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FREQUENTLY ASKED QUESTIONS ON CORPORATE REGISTRATION IN CAMBODIA

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Contents

Ministry of Commerce (“MOC”)	1
<i>Entity Name Reservation</i>	1
<i>Forms of Business Entities Available in Cambodia</i>	1
<i>Capital Payment/Bank Confirmation</i>	3
<i>Office Lease Agreement</i>	4
<i>Dividend Distribution</i>	4
<i>Articles of Incorporation (“AOI”)</i>	4
<i>Notarization</i>	5
<i>Shareholders</i>	5
<i>Shareholder’s Representatives</i>	7
<i>Directors</i>	7
<i>Share Certificates</i>	9
<i>Domain Names</i>	9
<i>Trademarks/Tradenames</i>	10
General Department Taxation (“GDT”)	13
<i>Opening a Bank Account</i>	13
<i>GDT Formalities for Tax Representatives</i>	14
<i>Tax Representative Exemptions from GDT Formalities</i>	18
<i>Types of Visas</i>	19
<i>Passport Issues</i>	19
<i>GDT Application Forms</i>	19
<i>Contact/Email</i>	20
Ministry of Labor and Vocational Training (“MLVT”)	21
<i>Employee Quotas – Recruitment – Working Hours – Company Marketing</i>	21
National Social Security Fund (“NSSF”)	22

Entity Name Reservation

Q How do we reserve an entity name?

A A request for reservation of a new entity name must be done through Cambodia’s online single window service (“**CamDx**”) system. Once the name reservation has been approved, the name will be reserved for a period of **14 days**, and can be used to register a new entity.

Q Without an official engagement/confirmation from a client, can we search an available entity name for them?

A Yes, even without an official engagement, we can do a preliminary search of available entity names by:

1. Doing an unofficial search of the MOC’s public entity database; and
2. Checking with our contact person at the MOC.

(The above searches are for the purpose of identifying potentially available names only; the final determination of name availability is made by the MOC upon submission of a formal name reservation request.)

Forms of Business Entities Available in Cambodia

Q What are the entity forms available in Cambodia?

A Under the Law on Commercial Enterprise and the Amendment Law on Commercial Enterprise (“**LCE**”), the following legal forms of entities are available in Cambodia:

1. Sole proprietorship
2. Partnership
3. Limited liability company
 - a. Private limited company
 - b. Public limited company
 - c. Single-member private limited company
4. Representative office
5. Foreign branch office
6. Subsidiary

Q Which form of entity is eligible to apply for Qualified Investment Project (“QIP”) status?

A Entities eligible to apply for QIP status in Cambodia are:

1. Partnerships
2. Limited liability companies

Q Can an overseas company register their branch(es) or subsidiary(ies) in Cambodia?

A Yes, a parent company can register a branch or subsidiary in Cambodia.

Q What does it mean to open and activate an MOC account?

A Upon registration through the CamDx system, an entity will not be able to proceed with further corporate changes with the MOC as required by the LCE until it has formally obtained the rights to its account under the MOC’s online system (which is an online business registration system separate from the CamDx system). A separate application needs to be filed with the MOC to set up the account. This is the account through which an entity’s corporate secretarial matters will be handled, such as required annual filings and registration of any corporate information changes.

Q What is the difference between a branch and a subsidiary?

A The main differences between branches and subsidiaries are:

Subsidiaries:

- Under Cambodian law, a foreign company can set up a subsidiary so long as it holds at least 51% of its capital and it can hold 100% of its capital.
- Subsidiaries can perform the same business activities as locally-owned companies, except for any acts prohibited for foreign natural or legal persons (i.e. owning land). Subsidiaries are set up as limited liability companies and thus have a separate legal personality from their parent company, with no pass-through liability; therefore, liability can be ring-fenced in Cambodia.

Branches:

- A branch office is not treated as a legal entity separate from the parent company, and as such, the parent company will be responsible for all losses and liabilities of its branch office, and similarly, the assets of the branch office will belong to the parent company.
- Branch manager can be more than one manager

Capital Payment/Bank Confirmation

Q When must capital/funds be injected into a newly-incorporated entity?

A Per the LCE, shareholders are expected to have paid in the capital for the subscribed shares by the time the entity is being registered with the MOC. In practice, the MOC does not verify whether the capital has been paid up by the shareholders at the registration stage.

