

Monthly Law Update

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JUDICIARY

Royal Decree no NS/RKT/0416/412 on the Symbol, Seal, Image, Rank, and Official Uniform in National Ceremonies for the Supreme Council of Magistracy and Court of all Instances, dated 25 April 2016

The objective of the Royal Decree is to designate a symbol, seal, image, rank and an official uniform for National Ceremonies for acknowledging Supreme Council and Court of all Instances in Cambodia. The specifications of the Symbol, Seal, Image, Rank, and Official Uniform are specifically mentioned in the Royal Decree; for instance, the symbol of Supreme Council of Magistracy and Courts is curved shape with a height of 1.5 centimeters.

LABOR AND SOCIAL AFFAIRS

Circular No. 06 on the 67th International Children's Day on June 1 and the 15th World Day against Child Labor on June 12 and Cambodia Children's Day 2016

From an international and Cambodian historical perspective, children have been the main victims of war, namely the tragedy of massive killings during the Second World War and the Pol Pot regime. Up until now, children have been protected under both international and national legal instruments such as the U.N.Convention on the rights of the child, and the ILO convention on the prohibition of child labor. In addressing the protection of children, Cambodia has also adopted legal provisions for child protection, regardless of the position of other members, invoking legal instruments such as the Constitution, laws on, the prevention of domestic violence and protection of victims. Following on from this, other government policies relevant to the protection of the child have been adopted, with the Cambodian government also establishing a committee specifically for the protection of children. On the occasion of Children's day and to celebrate and promote the recognition of children rights, the Cambodia government has displayed posters and prepared a program for children in Phnom Penh with games and discussions.

Decision No. 160/002/2016 of Constitutional Council dated 05 May 2016 on Trade Union Law

The Constitutional Council decided that the law on Trade Unions, adopted on 04 April 2016 in the 6th session of the 5th legislature of the National Assembly, and that the Senate examined and totally approved the form and the substance in the 8th session of the 3rd legislature dated 12 April 2016, is announced to be in accordance with the Constitution.

This decision was made in Phnom Penh on 5 May 2016 in the plenary of the Constitutional Council. It is a final decision and shall be implemented to all powers stated in the Constitution and published in the Royal Gazette.

Sub Decree No. 93 on the establishment of an inter-ministerial committee on leading, reviewing and evaluating implementation of the 2015-2025 National Employment Policy

The Ministerial Committee was established to lead, review and evaluate implementation of the National Employment Policy, within the period 2015 to 2025. This committee, consisting of 26 members, includes the Minister of Labor and Training as the president, and Secretaries of State, of various relevant ministries, such as the Ministry of Labor and Vocational Training, Ministry of Economy and Finance, Ministry of Commerce, Ministry of Education Youth and Vocational Training.

PUBLIC LAW

Sub-Decree No. 72 dated May 05, 2016 on the Management of Mineral Resource Exploration License and Industrial Mining License

This sub-decree addresses the management of mineral resource exploration and exploitation licenses as follows:

-Management of mineral resource operations under a mineral resource exploration license and an industrial mining license

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LEGAL DATABASE

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- -Management of the use of land under a mineral resource exploration license and an industrial mining license
- -Procedures, formalities, and conditions of granting mineral resource exploration licenses and industrial mining licenses
- -Rights and obligations of licensee in operating a mineral resource exploration license and an industrial mining license

To obtain an exploration license, natural persons or legal entities are required to file an application with the Ministry of Mines and Energy, attaching the required documents, as listed in the sub-decree. Applicants are also required to provide a deposit for the validity period of the license. If not, the license will not be granted. The exploration license validity is for two years and can be renewed twice, as long as each renewal does not exceed two years. An exploration license may be subject to suspension, or revocation, if the licensee fails to comply with those obligations laid down in this sub-decree.

After obtaining an exploration license, the licensee may file an application with the Ministry of Mines and Energy to obtain an industrial mining license. The validity of an industrial mining license is for twenty-one years maximum or equal to the period of the mineral resource exploitation project, if this project is less than twenty-one years. It can be renewed twice, as long as each renewal does not exceed ten years. In some exceptional circumstances, derogation to the above-mentioned maximum renewal period may be permitted.

License and/or mineral resource investment agreement holders under the existing regime are required to file an application with the Ministry of Mines and Energy to be re-granted a license, and/or to have the mineral resource investment agreement revised within eighty days, starting from the time when this sub-decree came into effect. If not, they shall continue their mining operations under existing conditions and provisions until the expiration or revocation of these license and/or mineral resource investment agreement.

