



FINAL REPORT ON
THE RESEARCH OF LEGAL SYSTEM OF CAMBODIA
AND LEGAL INFORMATION RELATED TO SOCIETY,
CULTURE, POLITICS AND SECURITY OF CAMBODIA

SPONSORED BY
OFFICE OF THE COUNCIL OF STATE OF THAILAND

RESEARCHED BY
DFDL (THAILAND) LTD.

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Research Team

Mr. Kraisorn Rueangkul	Project Leader
Mr. Vathana Sar	Head of Research Team
Miss Seka Hep	Researcher
Miss Vansok Khem	Researcher
Miss Samnangvathana Sor	Researcher
Miss Ponpun Krataykwan	Researcher

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SECTION 1

OVERVIEW OF CAMBODIAN SOCIETY AND CULTURE

1. Primary Section : Social and cultural environment

1.1 Cambodian Geography and Population

Cambodia is a country in mainland South-east Asia, bordering Thailand, Laos, Vietnam, gulf of Thailand and covers a total area of 181,035 Km². The country is situated in its entirety the Tropical Indomalayan Ecozone and the Indochina Time Zone (ICT). The current population of Cambodia is approximately 15,982,330 in which 21.3% is urban. The Cambodian population is equivalent to 0.21% of the total world population. The population density in Cambodia is 91 per 236 people per Km². The average age in Cambodia is 24.2 years.¹ The official language is Khmer. Other languages spoken include French, Chinese, Vietnamese, and English (which has become increasingly common).

The largest of the ethnic groups in Cambodia are Khmer, who comprise approximately 90% of the total population. Ethnic group in Cambodia other than the politically and socially dominant Khmer are classified as either “indigenous ethnic minorities” or “non-indigenous ethnic minorities”. The indigenous ethnic minorities, more commonly collectively referred to as the Khmer Loeu (“upland Khmer”), constitute the majority in the remote mountainous provinces. The non-indigenous ethnic minorities include immigrants and their descendants who live among the Khmer and have adopted, at least, Khmer culture and language. The three groups most often included are Chinese Cambodian, Vietnamese, and Cham peoples. There are also small numbers of other minority groups. Tai peoples in Cambodia include the Lao along the Mekong at the northeast border, Thai (urban and rural), and the culturally Burmese Kola. Even smaller numbers of recent Hmong immigrants reside along the Lao border and various Burmese peoples have immigrated to the capital, Phnom Penh.

1.2 Culture and Religion

The golden age of Cambodia was between the 9th and 14th century, during Angkor period, during which it was a powerful and prosperous empire that flourished and dominated almost

¹ <http://www.worldometers.info/world-population/cambodia-population/>

all of inland South East Asia. The culture of Cambodia has had a rich and varied history dating back many centuries and has been heavily influenced by India. In turn, Cambodia greatly influenced Thailand, Laos and vice versa. Throughout Cambodia's long history, a major source of cultural origin/background was from principles of religions. Over nearly two millennia, Cambodians have developed a unique Khmer belief from syncretism of indigenous animistic beliefs and the Indian religions of Buddhism and Hinduism. Indian culture and civilization, including its language and arts reached mainland Southeast Asia around the 1st century A.D. At various times, Cambodia culture also absorbed elements from Javanese, Chinese, Lao, and Thai cultures to integrate into its culture.

Many temples from this period, like Bayon and Angkor, still remain today as a reminder of the grandeur of Khmer arts and culture. Cambodia's achievements in art, architectures, music, and dance during this period have had a great influence on many neighboring kingdoms. The effects of Angkorian culture can still be seen today in those countries, as they share many close characteristics with current-day Cambodia.

In Cambodia, there are many types of religions and beliefs including Buddhism, Hinduism, Islam, Christianity, Indigenous beliefs, and Judaism. However, the difference of religion in Cambodia is not an obstacle for unity.

Buddhism is Cambodia's state religion and has been since the 13th century and is currently estimated to be the faith of 95% of the Population. There are approximately 4,400 monastery temples in the country. Before Cambodia embraced Buddhism, there was Hinduism. Back in the day, Hinduism was one of the Khmer Empire's official religions. In fact, Angkor Wat is the largest Hindu temple in the world, and one of the only dedicated to Brahma. And while Hinduism is no longer directly practiced in Cambodia, it influences Khmer Buddhist practices, such as weddings, funerals, and the use of astrology to find auspicious dates for important events.

Islam is the main religion of majority of Malay and Chams minorities in the country, while most Muslims are Sunnis. There are approximately 300,000 Muslims in Cambodia, with about 1% identified as Christian.

The Khmer Loeu is indigenous ethnic group in Cambodia. They have been loosely described as animists, but most indigenous ethnic groups have their own pantheon of local spirits. In general, they see their world filled with various invisible spirits. In times of crisis or change, animal sacrifices may be made to placate the anger of the spirits. Illness is often believed to be caused by evil spirits or sorcerers. In addition to belief in spirits, villagers believe in taboos on many objects or practices.

Judaism: there is a small Jewish community in Cambodia consisting of a little over 100 people. Since 2009, there has been a Chabad house in Phnom Penh.

1.3 Cambodian Economy and Society

Cambodia is one of developing countries located in South-East Asia. The Cambodia's economy strongly depends on 4 pillars: agriculture, manufacturing, construction and tourism. It has been in good shape thanks to continued increasing investment in agriculture, broad base development of non-agricultural sectors, political stability, active private sector participation, reform efforts, increased official development aids and sustained foreign direct investment. Rice which is the most promising agricultural product among others in the sector is grown in almost all provinces. Cambodia's rice industry has suffered from a lack of processing facilities, which has led many farmers to export unprocessed paddy illegally. Cambodia Rice Federation, the largest associations in Cambodia, said a government loan had permitted an equipment upgrade leading to increased production of processed rice. Therefore, the challenge for rice sector is the insufficiency of investment in milling industry.

Other crops such as cassava and maize are considered as among the potential products for export. Comparing among other crops besides rice, rubber is the most promising agro-industrial product.

A good performance of Cambodia's agriculture industry especially the price increases in the agricultural sector and irrelevant inflation rate will lead to increase the farmers' incomes. Farmers expand more production, pushing demand for agricultural input (especially fertilizer). In contrast, the good performance implied more expensive cost of production for processor. Consequently, it could somehow affect the performance of some agro-industry. According to

Economic Institute of Cambodia (EIC), the Cambodia's agriculture sector could slightly grow in condition of favorable weather.

Following more than two decades of strong economic growth, Cambodia has attained the lower-middle-income status as of 2015, with gross national income ("GNI") per capita reaching US\$1,070. The garment sector, construction, and services have been the main drivers of the economy. Growth was expected to remain strong in 2016, as recovering internal demand and dynamic garment exports slow growth in agriculture and easing construction and tourism activity.

Poverty continues to fall in Cambodia, albeit more slowly than in the past. In 2012, the poverty rate was 17.7 percent. About 90 percent of the poor live in the countryside. While Cambodia has achieved the Millennium Development Goal (MDG) of halving poverty in 2009, the vast majority of families who escaped poverty were only able to do so by a small margin, thus around 8.1 million people are near-poor.

Health and education remain important challenges and development priorities for Cambodia. 32 percent (or approximately 0.5 million) of children under five are stunted. 79 percent (of 12.3 million people) do not have access to piped water supply and 58 percent (9.3 million people) do not have access to improved sanitation.

Cambodia has made good strides in improving maternal health, early childhood development, and primary education programs in rural areas. The maternal mortality ratio per 100,000 live births decreased from 472 in 2005 to 170 in 2014, the under-five mortality rate decreased from 83 per 1,000 live births in 2005 to 35 per 1,000 in 2014, and the net primary school admission rate increased from 81 percent in 2001 to 95.3 percent in 2014.

In spite of these achievements, Cambodia still faces a number of development challenges, including weak public service delivery, which impedes inclusive development, ineffective management of land and natural resources, environmental sustainability, and good governance. Underlying the quality, adequacy, and efficiency of public services is the ability of the government to (i) generate additional revenue for important public spending and investment requirements, (ii) to spend the available resources efficiently and accountably, and (iii) to ensure timely commitments and payments for the operation of vital public

services and public investment. Addressing this will help to stimulate the agricultural and tourism sectors to once again become strong engines of growth supporting poverty reduction, as well as to expand and sustain growth and promote diversification in the manufacturing sector.

1.4 Politics

Cambodia is a multiparty democracy. The Cambodian People's Party (CPP) is the major ruling party in Cambodia. The CPP controls the lower and upper chambers of parliament, with 68 seats in the National Assembly and 46 seats in the Senate. The opposition Cambodian National Rescue Party (CNRP) is the second largest party in Cambodia with 55 seats in the National Assembly but has yet to compete in any Senate elections. National Politics in Cambodia take place within the framework of the nation's Constitution of 1993. The government is a constitutional monarchy operated as a parliamentary representative democracy. The Prime Minister of Cambodia is the head of government, while the king of Cambodia is the head of state. The Prime Minister is appointed by the King, on the advice and with the approval of the National Assembly. The Prime Minister and the Ministerial appointees exercise executive power.

Legislative powers are shared by the executive and the bicameral Parliament of Cambodia, which consists of a lower house, the National Assembly and an upper house, the Senate. Members of the 123-seat Assembly are elected through a system of proportional representation and serve for a maximum term of five years. The Senate has 61 seats, two of which are appointed by the king and two others by the National Assembly, and the rest elected by the commune councilors from 24 provinces of Cambodia. Senators serve six-year terms.

As politics history, the contemporary history of Cambodia started with its independence in 1953. From 1953 to the end of the 1960s, Cambodia enjoyed relative peace. However, Cambodia experienced more than two decades of turmoil after the coup d'état by General Lon Nol in 1970. The turmoil came to an end when peace was achieved early 1990s. This period of turmoil was marked by successive changed of government and a series of armed conflicts.

Cambodia was ruled by a military junta between 1970 and 1975. Between 1975 and 1979, Cambodia was under the communist regime of the Khmer Rouge.

From 1975, the Communist Party of Kampuchea (“**CPK**”) abolished all institutions existing and implemented a dictatorial system in which intellectuals were targeted for elimination. The new government sought to completely restructure Cambodian society. The entire urban population was sent into the countryside to work as farmers, as the CPK was trying to reshape society into a model that Pol Pot had conceived. Remnants of the old society were abolished and religion was suppressed. Agriculture was collectivized, and the surviving part of the industrial base was abandoned or placed under state control. Cambodia had neither a currency nor a banking system. Many of those forced to evacuate the cities were resettled in newly created villages, which lacked food, agricultural implements, and medical care.

The Khmer Rouge, under Pol Pot’s leadership, destroyed not only Khmer lives, health, mentality, morality, education, and physical materials, but also culture and civilization. The genocidal regime of Pol Pot claimed millions of Khmer lives, including those of artists, musicians, and dancers. The Khmer Rouge that atrocities the unbearable living conditions in Cambodia forced thousands of Khmer refugees to flee the country and seek refuge in camps along the Khmer-Thai Border and in other countries. During the Khmer Rouge era all religions were banned and monks were killed. After Khmer Rouge was ousted monks returned and temples were rebuilt. Buddhism was made the official religion again in 1989.²

After this Khmer Rouge period, Cambodia had to build their institutions from scratch. In 1979, Vietnamese troops invaded Cambodia. The 1980s was a period of planned economy and conflicts. Cambodia’s politics and economy was in the doldrums in the absence of long-term development planning. In addition, the country remained isolated from the international communities.

During the 1990s, the peace process progressed and Cambodia again became part of the international community. In 1991, the Paris Peace Agreements were signed. The Peace Keeping Operation (PKO) by the United Nations (UN) was launched in 1992. 1993 was the year of the launch of a new administration after the general elections, promulgation of a new Constitution.

² http://factsanddetails.com/southeast-asia/Cambodia/sub5_2e/entry-2880.html#chapter-6

The Paris Peace Agreements led to the formation of a Constitutional Monarchy through elections. This Agreement was basically prescribing the supremacy of the Constitution and a concept of liberal, human rights and rule of law based democracy. The Paris Agreements were part of a general development towards a rights to good governance and democracy.

2. Social and cultural policies

Since 1993, the Royal Government of Cambodia (“RGC”) has developed the country through establishing various priority national policies, plans, and strategies including but not limited to the National Program to Rehabilitate and Develop Cambodia (“NPRD”), Socio-Economic Development Plan (“SEDP”)³, Cambodia Millennium Development Goals (“CMDGs”), National Poverty Reduction Strategy (“NPRS”), National Strategic Development Plan (“NSDP”), Triangle Strategy, and Rectangular Strategy. These national plans and development strategies that have been passed and successfully implemented have provided a roadmap for the RGC to move forwards socially and economically and reduce poverty in Cambodia.

In recent years, Cambodia has experienced significant developments not only in politics and security matters, but also in economic and social spheres. Such environments of political stability, peace, and safety are the essential prerequisites for Cambodia to make use of its socio-economic potentials. The 1993 general elections in Cambodia have prompted the adherence to the principles of a pluralist democracy, market economy, and the respect for human rights, freedom, and dignity. In addition, the RGC formulated the NPRD, the first five-year Socio-Economic Development Plan, 1996-2000 (“SEDP I”)⁴ to set out its rehabilitation and development vision putting emphasis on macroeconomic stability, social development, and poverty reduction.

The RGC outlined its long-term vision for the future in the NPRD in 1994 for initiating the process of rebuilding and rehabilitating the social, physical, and institutional infrastructure of the country. Based on this vision, the SEDP was formulated, setting clear goals to be reached by 2000. This plan’s focus was on establishing macro-economic fundamentals, social development contours, and poverty alleviation strategies.

³ <http://www.mop.gov.kh/>

⁴ <http://www.mop.gov.kh/>

The second Socio-Economic Development Plan, 2001-2005 (“**SEDP II**”)⁵ was introduced in order to guide the continued efforts of socio-economic development as well as successfully implementing the Triangle Strategy⁶ focusing on further economic development and poverty reduction. For the RGC, the most formidable development challenge has been to develop the private sector as an engine of economic growth to transform the economy, and to achieve poverty reduction (as well as improve people’s wellbeing).

Following the formulation of the SEDP II, there were two important developments: (1) after the United Nations Millennium Summit in 2000, which declared the Millennium Development Goals (“**MDGs**”), then Cambodia developed its own set of MDGs called the CMDGs, focusing on poverty alleviation and human development; and (2) the NPRS, which was adopted in December 2002.

The third five-year development plan for 2006-2010 was formulated as an overarching national policy document for pursuing prioritized goals, targets, and actions for the next five years. The new plan was renamed the National Strategic Development Plan (NSDP) 2006-2010. The RGC of the Third Legislature attempted to create a favorable environment and necessary conditions, enabling Cambodia to step forward on the road for further reforms and progress. The RGC adhered to the principle of national solidarity to build the nation and ensure national independence, integrity, sovereignty, peace, democracy, and national progress.

Following the general elections in 2008, the RGC announced a Socio-Economic Policy Agenda of the RGC of the Fourth Legislature 2008-2013. With it, another plan was created to replace the NSDP 2006-2010 to synchronize the planning process with the political mandate. The new plan was named the NSDP Update 2009-2013 and was the implementation tool for the RGC’s priority policies during the Fourth Legislature. The NSDP Update 2009-2013 was launched at the time of the world financial crisis and the economic recession in advanced economies (starting in 2008-2009), resulting in a declining demand for Cambodian exports on the one hand, and increased macroeconomic and financial risks on the other.

The RGC has evolved a Rectangular Strategy, which has been the hallmark of development since about 2004. The Rectangular Strategy provides a development framework, which will be implemented through the next five-years. The Rectangular Strategy is a dynamic document that lays out the political

⁵ <http://www.mop.gov.kh/>

⁶ The Triangle Strategy focuses on (1) building peace, restoring stability and maintaining security for the nation and the people; (2) integration of Cambodia into the region and normalization of relationships with the international community; and (3) promoting economic and social development.

commitment to a socio-economic development process in the next five years. The Rectangular Strategy has undergone three changes in the last decade to modernize. It is evident that it encompasses issues such as good governance, rule of law, and institution building, the basic premise of any society, along with social, economic, and human development and sustainable management of natural resources in this complex set of inter-woven rectangles.

The RGC of the Fifth Legislature of the National Assembly (2013 to 2018) is committed to ensuring a better quality of life for its people, and in building a democratic, rule-based society, with equitable rights and opportunities for the population in economic, political, cultural, and other spheres. It aims in maintaining an open market economy will formulate policies that provide an enabling and conducive environment.

Through the NSDP 2014-2018⁷, the RGC puts emphasis on broad development priorities as follows:

- Good governance;
- Macroeconomic balances;
- Growth and diversification;
- Science and technology;
- Human and social development;
- Environment; and
- Unexploded ordnances (UXO) clearance.

The objectives of the NSDP 2014-2018 are to be synchronised with the broad development goals of the RGC as articulated in different platforms of the government. The RGC will continue pursuing proven policies and best practices of the past, besides formulating new ones according to the changing internal and external environment.

2.1 Governance

The RGC aims to consolidate peace and political stability, make measurable strides in good governance, strengthen decentralization and de-concentration (“D&D”), improve economic-governance, promote private sector development, and improve Public-Private Partnership (“PPP”), to create the prerequisite for broad-based inclusive development. To reach this purpose, the RGC shall establish certain political platform as follows: fighting against

⁷ <http://www.mop.gov.kh/>

corruption, legal and judicial reform, public administrative reform, rationalizing government staff, strengthening sub-national democratic development reform, public financial reform, and e-governance, macroeconomic balances, monetary policy and promoting the use of the Riel, financial sector development, agriculture and its allied activities.

Fighting against corruption - The RGC's effort is to fight against corruption in which three connected measures have been put in place: (1) education about the laws, (2) prevention and obstruction, and (3) law enforcement to suppress corruption offences. These measures need advancing in a constructive manner.

Legal and judicial reform - Endeavours yet to be fully achieved are: (1) improved access to justice, (2) modernised legal framework, (3) independent and functional judicial system, and (4) coordinated and well-functioning legal and judicial system.

Public administrative reform - There are limited human resources to address legal and public administration, especially in the public sector. The task ahead: setting up and monitoring quality standards in public services; putting in place programmes to develop human capacities; managing and enriching human resources; enhancing re-deployment mechanisms; deploying performance-based instruments, and reforming compensation.

Rationalising government staff - A general rule is that government staff should not exceed two to three percent of the country's workforce. This would also permit raising the compensation paid. A parallel implementation of performance management systems and compensation reforms would improve civil servant performance. A similar exercise in the armed forces is required, too.

Strengthening Sub-National Democratic Development Reform (SNDD) - Subsequent to enacting the Law on Administrative Management of the Capital, Province, Municipality, District and Khan (in June 2008) and the elections of Councils (in May 2009), in the next step there is need to raise the capacity of the Sub-national Administration (SNA): in local decision-making and administration, resource allocation, and service provision.

Public financial reform - Public Financial Management Reform Programme ("PFMRP") aims at establishing a public financial management system that can serve as an efficient tool for

sustaining state operations and for efficient public service delivery. After completion of platforms 1 and 2, the PFMRP is to be carried out in the next phase, focusing on budget policy linkages and accountability for performance and public service delivery.

E-governance - E-governance should be introduced to bring about a great deal of efficiency and transparency in governance.

2.2 Macroeconomic balances

The economy still overtly depends on Foreign Direct Investment (“**FDI**”) and Official Development Assistance (“**ODA**”) for meeting its investment targets. Additionally, there are large trade and budget deficits, currently being bridged by ODA and other capital inflows. Next, economic diversification is small; value-adding processes are shallow; people are largely engaged in low-skill, subsistence farming/informal sectors; and the economy is critically exposed to external shocks. Furthermore, industry is mainly limited to garment factories producing a small value in the overall global value chain. Finally, tourism is pivoted on the temples of Angkor.

The RGC’s effort is to promote the modernization and diversification of the agricultural industry and raise yield rates (both, rice and plantation crops, especially rubber); step-up land reforms; boost commercial development of livestock and marine fishery sectors (especially in the small-scale sectors); and form farmers associations (for sharing water, marketing, etc.). Furthermore, it ensures macroeconomic balances in which it maintains three key economic balances: trade, budget, and inflation:

- Raise revenues to at least 18% of the GDP by 2015 to reduce budget and fiscal deficit;
- Raise exports to reduce trade deficits to manage the said balances;
- Keep inflation down to less than 5%;
- Put in place an effective fiscal policy and a monetary policy to better regulate the economy; and
- Take forward reforms mentioned in the Public Finance Management Reform (“**PFMR**”) Framework.

Monetary policy and promoting the use of the Riel

- With 90% dollarization in the economy, the effectiveness of monetary policy, for price stability macroeconomic stability, is limited.
- Monetary policy and the establishment of supporting market infrastructure are the main instruments to promote the use of the national currency and achieve long-term financial de-dollarization.
- Currently, in such a high-dollarized economy, tools that the authorities could implement are intervention in the foreign exchange market and reserve-requirement by banks.
- Until so far, to promote the use of the Riel, authorities have implemented some measures, with some producing positive results and some not. Promoting the use of the Riel is a medium-term policy of the National Bank of Cambodia (“NBC”), and it was incorporated in the Financial Sector Development Strategy (“FSDS”) 2011-2020,

Financial sector development

There are two components of financial sector development: a deeper penetration of (institutional and regulated) finance in the country for mobilisation of savings and disbursal of loans, and management of public finances. These are intertwined.

Firstly, the RGC has adopted the FSDDS 2011-2020, intended to serve as a roadmap for steady financial sector development on a long-term basis. This needs to be taken forward. The challenges faced are: (1) strengthening and expanding the banking system and ensuring people’s confidence in this system, (2) promoting banking service delivery for all, including rural people, and (3) strengthening and integrating the Cambodian banking system into the regional and global ones.

Secondly, the Ministry of Economy and Finance (“MEF”) has also undertaken actions improving the management of public finances under the Public Finance Management Reform (“PFMR”), targeted at raising state revenues, rationalising expenditures, and efficiently managing revenues and expenditures (including detailed account keeping). PFMR is to assume increased importance during this plan period, and try to meet its income and

expenditure targets.

2.3 Agriculture and its allied activities

With crop agriculture being one of the important engines of growth, the government has recently contemplated exporting rice (and other agricultural products). There is need to strengthen paddy and chamcar (non-rice) crops, along with plantation crops, especially rubber and livestock. The following are the important areas:

- Implement the land law, providing farmers with assurances for their agricultural holdings and land management (preserving soil quality and scientific land use). Land acquisition should be done only as per the law;
- Complete cadastral exercises and rationalize farm sizes;
- Open uplands in select cases where there is excess flooding of low-lying lands;
- Achieve higher crop yield rates through application of modern (HYV) technologies and irrigation;
- Form various farmers associations for sharing indivisible resources and marketing;
- Create ‘green jobs’, help the environmental cause, earn foreign exchange, and promote downstream activities (processing) in rubber sector;
- Promote dry-land crops beyond the present 10-12% of the agricultural area;
- Promote marketing facilities for agricultural products, establish price information systems, and create conditions for farmers to get sufficiently high, yet competitive, prices for their produce;
- Improve weather forecasting and dissemination of this information;
- Agricultural research and extension needs strengthening, both in quality and quantity; and
- Manage agricultural chemicals for ensuring product safety, environment, and health.

Non-farm components of agriculture - To rear livestock and to take up the processing and packing of livestock products, and create ‘brand names’ (for non-chemical based) production of meat, milk, and dairy products.

Inland/marine fisheries and aquaculture - Within the Strategic Framework 2010-2019, focusing on three pillars:

- (1) Sustainable management of inland and marine fisheries business;
- (2) Promotion and development of freshwater and marine aquaculture; and
- (3) Improving the quality of fish products and safety for domestic consumption and export.

Some key ratios to be achieved:

- Increase production/land – yield factor
- Decrease cost/(unit production) – efficiency factor
- Increase production/worker – earnings factor
- Increase (crop composition)/land – diversification factor one
- Increase activities in rural areas (e.g. livestock)farm family – diversification factor two

Water resource management and development - Implement the following for efficient, equitable, and sustainable management of water resources:

- Fostering the implementation of Integrated Water Resources Management (“IWRM”) principles in water resource management and development;
- Fostering the implementation of hydro-hegemony, for managing water for irrigation, drainage, and protection; and
- Fostering management water- and related resources in the whole Mekong Basin, to be consistent with the “1995 Mekong Agreement” on Cooperation for Sustainable Development of the Mekong Basin.

Clearance of unexploded ordnances (“UXO”) - It is difficult to set targets for the removal of UXOs, however, it is a cause of worry that grants from overseas towards clearance of UXOs are reducing. Some extra efforts need to be made to raise funds for the clearance of UXOs.

2.4 Industry

The RGC has ‘supply side strengthening’ plans, as stated in an important paper prepared by

the Supreme National Economic Council (SNEC) in 2011. The proposals stated in the document need activating out on priority. Some priority industries are the food processing industry and agro-processing industry, other than garment manufacturing. The country grows, or can grow, sufficient quantities of food and agro-based raw materials, for processing to add value. Some prerequisites: giving boost to spatially diversified SMEs, setting up industrial clusters, acquiring, indigenising, and popularising food/agro-processing technologies, linking farms with industries through contract farming or similar systems, and strengthening of the law of contract. There is need to modernise the garment industry to raise its (labour) productivity.

There is potential to initiate light engineering: motorcycle assembly activities already exist (under FDI). It is also believed that a small car, conceived in Hong Kong, is likely to be assembled in Cambodia. Further, Ford Motors has plans to set up a plant to assemble SUVs.

There is thus scope for assembling and repairing mechanical equipment, including farm equipment, and fabricating light mechanical and electrical machinery. Next, as labour costs in both Thailand and China are rising, it would be profitable for investors to shift part of the (ancillary) operations to Cambodia. Finally, processing gems and jewels, other precious stones, and some basic processing in petroleum products are options.

Some prerequisites are essential for these industries to blossom. Firstly, increase investor confidence; secondly, set up special economic zones (“SEZs”) in border areas and near the coastal belt; and thirdly, train workers in mechanical and electrical skills. For the last option, local poly-techniques will require to adopt close links with industry and industry-associations in addition to the Ministry of Mines and Energy (“MME”) (formerly known as the Ministry of Industry, Mines and Energy (“MIME”)) to assess the exact nature of the demand and train workers accordingly.

Some key ratios to be achieved:

- Increase (Value added)/worker – productivity factor
- Decrease cost/(unit production cost) – efficiency factor
- Acquire and indigenize technology – control/productivity factor
- Develop cadres of workers fit for working on shop floors – skill factor
- Raise labor deployment in factory (job creation)/province – employment factor

2.5 Mining⁸

Cambodia has several mining resources; among metals: iron ore, bauxite, copper, gold, lead, and zinc; energy: coal and petroleum; and others: gems and jewels. Additionally, there is limestone mining and other stone quarrying. The MME and other related ministries and agencies need to set targets, and accordingly work on investment needs, FDI, PPP, trade links, terms of trade, and transport facilities.

2.6 Infrastructure

The road network requires developing according to strategic priorities:

- (1) Prioritize roads after identifying potential areas from where manufacturing, mining, and agricultural and livestock products, and other products need transporting from;
- (2) Prioritize roads where traffic is likely to grow the most for commercial or other purposes; and
- (3) Prioritize linking remote areas in the interests of national security and national integration.

The existing major railway links in the country need modernising, namely the west-north link (Phnom Penh-Poi Pet) and the west-south link (Phnom Penh-Kampot-Sihanouk Ville); and the Phnom Penh-Vietnam link needs to be constructed.

Next, there is a lot of potential in water transport. In terms of operational costs, water transport is the cheapest. While port activities have grown in the Preah Sihanouk, Kampot, and Phnom Penh, the potential in the northern part of the country needs developing further.

⁸ The 2001 Law on the Management and Exploitation of Mineral Resources (“**LMEMR**”) places the management of these mineral resources and responsibility for allocation exploration or exploitation licenses with the ‘the competent institution’, notably MME. At present, MME is responsible for the development, implementation and management of Government policy and strategy with regard to the Energy, Mining and Industry sectors.

2.7 Tourism

The aim is to diversify tourism beyond the temples of Angkor. If diversified options are offered, such as water sports in coastal areas, more attractive boat rides up the Tonle Sap, floating hotels on the Tonle Sap Lake when the waters are high, organised forest trekking, and the like many more tourists could be attracted and for longer periods, contributing to job-creation and income generation.

2.8 Science and technology

Effort needs to be made to acquire modern technologies through a variety of means for Cambodia to plug into the regional and international division of labour; the key effort is to acquire and develop skills on a sustained basis.

In today's world, all sectors require 'modern eco-friendly' technologies and skill enhancement. There are at least four stages in the application of industrial technology for development:

- (1) Evolution of newer concepts and approaches – e.g. new concepts in electronics (e.g. cloud computing and fuzzy logic), application of electronics in medicine (advanced stage);
- (2) Indigenizing and or both adapting existing approaches – making cars, modern machine tools, electronics, and other associated objects (intermediate/fairly developed stage);
- (3) Assembling complete- or semi-knocked down machine products, and ancillary industry development (early intermediate stage); and
- (4) Agro-based processing, garment making, handcraft, and similar (early stage).

Cambodia needs to establish basic facilities for understanding, assimilating, and indigenising science, engineering, medicine, and mathematics to raise skills and produce more workers that are effective in the labour market. Cooperation with other developing countries that have been through this process in the last few decades could be helpful. It would also be useful seeking partnerships with universities and institutes in the Association of South East Asian Nations (“ASEAN”) region to set up jointly operated institutions in Cambodia.

Furthermore, existing forums for economic and technological cooperation among developing countries should be attended and processes implemented. One example of cooperation in science and technology is the current cooperation with the government of Republic of Korea on Cambodia's National Science and Technology Master Plan. The starting point should be to assess the needs for the next 10 to 15 years and draw up an action plan based on the needs of the country.

The country should set up a research-based technical university to train students in science and technology, engineering, architecture, and other subjects. In the initial stages, international collaboration has to be sought. Additionally, the schooling system must strengthen its science and mathematics base. One option is opening some 20-25 'Primary-Secondary (combined) Schools of Excellence', as in Vietnam, which admit meritorious students and teaches them high quality science and mathematics.

2.9 Human development

Poverty reduction – The poverty rate may have been reduced but it is still an on-going issue. The process of poverty alleviation began with the RGC defining a new poverty line. The next logical task would be to set targets for its reduction in conjunction with the declared principles and policies, and ensure people do not fall below the poverty line. Some priorities:

- (1) Strengthening the ID-Poor Program;
- (2) Rolling out the already announced National Social Protection Strategy;
- (3) Promoting nutritional programs through micro-nutrient strategies;
- (4) Promoting labor intensive/inclusive economic activities and evolve labor markets;
- (5) Skills training for workers and prospective workers in different vocations to make them employable;
- (6) Introducing drought proofing and flood proofing in agriculture to promote rural livelihoods;
- (7) Making special provisions for the very poor and for the people residing in remote areas, less likely to be touched by market forces; and
- (8) Strengthening security and social order through preventing stealing and robbery, combatting the production, trafficking, and use of illicit drugs, and forestalling

human trafficking and domestic violence.

The plan should strive to increase the incomes of the poor through one or the other programmes, and ensure maximum access to education, health, and job opportunities for those residing in rural and remote geographical areas, especially women, youth, children, and vulnerable groups.

Education sector - The education sector has to address at least two pressing objectives: raising the quality of education at all levels, and providing people with skills. Some proposals: (1) secondary level schooling needs strengthening, (2) teaching of analytical methods (logic, math, and science) requires strengthening, and (3) tertiary level schooling needs a major overhaul – on accreditation, standards, costs, and subjects taught. To begin with, public expenditure on education has to be raised to 5-6% of the GDP (from 3% now). The concerned ministry could draw up elaborate programmes.

Health sector - The Ministry of Health needs to concentrate on (1) reducing maternal, new born and child morbidity and mortality, and improving reproductive health, (2) reducing morbidity and mortality of HIV/AIDS, Malaria, TB, and other communicable diseases, (3) reducing the burden of non-communicable diseases and other health problems, and (4) expanding and improving the health systems of the nation. This could be done by making services more responsible and closer to the public through implementation of a decentralised service delivery and management system. Also increasing access to the health service: prevention, treatment and health education, implement pro-poor health financing systems, including exemptions for the poor, reinforcing health legislation and professional ethics, increasing competency and skills of the health workforce, strengthening health information systems and disease surveillance systems, improving physical infrastructure and modern technology medical care equipment, and strengthening public health interventions to deal with environmental health risks, substance abuse/injury, occupational health, and disasters.

Among key requirements in the promotion of health is to train sufficient numbers of personnel at different levels of knowledge. For small clinics in villages, cadres of paramedics and community-based workers need to be created, as high skilled professionals are likely not to work in these areas.

2.10 Population and migration

Steps need be taken to reduce the large demographic dependency ratio (too many young, and too few to support them) and small families, and birth spacing needs to be promoted. Next, the Cambodian population is quite mobile. People mainly move from rural to rural areas or rural to urban areas, thereby changing the population density at different locales.

Three issues emerge:

- (1) Targeting social services on populations becomes inefficient as people move in large numbers;
- (2) Issues of land availability (in receiving locales), which becomes a source of conflict; and
- (3) Infrastructure like water and electricity face imbalance in both sending and receiving locales.

In addition to the above, the RGC's policy tends to improve the women position in the society in which women should have open access to technical skills, vocational training, public services, and decision-making at all levels. The RGC's purpose is to promote gender equality and empower women to participate in sustainable socioeconomic development in Cambodia.

2.11 Socio-cultural development

The RGC's effort in socio-cultural development is to preserve and promote Khmer cultural heritages, and promote the role of religion in maintaining social harmony.

Based on the principle of protecting, preserving, and strengthening national identity, the RGC promotes the culture, tradition, and customs of the nation. In this spirit, the RGC continues to increase its attention and obliges itself in maintaining and protecting ancient temples and antiques, improving historical resorts, promoting cultural legacy and Khmer civilization, eternally preserving culture, tradition, language and belief of native ethnic groups weathering the strong current of globalization and regionalization, providing opportunities and attracting the ethnic group to actively participate in developing the nation, encouraging production and

consumption of Khmer cultural products, and trying to stop any potential demise of the Khmer culture.

Furthermore, the RGC continues strengthening the dissemination and implementation of the Law on Protection of Cultural Heritage⁹ and take effective actions in preventing and seriously punishing crimes that destroy national cultural assets.

In addition, the RGC continues to promoting the respect of rights and freedom of belief and religion, promoting the role of religions in developing the spirit of morality, virtue and the culture of peace in order to ensure a harmonious lifestyle in society, to support Buddhism, which is the state religion, and other religions.

2.12 Environment

Cambodia has more than half its area under forests (i.e. forest cover to expand to 60% of the total land area of the country). Woven with it is a complex system of freshwater retention, and a rich flora and fauna. Recent trends in deforestation and damming, excessive use of chemicals for agriculture, climate change, discharge of pollutants into natural water bodies and illegal fishing, all have adversely affected the sector. In relation to environmental management, the Green Growth Strategy is critical. Elements of this include preserving forests and managing land in a way as to alleviate poverty, use energy saving devices and lifestyle, promote eco-friendly tourism, and a host of other initiatives.

The RGC actively manages the forests of the nation. The RGC continuously pushes the six programmes of the 20-year National Forest Programme (2010-2019) and the Green Growth Roadmap Programme focusing on demarking carbon-credit areas for carbon trading and implementing projects for preservation of forests.

Other than protecting the water and the forests of the nation, the government has started to plant trees for growing 'bio-fuels'. This idea needs pursuing on a larger scale. With the current fossil fuel crisis worsening, it will be critical to inch towards lesser dependence on fossil fuels, especially from politically volatile regions in the Middle East and elsewhere.

⁹ This Law on Protection of Cultural Heritage entered into force on 25 January 1996.

Climate change - Following the Rectangular Strategy and the National Policy and Strategic Development Plan on Green Development 2013-2030 recently launched by the prime minister, it is important for relevant ministries to identify climate change risks surrounding their sectorial activities. The relevant ministers also need to develop measures to address the impacts from climate change as well as capitalise on the emerging opportunities in their respective sectors.

3. Social and cultural agreements between Cambodia and other countries or international organizations

To promote Cambodian society and culture, the RGC has entered into numerous bilateral agreements, multilateral agreements, treaties, conventions, accords, or other legal instruments with other countries in the region and across the region.

Below is a list of summary of certain important agreements, protocols, conventions, and memorandums (together referred to as “**Documents**”) which Cambodia entered into with other countries or international organizations.

