

MONTHLY LAW UPDATE

May 2015

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ADMINISTRATION AND PUBLIC SECTOR

Decision N° 34 (RGC) dated 05 May 2015 on the Establishment of Inter-ministerial Commission for Coordinating and Preparing the Subject Matters for the 5th Meeting of Governors of Provinces connecting the Cambodian-Thai Border.

By this Decision N° 34, the Royal Government of Cambodia (RGC) decides to create an Interministerial Commission for coordinating and preparing the subject matters for the 5th Meeting of governors of provinces connecting the Cambodian-Thai border. This Commission is chaired by a Secretary of State of Ministry of Interior and is composed of vice-chairmen and members from relevant ministries and institutions. This ad-hoc structure will be terminated once the 5th Meeting of governors of provinces connecting the Cambodian-Thai border has ended and after an appropriate report of the result thereof is made to the head of RGC and relevant ministries and institutions.

Sub-Decree No.65 (RGC) dated 25 May 2015 on the Determination of Monthly Allowances for Commune/Sangkat Council Members

This Sub-decree is to set new allowance scales for Commune/Sangkat Council Members nationwide. According to this new Sub-decree, Commune/Sangkat members' allowance scales as follow.

- 1. KHR 570 000/month for the Commune/Sangkat council chief holding position as the chief of the Commune/Sangkat,
- 2. KHR 400 000/month for Commune/Sangkat Council member holding position as first or second deputy chief of Commune/Sangkat,
- 3. KHR 350 000/month for other members

The enforcement of the new allowance scales will start from July 2015 and the enforcement will apply to only the members in function.

BANKING, FINANCE AND CAPITAL MARKET

Prakas No 440 (MEF) dated 07 April 2015 on the Organization and Functioning of Budget Teamwork of the Ministry of Economy and Finance.

The purposes of this Prakas are to:

- Strengthen and improve the brotherliness of the organizational structure, tasks, duties and the functioning of the budget teamwork;
- Strengthen and improve the efficiency of functioning and the implementing of tasks and duties of budget teamwork
- Strengthen brotherliness, quality, productivity, efficiency, effectiveness and accountability of the organizational structure, implementation, examination and evaluation on the implementation of their budget plan.

The Ministry of Economy and Finance has structured budget teamwork as follows:

- 1. The budget teamwork at ministerial level
- 2. The budget teamwork at budget entity level
- 3. The budget teamwork at technical level
- 4. The budget teamwork at sub-budget entity level

Each level of budget teamwork is assigned to different tasks and duties as detailed in this Prakas. This Prakas is effective from the date of signature.

ABOUT US

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We facilitate business, investment and trade between Cambodia, Myanmar and the rest of the world through innovative and costeffective legal services.

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LEGAL DATABASE

The laws and regulations in our database are based upon the Official Gazettes, law compendiums and other collections from the ministries and institutions of the Royal Government of Cambodia. These are available to the public through our partner site, www.bnglaw.net.

Circular N°006 (MEF) dated 29 April 2015 on the Mechanism for Resolving the Challenges related to the Implementing Task on the Public Finance Management Reform

Public Finance Management Reform (PFMR) is reaching its substantial stage related to the changes of both the management structure, the mechanism and procedure of its process, especially by the put in operation the full program budgeting from 2015. At this stage, MEF has found out the existence of some challenges needing to be redressed with an urgent measure in order to ensure the effectiveness and efficiency of the implementation of the PFMR.

In this regard the Committee Leading the Public Financial Management Reform decides to issue this Circular $N^{\circ}006$ for setting some mechanisms to resolve the challenges related to the PFMR. These mechanisms cover the measures to be taken by Ministry of Economy and Finance (MEF) and those by Ministries and Institutions.

Joint-Decision No 006 (MEF) dated 19 May 2015 on the Creation of Coordinating Mechanism between the Democratic Development Reform Program in the Sub-National Level, the Public Financial Management Reform Program, and the Public Administrative Reform Program

The three Presidents of the three Reform Programs mentioned above have decided to create a mechanism for the purpose of coordinating their work in a more consistent, interrelated, and harmonized manner. Mechanisms focus on the trimestral meeting between the committees of each Reform Programs. Each Committee rotationally presides over the meeting and is responsible for organizing the meeting, preparing agenda, and inviting participants from public or private sectors. The conclusion of each meeting shall be submitted to the presidents of the three programs which respectively are the Minister of Interior, Minister of Economy and Finance, and Minister of Civil Service.

