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CAMBODIA

Legal and Tax Digest

September 2025

Trademarks

*Notification No. 3210 dated September 25, 2025 issued by the Ministry of Commerce on the “**Launch of a Paperless Trademark Registration System**”*

The Ministry of Commerce has announced the official launch of its paperless trademark registration system, which commenced from September 30, 2025. This digital initiative is designed to enhance the efficiency, accessibility, and transparency of Cambodia’s trademark registration process.

Under the new system, all procedures and documentation related to trademark registration will be handled entirely online. Trademark certificates and official documents issued by the ministry will be provided in digital format only, eliminating the need for physical paperwork.

Nationality

*Royal Decree No. 0925/030 dated September 5, 2025 on the “**Amendment of the Nationality Law**”*

Following a recent constitutional amendment to Article 33 of the Cambodian Constitution, this Royal Decree introduces key changes to the 2018 Nationality Law. The amendments empower the government to revoke the Cambodian citizenship of individuals, whether residing in the country or abroad, who collaborate with foreign entities against the country’s national interests.

The revised law updates seven articles (1, 7, 16, 27, 28, 29, and 34), introducing oath-taking requirements for new citizens, enabling voluntary renunciation, and expanding the grounds for the revocation of citizenship, particularly in matters related to national security and public order.

The updated law introduces important procedural and substantive reforms. New citizens acquiring Cambodian nationality through marriage or naturalization are now required to take an official oath before the Supreme Court before receiving legal documents such as national ID cards and passports. The law also permits the voluntary renunciation of Cambodian citizenship by individuals who hold another nationality, including the option for family units to renounce together.

Most notably, the government is granted broader authority to revoke Cambodian citizenship in cases involving treason, threats to national sovereignty, terrorism, or fraudulent acquisition of nationality. Revocation of citizenship by birth is possible only under strict conditions, including the requirement that the individual holds or is eligible to obtain another nationality and is at least 18 years old. Such revocation will be carried out by Royal Decree following the recommendation of a designated national committee.

These legal reforms mark a significant shift in how Cambodia manages the acquisition, loss, and protection of nationality, balancing individual rights with national security and public order.

Finance

Joint Statement dated September 5, 2025 issued by the Ministry of Interior (“MOI”), the National Bank of Cambodia (“NBC”), and the Non-Banking Financial Services Authority (“NBFSA”) on the “Measures against Illegal Lending Activities and Accepting ID Cards, Residence Books, Equity Cards, and National Social Security Fund Membership Card as Collateral for Loans”

Three Cambodian governmental institutions, the MOI, the NBC, and the NBFSA, have issued a joint statement in response to a growing surge in illegal lending practices across the country. The statement outlines the current legal stance on unlicensed lending, including the prohibition of accepting personal identification documents as collateral for loans and reminds lenders and borrowers to fully comply with the relevant legal requirements.

Illegal lending and unlawful practices

The authorities have noted that some individuals and entities are operating lending businesses without a license, offering services such as:

- Informal or unlicensed money lending (offline and online).
- High-interest loans under unfair terms.
- Threatening or coercive debt collection tactics.
- Using personal identification documents as loan guarantees.

These practices not only violate Cambodian financial regulations but also raise serious concerns about consumer protection, security, and public order.

Lending without a license

Under Articles 2 and 55 of the Law on Banking and Financial Institutions, offering any form of credit to the public is classified as a banking activity and must be licensed by the NBC. Thus, any person, whether an individual or an entity, who carries out banking operations as a regular profession and for the public without permission will be subject to the following:

- Imprisonment of from one to five years
- Fines of from KHR5 million to KHR250 million
- Potential closure of the unauthorized business

Mortgage and pawnshop services require licensing

Similarly, the operation of pawnshop or mortgage business are required to obtain permit or license from the Real Estate and Mortgage Business Regulator of the NBFSA, otherwise it is strictly prohibited. Entities found operating without a permit or license will be subject to the following:

- Fines of from KHR5 million to KHR20 million
- Immediate suspension of business operations
- Doubled fines for repeat offenses

Using personal identification documents as collateral is illegal

Some lenders have been accepting the following as collateral:

- National ID cards
- Residence books
- Equity (poor) cards
- National Social Security Fund membership cards

This practice is not permitted under Cambodian civil law. These documents have no commercial value, cannot be transferred, and are not recognized as valid security in loan agreements.

Labor

*Instruction No. 138/25 dated August 20, 2025 issued by the Ministry of Labor and Vocational Training ("MLVT") on the **"Suspension of Employment Contracts"***

The instruction provides guidance on the legal process to suspend employment contracts in accordance with Articles 71 and 72 of the Labor Law. The new procedures must be carried out via the Labor Centralized Management System ("**LACMS**"), which can be accessed at <https://lacms.mlvt.gov.kh>.

The instruction is aimed at employers facing serious economic, material, or other difficulties, and ensures that any suspension of employment contracts is done transparently, fairly, and in compliance with the labor regulations.

Key compliance requirements

▪ Advance notification

Employers must inform affected workers in advance, clearly stating the start and end dates of the suspension and the names and number of workers involved, whether fully, partially, or by production group.

▪ Employee agreement

Suspensions must be supported by an agreement with at least two-thirds of the authorized employee representatives. If there are no representatives, a simple majority of the affected workers must consent. This agreement must be posted publicly within the entity.

▪ LACMS submission timeline

The suspension request must be submitted via the LACMS system at least three working days before the intended suspension date.

▪ Worker data confirmation

Employers shall ensure the suspended workers' information is accurate, including ID or passport numbers and phone numbers. Verification requires the fingerprints of the workers' spouses to confirm the data.

- **Official documentation**

The suspension letter generated in the LACMS must be signed and stamped by the employer and then uploaded to the system again.

- **Payroll record submission**

Employers must upload the most recent payroll list before suspension, in Excel format.

- **Early termination reporting**

If the suspension ends earlier than planned, employers must update the LACMS at least two working days before employees return to work.

- **Document retention**

All documentation related to the suspension must be kept on file for labor inspections.

Suspensions authorized before the issuance of this instruction remain valid until their approved end dates. However, employers who fail to comply with the procedures outlined in this directive may be subject to penalties under the applicable labor laws.

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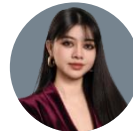
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