection has been made with respect to the dispositions under the provisions of this Law or Ordinance based on this Law, hold a hearing except such cases as turning down pursuant to the provisions of paragraph 1 of the preceding Article.

2. In the public hearing, opportunities shall be given to interested persons for presenting evidences and stating opinions in respect of said case.

(Decision to motion for objection)

Article 84. The Minister of International Trade and Industry shall make decision on the case, taking the outcome of the hearing into consideration.

(Entrusting of power of Minister of International Trade and Industry)

Article 85. The Minister of International Trade and Industry may have the Director of International Trade and Industry Bureau or the governor of the prefecture conduct a part of the powers under this Law in accordance with Cabinet Order.

2. The provisions of the preceding two Articles shall apply *mutatis mutandis* in the case where the demand for investigation was made to the Minister of International Trade and Industry with respect to the dispositions made by the Director of International Trade and Industry or the prefectural governor based on the entrusting under the provision of the preceding paragraph.

(Exemption from application of Trade Association Law)

Article 86. The Trade Association Law (Law No. 191 or 1948) shall not apply to the activities of the Chamber of Commerce and Industry, etc. done under the provision of this Law.

CHAPTER V PENAL PROVISIONS

(Penal Provisions)

Article 87. Any person who has submitted such application or attached documents as stipulated in Article 27 paragraph 1 or paragraph 9 of the Supplementary Provisions by entering false statement therein shall be punished by a fine not exceeding thirty thousand yen.

(Ditto)

Article 88. Any person falling under any one of the following items shall be punished by a fine not exceeding ten thousand yen.

- (1) Any person who violated the provisions of Article 3 paragraph 2;
- (2) Any person who refused, disturbed, or evaded inspection under the provisions of Article 58 paragraph 1 (including such cases as applied *mutatis mutandis* in Article 80).

(Ditto)

Article 89. In the event that the violation as mentioned in each of the following eachs have been committed, the representative, the person acting therefor, employees, or other workers shall be punished by a fine not exceeding ten thousand yen:

- (1) When the provisions of Article 11 paragraph 3 were violated;
- (2) When share fund was levied without obtaining the permission from the Minister of International Trade and Industry under the provisions of Article 12 paragraph 1;
- (3) When the report as prescribed in Article 58 paragraph 1 (including such cases as applied *mutatis mutandis* in Article 80) was not filed, or the false report was submitted.

(Ditto)

Article 90. In case a representative of a juridical person, or agent, employees or other workers of a juridical person or an individual has committed such violations as mentioned in Article 87 to the preceding Article inclusive with respect to the business of such juridical person or individual, the said juridical person or individual shall be punished by such penalty as stipulated in each Article in addition to the punishment of the offender.

(Ditto)

Article 91. In the event that the violation as mentioned in each of the following items have been committed, the promoters, officers, or liquidator of such a Chamber of Commerce and Industry shall be punished by non-penal fine not exceeding ten thousand yen:

- (1) When the provisions of Article 16 paragraph 1, Article 38 (including such cases as applied mutatis mutandis in Article 72), or Article 39 (including such cases as applied mutatis mutandis in Article 72) were violated;
- (2) When such application or attached document as prescribed in Article 45 paragraph 2 (including such cases as applied mutatis mutandis in Article 73 paragraph 5), or Article 60 paragraph 2 (including such cases as applied mutatis mutandis in Article 78 paragraph 2) was submitted with false statement therein;
- (3) When the filing report or report under the provisions of Article 57 (including such cases as applied mutatis mutandis in Article 80) was not submitted or the false filing report or report was submitted;
- (4) When the declaration of bankruptcy under the provisions of Article 70 paragraph 2 or Article 81 paragraph 1 of the Civil Code as applied mutatis mutandis in Articles 63 and 78 was not demanded;
- (5) When the public notice under the provisions of Article 79 or Article 81 paragraph 1 of the Civil Code as applied mutatis mutandis in Articles 63 and 78 was not made, or the illegal public notice was made;
- (6) When such registration as stipulated in this Law or as prescribed in the Commercial Code as applied mutatis mutandis in this Law was not made;
- (7) When such matters as should be entered in its articles of incorporation, business report, balance sheet, income and expenditure statement, inventor, or minutes were not stated, or untrue statement was entered therein.