Q Can shareholders contribute capital in kind, and what forms of capital in kind will be accepted?

A The capital of a company can include contributions in cash and in kind. The forms of capital in kind allowed are trademarks, copyrights, patents, land, services, and the right to use any intangible property or trademark license.

Q When can shares be issued?

A Shares cannot be issued until they have been fully paid for in cash, in kind, or in past services.

Q Are there any laws/regulations on registered capital?

A The provision specifying a minimum number of shares (previously set at 1,000 shares with a minimum par value of KHR4,000 per share) has been eliminated in the current version of the LCE. Previously, the stipulated minimum capital of a company was KHR4 million (approximately US\$1,000). Despite this legal change, in practice, the authorities continue to enforce the minimum capital requirement of KHR4 million, and we are unable to register a company with capital lower than that.

Q Is there a specific amount that must be deposited in a bank account when opening a company?

A There is not a specific amount required to be deposited when opening a company bank account; the minimum amount will vary depending on the bank.

Office Lease Agreement

Q Is it a statutory requirement to sign a lease agreement in Khmer for the purpose of registering the company's address?

A There is no specific statutory requirement in Cambodia that mandates that lease agreements be signed exclusively in the Khmer language. However, in practice, if there is only an English version of the signed lease agreement, the authorities may require, on a case-by-case basis, that it be translated into Khmer.

Q Does the company registration process require that a lease agreement be registered?

A There is no specific requirement in Cambodia that a lease be registered as part of the company registration process.

Dividend Distribution

Q How are dividends provided to shareholders?

A To distribute dividends to shareholders, the board of directors must pass a resolution to distribute the dividend, then the company declares the dividend, sets the record date, determines the ex-dividend date, and makes the payment.

Articles of Incorporation ("AOI")

Q Who needs to sign and initial the AOI, based on law and on practice?

A The AOI need to be initialed in blue ink by the shareholders, chairperson, and directors.

The Cambodian authorities are very particular about how documents are executed. They do not accept documents

signed using black ink. Documents must be signed using a **blue ballpoint pen** and affixed with the company's stamp in **blue ink** as well. Even the slightest mistake in document execution could result in the authorities rejecting the documents.

Q Are e-signatures accepted by the authorities?

A The Cambodian authorities do not accept documents signed by e-signature.

Notarization

Q What types of documents need to be notarized for registration of a new entity?

A

- AOI of the shareholder company;
- Certificate of incorporation of the shareholder; and
- Power of attorney appointing a representative to act on behalf of the shareholder.

Shareholders

Q Who does a shareholder refer to?

A A shareholder can be an individual or an entity that holds at least one share in a company, which makes them a partial owner of the company. For a limited company, a shareholder's liability to the company is limited to the price of the shareholder's subscription. Shareholders can local citizens or foreigners, but the main requirement is that they are at least 18 years old.

Q What is the required frequency, location, and mode for shareholders' meetings?

A The frequency, location, and mode of shareholders' meetings are determined by the company's AOI. A shareholders' general meeting must be held within 12 months of the company's registration date. Shareholders' general meetings are usually held at the company's registered address, but can be held at another place in or outside Cambodia as unanimously agreed to by the shareholders entitled to vote at the meeting.

Q What are the general quorum and voting requirements for shareholders' meetings?

A The specific quorum and voting requirements for meetings can be determined by the company's AOI. By default, the quorum for a shareholders' general meeting is that there are shareholders present at the meeting that comprise holdings of a majority of the voting shares.

There are two kinds of shareholders' resolutions recognized under the LCE:

- Ordinary resolutions: Resolutions that are passed by a majority of the votes cast by the shareholders present at the meeting.
- Special resolutions: Resolutions passed by no less than 2/3 of the votes cast by the shareholders present at the meeting.

The AOI may stipulate matters to be decided by a different proportion of shareholders' votes, subject to matters where the LCE requires to be passed by special resolution.

Q What are the roles and responsibilities of a shareholder?

A Examples of matters to be decided by shareholders under the LCE are:

- To approve or amend the company's AOI
- To appoint or remove the company's directors by an ordinary resolution
- To increase or reduce the company's capital
- To change the rights, privileges, and restrictions attached to a class or series of shares
- To approve the company's financial statements
- To attend shareholders' general meetings and exercise their voting rights
- To have their ownership, conveyance, or transfer of shares registered
- To obtain relevant information on the company

Shareholder's Representatives

Q Who does a shareholder's representative refer to?

