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## LABOR AND SOCIAL AFFAIRS

### **Announcement on the minimum wage for workers in the textile, clothing, leather and footwear industries**

The Ministry of Labor and Vocational Training would like to inform the public, workers, and relevant authorities on the relevance of the minimum wage for the year 2017 to the textile, clothing, leather and footwear sectors

- The calendar relating to discussions of the 2017 minimum wage has been set out.
- All parties must take into consideration social conditions (family, expenses...) and economic conditions (productivity, competition, market...) as a basis for the minimum wage rate in Cambodia.
- MOLVT would like to remind all parties the need to focus on the database and the scientific research established in 2014 as a basis for discussions.
- The Labor Advisory Committee will establish a technical team made up of three parties drawn from employees, employers, and the government. The Labor Advisory Committee will consider all proposals that the technical team puts forward.

### **Circular No. 05 on preparations for the 130th International Labor Day on May 1st, 2016**

The Cambodian government sets out the date of May 1 as a holiday for employees and officials in Cambodia. This year, the theme for Labor Day is

“Promoting freedom in professional organizations and stabilizing productivity”

The Ministries involved are:

- i. Ministry of Labor and Vocational Training: plays an important role disseminating information and hosting entertainment events
- ii. Ministry of Interior: ensures security
- iii. Ministry of Information: informs the public and handles press releases
- iv. The Ministry of Economics and Finance: provides finances for the celebration of May 1. International Labor Day

### **Prakas No. 109 of MLVT dated 17 March 2016 on Health Care Benefits**

The objective of this Prakas is to determine the health care benefits for persons defined by the provision of the Labor Law.

The Prakas contains a glossary defining terminology related to Benefits of Health Care (article 2 of this Prakas).

Furthermore, this Prakas lists those services that are either included or excluded in the Health Care Benefits to employees (article 3 and 4 of this Prakas).

However, upon proposal from NSSF board of directors (article 11.2 of this Prakas), those current excluded health care benefits services may be revised in a future MLVT Prakas.

In principle, NSSF is only responsible for treatment fees at NSSF listed health centers except in the case of an emergency.

## PUBLIC LAW

### **Circular No. 01 dated 7 April 2016 concerning the preparation of the Budget Strategy Plan for 2017**

Circular No 01 provides sound principles and basic guidance for each Ministry and Institution to prepare their respective management budget plans for 2017

The aim in preparing the Budget Strategy Plan is to:

- link the budget to the principal policies of the Government and the Ministry institutions
- improve future estimation of expenses related to the principal policies of the Ministry and Institutions

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## ABOUT US

BNG Legal is a leading law firm with offices in Phnom Penh and Yangon providing comprehensive legal services to foreign and local clients.

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

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## CAMBODIAN LAW BLOG

[cambodianlaw.wordpress.com](http://cambodianlaw.wordpress.com)

BNG Legal believes expanding access to legal information is crucial to rule of law. To that end, several of our legal professionals write a blog discussing recent developments in the legal landscape.

## 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](http://www.bnglaw.net).

- ensure that the development of future program strategies of the Ministry Institutions delivers its political purpose
- explain and show simply the need for budgets to implement main government policies
- Enable and manage national annual budgets in order to reach future objectives.

### **Decision No: 025 dated 08 April 2016 on the creation of a working group to hold coordination meetings to deal with the handling of protestors and demonstrator involved in land issues**

The group is composed of 11 members with the following assigned tasks:

1. To meet protestors and demonstrators
2. To receive petitions and relevant documents from protestors or demonstrators
3. To coordinate actions dealing with protestors or demonstrators
4. To request specific details in order to get a final decision from the Ministry
5. To communicate with the protestors or demonstrators for additional information and inform them of any solution found
6. To follow up the implementation of measures taken until the end of a dispute and submit a report to the Ministry of the step by step dispute resolution
7. Draw up trimester, semester reports and submit annual outcomes to the Ministry.

### **Sub-Decree No.62, dated 08 April 2016, on the amendment of article 3 of sub-decree No. 56, dated 05 May 2015 on the establishment of a committee on development in the micro-finance sector.**

Per this sub-decree, the number of members on the committee changes to 15 persons.

### **Sub Decree no. 60 dated 05 April 2016 on the organization and functioning of the Council for the Development of Cambodia**

This sub-decree aims to determine the general organization and functions of the Council for the Development of Cambodia (CDC). It describes the composition of the CDC and duties and responsibilities of the officials who are part of this institution. They have numerous duties to perform, discuss, and complete. The Prime Minister heads this group along with all his Ministers. In addition to the Council's composition, the sub-decree also lists the 4 part organizational structure of the CDC as follows:

1. The Cambodian Rehabilitation and Development Board "CRDB" shall be under the direct supervision of the Secretary General
2. The Cambodian Investment Board "CIB" shall be under the direct supervision of the Secretary General
3. The Cambodian Special Economic Zones Board "CSEZB" shall be under the direct supervision of the Secretary General
4. The General Secretariat of the "CDC" shall be under the direct supervision of the Secretary General of the CDC.

