



Law on Competition Officially Promulgated on 05 October 2021

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On 09 September 2021, the Law on Competition was adopted by the National Assembly during its 6th session of the 6th legislative term and promulgated on 05 October 2021. This Law aims to set out activities which significantly prevent, restrict or distort competition act and the establishment and functioning of the Competition Commission of Cambodia (hereinafter “CCC”), for the purpose to encourage fair business practices, promote economic efficiency, and the establishment of new businesses, and to ensure that consumers can obtain goods and services of higher quality at lower prices and with greater variety and greater choice.

The Law stipulates that CCC will be led by the Minister of the Ministry of Commerce consisting of vice president and members from relevant ministries and institutions. CCC shall also consist of other independent individuals with 05 years term. The roles and duties of CCC are stipulated in article 6 of the Law.

Furthermore, this Law also specifies the prohibited agreements and activities which have or could have the objective or effects of significantly prevent, restrict or distort competition. Those agreements and activities include Horizontal Agreement, Vertical Agreement, the abuse of a Dominant Position in the Market, and Mergers. However, the prohibited agreements and activities mentioned above may be exempted, if it fulfills all the requirements that stipulated in the Section of Exemption of this Law. CCC shall have the power to authorize the exemption of the prohibited agreements and activities, if requested.

According to this Law, the CCC, as a competent institution, also has the authority to issue interim measure and/or order, impose administrative sanction, and/or civil fine, where any violation or possible violation occurs. Forms and procedures of the interim measure and/or order shall be determined by the Prakas of the Minister of the Ministry of Commerce. Those who disagree with the interim measure and/or order of the CCC may file an objection to CCC within 15 days from the date of receipt of such interim measure and/or order. The decision of CCC regarding the objection can also be appealed to the court within 30 days from the receipt date.

To prevent, restrict or distort competition, the Law imposes sanctions and penalties seriously on anyone who violates the substantive prohibitions.

The sanctions shall include a written warning notice, suspension, dismissal, or cancellation of Certificate of Incorporate, license or a permit of business-service; civil fine; civil penalties; and imprisonment.

The civil fine is from 3% to 10% of the total revenues generated during the violation period of up to no longer than 3 years. Particularly, any natural person who engaged in the Horizontal Agreement shall be liable to a term of imprisonment from 1 (one) month to 2 (two) years and a fine of 5 000 000 (five millions) Riel to 100 000 000 (one hundred millions) Riel. For the legal person shall be liable to a fine of 100,000,000 (one hundred million) Riel and to 2,000,000,000 (two thousand million) Riel.

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AUTHOR'S PROFILE



SOPHORN Pouvchannita

Attorney-at-Law

Partner/Head of Intellectual Property
Rights

GIA Tower, 37th Floor, Sopheak Mongkul Rd, Diamond Island, Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh, Cambodia (P.O.120101)

Tel: +855 85 555 777 / 16 555 777 | Email: info@hbslaw.asia | Website: www.hbslaw.asia