A A shareholder's representative is an individual appointed by an entity shareholder through a power of attorney to represent the entity at shareholders' general meetings. While it is not prohibited for a shareholder to appoint more than one representative, in practice, all designated representatives must be present at the meeting and sign any shareholders' resolutions passed.

Q What are the roles and responsibilities of a shareholder's representative?

A They are the same as a shareholder's roles and responsibilities.

Directors

Q What does a director mean?

A A director is a member of the board of directors, responsible for managing the business affairs of a company. The chairperson of the board of directors is considered the company's representative before the governmental authorities and the public. Directors, including the chairperson, can be Cambodian or foreign, and are not required to be resident in Cambodia.

Q What is the minimum and maximum number of directors required for a board of directors?

A A private limited company must have at least one director and a public limited company must have at least three directors. There is no maximum number of directors stipulated under the law.

Q What is the required frequency, location, and mode of board meetings?

A The required frequency, location, and mode of board meetings should be specified in the company's AOI, with the caveat that a board meeting must be held at least once every three months. Board meetings are usually held at the company's registered address, but can be held at another location in or

outside Cambodia as unanimously agreed by the directors entitled to vote at the meeting.

Q What are the general quorum and voting requirements for board meetings?

A The specific quorum and voting requirements for board meetings are determined by the company's AOI. By default, a majority of the total number of directors constitutes a quorum and a board resolution is passed by the majority vote of the directors present at the meeting.

Q What are the roles and responsibilities of a director?

- A**
- To appoint and remove officers
 - To determine the salary and other compensation of officers of the company
 - To propose to the shareholders changes in the AOI, or an agreement of merger or consolidation between the company and a third party
 - To propose to the shareholders the dissolution or liquidation of the company
 - To declare dividends in accordance with the accounting principles and the terms of payment of each class of shares entitled to receive dividends
 - To issue, reissue, or sell the securities of the company

Q Must companies be audited every year?

- A** No, not all companies in Cambodia are required to undergo an annual audit. Companies that require an annual audit are:
- Public companies
 - Companies that are publicly accountable
 - QIP companies
 - Other companies meeting at least two criteria:
 - Have annual turnover exceeding KHR4 billion
 - Have total assets exceeding KHR2 billion
 - Have more than 100 employees (based on the average for the year)

Q Who appoints the auditor, the shareholders or the board?

A The auditor is appointed by the shareholders, typically at the Annual General Meeting (“**AGM**”) by an ordinary resolution, and retains that appointment until and next AGM, when they are either reappointed or replaced by a vote of the shareholders. If an auditor is not appointed at the AGM, the incumbent auditor will continue until a successor is appointed.

Q Are there any laws or regulations that restrict the nationality of a director?

A There is no restriction on the nationality of a company’s directors.

Share Certificates

Q What is a share certificate?

A A share certificate is a legal document that serves as proof of ownership of a specific number of shares in a company. It is issued by the company to its shareholders, and is typically signed by the chairperson of the board of directors of the company, and stamped with the company’s seal.

Q Is a share certificate mandatory?

A No, share certificates are not mandatory. Instead, the document that proves the shareholding status is the company’s latest AOI, which serves as a comprehensive record of the company’s structure, ownership, and governance, and is considered a more reliable source of information than physical share certificates, as approved by and filed with the MOC.

Domain Names

Q Why are companies required to register their domain name?

A Joint Notification 0837 issued by the MOC and the Ministry of Posts and Telecommunications in April 2022 requires that all registered companies in Cambodia use a national domain name (**com.kh**) for their websites and email addresses. In addition, they must submit an email address with this national domain

name when filing their Annual Declaration of Commercial Enterprise with the MOC.

Q How many types of domain names are provided for registration in Cambodia?

A Although the Telecommunications Regulator of Cambodia provides for six types of domain names for registration, each serving a specific purpose and catering to different entities, currently, all entities are register to register a domain name as below:

- [“applied name” .com.kh]: This domain name is exclusively reserved for commercial entities, state-owned entities, and companies’ websites.

