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성공적인 투자진출을 위한 TIP



충분한 타당성 조사와 준비는 필수

현지에 이미 진출해 있는 한국기업이나 현지정부의 권유만을 믿고 투자진출을 결정하는 것은 바람직하지 아니하며, 발생가능한 모든 변수를 고려하여 현지를 직접 방문해 투자진출 타당성을 조사하는 등 철저한 사전 시장조사가 필수적이다.



합작투자 보다는 단독투자가 바람직

현지 진출 기업의 대부분은 단독투자 형태인데, 현지기업인 혹은 여타 인사를 합작파트너로 하는 것은 자칫 예상치 않은 분쟁을 일으킬 소지가 많다. 이는 상도덕 측면에서 현지 파트너의 경우 종종 예상하지 못한 행동을 하는 사례가 발생하고 있기 때문이다.

현지 파트너 대부분이 국제 비즈니스에 대한 노하우 및 경험이 거의 없기 때문에 중요한 의사결정 시 거의 제 역할을 하지 못하며, 사소한 분쟁 해결이나 노무관리 등 일반적인 업무에 국한하여 협력을 구할 수 있는 정도이다.



부동산 관련 법령 숙지

캄보디아는 헌법 및 관련 법령에 외국인의 부동산 소유를 금지하고 있다. 그러나 부동산 매매가 자유스럽기 때문에 임대보다는 편법적인 방법을 동원하여 부동산을 매입하는 경향이 있는데, 이는 향후 캄보디아 정부의 외국인 소유 부동산에 대한 국가 강제수용에 대항할 수 없다는 점에서 상당히 위험하다고 볼 수 있다.



철저한 노무관리 필요

캄보디아의 노동환경은 국제노동기구가 인정하는 양호한 수준이며, 복수노조 설립이 허용되고, 산업별 과격성을 보이는 노동단체가 활동 중이어서 일부 외국 공장이 어려움을 겪고 있다는 점에서 사전에 현지노동법에 대한 완전한 숙지 및 노조활동에 대해 확실하고 구체적인 대응책을 마련하는 것이 필요하다.

I. 투자 여건

1. 투자 환경

■ 아세안의 전략적 요충지에 소재

- 동남아시아의 중심부에 소재하고 있는 캄보디아는 가장 역동적인 경제발전을 이루고 있으며, 1999년 인구 5억5천만명의 10개 회원국으로 구성된 동남아 국가연합(ASEAN)에 가입
- 아세안 자유무역지대(AFTA)의 관세인하 스케줄에 따라 캄보디아의 대 아세안 수출입품목에 대한 관세는 2010년까지 0~5%로 인하되며, 2018년에는 역내교역에 대한 관세가 완전 철폐됨
- 2010년 중국-아세안 자유무역지대(CAFTA)가 창설되면 동 시장은 인구 17억명의 최대시장으로 탄생하게 되며, 아세안은 현재 여타국가와의 자유무역협정체결에도 적극적으로 나서고 있는 중임

■ 개방지향적 시장경제 체제 추구

- 캄보디아는 미국의 헤리티지 재단에서 매년 발표하는 경제자유지수가 2003년 기준 170개국 중 35위에 기록될 정도로 폭넓은 시장 개방 정책을 추구하고 있는 국가임. 이는 일본과 거의 비슷한 수준이며, 태국(40위), 말레이시아(72위), 인도네시아(99위), 베트남(135위), 라오스(153위) 등 인근국과 비교하여 큰 차이를 보임
- 대부분의 저개발국가가 공통적으로 가지고 있는 빈약한 사회 인프라 문제는 캄보디아도 동일한 실정이나, 여타 저개발국과는 달리 적극적인 시장개방 정책을 근간으로 하여 빠른 속도로 인프라가 확충되고 있는 추세임

■ 특별한 자산 보유

- 캄보디아는 앙코르와트라는 세계적 문화유산을 보유한 국가로서 앙코르와트 방문객이 2006년에 1천7백만명을 넘어설 정도로 방문 관광객수가 급증하고 있는 추세임
- 또한, 캄보디아는 여타 국가에 비해 상당히 양호한 노동력을 보유하고 있음. 산업화가 초기단계에 있어 숙련노동력을 확보하는 것에 다소 어려움이 있기는 하지만, 노동자들의 근로의욕이 상당히 높은 편이며 임금 수준은 태국의 절반 정도로 저렴함

2. 대 캄보디아 외국기업 투자진출 동향

■ 인도차이나의 주요 투자대상지역으로 부상

- 캄보디아는 메콩강을 중심으로 한 전형적인 농업 국가이며, 산업화의 기반을 갖추기 시작한 시점에 내전을 겪어 현재는 외국계 봉제공장이 대부분이지만 산업화를 향한 정부의 의지에 힘입어 봉제 이외의 경공업 분야가 점차 활성화되는 움직임을 보이고 있음
- 특히, 중국 등 기존 주요 투자대상 지역의 투자 메리트가 점차 약화되기 시작하면서 새로운 투자대상 지역으로 베트남, 캄보디아 등 인도차이나 지역이 부상하고 있으며, 저렴한 인건비 수준을 배경으로 캄보디아에 진출하는 외국기업은 해를 거듭할수록 크게 늘어나고 있는 추세임
- 현재 한국의 대 캄보디아 투자진출은 30여개의 봉제공장이 주류를 이루고 있지만 최근의 폭증하는 관광객을 겨냥한 관광업 및 양호한 토양을 이용한 농업분야 등 투자진출 분야가 다양화되고 있는 추세임
- 외국인투자 유치 전담기관인 캄보디아 개발위원회의 통계에 의하면 한국의 대 캄보디아 투자는 누계 기준으로 2006년까지 약

13억6,341만 달러를 기록했고, 투자 승인 누적 건수는 2006년까지 총 65건을 기록하였음. 2006년 한국의 대 캄보디아 투자는 10억9천8백만 달러를 기록해 1위를 기록하였음

■ 2003년 이후 외국인직접투자 가파른 상승세

- 캄보디아에 대한 외국인직접투자는 투자금액 기준으로 1998년 이후 지속적으로 감소 추세를 보였으나, 2003년도 이후 상승세로 반전되어 꾸준한 증가세를 보이고 있음
- 2006년도의 경우 캄보디아 개발위원회(The Council for the Development of Cambodia: CDC) 승인액 기준으로 외국인 직접투자는 44억1천4백만 달러를 기록하여 2005년의 10억4천8백만 달러와 비교하여 무려 4배 이상 증가하였음
- 주요국별 대 캄보디아 투자는 1994~2006년간 누계 투자금액 기준으로 말레이시아, 중국, 한국 순으로 나타나고 있음. 특기할 만한 점은 중국의 대 캄보디아 투자가 해를 거듭할수록 큰 폭으로 증가하고 있다는 사실인데, 이는 중국이 캄보디아를 동남아 진출의 전초기지로 활용하고 있다는 것을 입증하고 있음

<국별 외국인 투자현황>

(단위: 백만 달러)

	2000	2001	2002	2003	2004	2005년	2006	누계
미국	12.7	5.9	3.2	-	5.6	9.8	67.5	581.4
EU	21.9	2.0	1.6	6.2	4.9	14.0	314.6	706.6
중국	28.4	5.0	24.1	34.1	83.1	452.0	717.1	1,578.8
한국	19.4	2.1	79.0	2.4	6.2	56.0	1,009.8	1,362.1
일본	0.2	-	2.2	-	2.2	-	2.0	22.4
대만	18.9	57.0	6.8	1.3	13.7	10.4	47.7	574.2
홍콩	4.9	1.2	1.6	5.5	-	1.4	4.1	247.9
ASEAN	51.8	66.3	26.2	15.7	39.0	132.6	171.1	2,737.5
기타	59.9	65.1	93.1	186.1	75.8	372.0	2,080.9	4,387.2
계	218.1	204.6	237.8	251.3	230.5	1,048.1	4,414.8	12,198.1

주) 누계는 1994~2006년간 CDC 승인기준 누계치임

자료원: 캄보디아 개발위원회(CDC)

- 분야별로는 봉제분야가 섬유 쿼터 철폐에 따른 미래의 불확실성에도 불구하고 꾸준히 증가, 제조업 분야 투자를 주도하고 있으며, 앙코르와트 관광객을 겨냥한 관광분야의 투자도 꾸준한 증가 추세를 보이고 있음

<분야별 외국인투자 현황>

(단위: 백만 달러, 건)

분야별	2002	2003	2004	2005	2006	1994~2006
농업	40.3 (6)	3.7 (2)	12.4 (2)	26.8 (5)	514.2 (20)	911.1 (114)
제조업	52.1 (19)	86.6 (29)	126.4 (48)	761.1 (70)	888.3 (61)	3,773.5 (721)
인프라 서비스	98.2 (6)	46.4 (6)	35.9 (5)	35.5 (2)	2,650.4 (9)	3,567.5 (82)
관광업	47.2 (3)	114.6 (10)	55.8 (5)	107.6 (6)	362.0 (10)	2,816.2 (97)
계	237.8 (34)	251.3 (47)	230.5 (60)	1,048.1 (104)	4,414.8 (100)	12,198.1 (1,222)

주1) 1994~2006년간 CDC 투자승인 기준

주2) ()은 건수

자료원: 캄보디아 개발위원회(CDC)

3. 한국 기업의 투자 동향

■ 1997년 외교관계 수립 이후 본격적인 투자진출

- 한국기업의 대 캄보디아 투자진출은 1997년 양국간 외교관계가 정식으로 수립된 이후 본격화되었음. 캄보디아 개발위원회(CDC) 투자승인 기준 1994~2006년간 우리나라의 캄보디아 투자진출 실적(누계)은 약 13억6,341만 달러를 기록하고 있으며, 2006년도에는 CDC 투자승인 기준 총 5건 10억9천8백만 달러 규모를 기록해 동년에는 우리나라가 제1위 투자국이었음. 1994~2006년간 투자실적(누계) 기준으로는 말레이시아, 중국에 이어 3위를 기록하고 있으나, 현재의 추세에 비추어 조만간 1위 탈환이 예상된다

- 한편 요식업, 관광업(여행사 포함), 도·소매업, 미용업 등

현지인과의 합작 또는 현지인 명의를 차용하여 진출한 영세규모의 투자진출(CDC 통계에 포함되지 않는 경우가 많음)이 압도적으로 많은 편이어서 투자진출 건수 면에서는 결코 무시할 수 없는 수준임

<우리나라의 대 캄보디아 투자추이>

(단위: 백만 달러)

구 분	1997년	1998년	1999년	2000년	2001년	2002년	2003년	2004년	2005년	2006년	누계
캄보디아	177.0 (11)	6.2 (6)	0 (0)	19.4 (5)	2.1 (2)	79.8 (5)	2.5 (2)	4.9 (4)	56.7 (15)	1,009.8 (5)	1,363.16 (55)

주1) ()은 건수

주2) 누계는 1996~2006년간 CDC 승인기준 누계치임

자료원: 캄보디아 개발위원회(CDC)

■ 봉제 위주에서 건설 분야 등으로 진출업종 다양화 추세

- 한국기업의 대 캄보디아 투자진출은 중고 오토바이 수출을 중심으로 한 무역업을 시작으로 초기에는 광산, 식당, 호텔, 관광 등 분야를 중심으로 투자가 이루어졌음. 1996년부터 다수의 봉제공장이 진출함으로써 대 캄보디아 투자진출이 본격화되었으며, 최근에는 여타 제조업, 미용센터, 극장에 이르기까지 투자분야가 확대, 다양화되고 있는 추세임
- 특히, 최근에 들어서는 캄보디아에 일고 있는 부동산 개발붐을 타고 건설 분야의 투자도 활발히 이루어지고 있는 추세임. 또한 봉제 등 노동집약형 산업투자 이외에 자원 활용형 농업분야의 투자비중도 점진적인 증가 추세를 보이고 있음
- 우리나라 기업의 캄보디아 투자진출은 합작투자보다 단독투자가 선호되는 특징을 보였으나, 최근에는 현지인과의 합작투자도 점차 증가되고 있는 추세임
- 한국기업의 진출 분야

- 제조업: 의류, PVC 파이프, 통신케이블, PE 백
- 농 업: 타피오카, 팜 오일
- 무 역: 차량, 중장비, 전선, 직물
- 건 설: 아파트, 배수로 공사, 도로, 상하수도
- 서비스: 은행, 미용센터, 통관, 자동차정비, 컨설팅
- 기 타: 호텔, 식당, 여행사, 골프연습장, 가라오케, 극장

<우리나라의 대 캄보디아 업종별 투자>

(단위: 백만 달러)

	농업	섬유의복	제조업	서비스업 건설업	관광업	기타	계
2006	0 (0)	21.5 (4)	0 (0)	988.3 (1)	0 (0)	0 (0)	1,009.8 (5)
누계	16.8 (5)	65.3 (36)	172.2 (4)	1,063.3 (6)	16.3 (3)	29.5 (11)	1,363.1 (65)

주1) ()은 건수

주2) 누계는 1994~2006년간 CDC 승인기준 누계치임

자료원: 캄보디아 개발위원회 (CDC)

- 관광 및 농업분야를 제외한 봉제 등 제조업 분야는 프놈펜 인근지역을 중심으로 이루어지고 있는데, 이는 제조업 여건이 여타 지역과 비교하여 가장 양호하기 때문이라고 볼 수 있음
- 농업분야는 특정지역에 국한되지 않고 캄보디아 전국에 걸쳐 이루어지고 있으며, 관광분야는 매년 1백만명 이상의 관광객이 방문하는 앙코르와트가 소재한 씨엠립 지역에 집중적으로 이루어지고 있음. 건설 분야는 프놈펜 및 씨엠립을 중심으로 활발한 투자가 이루어지고 있음
- 프놈펜 등 대도시를 제외한 농촌지역은 도로망이 제대로 구축

되지 않았고 전력도 공급되지 않는 지역이 대부분이기 때문에
외국기업의 투자유치에 한계를 보이고 있음

<캄보디아 진출 10대 한국 기업 리스트>

연번	회사명	투자년 도	투자내역	투자금액 (백만 달러)
1	CJ 캄보디아	1999	타피오카 재배 및 전분 생산	18
2	KOREX 플라스틱	1997	플라스틱 파이프	1.5
3	Imperial Garden Villa & Hotel	1999	호텔 및 빌라임대	5
4	경안전선	2005	전선	25
5	ABA 은행		금융	
6	시안석산	1993	골재	1.7
7	참 텍스타일	2004	봉제	0.83
8	서흥	1997	봉제	0.65
9	인재	2005	봉제	1.5
10	고려 어페럴	1997	봉제	0.7

자료원: KOTRA 2005/2006 해외진출 한국기업 디렉토리

II. 투자유치 제도

1. 외국인투자 유치 정책·제도

■ 외국인투자 유치 정책

- 만성적인 재정 적자와 1인당 GDP 450달러 정도의 세계 최빈국의 하나인 캄보디아는 자본과 선진기술 도입, 고용창출 등 사회경제 발전을 위해 외국인투자 유치에 전력을 기울이고 있음
- 외국인투자의 장려와 투자에 대한 안전보장을 위해 「뉴욕협약(1958)」을 비준하고 국제적인 상업 중재에 관한 「UNCITRAL Model Law」 제정, 「MIGA」 규정 및 「국제투자분쟁해결센터(ICSID) 시행법률」 등을 채택하였으며, 1989년 시장경제 도입, 1994년 외국인투자법 제정·시행 및 개발위원회(CDC)을 통한 투자절차 간소화 등 외국인투자를 유치하려는 제도적 노력에 힘입어 투자여건이 상당히 개선되고 있음
- 외국인투자자는 법에 명시된 규정에 따라 내국인과 동일한 대우를 받을 수 있는 권리가 주어져(단, 헌법에 명시된 토지 소유는 예외) 외국인투자자의 사유재산에 부정적인 영향을 미칠 수 있는 국유화 정책을 취할 수 없다고 외국인투자법에 규정하고 있고, 캄보디아 정부의 사전허가를 받은 투자자가 생산한 제품이나 서비스에 대한 가격을 통제할 수 없도록 입법 조치함으로써 외국인투자기업을 보호하고 있음

■ 외국인투자 유치 제도

- 캄보디아는 1989년 7월에 처음으로 외국인투자법을 입법하였으나, 이 법은 총 44개의 개략적인 조항만을 포함하고 있어 외국인투자 유치에 실질적인 기여를 하지 못한 것으로 평가받고 있음.

현재 시행되고 있는 외국인투자법은 1994년 8월에 새로이 채택되었는데, 이 법은 ①투자승인 기업체 법인세 면제기간 부여, ②원자재 및 생산설비 수입관세 면제, ③이윤 송금 자유화 등 대폭적인 투자 인센티브를 포함하고 있어 인근 동남아 국가에서는 가장 경쟁력 있는 투자법으로 간주되고 있음

- 그러나 1994년 8월 제정된 새로운 외국인투자법은 하위법령 제정이 지연되면서(1998년 1월 시행령 제정) 그동안 정부당국의 임의적 재량권이 남용되는 등 많은 문제점을 안고 있었으나, 2004년 7월 제3기 연립정부 출범에 따라 범정부적 차원의 개혁 추진과 함께 입법, 사법, 행정 부문의 효율성 제고 노력이 본격화되고 있어 외국인투자법의 시행도 보다 투명해질 것으로 기대되고 있음
- 특히 최근에는 외국인투자 관련 모든 사항을 캄보디아 개발위원회(CDC)에 위임하여 투자 승인과정 단축 및 등록비용 절감 등을 위해 노력하고 있음
- 외국인투자기업에 대한 금융상 특별우대는 없으나 세제 측면에서 집중 우대하고 있으며, 외환 송금에 전혀 제약을 두지 않는 특혜를 부여하고 있음. 프로젝트 성격에 따라 정부 우선사업 분야에 투자하는 경우 최장 9년간 법인세가 면제되며, 최소한 생산품 전량을 수출하는 수출산업, 특별진흥구역(SPZ) 내의 공장 보유 기업, 관광, 고용창출, 임가공, 기간산업, 농업, 에너지산업에 해당하는 기업은 건설자재, 생산수단, 장비, 중간재, 새로운 원자재 및 부품에 대해서는 수입관세가 100% 면제됨

2. 외국인투자 장려 및 제한 분야

- 외국인투자를 장려하는 분야는 농업과 농가공업, 관광 그리고 수력발전을 포함한 사회기반시설 분야, 수출 지향 산업 등이며, 이들 분야의 투자에 대해서는 인센티브가 주어짐

- 외국인투자를 제한하는 업종은 구체적으로 명시되어 있지 않으나 일반 무역업, 유흥업 분야에 투자한 외국기업은 법인세 인하, 수입 관세 면제 등 투자 인센티브를 받을 수 없음

<외국인투자 장려항목 및 제한항목>

장려항목	제한항목
농업과 농가공 산업 환경보호 수출지향산업 고용창출산업 특별진흥구역에의 투자(SOZs) 사회간접자본과 에너지 하이테크놀로지 산업 농촌지역 개발 관광 및 관련 산업	무역업 운송서비스업 면세점 음식점 가라오케 마사지클럽 매스컴 관련 산업 도·소매업

자료원: 캄보디아 개발위원회

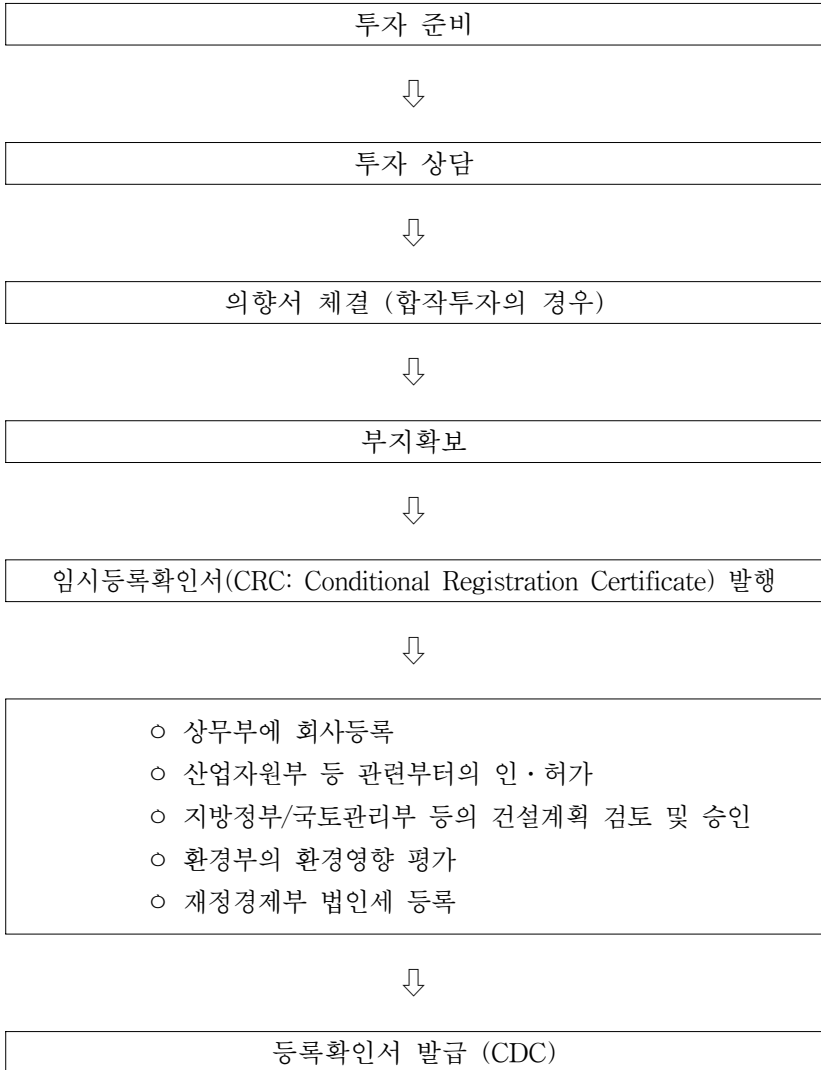
3. 투자진출 형태의 결정

- 100% 단독투자 또는 현지인과의 합작투자(주로 51:49) 여부 결정 시 토지구입 여부, 제3국 수출 또는 내수시장 판매 등을 종합적으로 고려하여 신중히 결정해야 함
- 캄보디아는 토지공급 측면에서 거의 문제되지 않으며, 최장 70년까지 저렴한 가격에 장기임대가 가능하므로 토지 소유의 필요성은 적은 편임. 현행 캄보디아 헌법이나 법령상 외국인의 토지 소유는 금지되어 있으며, 합작법인 지분 중 현지인이 51% 이상이면 법인명의로 토지 구입·소유가 가능하나, 추후 지가가 상승했다고 하더라도 환금성이 느리다는 점을 고려할 필요가 있음
- 캄보디아에 투자한 후 생산제품을 제3국으로 수출할 경우에는 현지인 파트너의 기여도가 매우 낮은 편이므로, 특별한 사유가

