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Accounting and Auditing

Instructive Circular No. 12 (RGC) dated November 25, 2011 on the Strengthening of Internal Audit Duties at Ministries, Institutions and Public Establishments. (R/L/Agr/Khm/2011) (Royal Gazette, Year 11, No. 95, dated December 27, 2011).

The main purpose of this instructive circular is to update Instructive Circular No. 01, dated January 20, 2009, on the Strengthening of Internal Audit Duties at Ministries, Institutions and Public Establishments and Prakas No. 1109, dated November 03, 2006, on the Promulgation of Political Documents on the Internal Management at Ministries, Institutions and Public Establishments in order to reform management of public finances.

This instructive circular entitles the Ministry of Economy and Finance, which is the competent ministry for cooperation among all state institutions, to manage any risk and adjust/update relevant laws and regulations concerning this sector.

Agriculture

Notification No. 67 (RGC) dated December 15, 2011 on Creation of Working Team on Rice Sector for the Forum "Government-Private Sector. (R/L/Agr/Khm/2011) (Royal Gazette, Year 11, No. 95, dated December 27, 2011).

The working team will be by H.E Chan Saron, the Minister of the Ministry of Agriculture, Forestries and Fisheries. This notification also details the obligations of the working team, such as to assist with communication between the Royal Government of Cambodia and the private sector in relation to the rice sector, to encourage the private sector to participate in the promotion of paddy production and rice export, to discuss and resolve any issues in relation to rice production, to purchase, exchange, export and seek out markets in other countries.

Banking

Sub-Decree No. 290 (RGC) dated December 27, 2011 on the Organization and Functioning of Credit-Insurance Funds. (R/L/Bak/Khm/2011) (Royal Gazette, Year 11, No. 69, dated December 31, 2011).

This sub-decree aims to determine the framework for providing insurance on loans provided by commercial banks and microfinance institutions to agricultural rice enterprises and farmer communities in order to perform commercial activities in respect to the government's policy of improving rice production and exportation. The Sub-Decree also regulates the resources of credit-insurance funds, such as the special credit determined by the Law on Financial Management for the Year 2011, as well as additional resources from the national budget and any resources from development partners.

The Ministry of Economy and Finance is the competent authority for the management of credit-insurance funds.

Criminal and Procedures

Royal Kram No. NS/RKM/1211/020 dated December 21, 2011 on Promulgation of the Law on Management of Strong Acid. (R/L/Cri&Pro/Khm/2011) (Royal Gazette, Year 11, No. 96, dated December 31, 2011).

This Law governs all kinds of strong acid, which may affect human health and mortality. It governs the production, innovation, importation, exportation, transportation, distribution, sale-purchase and utilization of all kinds of strong acid in Cambodia. All the commercial activities concerning

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strong acid require a license from the Ministry of Industry, Mine and Energy. In particular, a license for any kind of strong acid used in the health sector, as mentioned in the Annex to this Law, shall be issued by the Ministry of Health. Furthermore, the Law also provides requirements for preventing and suppressing all kind of infractions using strong acid.

If there is any accident involving by strong acid affecting human health, the relevant authority shall immediately bring the victim to the nearest Health Center, State hospital, or other health establishment. There will be no charge for the treatment of the victim.

The Law also provides sanctions for homicide, injury or violence using strong acid and any other activities using strong acid without a license. The sanctions include fines and/or imprisonment. This Law is applicable to individuals and legal entities.

Customs and Import-Export

Prakas No. 989 (MEF) dated November 24, 2011 on Determination of Customs Processing Fee on Import-Export Products. (R/L/Cus&Im-Ex/Khm/2011) (Royal Gazette, Year 11, No. 89, dated December 08, 2011).

This Prakas determines the customs processing fee (CPF) for the import-export of products by sea. The implementation of this procedure will take effect on 1 July 2012. Furthermore, the Prakas includes information regarding tax incentives for some import-export products related to diplomatic missions, foreign consular missions, international organizations, technical cooperation agencies of the government, humanitarian gifts and special economic zones. The main purpose of this customs processing fee procedure is to allow tax officials to control and evaluate import-export products based on the trade policy for the management of risk.

This Prakas takes effect in July 2012.

Finance

Royal Kram No. NS/RKM/1211/019 dated December 15, 2011 on the Promulgation of the Law on Financial Management for the Year 2012. (R/L/Agr/Khm/2011) (Royal Gazette, Year 11, No. 95, dated December 27, 2011).

The purpose of this law is to predict state income from the main public income sources as well as public expenses for the year 2012 and to set out a loan limit for the government. Furthermore, this law also records other expenses for national and international events, which took place in the year 2011.