(The “applied name” must be the same and similar to the name of the company in the Certificate of Incorporation.)

Q Which ministry has authority over domain names?

A The Ministry of Posts and Telecommunications is the institution mandated to manage national domain names on the internet.

The Telecommunications Regulator of Cambodia, which is part of the ministry, regulates the use of national domain names, issues national domain name registration certificates, and updates information related to national domain names.

Trademarks/Tradenames

Q What kinds of marks are registrable?

A The Trademark Law defines a mark as any “visible sign” capable of distinguishing the goods or services of an entity. This includes any distinctive devices, brands, labels, signatures, words, names, numerals, letters, holograms, three-dimensional signs, and packaging.

The implications of the element “visible sign” indicates that it is unlikely that the registrar would accept registration of unconventional marks like sounds, smells, and tastes, which are registrable in other jurisdictions like the United States and Europe.

The Trademark Law also provides a list of unregistrable marks, such as those that lack distinctiveness; are contrary to the public order, morality, or acceptable customs; mislead the public; or infringe on the priority rights of other persons.

Q Does the Trademark Law Adopt A “first-to-file” or “first-to-use” system? Can I claim priority rights?

A Cambodia adopts a “first-to-file” system, which grants the exclusive right and protection to the registrant who applies first. Applications for mark registration are filed with the Department of Intellectual Property Rights (“**DIPR**”) of the MOC. The application can be made in either Khmer or English; however, the officials may require translations, at their discretion.

The date of submission will be the date on which a complete submission is filed and the prescribed fees are paid. A few exceptions do apply, such as priority rights based on a prior application under the Paris Convention.

To claim priority rights in Cambodia, at the filing stage, the applicant is required to provide the DIPR with some priority data, such as the office of the priority filing, the priority filing date, and the application number and country of filing.

Q How long can a registered trademark be protected?

A Once registered, the term of protection will be 10 years from the date of the registration application, and is renewable every 10 years.

Q What rights does a trademark owner have?

A Pursuant to Article 11 of the Trademark Law, a registered trademark owner will enjoy the following rights:

- The right to prevent others from using identical or confusingly similar marks for their own goods and services.
- The exclusive rights over the trademark. The owner will have the right to license, franchise, or assign its trademark.
- The right to take legal action against unauthorized persons who use the registered trademark.

Q If I identify a pending trademark application infringing on my rights, what can I do?

A Before a trademark application is finally approved and registered with the DIPR, there will be an opportunity for public opposition over the trademark application.

Q If I identify a registered trademark infringing on my rights, what can I do?

A Even after a trademark is registered, it is not immune from an attack on its validity. The Trademark Law provides grounds for invalidation or cancelation of a registered trademark.

Q How can I stop someone with no legitimate grounds from infringing on my trademark rights?

A While a right owner may initiate civil or criminal proceedings against infringers who use the right owner's trademark without legitimate grounds or authorization, the Trademark Law also provides an interim remedy, such as customs detention and interim injunction, to stop infringement activities before the legal proceeding are concluded.

To deal with the infringement of a registered trademark, the following actions are available:

- Send a cease and desist letter to the infringer or initiate private negotiations with the infringer;
- File a complaint with enforcement authorities, including the Economic Police Bureau, the Counter Counterfeit Committee of Cambodia, or the prosecutor's office of the competent court; or
- File a complaint with the General Department of Customs and Excise of Cambodia to stop the infringement through the border of Cambodia in accordance with the Law on Customs.

Q Is there any special protection for well-known trademarks?

A The Trademark Law provides the following protection to well-known trademarks to prevent others from registering or using such trademark:

- For an unregistered well-known trademark, there is protection against the use of an identical or similar mark on identical or similar goods/services.
- For a registered well-known trademark, protection will be extended to goods/services that are not identical or similar, as it may in fact be contrary to the interests of such trademark if a false connection with the goods/services of the registered well-known trademark is suggested.

Q Can geographic identification, collective trademarks, and trade names be protected in Cambodia?

A The Trademark Law provides for the registration and protection of collective trademarks, while geographic identification is protected under the Law on Geographic Indications. In addition, a registered or unregistered trade name is also protected.

Q Is there any way that I can lawfully use someone else's trademark?

