

ABOUT US

BNG Legal is a leading Cambodian law firm providing comprehensive legal services to foreign and local clients.

Registered with the Bar Association of the Kingdom of Cambodia, our legal professionals combine international standards with local expertise.

We differentiate ourselves by coupling a deep understanding of the local business environment with international professionalism and integrity.

We facilitate business, investment and trade between Cambodia and the rest of the world through innovative and cost-effective legal services.

Superior knowledge of local protocol, local procedure, and local people is necessary for any business to succeed in Cambodia.

Conducting daily business in Cambodia, BNG Legal is up to date with the newest procedures and requirements, helping clients efficiently and successfully complete any project.

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A word from our Managing Director

We are proud to announce several important changes at our law firm.

First and foremost, we have completely revamped our BNG brand, including a new logo, website, and publications. We've changed our name from BNG Advocates & Solicitors, to BNG Legal, to more simply and clearly define who we are and what we do. We designed our new logo around a globe, to better reflect our international client-base, staff, and standards.

We are also launching a brand new website – www.bnglegal.com – filled with up-to-date publications on Cambodian law and business. To keep our clients even more atuned to legal developments in the Kingdom, our professionals will be keeping a blog - **Cambodian Law Today** - <http://cambodianlaw.wordpress.com>

Second, this past November we moved into a customly-renovated building. Our new office, at #64 Street 111, is in the centrally-located and easily accessible Beoung Pralit neighborhood. With easy parking and numerous restaurants nearby, it's a much improved location from which to serve our clients. If you're in the neighborhood, you are welcome to come and visit anytime!

Third, we are thrilled to welcome three new legal professionals to our staff. All educated in the United States or France, Seda Norodom, Rathvisal Thara, and Kemnay Phoungwattey have already strengthened BNG Legal's expertise and client service. You can find more about these young and gifted individuals in this month's Newsletter.

From all our staff, we wish you the best in 2010. As always, please don't hesitate to contact us if we can be of service in any way.

Faithfully yours,

Naryth H. HEM

BNG Legal - Managing Director



BNG Legal believes expanding access to legal information is crucial to rule of law. To that end, several of our legal professionals will be writing a blog discussing recent developments in the legal landscape. Several of our recent posts cover:

- Business Licensing
- Anticounterfeit strategy
- Foreign Corrupt Practices Act
- Special Economic Zones
- Changes to Internet Structure

Recent additions to our team

Seda Norodom

Ms. Seda S. NORODOM is foreign legal counsel to BNG Legal. Seda received her Juris Doctor from the University of California, Hastings College of the Law. During law school, Seda worked for an entertainment group in Los Angeles, California, drafting contracts and researching copyright law. She has also worked for the chambers of the Honorable Judge Saundra B. Armstrong of the Federal District Court in Oakland, California.

Before entering the legal profession, Seda received her Bachelor of Arts degree in Political Science and Spanish from the University of California, Davis. She has interned at the National Asian Pacific American Legal Consortium in Washington, D.C. She also studied Spanish in Mendoza, Argentina.

Her practice focuses on family law, immigration law, and employment law. Seda speaks English, Khmer, and Spanish.

Rathvisal Thara

Mr. Rathvisal THARA, a legal consultant with BNG Legal, holds a Master's Degree in European and International Contracts Law, as well as a Bachelor's Degree in Private Law from the University of Lumière Lyon 2, Lyon (France) and a Bachelor's Degree in Law from the Royal University of Law and Economics (Cambodia).

Rathvisal previously worked as the Legal Officer for an ISP in Cambodia, reviewing and drafting agreements in the telecom industry, and counseling on general commercial matters.

As a legal consultant at BNG Legal, he works on various private legal matters for national and international clients. Rathvisal specializes mainly in contract law, commercial law, and international arbitration.

Rathvisal speaks English, French and Khmer.

Phoungwattey Kemnay

Ms. Phoungwattey KEMNAY is a legal consultant with BNG Legal. Wattey received a Bachelor's degree of Law from the Royal University of Law and Economy (Cambodia). She also received a Master's degree of Business Law and Social Corporate Responsibility from Lumière Lyon 2 University (France).

In addition to her solid academic background, Wattey was an intern at LUENGO-DEMINSTEN Societe d'avocats in France. Her practice included providing advice in contracts, tax matters and drafting legal formalities for company incorporation. She also handled marital dissolution matters.

At BNG Legal, her practice areas cover corporate, commercial and contracts.

Wattey speaks Khmer, English and French.

LEGISLATION TRACKER

cambodianlaw.wordpress.com/legislation-tracker/

Cambodia is rapidly filling in the gaps in its legal system, passing important legislation all the time. To keep abreast of these developments, this tracker will monitor drafts as they progress through the legislative process. Only laws and the most important sub-decrees and regulations will be reported.

