

MONTHLY LEGAL UPDATE

I. OVERVIEW

The Royal Government of Cambodia (RGC) continues to update her regulatory environment in the middle of 2024. This Monthly Legal Update will highlight some important updates as follows:

- Decision on the Prohibited Areas for Casino Operation;
- Prakas on the Formalities and Procedures for the Registration of Private Units of Co-Ownership Building that Completed the Construction Before 19 December 1997;
- Prakas on the Formalities, Procedures, and Rules for the Management of Alcohol Product Advertisements; and
- Notification on the Procedures for the Application for Professional Certificate and Real Estate Service Business License on Information Technology Platform.

Along with these regulations, this Monthly Legal Update will also depict the results of investment project registration in Cambodia for the first half of 2024.

II. RESTRICTED ZONES FOR CASINO OPERATION IN CAMBODIA

On 11 June 2024, the RGC issued a decision on the designation of restricted zones for casino operations. Kep Province and Kompot Province are designated as restricted zones under the new decision, with the exception of Bokor Mountain and the Prek Chak International Border Check Point. The decision aims to encourage more diversified investment in hotel and hospitality sectors to benefit tourism, manufacturing, industry, agro-industry, trade, and special economic zones. It also seeks to strengthen, promote, and preserve cultural and religious values, as well as ensure security and good order in tourist destination zones.

III. THE REGISTRATION OF PRIVATE UNITS OF CO-OWNERSHIP BUILDINGS

On 19 July 2024, the Ministry of Land Management, Urban Planning, and Construction (MLMUPC) issued a Prakas to determine the formalities and procedures for the registration of private units of co-ownership buildings that completed the construction before 19 December 1997. It aims to protect the legal rights of owners of private units in co-ownership buildings.

PRIVATE UNIT AND CO-OWNERSHIP BUILDING

Under this Prakas, the following definition shall apply:

- Private Unit: refers to a part of co-ownership buildings exclusively under private's occupancy, use, and disposal.
- Co-ownership building refers to building or construction under the occupancy of a number of owners. Some parts of the co-ownership buildings are under the exclusive rights of each co-owner, which is called a "private unit," and some parts of the co-ownership buildings are shared spaces under the joint ownership of all co-owners, which is called a "communal space." The types of these co-ownership buildings may include mansion, condominium, etc.

REGISTRATION FORMALITIES

Under this Prakas, the applicant is required to prepare the following documents:

- Registration application form;
- Co-owner identification documents; and
- Document confirming legal possession of the immovable property (if available).

However, more information could be required in practice for the review and approval.

REGISTRATION PROCEDURES

The regulations on the procedures for systematic land registration as stated in Sub-Decree No. 46 on the Procedures to Establish Cadastral Index Map and Land Register, its subsequent amendment, and related regulations shall also be applicable to the registration of private units under this Prakas.

For those private units of co-ownership buildings that completed the construction before 19 December 1997 and failed to register through systematic land registration, they are also allowed to register through complementary land registration according to Sub-Decree No. 48 on Sporadic Land Registration and its subsequent amendment.



If available, the owner of the private unit in the co-ownership building is required to provide the original title confirming the possession of that private unit to the cadastral authority in exchange for the certificate of ownership on the private unit in the co-ownership building. The above original certificate of immovable property ownership shall be considered null and void and shall be kept at cadastral administration.

IV. ALCOHOL PRODUCT ADVERTISEMENTS

On 23 July 2024, the Ministry of Information issued a Prakas outlining the formalities, procedures, and rules for the management of alcohol product advertisements. This Prakas aims to ensure public order and public welfare, minimize economic, cultural, and national tradition impacts, and promote good practice in competition.

It applies to all types, forms, and methods of advertisement in Cambodia, including digital advertising, for any alcohol product containing more than 3% alcohol.

PERMISSION

All alcohol product advertisements are required to obtain permission from the Alcohol Product Advertising Management Team (APAMT).