SUPPLEMENTARY PROVISIONS

(Enforcement date)

1. This Law shall come into force as from October 1, 1953.

(Abolition of Chamber of Commerce and Industry Law)

2. The Chamber of Commerce and Industry Law (Law No. 215 of 1950; hereinafter referred to as “Old Law”) shall be abolished.

(Change of organization)

3. An actually existing Chamber of Commerce and Industry (excluding the actually existing Japan Chamber of Commerce and Industry; hereinafter referred to as “the former Chamber of Commerce and Industry”) at the time of the enforcement of this Law may become a Chamber of Commerce and Industry under this Law by changing its organization by March 31, 1995.

4. The former Chamber of Commerce and Industry shall, in order to become Chamber of Commerce and Industry by changing its organization, convene the general meeting of members pursuant to its articles of incorporation (hereinafter referred to as “Old articles”) of the former Chamber of Commerce and Industry.

5. At the general meeting of members as indicated in the preceding paragraph, such matters as may be necessary for the modification of its articles of incorporation, the decision on the business program and income and expenditure budget, or any other organization change shall be voted, and the officers and delegates shall be appointed.

6. The proceedings of the general meeting of members as mentioned in paragraph 4 or the Supplementary Provisions shall, in the event that more than a half of members are present, be decided two thirds or more of such attendants.

7. The voting and election rights of members at the general meeting of members as indicated in paragraph 4 of the Supplementary Provisions shall be as heretofore stipulated in the Old articles.

8. At the general meeting of members as mentioned in paragraph 4 of the Supplementary Provisions, such fixed numbers of the executive committeemen from among the officers and of the delegates as respectively indicated in paragraph 5 of the Supplementary Provisions may notwithstanding the provisions of the modified articles in accordance with the provisions of Articles 32 and 42 as well as paragraph 5 of the Supplementary Provisions, be determined by the resolution thereof within the fixed numbers of such directors and delegates as respectively prescribed in the Old articles.

9. The former Chamber of Commerce and Industry shall, after the end of the general meeting of the delegates as indicated in paragraph 4 of the Supplementary Provisions, submit without delay an application together with such documents as prescribed by the Ministry of International Trade and Industry Ordinance to the Minister of International Trade and Industry and apply for the approval for the change of its organization.

10. The actually existing Japan Chamber of Commerce and Industry (hereinafter referred to “former Japan Chamber of Commerce and Industry”) at the time of the enforcement of this Law, may become the Japan Chamber of Commerce and Industry under this Law by changing the organization thereof by March 31, 1995.

11. The provisions of paragraphs 4 to 7 inclusive and paragraph 9 of the Supplementary Provisions shall apply mutatis mutandis to the former Japan Chamber of Commerce and Industry.

12. The change of organization under the provisions of paragraph 3 or paragraph 10 of the Supplementary provisions shall take effect through the registration at the location of its principal office of the said Chamber of Commerce and Industry or the Japan Chamber of Commerce and Industry.

13. Matters necessary in regard to the registration as stipulated in the preceding paragraph shall be prescribed by Cabinet Order.

14. The provisions of Article 17 paragraphs 2 to 4 inclusive, Article 27 paragraph 2, Articles 28 and 29, and the provisions to Article 36 paragraph 1, the proviso to Article 43 paragraph 1, and of Article 244 (Minutes), Articles 247 to 250 inclusive, Articles 252 and 253 (Cancellation or invalidity of resolution), and Article 428 (Suit for invalidity of establishment) of the Commercial Code shall apply mutatis mutandis to the change of organization of the former Chamber of Commerce and Industry or the former Japan Chamber of Commerce and Industry. In this case, “Article 343” in Article 247 paragraph 1 of the Commercial Code shall read as “paragraph 6 of the Supplementary Provisions of the Chamber of Commerce and Industry Law”.

15. A Chamber of Commerce and Industry may become a member of the former Japan Chamber of Commerce and Industry.

16. A Chamber of Commerce and Industry may in case the change of organization of the former Japan Chamber of Commerce and Industry has taken effect become a member of the Japan Chamber of Commerce and Industry from the time thereof up to March 31, 1955.

