

**KINGDOM OF CAMBODIA
NATION RELIGION KING**

DRAFT

**THE WATER SUPPLY AND SANITATION
REGULATORY LAW
OF THE KINGDOM OF CAMBODIA**

**Submitted to
The Minister of Industry, Mines and Energy**

Phnom Penh, Cambodia

THE WATER SUPPLY AND SANITATION REGULATORY LAW OF THE KINGDOM OF CAMBODIA

CHAPTER I: GENERAL PROVISIONS

ARTICLE 1: *Scope*

The scope of this Law shall cover all the activities related to all Water Supply and Sanitation Systems within the whole territory of the Kingdom of Cambodia.

ARTICLE 2: *Purposes*

The purpose of this Law is:

- (a) to pursue and foster, in an orderly, rational, efficient, and vigorous manner, the attainment of complete coverage over the entire country of Water Supply and/or Sewerage Services at reasonable rates;
- (b) to encourage the participation and investment of the private sector, both domestic and foreign, in the provision of all Water Supply and/or Sewerage Services;
- (c) to establish a Water Supply and Sanitation Regulatory vested with ample powers for the rational, effective and transparent economic regulation of all Water Supply and/or Sewerage Systems throughout the Kingdom of Cambodia.

ARTICLE 3: *Definition of Terms*

As used under this Law, the following words or terms shall have the following meanings, unless a different meaning clearly appears from the context:

- (a). "Regulator" shall mean the Water Supply and Sanitation Regulatory Institution of the Kingdom of Cambodia.
- (b). "Sanitation" shall refer to the collection, treatment and disposal of human excreta and any wastewater discharged from domestic, commercial and industrial sources.
- (c). "Water Supply Service" shall refer to water system use for domestic, commercial and/or industrial purposes.
- (d). "Sewerage" shall refer to any liquid discharged contaminated by domestic wastes or trade wastes.
- (e). "Sewage" shall refer to the dirty water such as toilet and other wastewater used.
- (f). "Substantial Liquid" shall refer to water that contained chemical, oil, and grease that discharged from shop, factory, industry, car wash, restaurant and other commercial premises.

- (g). "Sewerage Service" shall refer to sewerage services provided by a Licensee in a particular Service Area or Areas involving the collection of human waste, sullage and trade wastes from residences and establishments through pipes, structures and other collection systems.
- (h). "Service Area" shall refer to the territory or area of operations with respect to which a License from the Regulator to provide Water Supply and/or Sewerage Services is applied for or granted.
- (i). "License" shall mean the Water Supply and/or Sewerage Services operating License that the Regulator is authorized to grant and issue to legal persons or legal entities that are qualified to provide Water Supply and/or Sewerage Services for a particular Service Area or Areas.
- (j). "Licensee" shall mean the qualified legal person or legal entity to which a License is granted or issued by the Regulator, authorizing such Licensee to provide Water Supply and/or Sewerage Services to a particular Service Area or Areas.
- (k). "Tariffs" shall refer to conditions, terms and charges for any Water Supply and/or Sewerage Services.

CHAPTER II: ESTABLISHMENT AND FUNCTIONING OF THE REGULATORY

ARTICLE 4: *Establishment.*

The Water Supply and Sanitation Regulator of the Kingdom of Cambodia is an autonomous legal public entity of the Royal Government of Cambodia vested with the powers and functions to control all the activities related to the supply, services, usages and approved pricing of all Water Supply and/or Sewerage Services within the whole territory of the Kingdom of Cambodia.

The Water Supply and Sanitation Regulator of the Kingdom of Cambodia shall act to ensure compliance with the Laws of Cambodia and supporting policies adopted under Law and relating to the supply, provision of services and usages of all Water Supply and/or Sewerage Systems.

The Regulator shall consist of a Board of Management comprising the Chairperson and two appointed members, and a Secretariat and Departments. The Secretariat shall divide to various technical departments and shall be managed by one Executive Director and a few Deputy Executive Directors as needed for technical and administration tasks. The Organization and Functioning of the Secretariat shall be determined in the Internal Regulation of the Regulator.

ARTICLE 5: *Sector Policies*

The Ministry of Industry, Mines and Energy shall be responsible for the overall policies, strategies, and planning for Water Supply and Sanitation Services within the Kingdom of Cambodia.