No.	Names of Documents	Main Points
1.	Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity, ratified by Cambodia on 19 April 2015	<p>This Nagoya Protocol sets out obligations for its contracting parties to take measures in relation to access to genetic resources, benefit-sharing and compliance.</p> <ul style="list-style-type: none"> - Domestic-level access to genetic resources measures aim to create legal certainty, clarity and transparency. - Domestic-level benefit-sharing measures aim to provide for the fair and equitable sharing of benefits arising from the utilization of genetic resources with the contracting party providing genetic resources. - Specific obligations to support compliances with the domestic legislation or regulatory requirements of the contracting party providing

No.	Names of Documents	Main Points
		<p>genetic resources, and contractual obligations reflected in mutually agreed terms, are a significant innovation of the Nagoya Protocol.</p>
2.	<p>Second Protocol to the Hague Convention of 1954 for the Protection of Cultural Property in the Event of Armed Conflict, ratified by Cambodia on 17 December 2013.</p>	<p>The Hague Convention is an international treaty of a world-wide vocation dedicated exclusively to the protection of cultural heritage in the event of armed conflict.</p> <p>The first Protocol prevents the export of cultural property from occupied territory, requiring the return of such property to the territory of the State from which it was removed.</p> <p>The Second Protocol aims at fighting impunity through effective criminal prosecution of war criminals. This Protocol specifically defines five serious violations for which it establishes individual criminal responsibility. States undertake to adopt appropriate legislation to make these violations criminal offences under domestic law, to provide appropriate penalties and to establish jurisdiction over these offences, including universal jurisdiction for three of the five serious violations.</p> <p>The Second Protocol applies equally to international and non-international armed conflicts.</p>
3.	<p>Convention on the Protection of the Underwater Cultural Heritage, ratified by Cambodia on 2 January 2009</p>	<p>This Convention is intended to enable States to better protect their submerged cultural heritage. It sets out basic principles for the protection of underwater cultural heritage; provides a detailed State cooperation system and provides widely recognized practical rules for the treatment and</p>

No.	Names of Documents	Main Points
		<p>research of underwater cultural heritage.</p> <p>States Parties should preserve underwater cultural heritage and take action accordingly. Underwater cultural heritage should not be commercially exploited for trade or speculation, and that it should not be irretrievably dispersed.</p>
4.	Cebu Declaration on East Asian Energy Security, dated 15 January 2007	<p>Sixteen countries have agreed to promote energy security and find energy alternatives to conventional fuels.</p> <p>The main goals of the agreement are to improve the efficiency and environmental performance of fossil fuel use; reduce dependence on conventional fuels; encourage the open and competitive regional and international markets; mitigate greenhouse gas emission and pursue investment on energy resource.</p>
5.	Convention on the Protection and Promotion of the Diversity of Cultural Expressions 2005, ratified by Cambodia on 19 December 2007	<p>The main objective for the Convention is to protect and promote the diversity of cultural expressions. It works to strengthen economic growth and cultural acceptance.</p> <p>The Convention highlights the fact that aside from economic gains, creative diversity reaps plenty of cultural and social advantages.</p> <p>States must also promote "openness to other cultures of the world". Protective measures are also included in the Convention and international co-operation is encouraged in times of need.</p>

No.	Names of Documents	Main Points
6.	Stockholm Convention on Persistent Organic Pollutants, ratified by Cambodia on 23 November 2006	<p>The Convention is a global treaty to protect human health and the environment from chemicals that remain intact in the environment for long periods, become widely distributed geographically, accumulate in the fatty tissue of humans and wildlife, and have harmful impacts on human health or on the environment.</p> <p>The Convention requires its parties to take measures to eliminate or reduce the release of persistent organic pollutants (POPs) into the environment.</p>
7.	ASEAN Agreement on Trans boundary Haze Pollution, ratified by Cambodia on 24 April 2006	<p>The Agreement binds a group of contiguous states to tackle trans-boundary haze pollution resulting from land and forest fires. It has also been considered as a global role model for the tackling of trans-boundary issues.</p> <p>The Agreement contains measures on:</p> <ul style="list-style-type: none"> - Monitoring and assessment - Prevention - Preparedness - National and joint emergency response - Procedures for deployment of people, materials and equipment across borders - Technical cooperation & scientific research
8.	Convention for the Safeguarding of the Intangible Cultural Heritage, ratified by Cambodia on 13 September 2006	<p>This convention is aimed at safeguarding the intangible cultural heritage; ensuring respect for the tangible cultural heritage of communities or groups; raising awareness at the local, national and international levels of the importance of the intangible cultural heritage; and providing for</p>

No.	Names of Documents	Main Points
		international cooperation and assistance.
9.	WHO Framework Convention on Tobacco Control, ratified by Cambodia on 13 February 2006	The WHO FCTC was developed in response to the globalization of the tobacco epidemic. The treaty reaffirms the rights of all people to the highest standard of health and provides new legal dimensions for international health cooperation.
10.	Kyoto Protocol to the United Nations Framework Convention on Climate Change, ratified by Cambodia on 16 February 2005	<p>The Convention (1994) recognizes that the climate system is a shared resource whose stability can be affected by industrial and other emissions of carbon dioxide and other greenhouse gases.</p> <p>The Kyoto Protocol commits its Parties by setting internationally binding emission reduction targets. It places a heavier burden on developed nations under the principle of "common but differentiated responsibilities."</p> <p>Under the Convention, governments gather and share information on greenhouse gas emissions and national policies; launch national strategies for reducing greenhouse gas emissions and cooperate in preparing for adaptation to the impact of climate change.</p>
11.	International Plant Protection Convention, ratified by Cambodia on 2 October 2015	<p>IPPC is an international treaty that aims to secure coordinated, effective action to prevent and to control the introduction and spread of pests of plants and plant products.</p> <p>The Convention extends beyond the protection of cultivated plants to the protection of natural flora</p>

No.	Names of Documents	Main Points
		<p>and plant products. It takes into consideration both direct and indirect damage by pests. It also covers vehicles, aircraft and vessels, containers, storage places, soil and other objects or material that can harbor or spread pests.</p> <p>The Convention provides a framework and a forum for international cooperation, harmonization and technical exchange between contracting parties.</p>
12.	<p>Agreement for the establishment of the Global Crop Diversity Trust, signed by Cambodia on 6 May 2005</p>	<p>This agreement aims at protecting global food security. It recognizes the Crop Trust as an "essential element" of the treaty's funding strategy in regards to the conservation and availability of plant genetic resources for food and agriculture.</p>
13.	<p>Cooperation Agreement between the European Community and the Kingdom of Cambodia, dated 25 April 1997</p>	<p>The objective to this agreement is to provide a framework for enhancing cooperation between the Parties with the following aims:</p> <ul style="list-style-type: none"> (a) to accord each other most-favored-nation treatment on trade in goods in all areas specifically covered by the Agreement, save as regards advantages accorded by either Party within the context of customs unions or free trade areas, trade arrangements with neighboring countries or specific obligations under international commodity agreements; (b) to promote and intensify trade between the Parties; (c) to strengthen cooperation in fields closely related to economic progress and benefiting both Parties; (d) to contribute to Cambodia's

No.	Names of Documents	Main Points
		<p>efforts to improve the quality of life and standards of living of the poorest sections of its population, together with measures for the country's reconstruction;</p> <p>(e) to encourage job creation in both the Community and Cambodia;</p> <p>(f) to take the requisite measures to protect the environment and manage natural resources sustainably.</p>
14.	<p>Agreement between the United States of America and the Kingdom of Cambodia on Trade relations and Intellectual Property Rights Protection, dated 4 October 1996</p>	<p>This agreement sets down minimum standards for many forms of intellectual property (IP) regulation. It also aims at expending trade relations between Cambodia and the United States (tariff and nontariff measures, measures to encourage the expansion of commercial contacts...)</p>
15.	<p>International Covenant on Economic, Social and Cultural Rights, dated 3 January 1976</p>	<p>The International Covenant on Economic, Social and Cultural Rights (ICESCR) is a multilateral treaty adopted by the United Nations General Assembly. The ICESCR is part of the International Bill of Human Rights.</p> <p>The ICESCR commits its parties to work toward the granting of economic, social, and cultural rights to the Non-Self-Governing and Trust Territories and individuals, including labor rights and the rights to health, the rights to education, and the rights to an adequate standard of living.</p>

SECTION 2

OVERVIEW OF CAMBODIAN POLITICS AND SECURITY

1. Political and security environment

The foreign policy of the RGC must continue to respect and protect the Constitution of the Kingdom of Cambodia, protect national unity, and defend the territory and integrity of the Kingdom of Cambodia as one sole and undivided state. This work can only be pursued by following the road of national reconciliation, continuing good relationships with countries bordering the Kingdom of Cambodia, and being involved in active cooperation in all fields with all countries around the world.

The RGC has continued to successfully rebuild Cambodia through the last two decades from a state of near total destruction. The Cambodian Civil War lasted nearly three decades, and an economic isolation and various embargos were in force virtually since the early 1970s until 1993. Through the ‘Win-Win Policy’ of the RGC, peace was finally established in 1998 with the dismantling of the Khmer Rouge. Meanwhile, based on a national reconciliation among different erstwhile warring factions, the Paris Peace Agreement was reached in 1991, and the first general elections in 1993 followed thereafter. This achievement has been reached through a change in government systems, the disappearance of violent political confrontation (that had previously resulted in the application of military force), and the total disintegration of the political and military organs of the Khmer Rouge.

Since first being elected in 1993, the RGC has faced and overcome formidable challenges in maintaining political stability, developing, and rehabilitating the country’s social, physical, and institutional infrastructures and identifying a long-term vision. From 1998, the RGC achieved and consolidated peace and ended the civil conflicts of the past. These efforts on the part of the RGC to maintain social and political stability, peace, and internal security have made possible through the continued achievement of high economic growth and poverty reduction in past decades. The main objectives of Cambodia’s Rectangular Strategy for Growth, Employment, Equity, and Efficiency are to improve economic growth; to address the issue of employment for the Cambodian labor force; to ensure social equity and justice; and to enhance the effectiveness of the public administration by developing action plans, governance, and comprehensive reforms in all sectors.

Following the general elections held on 27 July 2003 that have been recognized by national and international observers to be free, fair, transparent, and credible, the RGC was formed and took office in

July 2004 to implement the political platform of the coalition partners in the Third Legislature of the National Assembly.

After the 1998 general election and the establishment of the coalition government, the outstanding achievement of the government was the implementation of the pacification policy, which ended the Khmer Rouge political and military organization through peaceful means. The integration of the former Cambodian Royal Armed Forces (“RCAF”) was carried out pursuant to these policies. It was the first time in the history of Cambodia that the whole territory of the nation was legitimately, integrally, and constitutionally under the control of a single state. Meanwhile, the government implemented a series of military reforms aimed at achieving the RCAF neutralization policy. Military personnel were retrenched and the command structure reorganized.

With national reconciliation strengthened, peace, and political stability in the country ensured, the government focused its efforts on safeguarding public order and security suppressing armed robbery, and eliminating illegal weapon use.

2. Political and security policy

2.1. Rectangular Strategy

The Rectangular Strategy is the Economic Policy Agenda of the Political Platform for the Third Mandate of the Royal Government. It has been formulated and prepared by screening, highlighting, and streamlining the reform programs into a comprehensive, systematic, intertwined, mutually reinforcing package of priorities that is easily understood and will serve as the key tool of the RGC to implement and manage the economic policy agenda of the nation. Its aim is to promote economic growth, generate employment for Cambodian workers, ensure equity and social justice, and enhance efficiency of the public sector through the implementation of the Governance Action Plan and in-depth reforms that are coordinated and consistent across all levels and sectors.

The core of the Rectangular Strategy is good governance focused around four reform areas: (i) anti-corruption, (ii) legal and judicial reform, (iii) public administration reform including decentralization and de-concentration, and (iv) reform of the armed forces, especially demobilization.

Second, the environment for the implementation of the Rectangular Strategy consists of four elements: (i) peace, political stability, and social order; (ii) partnership in development with all stakeholders, including the private sector, donor community, and civil society; (iii) favorable macroeconomic and financial environment; and (iv) the integration of Cambodia into the region and the world.

Third, the four strategic growth rectangles are: (i) enhancement of the agricultural sector; (ii) private sector growth and employment; (iii) continued rehabilitation and construction of physical infrastructure; and (iv) capacity building and human resource development.

The RGC has successfully implemented Rectangular Strategy Phases I and II. Cambodia's development achievements over the last decade are a testimony of attaining long lasting peace and sustainable development, reflected noticeably in the strong economic growth of the country and strengthened democratic institutions, secured national sovereignty and territorial integrity, and improved livelihoods of people.

The "Rectangular Strategy-Phase III is an effective policy instrument continuing to support this vision. To this end, the RGC of the Fifth Legislature will improve on the achievements of the Fourth Legislature by strengthening peace, political stability, security and social order, enhancing the living standards and welfare of the people through implementing specific measures to promote the rule of law. The Fifth Legislature will strive to respect human rights, including freedom and dignity as well as a multiparty liberal democracy to secure a stable political and security environment conducive to long-term development. Keeping these considerations in view, the RGC has set out "Four Strategic Objectives" and "Four Priority Areas" to reaffirm its commitment to continue implementing the "Rectangular Strategy".

2.2. ASEAN cooperation

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967 by five founding states, Indonesia, Malaysia, Thailand, Philippines, and Singapore. Cambodia joined ASEAN on 30 April 1999 as the tenth member of ASEAN.

Upon being a member of the ASEAN, Cambodia has ratified a number of ASEAN agreements including but not limited to:

- (1) Multi-lateral Agreement on Commercial Rights on Non Schedules Services among the Association of South East Asian Nations;
- (2) Agreement for the Facilitation of Search for Aircraft in Distress and Rescue of Survivors of Aircraft Accident;
- (3) Treaty of Amity and Cooperation in Southeast Asia;
- (4) Agreement on the ASEAN Food Security Reserve;
- (5) ASEAN EEC Cooperation Agreement;
- (6) Memorandum of Understanding on the Establishment of the ASEAN-China Centre between the Governments of the Member States of the Association of Southeast Asian Nations and the Government of the People's Republic of China; and
- (7) ASEAN Convention Against Trafficking in Persons (ACTIP).

The changing nature of the regional and global security environment demands that nations work closely together to promote stability and tackle shared concerns. The key to Cambodia's efforts in this area is its membership of ASEAN and good relations with its neighbors. The cooperation within ASEAN is complemented by enhances relations between Cambodia and its neighbors such as Thailand, Vietnam, and the Lao PDR.

The establishment of the ASEAN Economic community (AEC) in 2015 is another major milestone on the path to deepening regional economic integration. This heralds the opening of vast opportunities with its market of USD2.6 trillion and population of over 622 million people.

According to the ASEAN investment report issued in September 2016, ASEAN remains a major destination of global foreign direct investment (FDI), receiving around 16% of the global total among developing economies, with total FDI flows of USD120 billion in 2015. The ASEAN, taken as a whole, is one of the world's most dynamic markets, with direct investment from outside and within the region. Cambodia is well positioned to be a significant beneficiary of the AEC. One the single market and production base targets are achieved, Cambodia's small domestic market will no longer be an inhibiting factor as before. However, the imperative of Cambodia improving its labor productivity will be crucial to completing with a potential

influx of highly skilled personnel from other ASEAN member states. Thus, sustainable development, skills, training and further education of the workforce are critical in order to keep productivity levels high and to ensure that the country remains competitive.

2.3. Cooperation with other countries and international organizations

United States of America - In order to further strengthen Cambodia's security, the cooperation with a major Asia-Pacific power is similarly important to Cambodia. Cambodia's relationship with the USA remains a priority in the field of economic development. In relation to national security, Cambodia has cooperated with the USA in both military and social security fields (such as the fight against drug trafficking). In the past, the RCAF obtained assistance through the International Military Education and Training ("IMET") scheme. This assistance focused on human resources development through education, training, as well as attending seminars and conferences. Additionally, the RCAF obtained assistance under the Military to Military Contact Program, which helps to increase the RCAF's capability in the fields of engineering, UXO clearance, health care, legislation, and human rights.

China – Cambodia has long held traditional relations with China. China's investment in the Kingdom of Cambodia has reached high levels in such fields as light industry and agriculture. Recently, trade relations have also increased. China has also built closer relations with Cambodia in the military field. This includes granting non-refundable assistance for training, shelters, health, engineering, and transportation. In the area of human resources training, China has accepted RCAF personnel for training in the strategic, tactical, technical, and medical fields. The Cambodian Ministry of National Defense has strengthened its relations with China, especially in relation to engineering and specialized training.

France - Due to French colonial legacy, Cambodia has maintained traditional cooperation with France in many areas. France maintains an active military cooperation in the fields of training cadet officers, training of the Royal Gendarmerie and the offer of training for the Ministry of National Defense.

Australia – Cambodia continues to receive Australia's assistance programs to many areas such as human resources, education, agriculture, health care, criminal justice, and UXO clearance. The Cambodian Ministry of National Defense has continued to share close

relations with Australia in order to extend military cooperation in other fields such as military skills training, and other mutually agreed possibilities for Cambodian Military service members, thereby allowing their participation in international cooperative activities in the future.

The United Nations - From 1991 onwards, the image of the United Nations remains at the forefront of the minds of the Cambodian people. With the clear leadership and facilitation of the King of the Kingdom of Cambodia and strong spirit of national reconciliation among Cambodian political parties, the UN helped to bring about peace and democracy to Cambodia by helping to enact the 1993 general election. Having concluded its mandate, which at its peak included more than 20,000 personnel, the UN left in place its systems of assistance including in the bureau of human rights and other functional agencies to help restore Cambodia's infrastructure, economy, and legislative system. Cambodia intends to act as a responsible international nation and will continue to retain strong links with the UN. Cambodia sent an undisclosed amount of RCAF personnel under the UN flag to Sudan for an international peacekeeping and humanitarian assistance.

Russia – The Cambodian Ministry of National Defense signed a memorandum on bilateral military cooperation with Russia in 1995. However, as this powerful country has encountered a domestic economic crisis due to its international affairs, cooperation so far has yet to produce an outcome. The Cambodian Ministry of National defense always welcomes defense cooperation with Russia given that most of the military equipment and materials used by the Cambodian military were secured from the former Soviet Union.

2.4. Defense White Papers

The Cambodian National Defense Policy is integrated in the Defense White Papers (“DWP”) issued in 2002 and 2006. Managing these security challenges effectively will not be an easy task and it will take some years to achieve a comprehensive outcome for the Cambodian case. The DWPs provide a strategic assessment of the Kingdom's security situation in the near and long term, outlines what defense policy should be in light of the assessments, and describes what actions the Ministry of Defense and the RCAF will take in order to implement the policies described. The DWPs will play a role as a policy tool guideline for the RCAF in fulfilling their tasks.

3. Political and security agreements between Cambodia and other countries or international organizations

Cambodia has entered into a series of bilateral agreements, multilateral agreements, treaties, conventions, accords, or other legal instruments with other countries in the region and across the region.

Below is a list of certain important agreements, protocols, conventions, and memorandums (together referred to as “**Documents**”) which Cambodia entered into with other countries or international organizations.

No.	Names of Documents	Main Ideas
1.	Memorandum of Understanding on Maritime Cooperation dated 13 October 2016	It is not available to the public.
2.	Memorandum of Understanding on the Cooperation in the Field of Inspection dated 13 October 2016	It is not available to the public.
3.	Memorandum of Understanding on the Exchange of Visit by Scientists dated 13 October 2016	It is not available to the public.
4.	Memorandum of Understanding on the Process of Cooperation in the Exchange of Espionage Information pertaining to the Execution of Law on Homeland Security/National Security dated 13 October 2016	It is not available to the public.
5.	Agreement on the Strengthening of Cooperation in Combating Human Trafficking dated 13 October 2016	It is not available to the public.

No.	Names of Documents	Main Ideas
6.	Arms Trade Treaty dated 24 December 2014	<p>This is a multilateral treaty that regulates the international trade in conventional weapons, for the purpose of contributing to international and regional peace; reducing human suffering; and promoting co-operation, transparency, and responsible action by and among states.</p> <p>The legally binding instrument aims at establishing common standards for the import, export and transfer of conventional arms.</p>
7.	Memorandum and Understanding signed between China and the Kingdom of Cambodia in relation to military assistance and equipment dated 23 January 2013	<p>This Memorandum of Understanding aims to increase the capacity of Cambodia in the national defense sector.</p> <p>With this deal, China enhances the capacity and expertise of the Royal Cambodian Armed Forces by offering training courses and providing military equipment (e.g. Helicopters) and materials.</p>
8.	Convention on the Rights of Persons with Disabilities dated 19 January 2013	<p>International human rights treaty of the United Nations intended to protect the rights and dignity of persons with disabilities. Parties to the Convention are required to promote, protect, and ensure the full enjoyment of human rights by persons with disabilities and ensure that they enjoy full equality under the law.</p> <p>There are eight guiding principles of the Convention as follows:</p> <ul style="list-style-type: none"> – Respect for inherent dignity, individual autonomy including the freedom to make one's own choices, and independence of

No.	Names of Documents	Main Ideas
		<p>persons;</p> <ul style="list-style-type: none"> – Non-discrimination; – Full and effective participation and inclusion in society; – Respect for difference and acceptance of persons with disabilities as part of human diversity and humanity; – Equality of opportunity; – Accessibility; – Equality between men and women; and – Respect for the evolving capacities of children with disabilities and respect for the right of children with disabilities to preserve their identities.
9.	Convention on the Prohibition of the Use, Stockpiling Production, and Transfer of Anti-Personnel Mines and on Their Destruction dated 3 December 1997	<p>This Convention aims to put an end to the sufferings and casualties caused by anti-personnel mines. It is an instrument of international law that prohibits the development, production, stockpiling, transfer, and use of anti-personnel mines.</p> <p>It requires also that States parties destroy existing stocks of anti-personnel mines, clear mined areas, and assist victims.</p> <p>A variety of mechanisms exists or has been established, to support the cooperation between States parties and assistance provisions for the States parties in need.</p>
10.	Cooperation Agreement between the European Community and the Kingdom of	<p>The objective to this Cooperation Agreement is to provide a framework for enhancing</p>

No.	Names of Documents	Main Ideas
	Cambodia dated 25 April 1997	<p>cooperation between the Parties with the following aims:</p> <ul style="list-style-type: none"> (a) to accord each other most-favored-nation treatment on trade in goods in all areas specifically covered by the Agreement, (b) to promote and intensify trade between the Parties; (c) to strengthen cooperation in fields closely related to economic progress and benefiting both Parties; (d) to contribute to Cambodia's efforts to improve the quality of life and standards of living of the poorest sections of its population, together with measures for the country's reconstruction; (e) to encourage job creation in both the Community and Cambodia; (f) to take the requisite measures to protect the environment and manage natural resources sustainably.
11.	International Covenant on Civil and Political Rights dated 23 March 1976	<p>This is a multilateral treaty of the United Nations that commits its parties to respect the civil and political rights of individuals, including the rights to life, freedom of religion, freedom of speech, freedom of assembly, electoral rights and rights to due process and a fair trial.</p> <p>The treaty is part of the International Bill of Human Rights, along with the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the Universal Declaration of</p>

No.	Names of Documents	Main Ideas
		Human Rights (UDHR).
12.	Treaty of Amity and Cooperation in Southeast Asia dated 24 February 1976	<p>The purpose of this Treaty is to promote perpetual peace, everlasting amity and co-operation among the people of Southeast Asia which would contribute to their strength, solidarity, and closer relationship. In their relations with one another, the High Contracting Parties shall be guided by the following fundamental principles:</p> <ul style="list-style-type: none"> (a) mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations; (b) the rights of every State to lead its national existence free from external interference, subversion or coercion; (c) non-interference in the internal affairs of one another; (d) settlement of differences or disputes by peaceful means; (e) renunciation of the threat or use of force; and (f) effective co-operation among themselves.

SECTION 3

OVERVIEW OF GENERAL CAMBODIAN LAW

1. Summary of legal history in Cambodia

Religion still has an influence on law in Cambodia because Buddhism exists in every arch Cambodian society. Currently, we still feel that Hinduism and Buddhism are essential in the daily lives of Cambodian people. For many centuries, Cambodia was influenced by Indian teachings through Hinduism and Buddhism, and our social systems adopted an Indian style. Therefore, the study of Hindu law is as important as the study of Latin law for countries who adopt the civil law system. The Khmer kings prior and during the Angkor Era adopted a legal system that was inherited from *Dharmasastras*, which made the study of the Khmer legal system much more convenient.

Historical evolution of Cambodian law can be divided into two main phases. The first phase, from the very first empire in Indochina, is known as ancient Khmer law, and the second phase, from the abandonment of Angkor City until nowadays, is known as modern Cambodian law.¹⁰

1.1 Ancient Cambodian law

Ancient Cambodian law is divided into two periods: (1) Archaic Cambodian law, and (2) Angkorian Era Cambodian law.¹¹

1.1.1 Archaic Khmer law

The first civilizations attested in Cambodia were from two kingdoms, namely *Fou-Nan* and *Tchen-La*. The very first known empire in Cambodia was the *Fou-Nan Empire* (from the first to the sixth century A.D.). The Khmer Empire was located in the south of Indochina in the territory known nowadays as Cambodia and Kampuchea Kraom. This empire was located along the sea. Thus, it had many trade relations with China and India and it gained a lot of influences from China and India.

¹⁰ Introduction to Law, Royal University of Law and Economics and Cooperation and Cultural Activities of French Embassy, edition 2003.

¹¹ Introduction to Law, Royal University of Law and Economics and Cooperation and Cultural Activities of French Embassy, edition 2003.

When coming to do business in *Fou-Nan*, Indian people brought along with them their religion, Hinduism and Buddhism, as well as Sanskrit and laws practiced in India. India also brought political and economic influence to the entire *Fou-Nan Empire*. The birth of a new civilization in the fifth century was a result of the gradual penetration of Indian principles into Khmer society during that era.

Between the sixth and the ninth century, one of the kingdoms subordinated to *Fou-Nan Empire* obtained independence; it was called “*Tchen-La*”. The *Tchen-La Empire* extended to the north of Cambodia and the south of the Lao PDR, around Wat Phou, which is a religious center located to the south of Vientiane. During the period of *Tchen-La*, Indian law influence on Cambodian society and the social organization of *Fou-Nan* remained the same.

1.1.2 Angkorian Era Khmer law

Although nothing attests in a certain manner that the application of the legal system, which was copied from India during the *Fou-Nan* era was practiced during the Angkor era, it can be claimed that ancient Indian law had a very strong influence on the Angkor era. In the entire Indochina region from the fifth to the 15th century, the administrative system of the country was inspired by Indian law, especially by *Mânavadharmacâstra* or *laws of Manu*¹². A huge numbers of official inscriptions were found in Cambodia. The Indian influences on ethic, politics, and religion were noted through the various texts inscribed in rock and glorifying royal persons.

In an Indian perspective, law is a term to identify a set of rules, which strictly determines the relation between individuals, and in order to comply with such rules, individuals are required to receive enforcement from external or physical restriction. Law is the result of different levels of combination of three elements: Dharma (principle), habit, and royal order. These three elements have differing levels of enforcement. Dharma is unchangeably and strict, while law depends on universal and social factors. In legal context, Dharma is a set of work, which a person has to complete according to his/her social class, and in each stage of his/her life. People are

¹² Royal University of Law and economics and Cooperation and Cultural Activities of French Embassy, Introduction to law, edition 2003.

required to obey this set of rules in order to define their destiny. Therefore, listening to, learning, and strictly practicing Dharma is very important.

These laws were compiled into Dhamrasastras, which was written in poetry and laid out many legal issues. The most famous achievement was the Manu code or Manavadharmasatra or Manusmrti. Most Manu laws derived from the customs of the Brahmans who lived in northern India, and some are Buddhist principles. The purpose of this compilation of rules, especially Manu, is to control relations between individuals and to propose solutions to conflicts between individuals. Manu code expressly classified the type of case that could be submitted to the King for his decision. This code also stipulated some principles in respect of the work and rules for the King for administration and jurisdiction.

1.2 Modern Cambodian law

Modern Cambodian law comprises of Cambodian law during the colonial era, and is supplemented with contemporary Cambodian law.

1.2.1 Cambodian Law during Post-Angkor Era and French Colony/Protectorate

Before the creation of the Khmer Code, the modern definition of the term “law” was not defined. However, it was assumed that during that period, the creation of institutions as customary laws was gradually started, as the inscription clearly showed that people during that time were subject to various rules, and there were public authorities to sentence criminals. This was the definition of law. The insertion of written customs into society did not just happen when France imposed its protectorate on Cambodia and when French law was introduced to Cambodia. In Cambodia, there had been a set of legal text compiled several centuries before that.

Status of Cambodian law from the abandonment of Angkor to 1863 A.D.

From the time when the capital of Angkor was abandoned in 1463 to the beginning of French colonization, the Khmer legal system experienced significant changes compared to the previous system.

We do not know the exact date of the very first issuance of Khmer code. It was known that “Khmer Code” was compiled during the reign of Chey Chettha (1618-1624). He decided to create this code in 1620 A.D. because he had observed many abuses and injustices in the courts. This project was interrupted by the invasion of Siam in 1621 and 1622 A.D. However, one year before he died, 24 codes were updated. The subsequent kings who also contributed to the revision of these codes were Chey Chettha II (1618-1625), Ang Saur Chey Chesda (1675-1706), and Ang Duong (1847-1860). Some laws have been revised two to three times since the 17th century. When the revision was completed, the French protectorate later published those codes.

Publication of Khmer Codes

There were 52 codes, 39 of which were published during the reign of Norodom in 1881 A.D.

Not all texts in these codes seemed to be law texts. It seemed to be an official compilation of court reasoning made when a dispute was submitted to the King, in other words, in a public hearing, which was inherited from the Angkor Era.

Compilation of Code and the insertion of modern law into Khmer society

The regulatory work fully commenced in early 1910. Before that, the legal system practiced on the entire territory of the French protectorate was an old legal system of Khmer. In the Cambodian-French Treaty, King Norodom promised to accept all administrative, jurisdictional, financial, and commercial reforms planned by France. From 1911 onwards, the French authorities started to introduce modern law into the Kingdom of Cambodia. The compilation of various laws and the insertion of French law began.

At first, two codes were promulgated by a royal order, dated 20 November 1911, namely the Criminal Code and the Civil Code, and the court arrangement. The two codes entered into force throughout the country on 1 July 1912. The date of entering into force was the date on which Cambodia started to actually adopt civil law. Another big reform resulted in another royal order, dated 25 February 1920, on the

implementation of a new code, Civil Code, Civil Procedure, and the organization of civil tribunal, from 1 July 1920 onwards. The achievement of France through these huge reforms made Cambodia a member of a group of countries who had adopted Roman law and legal principles.

Between the abandoning of the Angkor capital and installation of French colonialism, the Cambodian legal system went under a substantial modification compared to the ancient law of the land. The Cambodian King, *Chey Chétha*, made a decision to retract certain codes in 1620 because he found a substantial number of abuses and injustices in the courts. Those codes were revised later on by other Kings, such as *Chey Chétha II*, *Ang Saur* *Chey Chesda* and *Ang Duong*.

The discovery of Cambodian law notably coincides with the installation of the country as a French colony. Signature of the Colony Accord in 1884 changed the situation in Cambodia. Upon the signature of the Colony Accord, King Norodom engaged in accepting all the French reforms to the administrative system, judicial system, financial system, and commercial system. Since 1911, the French colonial authorities introduced modern law in the Kingdom. All legislative works of codification and introduction of the concepts of French law in Cambodian law were carried out during this period.

1.2.2 Contemporary Cambodian law

Cambodia's present legal framework combines laws and principles from various legal systems implemented since Cambodia's independence from France in 1953.

Although a new democratically elected government came into power in 1993, according to the Cambodian Constitution (1993), all laws passed by previous governments remain in force to the extent that they do not contradict new laws or are not expressly annulled. One interpretation of the Cambodian Constitution is that only laws adopted after 1979 remain in force if not superseded. In practice, however, the current government's policy is not to apply or enforce certain provisions of some of these laws because they are not compatible with Cambodia's free market economy and other policies.

As a general principle, laws passed before 1989 are in practice often not fully applied, while those passed between 1989 and 1993 are more widely followed. Laws passed since the Royal Government of the Kingdom of Cambodia (“RGC”) was formed in 1993 are implemented and enforced, unless specifically overturned or annulled.

Cambodia’s recent legal history can be divided into eight distinct periods. Each phase has contributed significantly to the current position of Cambodia’s legal infrastructure.

(1) 1953-1975: French-based Civil Code and judiciary

Before 1975, Cambodia’s legal system was modeled after the French legal system, including a French style judiciary. A comprehensive legal framework governing commercial, civil, and family relationships regulated day-to-day life. Disputes were adjudicated by commercial tribunals, civil courts, criminal courts, and various forms of appeal courts.

(2) 1975-1979: Khmer Rouge period

In 1975, the Khmer Rouge took over the country and destroyed Cambodia’s entire legal system. All laws, treaties, and law-related materials were destroyed. The judiciary was abolished, and most judges, lawyers, and other legal professionals were killed, died in captivity, or fled the country. By some accounts, fewer than ten legally trained persons remained in Cambodia after 1979.

(3) 1979-1989: Vietnamese-based communist system

The Vietnamese-backed People’s Republic of Kampuchea (“PRK”) government pushed Khmer Rouge forces to the Thai border in 1979 and assumed administration of most of the country. The legal system that emerged during these years was heavily influenced by the Vietnamese system, as Vietnamese advisors helped draft Cambodian laws. During the State of Cambodia (“SOC”) period, from 1979 to 1993, there was no separation of powers between the executive, the judiciary, and the legislature.

(4) 1989-1993: Liberalizing communist system

In 1989, the renamed State of Cambodia government embarked on a liberalization program resulting in the promulgation of laws aimed at liberalizing ownership of property, and granting greater economic freedoms. Many of Cambodia's current applicable laws and regulations were enacted between 1989 and 1993, although some have been significantly amended.

(5) 1991-1993: United Nations Transitional Authority in Cambodia an Supreme National Council

Under a United Nations-brokered peace agreement signed in 1991, certain agencies and ministries of the SOC government came under the supervisory control of the United Nations Transitional Authority in Cambodia (“**UNTAC**”). A new law and policy-making body was created called the Supreme National Council (“**SNC**”). This enacted a number of laws, including criminal and judiciary law, as well as press laws. The SNC comprised of representatives of the UNTAC and the four political factions recognized by the Paris Peace Agreement.

(6) 1993-Present: Constitutional monarchy

The Kingdom of Cambodia and the RGC came into being in 1993 in the form of a constitutional monarchy. The Constitution, adopted on 21 September 1993 as the supreme law of the land, establishes a judiciary separated and independent from the executive and legislative branches of the government. The executive branch, called the RGC, is comprised of a prime minister, the Council of Ministers, the ministries, provincial and municipal authorities, and various other government agencies. The legislative branch comprises of a 123-member National Assembly and a 61-member Senate created under 1999 amendments to the Constitution. The judicial branch composes of municipal and provincial courts, a Court of Appeal and the Supreme Court. The Constitution requires elections for National Assembly members at least once every five years. The

National Assembly then chooses the prime minister by a two-thirds majority vote.

In the 1993 national election, no party won a majority of the votes, although the royalist FUNCINPEC party won more votes than any other party did. Because of this and other factors, FUNCINPEC formed a coalition with the Cambodian People's Party (CPP). HRH Samdech Krom Preah Norodom Ranariddh of FUNCINPEC became First Prime Minister and HE Samdech Hun Sen of the CPP became Second Prime Minister. The ministries and other governmental appointments were allocated to the parties according to this power-sharing arrangement. This newly appointed RGC announced its strong commitment to achieving a fully-fledged market economy and to the fundamental change in the role of government.

(7) 1998-2003: The economic government

National elections were held in July 1998. The CPP won a majority of the votes and a majority of the seats in the National Assembly. However, since a two-thirds majority of the Assembly is required to form a new government, CPP and FUNCINPEC again entered into a governing coalition. Under this coalition, Samdech Akeak Moha Sena Padey Techo Hun Sen became the sole prime minister. HRH Samdech Krom Preah Norodom Ranariddh became president of the National Assembly, and HE Chea Sim, CPP president and former president of the National Assembly, became president of the newly created Senate. The ministries and other government positions were divided between the CPP and FUNCINPEC.

Under the 1993 Constitution, the legislative branch took the form of the unicameral body called the National Assembly. Amendments to the Constitution, approved in March 1999, created the second legislative body, called the Senate. Currently, the 61 members of the Senate are selected by the King and by the political parties represented in the National Assembly. In the future, senators will be elected by the people.

The Senate has the rights to review all laws passed by the National Assembly and to propose its own legislation, though it cannot veto laws passed by the National Assembly. The Senate, however, may return any law to the National Assembly for reconsideration. If the National Assembly approves the law a second time, it will come into effect between ten and 20 days after being signed by the King, without further review by the Senate.

(8) **2003-Present: The World Trade Organization government**

In the 2013 elections, there were 123 seats in total and the CPP won 68 seats while the Cambodia National Rescue Party (“**CNRP**”) won 55 (from 123) seats in the National Assembly. Despite a controversy between the two main political parties over the results of the elections, the results recognized the CPP as the winner of the elections and HE Samdech Hun Sen was again sworn into office as prime minister, on 23 September 2013. Although mass protests were held and the opposition party boycotted parliament for a period, the political situation in Cambodia is expected to be stable and the election process has mostly been peaceful and democratic.

Following the election, Samdech Akeak Moha Sena Padey Techo Hun Sen remains the prime minister. The president of the National Assembly is HE Heng Samrin, former CPP vice-president of the National Assembly, and HE Say Chhum, was appointed as president of the Senate to replace HE Chea Sim (formerly known as the CPP president and president of the Senate).

2. **Legal reform and future trends**

Before becoming a member of the World Trade Organization (“**WTO**”), the Cambodian legal system and legal institutions were somewhat complex. However, the situation has become less confusing following the accession of Cambodia to the WTO and the passing of several key laws.

Cambodia’s ongoing transformation into a democratic and capitalist free market system has resulted in many new laws and regulations being passed, new policies being implemented, and the modification of the judicial institutions.