없는 한 향후 소유권 분쟁 등 위험부담이 뒤따르는 현지인과의
합작은 불필요할 것으로 판단됨. 대부분의 현지인 파트너들은
마케팅 능력이나 경영마인드 부족으로 노동력 동원, 작업 감독,
토지 제공 이상을 기대하기 곤란하며, 한국의 발전상을 듣고 심
리적으로 기대보려는 경우가 더 많은 편임

Ⅲ. 법인 설립

■ 현지법인 설립 절차



■ 투자허가 신청

- 투자자는 캄보디아 개발위원회(CDC)에 투자승인 신청서를 제출해야 하며, CDC는 완비된 투자승인 신청서 접수일로부터 31일 이내에 신청자에게 결정사항을 통보해 줄 의무가 있음(단, 기술적 검토사항이 많은 사회 간접 자본 투자는 제외). 투자 신청시에는 투자신청서(Form CIB OIA), 프로젝트 자금조달 타당성 조사서, 최근 연차보고서등을 제출해야 하며 신청금은 약 100달러가 소요됨
- 50만 달러 이상에 해당되는 외국인의 투자는 캄보디아 정부가 설립한 일괄 투자승인 서비스기관인 CDC를 거쳐 투자승인 심의를 거치게 되어 있음. CDC는 투자관련 각종 정보의 제공은 물론 주요관세 및 세금을 면제해 주는 권한을 갖고 있으며, 아울러 비자, 고용허가 등 투자에 관한 제반 서비스를 제공하고 있음

※ 캄보디아 개발위원회(CDC, Council for the Development of Cambodia)

- 캄보디아 개발위원회(CDC)는 1994년 캄보디아 정부가 설립한 일괄투자 서비스기관(OneStop Service)으로, 국내외 투자자들에게 투자관련 각종 정보제공 및 승인여부 업무를 총괄 책임지고 있음
- 주요 관세 및 세금 면제를 승인할 권한을 가지고 있으며, 기업 등록, 비자 및 고용허가 등 외국인투자자들의 현지 기업 활동을 관리·지원함. 또한 CDC는 캄보디아의 복구, 개발 및 투자활동에 관해 평가하고 승인함
- 주소: Government Palace, Sisowath Quay, Wat Phnom, Phnom Penh
- 전화: (855-23) 981-154/156/183
- 팩스: (855-23) 428-426/953~4
- 이메일: cdc.cib@online.com.kh
- 홈페이지: www.cambodianinvestment.gov.kh

<투자 신청서 기재사항>

- ▶ 신청자 개요
 - 프로젝트 설명
 - 활동분야: 농업, 건설, 에너지, 금융, 산업, 광업, 통신, 관광, 수송, 기타
 - 신청자 인적사항: 성명, 국적, 주소, 전화, 팩스, 신청자지위(주주, 이사, 관리자등)
 - 모기업: 회사명, 주소, 전화, 팩스
 - 지역본부: 주소, 전화, 팩스
 - 관련이 있는 캄보디아 회사명, 주소, 전화, 팩스
 - 투자 희망지역(지역, 도시명)
- ▶ 재무정보(미 달러화로 기재)
 - 자본금: 등록자본금, 납입자본금, 1주당 가액
 - 주식: 외국인 및 캄보디아인 보유 주식(비율, 가액)
 - 외국주주 성명 및 주식보유 내역
 - 금융: 외국 및 국내 자본용자(은행명), 운전자본
 - 투자가액: 토지(S/M), 공장(S/M), 사무실(S/M), 기계, 기기, 기타 고정자산
- ▶ 프로젝트 추진일정: 착공일자, 예상완료기간, 기계설치 일자, 공장가동 예상일자
- ▶ 프로젝트에 사용할 주요 기계 및 기기 리스트
- ▶ 마케팅 계획
 - 내수시장, 수출시장, 현재수입, 기타
 - 목표시장(년도, 국내시장, 수출시장)
 - 주요 수출대상국
- ▶ 인력 수급 계획
 - 기업운영 초기와 공장 완전가동시의 필요인력으로 구분
 - 캄보디아인과 외국인으로 구분
 - 직종별 구분: 관리자, 기술자, 감독, 사무원, 숙련공, 비숙련공
 - 외국인 인력 세부사항: 국적, 지위, 고용원수
- ▶ 캄보디아인 직업훈련계획: 국내 직업훈련 교육일수, 외국 직업훈련 교육일수 및 훈련 실시 국가, 직종별 훈련자수
- ▶ 생산계획
 - 생산 품목별 생산량(최고/최저) 및 생산일수(최고/최저)
 - 연도별 생산계획: 1차년도, 2차년도, 3차년도, 4차년도
 - 완전가동 시 원자재 소요량, 가액 등을 국내 및 해외 조달로 구분
 - 국내부품 사용계획

■ 공장 설립

- 공장 부지의 매입은 현지인과의 합작을 통해서만 가능함(현지 출자비율 51% 이상의 법인명의로도 소유 가능) 70년 장기 임차가 가능하므로 부지 확보에 문제는 없으며, 대부분 현지인들이 부지를 현물 출자하여 합작투자하고 있음
- 또한, 외국인의 부동산 소유가 법으로 금지되어 있으므로 공장 건물 역시 구입이 불가능하나 합작에 의한 구입이나 임대도 모두 가능함. 임대인 경우 대부분 건물주들이 보증금 명목으로 2년치 임대료의 선불을 요구하며 월 임대료는 별도로 납부해야함. 동 보증금은 계약해지 시 거의 반환받지 못하므로 임차인들은 계약해지 월 임차료를 고의로 체납하여 상계하는 것이 보통임
- 1999년 관계법령 개정에 따라 3,000m² 이상 상업용 건물을 신축하는 경우에는 Ministry of Land Management, Urban Planning & Construction에 신청하여 승인을 획득해야 함. 공해 물질을 배출하는 공장일 경우 방지 대책을 함께 제출해야 하며, 모든 건축 계획은 토지 소유주와 캄보디아 건축사 또는 캄보디아 건축사와 합작한 외국 건축사의 검토가 필요함. 건축허가 후 1년 내 착공해야 하며 특별한 사정이 있으면 1회에 한해 1년간 연장이 허용됨. 또한, 건물 완공 후 사용 전에 반드시 완공검사를 받아야 함
- 마지막으로 공장을 가동하기 위해서는 산업자원부 산업국이나 산업기술국에 등록해야 함. 신청서, 회사등록증, 회사정관, 사전 타당성조사 보고서, CDC의 프로젝트 승인서, 건물 및 기계 배치도, 관련 지역 관청 입지승인서, 프로젝트 개요, 상표(있을 경우), 대표자 여권 사본 및 사진 2매, 토지소유증 혹은 토지나 건물 임대차계약서 공증본 등의 서류를 제출해야 함

■ 법인 등록

- 최소자본금: 2천만 리엘(약 5,115 달러)
- 신청처: 상무부 산하 법규국(Legal Affairs Department)
 - 주소: 20, Preah Norodom Boulevard, Phnom Penh
 - 전화: (855-11) 812-992, (855-16) 836-228
 - 팩스: (855-23) 213-288
- 제출서류
 - 등록신청서 및 정관
 - 신원보증서
 - 여권 사본 및 사진 2매
 - 사무실 임대차계약서 및 부동산 등기증
 - 자본금 납입증명서
 - 사무실 주소지 지역 동장의 확인서
- 소요비: 750달러
 - 관련등록비: 300달러
 - 정관작성비: 300달러
 - 인지세 및 공고비: 100달러
 - 행정수속 대행료: 50달러
- 소요기간: 접수일로부터 7~15일
- 기타 요건
 - 제조업의 경우 산업자원부에 공장 등록 필요
 - 모든 법인은 재경부에 부가세등록 등 세제 신고 필요

■ 부가세 등록

- 제출서류: 신청서, 회사등록증, 영업세 등록필증, 회사정관
- 소요비용: 없음
- 소요기간: 접수일로부터 3일 이내
- 신청서: 재경부 세제국(Tax Dept.)
 - 주소: 35, Street 222, Sangkat Boeung Raing, Phnom Penh
 - 전화: (855-12) 883-889
 - 이메일: taxdept@forum.org.kh

IV. 연락사무소 설립

- 연락사무소 혹은 지사는 캄보디아 상무부 산하 법규국에 서류와 함께 신청, 접수하면 접수일로부터 7~15일 내에 처리가 됨. 단, 지사는 본사와의 연락 및 송금 등에 국한되며, 영업활동에는 참여할 수 없음
- 최소 자본금: 불요
- 신청처: 상무부 산하 법규국(Legal Affairs Department)
 - 주소: 20, Preah Norodom Boulevard, Phnom Penh
 - 전화: (855-11) 812-992, (855-16) 836-228
 - 팩스: (855-23) 213-288
- 제출서류
 - 등록신청서
 - 본사 설립등기 및 영업등록증 영문/국문 공증본
 - 본사 정관 영문/국문 공증본
 - 캄보디아 책임자 피위임장
 - 여권 사본 및 사진 3매
 - 사무실 임대차계약서
 - 사무실 주소지 동장의 확인서
- 소요비용: 450달러
 - 관련 등록세: 300달러
 - 인지세 및 공고비: 100달러
 - 행정수속 대행료: 50달러

V. 조세 제도

1. 직접세

■ 법인소득세

- 소득세는 모든 기업체에 부과되며, 실제소득 혹은 추정소득을 기준으로 부과됨. 2003년 3월부터 발효된 개정 투자 및 과세법에 의해 소득세는 20%이며, 일부 천연자원개발 프로젝트를 제외하고 개발위원회(CDC)에 등록된 모든 투자 프로젝트에 부과됨. 그러나 이전에 CDC에 등록되어 9%의 소득세를 납부하고 있는 투자 프로젝트에 대해서는 2008년 종료를 기준으로 이행기간을 부여, 낮은 수준의 별도 소득세율을 적용하고 있음. 소득세 면제를 인정받은 투자 프로젝트의 경우 최대 9년간의 세금면제 혜택이 가능함
- 납세자는 월간 기준으로 매월 매출의 1%에 해당하는 소득세를 사전 납부하도록 요구받음. 그러나 CDC를 통해 세금면제 혜택을 부여받은 투자 프로젝트는 소득세 면제 기간 중 세금납부가 면제됨. 또한 납세자는 연간 매출액의 1%에 해당하는 최소세(Minimum Tax)를 납부해야 하는데 CDC에 등록되어 세금면제 혜택을 받은 투자 프로젝트는 납세 의무가 면제됨

■ 급여세

- 캄보디아 내 피고용인의 급여에 대해서는 급여세가 부과됨. 급여세의 계산은 캄보디아인과 외국인간 차이를 두고 부과됨. 캄보디아 인에 대해서는 소득발생 지역을 불문하고 총 소득에 기준하여 과세되지만 외국인에 대해서는 캄보디아 내에서 창출한 소득에 대해서만 과세됨. 고용주는 피고용인에 지급한 부가급부에 대해 세금을 납부해야 함

<직접세율: Greater Mekong Subregion>

	법인소득세율		자본소득세율	
	거주 기업	비거주 기업	거주 기업	비거주 기업
태국	30% 비거주자에 지급된 배당금에 대해서는 10% 세금 원천징수	30% 과실송금에 대해서는 10% 세금 원천징수	30%	태국 내 기업활동에의 한 소득에 대해서는 30%, 이외의 경우는 15%
캄보디아	기업 성격에 따라 20~30%, 세금면제 기간 중에는 0%	배당금, 로열티, 임대료 이자수입 및 기술경영서비스 수입은 14% 외국기업 및 은행의 지사는 20%	법인소득세율과 동일	법인소득세율과 동일
베트남	외국투자 및 기업 성격에 따라 20~30%외국 파트너에 지급된 배당금은 자본성격에 따라 3%, 5%, 7%	외국 법률회사 및 외국계 담배회사 지사는 32%, 외국계 건설회사에 대해서는 원천과세	외국 투자기업은 25%, 단, 공제가능 베트남 기업은 해당 없음	-
라오스	자국기업은 35%, 외국투자기업은 20%, 배당금소득세는 10%	-	-	-
미얀마	30% 배당금 원천과세 자국 거주자에 대한 지분은 2.5~15% 부과	35%	10%	40%
중국	33%	33%	인정소득에 대해 과세	비거주 기업의 중국내 영리활동으로부터 비롯된 소득은 33%

자료원: KPMG

<간접세율: Greater Mokong Subregion>

	부가세 형태의 세금		도소매세	
	유형재화	서비스	유형재화	서비스
태국	수출품	수출서비스:0% 기타:7%	없음	없음
베트남	10%	10%	없음	없음
캄보디아	수출품:0% 기타:10%	좌동	없음	없음
라오스	-	-	매출액의 5% 혹은 10 %	매출액의 5% 혹은 10%
미얀마	-	-	일반상업세 5~30% 특별상업세 30~200%	상업세 5~30%

자료원: KPMG

<캄보디아인 급여세율>

월급여(리엘) (1\$=3,990리엘)	세율(%)
0~500,000(128달러)	0
500,001(128달러)~1,250,000(320달러)	5
1,250,001(320달러)~8,500,000(2,179달러)	10
8,500,001(2,179달러)~12,500,000(3,205달러)	15
12,500,001(3,205달러)이상	20

자료원: UNDP

■ 원천징수세

- 원천징수세는 1997년 조세법에 의해 도입되었음. 원천징수세 납부는 납세자의 책임이며, 캄보디아 거주자에 대해 아래의 기준이 적용됨
- 개인의 서비스 제공 수수료: 15% (중개수수료, 운송, 수리, 건설, 운영, 컨설팅 등 거의 모든 서비스가 이에 해당)

- 무형재화에 대한 로열티, 이자(국내 금융기관에서 지불한 이자는 제외): 15%
- 동산 및 부동산 임대수익: 10%
- 국내 납세자의 정기예금에 지불된 이자: 6%
- 국내 납세자의 보통예금에 지불된 이자: 4%
- 재무부가 인정한 비영리조직에 대한 지불을 포함하여 세금면제가 인정된 소득에 대해서는 어떠한 원천징수세도 부과되지 않음.
외국인의 경우 아래의 지불사항에 14%의 원천징수세가 부과됨
- 이자
- 로열티, 임대료 및 기타 재산의 사용과 관련된 소득
- 경영, 기술서비스에 대한 보상
- 배당금

2. 간접세

- 수입관세, 물품세 및 부가가치세(부가세)는 캄보디아의 가장 중요한 간접세임. 수입관세는 0%, 7%, 15%, 35% 등 4개 그룹으로 구분됨. 수출세는 목재 및 특정 동물 생산품 등과 같은 제한된 품목에 한해 부과됨
- "특정 상품 및 서비스에 대한 세금"으로 호칭되는 물품세는 수입 혹은 국내생산 상품 및 서비스에 대해 광범위하게 적용되고 있는데, 원유, 담배, 맥주, 음료수, 차량 및 오락용품 등이 이에 해당됨

<물품세율>

상품/서비스	세율(%)
2000CC 이상의 자동차 및 부품	80~110
2000CC 미만의 자동차 및 부품	15~45
버스, 트럭 등 대형 자동차	10
124CC 이상 모터사이클	45
특정 석유 제품	33
특정 비알콜 음료	10
맥주, 와인 및 여타 알코올 음료	29
담배	10
시가	25
레저·오락	10
국제 항공티켓	2
특정 통신서비스	2

■ 부가가치세

- 부가세는 1999년 1월 1일부로 도입되었음. 수입상품 및 캄보디아 국내에서 공급된 상품 및 서비스에 대해 폭넓게 부과됨. 부가세의 기본원칙은 매 생산단계에서 세금을 부과하는 것이며, 모든 공급자에 대해 크레딧을 허용하며 궁극적으로 최종 소비자가 세금을 납부하는 것임
- 부가세율은 10% 혹은 0%임. 0%는 수출상품 및 서비스와 국제운송에 관련된 일부에 국한하여 적용됨. 수입품목에 대해서는 수입관세, 보험 및 운임을 포함한 수입가액을 기준으로 10%가 부과됨

VI. 노무 관리

1. 인적자원

- 캄보디아의 전체인구는 1천4백만명이며, 이 중 약 51%가 노동 인구임. 캄보디아는 비록 낮은 교육수준을 보이고 있지만 캄보디아인은 전통적으로 근면하고 강한 성취욕을 지니고 있음(씨엠립에 소재한 앙코르 유적지는 캄보디아인의 근면성 및 기술을 보여주는 역사적인 증거물)
- 인건비는 여타 아시아 국가에 비해 낮은 수준이며 봉제산업의 최저임금은 월 50달러임

<교육 현황>

국가명	초등학교 취학률		중등학교 취학률		문맹률
	해당연령 총 인구 비중 (1998년)	해당연령 총 인구 중 여자 비중 (1998년)	해당연령 총 인구 비중 (1998년)	해당연령 총 인구 중 여자 비중(1998년)	15세이상 인구 중 점유비 (2000년)
캄보디아	119	110	22.2	15.4	32.2
라오스	110	101	33.3	27.2	51.3
미얀마	114	113	36.3	36.3	15.3
태국	93.8	92.2	88.3	89.4	4.5
베트남	110	107	61.3	58.3	6.6
중국	107	108	61.6	57.9	15.9
최빈개도국	-	-	-	-	47.2

자료원: UNDP

- 캄보디아의 교육수준은 인근 태국이나 베트남 등 인도차이나 여타 국가와 비교하여 뒤떨어져 있음. 1998년 기준으로 전체 성인의 68%만이 문맹을 벗어난 수준인데, 이중 4%만이 중등교육을 마쳤으며 고등교육을 마친 인구는 0.8%에 불과한 실정임

2. 노동력 확보

- 외국기업이 현지근로자를 채용하는 데는 노동법이 정하는 일정 구비서류만 갖추면 아무런 제한을 받지 않음. 외국인 고용도 사전허가를 요구하기는 하나 인근국에 비해 상당히 자유로운 편인데 이는 기술, 관리 등과 같은 분야에서 고급인력을 구하기가 어렵다는 반증으로도 볼 수 있음. 캄보디아 인력으로 충당할 수 없는 전문인력의 경우 노동부에서 발급하는 노동허가서(Work Permit)를 받고 이를 토대로 내무부에 여권사본, 관련 자격증명서 등을 제출하여 장기체류 비자를 받을 수 있음. 외국인 고용비율은 10%가 상한선이나 이를 초과해야 하는 합당한 사유가 있으면 노동부에 요청할 수 있음
- 저임노동력은 풍부하나 노동생산성은 베트남에 비해 다소 떨어지는 것으로 평가됨. 법정 근로연령은 18세임

3. 임금수준

■ 월 평균임금 수준

- 교사: 25~35달러
- 공무원: 15~50달러
- 건설노동자: 60~75달러
- 공장노동자: 60~80달러
- 서비스업종사자: 50~60달러
- 요리사: 70~100달러
- 경비원: 60~80달러
- 점원: 80~100달러
- 비서: 120~150달러
- 사무관리직: 150~350달러

■ 최저임금

- 노동부는 노사정 협의체인 Labor Advisory Committee와의 협의를 거쳐 각 산업별로 최저임금을 정할 수 있도록 하고 있음
- 현재 의류제조업(봉제산업)에서는 월 50달러의 최저임금이 정해져 있으며 신발제조업에서도 이를 준용하고 있음

■ 초과근무수당

- 주중 초과근무는 시간당 정상급여의 150%
- 주중 야간 초과근무는 시간당 정상급여의 200%
- 주말 및 공휴일 근무는 시간당 정상급여의 250%
- 주말 및 공휴일 야간근무는 시간당 정상급여의 300%

■ 견습기간의 임금

- 2개월 이내의 견습기간에는 월 30달러의 임금을 적용할 수 있음. 견습 종료 후 3개월 이내의 테스트기간에는 월 40달러를 적용하며 테스트 결과 적합하지 않다고 판정되면 아무런 보상 없이 채용하지 않을 수 있음
- 월 50달러의 최저임금은 이 테스트기간을 통과한 근로자에게만 적용됨

■ 사회보장기금

- 고용주는 환경보호, 근로자의 안전, 작업자의 위생에 필요한 조치를 취해야 하며 아울러 캄보디아 노동법의 규정에 따라 근로자의 사회보험비용을 납부해야 함

- 고용주는 근로자를 경제적, 사회적, 기술적으로 보호할 책임을 지는데 고용주와 근로자는 사회보장제도 규정에 따라 급여의 일정 비율을 사회보장기금으로 납부함

4. 근무시간 및 휴가

- 월요일부터 토요일까지 주 6일 근무를 원칙으로 하며 공장의 일일 근무시간은 8시간, 주당 48시간임
- 근로자는 일요일 또는 노사합의가 있을 경우 다른 요일에 하루를 쉴 수 있으며 캄보디아 정부가 정한 공휴일은 휴일로 함. 그러나 성수기에는 대부분의 공장들이 작업을 하며 이에 대해서는 휴일수당을 지급하고 있음
- 1년 이상 개근한 근로자는 18일간의 연차휴가를 가질 수 있으며 여성에게는 90일의 유급 임신휴가가 주어짐