Although each organization has different roles and responsibilities, more importantly, they also have their own organizational structure to perform different tasks. In summary, the main role of CDC is to be a One-Stop Service for the Government of Cambodia to rehabilitate and develop the country in regards to private and public investments; including the management and establishment of Special Economic Zones. In addition, this institution plays a role as a facilitator, coordinating meetings between government officials, NGOs, development partners, and other investors.

The other main role of this body is to review and to decide on investment matters that link to rehabilitation and development in Cambodia. The CDC Chairman will be responsible for the overall implementation of the institution, coordinate meetings, and other plenary sessions, and manage the financial status of the body. CDC is mainly answerable to the Council of Ministers for its actions.

### **Sub-decree No. 64 dated 20 April 2016 on the creation of a management committee to facilitate railway planning in Cambodia**

This Committee is composed of eighteen members including one president, two vice presidents, and fifteen members. Their duties are as follows:

- To lead and facilitate the search for financial sources to build a railway from Batdeng to Snoul
- To develop a new railway network and operate a nationwide transportation system
- Submit proposals to the Royal Government
- Implement surveys and take action on such issues as:
  - o Find financial solutions in or outside the country
  - o Resolve land impact and housing issues of households in the rebuilding plan

#### **o Demine along railways**

- Facilitate all construction issues and transport operations throughout the railway network
- Submit reports on all activities and task outcomes to the head of the Royal Government.

#### **Sub - Decree No. 63 (RGC) on the Modification of Article 1 of Sub - Decree No. 79 dated 12 June 2015 related to the establishment of a National Coordinating Committee (NCC) to combat money laundering and terrorist financing**

In accordance with this Sub-Decree No. 63, Article 1 of Sub Decree No. 79 dated 12 June 2015 on the establishment of national coordinating committee to combat money laundering and terrorist financing is modified as follows:

New Article 1:

The National Coordinating Committee (NCC) is the permanent and highest-level coordinating office to prevent and control money laundering and terrorist financing.

NCC is composed of the following:

- |  |                           |
|--|---------------------------|
| 1. Governor of the National Bank of Cambodia                                   | Chairman                  |
| 2. Representative of Ministry of Economy and Finance (MEF)                     | Vice chairman             |
| 3. Representative of National Committee to Combat Terrorism                    | Vice chairman             |
| 4. Representative of Ministry of Interior                                      | Member Board of Directors |
| 5. Representative of MEF   | Member Board of Directors |
| 6. Representative of Ministry of Justice                                       | Member Board of Directors |
| 7. Representative of Council of Ministers                                      | Member Board of Directors |
| 8. Representative of Ministry of Foreign Affairs and International Cooperation | Member Board of Directors |
| 9. General Secretary of the Cambodian Financial Organization                   | Member Board of Directors |

The exact composition of NCC members shall be determined by decision of the Government.

NCC shall hold meetings on invitation by the chairperson or the vice chairperson authorized by the chairperson.

## **TAXATION AND CUSTOMS**

#### **Circular No. 02 dated 19 April 2016, on the management of government vehicle imports, and their registration as government assets**

In order to enforce the control of importing and registering government vehicles, including tax collection and government assets registration, the Royal Government of Cambodia has set out the following rules and procedures:

##### **1. Tax and import duty**

- ☒ Importation of a vehicle: where the importation tax is under the responsibility of the government, an application for approval from the government must be obtained before importing the vehicle.
- ☒ The importation of a vehicle for exclusive use by an embassy, international organization, non-government organization, or development agency shall be in accordance with agreements drawn up with the government.
- ☒ The General Department of Customs and Excise shall stick on to the vehicle a separate vignette for any tax-exempted vehicles.
- ☒ A vehicle donated to government shall comply with all duty tax obligations and import procedures.

##### **2. Fixed asset registration**

- ☒ All vehicles purchased or imported for the government shall be registered in the government fixed asset register.

Government officers returning from long missions overseas shall follow a separate procedure.

- ☒ One copy of the fixed asset register shall be kept with the department of assets and non-taxable income at the Ministry of Economics and Finance.

The General department of customs and excise, the general department of taxation, the department of assets and non-taxable income shall set up a mechanism to share that information.

- ☒ A vehicle number plate shall be provided with the government vehicle once import and tax obligations procedures have been followed.

### **3. Transportation tax**

☒ It is permitted to pay the transportation tax on a government vehicle only if proper import and tax obligations and procedures have been followed

☒ All government vehicles shall fulfill the obligation to pay the means of transportation tax.

☒ A Government vehicle exempted from the transportation tax complies with other specifications, as per separate regulations.

### **4. Purchased vehicle using government funds**

☒ Prior approval shall be obtained from government, and on the condition, the funds have already been allocated in the government's annual budget.

☒ From 2017 onwards, vehicle purchase requests shall include import taxes in the annual budget.

### **Decision No 24 dated 14 March 2016 on the establishment of the Committee for Fiscal Policy**

The Minister of Economy and Finance is the chairman of the committee.

The members of the committee consist of secretaries from various Ministries: the National Bank, CDC, General Department of Customs and Excise, General Department of Taxation, and the General Department of Public Policy and Economics of the Ministry of Economics and Finance.

The General Department of economic policy and public finance is the general secretariat to the committee.