BUSINESS

Sub-Decree No. 56 (RGC) dated 05 May 2015, on the Establishment of the Committee for Leading the Development of Microfinance sectors.

Under the umbrella of the Committee on Economic and Financial Polity, the Committee for Leading the Development of Microfinance sectors is entitled to prepare and to adopt policies and strategies for microfinance sector for the government. In this regard, the Committee is assigned to:

- Lead, coordinate, supervise and monitor the implementation of those policies and strategies,
- Coordinate and to enforce the cooperation with the relevant development partner,
- Review and evaluate the progressing report on the microfinance sector and to make appropriate report to the government,
- Complete other tasks upon instruction of the Committee on Economic and Financial Policy and the instruction of the royal government.

The Committee is chaired by the Deputy Prime Minister holding position as Chairman of the Committee on Economic and Financial Policy. The vice-chairmen and members are mostly ministers and some from other academy and private sectors.

Royal Decree No NS/RKT/0515/403 dated 09 May 2015 on the Organization and Functioning of the National Council for Sustainable Developments

The National Council for Sustainable Developments was established to improve the sustainable developments and to guarantee the balance between economy, environment, society and culture in Cambodia.

The Council is composed of Honored President, actually the Prime Minister of the Kingdom of Cambodia, and Minister of Environment as the President and 37 members from ministries and public institutions.

The Council has roles to:

- Organize, advise, coordinate the implementation and evaluate the political policy, legislative acts, planning strategies, planning activities and other related sustainable developments:
- Promote the sustainable developments into policy by cooperating with other related ministries and institutions;

- Build and strengthen cooperation with development partners, civil society, private sector, research centers and other related parties;
- Examine and implement national report which Cambodia is obliged to organize according to the environmental multi-agreement;
- Lead, manage and coordinate green economy works, climate changes, protect mix-life,

The Council conducts a meeting once per year through the invitation of the President or the proxy vice-president.

The Council is entitled to their own funds which are annexed to the Ministry of Environment. The Council is permitted to receive funds from other resources and serve for their operation in accordance with the existing laws.

EDUCATION, YOUTH AND SPORT

Sub Decree No. 58 (RGC) dated 11 May 2015, on the Organization and Functioning of the Ministry of Education, Youth and Sport.

The organization structure of this ministry is as following:

- Central Level: relevant general departments under its control 8 departments, 33 office under those 8 department)
- Local Level: departments of education, youth and sport of province and city
- High education establishment and Institute: public universities and Institutes (7 universities, 2 Institutes)

Its duties are to lead, to manage and development by the obligations as below:

- To determinate the policy of the ministry;
- · To code the legal;
- To build the implantation plan, to check, to investigate and evaluation the policy of education of the ministry and development the human resource, specially the measure to improve with all expert.
- To promote the education sector;
- To oriented the profession and the vocation;
- To check the requested on creation, dissolution, melter and created new expert;
- To promote the research in education sector;
- To control, to check and evolution the education processing, author, publication, import
 the relevant book and relevant documents regarding the education and all the level
 studying and to fine.

ELECTION AND POLITICAL PARTY

Royal Kram No. NS/RKM/0515/006 dated 18 May 2015 on Promulgation of the Law on Amendment of Article 23 of Law on Statute of Members of the National Assembly

Old article 23 of law No NS/RKM/1006/025 dated October 23, 2006 states that "formula to calculate retirement pension of each former member of the National Assembly is based on compensation for paid leave and other fringe benefits of each member of the National Assembly at his/her last year which is equal to 100%."

This new law amends the formula of calculation into "Formula to calculate retirement pension of each former member of the National Assembly is based on compensation for paid leave and other fringe benefits within one year of any year which contains maximum funds equal to 100%."

ENVIRONMENT

Sub Decree No. 55 (RGC) dated 04 May 2015 on the Organization and Functioning of the Ministry of Environment

The Ministry of Environment has the mission to lead and manage all activities for the preservation of the environment, conservation of the biodiversity, the substantial and proper use of the natural resources by setting out the functions and obligations as provided in the article 3 of this Sub Decree.

The Ministry of Environment is comprised of three levels such as Central Level, Administrative Level, and the Public institute. The Central Level consists of four General Departments (such as the General Department of Environmental information and knowledge, the General Department of Environment Protection, the General Department of Administrative Protection, the General Department of Administration and finance), One Inspection, One Internal Audit Department, and Ministerial Cabinet. The department and the division under the department are governed by the Prakas of the Ministry of Environment.