5. 해고 및 퇴직

- 합법적 해고의 조건
 - 근로자의 업무 수행능력 결여
 - 건강상의 이유로 노동이 불가능할 때
 - 경영합리화를 위한 고용규모 감축
- 사전통보기간
 - 종신계약의 경우 숙련공인 경우 45일전, 미숙련공인 경우 15일전 사전통보 필요
 - 고용기간이 확정되어 있는 계약의 경우 15일전 통보

- 퇴직금

- 사전통보기간에 대한 급여는 지불해야 함
- 퇴직금은 직종 및 근무기간에 따라 최소 7일치에서부터 최대 6개월치 급여를 지급함 (단, 해고의 사유가 근로자의 중대한 과실일 경우 지급불가)
- 불법해고로 판정되면 정상퇴직금보다 많은 금액을 지불해야 하며 복직 내지 여타직장을 알선해야 함

6. 노동조합

- 개황

- 캄보디아 노동법은 근로자의 노동조합 결성권을 명시하고 있으며 기업은 노조활동을 보장해야함
- 캄보디아의 노조는 5개의 전국규모 노조와 각 직장별 노조로 대별되는데 직장 노조는 근로자 대표위원회로 명명됨
- 노조의 성향은 근로자 대표위원회가 사용자측에 협조적인 반면 연합노조는 급진적인 성향을 보이고 있으며 근로자들은 이들의 선동에 취약한 면을 보이고 있음

- 근로자 대표위원회

- 10명 이상의 근로자를 고용하고 있는 모든 기업은 근로자 대표위원회를 구성해야 함
- 근로자 대표는 3년 임기로 근로자들에 의해 선정됨
- 근로자 대표 보조위원의 비율은 종업원수 및 업종에 따라 별도로 정함

- 연합노동조합

- 전국규모의 노동조합은 노동부에 등록함으로써 결성할 수 있는데 2007년 6월 현재 5개 노조가 활동하고 있음
- 그 중 가장 급진적인 단체는 FTUWKC이며 회원수가 가장 많은 노조는 CUF임

<캄보디아의 연합 노동조합 현황>

노조	회원수	전화
Free Trade Union of Workers of the Kingdom of Cambodia (FTUWKC)	5,830명	(855-12) 863-727
Cambodian Union Federation (CUF)	17개 단위노조 24,108명	(855-23) 882-453
Cambodian Federation of Independent Trade Union (CFITU)	36개 단위노조 20,849명	(855-15) 850-362
National Independent Federation TextileUnion of Cambodia (NIFTUF)	3개 단위노조 1,000명	(855-12) 824-640
Cambodia Labor Union Federation (CLUF)	36개 단위노조 11,500명	(855-12) 866-682

VII. 기타 정보

1. 외국인투자 유치 관련 정부기관

■ 캄보디아 개발위원회

Cambodia Investment Board(CIB)

Council for the Development of Cambodia(CDC)

- 주소: Government Palace, Sisowath Quay Wat Phnom, Phnom Penh
- 전화: (855-23) 981-154/156/183
- 팩스: (855-23) 428-426/953~4
- 이메일: cdc.cib@online.com.kh
- 홈페이지: www.cambodianinvestment.gov.kh

■ 캄보디아 농림수산부

Ministry of Agriculture, Forestry and Fisheries

- 주소: No. 200 Norodom Blvd., Phnom Penh
- 전화: (855-23) 211-351~2, (855-23) 361-933
- 팩스: (855-23) 217-320, 215-982, 362-898
- 홈페이지: icomaff@camnet.com.kh

■ 캄보디아 상무부

Ministry of Commerce

- 주소: Mo. 20AB, Norodom Blvd., Phnom Penh
- 전화: (855-23) 725-585, 211-029, 426-024
- 팩스: (855-23) 426-396
- 이메일: siphana@moc.gov.kh
- 홈페이지: www.moc.gov.kh

■ 캄보디아 산업자원부

Ministry of Industry, Mines and Energy

- 주소: No. 45, Norodom Blvd., Phnom Penh
- 전화: (855-23) 723-077, 724-477
- 팩스: (855-23) 428-263
- 이메일: industry@camnet.com.kh

■ 캄보디아 재정경제부

Ministry of Economy & Finance

- 주소: No.60, Street 92, Phnom Penh
- 전화: (855-23) 428-960, 428-634~5, 428-960, 430-169
- 팩스: (855-23) 427-798
- 이메일: mfc@hotmail.com

■ 캄보디아 국토관리부

Ministry of Land Management, Urban Planning and Construction

- 주소: No. 771-773, Monivong, Phnom Penh
- 전화: (855-23) 215-660/659/278
- 팩스: (855-23) 215-277, 217-035
- 이메일: im.c.lim@camnet.com.kh

2. 법률 관련 기관

■ 캄보디아 변호사회

Bar Association of the Kingdom of Cambodia

- 주소: No. 231, St. 63, Phnom Penh
- 전화: (855-23) 217-575, 220-237

- 팩스: (855-23) 213-658
- 이메일: back@forum.org.kh

■ 캄보디아 법무법인

Notary Public of Cambodia

- 주소: #205, St.Norodom Blvd., Phnom Penh,
- 전화: (855-23) 987-783
- 팩스: (855-23) 215-516
- 이메일: samay-law@camnet.com.kh
- 담당자: Mr. BENSON SAMAY, Notary Council, Attorney at Law

■ Sciaroni & Associates

- 주소: #56, Sothearos Blvd., Phnom Penh
- 전화: (855-23) 210-225
- 팩스: (855-23) 213-089
- 이메일: info@sa-cambodia.com
- 담당자: Mr. Bretton G. Sciaroni, Attorney at Law

■ HENG INTERNATIONAL LAW

- 주소: #35, St.107, Phnom Penh
- 전화/팩스: (855-23) 885-327
- 이메일: heng_i_law@camnet.com.kh
- 담당자: Mr. CHONG EAV SENG, Attorney at Law

3. 캄보디아 경제단체

■ 프놈펜 상공회의소

Phnom Penh Chamber of Commerce

- 주소: No. 7B, Corner of Road No. 81 & 109, Sangakt Boeung Raing, KhanDaun Penh, Phnom Penh
- 전화: (855-23) 212-265
- 팩스: (855-23) 212-270
- 이메일: ppcc@camnet.com.kh

■ 캄보디아 섬유제조기업 협회

Garment Manufactures Association in Cambodia

- 주소: No. 175, Jawahalal Nehru Blvd., Phnom Penh
- 전화: (855-23) 301-180
- 팩스: (855-23) 311-181

4. 캄보디아 주재 주요 국제기구

■ Asian Development Bank(ADB)

Cambodia Resident Mission

- 주소: No. 93, Norodom Blvd., Phnom Penh
- 전화: (855-23) 215-805~6
- 팩스: (855-23) 215-807
- 이메일: adbcam@adb.org
- 담당자: Urooj malik

■ International Monetary Fund(IMF)
National Bank of Cambodia Building

- 주소: 22-24 Norodom Boulevard, Phnom Penh
- 전화: (855-23) 218-602~3
- 팩스: (855-23) 218-601
- 홈페이지: www.imf.org

■ The World Bank Cambodia Country Office

- 주소: 113 Norodom Blvd., Phnom Penh
- 전화: (855-23) 213-538/639, 217-301/304
- 팩스: (855-23) 210-504/373
- 홈페이지: www.worldbank.org

■ United Nations Development Programme

- 주소: No. 53, St.Pasteur, Boeung Keng Kang, Phnom Penh
- 전화: (855-23) 426-257, 427-718~9
- 팩스: (855-23) 426-429
- 이메일: registry@undp.forum.org.kh

국가 개요

- 국 명: 캄보디아왕국(Kingdom of Cambodia)
- 면 적: 181,035km²(남한의 1.8배)
 - 동서 580km, 남북 450km , 베트남, 라오스, 태국과 접경
- 수 도: 프놈펜(Phnom Penh)
- 주요도시: Phnom Penh(1,400천명), Sihanouk Ville(400천명), Battambang (300천명), Siem Reap(200천명)
- 인 구: 1천4백만명(2006년 기준)
- 민족구성: 크메르(80%), 베트남(10%), 화교(5%), 참족(2%) 등 30여 인종
- 언 어: 크메르(Khmer)어
 - 지식층 및 비즈니스계를 중심으로 불어 및 영어 통용
 - 화교 사회를 중심으로 중국어 통용
- 종 교: 불교(국교)
- 정부형태: 입헌군주제
- 화폐단위: 리엘(Riel, KHR로 표기)
- 환 율: KHR 4,200 / US\$ 1 (2006년 기준)
- 기 후: 고온다습한 열대몬순 기후
 - 20-40°C의 기온 분포로 3~4월이 가장 덥고 1월이 가장 서늘
 - 대체로 5~10월은 우기, 11~4월은 건기
- 시 차: GMT + 7 (한국보다 2시간 늦음)

<부록> 투자 법령 및 관련 자료

투자법	43
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KINGDOM OF CAMBODIA

Nation Religion King



**LAW ON INVESTMENT
OF THE KINGDOM OF CAMBODIA
(August 05, 1994)**

AND

**LAW
ON THE AMENDMENT
TO THE LAW ON INVESTMENT
OF THE KINGDOM OF CAMBODIA
(March 24, 2003)**

Dated 29/03/2002 KINGDOM OF CAMBODIA

Nation Religion King



**LAW ON INVESTMENT
OF THE KINGDOM OF CAMBODIA
(August 05, 1994) THE NATIONAL ASSEMBLY**

**PREAH REACH KRAM (ROYAL DECREE)
N° [...]**

**I, PREAHBATH SAMDECH PREAH NORODOM SIHANOUK
VARMAN REACH HARIVONG UPHATO SUCHEAT VISOTHIPONG
AKAMOHABORASRAT NIKARASOM THAMMIK MOHAREACHE
ATHIREACH BOROMANEAT BOROMABOPIT PREAH CHAU
KRONG KAMPUCHEA THIPDEY**

- *Seen the Constitution of the Kingdom of Cambodia promulgated on September 24, 1993;*
- *Seen the Royal Decree dated November 1, 1993 on the Appointment of the Royal Government;*
- *Seen The Law on Investment of the Kingdom of Cambodia and its promulgation by Royal Decree (Kram) dated August 5, 1994; and*
- *With the request of the Council of Ministers*

AND

**LAW ON THE AMENDMENT TO THE LAW ON INVESTMENT
OF THE KINGDOM OF CAMBODIA**

(March 24, 2003) THE NATIONAL ASSEMBLY



CHAPTER 1
GENERAL PROVISIONS

Article 21: New

This law applies to governs all Qualified Investment Projects and regulates the process defines procedures by which any person establishes a Qualified Investment Project.

Only Qualified Investment Projects are entitled to the benefits and subject to the obligationsscope of this Law.

Article 32: New

In this Law, unless the context otherwise requires :Within the meaning of this Law, the following terms shall be defined as follows:

"Applicant" means any person or group of persons submitting an Investment Proposal to the Council

"Cambodian Entity " means a company which has a place of business and a registered office located in the Kingdom of Cambodia and 51% or more of the voting shares of the company are held by a person with Cambodian nationality.

"Conditional Registration Certificate" means the document issued by the Council under Article 8.3 of this Law.

"Council " means the Council for the Development of Cambodia.

"Export QIP " means a Qualified Investment Project whose production is exported in accordance with the provisions of the Sub-Decree;

"Final Registration Certificate" means the document issued by the Council under Article 8.7 of this Law."

"Investment Proposal" means the proposal submitted by any person to the Council with the purpose to establish a QIP.

"Investor" means any person who carries on a Qualified Investment Project;

"Person" means any natural or juridical person.

"Qualified Investment Project" or **"QIP"** means an investment project which has received a Final Registration Certificate.

"Export QIP" means a Qualified Investment Project whose production is exported to be determined by Sub-Decree.

"Supporting Industry QIP" means a Qualified Investment Project which has its entire production (100%) supplying exportersexport industry as substitution for the latter's regular import ofregularly imported raw materials or accessories.

"Working day" means any calendar day which is an official working day of the Royal Government of Cambodia by law..

"Cambodian Entity" means a company which has a place of business and registered in the Kingdom of Cambodia and 51% or more of the shares of the company are held by a person with Cambodian nationality.

"Person" means any natural or juristic person.

"Conditional Registration Certificate" means the document issued by the Council under the paragraph 3 of the new Article 7 of this Law.

"Final Registration Certificate" means the document issued by the Council for the Development of Cambodia under the paragraph 7 of the new Article 7 of this Law.

"Investment Proposal" means the proposal submitted by any person to the Council for the Development of Cambodia with the purpose to establish a QIP.

"Applicant" means any person or group of persons submitting an Investment Proposal to the Council for the Development of Cambodia.

"Investor" means any person who carries on a Qualified Investment Project.

CHAPTER 2

THE COUNCIL FOR THE DEVELOPMENT OF CAMBODIA

Article 73:

The Council for the Development of Cambodia is the sole and One-Stop Service organization responsible for the rehabilitation, development and the oversight of

investment activities. The council for the Development of Cambodia is the Royal Government's "Etat-Major" responsible for the evaluation and the decision-making on all rehabilitation, development and investment project activities.

Article 4:

The Council for the Development of Cambodia comprises the following two operational boards:

- 1- The Cambodian Rehabilitation and Development Board; and
- 2- The Council for the Development of Cambodia

Article 5:

The organization and functioning of the council for the Development of Cambodia shall be specified by Sub-Decree.

**CHAPTER 3
INVESTMENT PROCEDURES**

**CHAPTER II
THE COUNCIL FOR THE DEVELOPMENT OF CAMBODIA**

Article 4:

The Council for the Development of Cambodia is the sole and One-Stop Service organization responsible for the Rehabilitation, Development and the oversight of investment activities. The Council for the Development of Cambodia is the Royal Government's "Etat-Major" responsible of the evaluation and the decision-making on all Rehabilitation, Development and Investment project activities.

Article 5:

The Council for the Development of Cambodia comprises the following boards:

1. The Cambodian Rehabilitation and Development Board;
2. The Cambodian Investment Board;

Article 6:

The organization and functioning of the Council for the Development of Cambodia shall be specified by Sub-Decree.

CHAPTER III

INVESTMENT PROCEDURES

Article 76: New

All persons wishing to establish a QIP shall apply submit an Investment Proposal to the Council by submitting an Investment Proposal for the Development of Cambodia in the form and according to the procedures provided in this Law and the Sub-Decree.

Article 87: New

1. Within three (03) working days of the Council's receipt of the Investment Proposal, the Council shall issue to the Applicant a Conditional Registration Certificate or a Letter of Non-Compliance.

2. The Council shall issue the Conditional Registration Certificate if the Investment Proposal contains all the information required under the Sub-Decree, and if the proposed activity is not in the Negative List set out in the Sub-Decree. If However, if the Investment Proposal does not satisfy such criteria the above condition, the Council shall issue a Letter of Non-Compliance to the Applicant.

3. The Conditional Registration Certificate shall specify the approvals, authorizations, clearances, licenses, permits or registrations required for the QIP to operate, as well as the government entities responsible to issue such approvals, clearances, licenses, permits or registrations. The Conditional Registration Certificate shall also confirm the incentives that the QIP is entitled to under new Article 14 of this Law and confirm recognize the statutes of the legal entity, which will undertake the QIP.

If the Council for the Development of Cambodia fails to issue a Conditional Registration Certificate or Letter of Non-Compliance within three working days, the Conditional Registration Certificate shall be considered to be automatically issued approved in the form set out in the Sub-Decree.

5. The Council for the Development of Cambodia shall obtain all of the licenses from relevant ministries-entities listed in the Conditional Registration Certificate on behalf of the Applicant.

6. All government entities responsible for issuing an authorization, clearance, license, permit or registration listed on the Conditional Registration Certificate shall issue such document no later than the 28th working day from the date of the Conditional Registration Certificate. Any government official who, without proper legal

justificationreason, fails to process and respond to an Applicant's request by this 28 working day deadline shall be punished by law.

7.The Council shall confirm the Conditional Registration Certificate within 28 working days of the its issuance by issuing a Final Registration Certificate.The Council for the Development of Cambodia shall issue a Final Registration Certificate within 28 working days of its issuance of the Conditional Registration Certificate. Issuance of the Final Registration Certificate does not release the QIP from obtaining any other approvals required by law. A QIP is formedspecified by competent ministries-entities. Even upon issuancethe lapse of the 28 working days deadline as stipulated in the paragraph 6 above, all competent entities shall issue approvals as prescribed by laws and regulations. The date of issuing the Final Registration Certificate. shall be the date of QIP commencement.

8.All Letters of Non-Compliance shall clearly state, in detail, the clear reasons why the Investment Proposal was not satisfactory,acceptable as well as the additional information required to enable the Council to issue a Conditional Registration Certificate. The Council has 10 working days to issue a Conditional Registration Certificate or Letter of Non-Compliance after receipt from the Applicant of the information requested in any Letter of Non-Compliance.

CHAPTER IV INVESTMENT GUARANTEES

CHAPTER 4 INVESTMENT GUARANTEES

Article 98: New

A foreign investor shall not be treated in any discriminatory way by reason only of the investor being a foreign investor, except in respect of ownership of land as set forth in the Constitution of the Kingdom of Cambodia.Land Law.

Article 9:

The Royal Government shall not undertake nationalization policy, which shall adversely affect private properties of investors in the Kingdom of Cambodia.

Article 10:

The Royal Government shall not undertake nationalization policy, which shall adversely affect private properties of investors in the Kingdom of Cambodia.

Article 1110: New

The Royal Government shall not impose fix the price control on or fee of the products or services of a QIP.

Article 11:

In accordance with the relevant laws and regulations issued and published to the public by the National Bank of Cambodia, the Royal Government shall permit investors with investments in Cambodia to purchase foreign currencies through the banking system and to remit abroad these currencies for the discharge of financial obligations incurred in connection with their investments. This concerns the following payments.

- 1- Payment for imports and repayment of principle and interest on international loans;
- 2- Payment of royalties and management fees;
- 3- Remittance of profits; and
- 4- Repatriation of invested capital in compliance with Chapter 8.

CHAPTER 5 INVESTMENT INCENTIVES

Article 12:

In accordance with the relevant laws and regulations issued and published to the public by the National Bank of Cambodia, the Royal Government shall permit investors with investments in Cambodia to purchase foreign currencies through the banking system and to remit abroad these currencies for the discharge of financial obligations incurred in connection with their investments. This concerns the following payments:

- 1.Payment for imports and repayment of principal and interest on international loans;
- 2.Payment of royalties and management fees;
- 3.Remittance of profits; and
- 4.Repatriation of invested capital in compliance with Chapter VIII

CHAPTER V INVESTMENT INCENTIVES

Article 1312: New

The Royal Government shall make available incentives under this Chapter to Qualified Investment Projects.

Article 13:

Incentives and privileges shall include the exemption, in whole or in part, of custom duties and taxes.

Article 14: New

Incentives provided for in Article 13 shall include the exemption, in whole or in part, of custom duties and taxes as follow :

1. A QIP shall be entitled to exemption from the tax on profit imposed under the Law on Taxation for by obtaining a profit tax exemption period.

The tax exemption period is composed of a Trigger Period + 3 years + n years (nPriority Period. Priority Period shall be determined in the Financial Management Law)..

The maximum allowable Trigger Period is to be first year of profit or three years after the QIP earns it first revenue, whichever is sooner.

2. The entitlement of a QIP under Sub-article 14.1the paragraph 1 above shall be subject to the QIP obtaining from the Council an annual certificate of compliance in accordance withobligation satisfaction before the provisions ofState which shall be specified by the Sub-Decree.
3. A QIP shall be subject to a profit tax rate after its tax exemption period as determined in the Law on Taxation
4. A QIP which uses the entitlement under Sub-Article 14.1the paragraph 1 above shall not be entitled to claim any special depreciation under the Law on Taxation.
5. A domestically oriented QIP shall be entitled to import production equipment construction materials, exempt of duty in accordance with the provisions ofand production input construction materials, exempt of duty which shall be specified by the Sub-Decree.
6. AExport QIPs other than an Export QIP which elects or which has elected to use the Customs Manufacturing Bonded Warehouse mechanism, shall be entitled to import production equipment, construction materials, and production input materials exempt of duty in accordance with the provisions of raw materials, intermediate

goods, and production input accessories, exempt of duty which shall be specified by the Sub-Decree.

7. A “Supporting Industry” QIP shall be entitled to import production equipment, construction materials, and production input materials exempt of duty in accordance with the provisions of raw materials, intermediate goods and production input accessories, exempt of duty which shall be specified by the Sub-Decree.
8. A person which has acquired, or merged with, an investor, may on application to the Council for the Development of Cambodia inherit all, and any, guarantees, rights, privileges and obligations from the investor’s QIP, subject to the merger or acquisition per procedures stipulated in which shall be specified by the Sub-Decree.
9. A QIP which is located in a designated SPZ or EPZ listed in a development priority list issued by the Council shall be entitled to the same incentives and privileges as other QIPs stipulated in this law.
10. A QIP shall be entitled to 100% exemption of export tax, except for activities specifically mentioned as stipulated in the Law on Customs. laws in effective.
11. A QIP is entitled to obtain visas and work permits for the employment in the Kingdom of foreign citizens as managers, technicians and skilled workers, and residency visas for the spouses and dependants of those foreign nationals as authorized by the Council for the Development of Cambodia and in compliance with the Immigration and Labor Laws.

Article 15: New

The rights, privileges and entitlements of a QIP may not be transferred or assigned to any third party except by acquisition or merger as stipulated in Article 14.8. the paragraph 8 of the new Article 14.

CHAPTER VI LAND OWNERSHIP AND USE

CHAPTER 6 LAND OWNERSHIP AND USE

Article 16: New

In accordance with the Constitution and relevant laws and regulations pertaining to the ownership and use of land

1.Ownership of land by investors for the purpose of carrying on a QIP shall be vested in natural persons holding Cambodian citizenship or in Cambodian Entities.

