

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 and 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 into 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

KINGDOM OF CAMBODIA
Nation Religion King

Royal Government of Cambodia
N° 28 ANKr.BK

ANUKRET (SUB-DECREE)
ON

**THE AMENDMENT OF ARTICLE 4 POINT (4.1) OF SUB-DECREE N° 148 DATED
29-DECEMBER 29,2005 ON THE ESTABLISHMENT AND MANAGEMENT
OF THE SPECIAL ECONOMIC ZONE**

- 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 the 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
- Seen the Royal Kram N° NS/RKT/0306/111 dated March 04, 2006 on the terminating of the function of Samdech Krom Preah Norodom Ranariddh as Special Advisor to the Royal Government and the Co-Chairman of the Council for the Development of Cambodia
- Seen the Sub-Decree N° 147 ANKr.BK dated December 29, 2005 on the Organization and Functioning of the Council for the Development of Cambodia
- Seen the Sub-Decree No. 148 ANKr.BK dated December 29, 2005 on the Establishment and Management of the Special Economic Zone
- Seen the Sub-Decree No. 27 ANKr.BK dated March 14, 2006 on the Adjustment in Article 1 of the Sub-Decree No.147 dated December 29, 2005 on the Organization and Functioning of the Council for the Development of Cambodia
- In pursuant to the needs of the Council for the Development of Cambodia

DECIDES

Article 1:

Article 4, point 4.1 has been amended in Sub-Decree No.148 ANKr.BK dated December 29, 2005 as follows:

Article 4, Point 4.1

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. Chairman of the Council for the Development of Cambodia | Chairman |
| 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.

Article 2:

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, 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, March 14, 2006
Prime Minister
Signature and Seal

HUN SEN

Submitted to
Samdech Prime Minister
by the First Secretary of
State of Economy and Finance
and Vice Chairman of the CDC

Kong Vibol

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 2
- Archives - Records