JUDICIARY AND ADR

Royal Decree No. NS/RKT/0515/398 dated 08 May 2015 on Grade and Degree for Judges and Prosecutors

This royal decree determines Grade and Decree of Judges and Prosecutors in order to be in compliance with the law on the Status of Judges and Prosecutors of the Kingdom of Cambodia dated July 16, 2014.

This royal decree is applicable for Judges and Prosecutors under the law on Status of Judges and Prosecutors, accomplishing professions at all levels of courts, prosecutors working in prosecution services.

This royal decree also states magistracy, Grade and Grade of Basis Salary of Judges, Regulatory and Integration in Cadre, Grade and Degree.

LABOR AND SOCIAL AFFAIRE

Sub-Decree No.64 (RGC) dated 22 May 2015 on the Organization and the Functioning of National Council of Science and Technology Secretariat

This Sub-decree defines the organization and the functioning of the National Council of Science and Technology Secretariat. It sets out also its roles and responsibilities. The secretariat is the assistant of the National Council of Science and Technology, and it has 13 roles and responsibilities.

The secretariat has four departments under its supervision, which are Department of Policy Administrative Planning Finance and Technology, Department of Cooperation and Human Resource Development, Department of Infrastructure and Research and National Development Program and Department of Monitoring and Evaluation.

Each department will have its own small sub-divisions or offices as required. The sub-decree also sets the roles and responsibilities of each department.

MINE, ENERGY AND NATURAL RESOURCE

Royal Kram N°NS/RKM/0515/005 dated 18 May 2015 on the Amendment of Articles 3, 4, 5, 26, 27, 28, 42 and 74 of the Law on Electricity of Kingdom of Cambodia promulgated by Royal Kram N°NS/RKM/0607/015 dated 22 June 2007

The amendments made by this Royal Kram focus on, among others, the repartition of tasks between the Ministry of Mine and Energy (MME) and the Electricity Authority of Cambodia (EAC) related to the policy setting, the supervisory functions on this energy sector. Upon the Article 3 New of the Law on Electricity, MME is in charge of preparation and supervision on the policy, strategy and RGC plan related to the electrify. Whereas EAC ensures the efficiency, the quality, the prosperity and the transparency related the distribution services and the use of electricity. Anyway, each decision made by EAC shall be in compliance with the policy, strategy and plan on the electricity set by MME (Article 4 New).

In regard to the super version on the electricity distribution services, the Royal Kram re-confirms that each electricity distributor must hold a license granted by EAC and must respect all relevant laws and regulations as well as the license conditions. The license holder must make annual summary report to MME and to the public, together with in each annual action plan and other reports as imposed by EAC.

TAXATION AND CUSTOMS

Prakas No 250 (MEF) dated 03 March 2015 on the Signature Authority as Manager and Financial Director on Mandate for Value Added Tax Refund

Authorize to H.E Secretary of State Hean Sahip sign as mandate manager on behalf of Minister of Economy and Finance on Value Added Tax Refund to all enterprises with the amount from 500 Million Riel to 1,000 Million Riel. For the VAT Refund more than 1,000 Million Riels, Minister of Economy and Finance shall approve.

Authorize to H.E Kong Vibol, Delegate of the Royal Government in charge as Director General of the General Department of Taxation, sign as mandate manager and financial director on behalf of Minister of Economy and Finance on the payment documents category number 63, account number 7009 "Refund on Tax and Duty" to all enterprises with the amount less than 500 Million Riels

Authorize to H.E Kong Vibol, Delegate of the Royal Government in charge as Director General of the General Department of Taxation, sign as mandate manager and financial director on behalf of Minister of Economy and Finance on the payment documents category number 63, account number 7009 "Refund on Tax and Duty" to all Embassy, Non-Government Organization and Development Partner with unlimited amount.

Any regulations against with this Prakas are abrogated

Prakas No 396 (MEF) dated 06 April 2015 on the Establishment a Steering Committee on Customs Reform and Modernization Program 2014 to 2018

The Steering Committee on Customs Reform and Modernization Program is composed by having the General Director of Customs and Excise Department as the President, 4 Deputy General Directors of Customs and Excise Department as Vice President, 13 Members and 2 Secretaries.

