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KINGDOM OF CAMBODIA
Nation Religion King

No. 88/ANK/BK
ANU-KRET
ON THE IMPLEMENTATION OF THE LAW ON INVESTMENT
OF THE KINGDOM OF CAMBODIA

The Royal Government of Cambodia

- Referring to the 1993 Constitution of the Kingdom of Cambodia;
- Referring to Reach Kret of September 24, 1993 on the ២(៣)6.3(1សទ)-1(០)- េ TJT*0018 Tc-.0025 Tw[C]3.6(០)3.8

4.1 Foreign Investment: The Royal Government welcomes investment in all economic sectors from foreign nationals save for where particular activities are specifically restricted by laws, regulations, notifications or sub-decrees.

4.2 Use of Nominees: No individual or legal entity controlled by Cambodian citizens shall act for or represent, either directly or indirectly, a foreign controlled entity for the purposes of avoiding the effects of the provisions of this Sub-Decree and enabling any foreign controlled entity or foreign national to circumvent or avoid the effects of any restriction or prohibition on the activities of foreign controlled entities or foreign persons.

Chapter 2

INVESTMENT APPLICATION AND APPROVAL

Article 5: Investment Applications

5.1 Prior Approval from the Council: In accordance with Article 3 of the Law on Investment and Article 2 of this Sub-Decree, all investors wishing to obtain privileges and incentives for their investment shall be required to apply for prior approval of the Council.

5.2 Existing Investment Enterprises: Any investment enterprise which has been established prior to the entry into force of this Sub-Decree, regardless of whether or not it has already commenced commercial operations in the Kingdom and which wishes to obtain the investment incentives granted pursuant to this Sub-Decree, must file an application with the Council. This filing is made only for the purpose of applying for investment incentives.

5.3 Application Submission: Duly completed Applications shall be signed and submitted by the Applicant or by a representative of the Applicant authorized pursuant to a duly notarized power of attorney executed in favor of the representative and submitted to the Council for review and consideration. A certified copy of any power of attorney shall be produced at the time of submission of the Application.

Article 6: Requirements for Application

6.1 Application Documents: A completed Application shall comprise one set of the following documents:

- (a) a completed Application, in the form prescribed by the Council and signed by a duly authorized representative of the Applicant whose power of attorney shall be attached;
- (b) a letter stating the intention of the Applicant to invest in the Kingdom with a brief summary of the

acknowledge payment of the Application fee. Investor shall pay the Application fee according to the following schedules:

- 1.7% of the total investment fund which exceeds US\$ 20,000,000 but is less than or equal to US\$ 30,000,000;
- 1.6% of the total investment fund which exceeds US \$30,00,000 but is less than or equal to US\$ 40,000,000;
- 1.5% of the total investment fund which exceeds US\$ 40,000,000.

This deposit shall be returned back to the Investor upon 30% implementation of the Investment Enterprise.

7.2 Amendment or Modification of Application: The Council may require Applicants to amend or modify any Application, and any document constituting a part thereof, and to resubmit the Application to the Council following such amendment or modification within Fifteen (15) business days. The Council will not consider applications which fail to meet the required amendments or modifications.

7.3 Approval or Rejection: Approval of an Application shall be notified in writing by the Council by the issue of an Investment License to the Applicant. Rejection of an Application shall be notified in writing by the Council with justification of the reason for such rejection.

7.4. Revocation of Privileges and Incentives and Forfeiture of Deposit: The Council reserves the right to revoke partially or wholly privileges and incentives if, among other things, one or more of the following conditions are not met:

- (a) the project is not implemented in accordance with the schedule stated in the Application and in no case shall commencement occur more than Six (6) months after the issue of the investment license;
- (b) the paid-up capital requirement of 25% as stated in the Investment Application or an equivalent sum of capital assets is not paid within Thirty (30) days from the day of approval;

Article 8: Restrictions on Transfers

8.1 Transfer Details: Each Application for transfer of shares shall clearly detail the identities and nationalities of each party involved in the Investment Enterprise. Where an Applicant is not a natural person, the Application shall clearly identify the ownership structure of such Applicant with sufficient detail to enable the Council to identify the shareholders or other parties involved. The Application shall indicate, among other things, the relative ownership interests of each party in the Investment Enterprise.

8.2 Transfer of Shares: Each Investor has the right to transfer their shares in the Investment

11.2 Property: Any plant, machinery or equipment that an Investor wishes to contribute to the joint venture or which the joint venture proposes to purchase shall be in good condition and shall comply with recognized safety standards applicable to that type of plant, machinery or equipment. The investor shall be fully responsible for compliance with those safety standards.

Chapter 6
REAL PROPERTY

Article 16: Ownership

16.1 Ownership: Ownership of land, for the purpose of investment by a Cambodian national or a Cambodian legal entity, shall comply with the Land Law of the Kingdom of Cambodia as promulgated by Kret No. 100 Kr. Dated October 13, 1992.

16.2 Registration of Ownership: The investor shall comply with all the formalities of land ownership registration at the Land Title Department of the locality.

The investment enterprise can not use the 9% income tax rate for the tax on profit or the

the Law on Taxation. For capital goods which have been used for 5 continuous years or more since importation and are later sold or disposed of in any way, customs duty will be applied to the remaining