The relationship between the Regulator and with any ministry that has either interest in or policy related to the Water Supply and/or Sewerage Services shall be limited only to coordination and/or consultation by the Regulator.

ARTICLE 6: Objectives of the Regulator

The Regulator shall have the following objectives:

- (a). to assist in the promotion to expand, improvement, and efficient provision of Water Supply and/or Sewerage Services throughout the Kingdom of Cambodia;
- (b). to promote and protect public health in respect of water and sanitation;
- (c). to provide an environment conducive to the adequate financing of Water Supply and/or Sewerage Services provided by public and private sector Licensees in order to facilitate financially viable Water Supply and/or Sewerage Services;
- (d). to protect the legal and valid interests of customers/consumers and potential customers/consumers of Water Supply and/or Sewerage Services;
- (e). to promote efficient competition in the supply of Water and/or Sewerage Services in order to benefit customers/consumers;
- (f). to promote the interests of customers/consumers with respect to prices safety, reliability, and quality of Water Supply and/or Sewerage Services;
- (g). to prevent misuse of monopoly or market power;
- (h). to license all Water Supply and/or Sewerage Services; and
- (i). to ensure compliance of all government policies related to Water Supply and/or Sewerage Services.

ARTICLE 7: Powers and Functions of the Regulator

The Regulator shall have the following powers and functions:

- (a). to formulate rules and regulations to facilitate and rationalize the expansion, improvement, and efficient provision of Water Supply and/or Sewerage Services throughout the Kingdom of Cambodia;
- (b). to formulate principles for approving Tariffs for the Water Supply and/or Sewerage Services taking into account, among others, the following:
 - capital and recurrent costs of providing the service including a reasonable rate of return on capital;
 - efficiency of the delivery of Water Supply and/or Sewerage Services;
 - incentives for enhancement of efficiency, including demand-side management;

- willingness to pay of the customers/consumers;
 - equity considerations; and
 - administrative simplicity.
- (c). to approve, reject or amend the Tariffs of Water Supply and/or Sewerage Services;
- (d). to regulate legal persons or legal entities, whether from the public or private sector, that provide Water Supply and/or Sewerage Services;
- (e). to grant, issue, modify, monitor, enforce, suspend and/or cancel Licenses for Water Supply and/or Sewerage Services based on the technical, financial and managerial capability of the services provider or any grounds that Regulator considers not in the public interest;
- (f). to disseminate and publish comparative information on prices and service performance of Licensees of Water Supply and/or Sewerage Services;
- (g). to take into account Licensee's service targets and performance against such targets in respect of consumer service standards regarding water pressure, water quality, treatment standards, minimum flow rates, connections, and billing and metering requirements and procedures, among others as the Regulator may determine in exercising of its powers and functions under this Law and any implementing Sub Decree and regulations.
- (h). to provide a system for complaints and appeals relating, but not limited to:
- tariffs set or collected for Water Supply and/or Sewerage Services;
 - the quality of service provided by the Licensees; and
 - the adequate and/or equitable distribution and reliability of Water Supply and/or Sewerage Services;
- (i). to impose and collect an annual levy on all water taking and discharging to the extent necessary for running activities of the Regulator;
- (j). to advise, apprise and coordinate with other relevant agencies of the national and local government on any matter relating to Water Supply and/or Sewerage Services;
- (k). to deputize agents, whether from the public or private sector, to assist in the performance of any of the powers and functions of the Regulator;
- (l). to appoint, hire and maintain adequate staff and personnel, advisers, and/or consultants, with suitable qualifications and experience, as necessary;
- (m). to conduct inquiries or hold hearing on matters relating to water supply and distribution or sewerage systems and disposal systems;

- (n). to provide a system for the settlement of complaints/disputes between or among Licensees and customers/consumers;
- (o) to have the right of entry to any premises operating public or private Water Supply and/or Sewerage Services;
- (p) to charge a license fees to cover the cost of administration in granting a license(s);
- (q) to require a legal person or legal entity to connect to the water supply or sewerage systems where a public safety for health issue is concerned;
- (r). to issue and promulgate rules and regulations necessary to implement, perform, and effect its aforementioned powers and functions. To the extent practicable (as the Regulator shall determine), the Regulator shall conduct public hearings or consultations with customers/consumers, Licensees, and other affected stakeholders before issuing new rules and regulations or modifying or amending existing rules and regulations. All rules and regulations of the Regulator shall take effect fifteen (15) days from publication in the Official Gazette or in a newspaper of general circulation in the Kingdom of Cambodia; and
- (s) to impose fines for administrative violations thereof, and make decisions and determinations in connection therewith.