With the impetus of WTO accession, the government intends to prepare and submit to the National Assembly various laws that will rewrite Cambodia's legislative and regulatory infrastructure. The new laws and regulations combine aspects of the pre-1975 French Civil Code system with legal principles from common law systems.

Cambodia is particularly interested in ensuring that its legal system integrates successfully with those of the other members of ASEAN.

The National Assembly has adopted dozens of laws since it was formed in 1993. Some significant examples include the Law on Commercial Enterprises (equivalent to the “**companies law**” or “**corporations law**” in other jurisdictions), as well as the Law on Negotiable Instruments and Payment Transactions, the Secured Transactions Law, the Civil Code, the Customs Law, the Law on Standards, the Insolvency Law, the Anti-Corruption Law, and the Law on Anti-Money Laundering and Combating the Financing of Terrorism have all been adopted.

The main pillars of the Cambodian legal and judicial reforms are being implemented through the recent adoption of the new civil and criminal procedures codes. The new Civil Code was promulgated on 8 December 2007 and came into force in December 2011. The new Criminal Code came into force in December 2010. Other important laws have also been enacted recently, such as the Foreign Ownership Law, Expropriation Law, Financial Leasing, and the Anti-corruption Law. Further laws are expected soon, including the Notary Public Law, the Consumer Protection Law, the Competition Law, and the new Commercial Contract Law, as well as many other laws touching on nearly all aspects of business activity, which are being drafted by various ministries with the technical assistance of several donor countries.

3. Sources of law

The word ‘source’ in this section means the origins of legal rules, including relevant Cambodian authorities and other sources of law recognized by the laws in force. The word “law” in Cambodian context can mean both local and international laws¹³. According to Cambodian laws and regulations, as well as the current practice, sources of law in Cambodia can be classified as either primary sources, which

¹³ The Constitutional Council Decision No. 092/003/2007 CC.D dated 10 July 2007, Case No. 131/003/2007 dated 26 June 2007.

means all legal instruments of the authorities having jurisdiction of the State¹⁴, or secondary sources, which means customs, traditions, conscience and equity, judicial reasoning, arbitral awards, and doctrines.

In civil cases, when the law is not explicit, or when there is a gap in the law (for example where there are no provisions of law governing the circumstances in the case), the adjudicating court can proceed with the hearing and determine the case based on customs, traditions, conscience and equity¹⁵. Cambodian court judgments, other than those by the new hybrid court, the Extraordinary Chambers in the Courts of Cambodia (ECCC)¹⁶, do not often refer to precedents.

However, precedents for arbitral awards are well developed by the Arbitration Council, a quasi-judicial body that has jurisdiction over collective labor disputes.¹⁷ Cambodian legal doctrines can often be traced to well-known publications by scholars of Cambodian law. Cambodian legal scholars identify the following legal rules deriving from the authorities having jurisdiction in Cambodia as primary sources of law such as:

- Constitution;
- International law;
- Laws (Chbab);
- Royal Decrees (Preah Reach Kret);
- Sub-Decrees (Anu-kret);
- Proclamations (Prakas);
- Decision (Sech Kdei Samrach);
- Circular (Sarachor); and

¹⁴ Article 91 (New) of the Constitution (1993) as amended in 1999 (the members of the Senate, the members of the National Assembly and the Prime Minister have the right to initiate legislation. The deputies shall have the right to propose any amendments to the laws, but the proposals shall be unacceptable if they aim at reducing public income or increasing the burden on the people), Law on the Organization and Functioning of the Council of Ministers (1994), Articles 13, 18, and 29, and Law on Administrative Management of the Capital, provinces, Municipalities, Districts, and Khans (2008), Articles 32, 53, and 61.

¹⁵ Article 4 of the Law on Court Organization (1993).

¹⁶ The ECCC is a special Cambodian court, which receives international assistance through the United Nations Assistance to the Khmer Rouge Trials (UNAKRT). The court is more commonly referred to by the more informal name the Khmer Rouge Tribunal or the Cambodia Tribunal.

¹⁷ The Arbitration Council is a national institution whose role is to resolve labor disputes through conciliation and arbitration. The Council was established by Prakas (Ministerial Decree) in May 2003, and is provided for under Cambodia's Labor Law. The Arbitration Council promotes effective industrial relations by providing a forum for Cambodian workers and employers to seek fair and equitable resolution to labor disputes. These disputes are directly addressed in a timely and transparent manner, by hearing disputes and issuing balanced, reasoned and just arbitral decisions based on law. The Arbitration Council is not a court but, pursuant to Cambodian statutes, is endowed with legal and equitable decision-making authority with regard to collective labor dispute cases.

- Bylaw (Deika).

4. Legal hierarchy

The legislative instruments have to be viewed in a hierarchical order. General legal principles demand that lower-ranking laws always have to comply with higher-ranking laws. There is a strict hierarchy of legislative instruments. The hierarchy implies that all laws and regulations have to comply with the Cambodian Constitution.

4.1 Constitution

The hierarchy of laws is the foundation of the supremacy of the Constitution. The Constitution is the source of supreme law in the Kingdom of Cambodia. All laws and regulations made by the state institutions must conform to the Constitution.¹⁸

The Constitution itself is subject to revision and change. The initiative to review or amend the Constitution is the prerogative of the King, the Prime Minister, and the chairperson of the National Assembly at the suggestion of one-quarter of all members of the National Assembly. Revisions or amendments can be enacted by a constitutional law passed by the National Assembly with a two-third majority vote. Revisions or amendments affecting the system of a free, liberal, and pluralistic democracy and the model of constitutional monarchy are prohibited.¹⁹ These principles are set out for eternity.

4.2 International Treaties (also known as Conventions, Pacts, or Accords)

International Treaties (also known as Conventions, Pacts, or Accords) are agreements reached between a state and another state (bilateral), between several states (multilateral) or between a state and another subject of international law (for example an international organization such as the United Nations). The treaty ranks immediately after the Constitution in the hierarchy of laws and regulations, provided that it has been ratified by both houses of the Parliament and promulgated by the King. For example, the Cooperation Agreement between the European Union and the Kingdom of Cambodia, which was signed on 29 April

¹⁸ Article 150(New) of the Constitution.

¹⁹ Article 153 of the Constitution.

1997, has been entrenched into national law by the Law on the Adoption of the Cooperation Agreement between the European Union and the Kingdom of Cambodia in 1999.

According to Article 26 of the Constitution, “*the King shall sign and ratify international treaties, and conventions after a vote of approval by the National Assembly and Senate*”. After such ratification, international treaties and conventions shall become laws and may be used as the basis for judicial decisions.

Human rights aspects stipulated in international law become automatically entrenched into Cambodian law and do not require ratification. This is stated in Article 31 (l) of the Constitution: “*The Kingdom of Cambodia recognizes and respects human rights as stipulated in the United Nation Charter, the Universal Declaration of Human Rights and the covenants and conventions related to human rights, women’s rights and children rights.*”

A 2007 decision of the Constitutional Council reaffirms that international law related to human rights issues is directly applicable in Cambodia by reminding judges that they must consider international laws in their decision-making process.²⁰

4.3 Laws (Chbab)

The National Assembly has the legislative power to adopt new laws or amend existing laws²¹. After the adoption of a law, the Senate reviews the law.²² If the Senate approves the adopted law, then the Senate directly submits the draft law to the King for promulgation.²³ Promulgation is a royal act that all lawmaking processes in constitutional monarchy systems need to comply with. The formal act formalizing a draft law is known as *Preah Reach Kram*.

²⁰ Constitutional Council Decision No. 092/003/2007, background of the decision was a petition from civil society organizations with the aim of reducing custodial sentences for persons under the age of 18. The Law on Aggravating Circumstances for Felonies allegedly was in violation not only of the Cambodian Constitution but also the Convention on the Rights of the child. The Constitutional Council upheld the respective law, but the constitutional council also ruled that it could not have been the legislature’s intention to violate the convention on the rights of the child.

²¹ Article 90(l) of the Constitution.

²² Article 113 of the Constitution.

²³ If the Senate requests a revision of the draft law, the process is more complicated. For more detail, please see below in Section 5.2.2, 5.2.3, and 5.2.4.

4.4 Royal Decree (Preah Reach Kret)

A Royal Decree is a form of an executive regulation issued by the King to organize the functioning of a public institution, create a new governmental body, or appoint officials, ambassadors, and judges upon the request by Council of Ministers.

The King issues Royal Decrees following the request of other constitutional bodies, but does not reign through decrees in his own rights.²⁴ This follows from Article 7(1) of the Constitution, which states “*the King reigns, but does not govern*”.

There are two types of Royal Decrees: specific and general.

Specific Royal Decrees – the Specific Royal Decree includes royal decrees on the (i) status of high-ranking government officials, judges, and monks, (ii) awarding Khmer nationality, and (iii) awarding title Oknha or Nak Oknha. An example for establishing an institution is the Royal Decree on the Establishment of National Committee for Sub-National Democratic Development. An example for dissolving an institution is the Royal Decree Dissolving Supreme Council for State Reform and Council of General Reforms dated 01 October 2013. Finally, the King issues a Royal Decree to designate the winner of an election and grants the winner the chance to form a government.²⁵

General Royal Decrees – there are different types of General Royal Decrees. A Royal Decree can be issued to address a problem under the jurisdiction of the RGC. In this case, the Royal Decree has an almost “law-like” character. The rather wide scope derives from Article 28 (1) (New) of the Constitution, which states, “*the King shall sign any Royal Decrees proposed by the Council of Ministers*”. If the RGC submits a draft Royal Decree to the King for approval, the RGC should attach summary causes, which briefly outline the rationale and the potential impact of the Royal Decree. In addition, a Royal Decree can be issued to further implement an existing law, including organizational aspects. Finally, the King can issue a Royal Decree to declare a state of emergency following a joint approval from the Prime Minister, the President of the National Assembly, and the President of the Senate.²⁶

²⁴ Only exception to this rule is the Royal Pardon (Article 27 of the Constitution). It is understood that even in this case, the King should consult the government.

²⁵ Article 119 of the Constitution.

²⁶ Article 22 of the Constitution.

4.5 Sub-Decree (Anukret)

A Sub-Decree is an executive regulation usually prepared by relevant ministries, adopted by the Council of Ministers, and signed by the Prime Minister. The Prime Minister is authorized to issue Sub-Decrees exercising his/her own regulatory powers.²⁷ There are two types of Sub-Decrees: specific and general.

Specific Sub-Decrees – govern the status of person. They either appoint, transfer, and or both remove civil servants ranking from Head of Department up to one rank below the Director General or Governor.²⁸

General Sub-Decrees – provide technical detail how to implement a formally adopted law including organizational aspects, such as the Sub-Decree on Organization and Functioning of the General Department of the APSARA Authority. The authorization to issue a Sub-Decree should be stated in the law itself. For example Article 32, Section 3 (Law on the Organization of the Courts (2014) states that the organization and functioning of the administrative secretariat [...] shall be determined by Sub-Decree, upon the request of Minister of Justice).

4.6 Proclamation (Prakas)

The Proclamation is an executive regulation made at ministerial level. It is prepared by the relevant ministries and signed by the ministers in charge to implement and clarify specific provisions within higher-level legislative documents and give instructions. There are two types of Proclamation: specific and general.

Specific Proclamations – govern the status of a person, for example to appoint, transfer, and or both remove civil servants below Head of Department.²⁹

General Proclamations – provide instructions how to implement a law or to clarify the legal content of a law.

²⁷ The Prime Minister as the head of government can instruct ministries. This follows from the fact that he is the one who is elected. Therefore, the Prime Minister has a strong position in the system. His instructions can range from general policies to individual decisions. This authority is for example expressed in Article 16 of the Law on Organization and Functioning of the Council of Ministers (1994).

²⁸ Article 15 of the Law on the Organization and Functioning of the Council of Ministers (1994).

²⁹ Article 28 of the Law on the Organization and Functioning of the Council of Ministers (1994).

As with all regulations, the authorization to issue a Sub-Decree/Proclamation should be stated in the law itself.

4.7 Decision³⁰ (Sechkdei Samrech)

A Decision³¹ is an executive regulation made by the Prime Minister, relevant ministers, individual decision of the Prime Minister and Decision (Prakas-Deika) of a Minister, or a Governor, which is used in exercising his own regulatory powers, and are used for a temporary purpose. It disappears once the goal of the decision has been achieved. The decisions issued by the government are temporary. For example, a working group would be established by a decision, as the establishment of a working group is only temporary.

4.8 Circular (Sarachor)

A Circular is an executive regulation, which is generally issued by the Prime Minister as head of the RGC, and ministers either to explain or clarify legal contents, interpret higher-ranking provisions, or to provide instructions for the implementation of a law. A circular issued by the head of the government is an instruction to ministries, municipal, and provincial institutions on how to implement a law.³²

4.9 Bylaw (Deika)

A Bylaw is a legal rule approved by councils at sub-national level. The term “council at sub-national level” in this context means the Capital council, Provincial councils, Municipal councils, Districts councils, Khan Council, Sangkat councils, and Commune councils. These councils have the legislative authority to issue bylaws (Deika).³³ It is used by a provincial governor or by local councils at sub-national level within the geographical limits. It has force

³⁰ The Constitutional Council issues decisions. A decision of the Constitutional Council is considered final and binding. It has supremacy within the legal system, meaning that all laws and regulations must strictly conform to the decision of the Constitutional Council.

³¹ Article 150 (New) of the Constitution.

³² Article 29 of the Law on the Organization and Functioning of the Council of Ministers (1994). A circular issued by a ministry is to clarify laws and regulations under the jurisdiction of a sector ministry.

³³ Article 48 (2001) of the Law on the Administration and Management of Commune/Sangkat, and Articles 32, 53, and 61 of Law on Administrative Management of the Capital, Provinces, Municipalities, Districts, and Khans.

of law within the territorial authority of the local councils, thereby these bylaws cannot conflict with other regulations at the national level.

5. Legislation process³⁴

The legislative process or the process of making a law is confined to (i) preparing a legal draft and (ii) enacting a law, which includes the (a) approval by the National Assembly, (b) review by the Senate, (c) promulgation by the King, and (d) publication in the Royal Gazette. The legal framework for the legislative process is outlined in the Constitution. The legislature has prepared internal procedures for the legislative process.³⁵

From 1993 to 1999, Cambodia had a unicameral Parliament, which was the National Assembly. In 1999, the Constitution was amended and the Senate was created. Since then, Cambodia has had two chambers of Parliament: the National Assembly and the Senate are both representing the Cambodian people and having a joint legislative power.

5.1 Legislature body

5.1.1 National Assembly³⁶

The National Assembly represents the will and the sovereignty of the Khmer people. It consists of at least 120 members³⁷. The number of members can vary according to

³⁴ According to the Constitution, the Royal Government, the National Assembly and Senate initiate laws. Legal terminology further specifies when National Assembly and Senate initiate a law it is called a proposed law. When the Royal Government initiates a law, it is called a draft law.

³⁵ See revised internal regulations for the National Assembly (2015), and revised internal regulation for the Senate (2012).

³⁶ The organization and process governing the work of the National Assembly are outlined in the Internal Regulations, which were amended in 2015. The National Assembly has a president, a general secretary, a standing committee and different commissions. According to the amended version of the internal regulations, the National Assembly has ten specialized commissions: Commission of Human Rights, Complaints and National Assembly – Senate Relations; Commission of Economy, Finance, Bank and Audit; Commission of Planning, Investment, Agriculture, Rural Development, Environment and Water resources; Commission of Interior, National Defense and Civil Services; Commission of Foreign Affairs, International Co-operation, Propaganda and Information; Commission of Legislation and Justice; Commission of Education, Religious Affairs, Culture and Tourism; Commission of Health Care, Social Affairs, Work and Women's Affairs; Commission of Public Works, Transportation, Telecommunication, Post, Industry, Energy, Commerce and Land Management Urban Planning and Construction; and Commission of Investigation and Anti-Corruption.

³⁷ Article 76 of the Constitution.

the number of citizens and the social and economic situation of the country.³⁸ The members of the National Assembly are to be elected through free, fair, universal, equal, direct, and secret elections by all Khmer citizens that possess voting rights. The mandate of parliamentarians lasts five years; accordingly, and elections take place at least every five years.

Role in the law making process

The main role of the National Assembly in the law making process is (i) to initiate laws and (ii) to enact laws. Single members of the National Assembly as well as parliamentary groups have the right to initiate laws.³⁹ This occurs only rarely. The majority of laws are initiated by the executive. The National Assembly exercises its legislative power through the enactment of laws.⁴⁰ The lawmaking process is outlined in the Constitution and in the Internal Regulations of the National Assembly (as amended in 2015). The debate about and adoption of draft laws takes place in plenary sessions of the National Assembly, after one of the ten specialized commissions has reported on the draft law.

The laws enacted by the National Assembly include the Constitution and rank to ordinary and organic laws. In addition, the National Assembly must give its approval on international agreements and treaties that have been concluded by the RGC for them to have legal effect on domestic level (except for those international treaties and covenants mentioned in Article 31 of the Constitution, i.e. internal human rights treaties which are directly applicable).

Process of enacting a law

The process includes the following steps: (i) the draft law is submitted to the permanent committee, (ii) referral to a specialized commission by the Permanent Committee and discussion in the commission, (iii) debate in the plenary, (iv) vote – mostly majority vote, and (v) submission to the senate.

³⁸ Law on the Election of Members of the National Assembly of Representatives and Amendments.

³⁹ Article 91 of the Constitution.

⁴⁰ Articles 90 and 93 of the Constitution.

5.1.2 Senate⁴¹

The Senate of Cambodia is the upper house of Parliament. Its main function in the law making process is to (i) initiate laws and (ii) review laws.

Just like its counterpart the National Assembly, the Senate also has legislative powers. Article 99 of the Constitution states: “*the Senate is a body that has legislative power and performs its duties as determined by the Constitution and laws in force*”.

However, the legislative power of the Senate is restrained in comparison to the legislative powers of the National Assembly. Unlike the National Assembly, the Senate can only rudimentarily influence the lawmaking process. Furthermore, it does not have a say in the election of the members of the government. The Senators have the rights to initiate laws⁴², but they cannot question, accuse, or dismiss the government or its members. It is fair to say, that the Senate has more of an advisory role and gives recommendations, whereas the final power of lawmaking and the adoption of laws resides with the National Assembly.⁴³

Role in the law making process

The main role of the Senate in the law making process is (i) to initiate laws and (ii) to review laws, (i.e. make recommendations or request modifications).

The Senate may initiate laws. It exercises its legislative powers through the review of proposed/draft laws after the National Assembly has enacted them. The Senate makes recommendations/modifications where it deems appropriate.⁴⁴ In addition, the Senate may assist the National Assembly in its legislative functions by offering legal

⁴¹ The organization and processes governing the Senate are outlined in the Internal Regulations, which have been amended in 2014. The structure and procedural rules are similar to those of the National Assembly. The senate has a President, two vice-presidents, a general secretary, a standing committee and ten specialized commissions (exactly mirroring the competencies of the ten commissions of the National Assembly).

⁴² Article 91 (I) of the Constitution.

⁴³ Article 113 (VII) of the Constitution states “*if the Assembly examines a draft law a second time after the Senate has called for modifications, the Assembly itself has to decide by absolute majority*”.

⁴⁴ Articles 93 and 113 of the Constitution.

advice concerning draft laws and proposed laws. However, in practice, this rarely happens.

Process of reviewing a law

The Constitution provides two procedures for the Senate and the National Assembly to vote on a draft law: the ordinary procedure and the urgent procedure.

Ordinary procedure – the Senate reviews the draft and gives advice within one month. If the senate approves the draft or does not comment, the law shall be promulgated. In urgent cases, the Senate shall act within five days.

Urgent procedure – In case the Senate requests modifications, the National Assembly shall immediately reconsider the draft law. Reconsideration of the draft by the National Assembly shall only include the provisions or issues pointed out by the Senate. The National Assembly may reject or retain the amendments in whole or in part as suggested by the Senate. When the draft is tabled before the National Assembly for a second time, the vote for adoption must be taken with an absolute majority of the members present.

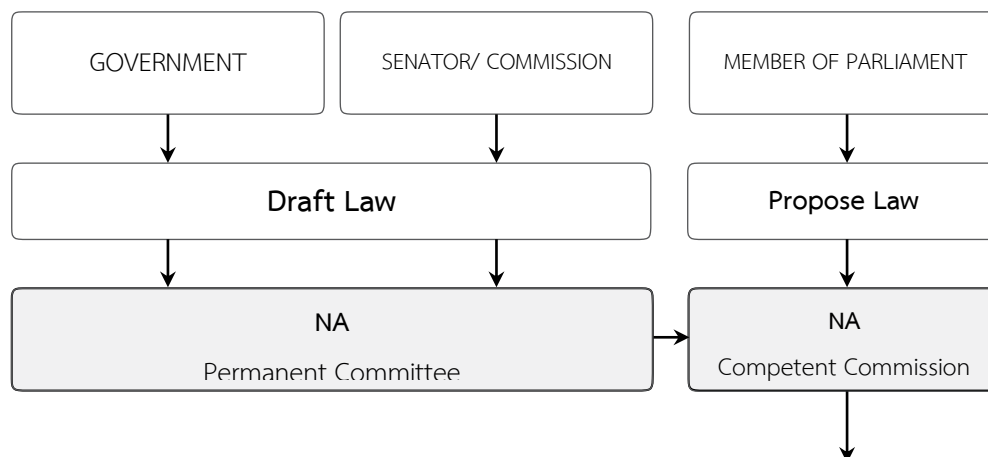
5.2 Detail of the legislative process

As mentioned earlier, there are three different institutions having the rights to initiate legislation: every member of the National Assembly, the Prime Minister, and the Senate. The RGC (through the Prime Minister) or the Senate respectively submits a draft law to the National Assembly, while the National Assembly itself proposes a law.⁴⁵

5.2.1 Initiate and submit the draft/proposed law

The RGC (through the Prime Minister) or the Senate submits the draft law to the National Assembly/Permanent Committee, which forwards the draft to one of the ten commissions of the National Assembly. If the National Assembly proposes a law, the proposed law is submitted directly to the responsible commission.

⁴⁵ Article 91 of the Constitution.

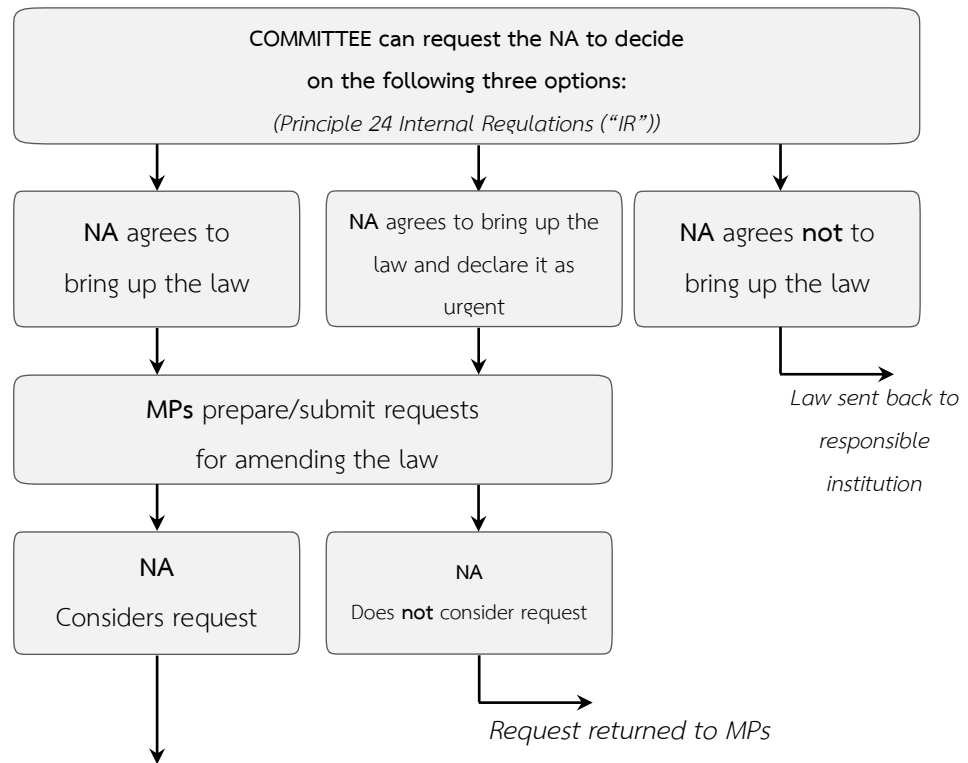


For the next step refer to the below Chart

The Commission requests the National Assembly to review the draft/proposed law and decide on the following three options: (1) not to consider the law; (2) to consider the law; or (3) to consider the draft law as urgent. This procedure implies that before the law is considered on the floor, the National Assembly must agree to introduce it. Only when the National Assembly decides to bring up and consider the law, Members of Parliament (“MPs”) can request amendments to it. In this case, the MPs will receive a copy and then they will be able to review the draft and request amendments.

The full meeting of the National Assembly decides whether to consider the request for proposed amendments.⁴⁶

⁴⁶ Article 27 of the Internal Regulations of the National Assembly.

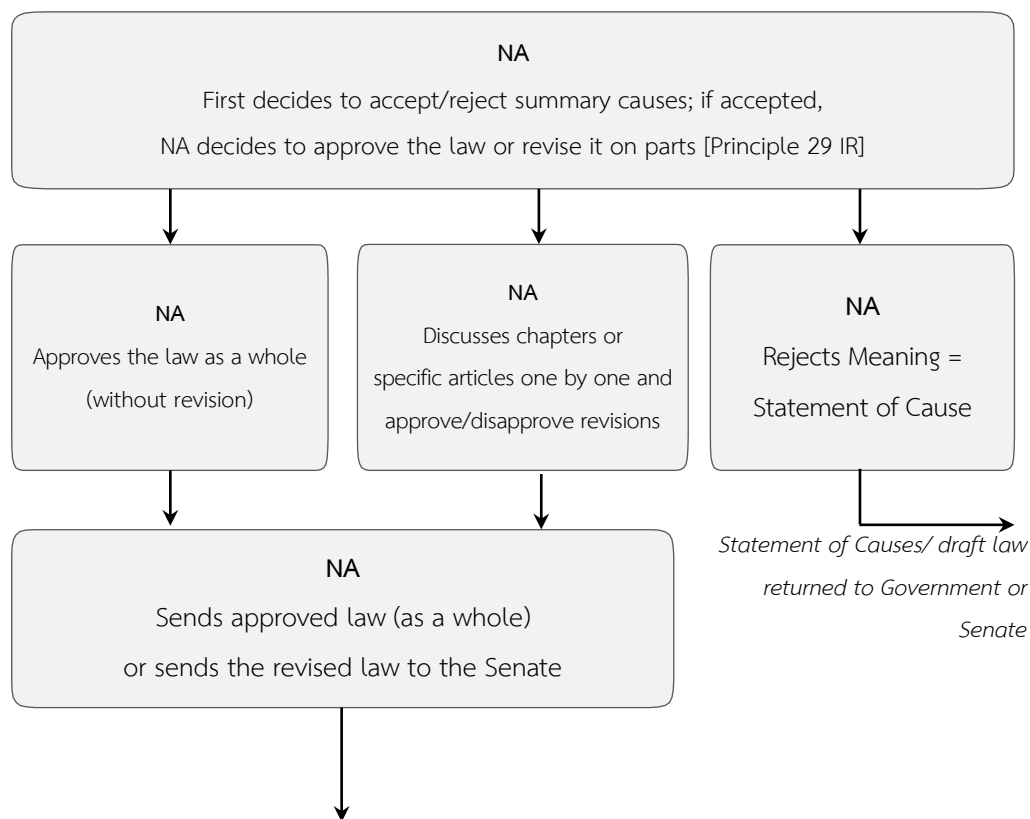


For the next step refer to the below chart

After a date for the debate has been scheduled, the law/amendments will be considered on the floor.

The National Assembly first decides whether to approve or not to approve the statement of cause. If the National Assembly rejects the statement of causes, the law will be sent back to the institution that submitted the law.

If the National Assembly approves the statements of purpose, the National Assembly can, in the next step, either approves the law as whole, i.e., the original draft will be sent to the Senate without revisions, or the National Assembly discusses and revises the law along the lines of the proposed amendments. Each proposed amendment can either be approved or rejected. If amendments have been accepted, the National Assembly sends the revised law to the Senate.



For the next step refer to the below chart

5.2.2 Review in the senate

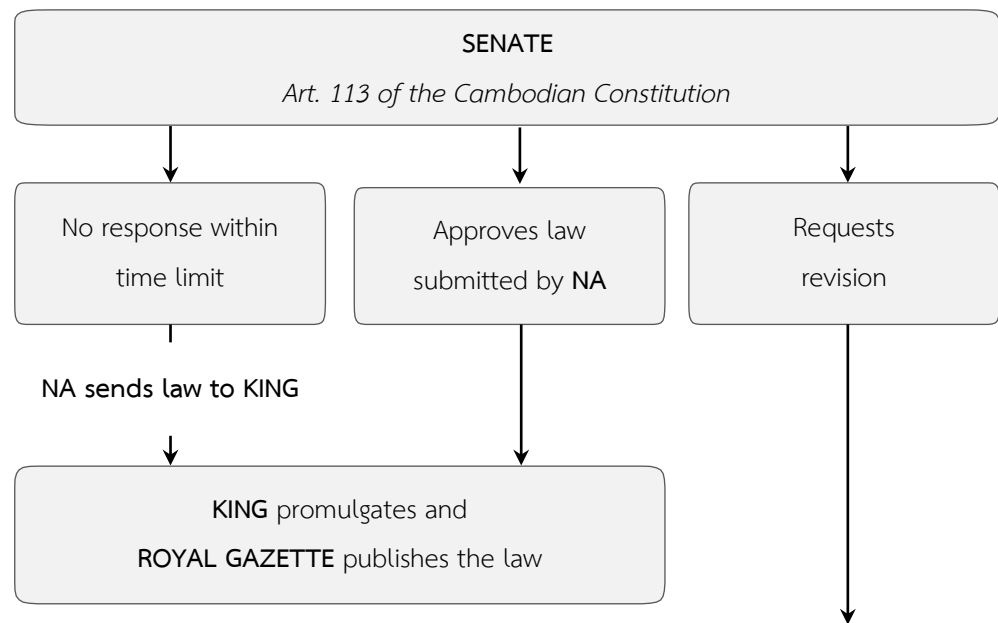
After the National Assembly sends the first draft of the law (approved or revised) to the senate, the senate has three options:

- Not to respond within the time limit outlined in Article 113 (II) of the Constitution (time limit is one month or ten days in case of urgency);
- Review and approve the law; and⁴⁷
- Review the law and request revisions.⁴⁸

If the Senate approves the first draft of the law submitted by the National Assembly, it will be sent directly to the King for promulgation.

⁴⁷ Article 113 (II) of the Constitution.

⁴⁸ Article 113 (III) of the Constitution.



For the next step refer to the below chart

5.2.3 First review in the National Assembly

After the Senate has proposed revisions: if the Senate proposes revisions to the law, the Senate sends the revised law back to the National Assembly for the first review. In this case, the National Assembly has three options:

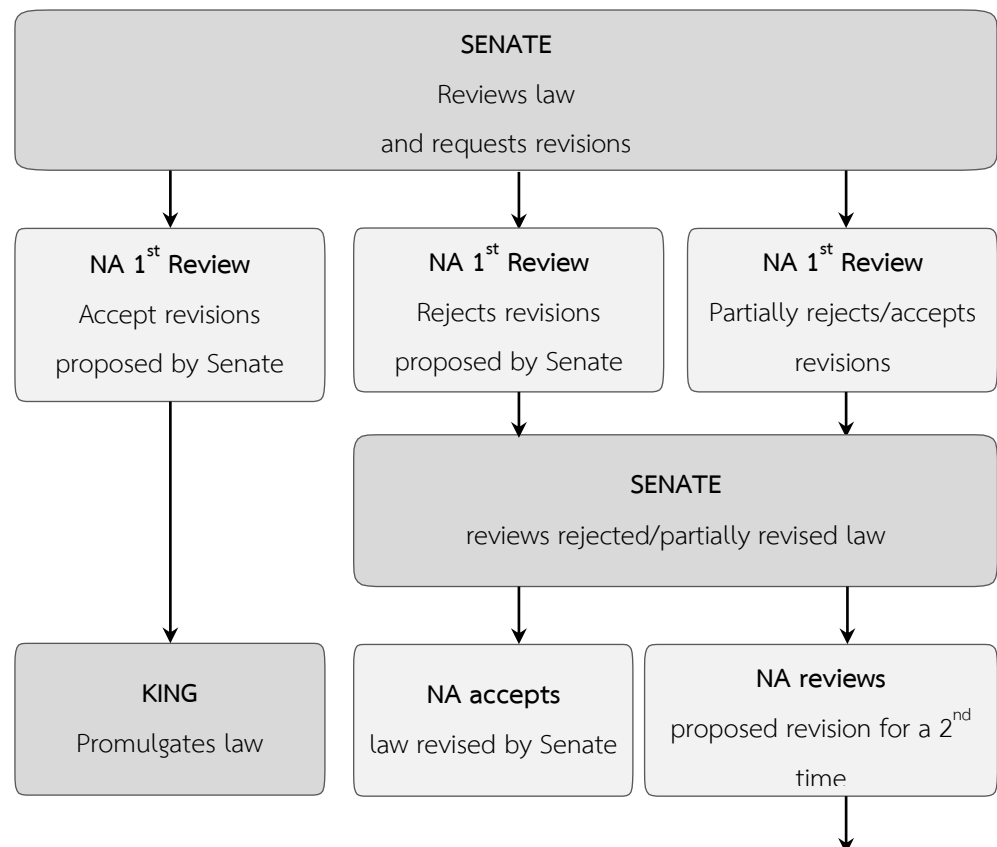
- Accept the revisions proposed by the Senate. In this case, the National Assembly sends the revised law directly to the King for promulgation;
- Partially reject or accept the revisions provided by the Senate and send the law back to the Senate for another review; and
- Fully reject the revisions provided by the Senate and send the law back for another review.

If, after the first review, the National Assembly fully or partially rejects the revisions proposed by the Senate, the Senate has two options:

- Accept the decision of the National Assembly to fully or partially reject the revisions provided by the Senate. In this case, the Senate will send the first draft to the King for promulgation; and
- Insist on the proposed revisions and re-submit the proposed law to the National Assembly.

If the Senate re-submits the law with its proposed revisions, the National Assembly has two options:

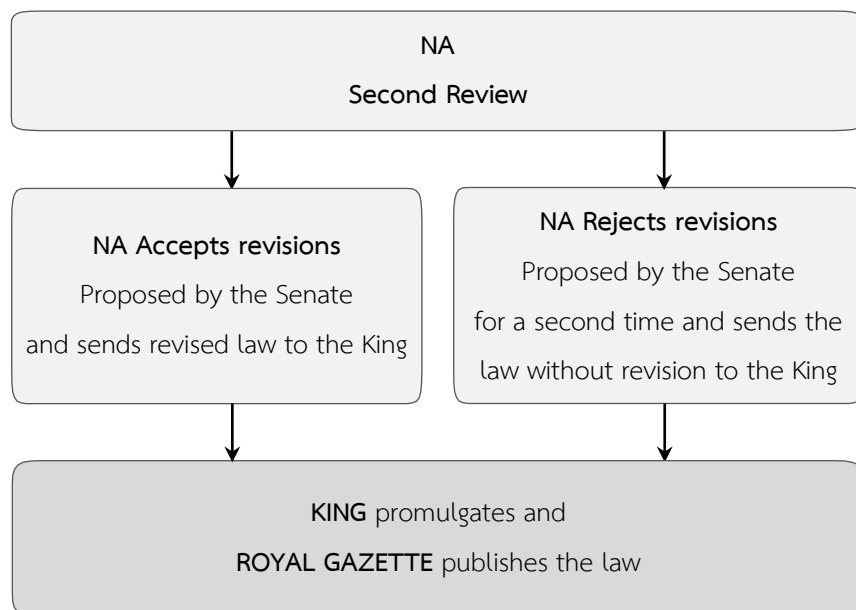
- Accept the revisions proposed by the Senate and send the revised law to the King for promulgation; and
- Review the proposed revisions for a second time.



