

Table of Contents

- Business
- Finance
- Health
- Immigration
- Land & Properties
- Maritime
- Tobacco
- Transportation

Business

Prakas No. 001 (SECC) dated January 15, 2010 on Public Issuance of Equity Securities (L&R/Bsn/2010/Khm) (Royal Gazette, Year 10, No. 17, March 04, 2010)

The Prakas sets the process, procedure, mechanism and approval for the issuance of equity securities in Cambodia. The Prakas differentiates the private placement from the public offering by setting out two criteria: the total number of people to whom the offer is made (if it is more than 30 people, it is public offering) and the public advertisement (private placement cannot be publicly advertised). The detailed requirements for the public offering can be found under various articles of the Prakas, including importantly all the disclosure of all related corporate information, technical information and financial information.

The submission for registration can be approved or rejected by the Director General of SECC.

Prakas No. 002 (SECC) dated January 15, 2010 on Corporate Governance for Listed Companies (L&R/Bsn/2010/Khm) (Royal Gazette, Year 10, No. 17, March 04, 2010)

This Prakas sets out the standard on corporate governance for the companies listed under the law on issuance and trading of non-government securities. Every public listed company has the obligation to assure good corporate governance. It aims to protect shareholders' rights. By implementing the law on commercial enterprises, the Prakas adds that the basic rights of shareholders under the law cannot be taken away or restricted even through the articles of incorporation. In terms of corporate governance, the Prakas sets out the rights and duties of shareholders, their protection and responsibilities and enlists the roles, the structure and other conditions of the Board of Directors and of the Directors. Other key points are also provided for concerning the risk management, the protection of the stake holders, the external and internal audit and more importantly the transparency of the information disclosure.

Prakas No. 009 (SECC) dated November 18, 2009 on Licensing of Securities Firms and Securities Representatives (L&R/Bsn/2009/Khm) (Royal Gazette, Year 10, No. 18, March 08, 2010)

The purpose of this Prakas is to prescribe the rules and regulations for granting or renewing a license to securities firms and securities representatives. It also determines business activities of the securities firms and securities representatives, including securities underwriting business, securities dealing business and securities brokerage business.

According to this Prakas, the validation of a license of a securities firm, a securities representative and an investment advisor is 2 years from the date of its issuance and it is renewable for another period of 3 years from the date of the expiration.

There are fixed processing fees of 2.000.000 riels for licensing a securities firm and different fees regarding different business activities of the firm.

The applicant shall satisfy the following requirements regarding:

- Capital required,
- Lodging at NBC a security bong and/or security instruments determined by the SECC,
- Human resources (qualification, experience...),
- Physical facilities,
- Business plan,
- Risk management and internal control,

A No 64, St 111
PO Box 172
Phnom Penh
Cambodia

T +855 23 217 510
+855 23 212 740

F +855 23 212 840

E info@bnglegal.com

W www.bnglegal.com

- Applicable and updated risk management,
- No involvement with procedures such as bankruptcy, liquidation or other similar proceeding

Various sanctions are also prescribed by this Prakas, including a fine for the late submission of the extension request. Transactional fines can also be pronounced in case of non compliance with any direction issued by the Director General of the SECC.

Prakas No. 008 (SECC) dated November 17, 2009 on Organization and Functioning of the Department of Legal Affairs of Securities and Exchange Commission of Cambodia (SECC) (L&R/Bsn/2009/Khm) (Royal Gazette, Year 10, No. 18, March 08, 2010)

The Department of Legal Affairs established by this Prakas comprises of 3 Offices:

- Enforcement and legislation Office: it shall monitor and advise on any modifications of the rule of the operating rule of the operators in the securities markets, clearing and settlement facilities and securities depositories as well as the self-regulatory organization. Also, this Office shall prepare all regulations and can propose an amendment to the existing securities-related legislation and can sanction or take preventive measures in case of non-compliance with securities laws and regulations.
- Dispute Settlement Office: in case of disputes, this Office acts as a conciliator and shall prepare a compromise and settlement agreement and/or a report on the settlement to be forwarded to the arbitrator or court. Also, it facilitates the process of filing a complaint and documentation related thereto.
- Investigating Office: its duty is to conduct an investigation in case of infringement of laws and regulations related to securities sector. Further, it collects information and evidence of the offended acts and can forward the case to the competent courts.