17. With regard to the former Chamber of Commerce and Industry and the former Japan Chamber of Commerce and Industry, the Old law shall be effective up to March 31, 1995.

(Transitional Provisions concerning penal provisions)

18. The application of the penal provisions to an act or acts committed prior to the abolition of the Old Law shall be as heretofore.

SUPPLEMENTARY PROVISIONS

(Law No. 89, May 20, 1960)

(Enforcement date)

~~—Article 1. This law shall come into force as from the day prescribed by Cabinet Order within the scope not exceeding two months counting from the day of its promulgation (enforced as from June 10, 1960 by Cabinet Order No. 148 of 1960).~~

SUPPLEMENTARY PROVISIONS

(Law No. 123, June 10, 1961)

(Enforcement date)

Article 1. This law shall come into force as from the day prescribed by Cabinet Order within the scope not exceeding two months counting from the day of its promulgation (enforced as from July 15, 1961 by Cabinet Order No. 25 of 1961).

SUPPLEMENTARY PROVISIONS

(Law No. 161, September 15, 1962)

(Enforcement date)

Article 1. This law shall come into force as from the day prescribed by Cabinet Order within the scope not exceeding two months counting from the day of its promulgation (enforced as from October 1, 1962.

SUPPLEMENTARY PROVISIONS

(Law No. 130, December 31, 1971)

(Enforcement date)

Article 1. This law shall come into force as from the effective day of the Agreement between Japan and United States of America concerning the Ryukyu Islands and the Daito Islands (May 15, 1972).

SUPPLEMENTARY PROVISIONS

(Law No. 23, April 2, 1974)

(Enforcement date)

Article 1. This law shall come into force as from the day prescribed by Cabinet Order ~~within the scope not exceeding six months counting from the day of its promulgation (enforced as from October 1, 1974 by Cabinet Order No. 159 of 1974).~~

ANNEX G

Thai Chamber Law

**CHAMBER OF COMMERCE ACT,
B.E. 2509 (1966)**

BHUMIBOL ADULYADEJ, REX.

**Given on the 4th day of April, B.E. 2509(1966)
Being the 21st Year of the Present Reign.**

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that:
Whereas it is expedient to have a law on chambers of commerce,

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 “Chamber of Commerce Act, B.E. 2509”

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette.¹¹

Section 3. All other laws, rules and regulations, in so far as they are already provided in, or are contrary to or inconsistent with the provisions of, this Act, shall be replaced by this Act.

¹¹ English translation approved by the Office of Juridicial Council. Published in the Government Gazette, Vol. 83, dated 26th April, B.E. 2509 (1966).

Chapter I
General Provisions

Section 4. In this Act:

~~“Chamber of commerce” means an institution established by several persons for the promotion of trade, industry, agriculture, finance or economy other than for sharing profit or income;~~

“State enterprise” means a State enterprise under the law on Budgetary Procedure exclusively whereby it is a juristic person with objectives concerning trade, industry, agriculture, finance or economy;

“Co-operative society” means a co-operative society under the law on co-operative societies exclusively whereby its objectives concern trade, industry, agriculture, finance or economy;

“Registrar” means the Central Chamber of Commerce Registrar or the Changwat Chamber of Commerce Registrar, as the case may be;

“Official” means a person appointed by the Ministry to carry out this Act;

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

Section 5.

The Minister of Economic Affairs shall have charge and control of the execution of this Act, and shall have the power to appoint officials and to issue Ministerial Regulations prescribing fees not exceeding the rates attached to this Act and prescribing other activities for the purpose of carrying out this Act.

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

Chapter 2

Establishment of a Chamber of Commerce

Section 6.

Chambers of commerce are of 4 categories, as follows:

- (1) **Changwat** chamber of commerce;
- (2) Thai chamber of commerce;
- (3) Foreign chambers of commerce;
- (4) Board of Trade of Thailand

Section 7.

There shall be an establishment of a Central Chamber of Commerce Registration Office in the Department of Internal Trade, Ministry of Economic Affairs, in order to control the issue of a license and the registration of chambers of commerce throughout the Kingdom, and also to function as the Chamber of Commerce Registration Office for **Changwat** Phra Nakhonn and **Changwat** Thon Buri.