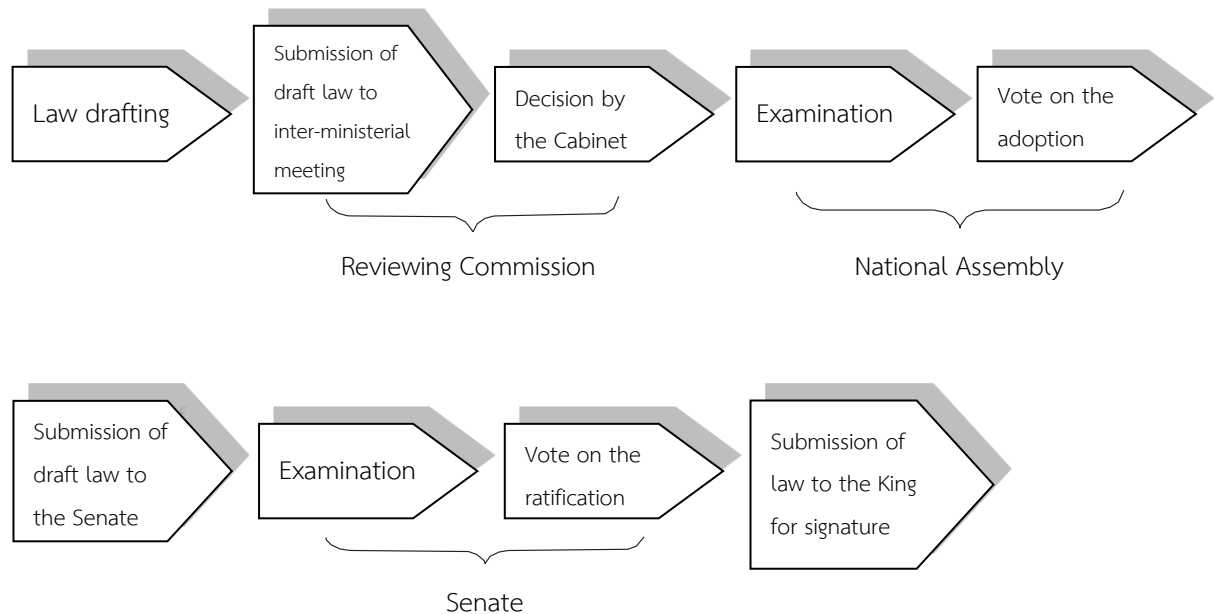
For the next step refer to the below chart

5.2.4 Second review in the National Assembly

If the Senate insists on the proposed revisions and the National Assembly can review the proposed revisions for a second time, the National Assembly can accept the Senate’s proposal for revisions or reject the proposed revisions. Either way, the law will be sent to the King for promulgation.



The process of legislation of the National Assembly is shown in the flow chart below. After the adoption by the National Assembly, the Senate reviews the law, followed by the Royal Kram of the King to promulgate the law.



The simple legislation process of the National Assembly

6. Judicial system

The Cambodian court system has experienced many changes following nearly three decades of neglect. It is largely based on the French style judiciary and has evolved slowly from the communist-dominated system of the 1980s. The 1993 Law on the Organization and Functioning of Adjudicate Courts enacted during the period of the State of Cambodia by an *ad hoc* parliament together with the UNTAC Law⁴⁹ provided the starting point of the judicial structure and organizational framework of the courts. The enactment of the Law on the Supreme Council of Magistracy⁵⁰ sets the stage for the re-organization of the judiciary followed by the establishment of the Constitutional Council,⁵¹ the highest body called for in the 1993 Constitution.

6.1 Constitutional Council

The system of constitutional control did not exist in the history of Cambodia. The 1947 Constitution, as successively modified by the 1964 Constitution, provided for the

⁴⁹ UNTAC Provisions relating to the Judiciary and Criminal Law and Procedure applicable in Cambodia during the Transitional Period of 10 September 1992.

⁵⁰ Law on the Organization and the Functioning of the Supreme Council of Magistracy, 1994.

⁵¹ Law on the Organization and Functioning of the Constitutional Council, 1998.

interpretation of constitutional texts to the National Assembly but did not state the constitutionality control. The 1972 Constitution of the Khmer Republic set up a system of constitutionality control under the name of the constitutional court. Despite its name, this body functioned separately from the judiciary. The 1981 Constitution of the People's Republic of Kampuchea vested the interpretation of laws in the Council of State, which acted as the Standing Committee of the National Assembly. The 1989 Constitution of the State of Cambodia provided for the interpretation of laws by the Permanent Committee of the National Assembly but did not provide for the interpretation of the Constitution nor for constitutionality control.

The 1993 Constitution adopted by the Constituent Assembly emerged from the United Nations sponsored election and reflects strong western influence.⁵² Chapter XII of the Constitution provides for the establishment of the Constitutional Council, which resembles, in many respects, the French Constitutional Council. The Constitutional Council is not a tribunal that hears cases but rather an institution that decides only on the constitutionality of laws.⁵³ Besides ensuring the respect of the Constitution, it is responsible for reviewing and ruling on disputes arising from elections, such as those involving rights of vote, electoral rights of candidates, and political parties. Election frauds and irregularities can also be submitted to the Constitutional Council for final settlement.

6.2 Supreme Council of Magistracy

The Constitution entrusts the task of ensuring judicial independence and disciplining judges and prosecutors to the King with the help of the Supreme Council of Magistracy⁵⁴.

⁵² Since its promulgation, the 1993 Constitution has been amended twice: the first time on 14 July 1994 concerning the delegation of power from the King's signature to the acting Head of State; and the second time on 8 March 1999 for the establishment of the Senate.

⁵³ The review of the constitutionality of a law by the Constitutional Council can be undertaken only according to the followings three procedures: (i) a law that has been passed by the National Assembly can be forwarded to the CC for review before its promulgation. Only the King, the Prime Minister, the President of the National Assembly, or one-tenth National Assembly members can propose the review; (ii) for a law that has been promulgated, only the King, the Prime Minister, the President of the National Assembly, one-tenth of the Assembly members, or the court may request its review. A normal citizen may request a review through one-tenth of the assembly members or through the President of the National Assembly; and (iii) Internal Rules of the National Assembly and organic laws must be reviewed by the CC before their promulgation with respect to their constitutionality.

⁵⁴ The 1992 Law on Execution of Judgments provide for court enforcement of civil and criminal judgments. Judgment execution is performed by the individual courts issuing the judgment and may be assisted by the judicial police if and when it is necessary to search premises, seize property, or make an arrest.

Administrative authority over the court system is split between the Supreme Council of Magistracy and the Ministry of Justice, which oversees the prosecution service on the court clerks. The Supreme Council of Magistracy has the constitutional power to oversee and regulate any aspects of the judiciary, including the appointment and discipline of judges. It has a duty to decide and make proposals to the King on the appointment, transfer, leave of absence, delineation of duties, promotion, and dismissal of judges and prosecutors at all courts and takes disciplinary action against delinquent judges.

The Ministry of Justice (“**MOJ**”) controls the prosecution service, the court clerks, and bailiffs. In addition, the MOJ issues circulars clarifying and interpreting elements of Cambodia’s opaque procedural code to facilitate smoother administration of the courts. Despite these circulars, the administrative practices in individual courts vary greatly depending on the attentiveness of the respective president of the court and the initiatives of the court personnel.

6.3 Cambodian court system

Cambodia has a three-tiered court system comprising of Provincial/Municipal Courts for First Instance, Military Court, Court of Appeal, and Supreme Court. Provincial and Municipal Courts, located in various provinces and municipalities, are lower adjudicate courts with limited territorial jurisdictions. The Court of Appeal and the Supreme Court both located in Phnom Penh are higher courts with nationwide jurisdictions.

A Municipal Court’s decision can be appealed to the Court of Appeal on issues of both Ang Het (matters of fact) and Ang Chbab (matters of law). The Supreme Court hears only with Ang Chbab (matters of law) except upon remand to the Court of Appeals, the Supreme Court may render a final decision on both law and fact. The Cambodian law places few time limits either on when a higher-level court may hear an appeal or on rules regarding the order it may schedule appeals. Because of this ambiguity some cases are delayed for years before their complete re-hearings of the facts.

The military court has jurisdiction only over military offenses. Military offenses are those involving military personnel, whether enlisted or conscripted, and which concern discipline

within the armed forces or harm to military property. All ordinary offenses committed by military personnel are tried in ordinary courts (provincial/municipal courts).

Unlike the other countries in the region, commercial courts and labor courts have yet to be established in the Kingdom of Cambodia.

SECTION 4

CAMBODIAN LAWS GOVERNING SOCIETY, CULTURE, POLITICS, AND SECURITY

1. Laws relating to Education

Below is a list of summary of certain important laws and regulations related to education.

No.	Types and Names of Laws	Main Ideas
1.	Royal Kram No. NS/RKT/0196/01 on Promulgation of Law on Establishment of the Ministry of Education, Youth and Sports, entered into force on 24 January 1996	<p>The Ministry of Education, Youth and Sport (“MEYS”) was established on 24 January 1996 in order to regulate the education sector in the Kingdom of Cambodia. It has missions to direct, manage, and develop the education, youth, and sports sectors in the Kingdom of Cambodia to meet the needs of the country’s developing economy, society, and culture and the progress in the region and the world</p> <p>This Ministry is led by a Minister (to date of this report, the current Minister is H.E Dr. Hang Chuon Naron) accompanied by Secretaries of State or Under Secretaries of State as necessary. The organization and functioning of the Ministry is determined by a Sub-Decree.</p> <p>This law entered into force on 24 January 1996.</p>
2.	Sub-Decree No. 156 on the Organization and Functioning of the Ministry of Education, Youth and Sports, entered into force on 18 July 2016	<p>The organization and functioning of the MEYS has been established by subsequent Sub-Decrees in 1998, 2009, 2015, and 2016. However, the Sub-Decrees of 1998, 2009, and 2015 were subsequently repealed. Finally, the organization and functioning of the MEYS has been rearranged through this Sub-Decree No. 156.</p> <p>This Sub-Decree governs the sectors of education, youth, and sports in all entities at the central level,</p>

No.	Types and Names of Laws	Main Ideas
		<p>Capital-Municipal-District-Khan levels, and higher education institutions.</p> <p>Pursuant to this Sub-Decree, the MEYS has the following functions and duties, including but not limited to:</p> <ul style="list-style-type: none"> ▪ Define a policy of education, youth, and sport, aiming at ensuring the sustainable development of human resources; ▪ Prepare legislation for the development of the education, youth, and sports sectors; ▪ Formulate plans for implementing, monitoring, and evaluating the policies of education, youth, and sports in order to develop human resources, as well as to make suggestions on the future actions to be taken and take subsequent remedial measures at every specialized function; ▪ Enhance the quality of the education, youth, and sports sectors, responsive to each stage of national and international socio-economic development in order to build the capacity in knowledge, expertise, ethics, morality, and living in harmony; ▪ Provide professional and vocational orientation, life skills, and vocational training at all educational levels; ▪ Develop human resources in an entrepreneurship technique and technical education in the region; ▪ Control, monitor, evaluate study process, writings, publications, importation of study books, and documents relating to teaching and learning at all educational levels; ▪ Examine the issuance, refusal/cancellation,

No.	Types and Names of Laws	Main Ideas
		<p>confiscation of certificate or degree, and evaluate the level of certificate or degree issued by academic/educational institutions both inside and outside the country;</p> <ul style="list-style-type: none"> ▪ Examine and make comments on the policy, laws, and regulations relating to the education, youth, and sport sectors; and ▪ Perform any other duties assigned by the royal government of Cambodia. <p>Please see Schedule 1 for the organizational chart of the MEYS attached herewith.</p> <p>This Sub-Decree entered into force on 18 July 2016.</p>
3.	Royal Kram No. NS/RKM/1207/032 on Promulgation of the Law on Education, entered into force on 8 December 2007	<p>This law aims to prescribe national measures and criteria for establishing a completely comprehensive and uniformed education system ensuring the principles of freedom and studies in compliance with the Constitution of the Kingdom of Cambodia. Further, it is to develop the human resources of the nation by providing lifelong education for learners in order for them acquiring knowledge, skills, capacities, dignity, good moral behavior and characteristics, in order to motivate them to know, love, and protect the national identification, cultures, and language.</p> <p>This law comprises of 11 Chapters and 55 Articles. It covers all educational programs, research studies, technical and vocational education, and training at all public and private levels of the education system, although these educational programs are offered by the educational institutions or by educational</p>

No.	Types and Names of Laws	Main Ideas
		<p>personnel. This law also covers educational administration and management at all levels, except for education on religious scriptures, technical education, education of military strategy and national security, education on territorial administration management , education provided by the Royal School of Administration (Ecole Royale D'Administration), and technical and professional education for the courts offered by the training institution of legal and court professions.</p> <p>This law also covers individual persons and other relevant persons, such as children at the age of enrolment, learners, parents or guardians, groups or clubs of education license beneficiaries, except for individual persons involved in religious education and practice, technique, military strategy and security, territorial administration, the Royal School of Administration, and court professions.</p> <p>This law entered into force on 8 December 2007.</p>
4.	Royal Decree No. NS/RKT/0303/129 on Recognizing the Quality of High Education, entered into force on 31 March 2003	The aim of this Royal Decree is to establish legal mechanisms for the management of education quality accreditation of all higher education institutions in order to ensure and improve the quality of higher education in a highly effective manner to conform to international standards, and to define the structure, roles, functions, and duties in the management and functioning of the education quality accreditation for higher education institutions which award degrees ranging from bachelor's level and higher in the Kingdom of Cambodia. This legal mechanism is named

No.	Types and Names of Laws	Main Ideas
		<p>the “Accreditation Committee of Cambodia”, herein referred to as “ACC”.</p> <p>Higher education institutions, which provide higher education in the Kingdom of Cambodia, shall undergo the education quality accreditation. In order for the education quality be accredited, the higher education institutions shall undergo assessment on their management systems, education quality, and curriculum. Only those institutions which are accredited shall be entitled to award degrees, bachelor degrees, master degrees, and doctorate degrees.</p> <p>This Royal Decree entered into force on 31 March 2003.</p>
5.	Sub-Decree No. 191 on the Assignment of Duties Related to the Management of Early Childhood Education, Primary Education, and Non-Formal Education to Municipal/District Administrations, entered into force on 14 September 2016	<p>This Sub-Decree aims to improve the quality of early childhood education, primary education, and non-formal education in the Kingdom of Cambodia by moving the decision-making and responsibility in providing these education services closer towards the people.</p> <p>The issuance of this Sub-Decree is to assign the duties related to management of early childhood education, primary education, and non-formal education to municipal and district administrations; provide financial resources, assets, and human resources to municipal and district administrations for implementing the duties related to the management of early childhood education, primary education, and non-formal education assigned to them; determine the responsibilities of ministries, institutions, departments, specialized units, and sub-national administrations in</p>

No.	Types and Names of Laws	Main Ideas
		<p>supporting and implementing the management of early childhood education, primary education, and non-formal education; and determine the principles, formalities, and procedures for implementing such duties with quality, accountability, effectiveness, and equity.</p> <p>This Sub-Decree entered into force on 14 September 2016.</p>
6.	<p>Sub-Decree No. 309 on the Management Arrangement of Teaching Services in Public Primary Institutions, entered into force on 3 December 2014</p>	<p>The purpose of this Sub-Decree is to prepare the management and organization of teaching services of public primary institutions in a sustainable and effective manner. This Sub-Decree is to determine, amongst other things,</p> <ul style="list-style-type: none"> ▪ Duties of civil servants in the administrative and teaching works in public educational primary establishments; ▪ Formalities and procedures of hiring contractual teachers to perform teaching services in public educational primary establishments which meet the shortage/lack of teachers being the civil servants; ▪ Additional duties and mixed/multi-grade duties/ for civil servants who have fully performed their determined duties; ▪ Fees/wages for contractual teachers and civil servants who have implemented the additional duties and the mixed duties/multi-grade duties; and ▪ Management, following up, monitoring, and evaluation of the contractual teaching works and

No.	Types and Names of Laws	Main Ideas
		<p>the implementation of the determined duties, additional duties, and the multi-grade duties/mixed duties.</p> <p>This Sub-Decree applies to civil servants who perform administrative works, civil servants who are teachers, contractual teachers, and the management of the teaching service in public educational primary establishments belonging to the MEYS.</p> <p>The civil servants, who work in public educational primary establishments, shall implement work obligations for the period of 8 (eight) hours per day and for five days per week or for the period of 40 (forty) hours per week. The determined working hours shall be based on the organization of the school management in compliance with the instruction of the MEYS by ensuring that there must be sustainability and effectiveness for both the administrative and the teaching works.</p> <p>The teachers being civil servants shall provide practical and factual teaching to students per their grades and study levels, and perform all relevant tasks for the classroom of which he/she is accountable for.</p> <p>This Sub-Decree entered into force on 3 December 2014.</p>
7.	Prakas No. 904 on the Tax Incentives for Educational Establishments, entered into force on 8 August 2016	The purpose of this Prakas is to provide tax incentives for the education sector to support human resource development with high qualifications and to reduce the expenses of parents and guardians of students.

No.	Types and Names of Laws	Main Ideas
		<p>“Educational establishments” in this Prakas refers to all public and private educational establishments which provide pure educational services from kindergarten to higher education institutions, as well as technical and vocational training establishments.</p> <p>The Prakas impacts the following:</p> <ul style="list-style-type: none"> ▪ Minimum tax, profit tax, and prepaid profit tax; ▪ Scholarships awarded to students; ▪ Withholding tax; and ▪ Value Added Tax (VAT). <p><i>Minimum tax, profit tax, and prepaid profit tax</i></p> <ol style="list-style-type: none"> 1. Suspend the payment of minimum tax of 1% of annual revenue until the end 2018; 2. Suspend the payment of prepaid profit tax until the end of 2018; and 3. Pay a profit tax only if there is a profit. <p><i>Scholarships</i></p> <p>The granting of scholarships to students, either free of charge or at a discount, will not be considered as taxable revenue for the calculation of annual profit tax.</p> <p><i>Withholding tax</i></p> <p>For residents: (1) exempted from management or consultation service or similar services which are directly related to education, and (2) apply withholding tax for services of construction, engineering, architecture, and other services which are indirectly related to education.</p>

No.	Types and Names of Laws	Main Ideas
		<p>For non-residents: (1) exempted from management and technical services which are directly related to education, and (2) apply withholding tax on interest, commissions, rental fees, and other revenue involving the use of property and dividends.</p> <p><i>Value Added Tax</i></p> <p>Education services and the supplies of goods and services for education, which also includes food and accommodation of students, will be exempted from tax. Such tax exempted inputs may not be in the form of loans, but they can be recorded as expenses.</p> <p>Obligations of educational establishments are as follows:</p> <ul style="list-style-type: none"> ▪ Tax registration; ▪ Submit a tax declaration submission to a tax administration office (monthly and yearly); ▪ Possess an appropriate accounting system; and ▪ An educational establishment that has annual revenue of more than KHR 2, 000 million must submit an audit report performed by the Independent Accounting Commissioner. <p>This Prakas entered into force on 8 August 2016.</p>
8.	Prakas No. 2429 on the Establishment of Community Learning Centers, entered into force on 30 July 2015	A community learning center was established by this Prakas under the MEYS's supervision. The objectives of this Prakas is to (1) determine the minimum criteria for the establishment of community learning centers, (2) encourage the development and sustainability of community learning centers as well as the development of local communities, and (3) provide

No.	Types and Names of Laws	Main Ideas
		<p>opportunities to the citizens to assess lifetime learning.</p> <p>The Prakas stipulates certain requirements for the establishment of community learning centers. The requirements include, among others, the standard conditions of infrastructure for community learning centers, management structure, course syllabus, and learning materials.</p> <p>The Chief of the commune (or Sangkat), the representative of citizens in communities, or the managing committee of the community learning center, must submit an application requesting for the approval to establish a community learning center to the Office of Education, Youth and Sport and to the Governor of the Board of Governors at the district or Khan level, and to the Department of Education, Youth and Sport and Governor of Board of Governors at city or provincial level, and finally to the MEYS.</p> <p>For existing community learning centers, they are also required to fulfill the requirements as stated in this Prakas within two years after the enforcement of this Prakas.</p> <p>This Prakas entered into force on 30 July 2015.</p>
9.	Prakas No. 1011 on Public Services Provided by the Ministry of Education, Youth, and Sport, entered into force on 28 December 2012	<p>For the benefit of the country's national budget, this Prakas allows the MEY to collect a public service fee. The schedule of the public service fee is attached within this Prakas including service fee, timeframe, and validity according to the type of each public service to be provided.</p>

No.	Types and Names of Laws	Main Ideas
		<p>According to this Prakas, the public service fee required by the MEYS includes, without limitation, the public service fee for the license for opening a primary school, educational institution, other kindergarten schools, license for a sports club...etc. With regard to the public service fee, the MEYS is required to make this Prakas available to the Public.</p> <p>This Prakas entered into force on 28 December 2012.</p>
10.	Prakas No. 1435 on the Detailed Requirements and Criteria for the Establishment of Higher Education Institutions, entered into force on 12 September 2007	<p>This Prakas aims to determine the requirements and detailed criteria for the establishment of both public and private institutions for higher education in the Kingdom of Cambodia. A public or private legal person and or both the physical person have a right to apply for authorization to establish a higher education institution.</p> <p>Higher education institutions must obtain an authorization before selecting students and operating their institutions. A public or private legal person and/or physical person who wish to establish higher education institutions shall meet certain conditions or requirements.</p> <p>There are two types of higher education institutions: university and institute. The educational structure of a university consists of faculties and departments under each faculty. Each faculty shall have at least three departments. An institute is a combination of one or more skills.</p> <p>A higher education institution is led by a board of</p>

No.	Types and Names of Laws	Main Ideas
		<p>directors. For public higher education institutions, the organization of the board of directors shall comply with the jurisdictional statute of public administrative institutions. The organization of the board of directors of a newly established private institution for higher education shall obtain an approval from the MEYS. The board of directors of private institutions for higher education shall consist of at least five members. In case of change of the chairman of the board of directors, the institution shall inform the MEYS.</p> <p>A higher education institution shall be managed by a rector or director with vice-rectors or deputy directors as his/her assistants as necessary. A faculty shall be managed by a dean with vice deans as his/her assistants as necessary. A department, office or division shall be led by a head with deputy heads as his/her assistants in any necessary matter.</p> <p>There shall be statutes, internal regulations, and other standard rules to ensure the operation, management, and functioning of a higher education institution. The statutes, internal regulations, and standard rules shall be in compliance with the standards set by the MEYS.</p> <p>This Prakas entered into force on 12 September 2007.</p>

2. Laws relating to Labor

Below is a list of summary of certain important laws and regulations related to labor.

No.	Laws and Regulations	Summaries
1.	Royal Kram No. NS/RKM/0105/003 on Promulgation of the Law on the Establishment of the Ministry of Labor and Vocational Training, entered into force on 17 January 2005	<p>The Ministry of Labor and Vocational Training (“MLVT”) was established on 17 January 2005 through this Royal Kram. The MLVT has jurisdiction to lead and regulate the labor and vocational training sectors in the Kingdom of Cambodia. The MLVT is led by a Minister (to date of this Report, the current Minister is H.E Ith Sam Heng) accompanied by a number of Secretaries of State and/or Under Secretaries of State as necessary. The organization and functioning of the MLVT is determined by a Sub-Decree.</p> <p>This law entered into force on 17 January 2005.</p>
2.	Sub-Decree No. 283 on the Organization and Functioning of the Ministry of Labor and Vocational Training, entered into force on 14 November 2014	<p>This Sub-Decree prescribes the organization and functioning of the MLVT. The Royal Government of Cambodia grants duties to the MLVT to lead and regulate the labor and vocational training sector in the Kingdom of Cambodia. The Sub-Decree No. 52 on the organization and functioning of the MLVT dated 1 April 2005, which was adopted after the establishment of the MLVT, was abrogated by this Sub-Decree No. 283.</p> <p>According to this Sub-Decree, the MLVT has functions and duties including but not limited to:</p> <ul style="list-style-type: none"> ▪ Enforcing the labor law in order to ensure the improvement of work security and hygiene, worker/employee health, and working conditions in enterprises and entities; ▪ Inspecting each enterprise and entity in accordance with regulations on labor

No.	Laws and Regulations	Summaries
		<p>administration;</p> <ul style="list-style-type: none"> ▪ Monitor the implementation of labor law and other regulations related to working standards, working conditions, working security and hygiene, and worker/employee health care; ▪ Resolving collective and individual labor disputes according to the set procedures; ▪ Managing the local and overseas employment of Cambodian labor and cooperating in managing foreigners who come for career in Cambodia; ▪ Studying and developing a national policy on occupation and workforce management; ▪ Enforcing the Law on Social Security for everyone who is subject to the labor laws and operating the National Social Security Fund; ▪ Implementing government policies, international treaties, and conventions related to child labor; ▪ Reviewing applications for authorization for opening and recognition of institutions, centers, and all types of technical and vocational training courses; ▪ Managing, monitoring, and evaluating public and private institutions of technical and vocational training; and ▪ Implement other duties assigned by the Royal Government of Cambodia. <p>Please see Schedule 3 for the organizational chart of the MLVT attached herewith.</p> <p>This Sub-Decree entered into force on 14 November 2014.</p>

No.	Laws and Regulations	Summaries
3.	Royal Kram No. CS/RKM/0397/01 Promulgating the Law on Labor, entered into force on 13 March 1997	<p>The Labor Law is the primary legislation governing all employment activities in the Kingdom of Cambodia. It is enforced and implemented by MLVT. The current Labor Law replaced the 1992 Labor Law, and it has strengthened employees' rights to bargain collectively, form unions, and strike. The introduction of this law enables Cambodia to meet international labor protection standards. By meeting international standards, Cambodia has been granted Most-Favored Nation (MFN) and General System of Preference (GSP) status by the United States. This is crucial in the development of the nation because it continues to show to the world the steps that Cambodia is taking to advance the nation.</p> <p>This law applies to every enterprise or establishment of industry, mining, commerce, crafts, agriculture, services, land or water transportation, whether public, semi-public or private, non-religious or religious, whether they are of professional education or charitable characteristics as well as the liberal professions, associations or groups of any nature whatsoever. It also applies to all personnel who are not governed by the common statutes for civil servants or by the diplomatic statutes as well as officials in the public service who are temporarily appointed.</p> <p>This law does not apply to (1) judges of the judiciary, (2) persons appointed to a permanent post in the public service, (3) personnel of the police, army, military police, who are governed by a separate statute, (4) personnel serving as crews in the air and maritime transportation industries, who are governed by a</p>

No.	Laws and Regulations	Summaries
		<p>special legislation, and (5) domestic or household servants, except where they are expressly covered.</p> <p>This law comprises of, amongst other things, procedures of opening and closing of enterprises, movement of staff, apprenticeship, types of labor contracts, collective labor agreements, working conditions, health and safety of workers, work-related accident, placement and recruitment of workers, trade union freedom, worker representation in enterprises, settlement of labor disputes, strikes, lockouts, labor inspections, etc.</p> <p>This law entered into force on 13 March 1997.</p>
4.	Royal Kram No. NS/RKM/0516/007 on the Trade Union Law, entered into force on 17 May 2016	<p>The Law on Trade Unions intends to (a) provide rights and freedom related to trade unions for enterprises, establishments, and persons governed by the provisions of the Labor Law (1997) and persons serving in air and maritime transportation, and (b) sets out the organization and functioning of professional organizations of employees and employers. This law includes provisions related to, among other things, the establishment, operation, dissolution, rights and obligations, and dispute resolution concerning professional organizations of employees and employers. This law also addresses provisions related to staff representatives, employee union with the most representative status, termination procedures of specially protected employees, and negotiations of collective bargaining agreements.</p> <p>This law introduces significant changes relating to</p>

No.	Laws and Regulations	Summaries
		<p>eligibility of staff representatives when compared with the Labor Law (1997). Under this law, an employee who is 18 years old or above, has employment seniority of three (3) months and is able to read and write in the Khmer language (additional qualification), is eligible to seek a position as a staff representative. Staff representatives may be elected from among candidates nominated by a local union or from among employees who, while not members of a local union, volunteer to be candidates. Effectively, this requires that any enterprise employing eight (8) or more employees must now arrange for an election of staff representatives after the enterprise has operated for three (3) months.</p> <p>The mechanism and procedures for special protection against termination under the Labor Law (1997) and relevant regulations are incorporated into this law, Staff representative candidates, elected staff representatives, union leader candidates, and the elected union leaders are entitled to protection against termination of employment. It is important to note that local unions are now required to, in addition to submitting a list of individuals entitled to special protection to the employer, file the same list with the MLVT.</p> <p>Of important note to enterprises is that this law requires representatives of local unions to seek and obtain approval from an employer before entering the enterprise to perform their union duties. The employer must not withhold approval unless such approval may hinder the normal operation of the enterprise. It is unclear under this law how a local union's</p>

No.	Laws and Regulations	Summaries
		<p>representative is defined and whether union leaders are subject to this requirement as well. Further, union management and administrators duly dismissed continue to have the right to enter the enterprise temporarily, limited to 60 days from the date of dismissal. This post-dismissal right to enter does not apply where dismissal is for serious misconduct.</p> <p>Finally, employers are prohibited from retaliating against whistleblowers that report or provide testimonies about an enterprise's non-compliance with labor regulations. A breach of this restriction may result in a monetary fine of up to KHR 5 million (approximately USD 1,250).</p> <p>This law entered into force on 17 May 2016.</p>
5.	Royal Decree No. NS/RKT/1201/450 on Basic Salary and other Allowances of Civil Servants, entered into force on 1 December 2001	<p>This Royal-Decree, which entered into force on 1 January 2002, sets forth basic salary, and other allowances including functional allowance, risk compensation, and family allowances. Under this Royal Decree, basic salary and other allowances refer to monthly cost of living provided by the State to civil servants who are under Law on Common Statute of Civil Servants.⁵⁵</p> <p>Under this Royal Decree, the basic salary of civil servants is varied depending on type, rank, and class of those civil servants. There are 4 types (A, B, C, and D), 12 ranks, and 14 classes. By reading this Royal Decree</p>

⁵⁵ Please see Section 6 of the Report regarding Cambodian Law Relating to Enhancement of Governmental Procedure and System, Administrative Procedure, Government Information and Liability for the Wrongful Act of Officials, Peace and Order of the Country, and Prevention and Suppression of Corruption for summary of Law on Common Statute of Civil Servants.

No.	Laws and Regulations	Summaries
		<p>together with Sub-Decree No. 279 ANK.BK on Modification of Unit Price of Index of the basic Salary of Civil Servants of Cambodia dated 29 December 2016, we note that the minimum basic salary of a civil servant appears to be in the amount of KHR170,000 (equivalent to USD42.5). In addition to this basic salary, civil servants are also subject to the following allowances such as functional allowances, risk compensation, and family allowances.</p> <p>Under this Royal Decree, functional allowance refers to an amount supplemental to monthly basic salary which is provided only to civil servants of types A, B, and C. Such functional allowance is divided into 5 levels and provided based on seniority and experience as follows:</p> <ul style="list-style-type: none"> ▪ Level 5 for experience of less than 3 years ▪ Level 4 for experience from 3 to 6 years ▪ Level 3 for experience from 6 to 10 years ▪ Level 2 for experience from 10 to 16 years ▪ Level 1 for experience more than 16 years <p>Risk compensation provided under this Royal Decree refers to a monthly amount paid to any civil servant who is assigned to work or works in a function which or place where is of hazards, epidemic, diseases, health-affecting and health-damaging work such as hot, soggy, poisonously or much dusty, toxically or chemically vaporous, loudly voiced, smelly, and malaria areas. Risk compensation is of two types: risk compensation for health affect, and risky area compensation (it means that compensation to be provided to who work at a</p>

No.	Laws and Regulations	Summaries
		<p>risky area).</p> <p>By reading this Royal Decree together with Royal Decree No. NS/RKT/0114/017 on Adjustment of Article 25 of Royal Decree No. NS/RKT/1201/450, dated 4 January 2014, family allowance refers to an amount monthly paid to wife and children (including legally adopted children) of civil servants who are family heads. The monthly family allowance to be paid to wife is in the amount between KHR 6,000 and KHR 15,000 (equivalent to USD 1.5 and USD 3.75 respectively), and to children in the amount between KHR 5,000 and KHR 10,000 (equivalent to USD 1.25).</p> <p>This Sub-Decree entered into force on 1 December 2001.</p>
6.	Prakas No. 352 on the Launch of the Workforce Data Management Online, entered into force on 17 August 2016	<p>The MLVT has introduced, in this Prakas 352, the Foreign Workers Centralized Management System to manage the employment of foreign employees in Cambodia through the means of an online system. The online system is implemented through the website (www.fwcms.mlvt.gov.kh). Please note that the online system has been in operation since 1 September 2016.</p> <p>Employers are required to complete the formalities to request approval of a foreign employee quota through the new online system from 1 September 2016. Likewise, any foreigner who comes to work in Cambodia is also required to complete the formalities to apply for a foreign employment card and a workbook through the new online system from 1 September 2016. In some cases, the MLVT or the</p>

No.	Laws and Regulations	Summaries
		<p>Department of Labor and Vocational Training (“DLVT”) may request an applicant to be present in person at the MLVT or the DLVT, or to provide other necessary documents. With the new online system, an applicant is required to pay an online fee of USD 30 per application in addition to the official filing fee.</p> <p>Under Prakas 352, a foreigner may now use his/her valid personal health certificate to apply for a foreign employment card and work book. This health certificate must be certified by the Labor Medical Department of the MLVT (with an official fee of USD 5).</p> <p>This Prakas entered into force on 17 August 2016.</p>
7.	Prakas No. 414 on the Minimum Wage for Workers in Textile, Garment, and Footwear Industry for 2017, entered into force on 29 September 2016	<p>The purpose of Prakas No. 414, issued by the MLVT, is to determine the monthly minimum wage for workers in the textile, garment, and footwear industry for the year 2017, which will be implemented from 1 January 2017 onward.</p> <p>Pursuant to this Prakas, the monthly minimum wage for workers in the textile, garment, and footwear sector is USD 153 for regular workers and USD 148 for probationary workers.</p> <p>This Prakas also sets out how the provision of the monthly minimum wage applies to piece rate workers who receive a salary based on the quantity of products they produce (i.e. piece work). The salary of a piece rate worker will be determined based on the quantity of products he/she actually produces provided that his/her earned salary exceeds the monthly minimum</p>

No.	Laws and Regulations	Summaries
		<p>wage. However, in the event that his/her earned salary is lower than the monthly minimum wage, the employer is required to provide the monthly minimum wage of USD 153 for regular workers and USD 148 for probationary workers.</p> <p>In addition to the monthly minimum wage, the employer must also maintain the provisions of other existing benefits to their workers.</p> <p>This Prakas entered into force on 29 September 2016.</p>
8.	Prakas No. 2703P on Strengthening the Foreign Manpower Inspection in the Kingdom of Cambodia, entered into force on 10 March 2016	<p>This Prakas aims to provide rules and legal conditions regarding the inspection work of foreign manpower for owners or directors of enterprises and establishments, and foreigners who invest in or are running businesses in the Kingdom of Cambodia.</p> <p>The owners or directors of enterprises or establishments must present the following required documents to the Foreign Manpower Inspection Joint Group:</p> <ol style="list-style-type: none"> 1. An original Articles of Incorporation or statutes of the company/enterprise/establishment; 2. An original Certificate of Incorporation issued by the Ministry of Commerce or an equivalent letter; 3. An original initial declaration of employees; 4. An original declaration of employee movement “in” and “out”; 5. An original authorization to employ foreign employees “quota”; 6. An original employment contract of each foreign employee in Khmer language, as

No.	Laws and Regulations	Summaries
		<p>registered with the MLVT or the provincial DLVT;</p> <ol style="list-style-type: none"> 7. A copy of the entry visa and the latest extended visa of each foreign employee; 8. Workbook and employment card of each foreign employee; and 9. Other documents. <p>The Prakas empowers the Foreign Manpower Inspection Joint Group as the sole authority having power to conduct foreign manpower inspection at companies and enterprises based on the joint authorization letter issued by the General Department of Labor and General Department of Immigration. Inspection by the Joint Group can be done with or without prior notice.</p> <p>The Prakas reiterates that owners or directors of enterprises who employ foreign personnel or foreign personnel who work, without holding an employment card and a workbook will be subject to penalties, as stated in the provisions of Chapter 16 of the Labor Law (1997) and Chapter 6 of the Law on Immigration. The Joint Prakas No. 2662 dated 16 July 2014 on Foreign Manpower Inspection Work or any Prakas or Decision with contents contrary to this Prakas will be abrogated.</p> <p>This Prakas entered into force on 10 March 2016.</p>
9.	Prakas No. 467/15 on the Procedures for Recruiting Young Workers in Enterprises and Establishments, entered into force on 20 November 2015	This Prakas sets out the procedures for recruiting young workers in factories, enterprises, and establishments. A young worker is defined as a worker at the minimum age of 15 to below 18 years old as determined by Article 177 of the Cambodian Labor Law.

