

CAMBODIA

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1.

- Sector** : All Sectors
- Sub-Sector** : -
- Industry Classification** : -
- Level of Government** : Central Government and Province/Municipality¹
- Type of Obligation** : National Treatment
- Description of Measure** : NT shall not apply to any measure relating to land ownership, leasing, transactions, or use; including conditions on which such land shall be held, including the use of natural resources associated with land.

"Ownership of Land": Only natural persons or legal entities of Khmer nationality (at least 51% of the equity held by Khmer Nationality) shall have the right to ownership of the land in the Kingdom of Cambodia. The State may also provide to natural persons or legal entities of Khmer nationality ownership over immovable property belonging to the State within the strict limits set forth in the Land Law.

A Foreign Legal Entity may use the land in various forms, including concession, long term lease for 15 (fifteen) years or more, and renewable short term lease. Land Use rights include the rights on buildings, arrangements, or improvements made by the lessee for a duration specified in the contract, provided that the uses are exercised in compliance with the law in force.

- Source of Measure** :
- Constitution of the Kingdom of Cambodia, Article 44.
 - Land Law (30 August 2001).
 - Code of Civil Procedure (6 July 2006).
 - Law on Investment of the Kingdom of Cambodia (5 August 1994) and Law on the Amendment of the Law on Investment of the Kingdom of Cambodia (24 March 2003).
 - Sub-decree 114 ANKr. BK on the Mortgage and Transfer of the Rights over a Long-term lease or and Economic Land Concession (29th August 2007).

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¹ Provincial/Municipality refers to regional government.

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2.

- Sector** : All Sectors
- Sub-Sector** : -
- Industry Classification** : -
- Level of Government** : Central Government and Province/Municipality²
- Type of Obligation** : National Treatment
Senior Management and Board of Director
- Description of Measure** : National Treatment and Senior Management, Board of Director shall not apply to any measure regarding the hiring of employment policies and obligation of the investor.
- Employers must give preference to Cambodians when hiring the workers (Article 263 of Labor Law). Investors shall be obliged to promote the Cambodian staff to a senior management level, and this shall be made overtime.
- The maximum percentage of foreigners who may be allowed to be employed in each of the enterprises shall not exceed 10% of the total number of Cambodian employees.
- Source of Measure** : - Labor Law dated March 13, 1997, Article 21 and Article 264.
- Law on Investment of the Kingdom of Cambodia (5 August 1994) and Law on the Amendment of the Law on Investment of the Kingdom of Cambodia (24 March 2003).
- Sub-Decree No 111 ANK/BK date on September 27, 2005 on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia.
- Prakas No. 162 MOSALVY dated 16 July 2001 on the use of the foreign manpower issued by the Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation.
- Code of Civil Procedure (6 July 2006).

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² Provincial/Municipality refers to regional government.

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3.

Sector	: All Sectors
Sub-Sector	: -
Industry Classification	: -
Level of Government	: Central Government and Province/Municipality ³
Type of Obligation	: National Treatment Senior Management and Board of Director
Description of Measure	: NT and SMBD may not apply to any measure relating to investment in the portfolio investment.
Source of Measure	: - Preah Reach Kram No. NS/RKM/1007/028 of 19 October 2007 promulgating the Law on the Issuance and Trading of Non-Government Securities. - The Anukret No. 97/ANKR/BK of 23 July 2008 on the Conduct and Organization of the Securities and Exchange Commission of Cambodia. - National Economic Development Policy. - Stock Market Development Policy and its strategies.

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³ Provincial/Municipality refers to regional government.

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4.

- Sector** : **Manufacturing**
- Sub-Sector** : **Production/processing of psychotropic substances and narcotic substances: schedule 1, 2 and 3 of the 1961 Single Convention on Narcotic Drugs and the 1971 Convention on Psychotropic Substances**
- Industry Classification** : 2429
- Level of Government** : Central Government and Province/Municipality⁴
- Type of Obligation** : National Treatment
Senior Management and Board of Director
- Description of Measure** : National Treatment and SMBD shall not apply to any measure relating to the manufacturing of narcotic and psychotropic substances.
- Manufacturing of narcotic and psychotropic substances of schedule 1 is prohibited in the Kingdom of Cambodia, but the manufacturing of finished products of schedule 2 and 3 is only permitted according to the needs and planning of the Ministry of Health of Cambodia.
- Source of Measure** : - Law on the Controlling of Drugs (0197.01/24 1997) Article 1, Article 2, Article 3 and Article 4.
- Schedule 1, 2 and 3 of the 1961 Single Convention on Narcotic Drugs and the 1971 Convention on Psychotropic Substances.
- Sub-Decree No 111 ANK/BK date on September 27, 2005 on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia.