There shall be established, in **Changwat** other than **Changwat** Phra Nakhon and **Changwat** Thon Buri, and the Governors of Changwat other than **Changwat** Phra Nakhon and **Changwat** Thon Buri shall be the **Changwat** Chamber of Commerce Registrars.

Section 8.

No person shall establish a chamber of commerce unless a license has been obtained from the Registrar.

A branch of a chamber of commerce may not be established.

Section 9.

~~In applying for a license, not less than five promoters shall file an application with the Registrar in accordance with the requirements and procedures prescribed in the Ministerial Regulation.~~

Section 10.

When the Registrar has received an application for a license and, having considered the application, he is of the opinion that no regulation is contrary to the law, is a threat to the economy or security of the country or public order or good morals, and that the promoters are of good status and conduct, he shall grant and issue a chamber of commerce license to the applicants and shall thereafter registrar the chamber of commerce.

If the Registrar gives an order of refusal, he shall notify the applicants of the order, in writing, without delay. The applicants have a right to appeal against the order by filing an appeal, in writing, with the Minister within fifteen days from the day of the receipt of the notification thereof. The decision of the Minister shall be final.

The Central Chamber of Commerce Registrar shall publish the grant of a license to establish a chamber of commerce and the dissolution thereof in the Government Gazette.

Section 11.

A chamber of commerce, which has been granted a license and registered, shall become a juristic person.

Section 12.

If a chamber of commerce license is lost or destroyed, the chamber of commerce shall apply for a substitute license.

Section 13.

A chamber of commerce must have regulations, and such regulations must, at least, contain the following particulars:

- (1) Name;
- (2) Objectives;
- (3) Office address;
- (4) Procedures for admitting and excluding a member to and from the chamber of commerce, as well as the rights and duties of a member;
- (5) The operation of the chamber of commerce, the appointment, retirement and meeting of the directors, as well as the general meeting.

~~The regulations of a chamber of commerce must be registered with the Registrar at the same time of the filing of an application to establish the chamber of commerce. If the Registrar considers it appropriate, he may order the regulations to be amended before issuing a license.~~

Section 14.

Only one **Changwat** chamber of commerce may be established and may exist in each **Changwat**, except in **Changwat Phra Nakhon** and **Changwat Thon Buri** where there shall be only one **Changwat** chamber of commerce called the Thai Chamber of Commerce.

Only one foreign chamber of commerce for each nationality may be established and may exist exclusively in **Changwat Phra Nakhon** or in **Changwat Thon Buri**.

Section 15.

The Board of Trade of Thailand may be established by the Thai Chamber of Commerce, Foreign Chambers of Commerce, Trade Associations, State enterprises and Co-operative societies.

Section 16.

The name of a chamber of commerce must be in Thai characters, but may be accompanied by foreign characters after or below the Thai characters, and the name used must only be that contained in the regulations. No institution shall use the phrases, "Changwat Chamber of Commerce, Thai Chamber of Commerce, Foreign Chambers of Commerce or Board of Trade of Thailand, or that of similar meaning, as a part of its name without being a chamber of commerce under this Act.

A chamber of commerce shall have a clearly legible name-plate placed in front of its office.

Section 18.

The Registrar shall have the power to issue a written order requiring any person to appear for inquiry or to send a document for the purpose of the consideration concerning an application to establish a chamber of commerce.

Chapter 3 Members and Board of Directors of a Chamber of Commerce

Section 19.

Members of a chamber of commerce are only of 4 categories, as follows:

Co-operative

- (1) Ordinary member;
- (2) Extraordinary member;
- (3) Associate member;
- (4) Honorary member.

Only an ordinary member has a right to be elected as a director of the chamber of commerce.

Section 20.

Subject to section 21, a member of a **Changwat** chamber of commerce must have a domicile in the **Changwat** where such chamber of commerce is situated, and must be a natural person of Thai nationality or a juristic person ~~of which partners or shareholders holding more than one-half of its capital are of Thai nationality, and is a person~~ engaged in trading, industrial, agricultural, financial or economic enterprise, or must be a trade association with more than one-half of the total number of members of which are of Thai nationality or must be a State enterprise or a co-operative society.