The Committee has roles and obligations as follows:

- Establish a Custom Reform and Modernization Working Group and a Customs Reform and Modernization Assessment Team;
- Provide vision and action plan for Custom Reform and Modernization Group according to vision of Custom and Excise Department;
- Approve the action plan and detail schedule of action plan of Custom Reform and Modernization;
- Facilitate and ensure the consistent between the planning and tax collection strategies of Ministry of Economic and Finance and Rectangular Strategies of Cambodia Government;
- Build and strengthen cooperation with development partners, civil society, private sector, research centers and other related parties;
- Set up the meeting and control procedure and evaluate the efficiency of the action;
- Initiative idea in modification and amendment of action plan in order to meet the current circumstance;
- Monitoring and evaluating of result and resolving the problem occurred during apply the program and report the progress to Ministry of Economy and Finance;
- Cooperate with national and international experts and development partners to collect the donation and necessary technical assistant to ensure the program is success;

Any tasks assigned by Custom and Excise Department.

Any regulations against with this Prakas are abrogated

TELECOM, POST AND ICT

Decision No. 31 (RGC) dated 08 April 2015 on the Establishment of the Committee for the Management and Use of Frequency 700 MHz

As per the provision of this Decision, the Committee is established to study the current circumstance of the management, distribution and the use of frequency 700MHz. The Committee consists of one President and four members.

The Committee has the functions to lead, facilitate on the study of the current management, distribution and the use of the Frequency 700MHz. The Committee also conducts and prepares

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the conference relevant. The Committee has the rights to use the stamp of the Ministry of Post and Telecommunication.

TOBACCO AND DRUG CONTROL

Royal Kram No.NS/RKM/0515/004 dated 18 May 2015 on Law on the Tobacco Control

The law on Tobacco Control is adopted for the purpose of public health and reducing the impact on health economic society and environment causing from the tobacco by setting out the mission to take the actions for the management and control on the tobacco products, promote the knowledge and the public anticipation causing from the use of the tobacco and cooperate with the relevant ministries, national and international institutes and organization partners for the drug education and the reduction of drug use.

This law governs all kinds of the tobacco products both imported and exported and distributed, sold and used in Cambodia. The law also provides the definition of the terminology of the words such as tobacco products, tobacco industrials, product of the tobacco package and other relevant terminology.

The Ministry of Health is the institute to govern all the activities to the tobacco products. The producer of the tobacco products and the importer of the tobacco products for distribution and selling shall provide the information relevant to the substance of the tobacco products if necessary.

The law provides the illegal acts in regard to the tobacco products as follows:

- The use of words that leads to the confusion such as the smell, the test.
- the advertisement of the tobacco product on the media both in the form of image or
 letters via radio, television, newspaper, magazine, compact disk, video compact disk,
 DVD, or any telecommunication service and billboard or leaflet in the public. Yet the law
 allows the direct advertisement of the package of the tobacco product at the outlets, and
 the size and the number of the package for the advertisement is provided in the Circular
 of the Ministry of Health
- The sale and distribution of tobacco products to the minors and the pregnant women
- The personal import of the tobacco products more than 200 pieces or more than 250gs or 50 pieces for Cigar.
- The importation of the tobacco product by the minors
- The sale or distribution at the area of the educational institutions, hospital area, kids garden, religious institutes, museums, petroleum station and the area that possibly causes the fire

The law requires the message for the health harm from the tobacco shall exist in 50 percent. Further the law provides the evaluation, the inspection and management of the tobacco products and the penalty. The penalty under this law is from 6 days to 6 months and the punishment is from 100,000 Riels to 40,000,000 Riels. The legal entities will endure the double punishment on the damages and other possible penalty such as dismissing the entity, putting the entity under the inspection of the court, forbidding certain activities and so on.

Sub-Decree No 49 (RGC) dated 09 April 2015 on the Organization and Functioning of the Committee for Treatment and Rehabilitation of the Drug Addicts

The Committee is established for the mission to provide treatment and to rehabilitate the drug addicts. The Committee also leads the treatment service, protect and reduce the accident causing from the drug uses and integrate those victim to the society.

The Committee consists of a Chairman, three vice-Chairmen and 20 members from different ministries and institutions. The Committee holds its responsibility to prepare the policy, strategies, and to facilitate with the municipal and provincial councils in accomplishing its duties. The Committee will conduct the meeting every three months and for any necessary meeting as requested by the Chief of the Committee.

The budget and finance of the Committee is under the Ministry of Health of the Kingdom of Cambodia.

