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**KINGDOM OF CAMBODIA
NATION RELIGION KING**

Royal Government of Cambodia
Council for Development of Cambodia
No: 2895/99/CDC

Phnom Penh, December 9, 1999

**PRAKAS
ON THE PROVISION OF CUSTOMS DUTY EXEMPTION INCENTIVES FOR SUPPORT INDUSTRIES
IN SUBSEQUENT YEARS AND AUTHORIZATION FOR SHARES TRANSFER**

- Referring to the Constitution of the Kingdom of Cambodia;
- Referring to Reach Kret No. 1198/72/NS/RKT of November 30, 1998 on the Formation of the Royal Government of Cambodia;
- Referring to Reach Kram No. 02/NS/94 of July 20, 1994 on the Organization and Functioning of the Council of Ministers;
- Referring to Reach Kram No. 03/NS/94 of August 5, 1994 promulgating the Law on Investment of the Kingdom of Cambodia;
- Referring to Anukret No. 51 ANK/BK of June 26, 1995 on the Organization and Functioning of the Council for the Development of Cambodia and its Amending Anukret No. 48 ANK/BK of January 21, 1999;
- Referring to Anukret No. 88 ANK/BK of December 29, 1997 on the Implementation of the Investment Law of the Kingdom of Cambodia and its Amending Anukret No. 53 ANK/BK of June 11, 1999;
- Pursuant to actual needs,
- Pursuant to CDC plenary session on December 1, 1999.

IT IS HEREBY DECIDED

**CHAPTER 1
GENERAL PROVISIONS**

ARTICLE 1:

To provide support and customs duty incentives for subsequent years for support industries falling under the “definition” below and satisfying the following “conditions”:

A. Definition: Export support industries are local industries which manufacture 100% of its production to supply export industries as substitution for their regular import of raw materials or required equipment.

B. Conditions: Support export industries shall do the followings:

- prepare stock consumption report;
- provide production technical base and specific production capacity;
- maintain entry/exit warehouse stock list including raw materials and finished processed products;
- have proper company sale contract for its products to export industries accompanied with receipt and delivery bills indicating the quantity and specifications;

All the above mentioned conditions shall be checked and approved by the competent ministries.

ARTICLE 2:

Shares transfer could be authorized for investment companies which have already been operational on the basis of the followings:

A. The old company shall clear all of its taxes obligations and other debts owed to the state, and

B. The transferor and the transferee shall enter into a detailed contract acknowledged by the competent authorities that the transferee shall be responsible for all financial obligations and State and private debt of the transferor.

ARTICLE 3:

The provisions stated in Articles 1 and 2 are merely additional instructions on the implementation of principles already prescribed by the existing investment laws and regulations.

ARTICLE 4:

The Ministries of Economy and Finance, Commerce, and the Council for the Development of Cambodia/Cambodian Investment Board and other concerned institutions shall be responsible for the effective implementation of this Prakas from the date of its signature.

Phnom Penh, December 9, 1999
Signed and Sealed
H.E Keat Chhorn
Senior Minister
Minister of Economy and Finance
CDC Vice Chairman