No.	Laws and Regulations	Summaries
		<p>Employers are prohibited from employing young workers to engage in dangerous working conditions and worst forms of child labor. Before recruiting young workers, employers must comply with certain procedures as determined by this Prakas. This includes, among others, procuring consent from parents or guardians of a young worker on the employment contract, seeking approval from the Department of Child Labor of the MLVT for employment of young workers, and maintaining at the enterprise a recording book that lists the names of young workers.</p> <p>Failure to comply with the recruitment procedures as stated in this Prakas will subject employers of factories, enterprises, or establishments to sanctions in accordance with Chapter 16 of the Labor Law (1997).</p> <p>This Prakas entered into force on 20 November 2015.</p>
10.	Prakas No. 341 on the Division of the Regulatory Authority between the Ministry of Labor and Vocational Training and the Department of Labor and Vocational Training, entered into force on 10 August 2016	<p>The MLVT issued Prakas 341 to re-determine the separation of regulatory authority between the MLVT and the DLVT in Phnom Penh over enterprises located within Phnom Penh. Pursuant to Prakas 341, enterprises listed in the annex of this Prakas (approximately 2,000 enterprises) are to be under the supervision of the MLVT, whereas other enterprises not listed in the same annex are to be under the supervision of the DLVT.</p> <p>This Prakas abrogated the previous Prakas No. 185 on the Determination of Supervision on Employees in Small and Medium Sized Enterprises located in Phnom Penh, dated 28 August 2008, which used the total number of employees of an enterprise as the criteria to</p>

No.	Laws and Regulations	Summaries
		<p>determine whether an enterprise was under the supervision of the MLVT or DLVT.</p> <p>Under Prakas No. 341, regardless of the total number of employees, each existing enterprise located in Phnom Penh which is listed in the annex of this Prakas is under the supervision of the MLVT. All other enterprises are under the supervision of the DLVT. If that annex indicates a change of regulatory authority from the DLVT to the MLVT, the enterprise must transfer its labor registration matters from the DLVT to the MLVT. Prakas No. 341 does not, however, specify the procedure for accomplishing such a transfer.</p> <p>Separately, each newly established enterprise engaged in any of the following nine sectors will fall under the regulatory supervision of the MLVT: (1) garment, textile and footwear manufacturing; (2) industry; (3) companies that recruit workers to work abroad; (4) NGOs; (5) construction; (6) hotels; (7) banking; (8) aviation; and (9) maritime.</p> <p>This Prakas entered into force on 10 August 2016.</p>
11.	Joint Prakas No. 659 on the monetary fines for those who violate the Labor Law, entered into force on 6 June 2016	The MLVT and the Ministry of Economy and Finance (“MEF”) issued a Joint Prakas No. 659 on 6 June 2016 that lists 105 labour law offences with accompanying monetary fines. The monetary fines are categorized into two (2) types of jurisdiction: (i) monetary fines under the MLVT’s jurisdiction; and (ii) monetary fines under the court’s jurisdiction. Please see Schedule 2 for the table we highlight certain offences related to labor registration obligations.

No.	Laws and Regulations	Summaries
		This Joint Prakas entered into force on 6 June 2016.
12.	Instruction No. 142/15 on the Implementation of Prakas No. 004 dated 5 January 2000 on the Training of Apprentices, entered into force on 27 November 2015	<p>This Instruction aims to remind all enterprises covered by article 1 of the Cambodian Labor Law employing more than 60 workers to conduct annual training of apprentices in accordance with Prakas No. 004 based on the following quota proportional to the enterprise's total workforce: (1) 10%, for enterprises that employ between 60 to 200 workers; (2) 8%, for enterprises that employ between 201 to 500 workers; and (3) an additional 4% for every further 500 workers at enterprises that employ more than 501 workers, provided that a maximum of 110 apprentices may be trained by an enterprise in one year.</p> <p>To reinforce implementation of Prakas No. 004, the MLVT has provided specific instructions including, but not limited to, the following: (1) selection of apprentices, which allows the enterprises to select workers under probationary period or workers required to obtain new skill to be apprentices, (2) the timeline of implementation of apprenticeships, which is from 1 January to 31 October of each calendar year; (3) registration of apprenticeship courses at the MLVT or the DLVT; (4) qualification of apprenticeship courses; and (5) internal regulations to govern apprentices.</p> <p>It is important to note that enterprises that have not fulfilled the obligations of the training of apprentices must make a proposal to the MLVT to pay tax, equal to 1% of the annual salary of the total number of workers employed in the enterprise, in lieu of compliance with apprenticeship obligation. Enterprises that fail to</p>

No.	Laws and Regulations	Summaries
		<p>implement the apprenticeship obligation will be subject to sanctions as stated in Chapter 16 of the Labor Law (1997).</p> <p>This Instruction entered into force on 27 November 2015.</p>

3. Laws relating to Public Health

Below is a list of summary of certain important laws and regulations related to public health.

No.	Laws and Regulations	Summaries
1.	Royal Kram No. NS/RKM/0196.06 on Promulgation of the Law on the Establishment of the Ministry of Health, entered into force on 24 January 1996	<p>The Ministry of Health (“MOH”) was established through this Royal Kram and has jurisdiction to lead and regulate the health sector in the Kingdom of Cambodia. The MOH shall be led by a Minister (to date of this Report, the current Minister is H.E Mam Bun Heng) and accompanied by Secretaries of State and/or under Secretaries of State as necessary. The organization and functioning of the MOH are determined by a Sub-Decree.</p> <p>This law entered into force on 24 January 1996.</p>
2.	Sub-Decree No. 67 on the Organization and Functioning of the Ministry of Health, entered into force on 22 October 1997	<p>This Sub-Decree aims at setting forth the organization of the units of the MOH, its missions, and functions.</p> <p>The MOH is entrusted by the Royal Government of Cambodia with the mission of leading and managing the health sector of the Kingdom of Cambodia and has functions and duties including but not limited to:</p> <ul style="list-style-type: none"> ▪ Determine a health policy based on the Royal Government’s program which aims to improve the people’s health and welfare;

No.	Laws and Regulations	Summaries
		<ul style="list-style-type: none"> ■ Prepare a strategy for the health sector; ■ Follow up, remind, control, and assess the administrative and technical work of health units in compliance with laws and regulations which are officially implemented; ■ Manage the systems of pharmaceutical production, business, and distribution of medical and paramedical equipment to all private and public units; and ■ Examine and follow up food safety. <p>Please see Schedule 4 for the organizational chart of the MOH attached herewith.</p> <p>This Sub-Decree entered into force on 22 October 1997.</p>
3.	Royal Kram No. NS/RKM/0116/003 on Promulgation of the Law on Animal Health and Production, entered into force on 28 January 2016	<p>This law aims to determine the management of animal health and animal products in the Kingdom of Cambodia in which: (1) ensure the management and development of animal health and animal products; (2) protect human health, animal health, animal wellbeing, and the environment; (3) prevent and eliminate infectious diseases deriving from animals; (4) protect animal resources and national species; and (5) ensure the sustainability of quality and safety supply of animal products or local market and export.</p> <p>Under this law, relevant institutions shall develop a development plan for the management of animal health and animal product sector, which shall indicate national policy, strategy, and development for animal health and animal products with the involvement of all</p>

No.	Laws and Regulations	Summaries
		<p>stakeholders. This development plan shall be decided by the government and made available to the public.</p> <p>This law entered into force on 28 January 2016.</p>
4.	<p>Sub-Decree No. 47 on Food Sanitation for Humans, entered into force on 12 June 2003</p>	<p>This Sub-Decree provides the general rules for the hygiene of products intended for human consumption. These rules apply to food manufacturers or their staffs, manipulation, microbiological characteristics, and hygiene of food.</p> <p>The scope of this Sub-Decree covers every stage from primary production; harvesting; fishing; slaughtering; milking; preparing final production; processing; packaging; storing; transporting; distributing; loading; placing in market; selling; raw materials, and delivering to the consumers. These rules aim to avoid contamination, reduce or loss of quality, or spread of all types of micro-bacteria in the all these practices.</p> <p>This Sub-Decree entered into force on 12 June 2003.</p>
5.	<p>Royal Kram No. NS/RKM/0515/004 on Promulgation of the Law on Control of Tobacco Products, entered into force on 18 May 2015</p>	<p>This law aims to protect public health and reduce the impacts of tobacco products on health, economy, society, and the environment The objectives of this law are as follows: (a) to determine measures for managing and controlling tobacco products; (b) to raise awareness and increase public participation regarding the risks of tobacco product consumption; and (c) to cooperate with various ministries, national and international institutions, and partner organizations in order to promote education about tobacco products and reduce the consumption of tobacco products.</p>

No.	Laws and Regulations	Summaries
		<p>This law shall extend the scope of implementation on all types of tobacco products, which are manufactured domestically or which are imported from foreign countries, and are distributed, sold and consumed in the Kingdom of Cambodia. The Ministry of Health shall be an entity having jurisdiction to control all types of activities in relation to tobacco products as provided in the provisions of this law. The Ministry of Health shall be the primary institution, acting as the communication institution between the Royal Government of the Kingdom of Cambodia and those state parties of the World Health Organization Framework Convention on Tobacco Control and the Secretariat of the Convention, as well as relevant national and international organizations. The Royal Government shall establish a Committee for Tobacco Product Control in order to educate and reduce tobacco product consumption.</p> <p>Domestic manufacturers and importers of all types of tobacco products for distribution and sale in the Kingdom of Cambodia shall print health warning message in the Khmer language and include pictures on packets of tobacco products about the danger of tobacco product consumption.</p> <p>The advertisement of tobacco products via social media such as radio, television, newspaper, magazine, CD, VCD, DVD, postal services, telecommunication service, and in any other means by forms of pictures, words, or sound shall be prohibited. The public advertisement of tobacco products on the signboard, billboard, painting, or any other brochures for the advertisement of tobacco products in the form of a</p>

No.	Laws and Regulations	Summaries
		<p>mobile picture on the wall of a car or on all kinds of vehicles or transportation shall be prohibited. The sponsorship of any event such as a concert or a sporting event or any other public events in the forms of tobacco products or in kinds showing the brand name of tobacco products shall be prohibited.</p> <p>The management and control of the retail, distribution, and wholesale of all kinds of tobacco products shall be determined by Sub-Decree. The Ministry of Health shall assign its specialized officials, who are tobacco product inspectors, to monitor, oversee, and enforce the implementation of this law. Legal documents/judicial norms related to the control of tobacco products in force shall be valid until the new judicial norm letters are replaced in line with the provisions of this law.</p> <p>This law entered into force on 18 May 2015.</p>
6.	Sub-Decree No. 149 on Labeling Tobacco Products Package with Pictorial Health Warnings in Khmer, entered into force on 22 October 2015	<p>This Sub-Decree aims to protect public health and reduce the negative impacts on health, economy, society, and the environment caused by tobacco products. The objectives of this Sub-Decree include: (a) determine measures to manage printing pictorial and Khmer language textual health warnings on tobacco products; (b) disseminate information about the consequences caused by tobacco products to reduce the use of tobacco products; and (c) prevent children and youth from using tobacco products.</p> <p>This Sub-Decree applies to all types of tobacco packets distributed, sold, and used in the Kingdom of Cambodia. This Sub-Decree is to be monitored by the</p>

No.	Laws and Regulations	Summaries
		<p>Ministry of Health. Health warnings on tobacco packets shall cover 50% in a picture and 5% in the Khmer language on principle areas of the facade and back areas. The Khmer language textual health warning must be printed in white bold lettering on a black background above pictorial health warning messages.</p> <p>The pictorial and Khmer language textual health warning cannot be obscured by packaging, remarks, or tags which contradict the purpose of the health warning as stipulated in this Sub-Decree, except by the appearance of a tax stamp.</p> <p>Further specifics on pictorial and Khmer language textual health warnings will be defined by Prakas of the Minister of Health. Local manufacturers and importers for distribution and sale of tobacco products in the Kingdom of Cambodia must comply with this Sub-Decree within 9 (nine) months after this Sub-Decree coming into effect.</p> <p>This Sub-Decree entered into force on 22 October 2015.</p>
7.	Sub-Decree No. 43 on the Measures on Smoking Ban or Puffing of Tobacco Products in Workplace or Public Places, entered into force on 16 March 2016	<p>This Sub-Decree aims to protect the welfare of people, protect and prevent the smoke of tobacco products that is detrimental to the health of the people around and the environment, and to reduce the consumption of tobacco products. This Sub-Decree is aimed at determining the measures on smoking ban, puffing of tobacco products, and smoke-free locations.</p> <p>The MOH is an institution having jurisdiction in</p>

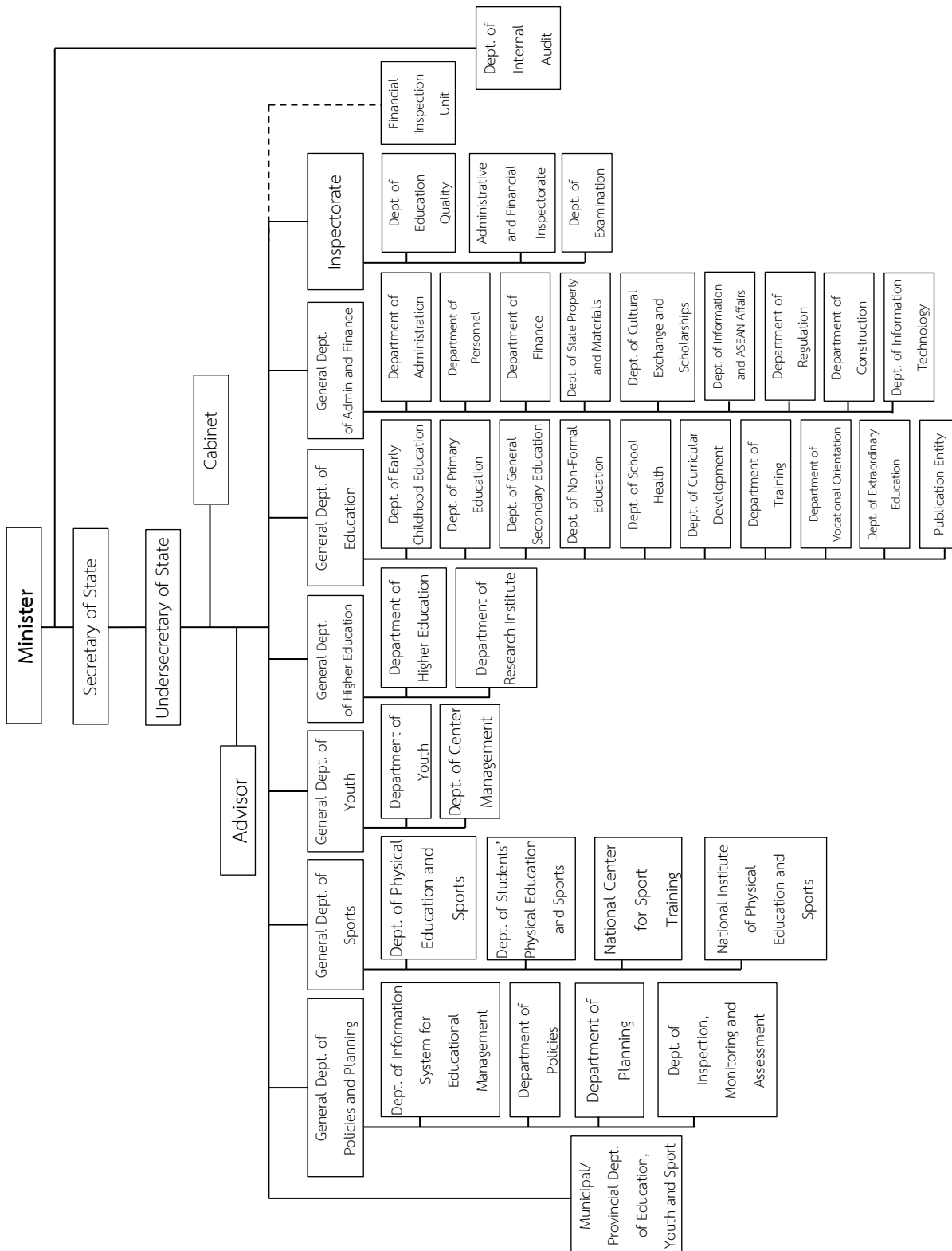
No.	Laws and Regulations	Summaries
		<p>instructing, disseminating, implementing, and controlling the enforcement of banning smoking and puffing of tobacco products at the work place and public locations. If necessary, the MOH shall cooperate with the relevant ministries and institutions as well as the relevant national and international organizations.</p> <p>This Sub-Decree entered into force on 16 March 2016.</p>
8.	<p>Sub-Decree No. 181 on Printing of Health Warning Messages on Cigarette Packets, entered into force on 20 October 2009</p>	<p>This Sub-Decree aims at managing the publication of health warning messages on cigarette packets in the Kingdom of Cambodia. The purpose of this Sub-Decree is to protect the well-being of the people, improve the effectiveness of inspection on cigarette packets, reduce tobacco consumption, and raise awareness on the consequences from tobacco consumption.</p> <p>This Sub-Decree governs all types of cigarette packets which are distributed and sold in the Kingdom of Cambodia. Cigarette locally produced or imported for distribution and sale in the Kingdom of Cambodia shall be printed with a health warning message written in Khmer language, featuring the danger caused by tobacco consumption. The health warning message must be easy to read, to be understood, clear, no discoloration/unfading, and indelible. A sample of the health warning message in accordance with this Sub-Decree and the method to change the sample of the health warning message shall be determined by Prakas of the MOH.</p> <p>In addition, local producers and importers for distribution and sale who are in default under the</p>

No.	Laws and Regulations	Summaries
		<p>provisions of this Sub-Decree shall be subject to sanction including written warning, temporary cessation of the business, and permanent closure of the business.</p> <p>Prior consent of the Royal Government of Cambodia is needed for the temporary cessation of business activities and the permanent closure of businesses that fail to adhere to the rules set out in this Prakas.</p> <p>This Sub-Decree entered into force on 20 October 2009.</p>
9.	<p>Prakas No. 1162 on the Implementation of the Printing of Health Warning Messages on Cigarette Packages, entered into force on 16 December 2009</p>	<p>This Prakas aims to set the sample and size of health-warning messages on cigarette packets produced locally, or imported to distribute and sell in the Kingdom of Cambodia.</p> <p>According to this Prakas, there are five types of the health warnings messages such as (1) smoking causes lung cancer, (2) smoking causes emphysema, (3) smoking causes heart disease, (4) smoking causes stroke, and (5) smoking causes tooth decay. The size of the health warning message is set out in the Prakas.</p> <p>This Prakas entered into force on 16 December 2009.</p>

No.	Laws and Regulations	Summaries
10.	Prakas No. 273 on Smoking Bans or Smoke of Tobacco Products, entered into force on 18 May 2016	<p>The purpose of this Prakas is to set out the sample and procedure of placing signs stating that smoking is banned or the smoke of tobacco products at workplaces and public places is prohibited. The signs must be written in both Khmer and English, and attached with the ban sign. The signs must be in a visible location.</p> <p>This Prakas entered into force on 18 May 2016.</p>

SCHEDULE 1

Organizational Chart of the Ministry of Education, Youth and Sport



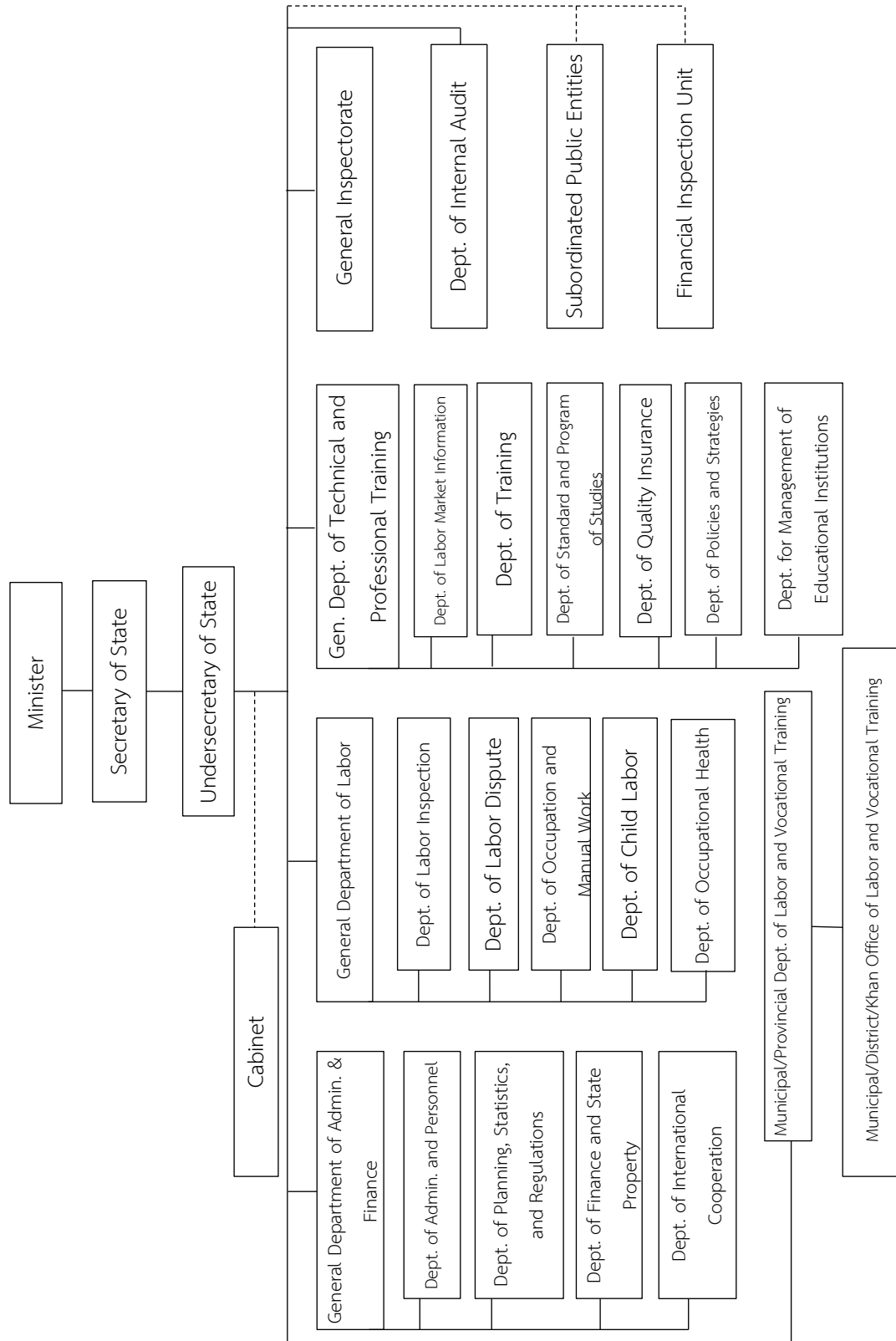
SCHEDULE 2

Monetary Fines for Non-compliance with the Labor Law under Joint Prakas No. 659

Description	Daily Wage	Fine by MLVT		Fine by Court Decision	
	(Khmer Riel)	Number of days for fine	Amount of fine (Khmer Riel)	Number of days for fine	Amount of fine (Khmer Riel)
	1	2	1 x 2	4	1 x 4
Failure to declare opening and closing of enterprise	40,000	63	2,520,000	61-90	2,440,000-3,600,000
Failure to register enterprise establishment book	40,000	21	840,000	10-30	400,000-1,200,000
Absence of payroll ledger	40,000	63	2,520,000	61-90	2,440,000-3,600,000
Failure to declare staff movement (in) and (out)	40,000	42	1,680,000	31-60	1,240,000-2,400,000
Failure to apply for visa-in or visa-out in work book for entry or departure of Cambodian employees	40,000	21	840,000	10-30	400,000-1,200,000
Failure to conduct election of staff representative(s) (shop steward) or comply with election procedure of staff representative(s)	40,000	63	2,520,000	61-90	2,440,000-3,600,000
Failure to elect staff representative(s) and their deputy (ies) for next mandate	40,000	63	2,520,000	61-90	2,440,000-3,600,000
Absence of internal regulations	40,000	21	840,000	10-30	400,000-1,200,000
Failure to obtain approval of quota for employing foreign employees	40,000	63	2,520,000	61-90	2,440,000-3,600,000
Hiring foreign employees without valid work permits	40,000	63	2,520,000	61-90	2,440,000-3,600,000

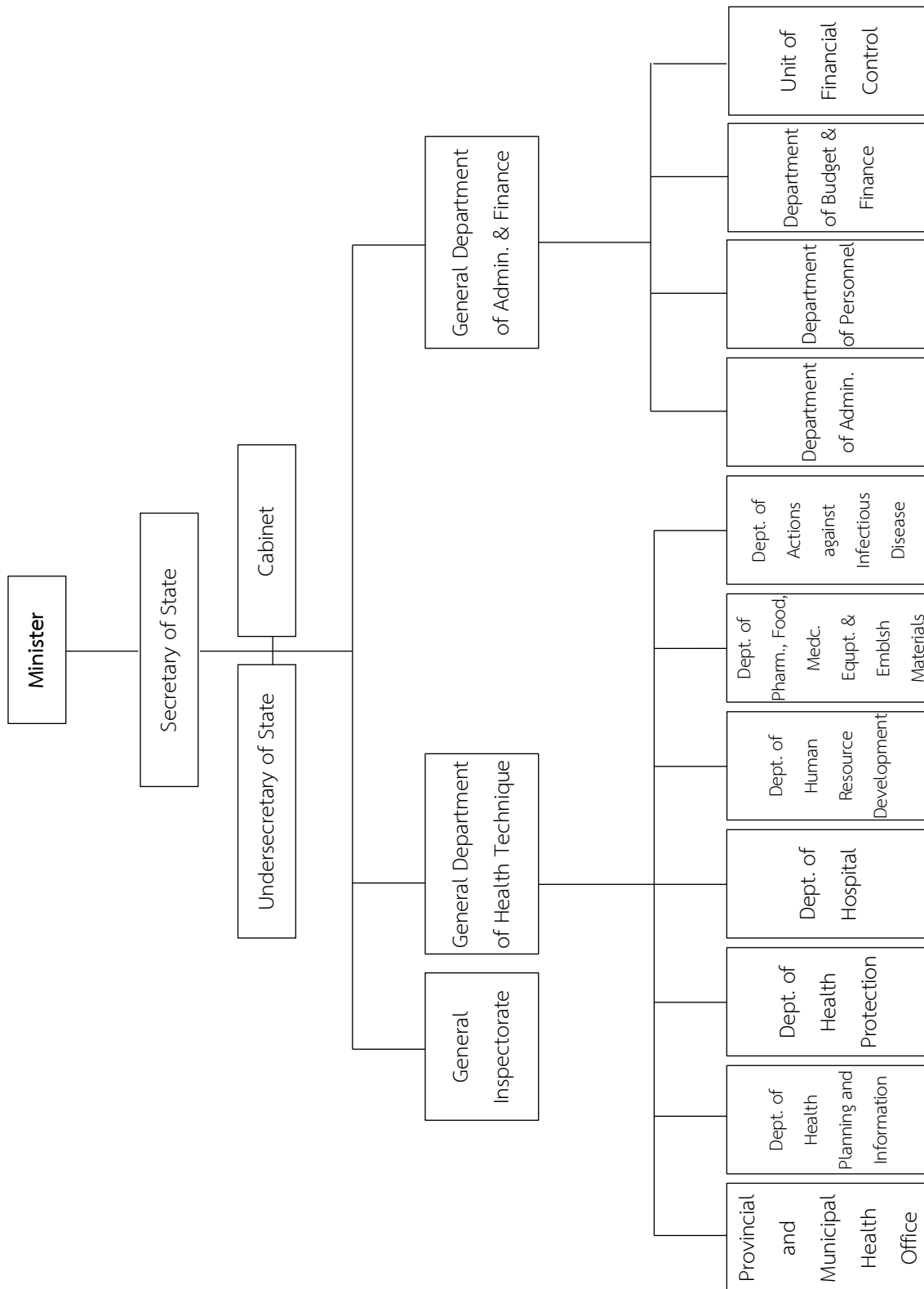
SCHEDULE 3

Organizational Chart of the Ministry of Labor and Vocational Training



SCHEDULE 4

Organizational Chart of the Ministry of Health



4. Laws relating to social welfare⁵⁶

Please see a key content of each law and regulation related to social welfare as following:

i. Law on Social Security Schemes for Persons defined by the provisions of the Labor Law dated 25 September 2002

This law aims to establish a social security regime applicable to all persons to whom the provisions of the Labor Law apply to. The scheme consists of a pension fund, occupational risk insurance, and medical care, and is to be managed by the National Social Security Fund (“NSSF”), a public establishment to which all employers, employees, and workers must pay contributions.

The persons to be integrated in the Social Security Regime under this law, regardless of race, color, sex, belief, religion, political opinion, birth origin, social origin, membership of workers’ union or the exercise of union activities, are (1) all workers and employees subject to the labor law provisions, if they perform work activities within the territory of the Kingdom of Cambodia for the interest of one or more employer regardless of the contract type, form and validity, or type and wages they did or received, (2) state workers and employees of the public organizations and all staffs not subject to the supervision by the statute of civil servants or diplomatic statute as well as temporarily appointed agents of public service group; (3) students of professional schools, those assigned to work in training, coordinating and vocational re-educating centers, as well as apprentices shall be regarded as workers and employees; (4) persons performing free professions set by Prakas of the MLVT in charge of the social security regime; and (5) workers and employees working temporarily or seasonally.

ii. Law on Establishment of Ministry of Social Affairs, Veterans and Youth Rehabilitation dated January 2005

The Ministry of Social Affairs, Veterans and Youth Rehabilitation (“MSAVY”) was established on 17 January 2005 and has missions to lead and regulate the social affairs, veterans, and youth rehabilitation in the Kingdom of Cambodia. It is led by a Minister accompanied by Secretaries of State and/or Under Secretaries of State as necessary. The organization and

⁵⁶ Please note that the social welfare for the persons under the Cambodian Labor Law is regulated by the MLVT. For details of the functions and structure of the MLVT, please see Section 3 of the Report on General Cambodian Law. The Ministry of Social Affairs, Veterans, and Youth Rehabilitation (“MSAVY”) is responsible for the social welfare of civil servants.

functioning of the MSAVY are determined by a Sub-Decree. To date of this report, the Minister of the MSAVY is His Excellency Vong Soth.

iii. Royal Decree on Social Security Scheme for Civil Servants dated 18 January 2008

This Royal Decree aims to determine social security scheme, implementing agencies and funds to support the social security scheme for civil servants. Social security scheme provided in this Royal Decree covers the following benefits: (1) retirement, (2) invalidity, (3) maternity, (4) work-related accidents, (5) death, and (6) dependents.

Beneficiaries of the social security scheme include civil servants, retirees, invalids and their dependents. The social security scheme management and provision are under National Social Security Fund for Civil Servants or "NCS", which is a public administrative institution established by a Sub-Decree.

The MSAVY was granted power by the Royal Government to establish the NCS.

The Royal Government, civil servants, retirees, invalids and their dependents are obliged to pay dues to NSSF by proportion of their total salary.

iv. Sub-Decree on Organization and Functioning of the Ministry of Social Affairs, Veterans and Youth Rehabilitation dated 8 April 2005

The organization and functioning of the MSAVY are prescribed by this Sub-Decree. The MSAVY is assigned by the Royal Government of Cambodia to control and manage the social affairs, veterans and youth rehabilitation sectors of the Kingdom of Cambodia. Pursuant to this Sub-Decree, the MSAVY has functions and duties as follows:

- preparing the policies on family and the elderly;
- cooperating with relevant institutions and organizations in implementing children's rights;
- managing social security regime for civil servants who are on duty;
- managing social security regime for orphans of the deceased civil servants;
- proposing guidelines for veterans to make them aware of values, obligations, and roles of family, community and society for development;
- managing the retirement pensions and disability pensions for soldiers of Royal Cambodian Armed Forces;

- establishing education center for children who have committed any wrongdoing in order to supervise, educate and train them;
- cooperating with relevant ministries and institutions, national and international organizations in creating educational and training program for minors; and
- developing laws and regulations related to youth rehabilitation management.

Please see Schedule 5 for the organizational chart of the MSAVY attached hereto.

v. Sub-Decree on Establishment of National Social Security Scheme for Civil Servants dated 5 February 2008

The NCS was established through this Sub-Decree to introduce, manage and ensure a timely provision of social security to civil servants, retirees, invalids, who is on maternity, suffer from work-related accidents and death, and their dependents, in order to reduce difficulties of the civil servants, retirees and the invalids. The NCS is under the technical guidance of the MSAVY and under the financial support of the Ministry of Economy and Finance (“MEF”).

According to this Sub-Decree, the NCS shall perform duties as follows:

- Organize and manage the social security in accordance with the Royal Decree N° NS/RKT/0108/039, effective on 18 January 2008 related to the social security for civil servants;
- Manage the NCS’s fund in line with the principles of good governance;
- Conduct research and develop regulations for NCS;
- Collect membership fee from members, receive subsidies from the Royal Government and humanitarian assistant from other sources; and
- Be responsible for and ensure the provision of benefits to the NCS’s members.

vi. Sub-Decree on Addition to Social Security Fund for Ex-civil servants and Veterans dated 1 April 2015

The purpose of this Sub-Decree is to supplement the monthly social security for the former civil servants and veterans to the retirement benefit, benefit for the loss of professional aptitude, disability and infirmity benefits. This Sub-Decree applies to (1) retired persons and persons suffering the loss of professional aptitude, who are former civil servants; (2) retired persons, invalids and persons with disability, who are veterans; and (3) monthly social security in addition to the benefits for retirement, benefits for the loss of professional

aptitude, disability and infirmity. The monthly social security for former civil servants and veterans shall be, pursuant to this Sub-Decree, supplemented in the amount between KHR 20,000 and KHR 30,000 (equivalent to USD 5 and USD 7.5 respectively). This amount varies depending on the level of the existing social security which the civil servants and veterans receive monthly.

vii. Sub-Decree on Establishment of Social Security Scheme “Health Care Scheme” for Persons Defined by the Provisions of the Labor Law dated 6 January 2016

A health care scheme was introduced by this Sub-Decree. The benefits of the health care scheme include preventive health service, medical treatment and medical care services and daily allowances during work suspension resulting from disease treatment or accidents, other than occupational risk and maternity leave. These benefits are applicable to persons covered by the provisions of the Labour Law, including spouse and dependent children of workers who are members of the NSSF and the NSSF members who are receiving a pension resulting from the permanent disability and survivors.

viii. Prakas on Determination of Phase and Date of Implementation of Social Security Scheme on Health Care dated 7 March 2016

Under this Prakas, there are two phases of implementation of social security scheme on health care for persons governed by the Cambodian Labour Law as follows:

- The first phase begins with members of the NSSF that are registered for the health care scheme, victims suffering from permanent disability and survivors (spouse and children being direct dependents of the members of the NSSF deceased due to occupational risks) which will be implemented from 1 May 2016.
- The next phase will be implemented with dependents of the members of the NSSF including spouse and children. There is no specific time period for the implementation of this phase yet.

As an experimental step, the implementation of the health care scheme was started primarily with certain enterprises/establishments located in Phnom Penh, Kandal Province and Kompong Speu Province. We understand from the NSSF that a notification letter will be issued by the NSSF to any enterprises/establishments determined by the NSSF as qualified for this experimental implementation step of the health care scheme.

ix. Prakas on Determination of Contribution Rate, Formalities, and Procedures of Contribution Payment for Occupational Risk Scheme and Health Care Scheme for Persons governed by Labor Law dated 10 November 2017

This Prakas aims to determine the rate, formalities, and procedures of contribution payments for the social security schemes on occupational risk and health care for workers. The schemes are outlined under the Law on Social Security Schemes for Persons defined by the provisions of the Labor Law, signed on 25 September 2002.

Under this Prakas, each employer or owner of an enterprise/establishment is required to pay the following contribution rates for the occupational risk and health care schemes:

- 0.8% of the worker's assumed gross wage for the occupational risk scheme; and
- 2.6% of the worker's assumed gross wage for the health care scheme.

Contribution rates for NSSF members who receive a pension and survivor's benefit will be 1.3% of the pension, and paid by the NSSF.

All employers or enterprise/establishment owners will pay monthly contributions for the occupational risk and health care schemes together by the 15th of the following month at the latest. Failure to do so will incur additional interest at 1.5% based on actual monthly contributions and fines under Article 36⁵⁷ of the Law on Social Security Schemes for Persons defined by the provisions of the Labor Law.

Employers or enterprise/establishment owners must pay contributions directly to the designated bank account of the National Social Security Fund. Methods of contribution are:

- Pay contributions directly at the designated bank;
- Through the e-banking system or unity system, with service charges borne by the employer; and
- Through other services as directed by the National Social Security Fund.

⁵⁷ Article 36 of the Law on Social Security Schemes for Persons defined by provisions of the Labor Law, signed on 25 September 2002 states that "any employer [...] shall be fined from 10 days to 30 days of the daily wage or, if repeated, the fine shall be from 30 days to 90 days of the daily wage."

5. Laws relating to promotions of sciences, technology and communications⁵⁸

Please see a key content of each law and regulation related to promotions of sciences, technology and communications as following:

i. Law on the Establishment of Ministry of Posts and Telecommunications dated 24 January 1996

The Ministry of Posts and Telecommunications (“MPT”) was established on 24 January 1996 and has missions to lead and regulate the postal and telecommunication sectors of the Kingdom of Cambodia. It is led by a Minister accompanied by Secretaries of State and Under Secretaries of State as necessary. The organization and functioning of the MPT are determined by a Sub-Decree. To date of this report, the Minister of the MPT is His Excellency Tram Ev Tek.

ii. Royal Decree on Establishment of Telecommunication Regulator of Cambodia dated 1 March 2012

This Royal Decree aims to establish the TRC, having autonomy in technical and administrative supervision and management on construction, operation, provision and use of

⁵⁸ Please note that the Royal Government of Cambodia (“RGC”) adopted a policy on the development of telecommunication, information and communications technologies (“ICT”) for the year of 2020 dated April 2016 (“Policy”). Due to the fact that the telecommunication and ICT is one of the major pillars for Cambodia’s economic growth, the RGC has developed a “Telecommunication and ICT Development Policy” as a guide for promoting the development of Telecommunication and ICT in Cambodia, which will contribute to the sustained and inclusive economic growth. This Policy has been developed in response to the Strategic Plan of the Asia-Pacific Telecommunity 2015-2017 which focuses on Building Smart Digital Economy through the use of ICT in the Asian-Pacific region in order to ensure the achievement of sustainable development and improvement quality of life of the people in the region through the arrangement of policy and regulation environment for establishment of new digital economy and arrangement of capacity building program. Moreover, in the ASEAN Framework, information and communication technology plays an important role in supporting regional integration and connectivity. This Policy has also been developed in response to the ASEAN’s ICT Master Plan 2020, officially promulgated in 2015, which focuses on the transformation of ASEAN economy to digital economy. Besides, this Policy has also been developed in response to one of the priority policy measures of the RGC which further contributes to the development, modernization of ICT, and to improve its quality in order to meet the international standard, competitive price, and provide nation-wide services which allow every person to use and benefit from these services.