2.Use of land shall be permitted to investor, including concessions, unlimited long-term leases and, limited short-term leases which are renewable, upon request... The concession of the public owned land is permitted for a period up to 99 years.in compliance with the provisions of the Land Law.

3.Investors shall have the right to own and pledge as security and transfer the real and personal property situated upon the land and land which the QIP uses, for a period no longer than the period determined in a land concession contract or land lease agreement as permitted by Law.

Investors cannot transfer or pledge any longer the land concession, which has not been in operation.

CHAPTER VII

EMPLOYMENT PRACTICES

CHAPTER 7

EMPLOYMENT PRACTICES

Article 17:

Article 17:

Investors in the Kingdom of Cambodia shall be free to hire Cambodian nationals and foreign nationals of their choosing in compliance with the labor and immigration laws.

Investors in the Kingdom of Cambodia shall be free to hire Cambodian nationals and foreign nationals of their choosing in compliance with the labor and immigration laws.

Article 18: New

Investors shall be allowed to hire foreign employees provided that ::

- 1.- The qualification and expertise are not available in the Kingdom of Cambodia among the Cambodian populace. In the event of such hiring, appropriate documentation including photocopies of the employee's passport, certificate and/or degree and a curriculum vitae shall be submitted to the Council for the Development of Cambodia,
- A letter asserting needs for hiring the foreign employees shall be required. Investors shall obtain an approval and a permit from the Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation,

- Before working for investors, the foreign employee shall hold a permit for work in the Kingdom of Cambodia, issued by the Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation.

Investors shall perform the following obligations:

- 2. Investors shall have the obligation to provide adequate and consistent training to Cambodian staff,
- 3. Promotion of Cambodian staff to senior positions will be made over time.

Article 19:

Foreign employees shall be allowed to remit abroad their wages and salaries earned in the Kingdom of Cambodia, after payment of appropriate tax, in foreign currencies obtained through the banking system.

CHAPTER 8 DISPUTES AND DISSOLUTION

Article 19:

Foreign employees shall be allowed to remit abroad their wages and salaries earned in the Kingdom, after payment of appropriate tax, in foreign currencies obtained through the banking system.

CHAPTER VIII DISPUTES AND DISSOLUTION

Article 20: New

Any Except for land-related disputes, any dispute relating to a QIP concerning its right and obligations set forth in the law shall be settled amicably as far as possible through consultation between the Council for the Development of Cambodia, the investors and any other party involved in the dispute.

If the parties failed to reach an amicable settlement within two months from the date of the first written request to enter such consultations, the dispute shall be brought by either party for :

- Conciliation before the Council which shall provide its opinion, or

- Adjudication by the courts of the Kingdom of Cambodia, or
- Resolution by arbitrationArbitration in or outside of Cambodia under international rules as agreed by both parties., or
- Trial by the tribunals of the Kingdom of Cambodia.

Article 21: New

If an investor intends to end its activities in the Kingdom of the Cambodia, it shall inform the Council for the Development of Cambodia through either a registered letter or a hand delivered letter stating the reason of such a decision, and signed by the investor or his attorney-in fact.

Article 22: New

If an investor intends to stop the activity of its QIP without judicial procedures, the investor shall provide proof to the Council that the QIP has properly settled its debts, including any complainants and claims from the Ministry of Economy and Finance, before the investor is allowed to officially stop the activities of the QIP or dissolve according to the applicable commercial law.

Article 23: New

Once the QIP is allowed to stop its activity either within the judicial procedures or not, the investor can transfer the remaining proceeds of their assets overseas or use them in the Kingdom of Cambodia. However, in the event that the QIP had used machineries and equipment that were imported duty free for less than five years, the QIP shall have the obligations to pay the duties applicable to those machineries and equipment, peraccording to the termsdetermination of the Sub-Decree.

NEW CHAPTER 9 TRANSITIONAL PROVISIONS

Article 24: New

1.All investments authorized under the Law on Investment promulgated in by Royal Kram No. 03/NS/94 dated August 05, 1994 and its implementing sub-decreeSub-Decrees

shall be considered to be Qualified Investment Projects subject to as stipulated in this Law and therelevant Sub-Decree.s.

An QIP entitled to a tax on profit rate of 9% before the promulgation of this Law and which has commenced the investment activity in respect of which the approval was granted, shall be entitled to that 9% tax rate for five tax years commencing from the taxfiscal year after the promulgation of this Law, subject to the QIPInvestors submitting in each taxfiscal year after the promulgation of this law a certificate of obligation compliance in accordance with the Sub-Decree.

A QIP entitled to an exemption of tax on profit satisfaction before the State, which shall be specified by the Sub-Decree as stipulated in the paragraph 2 of the new Article 14.

3.A QIP entitled to an exemption of tax on profit before promulgation of this Law, and whose entitlement has been confirmedapproved in writing by the Council, shall continue to be entitled to that profit tax exemption, subject to the QIPInvestors submitting in each taxfiscal year after the promulgation of this Law a certificate of compliance in accordance withobligation satisfaction before the State, which shall be specified by the Sub-Decree as stipulated in the paragraph 2 of the new Article 14.

NEW CHAPTER 10 FINAL PROVISIONS

Article 25: New

Where the QIP violates or fails to comply with the conditions stipulated by the Council for the Development of Cambodia, the Council shall have the power to withdraw the privileges and incentives granted to him, in whole or in part.

CHAPTER X FINAL PROVISIONS

Article 26: New

Any provisions contrary to this Law shall be considered null and void.abrogated.

Article 27: New

This Law shall be promulgated immediately.

Kingdom of Cambodia
NATION RELIGION KING

SUB-DECREE

**ON THE IMPLEMENTATION OF THE LAW ON THE AMENDEMENT
TO THE LAW ON INVESTMENT OF THE KINGDOM OF CAMBODIA
No 111 ANK/BK DATED SEPTEMBER 27, 2005**

The Royal Government of Cambodia

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen the Royal Decree NS/RKT/0704/124 dated July 15, 2004 on the formation of the Royal Government of Cambodia
- Having seen the Royal Kram No. 02/NS/94 dated July 20, 1994 promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen the Royal Kram No. 03/NS/94 dated August 5, 1994 regarding the Law on Investment of the Kingdom of Cambodia and Royal Kram No. NS/RKM/0303/009 dated March 24, 2003 promulgating the Amendment to the Law on Investment of the Kingdom of Cambodia
- Having seen the Royal Kram No. NS/RKM/0297/03 dated February 24, 1997 promulgating the Law on Taxation and the Royal Kram No. NS/RKM/0303/010 dated March 31, 2003 promulgating the Amendment to the Law on Taxation
- Having seen the Sub-Decree No. 88/ANK/BK dated December 29, 1997 on the implementation of the Law on Investment of the Kingdom of Cambodia and the amended Sub-Decree No. 53/ANK/BK dated June 11, 1999 regarding the amendment to the Sub-Decree on the implementation of the Law on Investment of the Kingdom of Cambodia and No. 130/ANK/BK dated December 26, 2001 regarding the amendment to the Sub-Decree No 53/ANK/BK dated June 11, 1999
- Having seen the Sub-Decree No. 70/ANK/BK dated July 27, 2001 on the Organizations and Functioning of the Council for the Development of Cambodia and the amending Sub-Decree No. 112/ANK/BK dated November 12, 2002 and No. 35/ANK/BK dated August 04, 2004 on the amendment on the Sub-Decree No 70/ANK/BK dated July 27, 2001
- With the approval of the Council of Ministers during the Cabinet Meeting of September 02, 2005

IT IS HEREBY DECIDED

**CHAPTER 1
GENERAL PROVISIONS**

Article 1: Coverage of the Sub-Decree

- 1.1 Objective: This Sub-Decree supplements and governs the application and implementation of the Law on Investment and is intended to encourage and regulate investments in the Kingdom of Cambodia by Cambodian entities and foreign entities.

- 2.1 Application: This Sub-Decree applies to every QIP registered at the Council and provincial/municipal investment sub-committee.

Article 2: Scope of Investment

Investment Activity: This Sub-Decree applies to all investment activities other than those activities set out in the Negative List in Schedule 1, Part 1 of this Sub-decree as provided in Article 7 of the Law on Investment]

Article 3: Foreign and Cambodian Investment

- 4.1 Foreign and Cambodian Investment: The Royal Government welcomes investments in all economic activities from Cambodian Entities and Foreign Entities, subject only to the restrictions set out in Article 2 of this Sub-Decree.
- 4.2 Use of Nominees: An individual or legal entity controlled by Cambodian citizens must not act for, or represent, either directly or indirectly, a Foreign Entity for the purpose of avoiding the effects of the provisions of this Sub-Decree, which restrict or prohibit the activities of Foreign Entities or Foreign nationals.

Article 4: Definitions

As used in this Sub-Decree, the following terms shall have the meaning as defined hereunder:

"Applicant" means a person or a group of persons who submit an Investment Proposal to the Council or to the Provincial/ Municipal Investment Sub-committee.

"Cambodian Investor" means an Investor who is a Cambodian citizen or who is a Cambodian Entity.

"Cambodian Legal Entity" means a company which is registered in, and whose place of business is in, the Kingdom of Cambodia and 51 percent or more of its shares are held by Persons of Cambodian nationality.

"Certificate of Compliance" means the certificate of obligation satisfaction required to be lodged under Article 14.2 New or Article 24 New of the Law on Investment, and issued under Article 18.2 of this Sub-Decree.

"Conditional Registration Certificate" means the document issued by the Council or the provincial/municipal Investment Sub-committee as set out in paragraph 3 of Article 7 New of Law on Investment and Article 6.3 of this Sub-Decree.

"Construction Materials" means construction items including fixtures in or on a facility that is fully transformed and utilized in the construction of facilities to be used by a QIP to carry out its Investment Activity during the initial construction phase or expansion.

"Council" means the Council for the Development of Cambodia established by Article 3 of the Law on Investment.

"Council Sub-Decree" means the Sub-Decree No. 70/ANK/BK dated July 27, 2001 on the Organization and Functioning of the Council for the Development of Cambodia and its subsequent amendments No. 112/ANK/BK dated November 12, 2002 and No. 35/ANK/BK dated August 4, 2004.

"Customs Duties" means taxes on foreign trade as listed in the customs tariffs imposed on goods when importing into or exporting out of the customs territory.

"Domestic QIP" means a QIP that does not aim at export.

"Export QIP" means a QIP that sells or transfers a proportion of its product to a purchaser or transferee outside the Kingdom of Cambodia.

"Financial Management Law" means the annual Financial Management Law.

"Final Registration Certificate" means the document issued by the Council or the provincial/municipal Investment Sub-committee as set out in paragraph 7 of Article 7 New of the Law on Investment and Article 7.3 of this Sub-Decree.

"Foreign Legal Entity" means an entity which is not a Cambodian Entity or which is not created in compliance with Cambodian laws.

"Investment Activity" means the business activity to be carried out in Cambodia under a QIP.

"Investment Capital" means the value of the investment indicated in USD currency excluding the value of land and working capital.

"Investment Guarantees" means the guarantees set out in Chapter 4 of the Law on Investment as provided for in this Sub-Decree, which are available to an Investor who complies with all the requirements of this Sub-Decree.

"Investment Incentives" means the incentives set out in Chapter 5 of the Law on Investment and as provided for in this Sub-Decree, which are available to an Investor who complies with all the requirements of this Sub-Decree.

"Investment Proposal" means a proposal submitted to the Council or provincial/municipal Investment Sub-committee by any person for the purpose of establishing a QIP.

"Investor" means the person who carries out QIP.

"Law on Investment" means the Law on Investment promulgated by Royal Kram No. 03/NS/94 dated August 5, 1994 and which is amended by the Law on the Amendment to Law on Investment of the Kingdom of Cambodia promulgated by Royal Kram No. NS/RKM/0303/009 dated March 24, 2003.

"Law on Taxation" means the Law promulgated by the Royal Kram No. NS/RKM/0297/03 dated February 24, 1997 and which is amended by Law on the Amendment to Law on Taxation promulgated by Royal Kram No. NS/RKM/0303/010 dated March 31, 2003.

"Machine Parts" means parts of Production Equipments with a working life of less than 2 years including spares of such parts and equipments.

"Negative List" means the list of Investment Projects as set out in Schedule 1 of this Sub-Decree .

"Person" means natural or legal person.

"Production Equipment" means any machinery and tool used in the substantial transformation of Production Inputs which is not itself transformed or consumed within 2 (two) years of its importation, including information technology equipment or any motor vehicle .

"Production Inputs" means goods, including raw materials, semi finished products, and accessories serving production that is fully transformed or utilized in the production process of the QIP no later than 2 (two) years after importation.

It does not include office equipments and furnitures, petroleum products, vehicles, and spare parts for vehicles.

"Production Outputs" means goods which are produced from Production Inputs that have been transformed.

"Professional Service" includes, but is not limited to, legal, financial, accounting, auditing, tax consulting, architecture, engineering, information technology services, advertising, and management services.

"Provincial/municipal Investment Sub-committee" means the sub-committee of the provinces or municipalities established by Sub-decree to review and approve investment projects with an investment capital of less than USD2,000,000 (two million US dollars) at the provincial and municipal level.

"Qualified Investment Project" or "QIP" means an investment project for which a Final Registration Certificate has been issued.

" Supporting Industry QIP" means a QIP in which one hundred percent of the product is used to supply the export industry instead of usually imported raw materials and accessories .

"Working Day" means a calendar day which is officially a working day of the Royal Government of Cambodia.

CHAPTER 2

INVESTMENT PROPOSALS AND REGISTRATION CERTIFICATES Article 5: Application for Conditional Registration Certificate

- 5.1 Application and Fee: Any person who wishes to obtain the Investment Incentives and Guarantees or only the Investment Guarantees shall submit to the Council or the Provincial/Municipal Investment Sub-committee an Investment Proposal on a completed Application Form duly signed by or on behalf of the Applicant with appropriate Power of Attorney along with the payment of the Application Fee in the amount of 7,000,000 (seven million) Riels, representing the administration fees for securing the approvals, authorizations, licenses, or registrations from all relevant ministries and entities including stamp duty.
- 5.2 Application Form: The Application Form for an Investment Proposal is set out in Schedule 2 of this Sub-Decree.
- 5.3 Evidence of authority to act: If an Investment Proposal is signed by a person on behalf of the Applicant, documentary evidence of that person's authority to so act must be submitted to the Council or the Provincial/Municipal Investment Sub-committee with the Investment Proposal.
- 5.4 Multi-activity Projects: If a person proposes to invest and carry out more than one Investment Activity, which, if registered, would be carried out as a QIP, the person must submit a separate Investment Proposal for each Investment Activity.
- 5.5 Election for Exemption from Tax on Profit: An Applicant who wishes to become entitled to the exemption from the Tax on Profit under Article 14.1 of the Law on Investment in accordance with Article 15 of this Sub-Decree on receiving a Final Registration Certificate, must make an election in writing to that effect in the Investment Proposal.
- 5.6 Election precluding other Fiscal Allowances: In making the election under Sub-Article 5.5, the Applicant acknowledges that the election to utilize the tax holiday provided under Article 14.1 of the Law on Investment disqualifies the Investor from claiming any investment allowance otherwise available to the Investor under the Law on Taxation in respect of the QIP.
- 5.7 Election for Investment Guarantees only: An Applicant, who wishes to receive only the benefit of the Investment Guarantees, may make a written election in the Application Form as long as the Applicant is a non-QIP but falls under the Investment Guarantees of the Law on Investment. In this case, the Council and the Provincial/Municipal Investment Sub-committee shall issue a specific license to the Applicant.

Article 6: Registration of Investment Proposal or its refusal

- 6.1 Registration Process: The Council or Provincial/Municipal Investment Sub-Committee must, within 3 Working Days of the submission of an Investment Proposal under Article 5.1:
 - (a) if neither paragraph (b) nor (c) applies, register the Investment Proposal and notify the Applicant in accordance with Sub-Article 6.3; or
 - (b) refuse the Investment Proposal and notify the Applicant in accordance with Sub-Article 6.6 if the Investment Proposal is made in respect of an Investment Activity which:

- (i) is included in the Negative List; or
 - (ii) previously has been, or is currently, carried on by the Investor or any other person and which has already received Investment Incentives under the Law on Investment
- (c) refuse the investment proposal and notify the Applicant in accordance with Sub-Article 6.6 if the Investment Proposal does not contain all the information required under Sub-Article 5.1.
- (d) the Council or the Provincial/Municipal Investment Sub-committee has the right to postpone the registration of specific Investment Projects related to the national interest or are environmentally sensitive which required to be processed through the one-stop mechanism of the Council and the Provincial/Municipal Investment Sub-committee who shall notify the specific grounds to the applicant within 3 (three) Working Days of the submission of the Investment Proposal.

6.2 Amendment of Investment Proposal: If the Investment Proposal made to the Council does not conform to Article 5 of this Sub-Decree, the Council or the Provincial/Municipal Investment Sub-committee may, by written notice within 3 Working Days of the Investment Proposal's submission to the Council or the Provincial/Municipal Investment Sub-Committee, require the Applicant to amend the Investment Proposal made to it and to resubmit the Investment Proposal to the Council and the Provincial/Municipal Investment Sub-committee.

6.3 Issuance of Conditional Registration Certificate: If the Council or the Provincial/Municipal Investment Sub-committee registers an Investment Proposal under Sub-Article 6.1(a), it must issue to the Applicant, within 3 Working Days of the submission of the Investment Proposal, a Conditional Registration Certificate, in the form set out in Schedule 3, containing the following:

- (a) a list of all the necessary approvals, authorizations, licenses, permits or registrations which are required for the QIP to be lawfully undertaken and The ministries, departments, authorities, entities of the provinces/municipalities or agencies of the Royal Government responsible for issuing those documents upon the Applicant meeting the criteria required for the issuing of those documents..
- (b) the election made by the Applicant pursuant to Sub-Article 5.5, 5.6 or 5.7.
- (c) the Investment Incentives and Guarantees to which the investment project will be entitled if the Final Registration Certificate is issued, including the Tax on Profit exemption period under Article 14.1 of the Law on Investment.
- (d) the election made by the Applicant pursuant to Article 5.7, and the subsequent non-entitlement to the Investment Incentives.
- (e) recognition of the statutes of the legal entity which will undertake the QIP.

6.4 Default on the issuance of Conditional Registration Certificate: If the Council or the Provincial/Municipal Investment Sub-committee fails to issue a Conditional Registration Certificate under Sub-Article 6.3 or fails to issue Letter of Non-Compliance under Sub-Article 6.6 within 3 Working Days, the Investment Proposal is deemed to be registered and the Council or the Provincial/Municipal Investment Sub-committee must issue a Conditional Registration Certificate to the Applicant immediately.

6.5 Information to accompany Conditional Registration Certificate: The Council or the Provincial/Municipal Investment Sub-committee must issue with the Conditional Registration Certificate the investment guidelines and assessment criteria for each of the approvals, authorizations, licenses, permits or registrations referred to in Sub-Article 6.3(a).

6.6 Letter of Non-Compliance: If the Council or the Provincial/Municipal Investment Sub-committee refuses an Investment Proposal under Sub-Article 6.1(b), it must issue to the Applicant a Letter of Non-Compliance containing:

- (a) the reason why the Investment Proposal was not acceptable; and

- (b) the additional information required to enable the Council or the Provincial/Municipal Investment Sub-committee to register an amended Investment Proposal.

Article 7: Issuance of Final Registration Certificate

- 7.1 Council or the Provincial/Municipal Investment Sub-committee to assist with the various types approvals, authorizations: After issuing the Conditional Registration Certificate in accordance with Sub-Article 6.3, the Council or the Provincial/Municipal Investment Sub-committee must, on behalf of the Applicant, assist with the issuance of the approvals, authorizations, licenses, permits or registrations referred to in Sub-Article 6.3(a) by the relevant ministries, departments, authorities, entities of the provinces/municipalities or agencies of the Royal Government.
- 7.2 Payment of Deposit: An Investor shall not be required to make payment of any deposit to guarantee his or her investment except for the case of an infrastructure concession as required in the concession contract.
- 7.3 Issuance of Final Registration Certificate: When the holder of a Conditional Registration Certificate obtains all of the approvals, authorizations, licenses, permits or registrations referred to in Sub-Article 6.3(a), the Council or the Provincial/Municipal Investment Sub-committee must issue a Final Registration Certificate.
- 7.4 Period to issue Final Registration Certificate: If the holder of a Conditional Registration Certificate has not obtained all of the approvals, authorizations, licenses, permits or registrations referred to in Sub-Article 6.3(a) within 28 Working Days of the date of issuance of the Conditional Registration Certificate, the Council or the Provincial/Municipal Investment Sub-committee must issue a Final Registration Certificate.
- 7.5 Application for other approvals from relevant institutions: A Final Registration Certificate issued by the Council or the Provincial/Municipal Investment Sub-committee under Sub-Article 7.4 does not negate the obligation of the Applicant to obtain and receive all of the approvals, authorizations, licenses, permits or registrations required for the proposed QIP to operate lawfully.
- 7.6 Commencement of QIP: A QIP commences on the date of issuance of the Final Registration Certificate for that QIP and this commences the Trigger Period for the Tax on Profit Exemption period under Article 14.1 of the Law on Investment and Sub-Article 15.1 of this Sub-Decree.
- 7.7 Obligation to ask for other approvals: A QIP shall file written applications in accordance with applicable procedures to the Council or the Provincial/Municipal Investment Sub-committee for its approval of any changes of address, head office, place of business, company name, shares, and any other changes to the Investment Proposal and to the statute of the Investor within 10 (ten) Working Days prior to such changes so that the Council or the Provincial/Municipal Investment Sub-committee can decide on the issues no later than 10 (ten) Working Days.