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⁴ Provincial/Municipality refers to regional government.

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5.

Sector	: Manufacturing
Sub-Sector	: Production of poisonous chemicals, agriculture pesticide/ insecticide and other goods by using chemical substances
Industry Classification	: 2421
Level of Government	: Central Government and Province/Municipality ⁵
Type of Obligation	: National Treatment Senior Management and Board of Director
Description of Measure	: The production of poisonous chemicals, agriculture pesticide/ insecticide is closed to foreign investors. The production of other goods by using chemical substances, prohibited by international regulations or the World Health Organization, is closed to all investors.
Source of Measure	: - Prakas No. 598 BRK.KSK dated 15 December 2003 issued by Ministry of Agriculture, Forestry and Fishery. - Sub-Decree No 111 ANK/BK date on September 27, 2005 on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia.

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⁵ Provincial/Municipality refers to regional government.

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6.

Sector	: Forestry
Sub-Sector	: Forestry and Logging: Forestry exploitation business
Industry Classification	: 0200
Level of Government	: Central Government and Province/Municipality ⁶
Type of Obligation	: National Treatment Senior Management and Board of Director
Description of Measure	: NT and SMBD shall not apply to any measure relating to restrictions or regulations on forestry and forestry-related industries.

All activities prescribing in the chapter 8 (article 28 to article 39) of the Forestry Law shall be prohibited. Natural Protected Areas shall be governed by the Law on Environmental Protection and Management of Natural Resources, with the purpose to :

- protect and promote environmental quality and public health through the prevention, reduction, and control of pollution.
- assess the environmental impacts of all proposed projects prior to the issuance of the decision by the Royal Government
- ensure the rational and sustainable conservation, development, management, and use of the natural resources of the Kingdom of Cambodia
- encourage and enable the public to participate in environmental protection and natural resource management
- suppress any acts that cause harm to the environment

Cambodia's measures relating to the investments in the Permanent Forest Reserves, except for rubber and eucalyptus plantations, are for the purpose of ensuring the sustainable management of forests for its social, economic and environmental benefits, including conservation of biological diversity and cultural heritage and Investors or the investment must comply with environmental impact assessment screening criteria and assessment process applicable to their proposed investments prior to their establishment, as required by the Law on Environmental Protection and Natural Resource Management of the Kingdom of Cambodia and its Sub-Decree on Environmental Impact Assessment Process (EIAP) for such investment.

Source of Measure	: - Forestry law (Reach Kram NS/RKM/0802/016 dated 31 August 2002). - Law on Environmental Protection and Natural Resource Management dated 24 December 1996. - Government Declaration date 25 January 1999 on Management and Elimination of Forest Anarchy. - Sub-Decree No 111 ANK/BK date on September 27, 2005 on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia.
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⁶ Provincial/Municipality refers to regional government.

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7.

- Sector** : Mining
- Sub-Sector** : Mining including sand exploitation, and Oil and Gas
- Industry Classification** : 1410, 1110
- Level of Government** : Central Government and Province/Municipality⁷
- Type of Obligation** : National Treatment
Senior Management and Board of Director
- Description of Measure** : In order to protect the Natural Environment in all areas within the fresh water and sea water in the Kingdom of Cambodia, all kind of sand exploitation for export abroad shall be prohibited and closed.
- National Treatment and Senior Management and Board of Director shall not apply to any measure relating to mining including the sand exploitation and oil and gas activities carried out within Cambodia.
- Investment license in mining including sand exploitation and oil and gas activities is required and shall be subject to terms and conditions determined by the relevant regulatory authorities including: the National Petroleum Authority and the Ministry of Industry, Mines and Energy, Ministry of Water Resources Management and Meteorology.
- Source of Measure** : - Law on Environmental Protection and National Resource Management dated 24 December 1996.
- Preah Reach Kram NS/RKM/0701/09 on Law on Mineral Resource Management and Exploitation dated 13 July 2001.
- Sub-Decree No: 27 ANRK.BK date on April 06, 1999 on the Water Pollution Control.
- Government Decision No. 29 SSR date on 08 May 2009 on the Limitation of Sand Exploitation.

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⁷ Provincial/Municipality refers to regional government.

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