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Corporates & Investment

Prakas No. 030 on the Regulation of Pledge Business and Collateral Transfer, dated January 13, 2017

The regulator of the pledge business and collateral transfer is the Ministry of Economy and Finance. The Department Overseeing Real Estate Business, Pledge and Collateral Transfer has direct oversight authority of this business.

Those who want to start a pledge business and collateral transfer must apply for a business license from the Ministry. Applicants must meet the following: (1) be a Cambodian legal entity registered with the Ministry of Commerce; (2) have a capital of 20 to 800 million riels (US\$5,000-200,000) (depending on the size of the business); post a business guaranty of 10% of the capital; (3) the bearers of business permit must have a college degree; (4) have a fixed business address.

In their operations, the business shall not issue loans per transaction exceeding 20% of the business capital. For loans that are secured by the possession of immovable property ownership document, it shall not exceed 20,000,000 Riels per transaction. Also, it shall not exceed 4, 000, 000 Riels in one transaction of property's pledge for the small size company or enterprise.

Any company or enterprise which obtains this business license shall submit its report to the Ministry or Department of Economy and Finance as below:

- Monthly business operation report not to exceed 15 days of the next month;
- Annual financial report not later than the quarter of the next year.

The form of this report is set by the Ministry of Economy and Finance.

Joint-Prakas No. 1505 on the Exemption of the Inspection Service Fee for Rice Exportation/of the Ministry Commerce

This Joint Prakas makes change to inspection service fees set out in the old Prakas No. 1643, 16 December 2016. The service fee for the inspection in the old Prakas, which is 25,000 riels, is now free. This change applies to lines "Rice one shipment."

Real Estate & Construction

Prakas No. 029 on Creation of the Working Group to Compile Statistics and Coordinate Immovable Property Market Information, dated January 13, 2017

The working group is composed of 11 members and headed by the Ministry of Economy and Finance. The duties of this working group are as below:

- Collect, manage, and share the relevant information on immovable property;
- Evaluate the level of risk of the immovable property markets with a view of timely preventing crisis
- Request the cooperation from relevant competent authorities in order to facilitate to the collection and sharing of information;
- Prepare reports in every quarter and semester on immovable property market information to the Minister of Ministry of Economy and Finance;
- Complete other duties as required by the Minister of Ministry of Economy and Finance.

Sub-Decree No. 09 on land reclassification, dated January 27, 2017

A land of 6,101.95 hectares, which is located in Khum Phnom Kuk, Srok Vern Sai, Rattanakiri Province

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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, Myanmar and the rest of the world through innovative and cost-effective legal services.

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of Hang An Mang Yang Ke Rubber Development Company, is reclassified as private property of the state for the purpose of economic land concession. This land shall be under the competence of the Ministry of Agriculture, Forestry, and Fishery, and Ministry of Economy and Finance, and the Authority for the Management of State Land.

Banking & Finance

Prakas No. 02 on the provision for doubtful loans by local banks, dated 23 December 2016

This Prakas has a purpose of determining the rules for the provision for doubtful loans by local banks in accordance with Paragraph 4 of Article 4 (new) of the Tax Law.

Loans that are subject to provision are classified (a) for banks into five levels: normal, watchful, sub-standard, doubtful, and loss and (b) for microfinance institutions into four levels: standard, sub-standard, doubtful, and loss.

Banks are allowed to apply provision for the following doubtful loans: for standard credit: 20% of gross loan; for doubtful credit: 50% of gross credit; loss credit: 100% of gross credit.

Microfinance institutions are allowed to apply provision for the following doubtful loans: for doubtful credit: 30% of gross credit; for loss credit: 100% of gross credit.

Local banks must report as annual taxable income the amount of loans that has been provisioned and recovered, including interest and other charges. The additional tax and interests related to the adjustment of provision shall be exempted for any prior adjustments until the adoption of this Prakas except for any adjustments that have paid tax, additional taxes and interests.