The Telecommunication and ICT Development Policy mainly focuses on the development of:

- legal frameworks in respect of telecommunication and ICT, including policy and legal frameworks to ensure effectiveness, stability, security and integration in development of telecommunication infrastructure and the use of ICT, to ensure user confidence, to attract investment, and to improve competitiveness of telecommunication and ICT, as well as to maintain the competitive advantage of Cambodia in the region and in the world;
- infrastructure and the use of ICT service; and
- ICT literacy which serves as an important basis for the development of this sector.

network and telecommunication service as well as communication technology and information. To date of this report, the Chairman of the TRC is Moa Chakrya.

This TRC has functions and duties as follows:

- Implement the policy of telecommunication sector adopted by the Minister of Posts and Telecommunications;
- Promote and support the market environment of telecommunications in order to have fair and effective competition related to the telecommunication sector;
- Determine the network and telecommunication services for which standard license or individual license shall be required and to determine qualification basis/criteria for which such license shall be issued;
- Propose the determination of license fee for any and all kinds of licenses;
- Issue appropriate provisions and regulations and give orders to, either temporarily or completely, to suspend the network operation and the provision of telecommunication service;
- Impose transactional fine, temporarily suspend the provision and the usage of telecommunication service, suspend or revoke license for any breach of laws and provisions of the TRC;
- Encourage research and development of telecommunication technology, information technology, and telecommunication industry; and
- Perform respective duties as assigned by the RGC and by the applicable laws.

iii. Law on Telecommunications dated 17 December 2015

The Law on Telecommunications was established through this Royal Kram in 2015. Its purpose is, amongst other things, to:

- a) ensure the use of infrastructure/facilities and networks, and the provision of telecommunications services with effectiveness, safety, quality, reliability and reasonable price which respond to the needs of social and economic development;
- b) assure the participation and encourage the private sector in developing telecommunications sector and legal and effective component; and
- c) ensure and protect users and promote the national budget revenue collection;

In order to reach the abovementioned purposes, this law determines:

- (1) competence of the Ministry of Posts and Telecommunications;
- (2) creation of functions and duties of Telecommunications Regulator of Cambodia;
- (3) classification and types of authorization letters, certificates and licenses;
- (4) management of competence and use of infrastructures and networks;
- (5) quality standard of service and telecommunications equipment-materials;
- (6) universal access obligation⁵⁹;
- (7) building up of capacity and research and development;
- (8) national telecommunications numbering plan and electronic address;
- (9) rules on telecommunications service price and legal and fair competition;
- (10) rights of telecommunications operators and persons related to telecommunications sector; and
- (11) rights of users.

This law applies to all telecommunications operations in the Kingdom of Cambodia except the national security and defense sector. Following this law, no person may carry out telecommunications operation or act himself/herself as the telecommunications operator or persons related to the telecommunications sector except for the person who has received permission letter, certificate or license from Telecommunication Regulator (“TRC”) of Cambodia in compliance with the conditions determined in this law and other regulations.

Within 1 (one) year after the entry into force of this law, the telecommunications operator or the person involving the telecommunications sector shall fulfill new formalities prepared by the TRC in order to apply for an authorization, certificate or license to be in compliance with this law and any other regulations. The authorization, certificate or license, which remains valid after the entry into force of this law, shall comply with conditions set forth in this law and any other regulations.

⁵⁹ Universal Service Obligation refers to the obligation of telecommunication operators and information and communication technology in providing basic telecommunication service and value-added service to the citizens with suitable price and good service quality, and be available everywhere throughout the Kingdom of Cambodia.

iv. Sub-Decree on Establishment of Telecom Cambodia as Public Enterprise dated 12 January 2005

This Sub-Decree established the Telecom Cambodia as a public enterprise having characteristic as a State company under technical supervision of the MPT and under financial supervision of the MEF.

This Telecom Cambodia has roles and duties as follows:

- Operate domestic and international telecom network operator and services provider by radio communications, satellite, optical fiber cable, and sub-marine cable including telephone and fax traffic, data communication, internet and e-mail, and private leased circuit (PLC);
- Provide services on TV transmission point to point;
- Provide other telecom services;
- Cooperate with local and foreign companies in making business services;
- Enter into contracts to hire experts as required;
- Enter into contracts to purchase telecom systems with domestic or foreign companies;
- Determine domestic telephone service fees by itself, and international telephone service fees are implemented in accordance with the fees determined by the MPT;
- Create branches in the Kingdom of Cambodia; and
- Enter into contracts with local and foreign companies in producing or installing equipment of telecommunication and IT.

Please note that some Articles of this Sub-Decree were amended by Sub-Decree No. 28 ANK.BK on Amendment to Articles 6, 9, and 10 of the Sub-Decree No.01 ANK.BK effective on 12 January 2005 on Establishment of Telecom Cambodia as a Public Enterprise, effective on 12 February 2016.

v. Sub-Decree on Organization and Functioning of Ministry of Posts and Telecommunications dated 28 January 2014

This Sub-Decree prescribes the organization and functioning of the MPT. The Royal Government of Cambodia grants duties to the MPT to lead and regulate the posts and telecommunications sectors in the Kingdom of Cambodia. The Sub-Decree No. 66 on the

organization and functioning of the MPT effective on 22 October 1997 which was adopted after the establishment of the MPT was abrogated by this Sub-Decree No.39.

According to this Sub-Decree, the MPT has functions and duties as follows:

- prepare, implement and monitor the implementation of policies and the National Strategic Plan for the development of Posts and Telecommunication Sector, as well as the telecommunication and information technologies;
- prepare, implement and monitor the implementation of regulations for the Posts and Telecommunication Sector, as well as the telecommunication and information technology;
- formulate policies for the issuance of license;
- collaborate with relevant ministries/institutions in order to lead and to participate in the organization and implementation of the strategic policies of the Royal Government with respect to the international cooperation in the Posts and Telecommunication Sector, as well as the telecommunication and information technologies, and the integration of the Kingdom of Cambodia into the frameworks of sub-region, region, the world and the international organizations;
- formulate policy for the development of human resources for the Posts and Telecommunication Sector, including the telecommunication and information technologies;
- manage the standard of the Posts and Telecommunication Sector, including the telecommunication and information technologies; and
- carry out inspection on the management of Post and Telecommunication Sector, including the telecommunication and information technologies.

Please see Schedule 6 for the organizational chart of the MPT attached hereto.

Please note that some Articles of this Sub-Decree were amended and supplemented by Sub-Decree No. 74 ANK.BK on the Amendment to Articles 26, 27, 28 and 29 and supplement to Article 29 of Sub-Decree No. 39 ANK.BK effective on 28 January 2014 on the Organization and Functioning of the MPT, effective on 8 June 2015.

vi. **Sub-Decree on Organization and Functioning of Telecommunication Regulator of Cambodia dated 16 March 2016**

This Sub-Decree sets out the organization and functioning of the TRC in which the TRC shall be led by 1 (one) chairman and a number of members as necessary. Chairman and members of the TRC shall have an office term of 3 (three) years and renewable per the request of the Minister of Posts and Telecommunications to the head of the RGC.

The TRC's chairman shall be fully entitled to manage and implement the works set out in the law and regulations related to telecommunications. He/she has roles and duties as follows:

- Managing the daily work of the TRC;
- Preparing the strategy and work plan for the regulation in order to contribute to the development of telecommunication sector;
- Acting as representative of the TRC in communication with third parties, such as national and international institutions and private sectors, in order to strengthen and expand the cooperation in telecommunication regulation;
- Managing budget and property of TRC in accordance with the procedures and regulations in force;
- Developing annual financial reports to the Minister of Post and Telecommunication and Minister of Economy and Finance for review and decision.

Please see Schedule 7 for the organizational chart of the TRC.

vii. **Joint Prakas on Public Service Provision of the MPT dated 23 July 2013**

For the benefit of the national budget, the MPT is allowed by this Prakas to collect the public service fee. The schedule of public service fee is attached with the Prakas including the determination of service fee, timeframe, and validity of each type of public service to be provided.

viii. **Inter-ministerial Circular on Preventive Measure against Unfair Competition in Telecommunication Sector dated 29 September 2009**

In order to protect on time the telecommunication crisis in the Kingdom of Cambodia and to avoid the impact on the national budget income, the relevant authorities having jurisdiction including MPT and Ministry of Economy and Finance (“MEF”) issued this inter-ministerial

circular aiming at setting forth certain preventive measures against unfair competition amongst the telecommunication operators such as: (1) ordering to stop urgently using all promotions which causes the telecommunications crisis, notably the impact on the national budget income; and (2) all promotions must be made in accordance with the Cambodian laws.

ix. Inter-ministerial Circular on Management of Business and the Use of Telecommunication Services dated 28 February 2012

The purpose of this Circular is to prevent any acts caused by any offenders and criminals in using telecommunication service as a mean to conduct any activity such as terrorism, cross-border crime, economic crime, any form of illegal installation and operation of telecommunication services, which affect social order. In order to improve national security, social order and safety, all ministries having jurisdiction, including Ministry of Interior, MPT, have decided to instruct the telecommunication operator, all retail and distribution branches, and telecommunication service subscribers to most strictly and duly implement this Circular, which requires telecommunication service subscribers to duly complete the formality in accordance with this Circular along with sufficient personal documents, and all telecommunication operators, retail and distribution branches are required to have their business registered in their respective localities.

x. Decision on Appointment of Composition of the Committee of Telecom System Project for National Defense and Security Sectors under Financial Cooperation between People's Republic of China and Kingdom of Cambodia dated 19 March 2015

According to this Decision, the Royal Government of Cambodia appoints the composition of committee of telecom system project for national defense and security sectors under financial cooperation between China and Cambodia in which such committee has the mission to assist in preparation of telecom system for national defense and security sectors. This committee comprises of one chairman, one vice chairman, and 5 members. The committee is entitled to establish any technical team to assist its works related to telecom system project.

6. Laws relating to enhancement and conservation of environment

Please see a key content of each law and regulation related to enhancement and conservation of environment as following:

i. Law on the Establishment of Ministry of Environment dated 24 January 1996

The Ministry of Environment (“MoE”) was established on 24 January 1996 and has missions to lead and regulate the environment sector of the Kingdom of Cambodia. It is led by a Minister accompanied by Secretaries of State and/or Under Secretaries of State as necessary. The organization and functioning of the MoE are determined by a Sub-Decree. To date of this report, the Minister of MoE is His Excellency Say Samal.

ii. Royal Kram on Environment Protection and Natural Resource Management dated 24 December 1996

The purpose of this law is to (1) protect, promote environmental quality and people’s health by preventing, reducing and controlling the pollution; (2) assess the environmental impact prior to issuing governmental decisions with respect of all proposed projects; (3) ensure the preservation, development, management and use of the natural resources in the Kingdom of Cambodia in appropriate, sustainable, and durable manners; (4) encourage and enable the public to participate in the protection of environment and management of natural resources; and (5) suppress any acts which impact the environment.

iii. Royal Decree on Establishment of National Committee for Management and Development of Coastal Areas of Cambodia dated 16 February 2012

A national committee was established through this Royal Decree in order to manage and develop coastal area of Cambodia in durable and responsible manners. This national committee comprises of an honorable chairman, a chairman, 2 vice chairmen, and 19 members.

This Cambodian National Committee for Coastal Area Management and Development of Cambodia has roles and duties as follows:

- Developing policies, strategic plans, master plans, activity plans, programs, and other projects related to coastal area management and development;
- Developing legal standard and other necessary principles in order to ensure transparent, equitable, and environmentally sustainable management, conservation, and development of coastal areas;
- Monitoring, preventing, and taking necessary measures to prevent any activity which affects the environment and natural resources in coastal areas;

- Reviewing and assessing all development projects in the coastal areas and the implementation of such projects in accordance with guiding principles of the royal government for coastal area development;
- Collaborating with the Club of World’s Most Beautiful Beach and other relevant international institutions in order to promote coastal area development;
- Educating and training human resources to meet the need for coastal area management and development;
- Collaborating with ministries, institutions, private sectors, and all stakeholders to effectively facilitate the above work; and
- Carrying out other duties assigned by the Royal Government of Cambodia.

iv. Sub-Decree on Solid Waste Management dated 27 April 1999

This Sub-Decree aims to regulate solid waste management in appropriate technical and safety manners in order to ensure the protection of public health, environment quality and conservation of biodiversity. It applies to all activities related to disposal, storage, collection, transport, recycling, dumping of garbage and hazardous waste. The MoE is required to establish guidelines on such disposal, collection, transport, storage, recycling, minimizing, and dumping of household waste in province and cities in order to ensure the management of household waste in safe manner. Further, the MoE shall prepare a guideline on the management of hazardous waste to ensure the management in a safety manner.

v. Sub-Decree on Environmental Impact Assessment Process dated 11 August 1999

This Sub-Decree aims to (1) determine an environmental impact assessment (“EIA”) on every private and public project or activity, and it must be reviewed by the MoE prior to the submission for a decision from the Royal Government of Cambodia; (2) determine the type and size of the proposed project(s) and activities, including existing and ongoing activities in both private and public prior to undertaking the process of EIA; and (3) encourage public participation in the implementation of EIA process and take into account of their conceptual input and suggestion for reconsideration prior to the implementation of any project.

This Sub-Decree is applicable to all proposed project, and existing and ongoing activities, either by individual, private companies, joint-venture company, or State company, ministries–state institutions, except special and important projects which require approval from the Royal Government of Cambodia.

vi. Sub-Decree on Inspection of Air Pollution and Noise Nuisance dated 10 July 2000

This Sub-Decree is aimed at determining the inspection of air pollution and noise nuisance in order to prevent and reduce the substances polluting the air and noise in atmosphere in order to protect environment quality, and public health. The scope of this Sub-Decree includes any measures taken action against all mobile and immobile sources of pollution that cause the air pollution and noise nuisance atmosphere.

vii. Sub-Decree on Management of Garbage/Solid Waste in Urban Area dated 27 August 2015

This Sub-Decree aims to improve effective, transparent, and accountable management of garbage/solid waste in urban area in order to ensure the beauty and protection of public health and environment. The purpose of this Sub-Decree is to (1) enhance the responsibilities of ministries, institutions, units of expertise, sub-national administrations, and other stakeholders in garbage/solid waste management in urban area; (2) assign the duty of garbage/solid waste management in urban area to the municipal and district administrations and delegating this duty from municipal administrations to Khan administrations; (3) set out necessary measures for promoting the effectiveness and safety in garbage/solid waste management in urban area; and (4) raise public awareness and participation of the people in preparing and implementing the garbage/solid waste management measures in urban area.

This Sub-Decree is applicable to sorting, storing, cleaning, collecting, transporting, processing and managing the storing field if garbage/solid waste in urban area in the Kingdom of Cambodia. It does not apply to the management of industrial solid waste and hazardous waste.

viii. Sub-Decree on Organization and Functioning of the Ministry of Environment dated 5 July 2016

The organization and functioning of the MoE were established by subsequent Sub-Decrees of 1997 and 2015. However, these Sub-Decrees were subsequently repealed. The organization and functioning of the MoE was restructured through this Sub-Decree No. 135.

According to this Sub-Decree, the MoE is commissioned by the Royal Government of Cambodia to lead and manage the environmental protection, biodiversity conservation, employment of natural resources in an appropriate and sustainable manner and the

sustainable living practice, in the best interests of the Cambodian people and for all generations in the Kingdom of Cambodia in the long run.

The MoE serves as an executive agency (Etat-Major) of the Royal Government of Cambodia and has functions and duties as follows:

- develop perspectives, policies and strategic planning, as well as to set a sustainable development priority in cooperation with the relevant ministries;
- draw up and implement the regulations involving the environmental protection, biodiversity conservation, employment of natural resources in an appropriate and sustainable manner and the sustainable living practice;
- administer environmental data and facilitate the educational affairs and environmental campaign and to organize key events relating to the environment sector;
- raise public awareness on the environmental protection, biodiversity conservation, employment of natural resources in an appropriate and sustainable manner and the sustainable living practice through information dissemination and awareness activities;
- prepare and implement regulations and procedures for a strategic environmental assessment and the environmental impact assessment of the public investment projects and the private investment projects;
- collaborate with countries in the region and in the world, national and international organizations and local community to ensure the environmental protection, biodiversity conservation, employment of natural resources in an appropriate and sustainable manner and a sustainable living practice; and
- perform any other tasks assigned by the Royal Government of Cambodia.

Please see Schedule 8 for the organizational chart of the MoE attached hereto.

ix. Joint Prakas on Public Service Provision of the Ministry of Environment dated 28 December 2012

For the benefit of the national budget, the MoE is allowed by this Joint Prakas to collect public service fees. The schedule of public service fees is attached with this Joint Prakas including service fee, timeframe, and validity of each public service to be provided. According to this Prakas, the public service fees required by the MoE include without

limitation the public service fees related to national protection area, environmental impact assessment and control of project implementation, laboratory, and other services. The MoE is required to make this Joint Prakas available to the Public.

x. Inter-Ministerial Prakas on Implementation of “Coastal Code of Conduct” dated on 19 July 2016

This Inter-Ministerial Prakas aims to enforce the “Coastal Code of Conduct” passed by the Cambodian National Committee for Management and Development of Coastal Areas on 16 May 2016. Based on this Inter-Ministerial Prakas, in order to strengthen the maintenance of cleanness, greenness, beauty, hygiene, order, security-safety along the beaches which are among the international ranking beaches, there are some rules to comply with such as in relation to eating, prohibition on explosive weapons and fireworks, use of the public beach of the state, rubbish throwing, playing in the water, use of plastic bag, advertisement, use of vehicles, staying at night etc.

xi. Circular on Necessary Measures to Enhance Management of Natural Resource dated 22 September 2016

In order to ensure an effectiveness in the management of the natural resources, the Royal Government Cambodia introduces necessary measures, whereby governors of capital, provinces, municipalities, districts and khans shall duly perform their roles in the management, conservation and protection of the natural resources by establishing strict and preventive measures in curbing, suppressing and eliminating any and all kinds of crimes against the natural resources, including the encroachment on land located in the protected area and the natural conservation within their jurisdiction. In addition, the governors of capital, provinces, municipalities, districts and khans shall enable and encourage participations by local communities, civil organizations and other stakeholders in order to curb and to eliminate any and all kinds of crimes against natural resources in the protected area and the natural conservation within their jurisdictions.

According to this Circular, the Royal Government of Cambodia delegates powers to the administration of capital, provinces, municipalities, districts and khans to take firm and strict measures as follows:

- manage the authorized facilities processing and exploiting forest and fisheries resources, while curbing and eliminating the unauthorized facilities processing and exploiting forest and fisheries resources;
- take measures to curb and to eliminate the illegal exportation oversea of timber and wood products of any kinds, including wild animals; and
- control and to take measures to eliminate unlawful transportation and stockpiling of timber of any kinds within their jurisdiction.

7. Laws relating to enhancement and conservation of cultures and lifestyles

Please see a key content of each law and regulation related to enhancement and conservation of cultures and lifestyles as following:

i. Law on Establishment of Ministry of Culture and Fine Arts dated 24 January 1996

The Ministry of Cultures and Fine Arts (“**MCFA**”) was established on 24 January 1996 and has missions to lead and regulate the culture and fine arts sectors in the Kingdom of Cambodia. It is led by a Minister accompanied by Secretaries of State and/or Under Secretaries of State as necessary. The organization and functioning of the MCFA are determined by a Sub-Decree. To date of this report, the Minister of MCFA is Her Excellency Phoeurng Sackona.

ii. Royal Kram on Promulgation of the Law on Protection of Cultural Heritage dated 25 January 1996

The purpose of this law is to protect national cultural heritage and cultural property in general against illegal destruction, modification, alteration, excavation, alienation, exportation or importation. Under this law, national cultural heritage refers to a cultural property created or discovered in the national territory. This law applies to moveable and immoveable cultural property, whether publicly or privately owned, where protection is for the public interest. Unless otherwise provided in other regulations, this law only applies to cultural property that forms part of the national cultural heritage.

iii. Royal Decree on Establishment of National Committee of World Heritage dated 29 July 2009

The National Committee for World Heritage was created through this Royal Decree under the supervision of the National Commission of Cambodian UNESCO in order to protect and

develop natural property and national cultural property, both tangible and intangible, within the international framework.

Such National Committee comprises of a chairman, 2 vice chairmen, and 6 members and has roles and duties as follows:

- Monitoring the incorporation or assessment of report on the conservation condition of natural property and national cultural property, both tangible and intangible, which have been registered as world heritage;
- Increasing collaboration within international framework with the National Committee for World Heritage of other countries and preserving the position of the Royal Government of Cambodia in managing natural property and national cultural property, both tangible and intangible, before international cultural institutions;
- Carrying out any activity to embellish and promote all global and unique value of natural heritage and Cambodian cultural heritage, both tangible and intangible, all over the world;
- Collaborating with ministries, institutions, and relevant organizations to promote effective conservation and advertisement in national and international arenas; and
- Carrying out other duties assigned.

iv. Royal Decree on Living Human Heritage System of the Kingdom of Cambodia, effective on 16 February 2010

This Royal Decree aims to determine a living human heritage system of the Kingdom of Cambodia. Its purpose is to (1) ensure preservation and protection of long-lasting cultural heritage, (2) preserve and improve living human heritage throughout the country by creating measures for conservation of national cultural heritage and development of sustainable knowledge, skill, talent, and technicality, creating a system for inheriting and passing on the knowledge, skill, talent, and technicality in intangible cultural heritage to new generations; and (3) increase the collaboration between the MCFA, the public, and national and international organizations in order to ensure conservation and development national cultural heritage, particularly intangible cultural heritage. This Royal Decree applies to every Cambodian citizen.

v. **Royal Decree on Organization and Functioning of the National Authority for Protection and Development of Cultural Resort of Sambo Prey Kuk Temple dated 31 July 2015**

In order to protect and develop Sambo Prey Kuk cultural resort, the Royal Government of Cambodia created through this Royal Decree a national authority named Sambo Prey Kuk National Authority. This National Authority is under supervision of the MCFA. It has roles and duties as follows:

- Protect, preserve, conserve, and promote archaeological, cultural, environmental, and historical sites of Sambo Prey Kuk resort;
- Manage and arranged the use of land within Sambo Prey Kuk area;
- Prevent forest crime and anarchy within Sambo Prey Kuk area;
- Contribute to the implementation of poverty alleviation policy of the Royal Government in Sambo Prey Kuk area;
- Collaborate with the Council for Development of Cambodia in providing approval to all investment projects in respect of Sambo Prey Kuk;
- Enter into agreement on any projects or programs with national and international organizations;
- Enter into contract with authorities of all levels with urban planning, rural development projects, and to provide other services ; and
- Carry out other work assigned by the government.

vi. **Sub-Decree on Implementation of Cultural Heritage Protection Obligations dated 17 September 2002**

The purpose of this Sub-Decree is to implement the cultural heritage protection obligation in which it specifies the cultural property, excavation of antiques, formalities for conducting business on antiquities, formalities for importing and exporting cultural property. Cultural heritage, pursuant to this Sub-Decree, includes all cultural properties, which have specific appearance, excluding those having no specific appearance.

Any natural or legal person who wishes to conduct business on the cultural property shall request for approval from the MCFA accompanied with certain required documents by the MCFA. Furthermore, any national or international institutions who wish to excavate antiques through proper method and geologic layer on the territory of the Kingdom of Cambodia shall

request for approval from the MCFA and relevant authorities accompanied with certain required documents.

Any exportation of cultural properties is prohibited, except there is a special license. Every application to ask for exporting cultural properties shall be submitted to the MCFA by an applicant or his/her proxy.

According to this Sub-Decree, all cultural properties imported to the Kingdom of Cambodia shall be declared by the owner of such cultural properties to the customs and tax administration. The imported cultural properties to Cambodia shall be deemed illegal, if the importation of those cultural properties is not declared to the customs and tax administration or those cultural properties are stolen and imported fraudulently to Cambodia.

vii. **Sub-Decree on Organization and Functioning of the Ministry of Culture and Fine Arts dated 19 March 2007**

After the establishment of the MCFA, the organization and functioning of the MCFA was established through a Sub-Decree No. 62 ANK.BK on the Organization and Functioning of the MCFA, effective on 14 October 1997 (“**Sub-Decree 1997**”). However, the Sub-Decree 1997 was repealed by this Sub-Decree No. 24.

The purpose of this Sub-Decree is aimed at organizing units of the MCFA and determines the missions of the MCFA and functions of general departments, departments, and other units under the supervision of the MCFA. According to this Sub-Decree, the MCFA is entrusted by the Royal Government of Cambodia with the missions to lead and regulate the culture and fine arts sectors in the Kingdom of Cambodia. The MCFA has the following functions and duties:

- Implement the policies of protection, preservation and promotion of the values of national cultural heritage, and general cultural property of the Kingdom of Cambodia, and manage cultural, archeological, anthropological and historical resorts.
- Rematch and promote the value of culture, beliefs, custom and tradition of the nation, stir up the creation of works, advertise and develop cultural activities.

- Be the technical guardian of the Royal University of Fine Art in term of training artists, musicians, architects, archaeologists and other experts relevant to cultural field in collaboration with the Ministry of Education, Youth and Sports.

Please see Schedule 9 for the organizational chart of the MCFA attached hereto.

viii. Sub-Decree on Organization and Management of Preah Vihear Temple Resort Areas dated 31 January 2014

This Sub-Decree aims to determine the organization and management of the natural cultural resort of Preah Vihear Temple. Such organization and management shall be responsible by National Authority for Protection and Development of National Cultural Resort of Preah Vihear Temple which was established by Royal Decree No. NS/0606/248, effective on 1 June 2006, in cooperation with the relevant authorities and units. its purpose is to (1) maintain the outstanding value of the World Heritage of Preah Vihear Temple and its surroundings; (2) preserve and to promote the values of cultural heritage, archaeology, ethnology and natural resources; (3) ensure the sustainable development of the Preah Vihear Temple Resort and its surroundings; and (4) promote the natural agriculture production, use of renewable energy, development of cultural and natural tourism in accordance with the management plan recognized by the UNESCO and the management plan of the Preah Vihear Temple area.

ix. Sub-Decree on Management of Filming Industry dated 8 November 2016

The purpose of this Sub-Decree No.234 is to ensure the management and development of the filming industry in Cambodia. Specifically, it aims to manage local film production, foreign film production in Cambodia, film importation and exportation, commercial activities of filming services, film dissemination, film school, and to encourage production of new films as well as to take action against violations of filming regulations.

This Sub-Decree is applicable to all activities in the filming industry in Cambodia except for production, distribution, dissemination, and publication of films made by ministries and entities for non-profit purposes.

This Sub-Decree requires any person conducting film production business, filming business, cinema business, film materials supply, film editing services (picture and voice), copying films, translating and voice dubbing services, film studio services, and film school must seek

approval from the MCFA which is the regulatory authority of the filming industry in Cambodia. Further, local films and films imported from foreign sources prior to renting, selling, playing and publicizing by whatever means and films exported from Cambodia must be authorized by the owners and permitted by the MCFA.

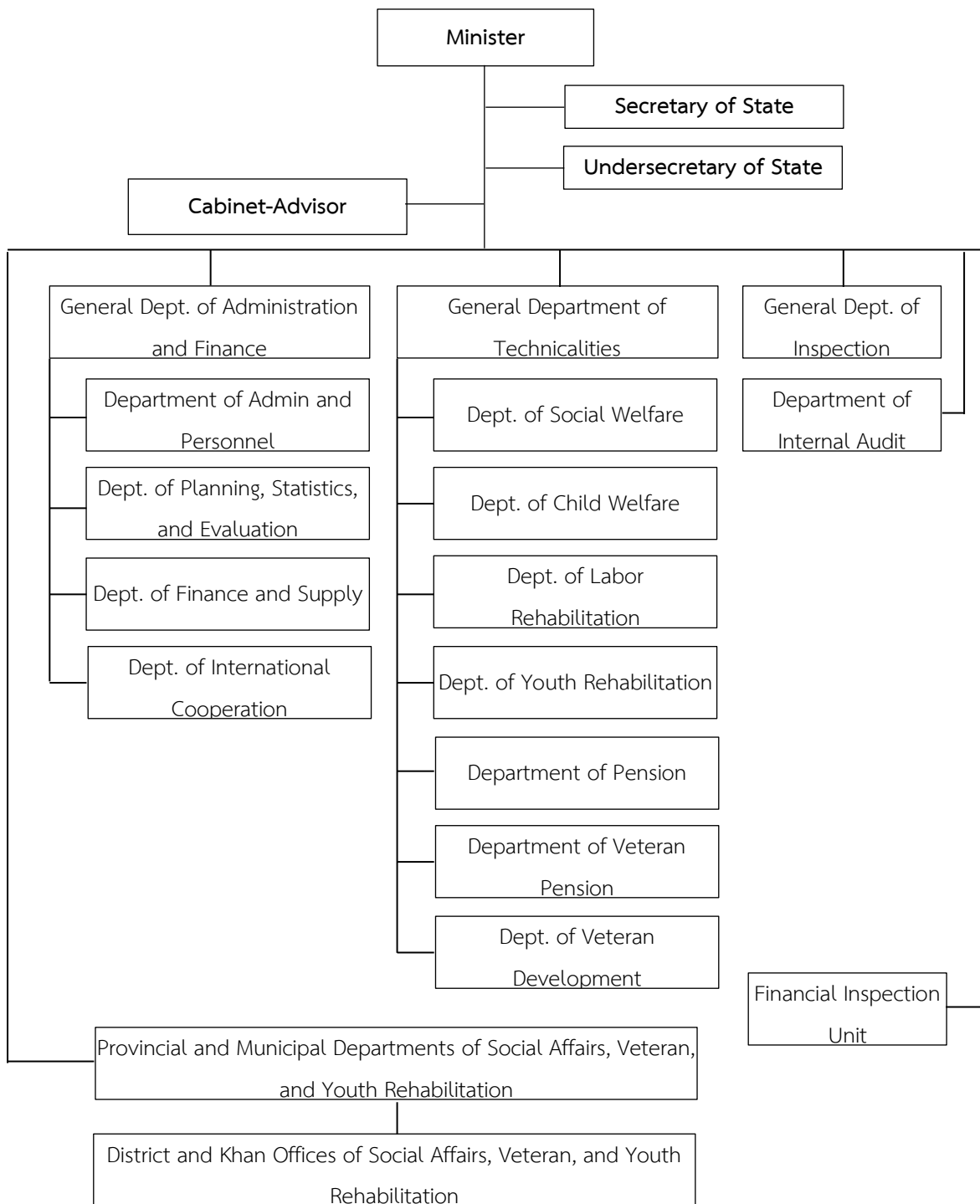
It is important to note that a film producer or any person conducting film business and services not being in compliance with conditions set forth in this Sub-Decree must seek for approvals from the MCFA within 6 (six) months from the effective date (i.e. 8 November 2016) of this Sub-Decree.

x. Joint Prakas on Provision of Public Service of Ministry of Culture and Fine Arts dated 6 June 2016

For the benefit of the national budget, the MCFA is allowed by this Prakas to collect public service fees. The schedule attached with the Prakas includes service fee, timeframe, and validity of each public service to be provided. According to the Prakas, the public service fees required by the MCFA include without limitation the public service fee for ticket sale for national museum visit, approval on copyrights and similar rights, licensing for films and cultural advertisement, etc. With regard to such public service fees, the MCFA is required to make this Prakas available to the Public.

