

# Legal Brief: Promulgation of the Law on the Amendment of the Law on Commercial Rules and the Commercial Register

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The Law on the Amendment of the Law on Commercial Rules and Commercial Register, promulgated on 29 January 2022, amends some articles amended previously (Articles 11-New, 14-New, 17-New, 26-New, 47-New) of the 1995 Law on Commercial Rules and the Commercial Register and its amendment of 1999 (the “Amendment”). The main provisions of the Amendment are highlighted below:

## 1. Commercial Register and Commercial Court

The Amendment provides that the Ministry of Commerce (MOC) shall send to the commercial court a copy of the commercial registration documents for its commercial jurisdiction. The Amendment operates a minor change of the 1999 amendment of the Article 11-New.

The Law on the Organization of the Courts provides for the establishment of specialized courts (Commercial Court of First Instance, Commercial Chamber of the Court of Appeals) for the adjudication of commercial cases. The commercial court is yet to be established, however, the Ministry of Justice has decided, on 21 January 2021, to establish the Commission for the Establishment of the Commercial Court.

## 2. Business Registration Requirements

The Amendment adds additional requirements on the information required for the purpose of business registration.

For the purpose of business registration via the online portal, the Amendment integrates into the legislation the requirement for the merchant and the company to provide the phone numbers and/or email addresses. In addition, for the registration of a company, the applicant shall submit a declaration of non-conviction of criminal offences, including a statement that the applicant has not been deprived of the rights to do or has not been prohibited from doing commercial activities.

Furthermore, the Amendment now makes legally mandatory that the business objective follows the Cambodia Standard Industrial Classification (CSIC) for the commercial registration purpose. This provision aims to harmonise the classification requirements as used by other administration, such as for tax registration.

## 3. Temporary Certificate of Incorporation

The MOC shall issue a Certificate of Incorporation (COI) and Business Extract containing business registration number upon filing the business registration. The issuance of the COI is provisional for a period of one month from the issuing date. Under the previous legal regime, the MOC has the power to cancel a registration in the event the information provided by the applicant were incorrect. The Amendment further clarifies the causes for deregistration. Within the provisional period, if it is found that the business registration documents are fake or the information provided is fraudulent or there is a complaint which has legal effect under the applicable laws, the MOC can deregister the business registration and invalidate the commercial registration number recorded in the commercial register.

#### 4. Compliance with Accounting and Auditing rules

The Amendment emphasizes that any merchant or the management team of a legal entity has an obligation to implement the accounting and auditing rules in accordance with the Law on Accounting and Auditing of the Kingdom of Cambodia, and the relevant applicable regulations.

The failure to comply with such obligation will be sanctioned under the provisions of the applicable laws governing such matter.

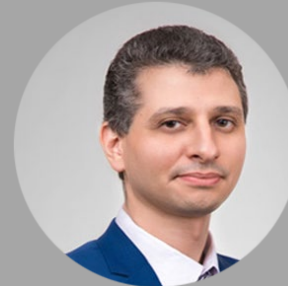
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