

CLIENT UPDATE 2016 MAY

LABOUR

Entities to Re-Register their Employees with the NSSF

The Social Security Scheme has been implemented in Cambodia since 2008 in accordance with the Law on Social Security Schemes for Persons Defined by the Provisions of Labour Law. The National Social Security Fund (“**NSSF**”) will implement the Social Security Scheme in two steps: (1) Employment Injury and (2) Health Care and Pension Scheme. At present, the NSSF has focused on making a better result for the implementation of its first step which is the Employment Injury Insurance.

In the last 6 years, the NSSF has noticed that there are many cases where the employees were registered at the NSSF with incorrect information. Some employees even registered with wrong identity. Providing incorrect information causes problems to the employees when they claim benefits from the NSSF in case they suffer from any employment-related injury. They will also face the same problem when the newly-enacted Health Care Scheme and the forthcoming Pension Scheme are implemented.

To solve such problems and to effectively implement the Social Security Regime on Employment Injury, the newly-enacted Health Care Scheme and the forthcoming Pension Scheme, the Ministry of Labour and Vocational Training (“**MLVT**”) has issued Notification No.127MLVT/A dated 2 May 2016 (“**Notification**”), calling out all owners and chairmen of entities subject to the Labour Law to re-register their employees who have incorrect information with the NSSF.

To do this, the entities must conduct an internal check within their organisation. If they find out that any of their employees has provided incorrect information - such as name, gender, date of birth or place of birth - which could cause irregularity in the registrar of the NSSF, they must rectify these by way of re-registration with the NSSF.

The Notification stipulates that the re-registration with the NSSF is free of charge. It also states that employees who had previously provided incorrect information shall not be considered to be at fault, and employers whose employees were registered with wrong identity shall not be accused of child labour abuses. The Notification requires all entities to ask for the identity cards or passports, birth certificates, residential certificates, etc. of applicants when recruiting new employees.

The re-registration will help the employees to retain their rights, seniority and positions, and to be able to avail of the benefits provided for by the Labour Law and Social Security Regime.

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ASEAN Economic Community Portal

With the launch of the ASEAN Economic Community (“AEC”) in December 2015, businesses looking to tap the opportunities presented by the integrated markets of the AEC can now get help a click away. Rajah & Tann Asia, United Overseas Bank and RSM Chio Lim Stone Forest, have teamed up to launch “Business in ASEAN”, a portal that provides companies with a single platform that helps businesses navigate the complexities of setting up operations in ASEAN.

By tapping into the professional knowledge and resources of the three organisations through this portal, small- and medium-sized enterprises across the 10-member economic grouping can equip themselves with the tools and know-how to navigate ASEAN’s business landscape. Of particular interest to businesses is the “Ask a Question” feature of the portal which enables companies to pose questions to the three organisations which have an extensive network in the region. The portal can be accessed at <http://www.businessinasean.com/>.

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