ARTICLE 8: *Composition*

The Regulator shall consist of three members, including the Chairperson. The members shall be designated and proposed by the Prime Minister. The members shall be appointed by the National Assembly with a two third (2/3) majority vote. The terms of each member shall be three (3) years; except for the first term that shall be staggered which is stipulated in Article 48 of the said Law.

No member shall be appointed to serve on the Regulator for more than two (2) terms.

For two (2) years after the conclusion of their term of office, neither the Chairperson nor any member shall enter into the employment with or have any advisory or consulting relationship with any Licensee.

ARTICLE 9: *Qualifications*

An individual shall be eligible to serve as a Chairperson or members of the Regulator who is

- a Cambodian citizen and a qualified voter in the Kingdom of Cambodia;
- who has never been convicted of a crime punishable by a prison sentence;
- who has university degree in engineering, law, economics, accountant, finances or engineering that related to the water sector and have relevant training and has recognized by the government institution;
- has professional experience of at least ten (10) years;

- has experience that related to Water Supply and/or Sewerage Services of at least five (5) years; and
- he/she shall have a good moral character and be known of integrity, competence and at least thirty five (35) years of age.

This appointment is not based on political tendency.

ARTICLE 10: *Employment Term*

The Chairperson and members shall have full time employment at the Regulator and shall not have any other employment nor accept any payment for any other activities.

ARTICLE 11: *Conflict of interest*

The Chairperson and members or officer or employee of the Regulator shall not directly own any securities of, or have any economic interest in, or hold any position with any Licensee or applicant for a License but shall not prevent any member, officer or employee of the Regulator from being a consumer of any Licensee.

No Licensee shall offer, or any person acting on behalf of any Licensee shall offer any gift or gratuity that against the public interest to any member or officer or employee of the Regulator. Nor shall any member or officer or employee of the Regulatory accept, any gift or gratuity from any Licensee or any person acting on behalf of any Licensee, that generally applicable to the public.

During the Chairperson’s or member’s term, neither the Chairperson nor any member, nor his/her spouse nor children, shall enter into the employ of, seek to enter into the employ of, hold any official, advisory or consulting role with, own stock or bonds of, or have any pecuniary interest in any Licensee under the Law or with any person engaged in supplying Water Supply and/or Sewerage Services.

ARTICLE 12: *Affiliation*

The Chairperson and the members of the Regulator shall not be a public servant, a person serving as member of the Supreme Magistracy, or member of the Constitutional Council, or member of the Senate, or member of the National Assembly or adviser of any Government Institution, or member of any political party during their term of office. The Chairperson and the members of the Regulator shall resign from the above positions or memberships forthwith following the appointment as either Chairperson or member of the Regulator. Each appointee shall provide a statement to the National Assembly confirming their resignations within thirty (30) days following the date of their appointment.

ARTICLE 13: *Vacancies*

Vacancies shall occur whenever a member of the Regulator shall

- (i) die;
- (ii) resign;
- (iii) retire;
- (iv) is convicted of a crime punishable by prison sentence;

- (v) lose citizenship or the right to vote
- (vi) is found to be mental or physical incapacity;
- (vii) is found to have committed a serious misdemeanor that is stipulated in Article 10, 11 and 12;
- (viii) gross negligence in the performance of duties;
- (ix) is found to have committed and grave misbehavior in relation to the members' responsibilities under the Law;
- (x) for dereliction of duties; and
- (xi) be declared for bankrupt.

The Chairperson or the members of the Regulator shall stand down from their duties while under the criminal investigation.

The removal process of a member for the case of (vii), (viii), (ix), (x), or (xi); the Prime Minister shall decide to suspend the said member from duties and shall send the case to the competent Cambodian Courts. The Prime Minister shall appoint another person to act during the suspension period as stipulated in Article 14 of the said Law.

The Chairperson and other members shall retire from office when they attain the age of sixty (60) years.

The Chairperson or other members may at any time resign from their office by giving written notice of thirty (30) days to the Prime Minister.

ARTICLE 14: *Appointment of new member*

Whenever a vacancy in the Regulator occurs prior to the expiration of a term, the Prime Ministers shall designate a replacement member to fulfill the former member's term until a new member is appointed.

