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(as amended November 18, 1999)

**LAW
ON**

**COMMERCIAL RULES AND REGISTER
(26/06/1995)**

**AND
LAW**

ON

THE AMENDMENTS OF ARTICLES

**10, 11, 14, 16, 17, 21, 22, 25, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 40, 42 AND 44 OF
CHAPTER II, ARTICLES 54, 57 AND 58 OF CHAPTER IV AND ARTICLES 59 AND 60 OF
CHAPTER V OF THE LAW ON COMMERCIAL RULES AND REGISTER
(1811/1999)**

**CHAPTER I
GENERAL PROVISIONS**

ARTICLE 1:

A merchant (trader) is a natural person or legal entity who practices a trade and whose trade is a regular practice.

Trade is an activity of buying or selling goods or services, which are regularly conducted for a purpose of exchange or profit.

ARTICLE 2:

The following shall be Considered by this law a trading activity:

- buying, goods for sale including real property
- all leasing enterprise(s). manufacturer enterprise (s), enterprise(s) for commission (broker(s)), transport enterprise (s), enterprise(s) for publication and other services;
- operation of bank(s) for currency exchange (s);
- providing middle-man service(s), agency service (s), coordinating offices, cultural services, and doing business for public spectators (scenery);
- operation of enterprise(s) for construction, buying or renting ship/vehicle (s) for transportation by road, by water way or by airway,
- all kinds of insurance;
- fishing, forestry, and mining business (s).

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ARTICLE 3:

The following shall not be considered by this law a trading activity:

- production not for sale;
- any production or service, which is for the family;
- production of particular arts;
- private class personally taught by an individual or a legal association.

ARTICLE 4:

Any producer, handicraft person or farmer whose activities are for the family shall not be considered a merchant.

ARTICLE 5:

A person who only helps to sell merchandises (goods) of his/her merchant spouse shall not be considered a merchant.

An employee who only helps to sell merchandises (goods) of an owner of the enterprise who is a merchant shall not be considered a merchant.

ARTICLE 6:

A spouse of a merchant shall be also considered a merchant if he or she practices a trade, which is registered differently from his/ her spouse.
The consent of the spouse is required for that merchant.

ARTICLE 7:

By means of this law, a minor cannot be a merchant except that minor is free from the custody of his/her guardian.

ARTICLE 8:

The right(s) and obligation(s) of a merchant is commercial law except where there is any Contrary evidence.

ARTICLE 9:

The capacity to practice a trade may be lost (revoked) due to the of particular arts; following grounds:

- bankruptcy;
- judicial decision of restraint of a trade;
- incompatibility with a commercial and

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CHAPTER II COMMERCIAL REGISTER

SECTION 1 MAINTENANCE OF THE REGISTRATION BOOK AND ITS OBJECT

ARTICLE 10 - New:

The management and control of a register recording the identity number of merchant and commercial company known as "Commercial Register" shall be under the jurisdiction of the Ministry of Commercial.

ARTICLE 11 - New:

The Ministry of Commerce shall forward one copy of the commercial register and all documents related to the original registration to the commercial court to be filed as documents for its commercial jurisdiction.

ARTICLE 12:

A merchant and commercial company whose principal establishment, branch office(s) or agencies(s) located in the Kingdom of Cambodia shall be obliged to register the name in this registration book except any merchant whose profits are exempted from taxation.

ARTICLE 13:

Every special notation concerning the merchant and commercial company must be recorded in this registration book.

SECTION 2 A MERCHANT WHOSE ORIGINAL PRINCIPAL ESTABLISHMENT IS LOCATED IN THE KINGDOM OF CAMBODIA

ARTICLE 14 - New:

A merchant shall, within at least fifteen (15) days prior to the commencement of his/her operation, register his/her company with competent authority having the jurisdiction over the place of business.

The registration office shall be at the provincial or city trade office, or other place as determined by the Ministry of Commerce.

The merchant shall file his/her application at the registration office a declaration made in double copies with his/her signature or thumb print on it.

The declaration shall be written on a sample form determined by the Minister of Commerce. Such declaration shall include the following information:

- 1- Full name of the merchant and number his/her identity card;
- 2- Name used in practice of trade or pseudonym.
- 3- His/her date and place of birth and street address

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- 4- Nationality and, in a case where he/she acquired another nationality, the procedure and the date of such acquisition there of shall be indicated,
- 5- The business objectives;
- 6- The Place of business and address of principal establishment or branch located in the Kingdom of Cambodia;
- 7- Trademark of establishment and sample signature of the applicant and corporate seal print,
- 8- Identity card of a legitimate representative who is responsible for the registration;
- 9- The commercial establishment through which the applicant has previously conducted business, or establishment which is functioning under the all be at the provincial or city trade competence of the Ministry of Commerce;
- 10- Freewill statement made by the applicant indicating his/her application at the registration that he/she has never been convicted for any in double copies with his/her signature commercial activities;
- 11- If necessary, business license for any business or Commercial activities, which are required to have an authorization. In this case, the registrar shall copy contents of such statement into the commercial register and deliver one of the two copies of such the statement to the applicant with a certification appears on bottom to be stated that: “ have recorded into the Register”.