A natural person or a juristic person, not being of Thai nationality, or a trade association, more than one-half of the total number of members of which are aliens, may only be an associate member of a **Changwat** chamber of commerce.

A **Changwat** chamber of commerce must be a member of the Thai Chamber of Commerce.

Section 21.

The Thai Chamber of Commerce consists of members having domicile in **Changwat** Phra Nakhon or **Changwat** Thon Buri, who are natural persons of Thai nationality or juristic persons of which partners or shareholders holding more than one-half of its capital are of Thai nationality, and are persons engaged in trading, industrial, agricultural, financial, or economic enterprises, or are State enterprises, or co-operative societies of Changwat chambers of commerce.

Section 22.

A foreign chamber of commerce consists of members who have domicile in Changwat Phra Nakhon or Changwat Thon Buri, the majority of which are natural persons of a foreign nationality or juristic persons of which partners or shareholders holding more than one-half of its capital inclusive of that of its branches registered abroad, are of a foreign nationality, and are persons engaged in trading, industrial, agricultural, financial, or economic enterprises.

A foreign chamber of commerce must be a member of the Board of Trade of Thailand.

Section 23.

The Board of Trade of Thailand consists of members who are representatives of the Thai Chamber of Commerce, the number of which is not less than one-half of the number of members of the Board of Trade of Thailand, five representatives from each of the foreign chambers of commerce, two representatives from each trade association, State enterprise, and co-operative society.

A natural person or a juristic person, being a member of the Thai Chamber of Commerce, a foreign Chamber of Commerce, a trade association or a co-operative society, may only be an associate member of the Board of Trade of Thailand.

Section 24.

The Boards of the chambers of commerce shall be as follows:

- ~~(1) The Board of the **Changwat** chamber of commerce, consisting of the directors elected from ordinary members by the general meeting of the number in accordance with the regulations of such **Changwat** chambers of commerce;~~
- (2) The Board of the Thai Chamber of Commerce, consisting of the directors elected from ordinary member by the general meeting, of the number in accordance with the regulations of the Thai Chamber of Commerce, but not less than three of whom must be elected from the members who are the representatives of the various **Changwat** chambers of commerce;
- (3) The Board of a foreign chamber of commerce, consisting of the directors elected from ordinary members by the general meeting of the foreign chamber of commerce, of the number in accordance with the regulations of such foreign chamber of commerce;
- (4) The Board of Directors of the Board of Trade of Thailand shall consist of:
 - ~~(a) President of the Thai Chamber of Commerce as its ex-officio Chairman;~~
 - (b) Two Vice-Chairmen: the Board of Directors of the Board of Trade of Thailand shall elect the first Vice-Chairman from the directors of the Thai Chamber of Commerce and the second Vice-Chairman from the directors of the foreign chambers of commerce;
 - (c) Every President of a foreign chamber of commerce as a director;
 - (d) Members representing trade associations, totaling four in number, elected by general meeting of the Board of Trade of Thailand as directors;
 - (e) Members representing the Thai Chamber of Commerce of the number equal to those of the directors in (c) and (d) together elected by the general meeting of the Board of Trade of Thailand as directors;
 - (f) Members representing the State enterprises and the co-operative societies, totaling six in number, appointed by the Ministry of Economic Affairs, as directors.

Chapter 4 Operation of a Chamber of Commerce

Section 25.

A chamber of commerce shall have a Board to operate the chamber of commerce and to be its representative in dealing with outsiders.

For this purpose, the Board may authorize one or more directors to act on its behalf.

Section 26.

Apart from the retirement under the regulations of a chamber of commerce, a director of the chamber of commerce shall vacate his office upon being bankrupt or punished by a final judgment under this Act, and is henceforth disqualified from being a director in any chamber of commerce unless a period of three years has elapsed from the discharge from bankruptcy or the day of the discharge from punishment.

Section 27.

A member of a chamber of commerce has a right to demand the examination of the activities and the property of the chamber of commerce by filing a written application with the chamber of commerce.

Section 28.

