

LEGAL UPDATE

Quarterly (July- September 2023)

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1. LAW ON CIVIL STATUS, CIVIL STATUS STATISTICS, AND IDENTIFICATION

The Law on Civil Status, Civil Status Statistics, and Identification was promulgated on 01 July 2023 by Royal Kram NS/RKM/0723/009 with 12 Chapters and 182 Articles.

The Law on Civil Status, Civil Status Statistics, and Identification aims to determine the rules and procedures in relation to civil registration, residence registration, civil status statistics, personal identification, and population management which applies to all persons living in the territories of the Kingdom of Cambodia and the Cambodians living outside the Kingdom of Cambodia.

The civil status certificate includes a birth certificate, marriage certificate, and death certificate. The civil status registration also includes the registration from the judgment of the court.

2. LAW ON AMENDMENT OF THE LAW ON ELECTION

The Law on Amendment of the Law on Election was promulgated on 04 July 2023 by Royal Kram NS/RKM/0723/010 with 8 Articles.

This Amendment Law aims to provide for the amendment of the Law on Election of Members of the National Assembly, the Law on the Election of Commune/Sangkat Councils, the Law on Election of the Senate member, and the Law on Election of the Council of Capital, Province, Municipal, District, Khan in order to promote the value of multi-party liberal democracy as stated in the Constitution of the Kingdom of Cambodia as the supreme law of the country and to promote the accountability of the politicians based on the voting of multi-party liberal democracy both national and sub-national.

3. LAW ON RULES OF ORIGIN

The Law on Rules of Origin was promulgated on 05 July 2023 by Royal Kram NS/RKM/0723/011 with 9 Chapters and 35 Articles.

The Law on Rules of Origin aims to set the principles and rules of origin for the import and export of goods for the purpose of encouraging and facilitating under the preferential and non-preferential trade system and to prevent the counterfeiting of goods of origin.

The Ministry of Commerce, with the General Directorate of Trade Support Services or other departments authorized by the Ministry of Commerce, is the authority to issue the Certificate of Origin in both paper and electronic forms. The Customs Administration is the authority to

certify the origin of goods, both under the preferential and non-preferential trade system, provided by the importer, producer, or authorized representative.

The penalty in the Law on Rules of Origin includes administrative penalty and criminal penalty. The administrative penalty includes a written warning, suspension or cessation of business operation, suspension, revocation, or cancellation of permit or license. Whereas the criminal penalty includes a provisional fine, fine, and imprisonment.

4. SUB-DECREE ON THE MANAGEMENT OF CAMBODIA’S DIGITAL KEY

On 26 July 2023, the Royal Government of the Kingdom of Cambodia issued Sub-Decree no. 207 on the Management of Cambodia Digital Key (the “**Sub-Decree no. 207**”) with 8 Chapters and 36 Articles.

Sub-Decree no. 207 determines the mechanisms, rules, and procedures to ensure safe, accountable, and transparent management of Cambodia’s Digital Key. It applies to ministries, institutions, public entities similar to sub-national administrations, public enterprises, public administration, legal entities benefiting from public finance, companies or commercial enterprises, and associations established in accordance with other laws and regulations in force in the Kingdom of Cambodia, as well as natural persons of Khmer nationality and natural persons of foreign nationality who use the services and data of Cambodia’s Digital Key, except the use of services and data in the fields of defense, national security, and public order.

5. SUB-DECREE ON CONDITIONS, FORMALITIES, AND PROCEDURES FOR IMPLEMENTING THE SOCIAL SECURITY SYSTEM ON VOLUNTARY CONTRIBUTION TO HEALTH CARE

On 28 August 2023, the Royal Government of the Kingdom of Cambodia issued Sub-Decree no. 280 on the Conditions, Formalities, and Procedures for Implementing the Social Security System on Voluntary Contribution to Health Care (the “**Sub-Decree no. 280**”) with 5 Chapters and 27 Articles.

Sub-Decree no. 280 sets out the conditions, formalities, and procedures for the registration of contribution payments, and claims and provides the benefit for the social security scheme for health care under the voluntary contribution regime in accordance with the provisions of the Law on Social Security Scheme. Sub-Decree no. 280 is applicable to the self-employment, spouse, and children of the member of the social security scheme.

The execution date of the social security scheme for health care under the voluntary contribution regime shall be determined by the Inter-Ministerial Prakas between the Minister of the Ministry of Labor and Vocational Training and the Minister of the Ministry of Economy and Finance.

