

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, means of transport and people into and from the zone; process 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. Duty exemption 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 Value Added Tax 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 Value Added Tax as recorded in comparison with the quantity 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 admission (AT) the import of means of transport 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-Shipments 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.