Article 8: Revocation or Cancellation of Final Registration Certificate

- 8.1 Revocation of Final Registration Certificate: A Final Registration Certificate shall be revoked from the date it was issued by the Council or Provincial/Municipal Investment Sub-Committee if an Investor:
 - (a) obtained a Final Registration Certificate or a Certificate of Compliance through fraud or misrepresentation; or
 - (b) does not commence an Investment Activity within six (6) months of the receipt of all the documents referred to in Sub-Article 7.3 except for the case of concession contracts in which such period is specified by agreement in the contract.
- 8.2 Cancellation of Final Registration Certificate: If an Investor applies to the Council or the Provincial/Municipal Investment Sub-committee for a Final Registration Certificate to be cancelled under Article 21 New of the Law on Investment, the Council or the Provincial/Municipal Investment Sub-committee must cancel that Final Registration Certificate only if and when the Investor has fully complied with Articles 22 New and 23 New of the Law on Investment.

- 8.3 Notification of revocation of Final Registration Certificate: If the Council or the Provincial/Municipal Investment Sub-committee revokes a Final Registration Certificate in accordance with this Article, the Council or the Provincial/Municipal Investment Sub-committee must notify the Investor in writing of the revocation.
- 8.4 Appeals: An Investor whose Final Registration Certificate is revoked by the Council or the Provincial/Municipal Investment Sub-committee under this Article may appeal in writing to Co-Chairmen of the Council within 20 Working Days of the date or receipt of the written notification of revocation from the Council or the Provincial/Municipal Investment Sub-committee under Sub-Article 8.3.
- 8.5 Loss of Investment Incentives: A QIP whose Final Registration Certificate is revoked or cancelled is not entitled to claim, on and from the date of the revocation or cancellation, any of the Investment Incentives set out in the Final Registration Certificate.

CHAPTER 3

ACQUISITIONS AND MERGERS OF QIPs

Article 9: Merger of QIPs

- 9.1 If two or more Investors, or an Investor and any other Person, agree to merge to form a new entity, and the new entity wishes to carry out the Investor's QIP and be entitled to the Investment Incentives and Guarantees specified in the QIP's Final Registration Certificate, the new entity must apply in writing to the Council or the Provincial/Municipal Investment Sub-committee to be registered as an Investor and for the QIP's Final Registration Certificate to be transferred to the new entity within 10 Working Days prior to the merging and transfer of the Final Registration Certificate.
- 9.2 The Council or the Provincial/Municipal Investment Sub-committee must consider the application made under Sub-Article 9.1 and must provide the new entity with a written approval or refusal of the registration and the transfer of the Final Registration Certificate within 10 (ten) Working Days of the receipt of the application.

Article 10: Acquisition of a QIP by unregistered Person

- 10.1 If an unregistered Person purchases the ownership of a QIP and it wishes to carry out the Investor's QIP and be entitled to the Investment Incentives and Guarantees specified in the QIP's Final Registration Certificate, the purchaser must apply in writing to the Council or the Provincial/Municipal Investment Sub-committee to be registered as an Investor and for the QIP's Final Registration Certificate to be transferred to the new entity within 10 (ten) Working Days prior to the transfer of the Final Registration Certificate.
- 10.2 The Council or the Provincial/Municipal Investment Sub-committee must examine the application made under Sub-Article 10.1 and must provide the purchasing entity with a written approval or refusal of the registration and the transfer of the Final Registration Certificate within 10 (ten) Working Days of the receipt of the application.
- 10.3 If a transfer of shares in an Investor results in control of the Investor being acquired by the transferee, the Investor must apply to the Council or the Provincial/Municipal Investment Sub-committee for the transfer and provide the name and address of the transferee within 10 (ten) Working Days prior to the transfer in order that the Council or the Provincial/Municipal Investment Sub-committee can decide on the issue no later than 10 (ten) days.
- 10.4 For the purpose of Sub-Article 10.3, "control" means holding at least 20% of the shares in the Investor.

Article 11: Acquisition of a QIP by another Investor

- 11.1 If a registered Investor purchases the ownership of a QIP and it wishes to be entitled to the Investment Incentives and Guarantees of a QIP carried on by that Investor, the purchasing Investor must apply in writing to the Council or the Provincial/Municipal Investment Sub-committee for the acquisition within 10 (ten) Working Days prior to the acquisition in order to receive that entitlement.
- 11.2 The Council or the Provincial/Municipal Investment Sub-committee must consider the application made under Sub-Article 11.1 and must provide the purchasing Investor with written approval or refusal of the registration and the transfer of the Final Registration Certificate within 10 (ten) Working Days of the receipt of the application.

Article 12: Failure to register or to apply for approval

If a new Person or a purchasing Investor fails to apply to the Council or the Provincial/Municipal Investment Sub-committee for registration in accordance with Article 9 or 10, or a purchasing Investor fails to apply to the Council or the Provincial/Municipal Investment Sub-committee in accordance with Article 11, the new Person or the purchasing Investor is not entitled to any of the QIP's Investment Incentives and Guarantees.

CHAPTER 4 JOINT VENTURES

Article 13: Joint Ventures

A QIP may be in the form of a joint venture. A joint venture may be formed between Cambodian Entities, between Cambodian Entities and Foreign Entities and between Foreign Entities themselves and may include a joint venture with institutions of the Royal Government. There are no limitations based on nationality or the share-holding proportions of each shareholder, other than if the joint venture owns, or intends to own, land, or an interest in land in the Kingdom of Cambodia. In such case, the maximum combined share-holding of all persons who are not Cambodian Entities must not exceed 49 (forty nine) percent.

CHAPTERS 5 TAXATION

Article 14: General Principles

- 14.1 Liability for taxes: Investors are liable to, and must comply with the provisions of the Financial Management Law, the Law on Taxation, and the Law on Investment and related regulations.
- 14.2 Natural resources: The tax rate of the Tax on Profit, which profit derived from a contract sharing of oil and natural gas exploitation or from natural resources related activities including, but not limited to, timber, ore, gold and precious stones, shall be determined in accordance with Article 20.2 of the Law on Amendment to Law on Taxation.
- 14.3 Limitations: A full or partial exemption from taxes and customs duties shall only apply to the payment of any liability for the Tax on Profits and the payment of Customs Duty as provided in this Sub-Decree. These exemptions do not include the following:
- (a) tax on salary and withholding tax as stated in Articles 25 New and 26 New of the Law on Taxation, and Additional Profit Tax on the distribution of dividend and
 - (b) Value Added Tax, specific tax on certain merchandises and services, duties and taxes to be paid at the time of import, and any other taxes as specified in the laws in force.

Article 15: Tax on Profit

- 15.1 Period of exemption from the Tax on Profit: In accordance with Article 14.1 of the Law on Investment, the profit tax exemption period, which is Trigger Period plus 3-year Period plus Priority Period, shall be determined in accordance with this Article.
- 15.2 Trigger Period: For Article 14.1 of the Law on Investment, the trigger period of the profit tax exemption period is the period commencing on the issuance of the Final Registration Certificate and ending on the last day of the taxation year immediately preceding the earlier of:
- (a) if the QIP derives a profit, the taxation year that the profit is first derived; and
 - (b) if the QIP derives income from the Investment Activity in respect of the sale of goods or services, the third taxation year after the taxation year in which the income is first derived.
- For the purpose of this Sub-Article and Article 14.1 of the Law on Investment, profit refers to the taxable profit calculated under the provisions of the Law on Taxation regardless of the provisions of ` carry forward of losses under Article 17 of the Law on Taxation.
- 15.3 Three Years: This immediately commences from the taxation year immediately following the Trigger Period and the 2 immediately succeeding years.
- 15.4 Priority Period: The Priority Period determined under the Financial Management Law commences immediately after the third taxation year of the three year period provided under Sub-Article 15.3
- 15.5 Prepayment of the Tax on Profit for QIPs registered after the promulgation of Law on the Amendment to Law on Investment: The prepayment of the Tax on Profit does not apply to a QIP granted an exemption from the Tax on Profit as provided in Article 14.1 of the Law on Investment.
- 15.6 Prepayment of the Tax on Profit for QIPs approved before the promulgation of Law on the Amendment to the Law on Investment: A QIP which is subject to Article 24 (2) New of the Law on Investment shall make monthly prepayments of Tax on Profit at the rate of 1% of turnover inclusive of all taxes, except Value Added Tax derived in the previous month, in accordance with Article 28 New of the Law on Taxation. The QIP's turnover realized during the exemption period determined by the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia shall be exempt from prepayment of the Tax on Profit.
- 15.7 In accordance with Article 24 New of the Law on Taxation, a QIP shall not be subject to the minimum tax.

Article 16: Customs Duty Exemption on Production Equipments, Construction Materials, and Production Inputs

- 16.1 Exemption for Production Equipments and Construction Materials-Domestic QIP:
In accordance with Article 14.5 of the Law on Investment, Production Equipments and Construction Materials imported by a domestic QIP are exempt from Customs Duty. In the case where a QIP has a capability to directly export any portion of its manufactured products or has supplied for export industry, the quantity of Production Inputs that were taxed at the time of import and later used to produce goods that are, directly or indirectly, exported shall be entitled to duty exemption after a review of the quarterly report.
- 16.2 Customs Duty Exemptions for Production Equipments, Construction Materials, and Production Inputs - Export QIP:
In accordance with Article 14.6 of the Law on Investment, Production Equipments, Construction Materials, and Production Inputs imported by the Export QIP are exempt from Customs Duty. However, for the Export QIP which operates under the custom bounded warehouse mechanism, the customs duty exemption shall be in compliance with the Customs laws and regulations in force applicable to the mechanism. The processed Production Inputs that have not been exported shall be subject to the payment of customs duties and taxes applicable at the time of import after review of the quarterly report.

- 16.3 Customs Duty Exemptions for Production Equipments, Construction Materials, and Production Inputs – Supporting Industry QIP:
In accordance with Article 14.7 of the Law on Investment, Production Equipments, Construction Materials, and Production Inputs imported by a Supporting Industry QIP are exempt from Customs Duty. However, in the case where the Supporting Industry QIP failed to supply 100% of its manufactured products to the export industry or directly export its products, then the QIP shall pay the customs duties and taxes on Production Inputs for the quantity that has not been supplied to the export industry or directly exported after review of the quarterly report.
- 16.4 Procedure for Customs Duty Exemption: The Council must:
- (a) establish an inter-institution mechanism comprising members from the Council, and the Ministry of Economy and Finance to review the grant of incentives on the import and use of Production Equipments, Construction Materials and Production Inputs by a QIP for each investment purpose.
 - (b) prepare a detailed Guideline on procedure for a QIP to be entitled to Customs Duty exemption.
- 16.5 Transfer or sale of Production Equipments, Construction Materials, and Production Inputs:
- If any Production Equipments, Construction Materials, or Production Inputs in respect of which Customs Duty taxes were exempted on their importation are sold or used in a way unrelated to the QIP purpose, the Investor shall immediately:
- (a) pay Customs Duty taxes within 28 (twenty eight) Working Days in the amount calculated under the Customs Law and Regulations in force if the transfer or sale is done with a prior authorization from the Council.
 - (b) pay Customs Duty, taxes, and penalties within 28 (twenty eight) Working Days in the amount calculated under the Customs Law and Regulations in force if the transfer or sale is done without prior authorization from the Council.
 - (c) be subject to a temporary suspension of import authorization, and an examination of the Customs Duty exemption application submitted under the Law on Investment, including other Customs penalties in the case of omission or delay in payment of Customs Duty, Taxes, penalties as defined in paragraphs (a) and (b) of this Article 16.5
- 16.6 The transfer or sale of Production Equipments or Construction Materials and Production Inputs to another Investor:
An Investor or his/her representative may apply in writing to the Council for approval on the transfer or sale by a QIP of Production Equipments, Construction Materials, or Production Inputs which were imported with Customs Duty exemption, to another Investor to be used in a QIP.

CHAPTER 6

REPORTING OBLIGATIONS AND CERTIFICATES OF COMPLIANCE

Article 17: Reporting Obligations

- 18.1 Taxation Reporting Obligations: As mentioned in Article 104 New of the Law on Taxation, from the date of issuance of its Final Registration Certificate, a QIP shall submit monthly and annual tax declarations and shall pay all taxes as imposed by each taxation regulation to the Tax Department, along with a Certificate of Compliance for the taxation year.
- 18.2 Customs Duty Exemption Reporting Obligation: All Production Equipments and construction materials imported by a QIP are subject to all customs clearance formalities. Within 30 (thirty) working days of import, a QIP must submit to the Council and the Tax Department the certified copies of customs clearance documents, including the valuation documents of those goods issued by the government appointed agency.

Article 18: Compliance Certificate

- 19.1 Compliance Certificate: In each taxation year, a QIP may not claim, and is not entitled to, any of the Investment Incentives unless a QIP is issued with a Compliance Certificate.
- 19.2 Automatic Issuance: Subject to a revocation of the Council under Sub-Article 18.4 and 18.5, the Council shall issue the Compliance Certificate to a QIP within 90 (ninety) Working Days after the end of each financial year.
- 19.3 Failure to Issue: If the Council failed to issue the Compliance Certificate under Sub-Article 18.2, it is deemed to have been issued but is subject to revocation under Sub-Article 18.4 and 18.5.
- 19.4 Review Powers: The Council may review any QIP holding a Compliance Certificate to determine whether the QIP has provided all information required to be lodged under Sub-Article 18.6.
- 19.5 Loss of Investment Incentives: The Council may revoke a QIP's Compliance Certificate if it is satisfied, after reasonable review under Sub-Article 18.4, that the QIP has failed to provide all information required to be lodged under this Article. The QIP loses its entitlement to all Investment Incentives from the date of revocation of the Compliance Certificate.
- 19.6 Information to be delivered: Every Investor who carries a QIP must lodge with the Council:
- (a) an annual financial statement, consisting of a balance sheet, a profit and loss account, cash flow statement and remark no later than the 31st of March of the following year;
 - (b) a Certificate of Tax Obligation Satisfaction from the Tax Department certifying that the Investor has:
 - (i) properly complied with and filed the monthly tax returns on time except in the case where such tax returns of that year is required by the Law on Taxation.
 - (ii) paid all taxes, levies, interest, and surcharges determined for the period of taxation audited by the Tax Department.
 - (c) quarterly report on the effective import of Production Equipments and Production Inputs for the production, and quarterly report on the effective export of the QIP's finished products and annual inventory list of immovable properties.
 - (d) investment information sheet in **CIB 01S** form.

CHAPTER 7 OWNERSHIP AND LAND USE

Article 19: Ownership

- 19.1 Ownership: The Land Ownership serving the Investment Activity is to be vested in a Cambodian natural person or legal entity in compliance with the Law in force.
- 19.2 Registration of Ownership: To register land Ownership, the Investor shall complete all forms or formalities for registration with the cadastral office under the jurisdiction of which the immovable property is located.
- 19.3 Ownership Rights: Under the Constitution of the Kingdom of Cambodia, the foreign natural person or legal entity may not own land in the Kingdom of Cambodia.

Article 20: Use of Land

- 20.1 Cambodian Legal Entity: In addition to the Ownership Rights, the Cambodian Investor is entitled to use land in various forms, including concession, lease, transfer, and as securities.

- 20.2 Foreign Legal Entity: A Foreign Legal Entity may use the land in various forms, including concession, long term lease for 15 (fifteen) years or more, and renewable short term lease. Land Use rights include the rights on buildings, arrangements, or improvements made by the lessee for a duration specified in the contract, provided that the uses are exercised in compliance with the law in force.
- 20.3 Lease of State Land: Any natural or legal entity who leased any piece of land from the State shall act in compliance with regulations regarding the management of the State property.
- 20.4 Sub-Lease: Any natural or legal entity who leased any piece of land from the State may sub-lease such land to a third party only if he/she obtained express prior approval or authorization from the competent authority.

CHAPTERS 8 LABOR FORCE

Article 21: Use of Labor Force

The Council has the duty to advise and help facilitate the investor with regard to obtaining, for the foreign spouse accompanying the investor, a visa, the right to stay and appropriate travel permit in compliance with the immigration law and its regulations.

For the recruitment by the investor of foreign staff and management experts, technical staff, skilled workers who are not available among Cambodians citizens, the Council shall help facilitate the investor to obtain the right to recruit those foreign employees to work as needed, in accordance with the Labor law, Immigration law and relevant regulations in force.

CHAPTER 9 PENALTIES

Article 22: Penalties

If the Investor fails to perform any obligation imposed by this Sub-Decree or the Law on Investment, the Investor shall be subject to penalties defined in Article 8.1, Article 12 or Article 18.5 of this Sub-Decree or other Laws regarding the omission or failure to perform obligations.

CHAPTER 10 TRANSITIONAL PROVISIONS

Article 22: Recognition as QIP of Investment Project Approved Prior to the Amendment to the Law on Investment

- 23.1 Any Invest Project approved under the Law on Investment of the Kingdom of Cambodia promulgated by Royal Kram No. 03/NS/94 dated August 05, 1994 and whose activity is undergoing before the date of entry into force of this Sub-Decree will be recognized as a QIP after the Investor has submitted a written proposal to the Council to have it deemed as a QIP and after satisfying all obligations defined in the Law on Investment and this Sub-decree.

The Council shall issue to the investor a Certificate of Recognition for the above Investment Project as QIP no later than 3 (three) Working Days.

For the Investment Project that has been approved but failed to perform any Investment Activity or started an Investment Activity for a period of time but later postponed the Activity without any notice of such postponement or termination to the Council, such Investment Project shall be subject to further regularization of documents in order to obtain QIP's entitlement before recommencement of the Investment Project.

23.2 Incentives for Investment Projects Approved Prior to the Adoption of the Amendment to the Law on Investment.

Investment Project which was approved prior to the adoption of the Amendment to the Law on Investment and has been recognized as QIP entitled to the profit tax rate of 9% before the promulgation of the Amendment to the Law on Investment of the Kingdom of Cambodia, is entitled to such 9% rate for a transitional period of not more than 5 (five) years starting from the fiscal year after the promulgation of the Amendment to the Law on Investment of the Kingdom of Cambodia and this Sub-decree only if the Investor has fulfilled all obligations stipulated in Chapter 6 of this Sub-Decree.

Investment Project which was approved prior to the adoption of the Amendment to the Law on Investment and has been recognized as a QIP and provided with Investment Incentives in writing by the Council may still be entitled to incentives in the form of profit tax and Customs Duties exemption on the import of Production Equipment, Construction Materials, and Production Inputs only if the Investor has fulfilled all obligations stipulated in Chapter 6 of this Sub-Decree.

CHAPTER 11

FINAL PROVISIONS

Article 24: Abrogation

The Sub-Decree No 88/ANK/BK dated December 29, 1997 on the Implementation of the Law on Investment of Cambodia, Amendment Sub-Decree No 53/ANK/BK dated June 11, 1999 on the Amendment to Sub-Decree on the Implementation of Law on Investment of Cambodia, Sub-Decree No 130/ANK/BK dated December 26, 2001 on the Amendment to Sub-Decree No 53/ANK/BK dated June 11, 1999, and any other regulation in contrary to this Sub-Decree shall be abrogated.

Article 25:

The Minister in charge of the Office of the Council of Ministers, the Minister of Economy and Finance, the Council for the Development of Cambodia, Ministers of all ministries, heads of all institutions, and provincial/municipal governors shall effectively implement this Sub-decree within their respective functions commencing from the date of signature.

Phnom Penh,2005

PRIME MINISTER

HUN SEN

CC:

- Ministry of Royal Palace;
- General Secretariat of Constitutional Council;
- General Secretariat of the Senate;
- General Secretariat of the National Assembly;
- Cabinet of Samdech Prime Minister;
- General Secretariat of the Royal Government;
- As defined in Article 25;
- Archives - Chronicle

ANNEX I

of the Sub-Decree No 111 ANK/BK date on September 27, 2005 on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia

Negative List (Article 6.1)

Section 1: Investment Activities Prohibited by the Relevant Law and Sub-Decrees:

1. Production/processing of psychotropic substances and narcotic substances;
2. Production of poisonous chemicals, agriculture pesticide/insecticide and other goods by using chemical substances, prohibited by international regulations or the World Health Organization, that affect the public health and environment;
3. Processing and production of electricity power by using any waste imported from a foreign country;
4. Forestry exploitation business prohibited by Forestry Law;
5. Investment activities prohibited by law.