6. PRESS RELEASE ON THE LAUNCHES OF THE STANDARD LOAN CONTRACT AND STANDARD TEXT OF CONTRACTUAL TERMS TO STRENGTHEN CONSUMER PROTECTION AND FAIR COMPETITION IN BANKING AND FINANCIAL SECTORS

On 29 August 2023, the Association of Banks in Cambodia (ABC) and the Cambodia Microfinance Association (CMA) launched the Standard Loan Contract and Standard Text of Contractual Terms to Strengthen Consumer Protection and Fair Competition in Banking and Financial Sectors at the Centre for Banking Studies (CBS).

The purpose of Standard Loan Contracts and Standard Text of Contractual Terms is to improve transparency, effectiveness, and consumer protection. It will apply to commercial banks, specialized banks, microfinance deposit-taking institutions, microfinance institutions, rural lending institutions, and financial leasing companies. The Standard Loan Contracts and Standard Text of Contractual Terms will only apply to new lending or new customers and shall be effective from 01 November 2023 onwards.

For loans of less than USD 50,000, all banks and financial institutions are required to use the same template and conditions for the Standard Text of Contractual Terms, which are divided into four categories (Standard Loan Contract on Secured Loan, Standard Loan Contract on Clean Loan, Standard Loan Contract on Financial Leases, Standard Loan Contract on Group Loan), issued by the ABC and the CMA. For loans of more than USD 50,000 up to USD 100,000, all banks and financial institutions are required to incorporate only the Standard Text of Contractual Terms provided by the ABC and the CMA in their credit agreements. The ABC and the CMA do not establish any Standard Loan Contracts for loans of more than USD 100,000.

The Standard Loan Contract and Standard Text of Contractual Terms are created by the Association of Banks in Cambodia and the Cambodia Microfinance Association, with the support of the National Bank of Cambodia, examined by independent jurists to promote transparency and consumer protection as well as fair competition in banking and financial sectors.

7. RESOLUTION ON THE SUSPENSION OF CERTAIN ADMINISTRATIVE SERVICES OF THE MUNICIPALITY, DISTRICT, AND KHAN ADMINISTRATION

On 13 September 2023, the Royal Government of the Kingdom of Cambodia issued Resolution no. 100 on the Suspension of Certain Administrative Services of the Municipality, District, and Khan Administration (the “**Resolution no. 100**”) with 3 Articles.

Resolution no. 100 sets out the suspension of certain administrative services of the municipality, district, and khan administration in relation to the filing of an application to operate a business that is determined by the Inter-Ministerial Prakas no. 14342 BrK, dated 29 December 2016 on the Sub-National Administrative Services as follows:

- A. Culture and Fine Arts Sector:
 - 1. Fine arts business
 - Location of production and sale sculpture of cement molds
 - Painter
 - 2. Haircut, hairdressing, nail decoration, and wedding planner business (Shop)
 - Men’s haircut (from 2 seats to 4 seats)
 - Men’s haircut (from 5 seats above)
 - Hairdressing, haircut, nail decoration (from 2 seats to 4 seats)
 - Hairdressing, haircut, nail decoration (from 5 seats above)
 - Wedding planner (under USD 500)
 - Wedding planner (prices from USD 500 to below USD 1,000)
- B. Education, Youth and Sports Sector:
 - Sale of sports material business, including re-validation
- C. Tourism Sector:
 - Local restaurants and canteen
 - Food stalls
 - Coffee and noodle shop
 - Tour motorbike
 - Tour motorbike rental
 - Tour tuk tuk
- D. Industry and Handicraft Sector and Mines and Energy Sector:
 - 1. Handicraft Registration
 - Manufacture of footing, large earthenware jar, sewage, tile
 - Make incense, candle

2. Power
 - Install electric generators for battery charging service with a capacity of not more than 25 kW
3. Services
 - Repair electronic appliances
 - Car and motorcycle wash
 - Motorcycle wash
- E. Business Sector:
 - Business permit and business service
- F. Agricultural Sector:
 - Wholesale and retail business permit and agricultural material.

DISCLAIMER

The objective of this article is to provide general knowledge of the laws and regulations within the scope of the Kingdom of Cambodia. It is not meant to be comprehensive. It does not constitute, and must not be considered as legal advice, for any particular reader. Accordingly, the reader should seek professional legal advice tailored to his/her specific circumstance. VINAYA Law Firm exclusively owns the copyright to this article. In the in stance of a reader desiring to reproduce or otherwise make use of this article or any part of it for any purpose, VINAYA Law Firm does not accept any responsibility for any consequences arising therefrom. The content of this article does not constitute a formal legal opinion.