The National Assembly shall approve the new member with a two third (2/3) majority vote. The new member's completion of the former member's term shall not reduce the number of full terms as stipulated in Article 8 of the said Law.

ARTICLE 15: *Salary and Benefits*

The Chairperson and members are to be paid such salary as is determined by the Royal Government and be at least equivalent to the rank of a Secretary of State in the case of the Chairperson and Under Secretary of State in case of the members.

The Regulator shall determine the allowances and benefits for the Chairperson and members.

ARTICLE 16: *Removal of the Chairperson and members of the Regulator*

The Chairperson and the members may not be moved from the position of Chairperson and member of the Regulator during a term of office except for the reasons given in Article 13 of the said Law.

ARTICLE 17: *Chairperson responsibility*

The Chairperson shall be responsible for:

- Managing the Water Supply and Sanitation Regulatory of Kingdom of Cambodia;
- Presiding over the meetings of the Regulator; and
- Publishing and carrying out the Regulator's decisions.

In addition, the Regulator may delegate to the Chairperson any of its powers, duties, or functions, except:

- the power to issue, reject, amend, or revoke Licenses
- the power to reject applications for a License or modification of a License;
- the power to determine, approve, disapprove, or modify tariffs;
- the power to issue, revise, or repeal regulations;
- the power to decide on an appeal of any party or person; or
- the power to exempt any legal person or legal entity from any fees or levies.

Any aggrieved party or person may make appeals to the Regulator in such cases within thirty (30) days of promulgation of the ruling.

The Chairperson may in writing to one of the other members and designate that member to fulfill the duties of the Chairperson in his/her absence.

ARTICLE 18: *Appointment of staff*

The Chairperson of the Regulator, in consultation with the other two members, shall appoint all officers and employees and hire such other expert staff from time to time as may be necessary for the proper discharge of the Regulator's duties. The Regulator, officers, employees and staff shall comply with the Labor Law of the Kingdom of Cambodia.

ARTICLE 19: *Liability of the Regulator*

The Chairperson, members, officers and employees of the Regulator shall be jointly liable for the consequences of actions taken or can be sued for any actions taken contrary to the provisions of the said Law and any implementing Sub-Decrees and regulations. However, a chairperson or a member, or officer, or employee of the Regulator shall not be personally liable for any act or default of himself or the Regulator done or omitted to be done in good faith and in accordance with the said law and the laws of the Kingdom of Cambodia in the course of the operation of the Regulator, or for purposes of the Regulator.

ARTICLE 20: *Appropriations.*

The Regulator shall determine the salary, and other remuneration of officers, employees and staff.

The Regulator shall establish a budget for its operations for each financial year setting forth all the Regulator's expected revenues and expenditures. The budget shall clearly state the proposed License and levy fees for the financial year, together with the method of calculating the License and levy fees, and the salaries and other remuneration entitlements to be paid to each of the members and senior staff of the Regulator. The Regulator shall submit this budget to the Royal Government for approval, and in accordance with the Royal Government's requirements.

ARTICLE 21: *Budget of the Regulator*

The Regulator shall have an autonomous budget for their operation. This budget shall be made up of funds and monies collected or which otherwise come into the possession of the Regulator through license and levy fees paid to the Regulator by applicants and Licensees and other surcharges, fines, and penalties, which the Regulator may impose and collect under this Law and any implementing Sub-Decrees and regulations

Such funds shall be deposited in a commercial bank in the Kingdom of Cambodia for the use of the Regulator, which shall have sole access to the funds, and shall be disbursed for expenses necessary for the effective attainment of their objectives.

The Chairperson and members shall be responsible for safeguarding the assets and funds of the Regulator, and account for the funds when called upon to do so by the National Audit Authority and/or the National Assembly.

ARTICLE 22: *Financial report*

Within a period of thirty (30) days after the end of each financial year the Regulator shall prepare a financial report in accordance with generally accepted accrual accounting standards.

Each financial report, together with the Regulator's books of account and related records, shall be subject to review by the National Audit Authority who shall present its conclusions regarding the Regulator's financial report and advise the National Assembly accordingly.

Thirty (30) days after the National Audit Authority audited of its financial accounts, the Regulator shall submit that audited report to the Prime Minister, and publish it. The audit report shall be available to the public.