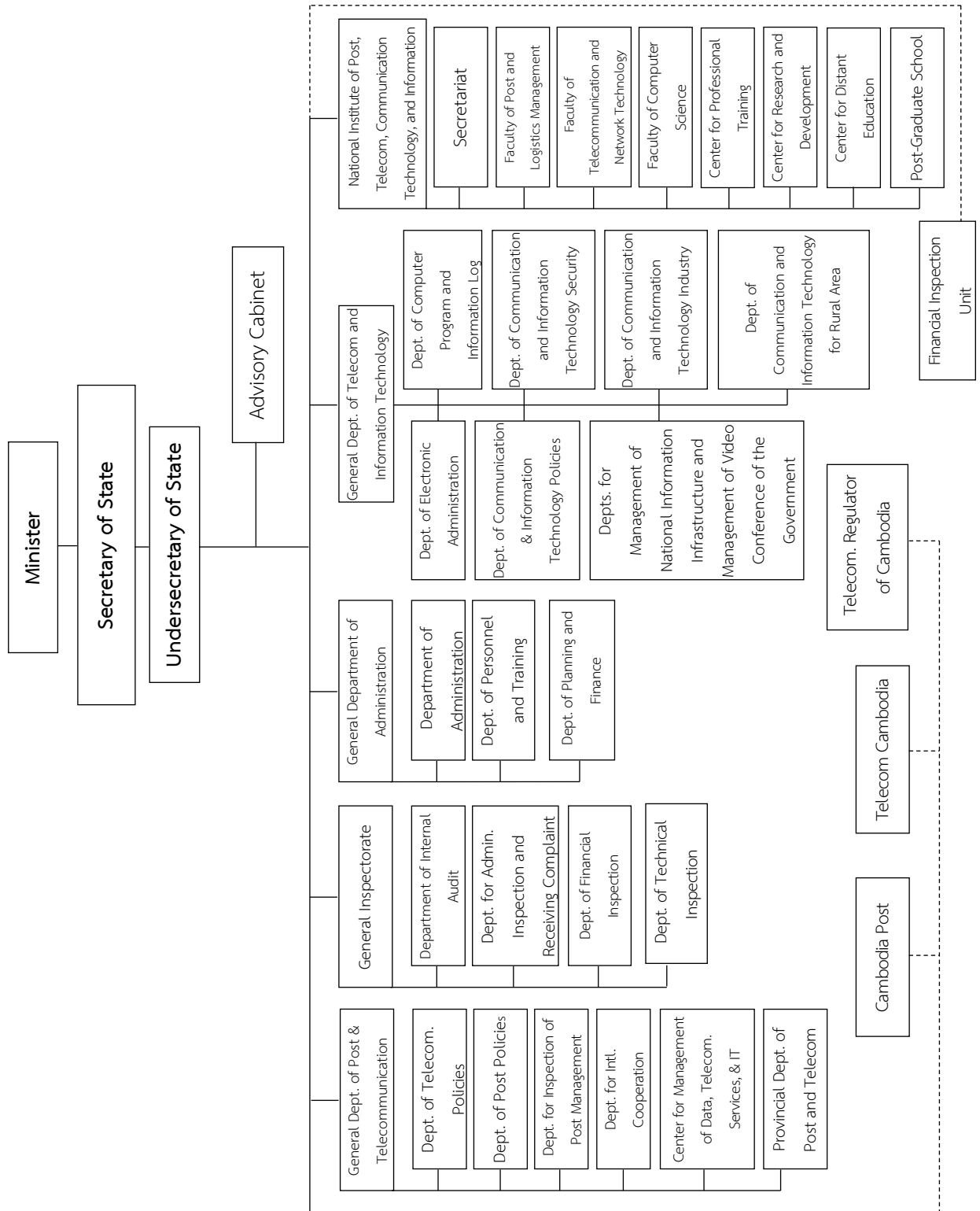
SCHEDULE 5

Organizational Chart of the Ministry of Social Affairs, Veterans, and Youth Rehabilitation



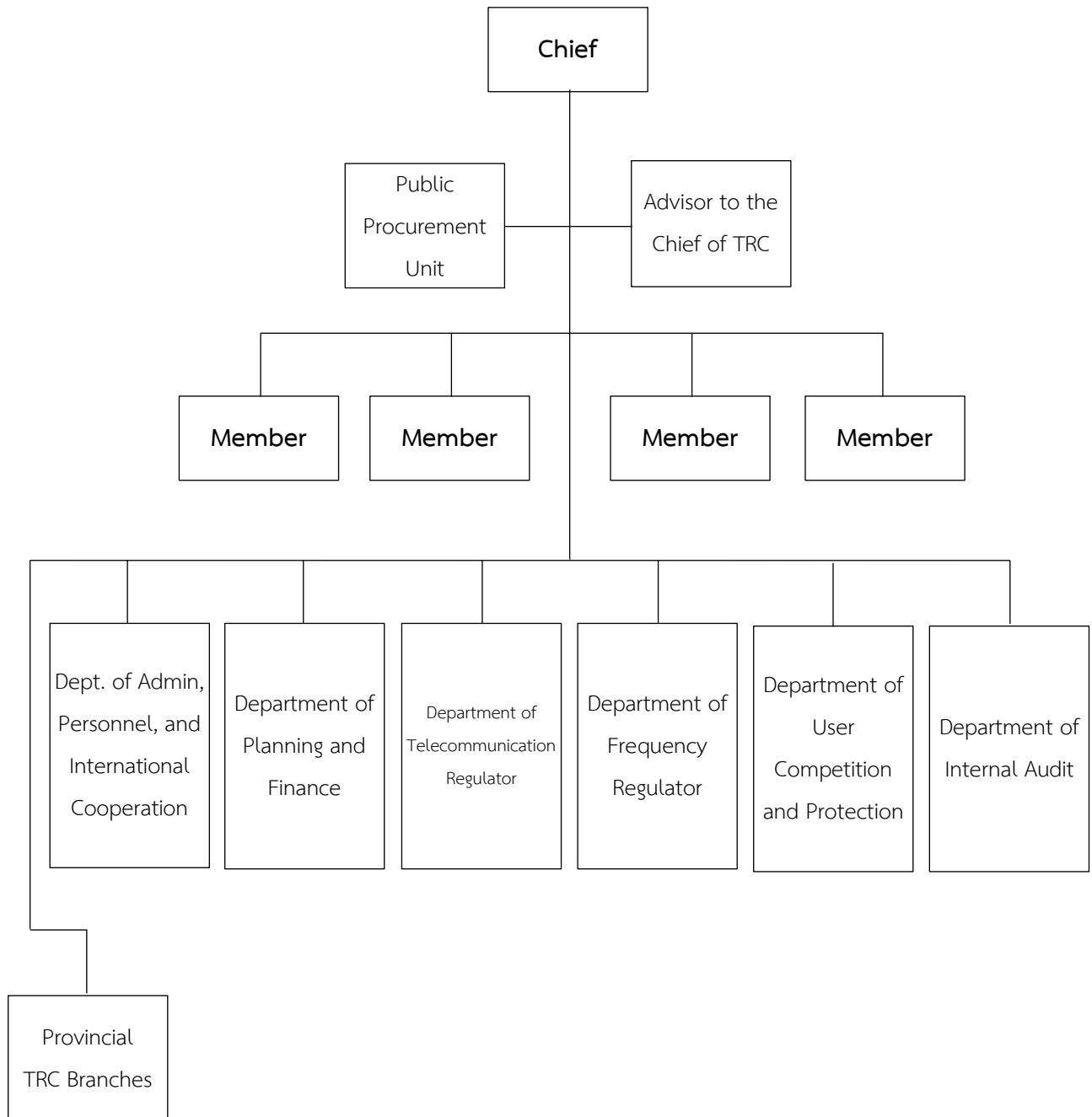
SCHEDULE 6

Organizational Chart of the Ministry of Posts and Telecommunications



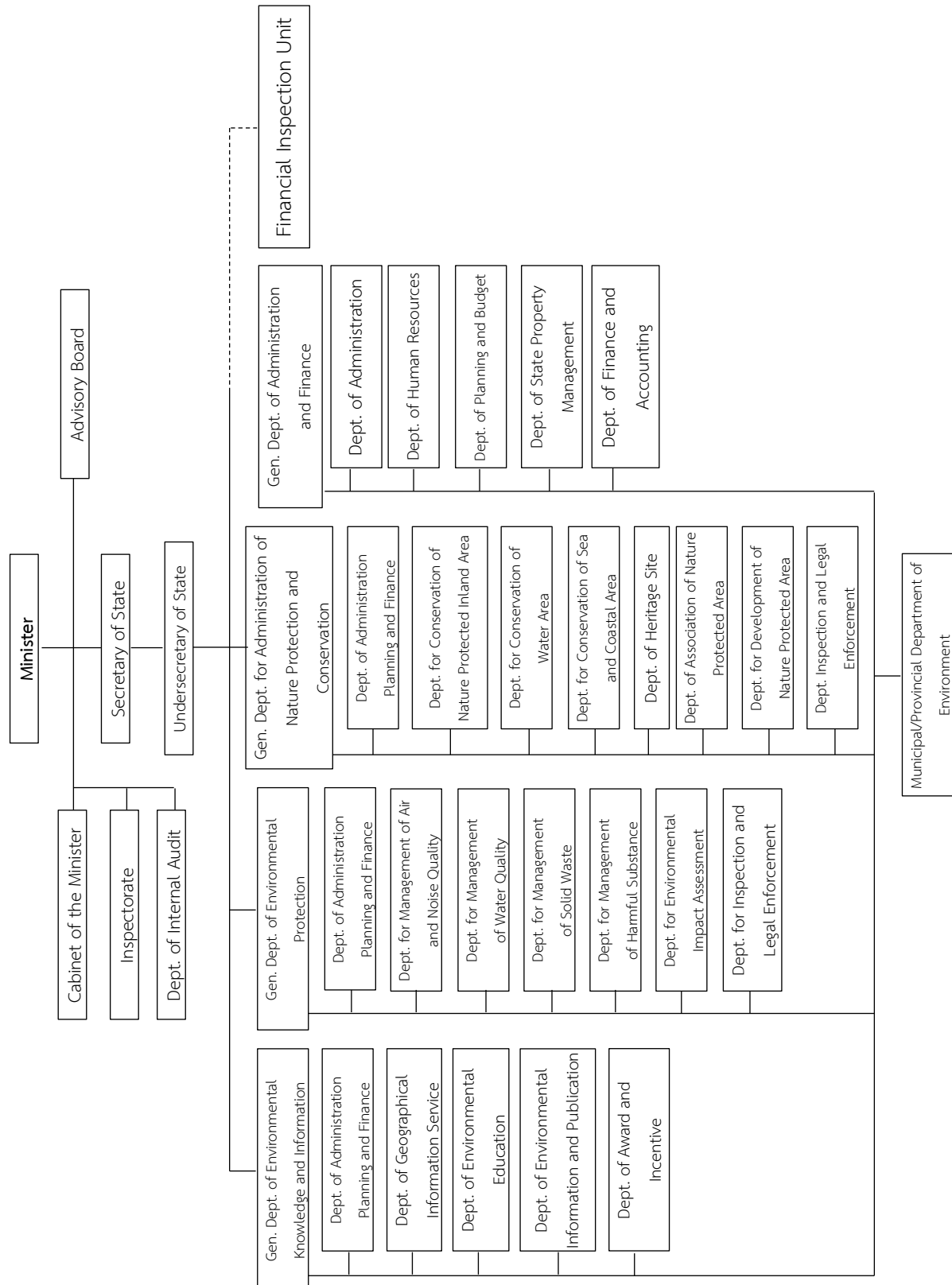
SCHEDULE 7

Organizational Chart of the Telecommunication Regulator of Cambodia



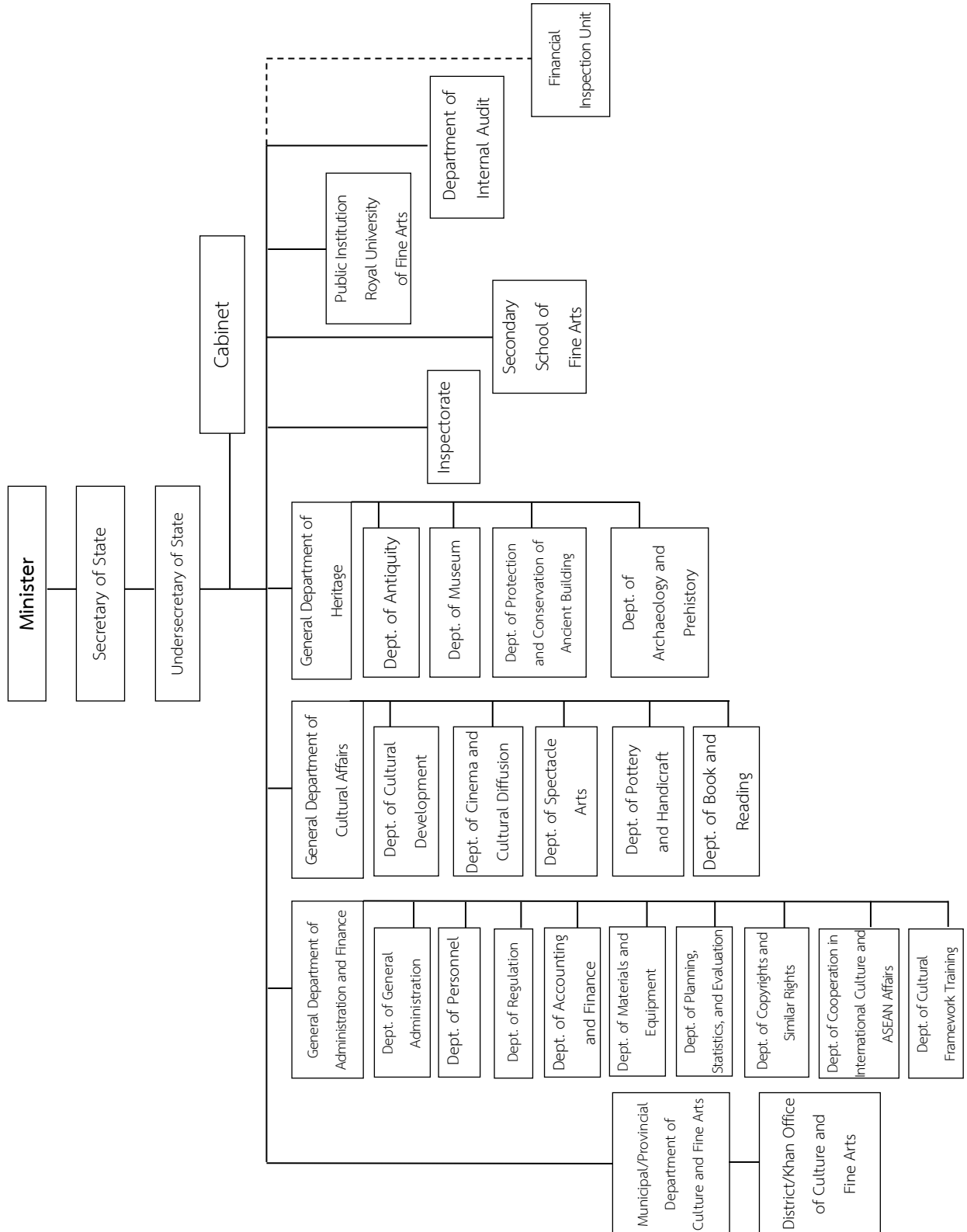
SCHEDULE 8

Organizational Chart of the Ministry of Environment



SCHEDULE 9

Organizational Chart of the Ministry of Culture and Fine Arts



8. Laws relating to enhancement of governmental procedure and system

Please see a key content of each law and regulation related to enhancement of governmental procedure and system as following:

i. Constitutional Law dated 24 September 1993

The Kingdom of Cambodia (“**Cambodia**”) came into being in 1993 in the form of a constitutional monarchy. The constitution, adopted on 21 September 1993 as the supreme law of the land. This Constitution states, among other, sovereignty, powers of king, rights and obligations of Khmer Citizens, political system, economy, education, culture, social affairs, national assembly, senate, congress of national assembly and senate, royal government, judiciary, constitutional council, and administration.

The Cambodian Constitution has been amended 6 (six) times since 1993. This Constitution established a power separation between judiciary, executive and legislative powers. The executive branch, called the Royal Government of Cambodia (“**RGC**”), is comprised of a Prime Minister, Council of Ministers, ministries, provincial and municipal authorities, and various other government agencies. The legislative branch is comprised of a 123-member National Assembly and a 61-member Senate created under 1999 amendment law to the Constitution. The judicial branch is composed of municipal and provincial courts, a Court of Appeal and a Supreme Court.

Under this Constitution, Cambodia adopts a liberal multi-party democratic policy. Khmer citizens are the masters of their own country. All powers belong to the citizens. The citizens exercise their powers through the National Assembly, Senate, Royal Government, and Judiciary. The Royal Government shall protect the independence, sovereignty and territorial integrity of Cambodia. Moreover, Cambodia adopts a policy of permanent neutrality and non-alignment. Cambodia follows a policy of peaceful co-existence with its neighbors with all other countries throughout the world. The manufacturing, use and storage of nuclear, chemical or biological weapons are absolutely prohibited. Any treaty and agreement incompatible with the independence, sovereignty, territorial integrity, neutrality and national unity of Cambodia, shall be annulled.

ii. Law on Organization and Functioning of Council of Ministers dated 20 July 1994

Under this law, Council of Ministers is an executive body of Cambodia led by a Prime Minister, assisted by Deputy-Prime Ministers, Senior Ministers, Ministers, and Secretaries of State. Prime Minister is a member of the National Assembly. Other RGC's members⁶⁰ can be selected among members of the National Assembly or members outside of the National Assembly but they must be members of a political party represented in the National Assembly. All the RGC's members shall be nominated by Royal Decree. Under Secretaries of State are neither members of the RGC nor permanent administrative agent. When the RGC is resigned or dissolved, Under Secretaries of State shall have no more positions. Under Secretaries of State shall be nominated by Royal Decree.

Under this law, Prime Minister is a head of the RGC and has joint responsibilities with the RGC's members before the National Assembly in relation to the RGC's general politics and activities. The RGC has duties to determine and implement policies of the state in accordance with the Constitution. The RGC assures the implementation of laws and directs general affairs of the State except affairs which are competences of the legislative and judiciary branches. The RGC is granted power to manage, use, order military, police, other armed forces, and administration in carrying out its own activities. The Prime Minister is the head of the RGC and directs affairs of the OCM, manage, and command all activities of the RGC in all domains. In term of administrative instrument, the Prime Minister has the rights to sign sub-decrees, decisions, and circulars. Further, he/she has the rights to appoint, change or terminate functions/duties of the RGC's members.

In addition to the above, this law also provides for, among other, the RGC's entities including Ministries or Secretariats of State which shall be governed by ministers or secretary of State respectively and these Ministries and Secretariats of State shall be established through a law, roles and rights of heads of these RGC's entities, and other RGC's members.

iii. Law on Common Status of Civil Servants dated 30 October 1994

This law is applicable to all civil servants in Cambodia, except those under judiciary and legislative branch which are subject to special conditions. This law provides for, among other, conditions and method of recruitment, internship, inclusion and exclusion of civil servants in and from permanent status, rank/grade promotion of civil servants, discipline applicable to

⁶⁰ The RGC's members refer to Prime Minister, Deputy-Prime Minister, Senior Ministers, Ministers, and Secretaries of State.

civil servants, accusation of civil servants through judicial process, retirement of civil servants, and disputes resolution related to civil service affairs.

Under this law, persons of both sexes can be civil servants unless they meet certain requirements such as nationality, age, diploma, and qualified aptitude. In principle, civil servants recruitment is conducted through competitive exam, unless otherwise determined by the RGC. After passing the exam, those civil servants shall be in probation for a period of 12 (twelve) months. This probation period is not applicable to civil servants having permanent status who pass the exam for a higher rank/grade than the rank/grade he/she is holding. Civil servants will be promoted through a selection or seniority. Normally, a minimum period of time required to obtain a promotion shall be 2 (two) years. In case if civil servant is recognized for the exceptional qualities of his/her work, the promotion shall be automatic regardless of seniority.

Civil servants are strictly prohibited from, among other, taking work for personal purposes during working hours, using prerogatives and authority resulted from his/her position for personal profits or to threaten or violate citizen rights, and exercising at the same time a profession forbidden by particular statute of their body. Civil servants may be subject to disciplinary sanctions, when he/she commits a wrongful act, such as reprimand, removal from promotion list, automatic position change through a disciplinary measure, downgrade to one or several lower grades or classes, and automatic retirement or dismissal.

Civil servants against whom a complaint is filed for a crime or misdemeanor may be suspended from his/her duties during judicial proceedings, if necessary. Any criminal or misdemeanor condemnation without suspension of sentence shall result in the removal from civil servants, commencing from the day when the judgment becomes final.

Civil servants of both sexes shall retire by the age of 55. This age limit may be extended from 55 to 60 years if provided in a separate statute. A civil servant shall be entitled to a retirement pension if he/she meets certain conditions such as being 55 years of age, and having seniority for a period of 30 years.

Civil servants are entitled to file a lawsuit to the court in relation to civil service dispute. However, he/she shall resolve a dispute through administrative remedies prior to filing a

lawsuit. Under this law, an administrative institution having jurisdiction to deal with litigation related to civil service shall be a permanent committee called “Conciliation Committee on Litigation related to Civil Service”, presided over by Secretariat of State of the Civil Service (currently known as Ministry of Civil Service).

iv. Law on Establishment of Office of Council of Ministers dated 24 January 1996

Office of the Council of Ministers (“OCM”) was established in 1996 under the supervision of the RGC. Its duties include arrangement of its work and coordination of daily work of the Council of Ministers under the responsibility of the Prime Minister. The OCM is managed by co-ministers⁶¹ or minister, along with secretary of state, undersecretary of state, and secretary-general of the RGC. The organization and functioning of this OCM are determined by a sub-decree. To the best of our knowledge and up to date of this Report, we have not seen this Sub-Decree be issued by the RGC.

v. Law on Khum/Sangkat Administrative Management dated 19 March 2001

This law aims to establish administrative management of all Khums/Sangkats in Cambodia following a policy of decentralization. The local governance regime shall be implemented at Khum/Sangkat level. The power and authority to govern Khum/Sangkat are derived from universal, free, accurate and fair, equal, direct, and secret election in each Khum/Sangkat. Each Khum/Sangkat has its own council, called “Khum/Sangkat Council”, which is a representative body of the people in that Khum/Sangkat and the missions of which is to serve for the common benefit in that Khum/Sangkat.

Under this law, Khum/Sangkat is a legal entity and Khum/Sangkat administration shall be led by Khum/Sangkat Council which consists of a council chief, known as Khum/Sangkat Chief. The basic roles of Khum/Sangkat administration are as follows:

- Serve benefit of Khum/Sangkat and people in that Khum/Sangkat; and
- Be the State representative under the appointment and assignment of authorities by the state.

⁶¹ After election of 1993, the RGC was led by 2 (two) heads/Prime Ministers, and all ministries including the OCM were also governed by 2 (two) ministers. However, such status of co-head was no longer existed after the election of 1998.

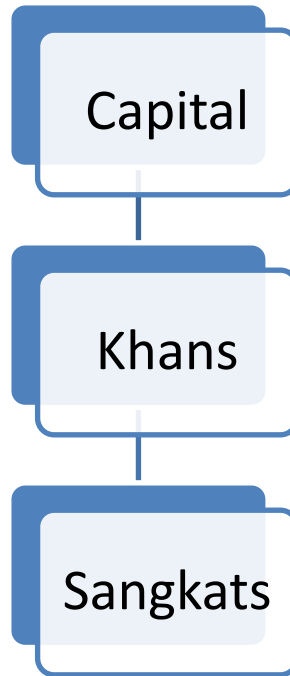
vi. **Law on Administrative Management of Capital, Provinces, Municipalities, District, and Khan dated 22 May 2008**

This law aims to determine management of capital, provinces, municipalities, districts and khans (together referred to as “**Administrative Entities**”). These Administrative Entities shall be governed in accordance with the principles of unified administration in order to establish, promote, and sustain democratic development through a policy of decentralization and deconcentration.

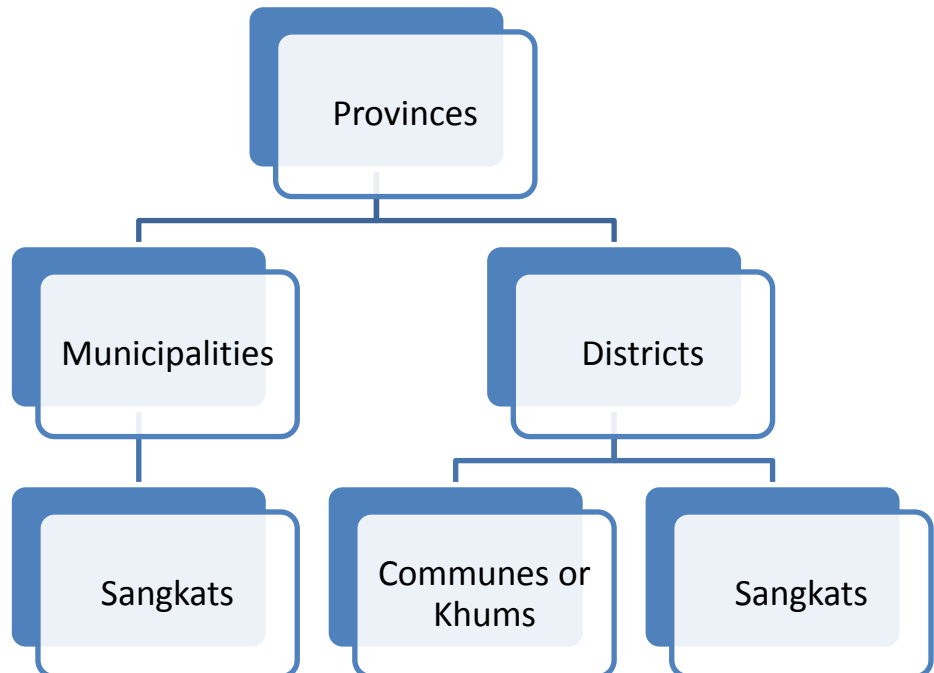
Under this law, the Administrative Entities is divided as follows:

- Phnom Penh is the Capital of Cambodia
 - Phnom Penh Capital is divided into Khans
 - Khan is divided into Sangkats
- Province is divided into Municipalities and Districts
 - Municipality is divided into Sangkats
 - District is divided into Communes or Khum and Sangkats

Administrative Entities in the Capital



Administrative Entities in Provinces



Each Administrative Entity shall have a council as a representative which shall be elected in accordance with the Law on Elections of the Capital Council, Provincial Council, Municipal Council, District Council, and Khan Council⁶² (together referred to as “**Councils**”). Under this law, the Councils have a role to undertake activities necessary to achieve the purpose of establishing, promoting and sustaining democratic development and to perform functions and duties that have been assigned and delegated to it through this law or in accordance with this law. The Councils has authority to make legislative and executive decisions. They implement their legislative power through making bylaw (*Deika*) and implement executive power through making decision during the councils’ meeting. The Councils shall be accountable directly to all citizens for making decisions on priorities and for ensuring democratic development within its jurisdiction.

This law provides for, among other, roles, duties and authorities or the Councils, Councils’ decisions, Councils’ internal rules and meeting, illegal conduct of the Councils or Councils’ officials, resolutions of local conflicts, special provisions of district council, Khum/Sangkat Council within district, Councils Committees, and board of governors.

vii. Law on Elections of Capital, Provincial, Municipal, District, and Khan Councils dated 22 May 2008

The purpose of this law is to determine the organization, administration, conduct of indirect elections of the Councils. Under this law, the mandate period of the Councils shall be of 5 (five) years, which shall be ended when new councils take office. This mandate period shall commence from the date of the Councils’ elections and end on the date of the subsequent councils’ elections. The Councils’ members shall be elected by indirect, free and fair election by means of secret balloting.

The Councils’ members shall be determined based on demographic and geographic factors as follows:

- Phnom Penh Capital shall not have more than 21 (twenty one) members;
- Provincial council shall have between 9 (nine) and 21 (twenty one) members;
- Municipal council shall have between 7 (seven) and 15 (fifteen) members; and
- District and Khan council shall have between 7 (seven) and nineteen (19) members.

⁶² Please see item (10) of this Section.

An individual who wishes to be a candidate has to register his or her name on the candidate list of a political party. The eligibility requirement does not discriminate against Khmer citizens in both sexes. The following individuals are eligible to be candidates for the council elections:

- Members of the National Assembly, member of the Senate, members of the Constitutional Council, member of the Royal Government and judges;
- Governors, deputy governors of the Capital, provinces, municipalities, district and Khan;
- Members of the Commune/Sangkat Councils;
- Members of the National Election Committee and officers and staff working for the Election Committees at all levels;
- Civil servants, court officials, members of the National Police and Royal Cambodian Armed Forces in office;
- Officials and personnel of the councils at all levels;
- Persons who have been punished and have revoked their right from participating in election;
- Monks and priests.

However, there is an exception for civil servants, court officials, members of the National Police and Royal Cambodian Armed Forces, officers and personnel of the councils at all levels who wish to stand for a Council election.

The National Election Committee (“**NEC**”) has the authority over the management of the council’s election and dispute resolution during the course of the election. The NEC will also prepare the voter list. The official voter list must indicate the councilors in office of each Khum/Sangkat council who are the voters for the indirect council election. Only those voters who have their names on the list have the right to vote.

This law provides for, among other, management of Councils’ election, election system and formula, registration of political parties and candidates to be elected, election list, election offices, election propaganda, and election result.

viii. Law on Khum/Sangkat Council Election dated 11 December 2015

This law aims to determine the formality and functioning of the election of Khum/Sangkat Council. Each Khum/Sangkat must have a council elected by the people in that Khum/Sangkat through a general, universal, free and fair, equal, direct, secret and in accordance with the procedure set out in this law. This law is applicable to all khums/sangkats in Cambodia. The election of Khum/Sangkat Council must be held once every 5 (five) years, and the council shall be in office until the new council is elected. Khum/Sangkat Council shall be elected in accordance with a system of proportional representation.

This law provides for, among other, management of Khum/Sangkat Council election, including arrangement, organization, and management of voters' list, and management of Khum/Sangkat Council election which is under the competency of the National Election Committee, voter registration, voters' list, election system and division of seats, election offices and offices for counting the ballot, registration of candidates of political parties who stand for Khum/Sangkat Council election, election campaign, political party agents and observers, organization, management, and function of the election, close of election, counting of ballot, and collection, handover, receipt of election material, temporary result, official result, and appeal to the result of the election, close of election offices in case of emergency, and re-election. In addition, this law also sets out certain forms of punishment, including fine, de-registration from the voters' list, criminal offense, which are applicable in case of breaches of any provisions set out in this law.

The management, preparation and administration of voter lists, and the administration of the Khum/Sangkat Council election is under the authority of the NEC. The NEC must provide the validity and announce the list of the election of the Khum/Sangkat Council at least 90 days in advance. Additionally, the NEC must announce publicly the name of the location of each polling stations at the voting offices and the office of the Khum/Sangkat Committee for election starting from the date of the candidates' registration until the closure of the poll station in the Election Day.

The election of Khum/Sangkat Council implements the proportional election system through the division of seats in respect to the formula of highest average based on the number of seats and the result of elections of every constituency.

A candidates for the election can be both male and female. In order to be a candidate, an individual must be:

- Khmer nationality;
- be able to read and write Khmer;
- registered on the election list of the Khum/Sangkat that he or she is willing to be a candidate in the election;
- at least 25 (twenty-five) years till the Election Day.

Persons holding the following positions are prohibited from being a candidate for the Khum/Sangkat Council election:

- members of the National Assembly, members of Senate, members of Constitutional Council, members of the Royal Governments, members of the Supreme Council of Magistracy, and Judges;
- governors, Deputy Governors of the capital, provinces, municipalities, district and Khan;
- members of the National Election Committee and officers and staff working for the Election Committee at all levels;
- civil servants, court officials, member of the National Police and Royal Cambodian Armed Forces in office;
- monks or priests; and
- clerk of any Khum/Sangkat.

Each candidate can only be registered in one political party. In order to register a candidate for an election, a political party must file an application to Khum/Sangkat Election Committee at least 90 days before the Election Day. The application must be signed by the president of the political party or its representative who received the power of attorney in written form from the president of that political party.

ix. Sub-Decree on Organization and Functioning of Ministries and Secretariats of State dated 30 April 1996

Under this Sub-Decree, all administrative units of the State shall be under Ministries or Secretariats of State of Cambodia, except administrative entities under OCM and autonomous units or authorities. Organization and functioning of all administrative units are determined by a Sub-Decree. Each Ministry or Secretariat of State is in overall led by a Minister or Secretary of State respectively. This Sub-Decree is not applicable to organizations and functioning of the OCM, Mol, and MND.

With reference to this Sub-Decree, an organizational structure of each Ministry or Secretariat of State shall include:

- one or more central unit(s) under Ministry or Secretariat of State
- local unit under Ministry or Secretariat of State
- Public institution under guardianship of Ministry or Secretariat of State
- Cabinets of Minister or Sectary of State who is head of Ministry or Secretariat of State

Organizational structure of a central unit may include:

- A general secretariat
- One or more general department which is or are divided into departments
- A general inspectorate department or inspectorate department
- A general department or department of administrative and general affairs
- A number of specialized departments

Organizational structure of local unit may include:

- Provincial and municipal department led by a head of department
- Provincial and municipal department are divided into offices
- Khan and district offices are divided into various divisions

x. **Sub-Decree on Determination of Management Structure, and Ranks in the Organizational Structure of Ministries, National and Sub-National Institutions dated 7 September 2015**⁶³

This Sub-Decree aims to promote the effectiveness of management, obligation fulfillment, determination of accountability and responsibility according to hierarchical rank in public sector. The objectives of this Sub-Decree are to:

- ensure the close relation between the organizational structure of ministries, national and sub-national institutions;
- determine a maximum number of ranks in the organizational structure, from the highest to the lowest, within civil service; and
- determine the accountability line and responsibilities of ministries and institutions in management, organization, and appointment within the management structure of ministries, and national and sub-national institutions.

This Sub-Decree is applicable to all management structure and management ranks within civil service under the Law on Common Status of Civil Servants of Cambodia⁶⁴, including heads and deputy heads or other similar ranks which manage units subordinated to ministries, national and sub-national institutions. This sub-decree is not applicable to management structure and management ranks of national police, Royal Cambodian Armed Forces, and representatives offices of Cambodia to other countries. The management structure and management ranks within ministries, national and sub-national institutions consist of:

- Management structure and similar levels
- Management ranks and other similar ranks
- Municipal/provincial management structure
- Municipal/provincial management ranks and other similar ranks
- City/District/Khan management structure
- City/District/Khan management ranks and other similar ranks
- Commune/Sangkat management structure and ranks and similar ranks

⁶³ The Cambodian administration is divided into two main categories, the central administration and the sub-national administration. The central administration is enhanced by the ministerial agencies and autonomous bodies and the sub-national administrations are the result of the implementation of the RGC policy on decentralization.

⁶⁴ Please see item (6) of this Section below.

Under this Sub-Decree, the determination of structure and number of management ranks in ministries, national and sub-national institutions shall be subject to the scope of work, budget, and number of staffs in each ministry, national and sub-national institution. Further, the appointment of management rank in any ministry, national and sub-national institution shall be subject to vacancy, qualification of the candidate, scope of work, productivity, budget availability, and assurance of work sustainability in the unit.

9. Laws relating to administrative procedure, government information, and liability for the wrongful act of officials

Unlike other countries, Cambodia has not yet developed administrative principles, legal frameworks such as law on administrative procedure, instruments such as administrative act, to determine legality of an administrative decision. This legal gap has significant consequences, because legal protection against administrative decisions, enforcement of administrative measures, and state liability all depend on the determination whether an administrative decision is lawful or not. There is no general administrative law defining administrative principles or standardizing administrative proceedings. As a consequence, there is no criteria determining the lawfulness of an administrative measure, and there are no methodologies to define administrative decisions such as administrative act. Further, there is no effective complaint mechanism, no access to administrative justice, and no established rules on state liability.

The procedure of the decision-making process is either regulated in the specific sector law or complemented in a general administrative procedure. This process often includes the following procedures: application, hearing, decision and respective administrative measures (e.g. administrative act), complaint, costs, notification, and enforcement. The Cambodian Constitution provides the framework for legal protection against administrative measures, such as the right to complain (Article 39(1) and the right to judicial review (Articles 39(2) and 128(3)). The system envisaged by the Constitution provides citizens with legal protection against administrative measures and controls the executive power/administration through an independent judiciary. This is a new principle in Cambodia history as it establishes the supremacy of fundamental rights, which binds all public authorities. The Constitution declares the individual a legal subject, which subjective public rights. It also outlines a system that protects these subjective public rights. The legal basis of this system is outlined in Article 39, which states clearly that a citizen can complain against any type of administrative measure “Khmer citizens have the rights (...) to complain”.

We note that the Plan of Action for Implementing the Legal and Judicial Reform Strategy (2005) envisages a comprehensive administrative law system, which includes the introduction of the following legal frameworks and institutions: administrative code, complaint mechanism, state liability, organic law on administrative and judicial institutions such as an administrative tribunal or administrative appeal court, law on access to information, and law on administrative court procedures. However, until today these legal frameworks and institutions have not been realized yet.

10. Laws relating to peace and order of the country

Unlike other countries, Cambodia has not adopted yet a specific law on peace and order. However, the concept of peace and order is penetrated in related laws and regulations as mentioned as following:

i. Law on Establishment of Ministry of Interior dated 24 January 1996

The Ministry of Interior (“**Mol**”) was established on 24 January 1996 by this Royal Kram. In term of missions, the Mol has been empowered by the RGC to lead and regulate all levels of territorial administrations, national polices, security, safety and public order in Cambodia. The Mol is led by Co-Ministers⁶⁵ or a Minister accompanied by Secretaries of State and/or Under Secretaries of State as necessary. The organization and functioning of the Mol are determined by a Sub-Decree. To date of this report, the Minister of the Mol is His Excellency Sar Kheng.

ii. Law on Establishment of Ministry of National Defense dated 24 January 1996

The MND was established on 24 January 1996 through this Royal Kram. The MND has been empowered by the RGC to lead and regulate the national defense sector in Cambodia. The MND is led by Co-Ministers⁶⁶ or a Minister accompanied by Secretaries of State and/or Under Secretaries of State as necessary. The organization and functioning of the MND are determined by a Sub-Decree. To date of this report, the Minister of the MND is His Excellency Tea Banh.

⁶⁵ Please see footnote (1) above.

⁶⁶ Please see footnote (1) above.

iii. Law on Management of Weapons, Explosives and Ammunition dated 1 June 2005

This law was promulgated on 1 June 2005. Its purpose is to determine the management of all types of weapons, explosives and ammunition in Cambodia. This law is to govern equipping, possession, carrying, use, purchase, sale, trading, lending, transfer, distribution, lease, production, fabrication, repair, transportation, transit, importation, exportation, and stockpiling of weapons, explosives and ammunition of all types. In Cambodia, all these acts conducted by civilians are prohibited. However, they are allowed to use certain gun, ammunition, and explosives which are not prohibited under this law.

This law further provides that only the MND and Mol are allowed to have clubs and fields for target shooting exercises. Registrations of all types of weapons, explosives, and ammunition in Cambodia are within the competences of these two ministries. The MND and Mol are granted separate powers to manage weapons, explosives and ammunition of all types in which the MND is responsible for, among other, supplying, controlling, and managing weapons, explosives, and ammunition of all types of Royal Cambodian Armed Forces (“RCAF”), and issuing permission to use weapons, explosives and ammunition of all types to RCAF; the Mol is responsible for, among other, supplying, controlling and managing weapons, explosives and ammunition of all types of National Police Forces, public institutions, officials, and civilians, and issuing a permission to use weapons, explosives and ammunition of all types to National Police Forces, public institutions, officials, and civilians.

Under this law, no foreigner is entitled to possess or use weapons, explosives, and ammunition of all types in Cambodia, except some foreigners who are bodyguards of leaders of foreign countries who pay a visit in Cambodia.

iv. Royal-Decree on Establishment of National Authority for Prevention of Chemical, Nuclear, Biological, and Radioactive Weapons dated 27 June 2006

A national authority for prevention of chemical, nuclear, biological and radiological weapons, named “National Authority for Chemical Weapon” or “NACW” was established to serve as a national central point for an effective liaison with any organizations and other States parties, and to control and prevent proliferation of biological, nuclear, chemical and radioactive weapons. This NACW comprises of a chairman, 4 (four) vice chairmen, and 12 (twelve) members.

Under this Royal Decree, the NACW has roles, duties and functions as follows:

- control all activities of curbing the proliferation of chemical, nuclear, biological and radiological weapons and chemical substances involving the production of these weapons;
- be the only national institution representing the RGC in all international meetings with regard to the curbing of the proliferation of chemical, nuclear, biological and radiological weapons;
- represent the RGC in negotiating and signing, through the delegation of full power by the head of the RGC, with international organizations or other States which are parties to the protocol or agreements relating to chemical, nuclear, biological and radiological weapons;
- represent the RGC in signing, as authorized by the head of the RGC, memorandums of understanding, contracts, projects of bilateral and multilateral assistances in order to curb the proliferation of chemical, nuclear, biological and radiological weapons;
- design policies, strategies and action plans in managing and curbing the proliferation of chemical, nuclear, biological and radiological weapons;
- disseminate, ensure implementation and monitor and review all policies, strategies and action plans laid out by the RGC;
- cooperate with national and international organizations or other states parties to implement conventions and agreements relating to chemical, nuclear, biological and radiological weapons;
- take any measures to control and curb the proliferation of chemical, nuclear, biological and radiological weapons;
- cooperate with ministries, institutions, authorities, various state services, establishments and private companies in order to impose restriction on the export, import and transit of chemical and biological substances and other substances relating to nuclear and radioactivity;
- supervise the implementation of laws and any other conventions relating to the curbing of the proliferation of chemical, nuclear, biological and radiological weapons; and
- undertake any other duties assigned by the RGC.

v. **Law on Prohibition of Chemical, Nuclear, Biological, and Radioactive Weapons dated 3 December 2009**

This law aims to strictly prohibit the production, processing, receiving, transfer, storing, transportation, and the use of chemical weapons, nuclear weapons, biological weapons, radioactive weapons, and chemical substance related to the production of these weapons in Cambodia, except chemical, nuclear, biological and radioactive substances authorized by ministries and institutions having jurisdiction for the purpose of use in some fields such as health, industry, mine, energy, agriculture, and research. This law is to ensure security, public order, environmental protection, and well-being of the people, as well as to protect the security and peace in the region and the world.

