

Sub-Decree No. 110 on Granting an Authorization for the Operations of Information & Telecommunication Technology

Sub-Decree No. 110 on Granting an Authorization for the Operations of Information & Telecommunication Technology (“**Sub-Decree**”) was issued by the Ministry of Post & Telecommunications (“**MPTC**”) in July 21, 2017. Remarkably, among other purposes, this Sub-Decree aims to ensure an effective management of Information Communication Technology (“**ICT**”) industry, and is specifically applicable for all businesses operating in ICT sector in Cambodia.

I. Categorization

Under this Sub-Decree, the approval is classified into 03 (three) categories: Authorization Letter, Certificate, and License. Each type of approval is required depending on the business activities which the applicant operates.

Categories	Applicant Requirement	Business Activities
<p>Authorization Letter (2-year validity from the issuance date)</p> <p>*Note:</p> <p>Individuals who perform these business activities are known as “ICT related individual”.</p> <p>ICT related individual shall apply for the Authorization Letter to General Department of Information and Communication Technology</p>	<p>a. Applicant shall be a natural or legal person under the law of Cambodia; and</p> <p>b. Other requirements determined by MPTC.</p>	<p>a. Selling computer materials, electronic devices equipped with ICT technology or software as indicated in the annex of the Sub-Decree;</p> <p>b. Preparing any events related to ICT; or</p> <p>c. Conducting any other operations established by MPTC.</p>

<p>(“GDICT”) or Provincial Department of Posts and Telecommunications of MPTC.</p>		
<p>Certificate (3-year validity from the issuance date)</p> <p><u>*Note:</u></p> <p>Individuals who perform these business activities are known as “ICT related individual”.</p> <p>ICT related individual shall apply for the Certificate to GDICT or Provincial Department of Posts and Telecommunications of MPTC.</p>	<p>a. Applicant shall be a natural or legal person under the law of Cambodia;</p> <p>b. Applicant shall have sufficient technology and human resource in various operations determined by MPTC; and</p> <p>c. Other requirements determined by MPTC.</p>	<p>a. A recognized agency qualified for importing, supplying, and/or delivering computer materials or electronic devices equipped with ICT technology or software;</p> <p>b. Recognizing on the specification of computer materials or electronic devices equipped with ICT technology;</p> <p>c. Inventing, assembling, or installing computer materials and electronic devices. equipped with ICT technology and software;</p> <p>d. Exporting/importing or delivering computer components, electronic devices equipped with ICT technology or software;</p>

		<ul style="list-style-type: none"> e. Online services; f. Providing consultation and technical services on ICT with the view of profit purpose; or g. Other operations determined by MPTC.
<p>License (15-year validity from issuance date)</p> <p>**Individuals who perform these business activities are known as “ICT operator”.</p> <p>ICT operator shall apply for the License to GDICT.</p>	<ul style="list-style-type: none"> a. Applicant shall be a natural or legal person under the law of Cambodia; b. Applicant shall have sufficient technology and human resource in various operations determined by MPTC; c. Applicant shall have a clear company management structure that setting out the responsibilities and duties to ensure accountability, transparency, efficiency, and good corporate governance; d. Applicant shall have definite investment plan on labor and technical aspect of the project(s); e. Applicant shall make guarantee deposit and application fee payment determined by MPTC and Ministry of Economy and Finance; and f. Other requirements determined by MPTC. 	<ul style="list-style-type: none"> a. Producing or assembling computer materials, electronic devices equipped with ICT technology or software for industrial purposes; b. Establishing and operating data center business; c. Establishing ICT industrial park; or d. Other operations determined by MPTC.

II. Reporting Requirement

Every ICT operator has an obligation to submit the document on the original cost management, independent audited financial report and non-financial information every fiscal year within 90 (ninety) days to MPTC. In the event of failure to submit the said documents, transactional fine between 20,000,000 (twenty million) Riels to 60,000,000 (sixty million) Riels will be imposed on any ICT operators who did not comply with the requirement.

III. Business Transfer and Cessation

Transferring the authorization letter, certificate, or license to a third party by way of an agreement, succession or company merger shall be done in accordance with the regulation under this Sub-Decree and other existing regulations.

In the event that ICT operator or ICT related individual intends to cease their operation, ICT operator or ICT related individual shall give at least 30 (thirty) days prior notice in writing to GDICT or Provincial Department of Posts and Telecommunication of MPTC, together with particular reasons to explain their intention for the business cessation. In that case, MPTC will request ICT operator or ICT related individual to satisfy one or more requirement(s) before ceasing their operation.

IV. Penalty

Transactional monetary fine, in accordance with the Sub-Decree and determined by MPTC's Prakas, will be imposed on any individual who conduct the business without an approval from GDICT or Provincial Department of Posts and Telecommunication of MPTC. A failure to pay the said penalty within 30 (thirty) days from the date of the receipt of the decision, MPTC shall refer the matter to the prosecution office of the Court of First Instance.

Should any additional information be required regarding this legal alert or if you have any further inquiry, please contact our team at info@anlor.legal or reach out to our professionals below:



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