

# CHAPTER 1: BUSINESS SET-UP

## Relevant Laws:

- Law on Taxation 2023
- Law on Commercial Rules and Register 1995 (as amended in 1999 and 2022)
- Law on Commercial Enterprises 2005 (as amended in 2022)
- Law on Investment 2021
- Labour Law 1997 (as amended in 2007, 2018 and 2021)
- Law on General Statutes of Public Enterprises 1996
- Other sectoral laws and many implementing regulations

## I. DEVELOPMENT OF COMMERCIAL ENTERPRISES LAW AND REGULATIONS

A business may be organised and registered in Cambodia according to the 2005 Law on Commercial Enterprises as amended in 2022 and the 1995 Law on Commercial Rules and Register as amended in 1999 and 2022. These laws apply to sole proprietorship, partnerships and limited liability companies carrying on their business in Cambodia.

In addition, to set up business or investment projects in Cambodia it is worth looking at the 1996 Law on General Statutes of Public Enterprises if the investors would like to partner with the government of Cambodia in an investment project implementation. Before running a business or investment project, a number of relevant laws need to be considered or complied with. They include, but are not limited, to those listed in the box above.

| Name of Institution        | Key Functions and Services   |
|----------------------------|--|
| Ministry of Commerce (MOC) | <ul style="list-style-type: none"><li>• The function of the MOC is to provide to the public all services to meet business and investment interests and implement Cambodia's trade policies.</li><li>• The MOC provides an online business registration service that is crucial in a market economy.</li><li>• The MOC is to administer and regulate the conduct of international and domestic trade; foster the integration of the Cambodian economy into regional and international economies; establish and develop a sound legal and commercial framework, and promote the rapid growth of Cambodian exports. The MOC is to manage commercial registration and monitor commercial activities.</li></ul> |

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|   | <ul style="list-style-type: none"> <li>• The MOC is to manage and issue business permits for natural persons or legal entities.</li> <li>• The MOC manages the filing of the notices of secured transactions.</li> </ul>   |
| Tax Administration                                | <ul style="list-style-type: none"> <li>• The functions of the Tax Administration are to develop tax policies and collect all types of taxes for national budget.</li> <li>• Draft laws and regulations on taxation, determine other necessary legal documents which taxpayers or withholding agents need to keep and give to the tax administration.</li> <li>• Determine tax bases on taxpayers and withholding agents based on cross-checking.</li> <li>• Establish programs and perform tax audit.</li> <li>• Be responsible for international cooperation in the tax sector.</li> <li>• Apply penalties for taxpayers and withholding agents who breach laws and provisions.</li> <li>• Participate in preparing the national annual budget plan.</li> </ul> |
| Ministry of Labour and Vocational Training (MLVT) | <ul style="list-style-type: none"> <li>• MLVT is in charge of regulating Labour and Vocational Training throughout the Kingdom of Cambodia.</li> </ul>   |

## II. COMMERCIAL REGISTRATION

A merchant (individual or legal entity) shall, within at least fifteen (15) days prior to the commencement of operation, register a business with the competent authority having jurisdiction over the place of his or her business. Merchants are people or legal entities who conduct acts of commerce and make this their usual profession.

In order to register a business entity, the merchant shall conduct a company name search with MOC confirming if such name can be registered to avoid any infringement on the registered mark of another party.

As per Sub Decree No. 84 of 2020, from 15 June 2020 onwards, all new business registrations shall be made via online business registration system (known as Single Portal), which has been launched by the Government marking the development of Phase 1 for Single Portal Online Business Registration and QIP application. In this first phase, there are only four ministries/institutions integrated into the online platform, such as the MOC, GDT, MLVT and CDC. Subsequently, in 2021, Phase 2 was launched to enable merchants to request digital certificates or licenses from four additional ministries/institutions, namely, the Ministry of Industry, Science Technology and Innovation, Ministry of Tourism, Ministry of Post and Telecommunication, and Real Estate