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# **Primary Law Update**

August 2010

## Agriculture

Prakas No. 544 (MOASS), dated August 18, 2010, on the Certification of Rubber Species and the Business of Wood from Rubber Trees. (L&R/AGR/2010/Khm) (Royal Gazette, Year 10, No. 64, August 31, 2010)

This Prakas aims to control the import, export and distribution of the wood from rubber trees and the issuance of certification of rubber species in the Kingdom of Cambodia. Natural and legal persons must apply for a Certificate of Rubber Species and the Business of Wood from Rubber Trees with the Cambodia Rubber Research Institution. The Certificate of Rubber Species is valid for2 years from the date of issuance. The application for renewal must be made within 2 months preceding the expiry date. Any transfer of the export or import certificate must be authorized by the Ministry of Agriculture, Forestry and Fishery. Legal and natural persons who have not received a license from the competent authority must submit an application within 6 months of enforcement of the Sub Decree.

# **Civil & Procedure**

Royal Kram No. NS/RKM/0710/013, dated July 10, 2010 on Promulgating the Law on Procedures of Civil Cases that are Non-Lawsuits (L&R/Cvp/2010/Khm) (Royal Gazette, Year 10, No. 58, August 08, 2010)

This law is an extension to the Cambodia Civil Procedure. It indicates the procedure to be followed for special civil cases that are non-law suits. It consists of 9 chapters and 55 Articles.

The court of the first instance shall have jurisdiction over these cases. If there are suspects from multiple jurisdictions, then the Supreme Court must identify the correct jurisdiction. The case must be heard by either one judge or 3 judges, which is known as a Panel of Judges, and must be done privately. Judge can also be excluded.

A civil case which is a non-law suit starts from the motion of parties indicating the name and address of the applicant or representative, their request, and the facts for the request. Motions can be done orally. The judgment of the case shall be done by issuing a ruling. To issue the ruling, Oral Argument may be conducted based on necessity. The Prosecutor may also participate in the case if the judge finds it necessary.

The parties and other relevant persons must be present in court to provide the facts of the case. For a final decision of the case, the court must issue a ruling which is subject to appeal. The appeal must be made within 15 days of notice of the ruling. The procedure for an appeal must be implemented in accordance to Cambodia Civil Code and Procedure.

Preservative Relief is provided for in this law. It is used to ensure that the interest of parties is not violated. Preservative Relief is also subject to appeal.

# **Culture & Religion**

Prakas No.225 (MOCR) dated August 03, 2009 on the Code of Ethics for the Acting Profession. (L&R/MCR/2010/Khm) (Royal Gazette, Year 10, No. 63, August 31, 2010)

This Prakas, issued by the Ministry of Culture and Fine Arts, determines the ethics of all persons in the acting profession to promote morality, dignity, quality and the intention to maintain and protect the nation's culture and custom.

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The scope of this Prakas covers, in general, all persons who have an art-culture occupation, such as producer, trainer, actor or manager. The ethics set three fundamental principles for acting professional to follow: they must strictly follow the discipline in their profession; they are obliged to respect the condition in which state the laws and regulations serve social advantage and maintain national identity; and they are required to respect their profession including independence, peace, freedom and greatness.

#### Finance

Sub-Decree No. 93 (RGC), dated August 06, 2010, on the Transfer of Resources from State Budget to Commune/Sangkat Foundation (L&R/Fnc/2010/Khm) (Royal Gazette, Year 10, No.62, August 23, 2010)

This Sub-Decree requires the transfer of resources from the state budget to the Commune/Sangkat Fund for a period of three years. The amount will be based on the proportion of state income for 2011, 2012, and 2013. The amount will not be less than 2.80% of the current state income for the years 2010, 2011, and 2012. Resources from the state budget include free aid and loans from development partners. The funds will be divided into two parts: for general administrative components, which cannot exceed 1/3 of the budget, and basic development components, which cannot be less than 2/3 of the budget of each year (2011, 2012, and 2013).

The resources will be used to support village officers, Commune/Sangkat council, and administrative operation. The basic development components of the budget, as stated in Article15, Paragraph 3 of Sub-Decree No.16, dated February 25, 2002, are divided into the following categories for each year (2011, 2012, 2013):

- 35% will be disbursed to each commune in equal amounts
- 35% will be disbursed to each commune based on the number of residents
- 30% will be disbursed to each commune based on the poverty level

The Ministry of Economic and Finance must calculate and give notification of the amount that each Commune/Sangkat will receive no later than December 01 of the current year. The Commune/Sangkat Council must create a budget plan and send it to the Province/Municipal Committee before November 05. The Province/Municipal Committee must acknowledge receipt of the budget plan no later than December 31.

#### Forestry

Joint Prakas No. 447/531 (MAFF and MEF) on the Basic Market Price of Forest Products and Byproducts for the Implementation of Penalty for Obstruction. (L&R/FRS/2010/Khm) (Royal Gazette, Year 10, No. 63, August 27, 2010)

This Prakas determines the basic market value of cut wood and timber for all 24 provinces in Cambodia. The classifications and prices are stipulated in Clause 1. The price of any other types of wood that do not appear in the list will be determined later. These basic market prices must be adjusted every year in May.

# **Labor & Social Affairs**

Royal Decree No. NS/RKT/0710/595, dated July 15, 2010 on Social Security Plans for Veterans (L&R/ Lbr/2010/Khm) (Royal Gazette, Year 10, No. 57, August 04, 2010)

The aim of the Royal Decree to control Social Security Plans for Veterans in order to implement a National Policy is to increase effectiveness for public Social Security for Veterans, reform the finance system strategy, and encourage higher living standards of Veterans inside and outside of the country.