ARTICLE 15:

The following shall be recorded in the commercial registration book:

- 1- All changes or modifications relating to any event as prescribed by the preceding article(s);
- 2- Judicial judgment or writ of the divorce of a merchant;
- 3- Patent or trademark that a merchant uses;
- 4- Judicial judgment or writ nominating a counsel (or advisor) to a merchant, or judicial judgment or writ restraining a merchant from practicing the trade or judicial judgment or writ revoking the restraint or trade;
- 5- Letter of mortgage or hypothesis of the important property of the business;
- 6- Judicial judgment pronouncing bankruptcy or liquidation of the company;
- 7- The concession of commercial fund;

ARTICLE 16 - New:

The responsibility to include the contents as provided for in Article 15 shall be personally borne by the merchant.

However, in the case which is stated in numbers 2, 4, and 6 of Article 15, the registrar of the Ministry of Commerce may copy such contents as a rules in the commercial register in which the merchant was registered.

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SECTION 3

COMPANY WHOSE OFFICE IS LOCATED IN THE KINGDOM OF CAMBODIA

ARTICLE 17 - New:

All companies which conduct their commercial activities in the Kingdom of Cambodia shall be registered regardless of their formation procedure and terms.

Such registration shall be made by company's incorporator or director during the month of formation and within fifteen (15) days prior to the date of commencement of its operations.

The applicants for registration shall file with the registration office two copies of declaration with his/her signature and also file the Articles of Incorporation.

The sample form of declaration to be provided by a registrar shall include the following information:

1. Family name and name, pseudonyms of stockholders, date and place of birth, family status and nationality;
2. Logo of the company;
3. Business objectives,
4. Places where the company has principal establishment, branch, or agency within the Kingdom of Cambodia;
5. Name (s) of members or third parties authorized to govern, control, manage, and sign for the company, date and place of birth those persons;
6. Capital of the company, source of capital, and amount of capital or valuables contributed by stockholders if it is a joint-share company;
7. The dates of existence and expiration of the company;
8. Form of company
9. Sample signatures or third parties as provided for in paragraph number 5 of this article and corporate seal print;
10. Certificate of capital deposit issued by the bank; and
11. Freewill statement made by the applicant stated that he/she has never been convicted for commercial, civil or criminal conduct.

ARTICLE 18:

The following shall also be indicated in the Commercial Register:

1. Any change or modification relative to the facts, which the preceding Article requires, is enrolled in the Commercial Register.
2. The family names, first names, date and place of birth of the managers, administrators or directors appointed during the existence of the company.

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3. The patents of inventions used and the trademarks employed by the company.
4. Judgments or judicial orders pronouncing the dissolution manage, and sign for the company,
5. Judgments or judicial orders declaring the company in bankruptcy or any court - ordered liquidation.

SECTION 4

FOREIGN COMPANIES HAVING ONLY BRANCH OFFICES OR AGENCIES IN THE KINGDOM OF CAMBODIA

ARTICLE 19:

All foreign business companies having only a branch office or an agency in the Kingdom of Cambodia are subject to enrollment in the Commercial Register. The formalities required for this enrollment are the same as those stated in Articles 17 and 18.

ARTICLE 20:

Any modification or change taking place in this branch office or agency shall be entered into the Commercial Register in accordance with the provisions of Article 18.

SECTION 5

COMMON PROVISIONS

ARTICLE 21 - New

The declaration shall be made in three copies and filed by the applicant or his/her assignee. In such case, the assignee shall have a power of attorney to be filed with the registration office of the Ministry of Commerce.

ARTICLE 22 - New:

If the declaration is filed by the applicant, the registrar shall carefully examine the identity of the applicant.

If such declaration is filed by the assignee, the registrar shall require a certification of the signature of assignor or certification of thumb print on it if the assignor cannot sign, and the identity card of the applicant.

ARTICLE 23:

The Particular references required by law shall be written legibly on the declaration without abbreviation, alteration or words written over others.

Marginal notes shall be initialed, and their number, as well as that of words crossed out, shall be counted and certified.

ARTICLE 24:

Patents of inventions used and marks deposited shall be designated by the date of their deposit and their delivery number by the competent institutions.

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ARTICLE 25 - New:

The registrar shall examine under his/her own supervision all specified forms. The registrar shall record on the top of the declaration the following information:

1. The date and time of filing and location of the Ministry of Commerce;
2. The serial number of declaration in an order. However, the numerating shall be renewed every year from the first of January;
3. The identity number of the merchant which is issued in accordance with his/her activities listed In the Analyst Register which shall be specified later.