A chamber of commerce shall have the following duties:

(1) to promote trade, industry, agriculture, finance and economy in general, such as to collect statistics, to disseminate trade information, to research in connection with trade and economy, to promote tourism, to issue a certificate to the origin of goods, to fix the quality standard of goods, to check the standard of goods, to establish and to operate an educational establishment concerned with trade and economy, to establish and to operate a trade center, to arrange a trade exhibition, to be an arbitrator in a trade dispute;

(2) to give advice and make recommendation to a member concerning trade, industry, agriculture, finance or economy, and to provide various facilities in the business operation of a member;

(3) to give advice and make recommendation to the government for the economic development of the country;

(4) to co-ordinate in trading between persons engaged in trade and the government;

(5) to conduct other activities as may be specified by law to be the duties of the chamber of commerce, or as may be entrusted by the government.

Section 29.

Subject to section 28, a chamber shall not act in any of the following:

(1) engaging itself in an enterprise, or managing an enterprise of its member, or participating in, holding the shares of, being a partner of, contributing capital to, the engagement of an enterprise with any person;

(2) acting in any way to suppress the increase of the price of goods or services excessively causing instability concerning the price of goods or services;

(3) giving or lending money to a member or any other persons except for public charity or under a moral obligation or social appropriateness;

(4) acting in any way to increase, reduce or restrict production, amount of goods distributed or other services, and such action is detrimental to the domestic or foreign market of trade, finance, or economy of the country;

(5) acting in any way to destroy competition which may normally be entertained in the engagement of an enterprise except where it is an implementation of a governmental policy or regulation;

(6) acting in any way that may be a threat to the economy or security of the country or to public order or good morals;

(7) obstructing or preventing any person who is qualified to be a member under the regulations of the chamber of commerce from becoming a member, or forcing a person in any way against his will to become a member, or forcing a member by a dishonest motive to resign from the chamber of commerce, or contrary to the regulations of the chamber;

(8) disclosing statistics, documents or information concerning the private interest of any member except with written consent from such member;

(9) authorizing or permitting any person who is not a director to perform the duty of a director.

Section 30.

A chamber of commerce shall not distribute profit or income among its members, or carry on a political activity.

Chapter 5
Control of a Chamber of Commerce

Section 31.

The registrar shall have the power to issue a written order requiring a director or member to appear and to explain a fact concerning the activities of the chamber of commerce or to send a document concerning its operation or minutes of its meeting.

Section 32.

For the purpose of carrying out this Act, the Registrar or the official shall have the power to enter the office of a chamber for the purpose of inspection during its office hours.

In acting under paragraph one, the official shall show his identity card to the person concerned.

The identity card shall be in the form prescribed by the Minister.

In the action of the Registrar or the official under paragraph one, the person concerned shall provide reasonable facilitation or assistance, or give information to the registrar or the official as requested.

Section 33.

A chamber of commerce shall prepare a membership register to be kept in the office of the chamber of commerce, and shall deliver a copy thereof to the Registrar within a period of ninety days from the day of obtaining a license and being registered as a chamber of commerce. ~~The membership register shall at least contain the following particulars.~~

- (1) Name and nationality of the member;
- (2) Name used in the engagement of the enterprise and category of the enterprise;
- (3) Address of the office of the member;
- (4) Date of membership.

Section 34.

A chamber of commerce shall prepare its balance sheet at least once in every twelve months, which constitutes its accounting year.

The balance sheet must contain the amount of the assets and liabilities of the chamber of commerce together with an account of income and expenditure. The balance sheet must be completed and audited and then submitted

to a general meeting of the chamber of commerce for approval within a period of one hundred and twenty days from the last day of the accounting year.

Section 35.

A chamber of commerce shall prepare an annual report showing the result of the operation of the chamber of commerce to be submitted to a general meeting at the time of the submission of the balance sheet, and shall deliver a copy of the report and that of the balance sheet to the Registrar within a period of thirty days from the day of the general meeting.

Section 36.

An amendment to the regulations of a chamber of commerce may be made only by a resolution of a general meeting, and must be registered with the Registrar within a period of thirty days from the day of the resolution of the general meeting. If the Registrar considers that such amendment is inconsistent with the objects of the chamber of commerce or contrary to the law, he shall not register such amendment.