CHAPTER III: ENFORCEMENT OF THE REGULATIONS

ARTICLE 23: *Proceedings before the Regulator*

The Regulator shall, for the purpose of any inquiry or proceeding under this Law and any implementing Sub-Decrees and regulations, exercise quasi-judicial powers and, in this connection, shall have the requisite power for:

- (a) the summoning and enforcing of attendance of any witness and examination on oath;
- (b) the discovery and production of any document or other material object producible as evidence;
- (c) the reception of evidence on affidavits;

- (d) the requisition of any public record from any court or office;
- (e) the issuance of a Regulator for examination of witnesses;
- (f) compelling of the appearance of parties and the imposition of penalties as a consequence of non-appearance;
- (g) holding person in contempt of hearing; and
- (h) the grant of adjournments at hearings.

ARTICLE 24: *Orders and Decisions of the Regulator*

The sessions of the Regulator for the hearing of any proceeding shall be public, and the Regulator's decisions, with its reasons, shall be made public at the time decisions are made unless the Regulator has the reasonable causes and decides to delay the decision.

The Regulator shall keep a record of all proceedings, orders, findings, and judgments, and to preserve all records, documents, and files of the Regulator.

All orders, findings, judgments, records, documents, and files shall be open to public examination in the offices of the Regulator during the normal office hours; except provided that the Regulator shall adopt appropriate rules to ensure confidential information received by it remains confidential, whenever it determines confidentiality is necessary.

Except as otherwise expressly provided in this Law, no outside Regulator or agency of the Royal Government shall interfere in decisions of the Regulator.

ARTICLE 25: *Notice of the Regulator*

Before promulgating any general order, or any rule or regulation, the Regulator shall give reasonable notice of its contents, the time and place and shall give interested legal persons, legal entities and members of public an opportunity to present evidence and be heard. Every such order, rule, and regulation shall be available to the public.

ARTICLE 26: *Appeals Procedure*

All orders, rulings, and decisions of the Regulator are final and executory. However, the Regulatory may rehear the case when the affected party presents to the Regulator within fifteen (15) days from receipt of notice of such final order, ruling and decision with new evidence; *PROVIDED THAT* in the Regulator's opinion the new evidence is crucial to the outcome of the case.

Any affected party shall have a right of appeal to the competent Courts of the Kingdom of Cambodia; *PROVIDED THAT* the appeal is filed within thirty (30) days from receipt of notice of such final order, ruling and decision.

ARTICLE 27: *Regulator has power to arbitrate in interconnection disputes*

Where there is a dispute between two or more Licensees regarding the terms and conditions (including price) for interconnection between them of Water Supply and/or Sewerage Services, the Regulator shall have the biding power to arbitrate the terms and conditions of interconnection that are in dispute.

ARTICLE 28: *Power to Obtain Information and Documents*

- (a) The Regulator may require that a Licensee, legal entities, legal person or any other person shall provide the Regulator with any information that may be reasonably necessary for it to attain its objectives and/or to carry out its powers and functions under this Law and any implementing Sub-Decree and regulations. For purposes of this Article, the information required by the Regulator may include any document, plan, electronic file, record or other material.
- (b) Any requirement for information must be made in a written notice that identifies the information or document and specifies the time and formation of the requested.
- (c) Licensee, legal person, legal entities or any person who, without lawful excuse, fails to comply with any requirement for information contained in a notice issued to him under this Article shall be subject to administrative sanction by the Regulator. It is a lawful excuse for purposes of this Article that compliance may tend to incriminate the person or make the person liable to a penalty for any other offense.
- (d) Licensee, legal person, legal entities or any person must not, in purported compliance with any requirement or order of the Regulator, knowingly give to the Regulator information that is false or misleading.
- (e) A person shall not be liable in any way for any loss, damage or injury suffered by another person because of the giving, in good faith, of a document or information to the Regulator under this Article.

ARTICLE 29:

The Regulator shall file the complaint with the Courts of the Kingdom of Cambodia for any violation of this Law, regulations, orders, judgment and licenses that issued by them.

CHAPTER IV : LICENSES

ARTICLE 30:

A legal person or legal entities that receive the Water Supply and/or Sewerage Services License from the Regulator shall have the viable technical expert and financial and shall register with the Commercial Registrar Office.