Any person who makes a declaration and failed to provide sufficient information for the registration shall be given an additional period of fifteen (15) days.

ARTICLE 26 - New:

After verifying the written declaration and all filing documents, the registrar shall issue a certificate of registration known as " an extract " which is listed an identity number of registration.

Such certificate shall be in a temporary status for a period of one (1) month from the date of delivery.

Within such period, if it is found that the declaration is incorrect the registrar of the Ministry of Commerce may object the registration and cancel the identity number which has been recorded in the register.

Any registrar who issued a false certificate with knowledge of all facts shall be punished under the law.

ARTICLE 27:

Declaration subsequent to registration shall extract the number of the initial declaration and that of the Analyst Register Index assigned during enrollment.

ARTICLE 28 - New:

If a merchant ceased his/her business or died without any transfer of his/her shares or if any company is dissolved the name of such merchant or company shall be removed from the register.

If the merchant, assignee, or liquidator failed to apply for cancellation, such cancellation shall be automatically made in accordance with the regulation of the Minister of Commerce.

All copies of documents related to cancellation from the commercial register shall be delivered to the commercial court for filing under its commercial jurisdiction.

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ARTICLE 29 - New:

All persons may ask the registrar to issue a certificate ascertaining all notations in the commercial register. If it was not registered in the commercial registrar shall issue a certificate of non-registration.

The registrar shall be subject to disciplinary actions and rectify damages for any negligence or refusal to issue the certificate mentioned about within one week from the date of application.

An extract copy of the certificate issued by the registrar shall not state about bankruptcy judgement or judicial liquidation if the company is later rehabilitated.

The extract copy shall not also state about judgement or writ of restraints of trade, judgement or judicial order appointing assisting counsel if the restraint of trade was revoked.

**SECTION 6
THE REGISTER - ITS FORM AND COMPOSITION**

ARTICLE 30 - New:

There are two types of commercial register which are maintained at the registration office of the Ministry of Commerce:

1. Chronological Register; and
2. Analyst Register.

ARTICLE 31 - New:

The declaration shall be recorded on the stub of the chronological register in accordance with the order of filing at the registration office and number thereof.

A receipt for filing of declaration which is detached form register stub called “an extract” shall be submitted as a proof of filing with the following contents:

1. Serial number of the declaration;
2. Date and time of filing and place of the Ministry of
3. Family name, name, company logo, and address of the declarants.

The Analyst Register shall be in a table form to record numbers, date, and time filing, identity number, name of company, objectives and the capital of the company.

Each commercial establishment which is subject to a separate registration shall be recorded on both sides and registrar shall write down the number of original declaration of registration on such sheet.

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ARTICLE 32 - New:

If there is any request to record any special notation which cause any cancellation of the existing notation, the registrar shall strike out such notation in red ink or cross out by a computer process with a written reference of new notation on the margin of the page and number under which the declaration or application for recording of such notation have actually been registered.

ARTICLE 33 - New:

If the name is removed from the register, such removal shall be crossed by two red lines or by a computer process.

The decision to remove the name from the register by the Minister of Commerce or application for removal shall also recorded in red ink on the margin of the page.

The register shall certify this notation by executing his/her initials.

ARTICLE 34- New:

If the notation in the declaration was recorded into the analyst register, the registrar shall deliver one copy of such declaration to the applicant with his/her proper signature on it.

The copy is to be used as a certificate of registration.

All sheets of declarations which are kept at the registration office of the Ministry of Commerce shall be compiled and indexed at least once a year.

ARTICLE 35 - New:

The Chronological Register and Analyst Register shall be numerated, initialed, and verified by the Minister of Commerce at the end of each month.

Such verification shall be embossed by the Ministry of Commerce's seal and sign by the Minister of Commerce.

If the Minister of Commerce verified and found that any declaration falls into any case provided for in new article 40 and article 41 of this law, the Minister of Commerce shall refer this case to the prosecutor attached to the competent court.
to the register, such removal shall be

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ARTICLE 36 - New:

The registration, removal of name, or issuance of certificate shall be an accountable duty of the registrar.

Such certificate shall be issued to the applicant from register stub with a registration number.

The duties for registration, removal, or issuance of certificate shall be determined by the Prakas of the Ministry of Economy and Finance, and collected by the registrar for the national budget.

ARTICLE 37 - New:

An extract of the registration, removal certificate, and certificate of non-registration issued by the registrar shall be furnished without charge at the request of the court or administrative official only if the notation of the addressee was recorded on such request.

ARTICLE 38 - New:

Each registration and removal of name from the commercial register shall be publicized by the registrar in its official Gazette.