Telecom & Technology

Decision N° 07 on the establishment of inter-ministerial committee for reviewing and evaluating the implementation the development policy concerning telecommunication, information, communication, and technology 2020

The inter-ministerial committee is composed of 34 members from various ministries. This committee is charged with reviewing and evaluating the implementation of the development policy concerning the telecommunication, ICT; making recommendations to the government to address challenges encountered during the policy implementation; disseminating the policy; cooperating with the international organizations and development partners to mobilize resources for the implementation of the policy; facilitating the consultations at national, sub-national, and international concerning the implementation of the policy; submitting six-month reports on the implementation of the policy to the government.

Prakas N° 1436 on Putting into Use of Manuals on the Internal Control System for the Information Technology

This Prakas puts into use of the manuals on the internal control system regarding the use of the information technology for the preparation, management, and control of the information technology system in every government ministry and in public institutions and units.

Tax & Customs

Prakas No. 1539 on the Amendment of the Submission Date for Monthly Tax Return, dated December 23, 2016

The submission of the tax return for a given month shall be made at the latest the 20th day of the next month. Those monthly tax returns are applicable to:

- Prepayment of profit tax return
- Salary tax return
- Withholding tax return
- Value added tax return

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- Special tax on service or good return
- Accommodation tax return
- Public light tax return

Prakas No. 1525 on the Amendment to the Annex of Prakas No. 1119, dated October 06, 2016 on the Adoption of the Cambodia Custom Tariff 2017, dated December 23, 2016

The amendment applied to 10 line items of imported goods. The duties for those line items have been increased or decreased by this amendment.

Prakas No. 1536 on Tax Compliance Classification, dated December 23, 2016

The Prakas sets out 3 categories of tax compliance for taxable entity:

- Gold
- Silver
- Bronze

This initiative is to encourage taxable entity to comply with law of taxation. Rating is based on 1212 criteria and a those entities that have fully complied with the tax requirements will receive 20 points. Those who receive 16 to 20 points are classified as Gold compliance. 11-15 points as Silver compliance; and 1-10 points Bronze compliance. They will receive certificate according to the points they have received.

Public Law

Decision No. 132 on the Creation of Working Group to Assess the Impact of Laws and Regulations, dated December 26, 2016

The purpose of this Decision is to require each government ministry or agency to establish a working group whose duty it is to assess the impact of a proposed law, regulation, or any text that has legal effect. .

The Economic, Social, and Cultural Council of the Council of Ministers shall create working group called "Regulatory Executive Group" responsible for :

- Training and building the capacity of officers of regulatory impact assessment working group in all ministries on the methodology of regulatory impact assessment;
- Giving advice to ministries in preparing regulatory impact assessment report;
- Updating, publishing, and disseminating the guidelines on on methodology of regulatory impact assessment.

A manual on the methodology of the regulatory impact assessment is attached to this Decision.

Sub-Decree No. 59 on the Exemption of Age Criterion and the Determination of Candidate Age Participating in Civil Servant Framework Exam, dated January 24, 2017

The purpose of this sub-decree is to provide the opportunity to students and civil servants to participating in the exam to recruit civil servants of the Kingdom of Cambodia.

The objective of this sub-decree is to exempt the age criterion and fix the age of the students and civil servants who can participate in the exam.

The student candidates who obtained medical, pharmacy, dentistry, or health science shall exempt the age criterion to participate in the exam.

For the student candidates who take exam to be civil servants besides health sector, the age criterion is determined as of the date of exam as below:

- Candidates who obtained PhD degree shall be exempted from age criterion;
- Candidates who obtained master degree or equivalent shall have a maximum age of 40 years;
- Candidates who obtained the bachelor degree or equivalent shall have a maximum age of 35 years.

Civil servants in a sector who take exam to be civil servants in the other sectors shall be exempted from age criterion.