ARTICLE 31: *Applications for Licenses for Water Supply and/or Sewerage Services*

No legal person or entities shall engage in the provision of Water Supply and/or Sewerage Services without obtaining a License from the Regulator.

A legal person or entities that want to engage in the Water Supply and/or Sewerage Services shall file an application with the Regulator.

ARTICLE 32: *Licenses do not grant exclusivity*

Licensees do not have the exclusive right to provide Water Supply and/or Sewerage Services within a Service Area and, consequently, the Regulator may issue one, two, or more Licenses for operators within any existing or each proposed Service Area(s).

ARTICLE 33: Licenses for Water Supply and/or Sewerage Services

- (a) License(s) issued by the Regulator shall include provisions, among others, on:
- (i) the right to provide and operate Water Supply and/or Sewerage, Services in a specific Service Area or Areas;
 - (ii) the term or duration of the License, as determined by the Regulator;
 - (iii) restrictions on or conditions for the transferability or assignment of the License, which transfer or assignment shall be subject to the prior approval of the Regulator;
 - (iv) restrictions on or conditions for the sale or disposition of the business which is the subject of the License, or the transfer of a controlling interest in such a business, which sale, disposition, or transfer shall require the prior approval of the Regulator;
 - (v) the grounds for the modification of any of the provisions of, or the suspension or cancellation of, the License and the procedure therefor;
 - (vi) the nature of the services to be provided, the standards for services efficiency (such as standards on: (1) water quality, (2) water pressure, (3) operation and maintenance (4) minimum flow rates, (5) connections, (6) equipment, (7) sewerage discharge, (8) billing, and (9) water metering. The Regulator shall have the right to make any sanctions for failure to comply with the standards set that may be required by them.
 - (vii) the Tariffs' terms, conditions and charges to be made by the Licensee and the basis for the variance of the Tariffs; and
 - (viii) the reporting requirements of Licensees.
- (b) the methodologies, calculations and any relevant information to be provided by the Licensee used in determining any adjustment to the Tariffs;
- (c) All Licensees shall be subject to the performance audit as and when required by the Regulator or its designated agent(s).

ARTICLE 34: Procedure for Granting Licenses

- (a) The Regulator shall ensure that the granting of a License under this Law and any implementing Sub-Decree and regulations is carried out fairly, transparently, and without undue discrimination.
- (b) The Regulator shall prescribe in appropriate regulations the procedure and requirements to be followed in respect of the granting of a License, such regulations shall include:
- the qualifications required of applicants for a License;
 - the application procedure to be followed by all applicants,

- the procedure by which the Regulator will consider applications, including the consideration of all comments and objections lodged with respect to applications; and
- the procedure by which the Regulator shall reach a determination with respect to all such applications.

ARTICLE 35: *Rights and Duties of Licensees*

(a) Any person granted a License under this Law shall have the duty to ensure that its Licensed activities are conducted so as to further the public interest and, in particular, that they:

- foster the maintenance and development of efficient, coordinated, and economic operation of their Licensed activities;
- ensure that their Water Supply and/or Sewerage Services are provided in a diligent, conscientious and work manlike manner, in accordance with applicable laws and the standards and practices generally accepted in the Kingdom of Cambodia and international water supply and/or sewerage industry;
- comply with drinking water quality standards determined by the Ministry of Industry, Mines and Energy; and
- pay appropriate compensation in accordance with procedures laid down in any relevant laws or in regulations promulgated or issued by the Regulator if, in laying or repairing a water and/or sewerage main or other relevant facility, a Licensee should injure any person and/or damage any property.

(b) Any person granted a License under this Law shall, to the extent allowed by law and specified in the License, have the right to acquire or lease land and lay or repair water or sewerage mains and other relevant facilities in public ways, when required to fulfill their obligations.

(c) Subject to any condition or limitation laid down in the License, a Licensee may disconnect the supply of Water services and/or sewerage services to a customer if such customer defaults in the payment of amount(s) due to that Licensee in respect of water supplied or sewerage services provided, or for acts of pilferage.

(d) Licensee shall

(i) publish any Tariff, other charges, and other terms and conditions imposed by the Regulator for the provision of Water Supply and/or Sewerage Services;

(ii) prepare, within three (3) months from the issuance of a Water Supply and/or Sewerage Service License, and make available for public inspection, codes of practice specifying the manner and procedure for:

- metering, billing, and collection of the Licensee's approved Tariff and other charges;
- disconnection or suspension of service in case of non-payment and late payment of tariffs and/or other charges, or acts of pilferage;

- reconnection and recovery of arrears in Tariffs and other charges.
- (iii) maintain financial accounts in accordance with the manner and procedure specified in the License, as may be amended by the Regulator.

