



Prakas No. 100 on Conditions and Procedures of Granting Permits to Companies Providing Digital Services for Road Transportation, dated 21 June 2021 ("Prakas 100") were recently issued.

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Leung has over 15 years of experience advising both local enterprises and multinational corporations on banking, finance, M&A, employment, and insurance matters. He has assisted numerous clients in the financial, telecommunications and transportation industries with their M&A legal due diligence. He is particularly known for his deep knowledge of investment licensing, corporate law, commercial contracts and labor law.

NEW REGULATION IN CAMBODIA ON ROAD TRANSPORTATION SERVICES PROVIDED WITH THE USE OF DIGITAL TECHNOLOGIES

Prakas No. 100 on Conditions and Procedures of Granting Permits to Companies Providing Digital Services for Road Transportation, dated 21 June 2021 ("**Prakas 100**") were recently issued.

This Prakas determines the conditions, registration procedures, and process of granting permits to companies operating in this sector.

In order to legally operate road transportation services via digital technology system in Cambodia, all companies must be registered and must obtain permits from the Ministry of Public Work and Transport ("**MPWT**"). Upon successful registration, a company will be issued (i) a registration certificate and (ii) an operating business permit in electronic form where the signature from the MPWT is not required.

The details of registration and permit application are as follows below.

Process and required documentation

The application for registration can be done via the online system of the MPWT at <https://lts.mpwt.gov.kh>. The applicant may be a company owner or its authorized representative. The application documents vary slightly depending on whether the applicant is a company or a branch office and may include the following:

Highlights of this note

- ▶ Process and required documentation
 - ▶ Time frame
 - ▶ Validity
 - ▶ Renewal
 - ▶ Ongoing obligations post registration
- Document evidencing the identity of the company's representative or branch office's manager, such as the ID card (certified by competent authorities), valid passport and stay visa, and confirmation letter of residential address certified by competent authorities (applicable to foreigners)
 - Corporate documents of the company or branch office, including the certificate of incorporation, articles of incorporation, tax registration letter, and patent tax certificate
 - Certificate of online service issued by the Ministry of Post and Telecommunication
 - Location permit issued by local authorities

- Lease agreement of the company's location (if the company owner is not the landowner)
 - Certificate of company registration issued by the MPWT
 - Statistic table of vehicles registered in the MPWT's system
 - Payment receipt of public service fees to the MPWT (Art. 12)
 - Other documents that may be required by the MPWT based on the actual review
- The company has been deregistered from the commercial registrar
 - The online service certificate has been withdrawn
 - The company has declared closure of its branch office

Renewal

Similar application documents must be submitted and approved by the MPWT.

Ongoing obligations post registration

- Change of the company's legal name must be registered and a new permit must be obtained from the Ministry of Commerce
- For changes of the company or branch office's registered address, the address confirmation letter must be obtained from the local authorities.
- For company closure or business suspension, the licensee must notify the MPWT (Art. 7) in writing.
- The licensee must conduct training for its drivers regarding road traffic regulations, driving ethics codes, and provision of services to customers
- All drivers must bring along their driving license (owner must be Khmer), vehicle ownership card, plate number, certificate of vehicle's technical compliance, operating business permit, logo of company affixed on the vehicle, and employee card issued by the company
- The licensee must guarantee safety to customers, including (i) indicating a picture of the driver in the mobile phone app and sharing the location of the vehicle

to mobile phones of relatives or friends or competent authorities in case of emergency and (ii) taking serious action regarding any comment on drivers driving under the influence of alcohol or drugs and drivers accused of violence or sexual assault (Art. 9).

- The licensee must submit a monthly report in a prescribed form to the MPWT (Art. 10)

If the application is in order, the MPWT will instruct the applicant to pay the official government fee. If anything is missing, the MPWT will notify to the applicant for rectification.

Time frame

No clear time frame is indicated in Prakas 100 for the MPWT to review and issue the registration certificate or business operating permit.

Validity

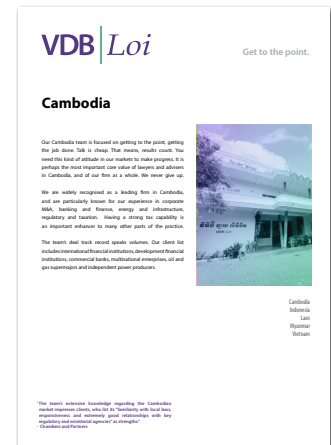
The company registration certificate is valid for an indefinite term. The business operating permit is valid for two years following its issuance, and is renewable (Art. 6).

The business operating permit may be revoked or suspended for three to six months if the licensee has not conducted driving training for its drivers on road traffic laws, regulations, and codes of driving ethics and if he/she has violated any instructions of the MPWT (Art. 7 and 9).

The registration certificate and business operating permit will be automatically invalid in the following circumstances:

- A court judgment has prohibited the company's business

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