A The Trademark Law does not provide any way to use someone else's trademark unless there is prior consent from the trademark owner. This consent must be in writing (i.e. in the form of a license agreement) and registered and recorded with the DIPR. Any unrecorded and unregistered license agreement has no effect against third parties.

General Department Taxation (“GDT”)

Opening a Bank Account

Q When should a bank account be opened for the new company?

A Business registration applicants must submit their bank account information to the GDT within 15 working days after receiving the tax registration approval in digital format, otherwise, the tax registration approval will be withdrawn automatically.

Q Which banks are recommended?

A Cambodia has several major commercial banks to choose from; however, we particularly recommend the Oriental Bank.

Oriental Bank has transformed banking experiences through its Mobile Banking for Corporate (“**MCorp**”) and Internet Banking for Corporate (“**ICorp**”) platforms, introducing consolidated financial statements and flexible operation modes up to three control levels with up to five authorizers at each level to facilitate payment. Noteworthy features like remote transaction approvals and customizable payroll settings have substantially improved financial management efficiency. The commitment to security is evident in enhanced options, including control over account visibility and fixed deposit withdrawal channels, ensuring a secure and personalized banking experience for the company.

Q Does the director of the company have to open the bank account in person or if they are not in Cambodia can someone else open the account?

A The chairperson or director of the new company will need to physically visit the bank to open the account because banks typically require verification of their identity and authority to act on the company’s behalf.

However, if that is not possible, some banks may allow for another person to be authorized to open the account on their behalf by providing a resolution from the board of directors. This varies depending on the particular’s bank’s policies.

GDT Formalities for Tax Representatives

Q What are the formalities that need to be completed by the tax representative at the GDT?

A The GDT will issue an invitation to the company’s tax representative (i.e. the authorized person who will appear on the patent tax certificate and VAT certificate) to come to the GDT to have their photo taken and fingerprints scanned. These formalities must be completed within 30 calendar days from the date of the GDT’s invitation. Generally, it takes one day to complete, and there is no official fee required.

Q In what circumstances does the GDT require submission of hard copies of registration documents?

A After successful registration through the CamDx platform, if the GDT finds that the taxpayer has used inaccurate, or insufficient documents to register, it has the right to them to provide additional information or updates.

If the taxpayer does not do so, the GDT will be put them on a negative list for registration and their tax filing may be rejected. In addition, the person may not be allowed to register other businesses through the platform.

Q What documents need to be brought when conducting the formalities with the GDT (photo taken and fingerprints scanned)?

A The documents that need to be brought to the GDT to complete the formalities are:

- The person's original passport (for a foreigner) or Cambodian ID card (for Cambodian citizens); and
- The new company's stamp

Q To be prepared, what are some typical questions that the GDT will ask during the formalities process?

A When the person presents themselves at the GDT to have their photo taken and fingerprints scanned, the GDT official will ask some questions, which vary from case-to-case. Below are some of typical questions:

- What is the business activity of your company?
- What is your position in the company?
- What is your current residence address?
- Where is your company located?
- What is your company's expected date to commence operations?

Q Must the chairperson of the new company's board of directors be the person on the patent tax certificate?

A Not necessarily. If the chairperson is a foreign national residing outside of Cambodia and is unable to meet the deadline to come to Cambodia to complete the formalities (having their photo taken and fingerprints scanned), they can appoint, in writing, a representative who is a member of the board of directors recognized by the MOC to complete them instead and to provide the relevant documents to obtain the patent tax certificate, VAT certificate, and/or tax identification card.

Q What are the types and amounts of patent tax that have to be paid?

A Registered businesses must pay a (relatively nominal) patent tax on initial business registration and annually thereafter for each distinct business activity. Patent tax is levied with reference to turnover or estimated turnover.

Type of taxpayer	Patent tax
Small	KHR400,000 per year
Medium	KHR1.2 million per year
Large	<ul style="list-style-type: none">• KHR3 million per year is the minimum amount.• KHR5 million per year for turnover of over KHR10 billion.• Additional tax of KHR3 million if the taxpayer has a principal place of business, entity office, branch, warehouse, factory, or workshop for a business activity in a different city or province.

Q What are the eligibility criteria for each patent tax category above?