Prakas No. 007 (SECC) dated November 17, 2009 on the Organization and Functioning of the Administration and Finance Department of the Securities and Exchange Commission of Cambodia (SECC) (L&R/Bsn/2009/Khm) (Royal Gazette, Year 10, No. 18, March 08, 2010)

This Prakas determines the structure of the Administration and finance Department of the SECC. The said Department is composed of 3 Offices, with each office governed by a Chief Officer and an assistant:

1. Administration and personnel Office
2. Accounting and finance Office
3. IT Office

The Administration and personnel Office initiates, manages and coordinates all administrative work and personnel related work of SECC, including documenting, hosting ceremonies, carrying out public acquisitions, keeping personnel's registry, establishing, enforcing its internal regulation etc. SECC budget and its expenditure are managed by the Accounting and Finance Office; whereas the IT Office develops and enhances the informatics system to help ease the work of SECC.

Prakas No. 102 (MoEF) dated February 18, 2010 on Licensing Independent Engineering Companies for the Management of Real Estate Development Business (L&R/Bsn/2010/Khm) (Royal Gazette, Year 10, No. 19, March 12, 2010)

This Prakas regulates the license application, related fees, validation of a license, state control and sanctions. Based on this Prakas, the eligible candidate shall apply for a license to operate an independent engineering company at the Secretariat of the Inter-ministerial working group for real estate development related business of the Office of Management of Real Estate Commercialization of the Ministry of Industry, Mine and Energy. The application fee is 2,000,000 riel. This license is valid for 3 years from the date of the signing of this license and is subject to an extension. It can be suspended or revoked by the said working group on grounds of non-compliance with the required conditions.

Prakas No. 011 (SECC) dated December 01, 2009 on the Authorization to be the Operator of a Securities Market, the Operator of a Clearance and Settlement Facility and the Operator of a Securities Depository (L&R/Bsn/2010/Khm) (Royal Gazettes, Year 10, No. 19, March 12, 2010)

This Prakas aims to prescribe requirements and procedures to grant an approval to conduct activities as an operator of a securities market, an operator of a clearance and settlement facility and an operator of a securities depository; and to determine obligations of each operator in accordance with the Law on the Issuance and Trading of Non-Government Securities and the Anukret on the Implementation of the law on the Issuance and Trading of Non-Government Securities.

It should be noted that the applicant must be a company incorporated and registered in accordance with law on Commercial Enterprises or Law on the General Statute of Public Enterprise of the Kingdom of Cambodia.

Once all the requirements are fulfilled, the SECC shall make its decision on the application not later than 06 months from the date of the lodgment of the application. The approval of an applicant is valid for an indefinite period. The operators shall start their business operations within duration of 6 months of the issue date of the approval.

Most of the provisions are referred to the Law and Anukret on issuance and trading of Non-Government Securities.

Finance

Inter-Ministerial Prakas No. 255 (MoEF) dated March 18, 2010 on the Fees for Issuing a Notification Number for Cosmetic Products (L&R/Fnc/2010/Khm) (Royal Gazette, Year 10, No. 23, March 27, 2010)

This Prakas requires a notification number for all cosmetic products. Natural person or legal entity who commercializes cosmetic products without a notification number shall be fined pursuant to provisions of the article 10 of the Law on Management of Pharmaceutical Products. This Prakas also provides a few exceptions to this requirement. The fees of a notification number are set out as follows:

- 50,000 riel for 1 category of a cosmetic product and the number is valid within 2 years;
- 50,000 riel for the extension of the validity of the notification number.

The Ministry of Health shall provide application form for the request of a notification number or its extension and is also entitled to receive and manage its payment.

Health

Prakas No 008 Or Bor Sor . Mor Por of Ministry of Health dated 26th January 2010 on Technical Formality and conditions for the opening, closing and moving of beauty care centers.

This Prakas is focused on the permission of closing, opening, moving, decoration, change of the technical manager, name change of beauty care centers. It describes:

- The person entitled to operate the beauty care center and branches
- Documents required for operating both centers and their branches
- Documents required in case of moving the centers, changing the technical manager.
- Procedures of opening operating and closing.
- The conditions regarding the sanitation, medical equipments, rooms and trimester reports.
- The punishment in case of any abuses.
- The condition of the foreigner working as the employees
- Rights and measures fulfilled by Ministry of Health to the centers.