Section 2: Investment Activities Not Eligible for Incentives

1. All kinds of commercial activity, import, export, wholesale, retails, including duty free shops;
2. Any transportation services by waterway, by road, by air except investment in railway sector;
3. Restaurants, karaoke parlors, bars, nightclubs, massage parlor, fitness that are located outside of international standard hotel. However, though it is located in the international standard hotel if the Investor leased the above locations to a non-QIP third party lessee to conduct business, such investor shall not be entitled to profit tax exemption as granted to the Investor under the Amendment to the Law on Investment;
4. Tourism service provider, tourism agent, tourism information and tourism advertisement;
5. Casino and gambling business and service of any kind;
6. Currency and Financial business and services, including bank, financial institution, insurance company, and all kind of financial intermediation;
7. Activity related to newspaper and media, including radio, television, press, magazine, movie, video production or reproduction, theatre, studio, and related activities;
8. Professional services;
9. Living Modified Organisms LMOs that causes danger to biodiversity, human health and environment;
10. Production and processing of wood products which using wood from natural forest with a legal domestic supplying source as raw materials;
11. Production of tobacco products;
12. Production of food products and beverages with the investment capital less than USD500, 000(five hundred thousand);
13. Production of product for textile industry with the investment capital less than USD500, 000 (five hundred Thousand);
14. Production of garments, textiles, footwear, hats with the investment capital less than USD500, 000 (five hundred thousand);
15. Production of furniture and fixture, which not using natural wood with the investment capital less than USD500, 000 (five hundred thousand);
16. Production of paper and paper products with the investment capital less than USD 500, 000 (five hundred thousand);
17. Production of chemicals, cement, agriculture fertilizer, petrochemicals with the investment capital less than USD1, 000,000 (one million);
18. Production of rubber products and plastic product with the investment capital less than USD500, 000 (five hundred thousand);
19. Production of leather products and other related products with the investment capital less than USD300, 000 (three hundred thousand);
20. Production of all kinds of metal products with the investment capital less than USD300, 000; (three hundred thousand);
21. Production of electrical and electronic appliances and office materials with the investment capital less than USD300, 000 (three hundred thousand);
22. Production of toys and sporting goods with the investment capital less than USD300, 000 (three hundred thousand);
23. Production of motor vehicles, parts and accessories with the investment capital less than USD300, 000 (three hundred thousand);
24. Clean water supplies with the investment capital less than USD500, 000 (five hundred thousand);
25. Supporting industry, which has its entire production (100%) supplying export industry with the investment capital less than USD100, 000 (one hundred thousand);
26. International trade exhibition center and convention halls with the investment capital less than

USD8, 000,000 (eight million)

27. Construction of modern market or trade center with the investment capital less than USD2, 000,000 (two million) with size less than 10,000 (ten thousand) square meters and has inadequate space for car park;
28. Production of animal feed with the investment capital less than USD200, 000 (two hundred thousand);
29. Production of ceramic products with the investment capital less than USD300, 000; (three hundred thousand);
30. Training and educational institutes that provide training for skill development, technology, or poly technology that serve industrial, agricultural, tourism, infrastructure, environment, engineering, sciences, and other services with the investment capital less than USD4, 000,000 (four million);
31. Hotel below 3-star grade
32. Complex tourism center with hotel containing less than 100 rooms or tourist inns of less than 30 housing and tourist estates (resort) less than a minimum length of ten (10) hectares;
33. Natural Tourism and creation of natural tourism site with the size less than 1,000 (one thousand)hectares of land with the investment capital less than USD1, 000,000 (one million);
34. Complex resort, including hotel, theme park, sport facilities, zoo with less than 50 (fifty) hectares;
35. Car parking;
36. Warehouses facilities;
37. Polyclinic having less than 50(fifty) patient beds with no modern equipment, laboratories, surgical operation, x-ray, emergency, pharmacy room, lift elevator (for up to 3 story building), apply no ambulances, morgue, with the investment capital less than USD1, 000,000 (one million);
38. Production of modern medicines with the investment capital less than USD1, 000,000 (one million);
39. Production of traditional medicines with the investment capital less than USD500, 000(five hundred thousand);
40. Agricultural production:
 - 40.1 Paddy farming less than 1000 (one thousand) hectares
 - 40.2 All kinds of cash crops less than 500 (five hundred) hectares
 - 40.3 Vegetables less than 50 (fifty) hectares
41. Livestock production
 - 41.1 Cattle husbandry less than 1,000 (one thousand) heads;
 - 41.2 Dairy farm less than 100 (hundred) cows;
 - 41.3 Poultry farm less than 10,000 (ten thousand) heads;
42. Aquatic production:
 - 42.1 Fresh water aquaculture farm less than 5 (five) hectares;
 - 42.2 Sea water aquaculture farm less than 10 (ten) hectares;
43. Timber plantation, tree plantation, and wild animal farm:
 - 43.1 Timber plantation less than 1,000 (one thousand) hectares;
 - 43.2 Tree plantation less than 200 (two hundred) hectares;
 - 43.3 Wild mammal husbandry less than 100 (one hundred) heads;
 - 43.4 Wild bird husbandry less than 500 (five hundred) heads;
 - 43.5 Wild reptile husbandry less than 1,000 (one thousand) heads

The Ministry of Agriculture, Forestry and Fisheries shall define the definitions of each category in paragraph 43 above.

44. Freezing and processing of aquatic products and cereals and crops products for exports:
 - 44.1 freezing and processing of aquatic product for export with the investment capital less than USD 500,000 (five hundred thousand);
 - 44.2 processing of any kind of cereals and crops products for export with the investment capital less than USD 500,000 (five hundred thousand);
45. Provision of value added services of all kinds of telecommunication services
46. Real estate development.

Section 3: Investment Activities with specific characteristics which shall be Eligible for Custom Duties Exemption, but not Eligible for the Profit Tax Exemption

1. Telecommunication basic services;
2. Exploration of gas, oil and all kinds of mining, including supply bases for gas and oil activities.

ANNEX 2

of the Sub-Decree No 111 ANK/BK date on September 27, 2005 On the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia

Application for Investment Proposal in the Kingdom of Cambodia (Article 5.2)

I- Structure of the person:

a. General Information

- Name of the person (natural or legal person)
- Address: - Location of the person's Office:.....Tel:.....
Fax:.....E-mail:.....
- Name of Parent Person:Address:.....
.....Tel:.....Fax:.....
Website:.....E-mail:.....
- Type of the Company (please tick ✓ in the box ☐)
- ☐ Corporation ☐ Partnership
- ☐ Foreign Commercial Company
- Note:** Corporation would include: Private limited Company, Public limited Company and Single Member Private Limited
- Registered Capital:.....of which, foreign.....%, domestic.....%
- Specifications of certification of money deposited at bank 25%

b. Composition of the Person

Shareholder

Family Name & First Name	Nationality	ID Card or Passport No. & Date	Address	Percentage of Share
1.....				
2.....				
3.....				
4.....				

Composition of Members of Board of Directors (including third party)

Family Name & First Name	Nationality	ID Card or Passport No. & Date	Address	Position in the Company	Authorized Person to sign documents
1.....					
2.....					
3.....					
4.....					

a. General Information

- Investment sector: (please tick ✓ in the box ☐)

- Applicant:

- Total Capital Investment:.....of which, capital on:

- Land (area in m²):.....Price.....USD

- Location of Investment: Land lot No:.....Street.....Village.....Commune/Sangkat.....
District:.....Province/Town:.....Area:.....m²

- Plan to implement the project:

- Start to construct:.....Expected completion date.....
- Time to equip with machineryStart production.....

- Product Information:

[illegible]

- Labor Force Requirement

Type of Labor	Starting Period		Full Capacity	
	Local	Foreign	Local	Foreign
- Management				
- Engineer				
- Technician				
- Advisor				
- Administrative personnel				
- Skilled workers				
- Non-skilled workers				
Total				

- Annual Production inputs (raw materials) needed: *to fill in the form attached in the Annex*

- Energy and Water Needed:

- Annual coal or firewood:.....m³/year, Gas:.....tons/year
- Oil:.....tons/liters/year
- Electricity (Assembly power):.....MW, Annual need.....KWH
- Water Consumption:.....m³/year

b. Selection: ☐ Exemption on tax on profits and Investment Guarantees

☐ Special Depreciation and Investment Guarantees

☐ Investment Guarantees (not asking for incentives)

(Among the three options, Investor is only allowed to choose one)

c. Information on Environment:

- Mode of transport of raw materials and finished products into and out of the investment area:

.....

Estimates of volume:

Liquid waste:.....m³/month Hard waste:.....m³ or tons/month

Emitted gas:...../day

Table of estimation of concentration in:

the process of sewage discharge

- pH:..... - Ammonia (NH₃).....
- Nitrate Nitrogen..... - Heavy Metal.....
- Phenol (C₆H₅OH)..... - Oil and Grease.....
- Turbidity..... - Conductivity.....

- Total number of hard substances dissolved in
water.....

- Total hard substance silted in
water.....

- *Evaporation of gas molecules in air*

- Carbon Monoxide..... - Nitrogen Dioxide.....
- Sulfur Oxide..... - Ozone.....
- Lead.....

- Place used as disposal area for hard and liquid waste, and to gas emission

.....

- Sources of increasing noise and vibration

.....

- Residing Conditions of employees, workers

- Supply of clean water:.....
- Health, safety:.....
- Sanitation:.....
- Management of hard waste:.....

d- Information on Taxes

To fill in the Form attached in the Annex.

e- Information on Memorandum and Articles of Association

Herewith attached the company's statute, photos, copies of passports or identities card
of the shareholders

III. Assurance: Being the Project Owner, I would like to assure that

- The project is not included in the negative list mentioned in the Annex I, section 1 of the Sub-Decree on the Implementation of the Law on Amendment to the Law on the Investment of the Kingdom of Cambodia.
- The above information is correct and not intended to falsify.

Made in.....Date.....Month.....Year.....

Signature

of the Sub -Decree No 111 ANK/BK date on September 27, 2005 on the implementation of the law on the Amendment to the law on investment of the Kingdom of Cambodia

List of Production Equipments Needed
For Investment Project.....

[illegible]

ANNEX 2-2

of the Sub-Decree No 111 ANK/BK date on September 27, 2005 On the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia

List of Production Inputs Needed
For Investment Project.....

[illegible]

ANNEX 3

of the Sub-Decree No 111 ANK/BK date on September 27, 2005 On the Implementation of the Law
on
the Amendment to the Law on Investment of the Kingdom of Cambodia

(Article 6.3)

Conditional Registration is according to the Law on Investment and the Sub-Decree on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia.

Name of Investor.....

Address of Investor.....

Details of Qualified Investment Project.....
.....

Name, address and contact details of Investor's representative in Cambodia.....
.....

Approvals, authorisations, clearances, licences, permits or registrations required for the QIP to be lawfully undertaken and the ministries, departments, authorities or agencies of the Royal Government responsible for their issue, upon the Applicant meeting the criteria for their respective Ministry etc.

Approval, etc.

Ministry

Criteria

(insert)

Election made by Investor under Article 5.5 of the Sub-Decree on the implementation of the law on the amendment to the law on investment of the Kingdom of Cambodia.
.....

Election made by Investor under Article 5.7 of the Sub-Decree on the implementation of the law on the amendment to the law on investment of the Kingdom of Cambodia.
.....

Investment Incentives and Guarantees which the QIP will be entitled to if the Final Registration Certificate is issued, including the Tax on Profit exemption period under Article 14.1 of the Law on the amendment to the law on investment of the Kingdom of Cambodia.
.....

Memorandum and Articles of association of the Investor, which will undertake the QIP
.....
.....

**Kingdom of Cambodia
Nation Religion King**

**Royal Government of Cambodia
N° 147 ANK.BK**

**ANUKRET (SUB DECREE)
ON
THE ORGANIZATION AND FUNCTIONING OF THE
COUNCIL FOR THE DEVELOPMENT OF CAMBODIA**

- Seen the Constitution of the Kingdom of Cambodia
- Seen the Royal Decree N° NS/RKT/ 0704/124 dated July 15, 2004 on the formation of the Royal Government of Cambodia
- Seen the Royal Kram N° 02/NS/94 dated July 20, 1994 promulgating the Law on the Organization and Functioning of the Council of Ministers
- Seen the Royal Kram N° 03/NS/94 dated August 05, 1994 promulgating the Law on Investment of the Kingdom of Cambodia and Royal Kram N° NS/RKM/0303/009 dated March 24, 2003 promulgating the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia
- In pursuant to the needs of the Council for the Development of Cambodia

IT IS HEREBY DECIDED

**CHAPTER 1
THE ORGANIZATION OF THE COUNCIL FOR THE
DEVELOPMENT OF CAMBODIA**

Article 1: The composition of the Council for the Development of Cambodia "CDC" is as follows:

- | | |
|---|---------------------|
| 1- Samdech Hun Sen, Prime Minister of the Royal Government | Co-Chairman |
| 2- Samdech Krom Preah Norodom Ranariddh, Special Advisor to the Royal Government | Co-Chairman |
| 3- H.E Keat Chhon, Senior Minister, Minister of Economy and Finance | First Vice Chairman |
| 4- H.E Cham Prasidh, Senior Minister, Minister of Commerce | Vice Chairman |
| 5- H.E Kong Vibol, First Secretary of State of Economy and Finance, having rank as Minister | Vice Chairman |
| 6- Minister in Charge of the Office of the Council of Ministers or his representative | Member |
| 7- Minister of the Royal Palace or his representative | Member |
| 8- Co- Ministers of Interior or their representatives | Member |
| 9- Co- Ministers of Defense or their representatives | Member |
| 10- Minister of Foreign Affairs and International Cooperation or his representative | Member |
| 11- Minister of Education, Youth and Sports or his representative | Member |
| 12- Minister of Information or his representative | Member |
| 13- Minister of Rural Development or his representative | Member |
| 14- Minister of Health or his representative | Member |
| 15- Minister of Culture and Fine Arts or his representative | Member |

16- Minister of Justice or his representative	Member
17- Minister of Water Resources and Meteorology or his representative	Member
18- Minister of Posts and Telecommunications or his representative	Member
19- Minister of Labor and Vocational Training or his representative	Member
20- Minister of Women Affairs or her representative	Member
21- Minister of Social Affairs, Veteran and Youth Rehabilitation or his representative	Member
22- Minister of Industry, Mines and Energy or his representative	Member
23- Minister of Planning or his representative	Member
24- Minister of Agriculture, Forestry and Fisheries or his representative	Member
25- Minister of Environment or his representative	Member
26- Minister of Public Works and Transport or his representative	Member
27- Minister of Tourism or his representative	Member
28- Minister of Land Management, Urban Planning and Construction or his representative	Member
29- Minister of Parliamentary relations and Inspection or her representative	Member
30- Minister of Cults and Religious Affairs or his representative	Member
31- Governor of National Bank or his representative	Member
32- Secretary of State of Secretariat of Public Service or his representative	Member
33- Secretary of State of Secretariat of Civil Aviation or his representative	Member
34- Commander-in-Chief of the Royal Cambodian Armed Forces or his representative	Member
35- Commissioner General of the National Police or his representative	Member
36- Commander of the National Military Police or his representative	Member
37- Secretary General of the Council for the Development of Cambodia	Member
38- Secretary General of the Cambodian Rehabilitation and Development Board	Member
39- Secretary General of the Cambodian Investment Board	Member
40- Secretary General of the Cambodian Special Economic Zone Board	Member
41- Director General of Cambodian National Petroleum Authority	Member
42- Provincial/Municipal Governors or their representatives	Member
43- Chairman of Phnom Penh Chamber of Commerce or his representative	Member

Article 2: The organizational structure of the Council for the Development of Cambodia is as follows:

1. The Cambodian Rehabilitation and Development Board “CRDB” being under the direct supervision of a Secretary General;
2. The Cambodian Investment Board “CIB” being under the direct supervision of a Secretary General;
3. The Cambodian Special Economic Zones Board “CSEZB” being under the direct supervision of a Secretary General; and
4. The General Secretariat of the “CDC” being under the direct supervision of the Secretary General of the CDC.

Article 3: The Secretary Generals of the CDC, CRDB, CIB and CSEZB shall each be assisted in the performance of their duties by a Deputy-Secretary General. Each Deputy-Secretary General shall perform their function as delegated by his respective Secretary General following the approval of the Executive Committee of CDC. In the performance of their duties, the Secretary Generals shall consult on a regular basis with their respective Deputy-Secretary Generals.

Article 4: The organizational structure of the CRDB is comprised of departments in charge of:

1. Public relations and Aid coordination
2. Documentation and information
3. Management of bilateral aid with countries in Asia and Oceania
4. Management of bilateral aid with countries in Europe, European Union, and America
5. Management of multilateral aid (including Asian Development Bank, World Bank, International Monetary Fund, etc.)
6. Management of aid from the United Nations Development Program and other United Nations agencies
7. NGO coordination and relations
8. Project evaluation
9. Administration

Article 5: The organizational structure of the CIB is comprised of departments in charge of:

1. Public relations and promotion of private investments
2. Investment project evaluation and incentives
3. Environmental impact assessment
4. Inter-ministerial coordination
5. Private investments strategies analysis
6. Legal affairs and investment law
7. Investment projects monitoring
8. Administration

Article 6: The organizational structure of the CSEZB is comprised of departments in charge of:

1. Policy and planning
2. Operation and management
3. Project analysis and registration
4. Administration

Article 7: The General Secretariat is comprised of 4 support divisions:

1. Legal affairs and dispute resolution
2. Finance and administration
3. Personnel
4. Strategic planning

Article 8: Each department and each support division shall have an equivalent rank of a Department and shall be supervised by a department or division chief, assisted by one or more deputy-chiefs.

Article 9: The day to day operation of the CDC shall be led by an Executive Committee composed of the following members:

1. Co-Chairmen of CDC
2. Vice-Chairmen of CDC
3. Secretary General of CDC
4. Secretary General of CRDB
5. Secretary General of CIB
6. Secretary General of CSEZB

CHAPTER 2

ROLES AND RESPONSIBILITIES OF CDC

Article 10: The CDC shall be the executive agency of the Royal Government and shall have the following responsibilities:

1. to be the “Etat-Major” and the “One-Stop Service” of the Royal Government responsible for the rehabilitation and development, public and private investments, and the establishment and management of special economic zones;
2. to guide the preparation of development conception and strategies for Cambodia in cooperation with the relevant institutions;
3. to work with other countries, bilateral/multilateral organizations and NGOs in order to sensitize them to the economic strategy conception and the priorities of the National Program to Rehabilitate and Develop Cambodia to effectively coordinate the reception and the allocation of external aid according to the needs and priorities of the nation;
4. to facilitate and coordinate works between ministries/other governmental institutions and donor countries/international donor organizations, as well as works between ministries/other governmental institutions and investors;
5. to provide guidance in the utilization of public and private resources in the development of Cambodia;
6. to facilitate and streamline administrative procedures for donors and investors; and
7. to review and decide on all the matters pertaining to the rehabilitation and development, public and private investments, and the establishment and management of special economic zones.

Article 11: The CDC shall submit for the approval of the Council of Ministers the investment projects which:

1. have investment capital of USD 50 million or more;
2. involve politically sensitive issues;
3. involve the exploration and the exploitation of mineral and natural resources;
4. may have negative impact on the environment;
5. have long-term strategy; or
6. involve infrastructure concession.

Article 12: The CDC shall be responsible to the Council of Ministers for its actions.

Article 13: In relation to rehabilitation and development, the CDC has the following roles and responsibilities:

1. to serve as the focal point and the “One-Stop Service” in the contact between the Royal Government and the countries, international organizations and NGOs which are donors to Cambodia, and to serve as the focal point and “One-Stop Service” in the contact among ministries and other governmental institutions in the coordination of the receiving and/or distributing of aid;
2. to formulate and implement strategies on the management of development cooperation to strengthen the ownership and the leadership of the Royal Government in the development activities, and to strengthen partnership with the donor community;
3. to mobilize and allocate foreign aid for the implementation of the priorities set out in the National Development Strategy Program and the Sectoral Development Programs;
4. to lead the harmonization of the implementation of development projects and programs by development partners to enhance the effectiveness of foreign aid;

5. to provide technical support to the Government-Donor coordinating committee which is a mechanism for discussing and formulating policies, and to provide various support to enhance the mechanism of joint-technical working groups;
6. to cooperate with relevant ministries and institutions in preparing strategic concepts for rehabilitation and development of Cambodia, and in setting the priority needs of the country for the immediate term, the short-term, the medium-term and the long-term in order to prepare rolling plans of action. These plans of action shall be inter-related and coherent;
7. to participate in preparing socio-economics and sectoral planning to develop Cambodia;
8. to manage public investments in cooperation with the relevant ministries and institutions. This process shall mainly be related to the coordination and direction of the allocation and utilization of the national resources and external aid with the aim of rehabilitating and developing Cambodia;
9. to sign agreements with bilateral and/or multilateral donors and international organizations to receive and allocate aid on behalf of the Royal Government, pursuant to the delegation of authority by the Prime Minister;
10. to lead preparatory works, in cooperation with relevant ministries and institutions, for international meetings for rehabilitating Cambodia such as the “Consultative Group for Cambodia”; and
11. to produce and submit semi-annual and annual reports to the Royal Government for its review and its corrective measures of the rehabilitation and development works.

Article 14: In the management of public investments, the relation between CDC and the relevant ministries and institutions shall be as follows:

1. CDC shall be the coordinating body for setting strategic conceptual frameworks and public investment policies as well as setting up priorities for public investment programs and projects for medium term and one-year term;
2. the Ministry of Foreign Affairs and International Cooperation shall be the official diplomatic window;
3. the Ministry of Planning shall, in cooperation with the relevant ministries and institutions, prepare 5-Year Plans and public investment programs;
4. the Ministry of Economy and Finance shall prepare the medium-term macroeconomic framework and the budget for implementing annual public investment programs, and control the allocation of financing; and
5. the line ministries shall prepare sectoral public investment projects and programs, in closed cooperation with the Ministry of Planning and CDC and are responsible respectively for the implementation of their relevant projects and programs .

Article 15: The ministries and institutions shall undertake and implement their functions with regards to public investments by coordinating through the “One-Stop Service” mechanism.

Article 16: The Office of the Council of Ministers, ministries and institutions shall monitor the implementation of programs and/or projects within their respective responsibilities by coordinating through the “One-Stop Service” mechanism.

Article 17: In relation to private investments, the roles and responsibilities of CDC are the followings:

1. to serve as the “One-Stop Service” mechanism and the “Etat-Major” of the Royal Government in the examination and approval of matters pertaining to investments as specified in Article 3 of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia;
2. to study “the competitive advantage” of Cambodia in the international market, to set the vision of private investments for Cambodia, and to turn Cambodia into “Cambodia, Inc”. To cooperate with relevant ministries and institutions in preparing the strategy for private investments and to set up projects for private investment;

3. to promote projects for private investment formulated by the Royal Government and inform the investors of such projects in accordance to the procedures as set in the internal regulations of CDC;
4. to coordinate the management of infrastructure concession projects;
5. to initiate and recommend to the Royal Government on the preparation and the amendment of laws and regulations related to private investment so as to create favorable conditions conducive to private investments;
6. to prepare documentation and regulations pertaining to private investments for domestic and international distribution; and
7. to produce and submit semi-annual and annual reports to the Royal Government for its review and its recommendations on corrective measures concerning private investments.

Article 18: The relation between CDC and the relevant ministries and other governmental institutions in the management of private investment shall be as follows:

1. The CDC shall be the “One-Stop Service” of the Royal Government in examining and approving private investment projects including the exploration and the exploitation of petroleum, gas and other natural resources although those projects are not eligible for incentives.
2. The relevant ministries and institutions shall provide their opinions in the examination and approval of private investment projects through the “One-Stop Service” mechanism.