Any natural person or legal entity that aims to advertise alcohol products is required to apply for permits from APAMT. A natural person, including the "Key Opinion Leader," and an entity that has advertised or is advertising the alcohol products and/or alcohol advertisement service is also required to apply for approval from APAMT within three months from the date of this Prakas.

ADVERTISEMENT PRINCIPLES

The advertisement of alcohol products shall comply with the advertisement principles under this Prakas. These principles involve the prohibition of advertisement for certain places and behaviors.



First, the advertiser should avoid the advertisement that involves depictions of drinking on public stages, certain forms of advertisement on TV and radio from 6:00 p.m. to 8:00 p.m., the advertisement within 200 meters of schools, hospitals, religious institutions, historical-cultural sites, airports, etc.

Second, the advertiser should also avoid the advertisement, which involves false statements, obscene content, the involvement of minors, the advertisement, pornographic and violent content, lack of educational message, depictions of driving under the influence or drinking while driving, encouraging excessive drinking, targeting pregnant women, disregard for individuals who abstain from alcohol, lack of warnings for minors, advertising without proper permission, etc.

V. DIGITALIZATION OF PROFESSIONAL CERTIFICATE AND REAL ESTATE SERVICE BUSINESS LICENSING

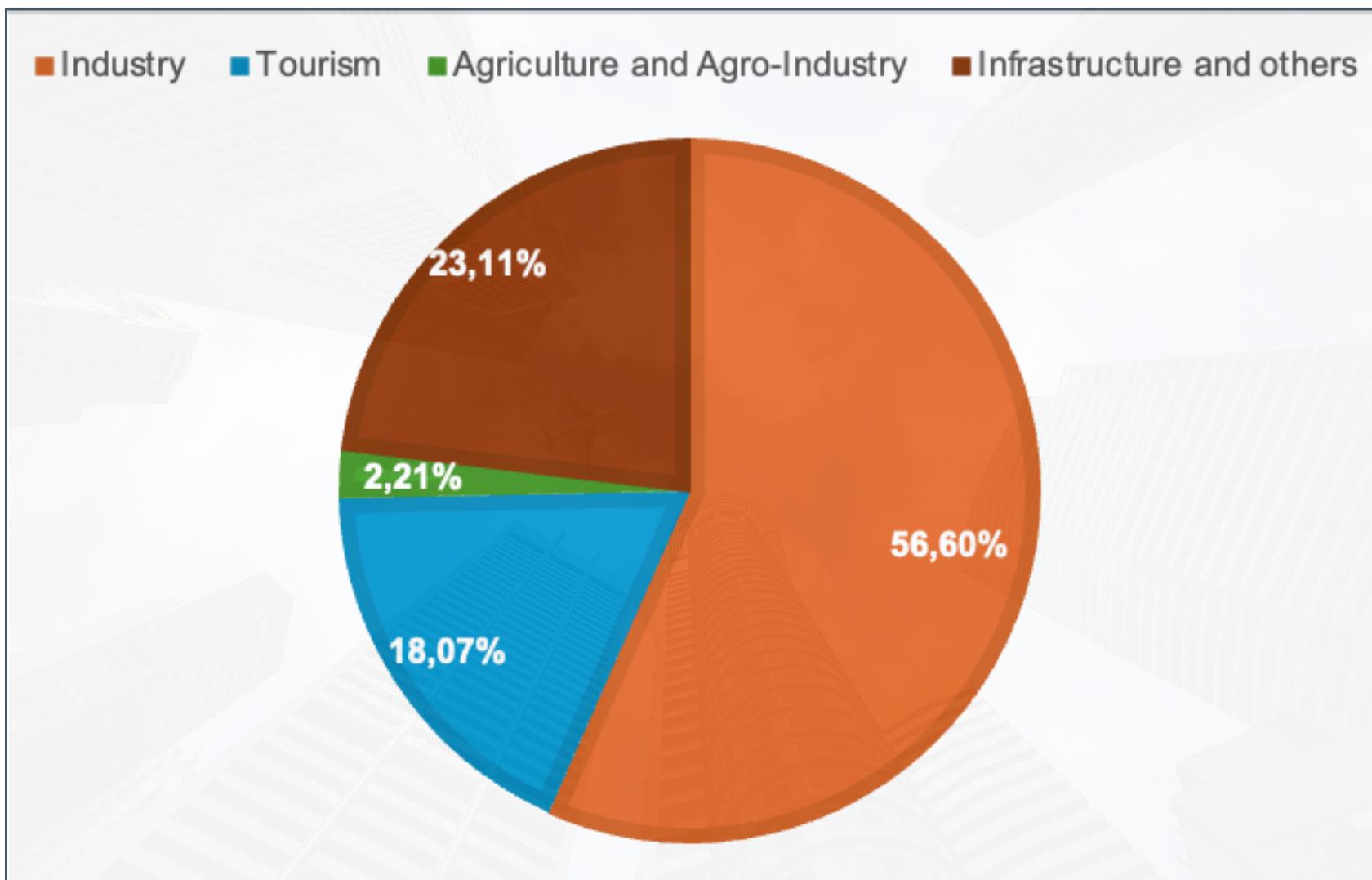
On 24 July 2024, the Real Estate Business and Pawnshop Regulator (RPR) issued a notification on the procedures for the application for a professional certificate and real estate service business license on the information technology platform to all the company owners who wish to apply for this license. The procedures for the above application for parent company and subsidiaries shall be implemented from 1 August 2024. All the company owners need to file the required documents for the above applications as per Prakas No. 064 dated 27 December 2022 on Real Estate Service Business to the website (<https://realestate-service-business.rpr.gov.kh>) via App: CamDigikey.

