

Corporate Commercial

MOC Issues Prakas on the Issuance of Permit or Licence for E-Commerce

The Ministry of Commerce (“**MOC**”) issued Prakas No. 290 dated 9 October 2020 on the Issuance of Permit or License for E-Commerce (“**Prakas**”). This follows the issuance of Sub-Decree No. 134 dated 27 August 2020 on Determination of Type, Formality and Procedure of the Issuance of Permit or Licence for Intermediaries and Online Services Providers via Electronic Platform and Its Exception (“**Sub-Decree**”). The Prakas sets out the process and formalities required for the issuance, extension and amendment of information on the Permit or Licence for E-Commerce.

Who needs to apply for Permit/Licence

According to the Prakas, natural persons and sole proprietorships that are engaged in business activities via electronic platform are required to apply for a permit for e-commerce (“**Permit**”) through this portal: www.ecommercelicensing.moc.gov.kh or with the Department of Business Registration of MOC. The Permit, once issued, is valid for two years from the date of its issuance. The validity of the Permit is extendible, provided that the extension request is made within 30 days before the expiration date of the Permit.

Legal entities and branches of foreign companies that engage in business activities through an electronic platform are required to apply for a licence for e-commerce (“**Licence**”) in the same manner as described above. The Licence is valid for three years from the date of its issuance, with the same rule of extension applicable for Permits as described above.

Exemption from applying for Permit

Natural persons or sole proprietorships are exempted from applying for a Permit if they are engaged in the following activities:

- Commercial advertisement of own goods or services that are not an offer to form a contract;
- Booking services that do not require a deposit or payment by customers or consumers;
- Sale of goods or services with a turnover smaller than KHR 250,000,000 (approximately US\$62,500);
- Sale of goods or services through family-owned or seasonal businesses;
- Sale of own artwork (goods or services);
- Private tutoring;
- Education on the national religion; and

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- Tutoring provided by associations or non-governmental organisations without earning profits, whether directly or indirectly, and activities or operations of state institutions in the provision of public services.

How to apply for Permit/Licence

To apply for a Permit, natural persons and sole proprietorships are required to submit the following documents:

- Permit of Business Operation/Certificate of Incorporation with online services activities;
- Patent Tax Certificate (if any);
- Bank Account details;
- Business Model and Form of Consumer Protection;
- Certificate for Online Services and Domain Name (if any);
- Identity Card; and
- Applicant's photo.

The legal entities and branches of foreign companies that engage in business activities via electronic platform are also required to submit the above documents to apply for a Licence. In addition, they are required to provide the payment method used that is acknowledged by the National Bank of Cambodia, and the sample of the contract between intermediaries and online service providers.

To amend any information found in the Permit or the Licence, the holder may do so by making a request with the Department of Business Registration of MOC, or fill in the updated information through this portal: www.ecommercelicensing.moc.gov.kh within 15 days following the date of the amendment.

Concluding Remarks

Please note that based on the Sub-Decree, existing e-commerce business operators carrying out business activities via electronic system prior to the coming into effect of Sub-Decree 134, are required to apply for a Permit or Licence within six months from the date the Sub-Decree 134 came into effect (i.e. 27 February 2021). However, the above-mentioned portal is currently not accessible and the Department of Business Registration of MOC has not started accepting applications for Permits and Licences as the Joint Prakas on Public Service Fees for application of the Permit and the Licence is still being drafted.

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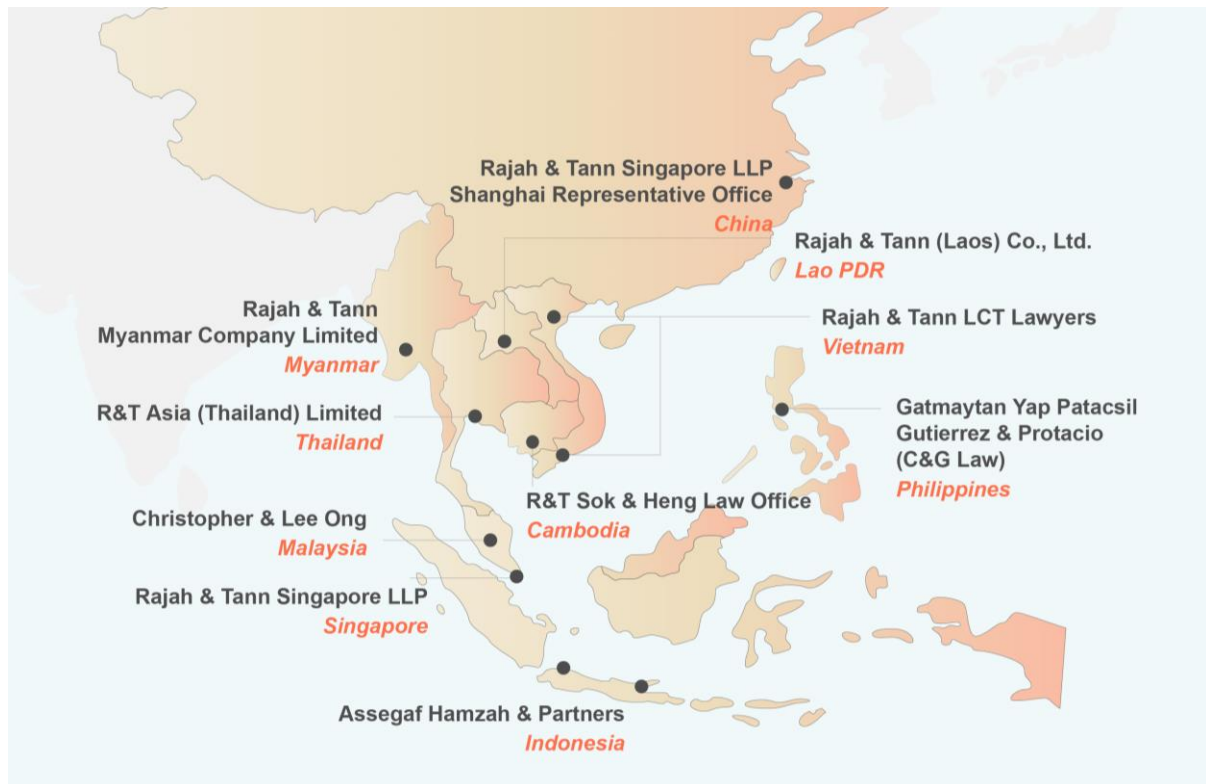
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