Monthly Legal Updates

NEW REPORTING REQUIREMENTS FOR FINANCIAL INSTITUTIONS

A recently issued Prakas requires all banking and financial institutions to review and report their fifty largest borrowers every quarter. On a quarterly basis, all banking and financial institutions must provide its Board Members, or Members of the Executive Body, a list of its fifty largest exposures on individual borrowers or groups of borrowers. This information must also be reported to the National Bank of Cambodia by the 15th of the first month of the following quarter. The Prakas specifies the content and formatting of the reports, and provides a reporting form for submissions. Microfinance institutions are specifically exempted.

Prakas on Reporting of the Biggest Exposures and Surveillance of Credit Risk Concentration (Number B-7-09-216)

LAUNCH OF ASEAN-CHINA FTA, AND ASEAN FTA

On January 1, Cambodia joined both the ASEAN-6 and ASEAN-China free trade areas. Signed in 2002, the ASEAN-China Free Trade Area removed tariffs on 90 percent of all products, though Cambodia has until 2015 to fully comply. Established in 1993, the Common Effective Preferential Tariffs for Asean Free Trade Area has eliminated tariffs on over 99 percent of goods amongst its six charter countries. Beginning in 2010, Cambodia will benefit from gradually reducing barriers to trade with other ASEAN countries, and has until 2015 to eliminate tariffs completely.

LAW ON PEACEFUL DEMONSTRATION

The new Law on Peaceful Demonstration requires organizers of public demonstrations to notify and register with the local authorities before the event is held. The leader is obliged to take appropriate measures to ensure the demonstration is peaceful, and can be issued a warning letter if demonstrators break the law. Further, the local authorities are also instructed to guard against violence, and can be issued warning letters for breaches of the peace.

Royal Kram NS/RKM/1209/025 dated December 05, 2009 on the Promulgation of Law on Peaceful Demonstration (L&R/CRP/2009/Khm) (Ogs, Year 09, No. 92, December 15, 2009).

END OF SALARY SUPPLEMENTS

Beginning January 1, NGOs and development organizations are banned from supplementing the salaries of civil servants. The sub-decree has been highly contested by the development sector, which claims the rule will increase absenteeism and private practice by health practitioners.

Sub Decree No. 206 (RGC) dated December 03, 2009 on the Termination of Merit-Based Performance Incentives and Priority Mission Groups.

CALL FOR SECURITIES PROFESSIONAL APPLICATIONS

The newly formed Securities and Exchange Commission of Cambodia announced on January 15 that they would begin to receive applications for investment advisors, and securities underwriter, dealer, broker, and representative licenses. Should the applications exceed the limited number of licenses, the Commission may distribute them via a bidding process. Applications are accepted until March 1, 2010.

REAL ESTATE DEVELOPER LICENSING

Beginning February 1, real estate developers must apply for a new license from the Ministry of Economics and Finance. The terms and duration of the licenses depend on the size of the development. The new law abolishes a requirement that three percent of a development be completed before it can go on sale. However, developers will now be required to deposit two percent of the project's value in a government account. Finally, developers are now required to submit a quarterly report detailing the project's status.

Prakas No. 1222 (MoEF) on Management of Business in Real Estate Development (15-12-2009)

EXPROPRIATION LAW

The National Assembly and Senate have approved a controversial new Law on Expropriation. While the draft is non-public, news sources report that an unspecified committee or an agent of its choice would determine the market value of properties expropriated by the government. The law aims to restrict land expropriations to the public and national interest, but has been criticized as vague and overly broad. The law awaits signature from the King before coming into effect.

PENAL CODE

A completely revised Penal Code was recently

BNGLaw

www.bnglaw.net

BNGLaw is a legal database website developed by the expertise of the Legal Research and Documentation Department (LRD) of BNG Legal. It is a complete database containing the existing laws and regulations of Cambodia from 1920 to the present, as well as international instruments applied in the Kingdom of Cambodia. LRD continuously updates the information to stay current with the law. This website was created to provide wider access to Cambodian law and to serve as a global resource so that all may have a deeper understanding of the legal system in Cambodia.

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enacted, defining crimes and setting penalties. Only the first book, containing the general provisions, will be implemented and in effect this year.

On the horizon...

The following draft laws were recently proposed or debated in the National Assembly.

ANTI-CORRUPTION LAW

This long-awaited law was passed in a Council of Ministers meeting in December, and will now be debated by the National Assembly.

NGO LAW

This draft bill would establish new registration, institutional structure, and reporting obligations for local associations and non-governmental organizations.

PROPERTY TAX PROPOSED

The government has announced the formation of a body to assess the value of real property, and collect an annual tax of 0.1 percent on properties valued at over \$25,000.

LAW ON FOREIGN OWNERSHIP

The Council of Ministers approved a draft law allowing foreigners to purchase units in co-owned buildings, and now goes to the National Assembly for debate.

PHARMACY REGULATORY BOARD

The Council of Ministers approved a draft law establishing a regulatory board to oversee pharmacies, it now goes to the National Assembly for debate.