Article 19: The CDC and relevant ministries or institutions shall undertake and implement their tasks with regard to private investments by coordinating through the “One-Stop Service” mechanism.

Article 20: The “CDC” in cooperation with the Office of the Council of Ministers, the Ministry of Planning, the Ministry of Economy and Finance, the Ministry of Commerce and other relevant ministries or institutions, shall monitor the implementation of private investment projects approved by CDC by coordinating through the “One-Stop Service” mechanism.

Article 21: In relation to special economic zones, the CDC shall have the following roles and responsibilities:

1. to serve as the “One-Stop Service” mechanism and the “Etat-Major” of the Royal Government in the examination and approval of proposals to establish special economic zones in Cambodia either by the State, public-private joint ventures, or private enterprises;
2. to analysis and develop strategic plans, in cooperation with relevant ministries and institutions, to identify appropriate locations for the establishment of special economic zones; and to set the vision on special economic zones to attract developers and investors, and to realize this vision by making Cambodia a future modern business center;
3. to promote special economic zone investment projects formulated by the Royal Government and inform developers of these projects through all effective and fast media;
4. to initiate and coordinate the management of special economic zones which are the priorities of the Royal Government;
5. to initiate and recommend to the Royal Government on the preparation and the amendment of laws and regulations related to SEZ so as to create favorable conditions for SEZ development and investments;
6. to manage, provide incentives and investment guarantees, and respond to requests and inspect special economic zones;
7. to assign officials to the special economic zones as deemed necessary; and
8. to produce and submit semi-annual and annual reports to the Royal Government for its review and take necessary measures to improve investment in special economic zones.

Article 22: The relation between the CDC and the relevant ministries and other governmental institutions in the management of special economic zones shall be as follows:

1. The CDC shall be the “One-Stop Service” of the Royal Government in examining and approving the registration of proposal to establish special economic zones.
2. The relevant ministries and institutions shall provide their opinions in the examination and approval of special economic zone establishment projects through the “One-Stop Service” mechanism.
3. The CDC shall cooperate with relevant ministries and institutions in the establishment of an administration office in each special economic zone and provide instructions on the issuance of permits and authorizations by the administration office to investors in the special economic zones to ensure that it is made in an effective and timely manner.

CHAPTER 3

THE FUNCTIONING OF CDC

Article 23: The roles and responsibilities of the Co-Chairmen of the CDC shall be as follows:

1. to be responsible for the overall operation of CDC;
2. to preside over the CDC Executive Committee’s meetings and the CDC plenary meetings;
3. to lead the discussions and maintain the order in the CDC Executive Committee’s meetings and the CDC plenary meetings;
4. to sign the minutes of the CDC Executive Committee’s meetings and the CDC plenary meetings;
5. to convene the extraordinary meeting of the CDC Executive Committee and the CDC extraordinary plenary meeting; and
6. to be responsible for the management of CDC budget.

Article 24: The Prime Minister shall lead the formulation of policies and strategies for development of special economic zones and monitor the implementation of these policies and strategies.

Article 25: The roles and responsibilities of the Vice-Chairmen of the CDC shall be as follows:

A- H.E Keat Chhon, First Vice-Chairman:

1. to be responsible for the overall operations of CDC in the event of the absence of the Co-Chairmen of CDC;
2. to be in charge of making recommendations and proposals on overall strategic development policies;
3. to be in charge of the CRDB operations focusing especially on the coordination of public investment matters, and mobilization and coordination of foreign aid;
4. to be responsible for managing and supervising the daily operations of CDC;
5. to preside over the CDC Executive Committee’s meetings and the CDC plenary meetings and to sign the minutes of the meetings in the event of the absence of the Co-Chairmen;
6. to be in charge of the coordination between CDC and other ministries and institutions of the Royal Government;
7. to be in charge of international cooperation with donor countries and international organizations;
8. to preside over the "One-Stop Service" mechanism meetings organized by CDC to review and approve matters pertaining to rehabilitation, development and investments before submitting them to the Executive Committee’s meeting for approval; and
9. to execute other tasks as delegated by the Co-Chairmen of CDC.

B- H.E Cham Prasidh, Vice-Chairman:

1. to be responsible for the overall operation of CDC in the event of the absence of the Co-Chairmen and the First Vice-Chairman of CDC;
2. to be in charge of making recommendations and proposals on trade, industrial and private investments policies and strategies, and to be in charge of managing and monitoring the implementation of those policies and strategies;
3. to be in charge of any investments matters within the Asean framework in accordance with Asean arrangements;
4. to preside over the "One-Stop Service" mechanism meetings organized by CDC to review and approve matters pertaining to private investments;
5. to examine and approve private investment projects, such as garment factories, footwear factories, supporting industries, hotels and projects approved by the Prime Minister, and projects which do not request incentives; and
6. to execute other tasks as delegated by the Co-Chairmen of CDC.

C- H.E Kong Vibol, Vice-Chairman:

1. to be responsible for the overall operation of the CDC in the event of the absence of Co-Chairmen and the other two Vice-Chairmen of the CDC;
2. to be in charge of the daily operation of CIB;
3. to preside over the "One-Stop Service" mechanism meetings organized by the CDC to review and approve matters pertaining to private investments in the event of the absence of H.E Cham Prasidh or in the event he is retained by other commitments;
4. to be in charge of Asean Investment Area (AIA) matters by coordinating with the other two Vice-Chairmen;
5. to be responsible for the overall operation of the CDC in the event of the absence of the Co-Chairmen and the other two Vice-Chairmen of the CDC; and
6. to execute other tasks as delegated by the Co-Chairmen of the CDC.

Article 26: The roles and responsibilities of the CDC Secretary General shall be as follows:

1. to be responsible for the coordination and monitoring of CRDB, CIB and CSEZB operation as well as managing the operation of the General-Secretariat of the CDC;
2. to be the technical "Etat-Major" of the CDC on the management and monitoring of the implementation of the policies and strategies pertaining to trade, industry, private investments, and the development of special economic zones;
3. to prepare the CDC's work programs, agendas, and other necessary documentation for CDC Executive Committee's meeting and CDC plenary meeting;
4. to prepare minutes of CDC Executive Committee's meeting and CDC plenary meeting to be signed by the chairman of the meeting;
5. to prepare CDC press releases;
6. to coordinate the preparation of the semi-annual and annual reports on rehabilitation and development, private investments, and special economic zones for the CDC review and approval before submitting them to the Royal Government;
7. to participate in the "One-Stop Service" mechanism meetings in order to review and approve matters pertaining to rehabilitation and development, investments, and special economic zones;
8. to execute other tasks as delegated by the Co-Chairmen or the Vice-Chairmen of the CDC; and
9. to be the Secretary General of the Government-Private Sector Forum.

Article 27: The roles and responsibilities of the CRDB Secretary General shall be as follows:

1. to manage the operation of the CRDB;
2. to prepare agendas and necessary documentation for the "One-Stop Service" meetings pertaining to rehabilitation and development;
3. to assist the CDC Secretary General in preparing the necessary documentation pertaining to all matters of rehabilitation and development for CDC Executive Committee's meetings and CDC plenary meetings;
4. to monitor the implementation of public investment projects and programs in cooperation with the relevant line ministries and institutions, and to submit summary reports and recommendations for CDC Executive Committee review and action;
5. to assist the CDC Secretary General in preparing annual and semi-annual reports on all matters pertaining to rehabilitation and development for the CDC review and approval before final submission to the Royal Government;
6. to participate in the "One-Stop Service" meeting in order to review and approve matters pertaining to rehabilitation and development; and
7. to execute other tasks pertaining to rehabilitation and development as delegated by the Co-Chairmen or the Vice-Chairmen of the CDC.

Article 28: The roles and responsibilities of the CIB Secretary General shall be as follows:

1. to manage the operation of the CIB;
2. to prepare agendas and necessary documentation for the "One-Stop Service" meetings pertaining to private investments;
3. to assist the CDC Secretary General in preparing necessary documentation pertaining to all matters of private investments for CDC Executive Committee's meetings and CDC plenary meetings;

4. to monitor the implementation of private investments projects and programs in cooperation with relevant line ministries and institutions, and to submit summary reports and recommendations for CDC Executive Committee's review and action;
5. to assist the CDC Secretary General in preparing semi-annual and annual reports on all matters pertaining to private investments for the CDC review and approval before final submission to the Royal Government;
6. to participate in the "One-Stop Service" meeting in order to review and approve matters pertaining to private investments; and
7. to execute other tasks pertaining to private investments as delegated by the Co-Chairmen and the Vice-Chairmen of the CDC.

Article 29: The roles and responsibilities of the CSEZB Secretary General shall be as follows:

1. to manage the operation of the CSEZB;
2. to prepare agendas and necessary documentation for the "One-Stop Service" meetings pertaining to special economic zones;
3. to assist the CDC Secretary General in preparing the necessary documentation related to special economic zones for CDC Executive Committee's meetings and CDC plenary meetings;
4. to monitor the implementation and development of special economic zones projects and programs in cooperation with the relevant line ministries and institutions, and to submit summary reports and recommendations for CDC Executive Committee's review and action;
5. to assist the CDC Secretary General in preparing annual and semi-annual reports on all matters pertaining to special economic zones for the CDC review and approval before final submission to the Royal Government;
6. to participate in the "One-Stop Service" meeting in order to review and approve matters pertaining to special economic zones; and
7. to execute other tasks pertaining to special economic zones as delegated by the Co-Chairmen or the Vice-Chairmen of the CDC.

Article 30: The roles and responsibilities of the members of CDC shall be as follows:

1. to participate in the determination of the conceptual framework and policies on rehabilitation and development, private investments, and special economic zone projects; and to participate in setting priorities for investment project and programs, and special economic zone projects of both public and private sector;
2. to participate in the review of the implementation of investments policies and projects, and special economic zone projects, approved by the CDC; and
3. to review and approve semi-annual and annual reports on all matters pertaining to rehabilitation and development, private investments, special economic zones before submitting them to the Royal Government for review and approval.

Article 31: The meeting of CDC Executive Committee shall be convened every two weeks.

Article 32: The plenary meeting of the CDC shall be convened once a month.

Article 33: If necessary, the CDC Co-Chairmen may convene extraordinary meetings of CDC Executive Committee or CDC extraordinary plenary meeting.

Article 34: The functioning of the meeting of CDC Executive Committee and CDC plenary meeting shall be specified in the internal regulations of the CDC.

Article 35: The implementation of the "One-Stop Service" mechanism of the CDC for reviewing and approving the matters pertaining to rehabilitation and development, investments, and special economic zones shall be as follows:

1- CRDB:

- a. The Ministry of Foreign Affairs and International Cooperation, the Ministry of Economy and Finance, the Office of the Council of Ministers and the Ministry of Planning shall respectively appoint its own official holding the rank of Chief of Department to assist the CRDB. Such officials shall have the following qualifications:
 - being competent in his or her work;
 - having the delegation of authority from the head of his/her institution and having close contact with the head of institution including, especially, reporting and requesting instructions and recommendations;
 - being actively involved in CRDB activities; and
 - being able to communicate in foreign languages, particularly in English.
- b. Other ministries and institutions of the Royal Government shall also delegate a representative to participate in the "One-Stop Service" but on an "Ad Hoc" basis upon the request of the CRDB Secretary General when the competence of those ministries and institution is concerned.
- c. The Secretary General of CRDB shall provide complete documentation to be reviewed and approved in the "One-Stop Service" meeting to all representatives of the relevant ministries and institutions one week prior to the meeting so that the head of the relevant institutions can review such documentation and provide opinions through their respective representative.
- d. After preparing the necessary documentation, the Secretary General of CRDB shall put the projects or programs in the agenda of the "One-Stop Service" meeting for review and approval.
- e. The Secretary General of CRDB shall prepare and submit the documentation and information on the results of the "One-Stop Service" meeting to the Secretary General of the CDC for submission to the CDC Executive Committee for review and approval.

2- CIB:

- a. The Ministry of Economy and Finance, the Office of the Council of Ministers, the Ministry of Commerce, the Ministry of Planning, the Ministry of Industry Mines and Energy and other relevant institutions shall respectively appoint its own official holding the rank of Chief of Department to assist the CIB. Such officials shall have the following qualifications:
 - being competent in his or her work;
 - having the delegation of authority from the head of his/her institution and having close contact with the head of his/her institution including, especially, reporting and requesting instructions and recommendations;
 - being actively involved in CIB activities; and
 - being able to communicate in foreign languages, particularly in English.
- b. Other ministries and institutions of the Royal Government shall also delegate a representative to participate in the "One-Stop Service" but on an "Ad Hoc" basis upon the request of the

Secretary General of CIB when the competence of those ministries and institutions is concerned.

- c. The Secretary General of CIB shall provide complete documentation to be reviewed and approved the "One-Stop Service" meeting to all representatives of the relevant ministries and institutions one week prior to the meeting so that the heads of the relevant institutions can review such documentation and provide opinions through their respective representative.
- d. After preparing the necessary documentation, the Secretary General of CIB shall put the projects or programs in the agenda of the "One-Stop Service" meeting for review and approval.
- e. The Secretary General of the CIB shall prepare and submit the documentation and information on the result of the "One-Stop Service" meeting to the Secretary General of the CDC for review and approval.

3- CSEZB:

- a. The Ministry of Economy and Finance, the Office of the Council of Ministers, the Ministry of Planning, the Ministry of Commerce, the Ministry of Industry, Mines and Energy, the Ministry of Land Management, Urban Planning and Construction, and other concerned institutions shall respectively appoint its own official with an equivalent rank of Department Chief to assist the CSEZB. Such officials shall have the following qualifications:
 - being competent in his or her work;
 - having the delegation of authority from the head of his/her institution and having close contact with the head of his/her institution including, especially, reporting and requesting instruction and recommendation;
 - being actively involved in CSEZB activities; and
 - being able to communicate in foreign languages, particularly in English.
- b. Other ministries and institutions of the Royal Government shall also delegate a representative to participate in the "One-Stop Service" but on an "Ad Hoc" basis upon the request of the CSEZB Secretary General when the competence of those ministries and institutions is concerned.
- c. The Secretary General of CSEZB shall provide complete documentation to be reviewed and approved in the "One-Stop Service" meeting to all representatives of the relevant ministries and institutions one week prior to the meeting so that the heads of the relevant ministries and institutions can review such documentation and provide opinions through their respective representative.
- d. After preparing the necessary documentation, the Secretary General of CSEZB shall put the projects or programs in the agenda of the "One-Stop Service" meeting for review and approval.
- e. The Secretary General of CSEZB shall prepare and submit the documentation and information on the result of the "One-Stop Service" meeting to the Secretary General of the CDC for review and approval.

4- After receiving sufficient documentation and information from the Secretary General of CRDB, the Secretary General of CIB and the Secretary General of CSEZB, the Secretary General of the CDC

shall arrange the documentation in order and put them on the agenda of the meeting of the CDC Executive Committee for their review and approval.

Article 36: The details of the organization and functioning of the "One-Stop Service" of the CDC shall be specified in the internal regulations of the CDC.

Article 37: The CDC shall have its own cadres of civil servants and its own budget. The management of the revenues and expenditures of the budget of the CDC shall be subject to the financial laws.

CHARTER 4 FINAL DISPOSITIONS

Article 38: Sub-Decree N° 70/ANK/BK dated July 27, 2001, Sub-Decree N° 112/ANK/BK dated November 12, 2002, and Sub-Decree N° 35/ANK/BK dated August 4, 2004 shall be abrogated.

Article 39: The Minister in charge of the Office the Council of Ministers, the Minister of Economy and Finance, the Minister of Planning, the Minister of Commerce, the Council for the Development of Cambodia, Co-Ministers, Ministers and Secretaries of State of all relevant ministries and institutions, and all relevant provincial and municipal Governors and those listed in Article 1 shall effectively implement this Sub-Decree from the date of signature.

Phnom Penh, December 29, 2005
Prime Minister
Signature and Seal

HUN SEN

Submitted to
Samdech Prime Minister

by the Senior Minister
Minister of Economy and Finance
Keat Chhon

CC:

- Ministry of the Royal Palace
- General Secretariat of Constitutional Council
- General Secretariat of the Senate
- General Secretariat of the National Assembly
- Cabinet of Samdech Prime Minister
- General Secretariat of the Royal Government
- As in Article 39
- Archives - Records

KINGDOM OF CAMBODIA
Nation – Religion - King

Royal Government of Cambodia
No. 148 ANKr.BK

SUB-DECREE
ON
THE ESTABLISHMENT AND MANAGEMENT
OF THE SPECIAL ECONOMIC ZONE

ROYAL GOVERNMENT

- Referring to the Constitution of the Kingdom of Cambodia;
- Referring to Preah Reach Kret No. NS/RKT/0704/124 dated July 15, 2004 on the formation of the Royal Government of Cambodia;
- Referring to Preah Reach Kram No. 02/NS/94 dated July 20, 1994 promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Referring to Preah Reach Kram No. 03/NS/94 dated August 05, 1994 promulgating the Law on Investment in the Kingdom of Cambodia and Preah Reach Kram No. NS/RKM/0303/009 dated March 24, 2003 promulgating the Law on Amendment to the Law on Investment of the Kingdom of Cambodia;
- Referring to Preah Reach Kram No. NS/RKM/0297/03 dated February 24, 1997 promulgating the Law on Taxation and Preah Reach Kram No. NS/RKM/0303/010 dated March 31, 2003 promulgating the Law on Amendment to the Law on Taxation;
- Referring to Kret of Council of State of State of Cambodia No. 57 Kr. dated July 26, 1989 on the Tax on Import and Export Goods;
- Referring to the Sub-Decree No. 111 ANKr.BK dated September 27, 2005 on the implementation the Law on Amendment to Law on Investment in the Kingdom of Cambodia;
- Referring to the Sub-Decree No. 147 ANKr.BK dated December 29, 2005 on the Organization and Functioning of the Council for the Development of Cambodia;
- Pursuant to the request of the Council for the Development of Cambodia; and
- Pursuant to the necessity of the Royal Government.

IT IS HEREBY DECIDED

CHAPTER 1

GENERAL PROVISIONS

Article 1: Purpose and Scope of the Sub-Decree

1-1 Purpose

This Sub-Decree is intended to establish and manage the Special Economic Zones and improve the investment climate conducive to the enhancement of productivity, competitiveness, national economic growth, export promotion, employment generation in order to reduce poverty. It further defines the procedures and regulations related to the establishment, management, coordination of all investment activities and promotion of

investments of Zone Developers and Zone Investors in the Special Economic Zones in the Kingdom of Cambodia.

The Royal Government of Cambodia supports the Special Economic Zones by implementing the principles and conditions consistent with the existing policy framework set by the Royal Government of Cambodia which will ensure transparency, efficiency, accountability, accessibility of information for investors.

1-2 Scope

This Sub-Decree shall apply to all activities of relevant ministries or institutions of the Royal Government of Cambodia, Zone Developers and Investors in the Special Economic Zones permitted to invest and have obtained Investment Incentives and guarantees from the Cambodian Special Economic Zones Board and the Special Economic Zones Administration.

Article 2: Definitions

As used in this Sub Decree, the following terms shall have the meaning as defined hereunder:

- **Cambodian Special Economic Zones Board (CSEZB)** refers to the Cambodian Special Economic Zones Board under the authority of the Council for the Development of Cambodia which is established by a Sub-Decree and has the duties to decide on the establishment and management of the Special Economic Zones in the Kingdom of Cambodia.
- **Council** refers to the Council for the Development of Cambodia which is established under the Law on Investment of the Kingdom of Cambodia.
- **Export Processing Zone** refers to the zone of industrial activities and other activities related to the production and transformation of goods only for export.
- **Free Trade Area** refers to the area for service provision, storage, demonstration, packaging, cleaning, and finishing of production outputs, products, materials, or other equipments, whose import-export in /out of the zone are provided with duty exemption, except for export to other places in the Kingdom of Cambodia whereby such import-export is subject to the duty and excise in accordance to the applicable law.
- **General Industrial Zone (GIZ)** refers to a zone established for industrial activities and other activities related to the production and transformation of goods for domestic use as well as for export.
- **Production Area** refers to the area where the factories are located in the industrial zone.
- **Production Equipment** refers to any machinery and tool used in the substantial transformation of Production Inputs which is not itself transformed or consumed within 2 (two) years of its importation, including information technology equipment or any motor vehicle.

- **Production Input** refers to goods, including raw materials, semi-finished products, and accessories serving production that is fully transformed or utilized in the production process of the **Qualified Investment Project (QIP)** not later than 2 years after importation.
It does not include office equipments and furniture, petroleum products, vehicles, and spare parts for vehicles.
- **Production Output** refers to goods which are produced from Production Input that have been transformed.
- **Qualified Investment Project (QIP)** refers to an investment project which has received a Final Registration Certificate.
- **Residential Area** refers to the area for accommodation of employers, employees and workers in the Special Economic Zone.
- **Service Area** refers to the area of supporting activities for industrial and commercial operations such as managing and operating offices of the industrial zone, bank, post office, commercial stores and transportation services.
- **Special Economic Zone Administration** refers to the State administration management unit which is the “One-Stop Service” mechanism at the site of the Special Economic Zone and has the duties to approve and issue permits, licenses and registration to the Zone Investors, including the approval of incentives, pursuant to the full authority delegated by the line ministries and institutions, and to address all requests related to the management competence of the State, concerning investments in the zone.
- **Special Economic Zone (SEZ)** refers to the special area for the development of the economic sectors which brings together all industrial and other related activities and may include General Industrial Zones and/or Export Processing Zones. Each Special Economic Zone shall have a Production Area which may have a Free Trade Area, Service Area, Residential Area and Tourist Area.
- **Zone Developer** refers to a Cambodian or/and foreign natural or legal person, who implements the Qualified Investment Project, and permitted to invest in the development of physical infrastructures in the zone, and organization of business, services and ensuring the safety and security of the Zone Investors.
- **Zone Investor** refers to a Cambodian or/and foreign natural or legal person, who implements the Qualified Investment Project and purchases or rents the immovable property from the Zone Developer and performs investment activities such as business, production, services and trade in the zone.

