

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 the paragraph 8 of the new Article 14.

**CHAPTER 6
LAND OWNERSHIP AND USE**

Article 16: New

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.

Use of land shall be permitted to investor, including concessions, unlimited long-term leases and limited short-term leases which are renewable, in compliance with the provisions of the Land Law.

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 7
EMPLOYMENT PRACTICES**

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.

Article 18: New

Investors shall be allowed to hire foreign employees provided that:

- 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:

- Provide adequate and consistent training to Cambodian staff,
- 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 20: New

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
- Arbitration in or outside of Cambodia 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, according to the determination of the Sub-Decree.

NEW CHAPTER 9 TRANSITIONAL PROVISIONS

Article 24: New

All investments authorized under the Law on Investment promulgated by Royal Kram No. 03/NS/94 dated August 05, 1994 and Sub-Decrees shall be considered to be Qualified Investment Projects as stipulated in this Law and relevant Sub-Decrees.

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 fiscal year after the promulgation of this Law, subject to the Investors submitting in each fiscal year after the promulgation of this law a certificate of obligation satisfaction before the State, which shall be specified by the Sub-Decree as stipulated in the paragraph 2 of the new Article 14.

A QIP entitled to an exemption of tax on profit before promulgation of this Law, and whose entitlement has been approved in writing by the Council, shall continue to be entitled to that profit tax exemption, subject to the Investors submitting in each fiscal year after the promulgation of this Law a certificate of obligation 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.

Article 26: New

Any provisions contrary to this Law shall be abrogated.

Article 27: New

This Law shall be promulgated immediately.

**This law is adopted by the National Assembly
of the Kingdom of Cambodia in Phnom Penh
on February 3, 2003
during the ninth plenary session of the second legislature.**

Phnom Penh, February 4, 2004

Chairman of the National Assembly

Norodom Ranariddh