Quality Standard

Notification No. 2364 (MIME) dated December 06, 2011 on Registration of Metrology and License on Usage Metrology Trademark of Cambodia. (R/L/QIStd/ Khm/2011) (Royal Gazette, Year 11, No. 93, dated December 19, 2011).

The Ministry of Industry, Mines and Energy has adopted the Law on Measurement for Cambodia and the Prakas on Cambodian Measurement Trademark, which is the mechanism and rule to control importation, production, preparation, utilization, sale, or selling of measurement materials. A business involved in such materials, including producing packaging, shall submit applications for their products to the Measurement Center.

Every company, factory, enterprise, handicraft shall register for the license for usage of metrology trademark from the Measurement Center of the Ministry of Industry, Mines and Energy.

Taxation

Prakas No. 779 (MEF) dated October 11, 2011 on Additional Tax Incentive for Rice Plantations, whole-Purchase of Rice and Production of Rices for exportation. (R/L/Tax/ Khm/ 2011) (Royal Gazette, Year 11, No. 89, dated December 04, 2011).

According to the governmental policy for improving the production of rice for exportation, the Ministry of economy and finance provides the mechanism of certain tax incentive for the rice enterprise, collection of purchase-rice and production of rice exportation, such as the Value Added Tax (VAT) and Tax on Profit and Minimum Tax as mentioned in this Prakas.

The exempted rice enterprise must provide information on annual tax, a monthly tax declaration letter and other tax information as stated in the relevant regulations. If the rice enterprise does not disclose this information, the tax incentive will be revoked by the General Department of Tax.

Sub-decree No. 269 (MEF) dated November 30, 2011 on Adjustment to Special Tax Rates and Export Tax Rates for some goods. (R/L/Tax/Khm/2011) (Royal Gazette, Year 11, No. 89, dated December 04, 2011).

This sub-decree increases the special tax rates from 10% to 20% for 2 tariff lines of Cambodian Customs Tariff for the tariff lines Nos. 8701.20.10 and 8701.20.90.

This provision adjusts the export tax rates for 62 tariff lines of the Cambodian Customs Tariff:

- To increase the export tax rate from 10% to 15% for 33 tariff lines within the lines Nos.

4406.10.00	4406.90.00	4407.10.00	4407.21.00	4407.22.00
4407.25.10				
4407.25.20	4407.26.00	4407.27.00	4407.28.00	4407.29.11
4407.29.19				
4407.29.21	4407.29.29	4407.29.31	4407.29.39	4407.29.41
4407.29.49				
4407.29.51	4407.29.59	4407.29.61	4407.29.69	4407.29.70
4407.29.80				
4407.29.91	4407.29.92	4407.29.99	4407.91.00	4407.92.00
4407.93.00				
4407.94.00	4407.97.00	4407.99.00		

- To increase the export tax rate from 5% to 10% for 3 tariff lines within the lines Nos.

4409.10.00	4409.21.00	4409.29.00
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- To increase the export tax rate from 0% to 5% for 18 tariff lines within the lines Nos.

4410.11.00	4410.12.00	4410.19.00	4410.90.00	4411.12.00
4411.13.00	4411.14.00	4411.92.00	4411.93.00	4411.94.00
4412.10.00	4412.31.00	4412.32.00	4412.39.00	4412.94.00
4412.99.00	4413.00.00	4414.00.00		

- To increase the export tax rate from 0% to 10% for 8 tariff lines within the lines Nos.

2709.00.90	2713.11.00	2713.12.00	2713.20.00	2713.90.00
2714.10.00	2714.90.00	2715.00.00	6801.00.00	6802.10.00
6802.21.00	6802.23.00	6802.29.00	6803.00.00	

This Prakas take effect 1 January 2012.

Prakas No. 1018 (MEF) dated December 07, 2011 on Adjustment to Import Tax Rates for some Products. (R/L/Cus&Im-Ex/Khm/2011) (Royal Gazette, Year 11, No. 92, dated December 15, 2011).

This Sub-decree modifies the tax rates on some import products of 22 tariff lines of Cambodian Customs Tariffs as below:

- To increase the tax rate from 0% to 7% amount 3 tariff lines for goods within the lines Nos.

7209.90.10	7209.90.90	8523.52.00
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- To reduce the tax rate from 15% to 7% amount 4 tariff lines for goods within the lines Nos.

7210.41.10	7210.41.20	7210.41.90	8517.70.21
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- To reduce the tax rate from 7% to 0% amount 15 tariff lines for goods within the lines Nos.

7408.11.00	7408.19.00	7408.21.00	7408.22.00	7408.29.00
7505.11.00	7505.12.00	7505.21.00	7505.22.00	7605.11.00
7605.19.10	7605.19.90	7605.21.00	7605.29.10	7605.29.90

This Prakas takes effect on 1 January 2012.