


MONTHLY UPDATE**I. INVESTMENT UPDATE**

In the first month of 2024, Council for the Development of Cambodia ("CDC") approved 32 investment projects with the total investment capital of USD 187 million which could create approximately 29,000 jobs as per CDC's press release dated February 1st, 2024. Most of the investments are in industrial sectors, which include electronic manufacturing, electronic moto-bike, bicycle and trailer assembly, charger tools, etc. The main sources of foreign investment are from China, South Korea, Singapore, and the United States.

SPECIAL PROGRAM TO PROMOTE INVESTMENT IN PREAH SIHANOUK PROVINCE 2024

Preah Sihanouk Province, a coastal province of Cambodia, is abundant with investment potential given its connection with important infrastructures such as deep-sea port, airport, and expressway. The Royal Government of Cambodia (the "RGC") has set the priority to accelerate the development of this province to become a multi-purpose special economic zone and an important economic pole in driving the Kingdom's economic growth. In late 2023, the RGC issued a Special Program to Promote Investment in Preah Sihanouk Province 2024 (the "Special Program"), by providing various incentives to the investment projects.

(You may find further information of this Special Program on our website below.)



II. COMMERCIAL LAW

PRAKAS ON THE IMPLEMENTATION OF RIGHTS OF PARTIES IN SECURED TRANSACTION

On October 23, 2023, the Ministry of Commerce issued a Prakas on the Implementation of the Rights of the Parties in Secured Transaction, which aims to determine notice filling, searching the filling office public record, requesting certified report of information, caution-listing, obligations of entities under the authority of the Ministry of Commerce (“MOC”). This Prakas aim to strengthen the implementing measure of rights of the parties under the security agreement where the notice is filled with secured transaction filling office (“SETFO”) with respect to the Law on Secured Transaction. This Prakas also sets out additional clarification on the types of movable property which can be used as collateral. The followings are some key summaries of this Prakas:

NOTICE FILLING

Notice letter can be filled at SETFO through an automated system (www.setfo.gov.kh) in order to perfect the security rights and create priority rights with respect to the Law on Secured Transactions. The requested individual should keep the passport obtained from this system for the future filling of an amended notice, a continuance statement, or a termination statement.

SETFO’S PUBLIC RECORD

In order to reduce the risk, damages, and dispute when creating any security agreement or any other secured transactions in which movable property may be used as collateral, an individual may request access to the SETFO’s public record through the automated system (www.setfo.gov.kh). The requested individual must have an account with the above system for this search.

CERTIFIED REPORT OF INFORMATION

An individual may request SETFO for a certified report of information as the court evidence, as the certified document for MOU's public service, or for other necessary uses. The SETFO officer shall verify the information in the system and issue this certified report of information by the date and time of the request.

CAUTION-LISTING

The creditor or one's agent/representative in the filled notice related to the security agreement or secured transaction may request SETFO to review and verify the debtor as one on the caution-list in the event of default. In the case that the debtor is a legal entity, the name of the shareholder and/or the member of the board of directors shall also be on the list of that debtor. This list shall not be available to the public. An individual may request SETFO to issue certified letter of one's status on this caution-list.

SETFO'S OFFICER

The SETFO officer shall have the administration authority with respect to the Law on Secured Transactions and its related regulations to accept or reject the notice filling. Any rejection of the notice filling shall be made with facts and reasons and delivered to the requested individual.

III. LABOR LAW

INSTRUCTION ON THE ISSUANCE OF WORK PERMIT FOR FOREIGN EMPLOYER

The Ministry of Labor and Vocational Training issued an Instruction on Foreign Work for Foreign Employers on December 28, 2023. This instruction reaffirms the followings:

- The foreign employer represents on the patent tax certificate shall have a foreign work permit. The application shall be made through the website (www.fwcms.mlvt.gov.kh).
- The foreign employee represents on the patent tax certificate or self-employed shall have the foreign work permit.



- Foreign shareholder and member of the board of directors set out in the company article of incorporation who does not have resident visa in Cambodia does not require the foreign work permit.

NOTIFICATION ON THE APPLICATION AND EXTENSION OF WORK PERMIT AND EMPLOYMENT CARD FOR FOREIGNER 2024

The Ministry of Labor and Vocational Training issued a notification on the Application and Extension of Work Permit and Employment Card for Foreigners for 2024 on December 28, 2023. This notification reaffirm the followings:

- Foreigner who used to have work permit and employment card shall apply for extension of these documents prior to March 31, 2024.
- Foreigner who just start working or operating business in Cambodia shall fulfill all required documents with respect to Cambodia Labor law and regulations.

The application and extension of the work permit and employment card shall be made through the website (www.fwcms.mlvt.gov.kh). The Non-compliances shall be subject to penalties with respect to the Labor Law and regulations.



*This **Montly Update** is a general information only and is not considered as legal advice or opinion. If you require any further information or have any questions, please contact Mr. HOUN Vannak, managing partner of RHTLaw Cambodia.*

OUR MANAGING PARTNER



Mr. HOUN Vannak
Managing Partner of RHTLaw Cambodia

Mobile: +(855) 12 737 123
Office: +(855) 23 886 616
Email: vannak.houn@rhtlawcambodia.com

AUTHOR



Mr. SAT Sokvisal
Senior Associate

Mobile: +(855) 60 333 161
Office: +(855) 23 886 616
Email: sat.sokvisal@rhtlawcambodia.com