This sub-decree lays out statutory obligations, for industrial mining license holders, following the obtaining of a license. The industrial mining license holders are required to update their documents regarding, rules and measures of work safety, closure of mining sites, and restoration of environment projects. A report must be submitted to the Ministry of Mines and Energy.

The industrial mining license holders are also required to report to the Ministry of Mines and Energy, by the 15th day of the following month, their monthly production and sales of mineral products. In addition, the industrial mining holders must provide, the Ministry of Mines and Energy, at least ninety days notice, prior to the closure, or permanent cessation, of mining sites

Industrial mining license may be subject to revocation if the licensees fail to comply with the above-mentioned obligations and other obligations laid down in this sub-decree, do not pay fines, or do not correct violations of their obligations.

Decision No. 42 dated May 09, 2016, on the establishment of a specialized working group to prepare the draft of the bilateral investment agreement between the Royal Government of Cambodia and the Government of United States of America

This decision appoints H.E Sok Chendasophea, Minister attached to the Prime Minister, and Secretary General of the Council for the Development of Cambodia (CDC), to be chairman of the specialized workgroup, studying the draft of a Bilateral Investment Agreement, between the Royal Government of Cambodia and the Government of America.

As its main mission, the workgroup has to prepare, in detail, the legal, economic, political and technical aspects of the bilateral investment agreement draft, between the Royal Government of Cambodia and the Government of America, and to present a report on the result of its work to the Head of the Government.

To fulfill its mission, the established workgroup may consult with, or ask for participation, from representatives of Ministries, institutions, the private sector, international specialists, and other stakeholders.

Sub-decree No. 65 (RGC) dated 25 April, 2016 on establishing and processing of Special Operating Agencies (SOAs) of the Ministry of Health.

The purpose of this sub-decree is to establish and manage the special operating agencies in the 4 provincial health hospitals located in Kampot, Prey Veng, Kratie and Kampong Thom. The mission, roles, duties, and organizational structure, of the SOAs, are defined under this sub-decree.

A SOA is a Ministry agency providing health services to the public, under the control of the Ministry of Health. This sub-decree entrusts the SOAs with the duty to:

- •Provide the public health service with quality and effective interventions in response to needs
- •Improve work performance management

- •Change the attitudes and behaviour of officials in accordance with the standards of the Public Administration
- •Build staff capacity in order to provide quality public health services

The Minister in Charge of the Council of Ministers, Minister of Economy and Finance, Minister of Health, all relevant Ministers, Secretaries of State, and relevant institutions shall implement this subdecree as from the date of signature.

Sub-decree no 426, dated 08 April 2016, on the modification of the composition of the National Authority for Land Dispute Resolution

The objective of the sub-decree is to modify the composition of the National Authority for land dispute resolution, as outlined below:

- 1.H.E Ben Chen: Stand-by Vice Prime Minster (President)
- 2.H.E Em Sousdey: Senior Minister charged with a special mission (the first deputy President)
- 3.H.E Chea Sophara: Senior Minister, Minister of Land Management, Urban Planning and Construction.

Sub decree on the establishment of an orientation committee to resolve land disputes in the Angkor Tourism Zone and other areas managed by the Apsara Authority

A committee has been created to solve disputed land issues in the Angkor Tourism Zone, and other areas, under the management of Apsara Authority. This Committee is composed of the Deputy Prime Minister, and the Minister in charge of the Office of the Council of Ministers, who will also be the Head of the Committee and of Apsara Authority.

The Committee has the following responsibilities and duties:

- lead the consultation process with the aim of finding a resolution to land conflicts in the area of Angkor Tourism and other areas managed by the Apsara Authority.
- Outline government political policy, and propose activities, plans, and procedures, during relevant interventions to implement the work successfully.
- Lead policy implementation until there is a successful outcome.
- Carry out checks and provide recommendations for policy implementation.
- Submit a report of the outcomes to the Head of the Government

This committee has the right to use the official stamp of the Office of the Council of Ministers when carrying out its work. The committee has been established under the decision of the Minister in charge of the Office of the Council of Ministers.

Decision No. 38, issued 28 April, 2016 on the assignment to the National Road Safety Committee

This decision assigned H.E Sun Chanthol, Senior Minister, Minister of Public Works and Transportation, to become the deputy chief of the Permanent Road Safety Committee, and also the chief of the first sub Committee, in replacement of H.E Tram Iv Toek, who is to become the Minister of Post and Telecommunications.