ARTICLE 36: *Consolidation of Service Operations and Area of Water Supply and/or Sewerage Services*

The Regulator shall promote the consolidation of Water Supply and Sewerage Services in the same Service Area where this improves the efficiency and lowers the cost of the provision of such services in the area.

CHAPTER V: TARIFFS

ARTICLE 37: *Approval for Amendment to Tariffs*

- (a) The Regulator shall approve or disapprove all amendment to any Tariffs for Water Supply and Sewerage Services; except as otherwise stipulated in this Law and any implementing Sub-Decree and regulations.
- (b) On obtaining approval to any changes or amendment to the existing Tariff, Licensee shall publish in the newspaper circulating in the service area the approved Tariff fifteen (15) days prior that Tariff coming into force and shall forward a copy of the advertisement to the Regulator.
- (c) If the Regulator needs more times to approve or disapprove all Licensees application to amend tariff rates, charges, and terms and conditions of Water Supply and/or Sewerage Services, the Regulator shall within fifteen (15) days provided notice in writing to Licensees from the date of receiving application. The extension time shall not more than thirty (30) days.
- (d) If the Regulator fails to provide any such notice in writing, the Licensee must publish in the newspaper circulating in that area the Tariffs rates, charges, fees or amended terms and conditions of services for them to become effective fifteen (15) days from the advertisement is published. The Licensee shall forward the copy of advertisement to the Regulator prior to publication.

CHAPTER VI: ANTI-PILFERAGE

ARTICLE 38: *Acts of Pilferage*

It is hereby declared unlawful for any person or legal entity to:

- (a) Destroy, damage or interfere with any water and/or sewerage infrastructures of any water utility entity, whether public or private;
- (b) Prevent, obstruct, and interfere with the survey, works, and construction of access road for water mains and distribution network and any related works of the utility entity;

- (c) Tap, make, or cause to be made any connection with water lines without prior permission or consent from the water utility concerned;
- (d) Tamper, install or use tampered water meters, sticks, magnets, reversing water meters, shortening of vane wheels and other devices to steal water or interfere with accurate registry or metering of water usage, or otherwise result in its diversion in a manner whereby water is stolen or wasted;
- (e) Intent to use or receive the direct benefit of water service with knowledge as stipulated in paragraph (c) and (d) above;
- (f) Steal or pilfer water meters, main lines, pipes and related or ancillary facilities;
- (g) Steal water for profit or resale;
- (h) Knowingly possess stolen or tampered water meters; and
- (i) Knowingly or willfully allow the occurrence of any of the above.

ARTICLE 39: *Prima Facie Evidence*

The presence of any of the following circumstances shall constitute prima facie evidence of theft, pilferage, or of any unlawful acts enumerated in Article 38 hereof:

- (a) The existence of illegal or unauthorized tapping to the water main or distribution pipe;
- (b) The existence of any illegal connection such as a reversed meter, shortened vane wheel, bypass or other connections, which adversely affect the registration of the water meter;
- (c) The presence of a bored hole in the glass cover of the water meter, or at the back of or any part of the meter including the vertical vane;
- (d) The presence of tampered, or fake seals on the meters. Inspection of tampered water meters shall be done in the presence of the registered water consumer;
- (e) The presence of a reversed meter in the premises, insertion of rod, wire, or stick in the meter, filed or shortened vane wheel, removal or altering of any part of the meter mechanism, use of magnet and any similar illegal devices, which interfere with the meter registration;
- (f) Destruction of the meter protection and other metering accessories; or
- (g) Abnormal imprints, traces or marks found in the meter assembly.

The prima facie shall not apply to tenants who have occupied the house or dwelling for thirty (30) days or less.

ARTICLE 40: *Special Aggravating Circumstances*

The following shall be considered as aggravating:

- (a) When the violation is committed in conspiracy with at least another person, both of whom shall be considered as principals;
- (b) When the offense is committed by, or in connivance with, private plumber, officer or employee of the water utility concerned, who shall all be considered as principals; or
- (c) When the violation is coupled with the sale from a source that is illegal, or unregistered, or unauthorized, or a source with a tampered meter.