CHAPTER 2

PROCEDURES FOR THE ESTABLISHMENT OF THE SPECIAL ECONOMIC ZONE

Article 3: Establishment of the Special Economic Zone

3.1. Terms and Conditions for the Establishment of the Special Economic Zone:

1. The Special Economic Zone shall be permitted to be established in the Kingdom of Cambodia at the appropriate and strategic areas according to the [decision of the](#) Royal Government of Cambodia [and](#) the “One-Stop Service” mechanism of the Council.
2. The Special Economic Zone may be established by the State, private enterprise or joint venture between State and private enterprise.
3. The Establishment of the Special Economic Zone shall be pursuant to the following conditions:
 - (a) [It must have](#) a land of more than 50 hectares with precise location and geographic boundaries.
 - (b) [It must have](#) a surrounding fence (for Export Processing Zone, the Free Trade Area and for the premises of each investor in each zone).
 - (c) [It must have](#) management office buildings, zone administration offices, large road network, clean water, electricity, and telecommunications networks, fire protection and security system. Based on each situation, the zone may have land reserved for the Residential Area for workers, employees and employers, public parks, infirmary, vocational training school, petroleum station, restaurant, car parking, shopping center or market, etc.
 - (d) [It must have](#) water sewage network, waste water treatment network, location for storage and management of solid wastes, environment protection measures and other related infrastructures as deemed necessary.
 - (e) [It must comply with](#) technical requirements, regulations and basic rules [on](#) construction, environment and other obligations in the [development of](#) Special Economic Zone [as defined in the instructions issued](#) by relevant ministries [or](#) institutions [taking into account the geography and specific size of each zone and pursuant to the existing](#) laws, national and international standards.

3.2. Procedure for the establishment of the Special Economic Zone:

1. All Zone Developers, who intend to invest in the development a Special Economic Zone shall submit a request for approval for the development of the zone to the Cambodian Special Economic Zones Board and be registered as Qualified Investment Project. The Cambodian Special Economic Zones Board has the duty to review the proposal and submit it to the “One-Stop Service” [mechanism](#) of the Council to decide whether to reject or approve the request to establish the zone.

The Zone Developer shall pay an application fee [for the establishment of a](#) Special Economic Zone in [the](#) amount of 7,000,000 Riels (Seven Million Riels) to the Cambodian Special Economic Zones Board.

2. The Cambodian Special Economic Zones Board shall respond, [with](#) either its approval [or denial of](#) the request, within 28 (twenty eight) working days to the Zone Developer.

3. The Zone Developer who receives an approval for the establishment of a Special Economic Zone from the Cambodian Special Economic Zones Board has 180 (one hundred eighty) working days, which may be extended based on serious reasons, to do the following:
 - a) Conduct detailed economic feasibility study of the project including the preparation of the master plan of all infrastructures in the zone such as connecting roads from the zone to outside area, water-electricity network, environmental measures, and information concerning local services costs, land rental, factory rental, water, electricity, phone services and security costs, cost of using public space in the area for the Zone Investors, cost for workers, employees and employers to reside, and vocational training center, among others; and
 - b) Submit other related documents or certified letters required by the Cambodian Special Economic Zones Board upon request from the relevant ministries or institutions; such requirements shall be stipulated in the Conditional Registration Certificate of the Zone Developer.
4. Within 100 (one hundred) working days from the date the Zone Developer submitted the project to the Council as stated in paragraph 3.2.3, the Cambodian Special Economic Zones Board shall receive on behalf of the Zone Developer the approvals, authorizations, licenses, permits or registrations from competent ministries, institutions, authorities or relevant agencies of the Royal Government of Cambodia responsible for the said documents, together with the issuance of the Final Registration Certificate to the Zone Developer as defined in this paragraph.
5. The establishment of the Special Economic Zone and boundaries thereof shall be defined by Sub-Decree at the same time when the Cambodian Special Economic Zones Board issues the Final Registration Certificate to the Zone Developer.
6. The Cambodian Special Economic Zones Board has the right to withdraw the approval on the establishment of the zone and incentives which were granted through the Final Registration Certificate on the basis that the Zone Developer has not implemented at least 30% (thirty percent) of the total investment capital of the project within 365 (three hundred and sixty five) working days after receiving the Final Registration Certificate.

3.3. Procedures for Registration of the Zone Investor:

The Zone Investor, who starts its activity of production or services in the fields permitted by related Laws and Sub-Decrees in any Special Economic Zone shall complete the formalities based on the procedure, by preparing all required documents for registration of investment proposals during working hours and before the office of the Special Economic Zone Administration. The Special Economic Zone Administration has duty to decide on the registration of the investment proposal based on the legal, administrative and technical aspects and on the issuance of the Final Registration Certificate accordingly to the procedures of the investment registration set forth in the Law and Sub-Decree on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia.

Any incentive provided to the Zone Investor shall be decided by the Special Economic Zone Administration through the “One-Stop Service” mechanism located on the site and in accordance to the relevant laws and regulations.

On all other requests in the investment process of Zone Investors, the Special Economic Zone Administration shall play the role of facilitator to address issues of the Zone Investors with the relevant ministries or institutions of the Royal Government of Cambodia.

CHAPTER 3

MANAGEMENT STRUCTURE AND DUTIES

Article 4: Management Structure of the Special Economic Zone

4.1. Special Economic Zones Trouble Shooting Committee (SEZ TSC)

The Special Economic Zones Trouble Shooting Committee has the duty to promptly settle all issues occurring in the Special Economic Zones, whether pertaining to technical or legal aspects, or issues under the joint jurisdiction of ministries or institutions and beyond the competence of the Special Economic Zone Administration or the Cambodian Special Economic Zones Board.

The Special Economic Zones Trouble Shooting Committee has the further duty to be a mechanism to receive any complaint, and find solutions to that complaint filed by Zone Developers as well as by Zone Investors.

This Committee is located at the Council and has the right to use the Council’s stamp for its activities.

The composition of the Special Economic Zones Trouble Shooting Committee is as follows:

1- Co-Chairmen of the Council for the Development of Cambodia	Co-Chairmen
2- Minister of the Council of Ministers	Member
3- Minister of Economy and Finance	Member
4- Minister of Commerce	Member
5- Minister of Land Management, Urbanism and Construction	Member
6- Minister of Environment	Member
7- Minister of Industry, Mines and Energy	Member
8- Minister of Public Works and Transportation	Member
9- Minister of Labor and Vocational Training	Member
10- Secretary General of the Council for the Development of Cambodia	Member
11- Secretary General of the Cambodian Special Economic Zones Board	Secretary.

If needed, the aforesaid Committee may invite any member of the Council to attend each meeting of this Committee. The session of the meeting of the Special Economic Zones Trouble Shooting Committee is convened upon the invitation by the Secretary of the Special Economic Zones Trouble Shooting Committee according to the instructions of the Co-Chairmen of the said Committee.

4.2. Cambodian Special Economic Zones Board

The Cambodian Special Economic Zones Board is the “One-Stop Service” in charge of the development, management and supervision of the operations of the Special Economic Zones.

The duties of the Cambodian Special Economic Zones Board are:

1. to be the “Etat-Major” of the Royal Government of Cambodia in relation to the policy and strategy, and to initiate plans and set directions for the development of Special Economic Zones in the Kingdom of Cambodia;
2. to determine the principles and regulations pertaining to the appointment of the Special Economic Zone Administration, to the establishment of the “One-Stop Service” mechanism in the zone, to the management of the general administration and functioning of the zone, to dispute resolution and eventual dissolution of the zone;
3. to give the tax and non-tax incentives to the Zone Developers and provide guidance to the Special Economic Zone Administration on eligible incentives for the Zone Investors pursuant to the laws and relevant provisions in force;
4. to prepare guidelines on management and workers training, environment, construction, import/export, entitlement to investment incentives and other technical affairs, including facilitation of relations with the ministries or institutions of the Royal Government of Cambodia in order to ensure smooth and effective conduct of the affairs of the Special Economic Zones;
5. to inspect all irregular activities in the zone; and
6. to address issues relative to the interests of the Zone Developers, Zone Investors, workers, employees, employers and other technical and legal matters.

4.3. Special Economic Zone Administration:

The Special Economic Zone Administration is the “One-Stop Service” mechanism set up by the Cambodian Special Economic Zones Board in order to be permanently stationed in each Special Economic Zone and is structured and has the duties as follows:

1. The composition of the Special Economic Zone Administration is:
 - Representative of the Cambodian Special Economic Zones Board Chairman
 - Representative of the Custom and Excise Department Member
 - Representative of the CAMCONTROL Member
 - Representative of the Ministry of Commerce Member
 - Representative of the Ministry of Labor and Vocational Training Member.

The above members shall be appointed by each line ministry or institution to be permanently stationed at each zone upon its operation.

2. The office of the Special Economic Zone Administration located in the Special Economic Zone is provided by the Zone Developer, who shall supply materials, water, electricity, accommodations, and provide other supports as deemed necessary.

3. All [aforementioned](#) relevant ministries [or](#) institutions shall delegate to their representative sufficient power to make decisions on behalf of the ministry [or](#) institution in accordance with their respective authority in the zone.
4. The salary of the members of the Special Economic Zone Administration shall be paid by the line ministry [or](#) institution.
5. Each Special Economic Zone Administration shall have its own seal for its official use on all documents used for the work of the Special Economic Zone Administration.

The duties of the Special Economic Zone Administration are:

- a. to control, based on respective competence, the entry and exit of goods, transport means and people into and from the zone; to process the custom formalities for import-export of goods and facilitate administrative formalities with the line ministries [or](#) institutions of the Royal Government [of Cambodia](#) for the functioning of the zone;
- b. to control the implementation of the work of the Zone Developer and Zone Investors in relation to the activities in the zone in compliance with the prescribed principles;
- c. to examine the Investment Proposals for registration, award incentives, issue permits, licenses, and certificates of origin of products requested by Zone Investors, such decisions being made at the zone itself;
- d. to control the activities in the zone according to its respective competence;
- e. to cooperate with the Zone Developer to address issues under its jurisdiction;
- f. to facilitate all relevant formalities in a prompt and efficient manner;
- g. to prepare monthly, quarterly, [semestral](#) and annual reports on activities of the zone to the relevant ministries or institutions, the Cambodian Special Economic Zones Board, and the Provincial [or](#) Municipal Investment Sub-Committee; and
- h. to perform other tasks in order to coordinate and address requests of the Zone Investors with regard to ministries [or](#) institutions of the Royal Government.

4.4. The Zone Developer:

The Zone Developer performs activities under the applicable laws in the Kingdom of Cambodia.

The Zone Developer has the following duties:

- (a) [to](#) have sufficient capital and means to develop the infrastructures in the zone, including the human resources to manage the activities of the zone;
- (b) [to](#) have the legal rights to possess the land in order to establish the zone;

- (c) to construct infrastructures in the zone, including electricity, water, road, and telecommunication networks, environment protection and management network, build warehouses, fire-fighting station and other necessary facilities;
- (d) to lease the land, provide services to the Zone Investors, specify the rent and service fees to the Zone Investors, including fees for water, electricity, building, telecommunication networks, cleaning in the public area, security personnel and others facilities used for the daily operations of the Zone Investors;
- (e) to arrange security personnel and ensure good public order in the zone at all time;
- (f) to adopt the rules pertaining to services in the zone, including internal rules of the zone, and general rules for the Zone Investors and determine the types of business, production and services permitted to operate in the zone in accordance with the nature of the zone;
- (g) to promote and attract investments in the zone and provide detailed information on the formalities, procedures, and eligible benefits for investing in the zone;
- (h) to maintain and repair the infrastructures, ensure the quality and cleanliness and be fully responsible under the laws for all irregular activities and non-compliance with the instructions of the Cambodian Special Economic Zones Board;
- (i) to submit reports to the Cambodian Special Economic Zones Board upon request and perform tax liability obligations by maintaining proper accounting books, as instructed by the Ministry of Economy and Finance; and
- (j) to cooperate with and assist the Special Economic Zone Administration regarding the functioning of the zone and has close relationship with local authorities in order to address issues.

CHAPTER 4

INCENTIVES FOR THE SPECIAL ECONOMIC ZONE

Article 5: Procedures for Incentives

The Cambodian Special Economic Zones Board examines and provides incentives to all Special Economic Zones in the Kingdom of Cambodia:

- 5.1. The proposal for tax exemption on the import of materials, equipments and construction materials for the construction of the zone by the Zone Developer shall be submitted to the Cambodian Special Economic Zones Board for review and decision.
- 5.2. Duties exemptions on import of production equipments, construction materials and production inputs shall be approved for the Zone Investors according to the proposal and in compliance with the law. The zone investor shall prepare a list of production equipments, construction materials and Production Inputs to be imported and submit it to the Special Economic Zone Administration for approval at the zone itself. Subsequently, the Special Economic Zone Administration shall report on its decision to the Cambodian Special Economic Zones Board and relevant institutions for information.

- 5.3. Eligible fiscal incentives for the Zone Investor shall be specified in the Final Registration Certificate to be issued to the Zone Investor in accordance with the Law and Sub-Decree on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia in force.

Article 6: Tax Incentives

- 6.1. The Zone Developer shall receive the following incentives for their investment activities:

(a) Tax on Profit: The tax on profit exemption period shall be provided for a maximum period of 9 (Nine) years in compliance with Article 14.1 of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia.

(b) Import Duties and other Taxes: The import of equipments and construction materials to be used for infrastructure construction in the zone shall be allowed and exempted of import duties and other taxes.

- 6.2. The Zone Investor shall receive the fiscal incentives as provided in Article 14.9 of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia and other relevant regulations.

- 6.3. The Zone Investor entitled to the incentive on Tax on Value Added at the rate of 0% shall record the amount of tax exemption for its every import. The said record shall be disregarded if the Production Outputs are re-exported. In case the Production Outputs are imported into the domestic market, the Zone Investor shall refund the amount of Tax on Value Added as recorded in comparison with the amount of export.

Article 7: Other Incentives

- 7.1. The Zone Developer shall receive custom duty exemption on the import of machineries, equipments for the construction of the road connecting the town to the zone, and other public services infrastructures for the public interests as well as for the interests of the zone.

- 7.2. The Zone Developer may request, under the form of a temporary tax exemption the import of transportation means and machineries used for the construction of the infrastructures in accordance with the laws and regulations in force.

- 7.3. All imports by the Zone Developer and the Zone Investor shall comply with the relevant regulations on the Pre-Shipment Inspection (PSI).

- 7.4. The Zone Developer, the Zone Investor and foreign employees have the right to transfer all their income derived from the investment and salary received in the zone to banks located in other countries after payment of tax.

- 7.5. Apart from the fiscal incentives, the Zone Developer and the Zone Investor are entitled to obtain the investment guarantees as stated in Article 8, Article 9 and Article 10 of the Law on Investment in the Kingdom of Cambodia and other relevant regulations.

7.6. The Zone Developer may obtain a land concession from the State for the establishment of a Special Economic Zone in areas along the borders or in isolated regions, in accordance with the Land Law, and may lease this land to the Zone Investors.

CHAPTER 5

SPECIAL RULES RELATED TO THE MANAGEMENT OF EXPORT PROCESSING ZONE OF THE SPECIAL ECONOMIC ZONE

Article 8: Terms of the Export Processing Zone

The Export Processing Zone of the Special Economic Zone is an area surrounded by a fence and has specific entrances/exits determined by the Cambodian Special Economic Zones Board.

Only the workers, employees, employers, visitors and competent agents duly authorized can enter or exit the zone premises and premises of the Zone Investors during working hours. [At all instance, any](#) person is not allowed to stay after working hours in the Export Processing Zone and the premise of the Zone Investors, except for the authorized permanent guards and persons authorized by the Special Economic Zone Administration.

Article 9: Time for entry into and exit from the Export Processing Zone

Scheduled time for entry into and exit from the Export Processing Zone for the authorized persons, including the import-export of goods shall be determined by the internal rules of the Special Economic Zone Administration according to the agreement between the Zone Developer and the Special Economic Zone Administration.

Article 10: Import-Export of Goods into or from the Export Processing Zone

Goods imported into or exported from the Export Processing Zone shall be done in accordance with the [following](#) regulations:

- 10.1. Import-Export of Goods into or from the Export Processing Zone shall be considered as Import-Export of Goods into or from the Kingdom of Cambodia which requires the owner of the goods to fulfill the formalities of import-export with the competent authority in the Export Processing Zone prior to its import-export. These goods shall be packed and properly sealed by customs officer before being imported into or being exported from the Export Processing Zone.
- 10.2. The aforementioned competent agent shall prepare all forms which should be [simplified](#), transparent and do not cause any difficulty for the control of those goods.
- 10.3. No retail business [or related activities shall](#) be located in the Export Processing Zone, even though it is conducted for serving the public or social interests.
- 10.4. The Zone Investor, although being the owner, [shall not](#) use the Production Outputs produced in the Export Processing Zone without permission from the Special Economic Zone Administration.

10.5. The Zone Investor in the Export Processing Zone **may** request **from** the Special Economic Zone Administration to purchase goods from the domestic market or from investor, who is in the General Industrial Zone for production needs by entering specific contracts. **Each** sale and purchase shall be examined by the customs agent of the Special Economic Zone.

With regard to the sale in the domestic market of the Production Outputs which are not of proper quality, **are** of bad quality, or out-of-date goods in such away that the Zone Investor cannot export, the Zone Investor shall make the same request for approval as the one done for the purchase of goods in the zone.

All goods which are delivered in the domestic market, in whatever conditions, shall be required to complete the same formalities as those required for goods to be imported into the Kingdom of Cambodia and shall be subject to import duties and other applicable taxes.

10.6. The Special Economic Zone Administration **shall have the authority to investigate** at any time all suspicious cases related to irregular activities of the Zone Investors regarding the import-export, if necessary, and shall formally inform the Zone Developer and the Cambodian Special Economic Zones Board.

10.7. Any violation, by the Zone Investor in any area of the Export Processing Zone, of the principles of movement of goods, not related to the intended purpose, not compliant to the environment management regulations, production regulations, production of non authorized goods, non-conformity with production standards, the production or use of benefits provided by the State which were used for other purposes than the authorized ones, are subject to fine and punishment in accordance with the applicable laws and regulations.

CHAPTER 6

LABOR FORCE

Article 11: Usage and Management of the Labor force

The use and management of the Labor force in the Special Economic Zone shall **observe the rights and protection guaranteed** by the Constitution of the Kingdom of Cambodia. Workers and employees working in the Special Economic Zone shall have the right to salary, benefits, work security and conditions for the safeguard of health as stated in the Labor Law, the Law on the Social Security for all persons governed by the provisions of the Law on Labor and applicable regulations.

Foreign managers, technicians or experts **may be employed**, provided that the number of foreign staff does not exceed 10% (Ten) of the total number of its personnel.

Foreign Zone Developers and Zone Investors **may be accompanied by** their spouse and dependants and **shall** have the right to obtain **a** resident visa in accordance with the Immigration Law of the Kingdom of Cambodia.

Use of Labor force by recruiting and hiring Cambodian workers and employees or foreign Labor force in the proportion stated above, **including** the bringing of dependents, **shall be**

done in accordance with the Labor Law and the Immigration Law, as well as other applicable regulations.

CHAPTER 7

VOCATIONAL TRAINING

Article 12: Training

The Zone Developer has the duty to cooperate with the Ministry of Labor and Vocational Training in order to facilitate the training of Cambodian workers, employees and promote new knowledge and skills to workers and employees with specific and effective programs.

CHAPTER 8

DISPUTE RESOLUTION AND VIOLATION

Article 13:

Any Special Economic Zone located in any province-municipality of the Kingdom of Cambodia shall be under the jurisdiction of the courts of that province-municipality in case of any violations, including criminal case.

Article 14:

The Zone Developers, Zone Investors, workers, employees, employers, and civil servants who perform their activities and works in the zone and violate any regulations specified in the Special Economic Zone shall be punished in accordance with the applicable laws.

Government officials from ministries or institutions as well as officials of the Special Economic Zone Administration are prohibited to interfere in the development operations of the zone.

Any government official who is found to have acted contrary to or failed to comply with its duties and delegation of power provided by his ministry or institution, as the case may be, shall be punished in accordance with the provisions of the Law on Civil Servants Statute in force.

CHAPTER 9

FINAL PROVISION

Article 15:

Provisions of the Law on Investment in the Kingdom of Cambodia and all relevant laws and regulations shall apply to all activities in the Special Economic Zone whenever not specified in this Sub-Decree.

Article 16:

This Sub-Decree shall be revised according to the [changing](#) circumstances and needs [of the prevailing situations](#) during its implementation upon the request of the Cambodian Special Economic Zones Board and approval by the Special Economic Zones Trouble Shooting Committee and, in the meanwhile, shall be [arranged](#) to become the Law on the Special Economic Zone in order to ensure the transparency and confidence from the investors.

Article 17:

The Minister in charge of the Council of Ministers, Minister of Interior, Minister of Economy and Finance, Minister of Commerce, Minister of Industry, Mines and Energy, Minister of Environment, Minister of Land Management, Urbanism and Construction, Ministers of all Ministries, Heads of Institutions, Provincial-Municipal Governors and related entities shall efficiently implement this Sub-Decree from the date of the signature onward.

Phnom Penh, December 29, 2005

Prime Minister
Signed and Sealed

Hun Sen

Submitted to
Samdech Prime Minister
by Senior Minister, Minister of Economy and Finance
First Vice chairman of CDC

Keat Chhon

CC:

- Ministry of the Royal Palace
- General Secretariat of the Constitutional Council
- General Secretariat of the Senate
- General Secretariat of the National Assembly
- Cabinet of Prime Minister
- General Secretariat of the Royal Government
- As stated in Article 17
- Doc and Archives

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