A The GDT classifies taxpayers into three categories, as follows:
1. Small taxpayers are sole proprietorships or partnerships that:

- For the agricultural, service, and trading sectors: Have annual turnover of from KHR250 million to KHR1 billion (approx. US\$62,500 to US\$250,000) or have annual total assets of from KHR200 million to KHR1 billion (approx. US\$50,000 to US\$250,000); or
 - For the industrial sector: Have annual turnover of from KHR250 million to KHR1.6 billion (approx. US\$ 62,500 to US\$400,000) or have annual total assets of from KHR200 million to KHR2 billion (approx. US\$50,000 to US\$500,000); or
 - Have turnover for any three consecutive months of at least KHR60 million (US\$15,000); or
 - Participate in any bidding or quotation for the supply of goods or services, including market stall management.
2. Medium taxpayers are:
- Entities that have annual turnover of:
 - For the agricultural sector: More than KHR1 billion to KHR4 billion (approx. US\$250,000 to US\$1 million);
 - For the service and trading sectors: More than KHR1 billion to KHR6 billion (approx. US\$250,000 to US\$1.5 million);
 - For the industrial sector: More than KHR1.6 billion to KHR8 billion (approx. US\$400,000 to US\$2 million); or
 - Entities that have annual total assets of:
 - For the agricultural, service, and trading sectors: From KHR1 billion to KHR2 billion (approx. US\$250,000 to US\$500,000);
 - For the industrial sector: From KHR2 billion to KHR4 billion (approx. US\$500,000 to US\$1 million); or
 - Entities that have been incorporated as a legal entity, representative office; or
 - National and subnational government institutions, all types of organizations or associations, including non-governmental organizations; or
 - Foreign consulates and embassies, international organizations, and technical cooperation agencies of other countries.

3. Large taxpayers are:

- Entities that have annual turnover of:
 - For the agricultural sector: More than KHR4 billion (approx. US\$1 million);
 - For the service and trading sectors: More than KHR6 billion (approx. US\$1.5 million);
 - For the industrial sector: More than KHR8 billion (approx. US\$2 million); or
- Entities that have annual total assets of:
 - For the agricultural, service, and trading sectors: More than KHR2 billion (approx. US\$500,000);
 - For the industrial sector: More than KHR4 billion (approx. US\$1 million); or
- Branches of foreign companies or subsidiaries of multinational companies; or
- Entities registered as QIPs.

Tax Representative Exemptions from GDT Formalities

Q Is the information gathered in the formalities process (photo and fingerprint scans) transferable for patent tax if it is a different company but the same director?

A Yes, it is. In the event that the representative of the new company has already completed the formalities of having their photo taken and fingerprints scanned for another company in Cambodia, they are not required to go through the formalities process again. The GDT officials will only request that the patent tax certificate of that other company and a copy of their passport or Cambodian ID card be provided.

Q In the event that the director of a company resigns, can the information still be transferred for patent tax purposes if the representative is the same person?

A If the tax representative resigns from the other company, the information cannot be transferred to the new company. In this case, the tax representative will have to undergo the formalities with the GDT again.

Types of Visas

Q For foreign tax representatives, when coming to Cambodia to complete the formalities process at the GDT (having their photo taken and fingerprints scanned), is there a particular type of visa that they need?

A There are two visa options to consider when coming to Cambodia to complete the GDT formalities:

1. Tourist Visa (T Visa): This visa is intended for foreign nationals who plan to stay in Cambodia for a period of 30 days or less.

- Cost: Approximately US\$36
- Timeline: 30 working days

2. Business Visa (E Visa): This visa is specifically designed for business travelers who intend to engage in business-related activities during their stay in Cambodia.

- Cost: Approximately US\$42
- Timeline: 30 working days

In general, for those whose primary purpose is to complete the formalities, obtaining a tourist visa is recommended.

Note: Even though it is possible to obtain a visa on arrival, we suggest obtaining it online prior to travel to avoid any unexpected issues.

Passport Issues

Q Is there a problem if the passport of the tax representative (shown on the patent tax certificate) has expired?

A When a tax representative's passport expires, the tax representative must provide a confirmation letter regarding their new passport and present both their new and expired passports for certification at the GDT in person.

GDT Application Forms

Q What is the purpose of filing the Legal Entity Form and Physical Person Information Form?

A Legal Entity Form (101-P2): This is required by the GDT to

process an entity's tax information update. The form requires the entity's general information, such as name, address, shareholders, email address, phone number, among other information.