If the Registrar refuses to register an amendment to the regulations, section 10 paragraph two, shall apply **mutatis mutandis**.

Section 37.

The appointment or replacement of a director of a chamber of commerce must be registered with the Register within a period of thirty days from the day of the appointment or replacement.

If the Registrar considers that the person appointed as a director to be of an inappropriate status or of bad conduct, or has a reasonable cause to suspect that such person may be a threat to the economy or security of the country or to public order or good morals, he has the power to refuse to register such person as a director of the chamber of commerce.

Section 38.

Any person who wishes to examine, copy, or have copied and certified, a document concerning a chamber of commerce, shall make an application in the form prescribed by the Central Chamber of Commerce Registrar.

Section 39.

When it appears that the Board, a director or a member of a chamber of commerce, does any act which may be a threat to the economy or security of the country, or to public order or good morals, the Registrar shall have the power to issue a written order requiring the Board, the director or the member to stop such action or to rectify it within a period of time prescribed by the Registrar.

Section 40.

When a chamber of commerce does an act which violates section 29, the Minister has the power to order the whole Board or an individual director to vacate his office. In such a case, the Board or the director is disqualified from being a director of the chamber of commerce unless a period of three years has elapsed from the day of the order of the Minister to vacate the office.

Section 41.

When there is a cause to suspect that any chamber of commerce is to act unlawfully or to be a threat to the economy or security of the country, or to public order or good morals, the Registrar shall have the power to issue a written order requiring the chamber of commerce to notify him at least three days in advance of the date and time of every meeting of the chamber of commerce. In such a case, the Registrar or the official shall have the power to attend the meeting.

Where any chamber of commerce fails to notify the date and time of its meeting in accordance with the order of the Registrar, the Registrar shall have the power to order the chamber of commerce to suspend its meeting, each time, for not more than ninety days from the day the Registrar issues the order. In case the Registrar issues an order suspending a meeting, section 20 paragraph two, shall apply **mutatis mutandis**.

Section 42.

If the general meeting of a chamber of commerce passes a resolution in violation of a law or its regulations, upon the request of any member or an official, the Registrar shall have the power to revoke such resolution. But in case a member requests for the revocation, he shall so request within a period of thirty days from the day of the passing of such resolution.

Section 43.

The Minister shall have the power to dissolve a chamber of commerce upon the following events:

- (1) when it appears that an action of the chamber of commerce is contrary to the law or is a threat to the economy or security of the country, or to public order or good morals;
 - (2) when the chamber of commerce does an act in violation of section 29, and such act is a serious harm;
 - (3) when the chamber of commerce is unable to continue its operation or has ceased its operation for two years or upwards;
-

- (4) when it appears that the chamber of commerce authorizes or permits another person who is not a director to perform the duty of a director.

Any director of the chamber of commerce, of which dissolution the Minister orders under (1), (2) or (4), who participated in the act which causes the Minister to order its dissolution, is disqualified from being a director of the chamber of commerce unless a period of three years has elapsed from the day the Minister issues the order to dissolve the chamber of commerce.

Chapter 6

Dissolution of a Chamber of Commerce

Section 44.

A chamber of commerce is dissolved upon any of the following causes:

- (1) upon the resolution of the general meeting for its dissolution;
- (2) upon being bankrupt;
- (3) upon the order of the Minister under section 43 for its dissolution.

The chamber of commerce dissolved under (1) or (2) shall notify the registrar of the dissolution within a period of fifteen days from the day of the occurrence of the cause for its dissolution.

Section 45.

Subject to section 10 paragraph three, when a chamber of commerce is dissolved upon any cause specified in section 44, the Registrar shall revoke the license and delete the name of the chamber of commerce from the Register. ~~In such a case, it shall be deemed that the chamber of commerce may continue to act only as far as it is necessary for the purpose of liquidation.~~

Section 46.

The provisions of the Civil and Commercial Code on the liquidation of registered partnerships, limited partnerships and limited companies shall apply **mutatis mutandis** to the liquidation of a chamber of commerce dissolved under section 44.

Section 47.