VI. SPECIAL FOCUS: INVESTMENT TRENDS IN CAMBODIA

Cambodia experienced a significant growth of investment for the first 6 months of 2024. During this period, the Council for the Development of Cambodia (CDC) registered 190 qualified investment projects (QIPs) with an approximate total investment capital of USD 3.2 billion, which could potentially create more than 168 thousand jobs. Comparing to the same period in 2023, the QIPs are up by 77 projects, while the investment capital recorded an additional growth of USD 2 billion, according to the CDC's press release dated 5 July 2024.

The capital of investment is distributed into four main sectors. The industrial sector attracted around 56.59% of the total investment capital. Agriculture and agro-industry, tourism, and infrastructure and others received around 2.21%, 18.07%, and 23.11% of the total capital, respectively. Investment activities in garment, bags, and shoes are still dominating the list of investment projects in sub-sectors. However, there is also a significant diversification to other areas such as lighting and accessories, data centers, household equipment, medical equipment, electronics, chemicals, agro-processing, spare parts, etc.

FIGURE 1: INVESTMENT CAPITAL BY SECTORS (BY PERCENTAGE)



Source: *The Council for the Development of Cambodia, July 2024*

More than half of the capital is locally sourced, while the majority of foreign capital is from the Asian market, where the top 5 includes China, Singapore, Vietnam, India, and South Korea. However, there is no significant diversification in terms of foreign investment, with which China still shared around 42.64% of the total investment capital.

*This Monthly Legal Update is a general information only and is not considered as legal advice or opinion. If you require any further information or have any questions, please contact **Mr. HOUN Vannak**, managing partner of **RHTLaw Cambodia**.*

OUR MANAGING PARTNER



Mr. HOUN Vannak
Managing Partner

Mobile: +(855) 12 737 123
Office: +(855) 23 886 616
Email: vannak.houn@rhtlawcambodia.com

AUTHORS



Mr. SAT Sokvisal
Senior Associate

Mobile: +(855) 60 333 161
Office: +(855) 23 886 616
Email: sat.sokvisal@rhtlawcambodia.com



Ms. PICH Cheymorokot
Associate

Mobile: +(855) 81 885 388
Office: +(855) 23 886 616
Email: morokot.pich@rhtlawcambodia.com