This Royal Decree covers Veterans of the Royal Cambodian Armed Forces, Veterans of the National Police, Veterans of Civil Servants, and Cambodians who jointly fought for the Country, and their families. The Ministry of Social Affairs, Veteran and Youth Rehabilitation must establish a National Social Security Fund for Veterans and their families.

Persons eligible to receive Social Security Funds must meet one of the following conditions:

- Retired
- Work Disability
- Pregnant
- First Marriage
- Killed in Battle
- Deceased
- Disabled
- Diagnosed with a Disease
- Family of Veteran

Resources for Social Security Funds are:

- National Budget
- Contributions from the Royal Government of Cambodia
- Contributions from Veterans and or their Family
- Charity
- Development partners in local and international organizations
- Benefits from Legal investments and businesses
- Others

Ministry of Social Affair, Veteran and Youth Rehabilitation must control and provide a Social Security Fund for Veterans and their families until a National Social Security Fund has been established.

## Land & Properties

Sub Decree No. 82 (RGC), dated July 29, 2010 on the Determination of the Proportion and Method of Evaluation of Private Units Owned By Foreigners in Co-Owned Buildings (L&R/L&P/2010/Khm) (Royal Gazette, Year 10, No. 58, August 08, 2010)

Legally qualified foreigners are allowed to own private units in one co-owned building, not exceeding 70 percent of the total surface size of the private units in that co-owned building.

The cadastral administration must reflect the percentage of units owned by foreigners compared to the total surface size of the private units in the Certificate Acknowledging Ownership over Private Unit at the time of its issuance.

#### Maritime

Sub Decree No. 84 (RGC), dated August 03, 2010 on the Organization and Functioning of the General Secretariat of the National Committee for Open Sea Security (L&R/Mrt/2010/Khm) (Royal Gazette, Year 10, No. 59, August 12, 2010)

This Sub Decree details the roles and duties of the General Secretariat, for functioning and management, and the roles and duties of each department of the National Committee for Open Sea Security. This Sub Decree also attached an annex of an organizational chart of the committee.

#### **Military**

Sub Decree No. 101(RGC) dated August 18, 2010 on the Adjustment of the Limitation of Additional Supplies, Pension Fees and Disability Fees for the Royal Cambodian Armed Forces and National Police Officers who are retired, cannot work, deceased, missing or disabled. (L&R/MLT/2010/Khm)

#### (Royal Gazette, Year 10, No. 64, August 31, 2010)

The aim of this Sub Decree is to adjust the limitation of Additional Supplies, Pension Fees and Disability Fees for the Royal Cambodian Armed Forces and National Police Officers who are retired, cannot work, deceased, missing or disabled.

The first and only additional supplies given to the Royal Cambodian Armed Forces and the National Police Officers mentioned above, based on the last basic salary or total basic salary, existing in other laws and regulations, will be adjusted to be calculated based on the last basic salary only.

Pension Fees and Disability Fees for all of the Royal Cambodian Armed Forces mentioned in Sub Decree No.115 dated on October 26, 2006, is adjusted to be based on the last basic salary rate. This Sub Decree is effective on January 02, 2010.

#### **Privatization & State Properties**

Joint-Prakas No. 498 (MoEF+MAFF), dated July 23, 2010 on the Use of Standard Forms for Economic Land Concession Contracts (L&R/Ctr/2010/Khm) (Royal Gazette, Year 10, No. 58, August 08, 2010)

The new Contract Sample, as standardized by the MEF and MAFF, is now used for all Economic Land Concessions as appended by this Joint-Prakas. It also obligates the MAFF to formally request for the Delegation of Full Power for the Minister of MAFF to sign on the Contract on behalf of the Government and for the Deputy Prime Minister of the MEF to sign as "seen and agreed" on the Contract.

## **Taxation**

Prakas No. 493 (MoEF), dated July 19, 2010, on Collection of Tax on Immoveable Properties (L&R/ Tax/2010/Khm&Eng) (Royal Gazette, Year 10, No. 57, August 04, 2010)

This 2010 Prakas is to implement the Law on Financial Management 2010. It provides the details on tax rate (0.1 % on the price of immovable property), tax exemptions, and the definitions of the related terms, such as immovable property, tax payers, owners, etc. It also provides for the calculation method and the registration procedure. Under this Prakas, the tax payers are obligated to do the following:

- 1. To register all immovable property worth more than 100,000,000 riels no later than 30 September of the tax year;
- 2. To bring the Title Deed(s) and other required documents (eg: ID card) for the registration;
- 3. To submit the Tax Declaration Letter every year to the Tax Administration of the location of the immovable property;
- 4. To calculate the tax amount on his own, based on the price as determined by the Commission;
- 5. To be responsible for all actions taken by his representative (the person to whom the owner or occupant makes a Power of Attorney to act on his behalf for this immovable property taxation purpose).

#### **Traffic**

Sub Decree No. 80 (RGC), dated July 29, 2010 on the Use of Cars with Tinted Windows (L&R/Trf/2010/Khm) (Royal Gazette, Year 10, No. 57, August 04, 2010)

This Sub Decree prohibits the use of tinted windows or window curtains in vehicles. This Sub Decree bans the import of all vehicles into the Kingdom of Cambodia in which the vehicle's interior cannot be seen. For vehicles already in the country, the owners must remove the tint from the windows and cannot use window curtains when there is no sunshine. Both sides of the window curtains cannot be used at one time. This Sub Decree applies to both commercial and non-commercial persons and are subject to the fines imposed for failure to comply.