This law is applicable to:

- Cambodian people, in and outside the country;
- Foreigners who enter or stay in Cambodia;
- Institutions, public entities, civil servants, and armed forces of Cambodia;
- Companies or corporations, or legal entities which have been registered in Cambodia, having branches or subsidiaries in or outside the country;
- Boats, airplanes, and all types of transportation means, which have registered in Cambodia, regardless of their destination; and
- Boats, airplanes, and all types of transportation means, which have registered in other countries but carry out their activities in Cambodia.

vi. **Law on Peaceful Demonstration dated 5 December 2009**

This law aims to determine the organization and functioning of peaceful demonstration in Cambodia. This law is to assure freedom of expression of Khmer citizens through conducting demonstration by peaceful means, yet this right shall not be used abusively affecting the rights, freedom and honor of others, good customs of the national society, public order and national security. According to this law, a peaceful demonstration refers to a gathering or a march conducted by a group of people to publicly demand, protest or express their sentiments, opinions or will by using various forms or means peacefully.

Any person who wishes to conduct a peaceful demonstration in any public place is required to notify in writing to local authorities having jurisdiction. Failure to notify the authorities, the

demonstration's leader shall be subject to, among other measures, a warning in writing by those authorities, confiscation of material, and taking into custody.

This law is applicable to all peaceful gatherings or marches for demonstration/assembly in Cambodia. However, it does not apply to:

- Meetings or gathering or marches during the electoral campaign rallies;
- Gatherings inside or outside, adjacent to the fence of a factory or enterprise or other institution related to labor disputes, which is covered by the labor law; and
- Parades, funeral processions and other gatherings for the purposes of serving religion, art, culture, national customs and tradition and educational dissemination activities for social interests.

vii. Law on Associations and Non-Governmental Organizations dated 12 August 2015

This law aims to guarantee rights and freedom in establishing associations and non-governmental organizations (“NGOs”) in Cambodia, to protect their legitimate interests and to protect the public interests as well enhancing partnerships and cooperation between associations and NGOs with public authorities. This law determines the formalities to legally recognize associations and NGOs as well as to determine the relationship between associations and NGOs with public authorities for the development of Cambodian society. This law extends a scope of application to associations and NGOs, which are conducting activities in Cambodia except for any separate provisions of law.

Under this law, establishment of domestic associations or NGOs requires that there be founding members, who are legal persons with Khmer nationality, and at least 3 persons 18 years or older. Domestic associations or NGOs must register with the Mol. The statutes of domestic associations or NGOs must have substance in conformity with the Constitution and other existing laws. The Mol will examine the requested documents of a domestic association or NGO, and will decide whether or not to accept the registration within 45 working days. The Mol can deny registration of any domestic association or NGO, which has been found to have objectives and goals which may affect security, stability, and public order or may jeopardize national security, national unity, good culture, traditions, or customs of Cambodian national society. Any domestic association or NGO, which the Mol decides not to approve for registration, has the right to appeal to the court.

A domestic association or NGO which is not registered will not be allowed to conduct activities in Cambodia. Domestic associations and NGOs must notify in writing the information of every account which is to open its operation at a bank in Cambodia to the Mol and the Ministry of Economic and Finance within 30 days from the date of registration at the Mol. Conditions, forms and procedures of establishment and registration of domestic associations and NGOs for legal entities and foreigners must be determined by Prakas of the Mol. Any foreign association or NGO wishing to start a project in Cambodia must register with the Ministry of Foreign Affairs and International Cooperation in the form of a memorandum of understanding.

Under this law, all NGOs, foreign NGOs and foreign associations are required to maintain neutrality toward all political parties in Cambodia. Any associations or NGOs whose activities affect or jeopardize the national security or are involved with money laundering, terrorism financing or terrorist offences or any other criminal offences will be punished in accordance with the applicable criminal law of Cambodia.

viii. Sub-Decree on Organization and Functioning of Ministry of Interior dated 19 August 2015

Prior to this Sub-Decree, the organization and functioning of the Mol was established by certain Sub-Decrees. However, those Sub-Decrees were subsequently repealed and the organization and functioning of the Mol was restructured through this Sub-Decree No. 109.

Under this Sub-Decree, the Mol is commissioned by the RGC to lead and manage all levels of administrative territories, administrative politics, national polices, national security, public order, and safety in the Cambodia society. This Sub-Decree aims to determine the roles, duties, and structure of the Mol. It is applicable to all sub-national administration and all entities under the Mol.

The Mol serves as an executive agency of the RGC and has been empowered by it to carry out the roles and duties as follows:

- lead, coordinate, and support the sub-national administrations to duly implement their duties in accordance with the Law on Municipal, Provincial, District, and Khan Administration, the Law on Commune and Sangkat Administration, and other related regulations;

- command and to lead national police forces, municipal and provincial unified command committees, as well as to collaborate and coordinate with other relevant authorities in protecting national security, strengthening public order, and ensuring social safety in Cambodia;
- command and to lead the competent forces in managing identification and nationality affairs;
- command and to lead the competent forces in managing migration and refugees;
- register political parties, associations, and non-governmental organization, and to monitor and inspect the due implementation of the laws in force and their respective statute;
- command, lead, and manage the prisons in Cambodia;
- propose principles, measures, and implementation of state secrets in accordance with the laws;
- protect the safety of the King, high-ranking leaders, either national or international, and to protect national political, diplomatic, economic, cultural, commercial and tourist institutions, protect important events, either national or international, national and international delegates, and foreigners staying in Cambodia;
- take a lead in management of weapons, explosive materials, and gunpowder of national police forces, public entities, government officials, and civil people, fire prevention and firefighting, rescue, locating missing people, protecting public order and safety of roadway, waterway, and railway traffic in accordance with the laws;
- determine measures for leading and managing border police, contributing to the protection of territorial integrity and national sovereignty of Cambodia in accordance with national and international law, as well as maintaining security and order along the border; and
- carry out other duties and rights assigned by the RGC.

Please see Schedule 10 for the organizational chart of the Mol attached hereto.

ix. Sub-Decree on Organization and Functioning of the Ministry of National defense dated 14 September 2000

Since establishment of the MND, the organization and functioning of this ministry has been subsequently changed based on the scope of works of the ministry. In 1995, some cabinets and departments were created in order to regulate national defense affairs. In 1999, the

organizational structure of the ministry was restructured in which more departments and general departments were established.

Due to further necessary need in national defense control and in order to arrange a clear organization and functioning of the MND, the ministry created this Sub-Decree to determine organization of various entities of the MND including general department and departments, and missions of the ministry. Under this Sub-Decree, the MND is commissioned by the RGC to lead and control national defense affairs in Cambodia.

The MND serves as an executive agency (Etat-Major) of the RGC and has functions and duties, amongst other, as follows:

- To lead, manage and implement national defense policies of the RGC;
- To properly nominate, recruit, control number of army in the RAC;
- To manage, supply, control of material, technical instrument, moveable and immovable property, construction, budget for supporting living costs and health care of military in the RAC;
- To train, develop human resources and organize skill improvement courses for military in the RAC;
- To implement all treaties and military cooperation with the country who is a signatory of agreements with the RGC; and
- To carry out other duties/roles assigned by the RGC.

Please see Schedule 11 for the organizational chart of the MND attached hereto.

x. Sub-Decree on Organization and Functioning of National Center for Management of Peace Keeping Force, Mine and Explosive Remnants of War Clearance dated 5 August 2009

This Sub-Decree determines the organization and functioning of the National Center For Peace Keeping Force, Mine and Explosive Remnants of War Clearance (“NPMEC”). The NPMEC is the only national center whose role is to dispatch the forces to participate in the peace keeping missions of the United Nations. According to this Sub-Decree, the NPMEC has duties, among other, as follows:

- draw up a long, medium and short-term strategy plan of the NPMEC for mines and war remnants clearance and a global peace keeping;
- draw up a plan for mine clearance operation and global peace keeping, which includes maintenance of public order, military observation, administrative affairs, calamities and any other tasks involving the peace keeping missions of the United Nations;
- design procedures, technical principles and regulations relating to peace keeping activities and mine clearance;
- develop organizational structure for specialized forces, documents, materials, means and equipment in accordance with the standard of the United Nations for all forces participating in peace keeping missions of the United Nations;
- conduct research study on geography, economy and politics of the countries, for which the United Nations request for participation in peace keeping, to select a country which is suitable for Cambodia and submit the same to the National Committee and the MND;
- cooperate with Mine Authority of Cambodia (“**MAC**”), other executive bodies and the United Nations to conduct research study, prepare documents, manage, analyze and compare data and minefield locations, mines, war remnants and conduct public awareness on danger caused by mines and war remnants in the country and countries in possession of mines;
- study legal aspects, conventions and memorandums of understanding relating to peace keeping tasks of the United Nations;
- cooperate with countries, national/international development agencies, state institutions, relevant authorities and private agents in order to provide facilitation and to mobilize resources to provide support in form of materials, equipment, means and installation equipment, budget and exchanges of experience and technology aimed at serving peace keeping affairs and mine clearance;
- implement the Ottawa Convention / Treaty on the banning, usage, stockpiling, and the production of anti-personal mine, which is part of the crucial role of the Royal Cambodian Armed Forces in clearing mines and war remnants to actively participate in the restoration and the development of the country, including mine clearance for road construction and for resettlement by the people;

- take strict measures, monitor works, ensure high safety for forces in all units of the RCAF who are performing missions in clearing mines and war remnants and peace keeping as assigned by the higher authorities;
- manage explosives and weapons of all types at its disposal for serving the fields of peace keeping and mine clearance and war remnants of the RCAF; and
- perform other duties assigned by the MND and/or the National Committee.

11. Laws relating to prevention and suppression of corruption

Please see a key content of each law and regulation related to prevention and suppression of corruption as following:

i. Law on Anti-Money Laundering and Combatting the Financing of Terrorism (“AML/CFT”) dated 24 June 2007

This law was promulgated on 24 June 2007. It is intended to impose measures to combat money laundering and terrorist financing as well as to organize and monitor the execution of these measures. This law is applicable to the following persons and professions (hereinafter referred to as “**Reporting Persons**”):

(a) banks including branches of foreign banks; (b) non-banking financial institutions including securities brokering companies and insurance companies; (c) micro-finance institutions; (d) credit cooperatives; (e) lease companies, pension funds and investment companies and investment fund management companies; (f) money-exchange businesses; (g) money-transferring services; (h) real estate, building, and land agents; (i) traders of precious metals and stones; (j) post office conducting payment transaction; (k) lawyers, notaries, accountants, auditors, investment consultants and property controllers when those persons arrange or conduct an activity related transaction for their client; (l) casinos and other gambling establishments; (m) non-governmental organizations and fund-raising organizations; (n) other persons or professions specified by the CAFIU within the application limit of the law.

According to this law, activity related transactions include, among other, purchasing and sell real estates, managing cash, securities or other current assets of customers, establishing, operating, or managing a legal entity or coordination and purchasing and selling a business organization, and trust companies or companies which provides services when those

companies plan to perform or perform activities for their clients such as acting as an agent for establishment of a legal entity, acting or having anyone acting as a manager of a trust company, acting or having anyone acted as shareholder who is appointed to replace other person etc.

This law prohibits the Reporting Persons from, among other, using banking and professional confidentiality to prevent enforcement of law and as an excuse to refuse providing information to the CAFIU, supervision institutions⁶⁷ or the court, and opening or maintaining anonymous account or homologous product. In addition, this law requires the Reporting Persons to, among other, adhere to Know Your Customer measures, to identify customers conducting transaction under any limited amount, and monitor certain transactions.

Under this law, the Cambodia Financial Intelligence Unit (“**CAFIU**”) shall be established under supervision of the National Bank of Cambodia (“**NBC**”) and shall have sufficient financial resource and authority to independently make decisions on any works under its responsibilities. The CAFIU can cooperate with foreign financial intelligence unit by signing a cooperation agreement between them to exchange information in compliance with the requirements set forth in that cooperation agreement.

Failure to comply with any provision of this law will be subject to sanctions such as warning, reprimand, prohibition from conducting any transaction, request for termination of a related official or manager of the Reporting Persons, fine, and/or imprisonment.

Some Articles of this law were amended by Law on Amendment to the Law on AML/CFT, effective on 03 June 2013.

ii. Criminal Code of Cambodia dated 30 November 2009

The Criminal Code was promulgated through this Royal Kram in 2009. This Criminal Code specifies offences, points out persons who could be declared as responsible for the offences and determine the penalties as well as the modalities of their application. Under this Criminal Code, offences are classified, according to their severity, as felonies, misdemeanors and petty crimes.

⁶⁷ Under this law, supervision institutions refer to NBC, Securities and Exchange Commission of Cambodia, and other institutions supervising reporting persons.

This Criminal Code provides certain corruption offences and sanctions applicable to the same, such as corruption committed by employees, bribes given to employee, corruption committed by a director, money laundering, corruption committed by a judge, bribes given to a judge, bribes taken by a witness to produce false testimonies, bribes given to a witness, passive influential deal, active influential deal, bribes taken by an authorized person to issue forged documents, bribes given to an authorized person to issue forged document, bribes taken by a member of a health organization to issue a forged certificate, bribes given to a member of a health organization to issue a forged certificate, corruption committed by an interpreter/translator, bribes given to an interpreter/translator, corruption committed by an expert, and bribes given to an expert, etc.

Any person committing the above mentioned offences will be punishable by an imprisonment and a fine. The fine amounts and periods of imprisonment are varied depending on the offences committed and the severity of those committed offences.

iii. **Law on Anti-Corruption dated 17 April 2010⁶⁸**

This law aims to promote effectiveness of all forms of service and strengthen good governance and rule of law in leadership and state governance as well as to maintain integrity and justice which is fundamental for social development and poverty reduction. The objective of this law is to combat corruption through education, prevention, and law enforcement with public participation and support and international cooperation. This law is applicable to all forms of corruption in all sections and at all levels throughout Cambodia, which occurs after the law comes into effect.

In order to govern anti-corruption affairs, this law creates a National Council Against Corruption (“**NCAC**”) and Anti-Corruption Unit (“**ACU**”) (together named under this law as Anti-Corruption Institution (“**ACI**”). This law provides the legal basis to establish anti-corruption units at national and sub-national levels to prosecute criminals in public office and allow citizens to complain about criminal behavior. These instruments pursue a public interest to prosecute criminals holding public office as well as to discourage the misuse of public power and the misuse of public funds.

⁶⁸ This Law on Anti-Corruption was established after Cambodia signed the UN Convention on Corruption (2005), which requires the government to establish legal frameworks and institutions to combat corruption. The adoption of an anti-corruption law and the establishment of an anti-corruption unit are important national reflexes to comply with international obligations set out in this Convention. This Convention was acceded by Cambodia on 5 September 2007.

The NCAC was created to provide guidance/consultation and recommendation on anti-corruption works. This NCAC comprise of 11 members and these members shall meet certain requirements provided under this law. The ACU is led by a chairperson and a number of vice-chairpersons.

Under this law, upon taking and leaving offices the following persons are required to declare assets and liabilities regardless of whether those assets are inside or outside the country, and shall submit in person in writing or electronic form of declaration form accompanied with certain required documents to the ACU (formalities and procedure for declaration of assets and liabilities shall be determined by the decision of the ACI):

1. Members of Senate, members of National Assembly, and Members of the Royal Government;
2. Appointed public officials with a specific mandate;
3. Members of the National Council Against corruption, chairperson, vice-chairpersons and all officials of the Anti-corruption Unit;
4. Civil servants, police, military personnel and other public servants appointed by Royal Decrees or Sub-Decrees;
5. Other officials appointed by Prakas and decided by Anti-Corruption Unit's list of declaration on assets and liabilities, after the consultation with National Council Against corruption;
6. Trial judges, prosecutors, notary public, court clerks and bailiff; and
7. Leaders of civil society.

In addition, this law also provides certain offences which are considered as corruption offences under this law and the procedure for the implementation of those corruption offences. In term of procedure, officials of the ACU, who are appointed as judicial police, shall conduct investigation of corruption offences in compliance with the provisions of Criminal Procedure Code and provisions of this law. Moreover, the ACU has, in order to fulfill its works related to corruption offences, certain privileges such as privileges in monitoring, proposing to related authority to suspend functions of any individual involved in corruption offence, freezing individual's assets, and cooperating with public authority.

This law also state about a provision on extradition related to corruption offenses. In this case, provisions of the Criminal Procedure Code shall apply. The ACI and relevant authorities

having jurisdiction have an obligation to seek international cooperation and mutual legal assistance in terms of the property's status of Cambodians holding more than one nationality. Procedures for implementing mutual legal assistance shall be complied with principles determined in treaties or bilateral and multi-lateral agreements, and national law in force.

iv. Law on Amendment to the Law on Anti-Corruption dated 1 August 2011

The Law on Anti-Corruption (2010) was amended by this law on 9 August 2011 (“**Amendment Law**”). According to this Amendment Law, some articles provided under the Law on Anti-Corruption (2010) were amended, repealed, and supplemented. Those amended, repealed and supplemented provisions are related to, among other, administrative act of chairman of the NCAC in which he/she is entitled to issue a Prakas to organize structures of the ACU from the subordinated-department level, and the appointment, change, and termination of duties of the ACI from the subordinated-department level as requested by the ACU's chairman, and related to budget and resources of the ACI in which the ACI has a separate budget package for its work operation and the package is within the national budget. The ACI receives the necessary resources from the RGC.

v. Sub-Decree on Establishment of Financial Intelligence Unit dated 29 January 2008

CAFIU was established through this Sub-Decree on 29 January 2008 under the NBC. This CAFIU is led by a board of directors comprising of (1) representative of NBC, (2) representative of Ministry of Justice, (3) representative of Office of Council of Ministers, (4) representative of Ministry of Interior, and (5) representative of Ministry of Economy and Finance. This Sub-Decree requires CAFIU having a permanent secretariat led by a General Secretary.

Please see Schedule 13 for the organizational chart of CAFIU attached hereto.

vi. Sub-Decree on Appointment of Board Composition of Cambodia Financial Intelligence Unit dated 30 December 2010

Under this Sub-Decree, the board members leading CAFIU shall comprise of (1) Governor of the NBC (Chairman), (2) representative of Ministry of Justice (member), (3) representative of

OCM (member), (4) representative of Ministry of Interior (member), and (5) representative of Ministry of Economy and Finance (member).

vii. Sub-Decree on Budget Management and Arrangement of Anti-Corruption Institution dated 10 January 2011

This sub-decree aims to determine the budget management and arrangement of the ACI. Under this Sub-Decree, the ACI has a separate budget package to operate its own activities/works. This budget package is equivalent to 0.2% - 0.3% of the total current expenditure of the national budget. This rate is revised once every three years. An additional budget may be requested from the RGC as necessary.

This Sub-Decree further provides that the ACU reviews and makes a proposal for annual budget to the Ministry of Economy and Finance. Civil servants and heads of management of the NCAC and ACU shall obtain an allowance for fulfilling works against corruption, known as a separate work allowance which is added to their basic salary and other monthly remuneration.

viii. Sub-Decree on Organization and Functioning of Anti-Corruption dated 10 January 2011

This sub-decree aims to determine the organization and functioning of ACU. The ACU's mission is to fight against corruption in all forms, all sectors, and all levels through education, prevention, control, and implementation of laws against corruption offense with the support from the people and international cooperation.

The ACU has duties as follows:

- Implement laws, rules, and regulations in force related to corruption offense;
- Develop action plan to fight against corruption in accordance with the strategy and policy of the National Council for Anti-Corruption;
- Managing the prevention and suppression of corruption;
- Monitoring, investigating, inspecting, researching, as well as proposing measures related to corruption offense in all ministries, public and private institutions and entities in accordance with the procedures in force;
- Receiving and examining all complaint related to corruption and taking actions in accordance with the procedures in force;

- Receiving and examining all complaint related to non-implementation of information on public services;
- Searching, examining, and arrangement the documents and information related to corruption;
- Taking necessary measure for maintaining the security of the informant of corruption;
- Managing the system of asset and liability declaration as provided in the anti-corruption law;
- Leading the educational campaign to make the people aware of the consequences of corruption and encourage them to participate in prevention and elimination of corruption;
- Cooperating with national, regional, and international organizations in fighting against cross-border corruption; and
- Fulfill other obligations assigned by the RGC and the laws in force.

Please see Schedule 12 for the organizational chart of the ACU attached hereto.

ix. Sub-Decree on Establishment of National Coordination Committee for Anti-Money Laundering and Combatting the Financing of Terrorism dated 12 June 2015

A National Coordination Committee on AML/CFT (“NCC”) was established by this Sub-Decree on 12 June 2015 as a permanent and senior-level coordination mechanism for preventing and controlling money laundering and terrorist financing in Cambodia. This NCC has the authority to make decision through a majority of members in order to arrange for the coordinating mechanism, prevention and control of money laundering and terrorism financing in Cambodia.

Article 1 of this Sub-Decree provides for the composition of the NCC which was adjusted by Sub-Decree No. 63 ANK.BK on Adjustment of Article 1 of this Sub-Decree, effective on 8 April 2016. Under Sub-Decree No. 63, the NCC comprises of (1) Governor of the NBC; (2) Representative of Ministry of Economy and Finance, (3) Representative of National Counter Terrorism Committee; (4) Board Member of CAFIU representing Ministry of Interior; (5) Board Member of CAFIU representing Ministry of Economy and Finance; (6) Board Member of CAFIU representing Ministry of Justice; (7) Board Member of CAFIU representing Council of Ministers; (8) Representative of Ministry of Foreign Affairs and International Cooperation; and (9) General Secretary of CAFIU.

Under this Sub-Decree, the NCC has functions and duties as follows:

- Develop national policy for AML/CFT;
- Coordinate national policy with regional and international initiatives;
- Ensure implementation of Law on AML/CFT in effective manner;
- Ensure that Cambodia complies with recommendations of Financial Action Task Force, Asian Pacific Group membership requirements for money laundering, and Conventions, Resolutions, Declarations and Action Plans of United Nations against money laundering and combatting the financing of terrorism;
- Provide recommendations on legal and administrative measures and structures for the implementation of AML/CFT measures in proper manner;
- Establish AML/CFT system; and
- Monitor implementation of AML/CFT measures in effective manner.

x. Prakas on Organization and Functioning of Offices Under Management of Departments of Anti-Corruption Unit dated 2 September 2011

This Prakas aims to determine the organization and functioning of offices under the ACU. In term of organizational structure, the ACU comprises of 8 (eight) departments and each department consists of certain offices, and each office is led by a head and some deputy heads.

The 8 (eight) departments provided under this Prakas include as follows:

- 1) Department of administration and finance (having 4 (four) offices)
- 2) Department of personnel and training (having 3 (three) offices)
- 3) Department of security (having 4 (four) offices)
- 4) Department of asset and liability declaration (having 3 (three) offices)
- 5) Department of jurisdictional affairs, complaints, and international affairs (having 3 (three) offices)
- 6) Department of education, protection, and prevention (having 3 (three) offices)
- 7) Department of technicalities and testimony (having 4 (four) offices)
- 8) Department of investigation and espionage (having 6 (six) offices)

Under this Prakas, each office shall collaborate with other specialized offices in order to work smoothly. Each office subordinated to all departments of the ACU shall meet to share experiences at least once every month.

12. Laws relating to public procurement

The Law on Public Procurement was promulgated on 14 January 2012. This law is intended to ensure that the process of procurement of goods, construction works, services and consulting services is conducted in a transparent, accountable, fair, effective, distinguished, equal, economical and timely manner and to ensure a unified public procurement system in the Kingdom of Cambodia.

The objectives of this law are to prescribe the rules, methods, procedures and structures of governing and implementing all public procurements in Cambodia.

The Law on Public Procurement is applicable to all public procurements in the Kingdom of Cambodia irrespective of the sources of funds, except for:

- any procurement that is financed by development partners and that needs to comply with the guideline and procedures specified under financing agreement. If the financing agreement has not defined any other procurement guideline and procedure, the procurement process shall abide by the provisions of the Law on Public Procurement;
- any procurement that impacts on confidential information of the National Defence and Public Order, that needs approval from the Prime Minister;
- granting of concessions by the Government that shall comply with separate Laws and regulations.

According to the Sub-decree on Public Procurement dated 18 October 2006, procurement of goods, construction works and services must be made pursuant to the following methods depending on project price:

- International Competitive Bidding: This method will be used for mega projects to be determined in a sub-decree on rules and provisions on public procurement with participation of foreign bidders who may be able to provide comprehensive technical specifications, in order to select the most cost-effective and advantageous bidding proposal;
- Domestic Competitive Bidding: This method will be applied in the event that there is sufficient domestic production or construction capacity and the projected expenditure is not

high to attract or interest a foreign supplier or contractor in order to select the most cost-effective and advantageous bidding proposal;

- Price Consultation: this method will be used in all procurement of existing goods, construction works and services on domestic market. The price consultation method may be related to either domestic or overseas suppliers; and
- Price Survey: this method will be used for procurement of insignificant and low-cost goods.

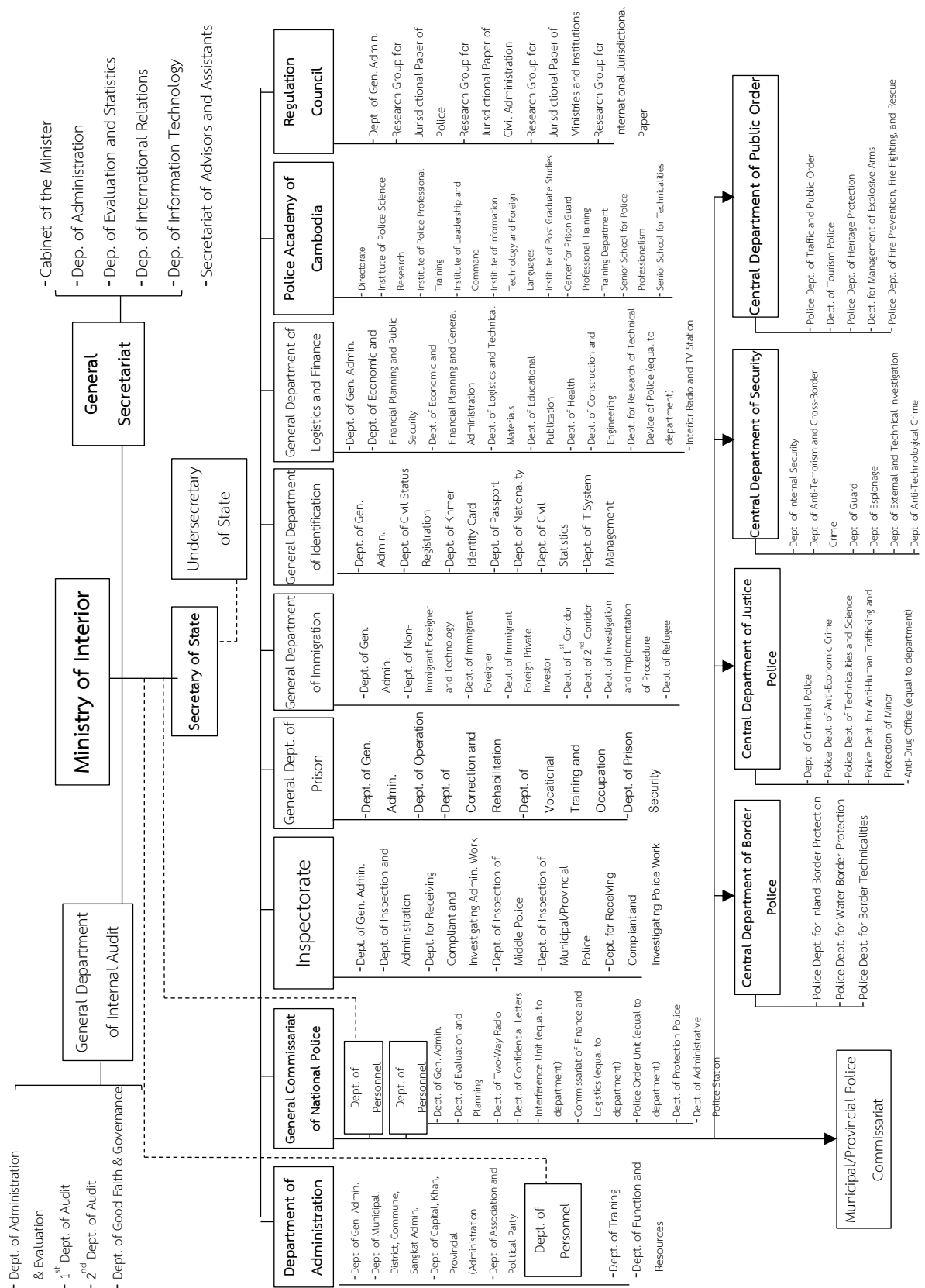
In addition, for exceptional cases with an approval from the Ministry of Economy and Finance, a competent regulator in public procurement, other methods of procurement may be used including direct contracting, contracting with expert entity of a procurement implementation institution and community interest procurement.

13. Laws relating to national emergency

To date, there is not yet a specific legislation concerning national emergency in Cambodia. National emergency is governed particularly by Article 22 (New) of the Cambodian Constitution dated 6 March 1999, which provides that when the nation faces danger, the King must make a public proclamation placing the country in a state of emergency, after unanimous agreement from the Prime Minister, the President of the National Assembly and the President of the Senate. Further, under Article 86 of the Cambodian Constitution, under the circumstances when the nation is in a state of emergency, the National Assembly must convene a meeting on a daily basis. The National Assembly has the right to put an end to the aforementioned special circumstances, whenever the situation permits. If the National Assembly cannot convene a meeting for imperative reasons, notably in case of territorial occupation by foreign forces, the declaration of the state of emergency must be automatically extended. During the period when the nation is in a state of emergency, the National Assembly cannot in any case be dissolved.

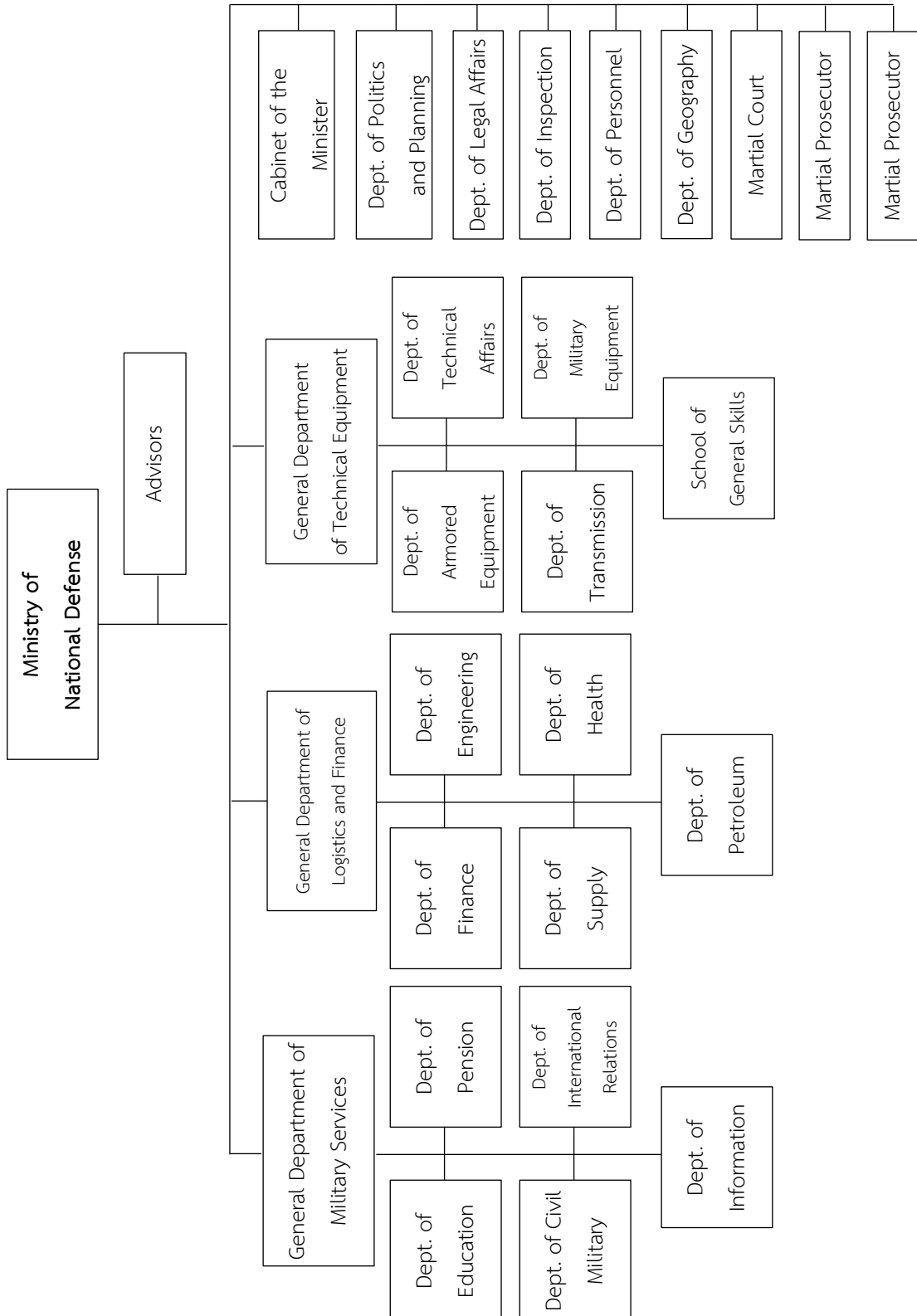
SCHEDULE 10

Organizational Chart of the Ministry of Interior



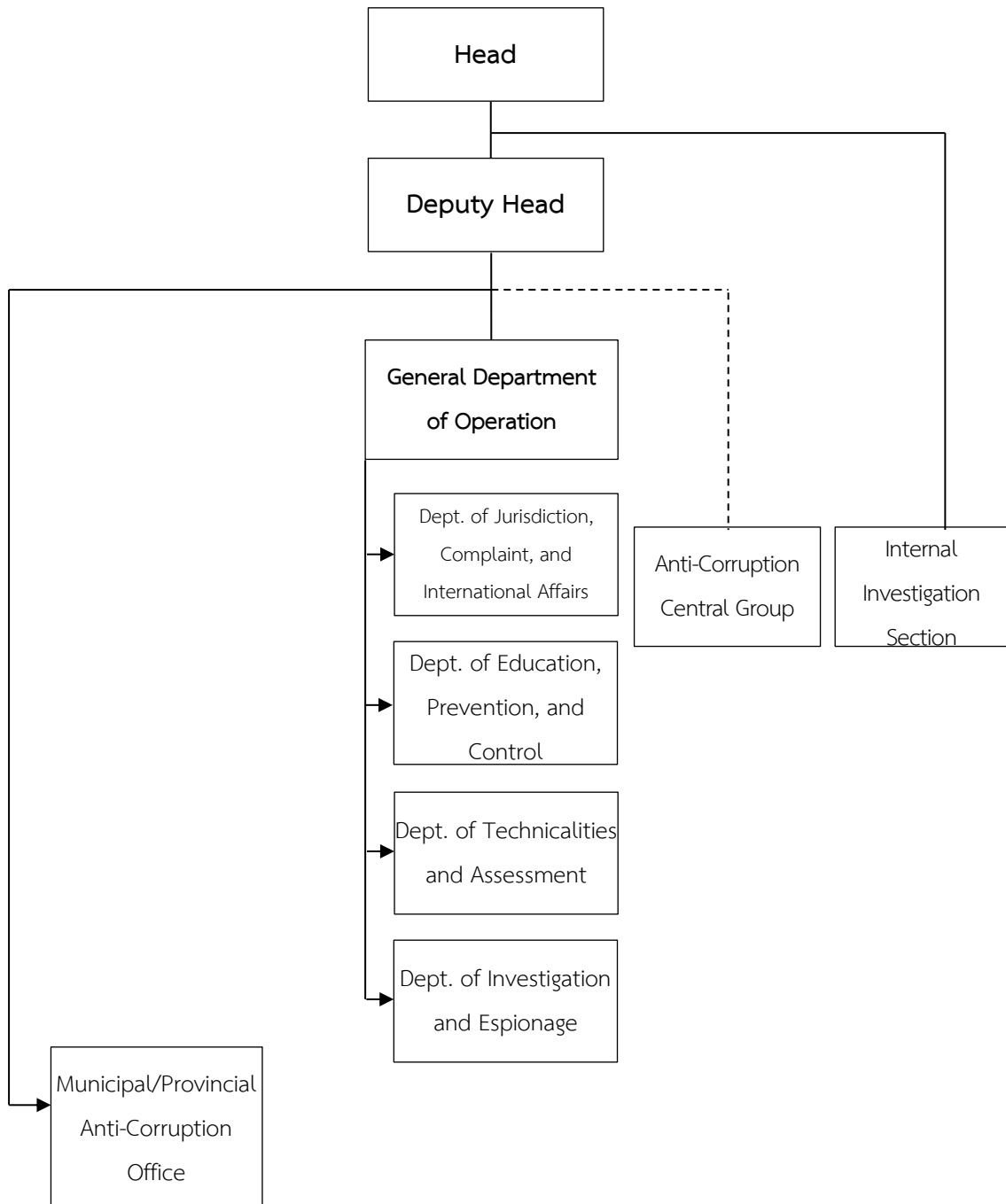
SCHEDULE 11

Organizational Chart of the Ministry of National Defense



SCHEDULE 12

Organizational Chart of the Anti-Corruption Unit



SCHEDULE 13

Organizational Chart of the Cambodia Financial Intelligence Unit