CHAPTER VII: PENALTIES, SANCTIONS AND FINES

ARTICLE 41: *Penalties to Licensee*

The Regulator shall impose monetary penalties on Licensees and their employees from 40,000 Riels up to 400,000 Riels per violation per day for each day that a violation of a License provision occurs or continues, issue injunctions, take other reasonable actions, and impose other reasonable sanctions in order to enforce the requirements of this Law.

ARTICLE 42: *Suspend and revoke License by the Regulator*

The Regulator shall have the power to suspend or revoke any License issued under this Law and any implementing Sub-Decree and regulations for material failure of the Licensee to comply with the conditions of its License, *PROVIDED THAT* if the Regulator decides that it is in the public interest not to revoke the License, it may in lieu of revocation impose fines or other sanctions as it may deem appropriate under Article 41 of this Law.

ARTICLE 43: *Penalties for person steal the water*

In addition to the sanctions as it may determine under Article 41 of this Law; the Regulator shall fine from one (1) time to three (3) times of the price of water to any person that has stolen water, this does not precluding other restitution which may be imposed by the Regulator on the Licensee that has the intent to steal the water and record the wrong meter from that actually used by the consumers.

ARTICLE 44: *Penalties for providing Water without License*

Impose Monetary penalties from 400,000 Riels to 4,000,000 Riels per day for every day shall be imposed on any person found to be providing water supply and sanitation services without having obtained the necessary License.

ARTICLE 45: *Imprisonment for repeat offense*

Monetary penalties one (1) to three (3) times of the charge for water calculated based on the average charge for the water used over the previous three (3) months before having committed the offense or calculated based on the water equipment used shall be imposed on any person who pilfer the water by destroying or tampering with a meter or otherwise pilferage water without prejudice to the Licensee or other affected parties to seek payment for any damage. The offender shall also pay for the water which has been pilfered with this calculated based on the average charge above but not more than average of the charge for twelve (12) months.

In case of a repeat offense, the penalty will be at the maximum rate and imprisonment from six (6) months to one (1) year.

ARTICLE 46: *Criminal offense*

(a) Any person who shall violate Article 38 of this Law shall be determined as a criminal offense and punished, without prejudice to the Licensee to seek restitution, by fine from 4,000,000 Riels to 40,000,000 Riels or imprisonment from one (1) to five (5) years or both.

(b) If the offender is assisted in the commission of the crime by a plumber, members, officer or employee of the Regulator and the water utility concerned, the said member, employee, officer or plumber shall be punished by fine from 40,000,000 Riels to 400,000,000 Riels or imprisonment from one (5) to five (10) years or both.

CHAPTER VII: TRANSITIONAL PROVISIONS

ARTICLE 47: *Establishment of the Regulator*

The Regulator shall be established after the effective date of this Law.

ARTICLE 48: *The appointment of the Regulator members*

By no later than three (3) months after the effective date of this Law the Prime Minister shall designate and submit the name of Chairperson and two other members to the National Assembly for confirmation. For the first term, (i) the Chairman shall serve for a period of three (3) years; (ii) first member shall serve for two (2) years; and (iii) the second member shall serve for one (1) year.

ARTICLE 49: *Initial Funding*

The Royal Government shall provide the initial fund to the Regulator for its operation when the Chairperson is appointed. The Regulator shall deposit this fund in a separate account for their use.

ARTICLE 50: *Transfer Power*

The Ministry of Industry, Mines and Energy shall cease to perform the regulatory function given to the Regulator by this Law and shall transfer these functions in an orderly manner to the Regulator as soon as the Regulator is fully operational.

ARTICLE 51: *Reapply for License*

All existing public and/or private suppliers of Water Supply and/or Sewerage Services shall apply for a License with the Regulator within six (6) months after the Regulator is fully operational and issues notice of its desire to assume responsibility for issuing a License.

CHAPTER VIII: FINAL PROVISIONS

ARTICLE 52: *Contradiction*

Any provisions that contradict this Law shall consider null and void.

ARTICLE 53: *Promulgation*

This law shall be promulgated as urgent.

This law is adopted by the National Assembly of the Kingdom of Cambodia in Phnom Penh on _____, 2002 during the _____ Plenary session of the Second Legislature.

[SIGNED & SEALED]