Immigration

Instruction No 009 Sor Nor Noor dated March 25 2010 on the management of the present number of foreigners in Kingdom of Cambodia issued by the Ministry of Interior.

This instruction's purpose is to manage efficaciously the present number of foreigners and administrative work, assure the safety, security and public order of foreigners who are resident in Cambodia.

The ministry has mentioned some recommendation as following:

- Possessor of the residence, of all kinds of business places and non business places shall inform the present numbers of the foreigners who reside in their location to the Post Police office within 24 hours. In case the foreigners themselves who possess the residence or business office, they shall inform as well about their presence and other members numbers from the date of residence and date of the business commencement.
- The possessor shall be immediately reporting to authority on the movement , the extension and any further incidence effected by the foreigners
- Any possessors who have not reported on the presence of foreigners as determined by this instruction shall be punished in accordance with the law on the immigration.

Land & Properties

Royal Kram NS/RKM/0210/003 dated February 26, 2010 on the Promulgation of the Law on Expropriation (L&R/L&P/2010/Khm) (Royal Gazettes, Year 10, No. 19, March 12, 2010)

The law on expropriation was adopted on 29 December 2009. The purpos of this law is:

- to ensure the legality of the private property deprivation, in a fair and just manner;
- to ensure the pre-compensation in a fair and just manner;
- to serve the public and national interests;
- to develop the public physical infrastructure.

Article 4 of the law defines expropriation as “the deprivation of right over immovable property or real right over immovable property of natural person, of private legal entity and public legal entity, including land, construction, plants for serving the development, the restoration and the broadening of public physical infrastructure that serves the public interests and the national interests and needs to provide a prior fair and just compensation.” The law provides for the pre-process procedure, the process procedure and certain important principles on how to calculate the compensation for the expropriated land. The law also stipulates the mechanisms of the expropriation, its dispute resolution and the detention of the immovable property during the provisional period of the expropriation.

Maritime

Sub-Decree No. 197 (RGC) dated February 22, 2010 on Defining of the Composition of the National Committee for Open Sea Security (L&R/MPW/2010/Khm) (Royal Gazette, Year 10, No. 17, March 04, 2010)

The composition of the National Committee for Open Sea Security consists of the following:

H.E. TEA Banh, Deputy Prime Minister and Minister of National Defense is a chairman, and H.E. KIET Chhon, H.E. OM Yen Tieng, H.E. Var Kim Hong, H.E. CHAY Saing Yun, H.E. POL Saroeun, H.E. KHANN Savoeun, H.E. NETH Savoeun, and H.E. TEA Vinh are vice chairman and thirty six are members.

Tobacco

Decision No. 13 (RGC) dated March 04, 2010 on the Establishment of the Inter-Ministerial Committee for Educating and Reducing Tobacco Consumption (L&R/Tbc/2010/Khm) (Royal Gazette, Year 10, No. 18, March 08, 2010)

The composition of the Inter-Ministerial Committee for Educating and Reducing of Tobacco Consumption consists of the following:

H.E. Dr. MAM Bunheng, Minister of Ministry of Health is a chairman, and H.E. Ung Phyrun, and H.E. Eav Phally are vice chairman, and eleven are members.

Transportation

Prakas No. 108 (MPWT) dated February 23, 2010 on the Defining Use of the Reserved Land along the National Road and Rail Way of the Kingdom of Cambodia for Public and Private Interest (L&R/Trs/2010/Khm) (Royal Gazette, Year 10, No. 23, March 27, 2010)

This Prakas is created to enforce the implementation of Sub-Decree 197 dated 23 November, 2009 on the management of reserved land along the national road and railway of the Kingdom of Cambodia. The reserved land along the national road and railway under the direct supervision and management of the Ministry of Public Work and Transports. Any activities such as stepping on, construction, setting up poles, spreading, digging, scratching, drilling, damaging, pilling impurities of rock, excavated dirt or sand, or putting materials, billboards on or in the ground and space on the reserved land along the national road or railway shall be approved by the Ministry or Department of Public Work and Transports. In addition, the public and private entities intend to use the reserved land for optic line, water pipeline, and installation of optic poles, electricity poles, advertising board and other means shall request the approval from the Ministry. The activities of the public and interest entities shall start action immediately after receiving the approval. Department of Public Work and Transports of municipality and provinciality shall implement this regulation and inspect all activities damage to the land reserved.