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Finance

Sub-Decree No. 131 (RGC) dated June 23, 2011 on Management of the Public Liabilities. (R/L/Finc/Khm/2011) (Royal Gazette, year 11, No. 49, dated July 04, 2011).

The Sub-Decree contains 8 (eight) Chapters and 37 (thirty seven) Articles. Only the Minister of the Ministry Economy and Finance is entitled to borrow, issue government securities, public bonds, carry out investments, enter into other financing agreements, lend and restructure public debts policy based on the Annual Financial Management law. Notwithstanding provisions to the contrary, under the Law on Annual Financial Management, the Minister of the Ministry of Economy and Finance can borrow to finance priority plans which are determined by the public investment plan, strengthen the budget management policy, lend to public enterprises, lend to bank institutions, finance a deficit budget, obtain foreign currency, finance on due debts, lend to other foreign countries and conduct other necessary activities for the purposes listed in Article 9. The Royal Government cannot create a security interest on any public property.

Several bodies will be created by the Royal Government of Cambodia:

- Public Debt Management Committee, which is headed by the Minister of the Ministry of Economy and Finance, to manage and inspect the implementation of the public debt management policy. The Committee must be composed of officers of the Ministry of Economy and Finance and the National Bank of Cambodia. Any technical work related to a securities operation must be executed by the National Bank of Cambodia on behalf of the Government Securities Management Agency (GSMA) of the Ministry of Economy and Finance.
- Government Securities Management Fund (GSMF) to manage the issuance and redemption of government securities and other related tasks.
- Government Security Operation Management Fund Committee, which contains nine members appointed by the Minister of the Ministry of Economy and Finance, National Bank of Cambodia and other institutions and ministries concerned, upon the request of the Governor of the National Bank of Cambodia and the head of other institutions concerned.

This Sub-Decree outlines the management of the public debt and lending agreements and investments carried out by the Government. It also stipulates procedures for payment of the public debt services and the mechanism for public debt management.

Immigration & Naturalization

Sub-decree No. 157 (RGC) dated July 14, 2011 on Adjustment to Sub-decree No. 29, dated June 21, 1996 on Tax on the Travel Documents, Entrance Pass, Temporary Residence Permit and Permanent Residence Permit for the Foreign Immigrants. (R/L/Imm&Nat/Khm/2011) (Royal Gazette, Year 11, No. 55, dated July 27, 2011).

According to this Sub-Decree, the foreigner must pay 300,000.00 Riel for the excise on Traveling Document and 50,000.00 Riel for the excise on entrance pass. The Excise on the extension of the Traveling Document is 25,000.00 Riel and on the extension of entrance pass is 19,000.00 Riel. However, children under 12 years of age are exempted from this excise.

This Sub-Decree also fixes the excise on the residence permit: the excise on temporary residence permit for one year, permanent residence permit for 2 years and duplicate residence permit for 2 years is 250,000.00 Riel. Furthermore, the excise on two years extension of the permanent residence permit is 250,000.00 Riel.

The Sub-decree No.29, dated June 21, 1996 on excise on the Travel Documents, Entrance Pass,

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Temporary Residence Permit and Permanent Residence Permit for Foreign Immigrants is hereby abrogated.

Insurance

Instructive Circular No. 009 (MEF) dated June 29, 2011 on Issuance of License of Temporary Micro-Insurance. (R/L/Ins/Khm/2011) (Royal Gazette, year 11, No. 53, dated July 19, 2011).

In response to the need of micro-insurance services for citizens with low incomes, a micro-insurance system is being developed in Cambodia. Micro-insurance products, including life insurance, are now allowed to be sold by the micro-insurance companies.

As provided in this circular, in order to obtain a Temporary Micro-Insurance License, both the micro-insurance company and the community health insurance operator must abide by the general conditions of the law and sub-decree on insurance in force and relevant regulations, formalities and other required conditions issued by the Ministry of Economy and Finance.

An application for a license shall be submitted to the Financial Industry Department of the Ministry of Economy and Finance. For community health insurance, a certificate recognized by the competent authority is required before applying for a license from the Ministry. The minimum capital for a micro-insurance company is 600,000,000.00 Riel. A micro-insurance company must pay the temporary license fee of 5,000,000.00 Riel. For the branch office, the fees for certification shall be 1,500,000.00 Riel. The temporary micro-insurance license is valid for one year from the date of issuance and a renewal shall be submitted within one month prior to the expiry date. This license can be suspended or revoked temporarily or permanently by the Ministry in several cases, which stated in point 8 of the Circular. Any person who conducts micro-insurance activities without a temporary micro-insurance license shall be fined in the amount of 50,000,000.00 Riel.

International Agreement

Prakas No. 389 (MEF) dated June 15, 2011 on Authorization to implement the import tax reduction / removal programs of the Kingdom of Cambodia under the Agreement on Free Trade Area between Asean- India. (R/L/Finc/Khm/2011) (Royal Gazette, year 11, No. 49, dated July 04, 2011).

Cambodia will reduce or remove import taxes from the year 2009 to 2025 under the Agreement on the Free Trade Area between Asean-India. The import tax rate attached in the Prakas shall be implemented with the original agreed upon products and comply with the operation procedures on the issuance of the original certificate. Importers must respect any provision of the General Department of Customs and Excise.

Royal Kram No. NS/RKM/0711/014 dated July 20, 2011 on Promulgation of Law on Adoption of the Third Protocol Amending the Treaty on "Amity and Cooperation in Southeast Asia". (R/L/Int/Khm-Eng/2011) (Royal Gazette, Year 11, No. 55, dated July 27, 2011).

This Law amended Article 18, Paragraph 3 and article 14. This protocol shall be subject to ratification and shall come into force on the date the last instrument of ratification of the High Contracting Parties is deposited.

Royal Kram No. NS/RKM/0711/015 dated July 20, 2011 on Promulgation of Law on Adoption of the Convention between the Kingdom of Cambodia, the Lao People's Democratic Republic and the Socialist Republic of Vietnam on the Demarcation of the Triple-Junction Point of Their Frontiers. (R/L/Int/Khm-Fr/2011) (Royal Gazette, Year 11, No. 55, dated July 27, 2011).

The Kingdom of Cambodia adopted the Convention between the Kingdom of Cambodia, the Lao People's Democratic Republic and the Socialist Republic of Vietnam on the Delimitation of the Triple-Junction Point of Borderline of the three countries, on the occasion of the meeting in Hanoi in August 2008 between the Chairmen of the Joint Border Commission of the three countries. There are three Articles in the Convention which were signed by the delegation of the Royal Government and also attached in the Law.

Taxation

Prakas No. 371 (MEF) dated May 05, 2011 on Rates for the Calculation of Tax on Immovable Property. (R/L/Finc/Khm/2011) (Royal Gazette, year 11, No. 49, dated July 04, 2011).

Immovable property located in the administrative geography of the Capital and provinces of the Kingdom of Cambodia are subject to the tax on Immovable Property. Taxation at the rate of 0.1% shall apply to immovable property of more than 100,000.00 Riel. The base amount for taxation is 80% of the total value of immovable property (including both the value of the land and the value of improvements).