Sub-decree No. 69 (RGC) dated 28 April, 2016 on the transfer of protected forests, forest conservation areas, fruitful forest areas, and economic land concessions, from the Ministry of Agriculture, Forestry and Fisheries to the Ministry of Environment.

The purpose of this sub-decree is to transfer certain land areas from the Ministry of Agriculture, Forestry and Fisheries to the Ministry of Environment, as outlined below:

- -Transfer 13 protected forests and forest conservation areas, as listed in annex 1 of this sub-decree, from the Ministry of Agriculture, Forestry and Fisheries ,to the Ministry of Environment
- -Transfer 5 fruitful forest areas, as listed in annex 2 of this sub-decree, from the Ministry of Agriculture, Forestry and Fisheries to the Ministry of Environment
- -Transfer 73 areas of economic land concessions, as listed in annex 3 of this sub-decree, from the Ministry of Environment to the Ministry of Agriculture, Forestry and Fisheries

Minister in charge of the Office of the Council of Ministers, Minister of Economy and Finance, Minister of Health, all relevant Ministers, Secretaries of State, relevant institutions, shall implement this sub-decree from the date of signature.

Sub-decree No. 99, dated 28 April, 2016 on the determination of the dates for the preparation and implementation of the population census in the Kingdom of Cambodia

This sub-decree aims to update the latest information regarding population statistics, in order to enhance and improve data collection, usage, and publication of the statistics, within a time frame appropriate for all users and planners involved in political, strategic, and development projects. This sub-Decree plans to set the date for the preparation and implementation of the Population Census in Cambodia in 2018. The time line to start the general census is at Zero hour on March 3, 2018.

The Minister of Interior is the head of the National Population Census Committee 2018, and the Minister of Planning will be the deputy head of the Committee.

The National Population Census Committee 2018 has the following duties:

- -Advise on and adopt all tasks relevant to the population census
- -Prepare and create a technical census committee and a publication committee to work on the census
- -Prepare and establish a general census committee in cities and provinces
- -Organize quarterly meetings when invited to do so by the chief of committee or his deputy,
- -Report to the Government on actual operations and the outcomes of the population census

The National Population Census Committee 2018 has full rights to use the stamp of the Ministry of Interior. The Technical Census Committee has the right to use the stamp of the Ministry of Planning while the General Census Committee, in cities and provinces, has the right to use stamps of the cities and provinces.

All individuals, except foreign embassy staff, who reside in the Kingdom of Cambodia, will participate in the population census. The head of households and the owners of buildings shall allow the official team to enter a residence and allow the team to paint, attach, or stick, marks, signs or numbers for recognition purposes when necessary.

TAXATION AND CUSTOMS

Prakas No. 222 dated 9 March 2016, on the setting up of the Export Office at the General Department of Custom and Excise, and on the formulation of its operational procedures

The export department of the general department of custom and excise shall be composed of 5 offices, namely:

- -Administration Office
- -Export Inspection Phnom Penh office
- -Export Inspection Kandal office
- -Export Inspection Kampong Speu office
- -Export Inspection Other Provinces office

A manager and an assistant manager shall be in charge in each office. The Prakas provides details of their duties and responsibilities.

Prakas No 273 Collection of registration tax dated 07 March 2016

This Prakas aims to set out procedures for collecting registration tax. It lists those taxable activities for registration tax, such as transfer of ownership of property, share transfers, government contracts, new company, dissolutions, and mergers. It provides a clear definition of specific terms used in registration tax applications, tax exemption and tax relief on the above taxable activities.

Tax exemption:

- -Transfer of property among direct relatives
- -Transfer of shares/merger/demerger in the stock market
- -Transfer of vehicle ownership with engine capacity less than 150 HP

Tax relief:

- -KHR 200 million for transfer of property among relative as inheritance
- -KHR 100 million for transfer of property among relatives as a gift

Registration tax rate:

- -4% for transfer of ownership of property based on the market value provided by Ministry
- -0.1% for share transfer and government contract
- -KHR 1 Million for setting up company, dissolution and merger-demerger

The taxpayer has to file and pay the registration tax, within 3 months after completing a taxable activity, even if it is tax exempt or subject to tax relief. Failing to meet this taxable obligation will entail penalties and delay in processing the transfer.