The publication shall include the following contents:

A. For the Merchants:

1. Registration number;
2. Family name, name, pseudonym, and name of spouse;
3. Activities, location, date of commencement of operation; and
4. Trademark/logo

B. For the Company

1. Registration number;
2. Name of company;
3. Capital;
4. Office address;
5. Activities and date of commencement of operation; and
6. Form of company.

SECTION 7

PENALTIES

ARTICLE 39:

Any merchant or any manager of a Commercial Company who does not request the mandatory registration within the period prescribed shall be prosecuted for illegally engaging in commercial activity.

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ARTICLE 40 - New:

It shall be fined from fifty thousand (50,000) Riels to five hundred thousand (500,000) Riels:

1. Any merchant or director of the commercial companies who failed to register within the specified period; or
2. Any merchant or director of the commercial companies who have registered but failed to print its registration office and registration number on the invoices, papers, purchase orders, price lists, and other documents.

ARTICLE 41:

In case of bankruptcy, failure to complete the mandatory registration in the Commercial Register during the defined period may entail the penalty of ordinary bankruptcy for the merchant or manager of a commercial company.

ARTICLE 42 - New:

Any merchant or director of the commercial companies who make a false information with a bad intention in order to get registration number or get the company registered in the commercial register shall be punished one (1) year to five (5) year of imprisonment and be fined from one million (1,000,000) Riels to ten millions (10,000,000) Riels.

ARTICLE 43:

Any merchant or any manager of a commercial company who has intentionally made use of a fraudulent document in his or her business connections shall be sentenced to imprisonment from one to five years and a fine from one million to ten million Riels.

ARTICLE 44 - New:

In case of recidivism, the penalties set forth in New Article 40, first paragraph of New Articles 42, and Article 43 shall be applied to a maximum degree.

The merchant or director of commercial company shall be imprisoned from three (3) months to one (1) year for any subsequent offense committed as set forth in the second paragraph of New Article 42.

ARTICLE 45:

Anyone who solicits or receives a possession or a sum of money by using the power of his or her position is subject to the punishments provided for under the laws in force.

ARTICLE 46:

The fines provided in the present law are paid to the budget.

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CHAPTER III BOOKKEEPING REQUIREMENTS

ARTICLE 47:

Every merchant or manager of the commercial company has an obligation to maintain accounting records according to the rules of accounting and the General Accounting Plan of the Kingdom of Cambodia, as well as various directives relating to their application. Any merchant or any manager of a commercial company who does not comply with the accounting regulation cited in the above sentence shall be sanctioned and prosecuted in conformity with the laws in force.

ARTICLE 48:

Every commercial company registered in the Commercial Register shall open at least one account with a bank in the Kingdom of Cambodia.

ARTICLE 49:

All the acts of business transpiring between business people shall give rise to an invoice in duplicate.

The original shall be delivered to the customer and the other retained by the vendor.

The sale of goods and the provision of services to customers do not necessarily require invoices or evidentiary documentation unless requested by the customer.

ARTICLE 50:

Invoices shall contain at least the fixed references determined by the Prakas of the Ministry of Economics and Finance.

ARTICLE 51:

Every merchant shall display the prices and conditions of sale in force. the modalities of posting shall be determined by the Prakas of the Minister of Commerce.

ARTICLE 52:

Prices shall be determined in the national currency (Riels) except in cases where otherwise authorized by the Ministry of Commerce.

ARTICLE 53:

Every purchase or sale transaction between merchants in an amount equal to or greater than ten million riels and its equivalent in foreign currencies shall be the object of a transaction by check or by negotiable instrument

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CHAPTER IV TRANSITIONAL PROVISIONS

ARTICLE 54 - New:

While the commercial court have not established in the Kingdom of Cambodia, the Ministry of Commerce shall maintain copy of the commercial register and original copy of all documents related to the registration, removal of name from the register until the commercial court is established.

ARTICLE 55:

During the period in which the Kingdom of Cambodia has no Commercial Court, the ordinary courts of the kingdom of Cambodia shall be competent in all commercial matters.

ARTICLE 56:

Every ministry concerned shall encourage every merchant and every commercial company to register once this Law enters into force.

ARTICLE 57 - New (Previous article 58

Every merchant or commercial company who has conducted before the promulgation of this law shall, within six (6) months, apply for registration at the Ministry of Commerce.

The Ministry of Commerce may, if necessary, decide to extend this period for another six (6) months.

ARTICLE 58 - New (Previous article 59):

Any provision which is contrary to this law shall be abrogated.

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CHAPTER V
FINAL PROVISIONS

ARTICLE 59 - New (Previous article 60):

This law is declared to be urgent.

Made in Phnom Penh, November 18, 1999

King's Signature

Norodom Sihanouk

Have submitted for
the King's signature

Prime Minister

Signature

Hun Sen

Have informed to
the Prime Minister

Minister of Commerce

Signature

Cham Prasidh