~~After the liquidation, the remaining property, if any, may not be distributed among the members of the chamber of commerce. Such property must be transferred to another juristic person the objects of which concern a public charity specified in the regulations of the chamber of commerce. If no juristic person is specified, it shall be transferred to any juristic person the objects of which concern a public charity, as may be resolved by the general meeting. In cases other than as mentioned above, the remaining property shall vest in the State.~~

**Chapter 7
Penalties**

Section 48.

~~Any person who violates section 8 shall be liable to imprisonment for not more than one year or to a fine of not more than ten thousand Baht or to both.~~

Section 49.

Any person who is member of a chamber of commerce not licensed under section 8 shall be liable to a fine of not more than two thousand Baht.

Section 50.

Any person who violates section 16 shall be liable to a fine of not more than two thousand Baht and an additional fine of not more than fifty Baht a day until rectification is made.

Section 51.

Any person who violates section 17 shall be liable to a fine of not more than two thousand Baht and an additional fine of not more than fifty Baht a day until cessation of such use.

Section 52.

Any person who fails to comply with the order of the Registrar under section 18 or section 31, or fails to comply with section 32 paragraph four, shall be liable to a fine of not more than one thousand Baht.

Section 53.

Any chamber of commerce which refuses to allow its member to examine the activities and property of such chamber of commerce under section 27 shall be liable to a fine of not more than one thousand Baht.

Section 54.

Any chamber of commerce which violates section 29 or section 30 shall be liable to a fine of not more than fifty thousand Baht.

Section 55.

Any director of a chamber of commerce who violates section 29, or does an act contrary to its objects and such act is a threat to the economy and security of the country, or to public order or good morals, shall be liable to a fine of not more than thirty thousand Baht.

Section 56.

Any chamber of commerce which violates section 33, section 34, section 35, section 36 or section 37 paragraph one, shall be liable to a fine of not more than thirty thousand Baht.

Section 57.

Any person who fails to comply with the order of the Registrar under section 39 or section 41 paragraph one or paragraph two, shall be liable to a fine of not more than two thousand Baht.

Section 58.

~~Any person who violates section 40 or remains a director or a member of a chamber of commerce which has been dissolved under section 44 or section 61 paragraph three, shall be liable to imprisonment for not more than two years or to a fine of not more than twenty thousand Baht or to both.~~

Section 59.

Any chamber of commerce which violates section 44 paragraph two, or fails to comply with section 46, shall be liable to a fine of not more than one thousand Baht.

Section 60.

Any person who violates section 47 shall be liable to imprisonment for not more than one year or to a fine of not more than ten thousand Baht or to both.

Section 61.

Every chamber of commerce, board of trade, or association having the same characteristics or objects as those of a chamber of commerce which was registered under the Civil and Commercial Code prior to the day this Act comes into force, must, if it wishes to become a chamber of commerce under this Act, apply for a chamber of commerce license within a period of ninety days from the day this Act comes into force. And when it has been licensed as a chamber of commerce under this Act, the Registrar of Association under the Civil and Commercial Code shall delete the name of such chamber of commerce, board of trade or association from the Registrar of Association.

All the property and liabilities of a chamber of commerce, board of trade or association having the same characteristics or objects as those of a chamber of commerce licensed and registered under this Act shall be transferred to the newly established chamber of commerce.

If a chamber of commerce, board of trade, or association having the same characteristics and objectives as those of a chamber of commerce registered as an association having the same characteristics and objectives as those of a chamber of commerce registered as an association under the Civil and Commercial Code, does not apply for a chamber of commerce license under this Act within the period of time mentioned in paragraph one, it shall be deemed dissolved, and the Registrar of Association under the Civil and Commercial Code shall delete the name of such chamber of commerce, board of trade and association from the Registrar of Associations.

If a chamber of commerce, board of trade, or association having the same characteristics or objectives as those of a chamber of commerce is dissatisfied with the order of the Registrar under the Civil and Commercial Code to have its name deleted from the Registrar of Associations, it has a right to appeal against such order, by filing a written appeal with the Minister within a period of fifteen days from the day of the receipt of the order. The decision of the order, the Minister shall be final.

Countersigned by:

Field Marshal Thanom Kittikachorn
Prime Minister

BIBLIOGRAPHY

ANNEX E

**Internal Revenue Code
of
The United States of America
Section 501(c)(6)**