Physical Person Information Form (101-B): The GDT requires this form to obtain general information about each individual shareholder or shareholder representative (e.g. their email address, phone number, residence address, etc.)

Q If the same person holds more than one position, do they need to file more than one Physical Person Information Form?

A If an individual holds more than one position per the entity's AOI (e.g. as an individual shareholder and as a director), they will have to submit a separate form for each position that they hold.

Q Does the tax application require both signature and thumbprint?

A Both a signature and a thumbprint are not required; the GDT only requires a signature using a **blue ballpoint pen**. If the signature is made using any other color ink it will be rejected.

Q Who needs to sign the passport or Cambodian ID card copies?

A Each individual must sign their own passport copy or Cambodian ID card and then have the entity's stamp affixed to certify it as a true copy of their passport.

Contact/Email

Q What are the particular requirements for a company's contact information? An email address? A phone number?

A The GDT's minimum contact requirement is that the company have a Cambodian telephone number that can be used to contact it on tax matters (i.e. 012-XXX-XXX). An email address, while convenient and recommended, is not required.

Employee Quotas – Recruitment – Working Hours – Company Marketing

Q What percentage of the workforce must be Cambodian to be eligible for a foreign employee quota?

A Only 10% of an entity’s workforce are allowed to be foreign.

Q What is the deadline to apply for a foreign employee quota?

A The normal deadline for repeat annual quota applications is the end of November each year, with applications accepted starting in September. First-time applicants can apply at any time of the year once they are registered.

Q Can companies exceed the foreign employee quota?

A An entity may be allowed to employ foreign employees in excess of the 10% quota if they are unable to find an adequate number of suitably qualified Cambodian nationals for its workplace.

In order to do so, employers must submit a request to exceed the quota under special conditions, which is subject to the MLVT’s approval at its discretion.

Q Is there a specific number of employees required to form a company? Genders? Nationalities?

A There are no legal requirements regarding the genders or nationalities of employees except for the 10% quota on foreign employees in general (see previous questions). Entities are free to hire diverse talent based on the needs and requirements of the jobs, as long as they comply with Cambodian labor laws.

Q What are the requirements on employee working hours, per day and per week?

A Normal working hours cannot exceed eight hours per day or 48 hours per week. The work schedule can be set by the employer, except that if the work schedule requires split shifts, there can only be morning and afternoon shifts.

Q When can a company recruit employees?

A Technically, entities are allowed to recruit staff upon receipt of the declaration of enterprise opening from the MLVT. However, entities may recruit employees once registration with the MOC is completed.

National Social Security Fund (“NSSF”)

Q Is it necessary for a company to register with the NSSF?

A All entities that have employees are required to register their organization together with registering their employees with the NSSF, and then pay contributions to the NSSF for its occupational risk, health care, and pension schemes. The process is done electronically through the CamDX platform, but requires completing the MOC, GDT, and MLVT registration steps beforehand.

Q What steps should the company take if they have registered with the NSSF but have not yet recruited any employees?

A If a company has registered with the NSSF but has not yet recruited any employees, it should submit a letter to the NSSF requesting the suspension of monthly contribution payments until such time that it recruits employees.

Q What steps should the company take after registering with the NSSF?

A After registering with the NSSF, the company should instruct its employees to register for an NSSF membership card.

Q What are the rates for social security and NSSF contributions?

A The current social security and NSSF contribution rates are as follows:

- **Occupational Risk:** 0.8% of the employee’s monthly wage.
- **Health Care:** 2.6% of the employee ‘s monthly wage.
- **Pension Scheme:**
 - First five years: 4% of the employee’s monthly wage,

- shared equally between the employer (2%) and the employee (2%);
- 6th to 10th years: 8% of the employee's monthly wage, shared equally between the employer (4%) and the employee (4%);
 - 11th year onwards: The rate increases by 2.75% every 10 years, with the employer and employee contributions increasing proportionally.

Q What are the minimum and maximum monthly wages for contributions?

A The minimum contributory wage is KHR400,000 and the maximum contributory wage is KHR1,200,000.

Q What is the deadline for NSSF monthly contribution payments?

A The deadline is the 15th of the month. This means that employers must pay contributions for the previous month no later than the 15th of the current month.

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