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DRAFT AUGUST 2001

TOURISM LAW OF THE KINGDOM OF CAMBODIA

Chapter I General provisions

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foreign as owner travel agency construction hotel-input from MoT

Article 1: Objectives

This law has the objectives to:

- A. Develop the tourism sector to reduce poverty;
- B. Protect and conserve the unique cultural and natural resources on which the tourism industry is based:
- Create an effective marketing and promotion program through a public/private sector cooperative effort;
- D. Establish, improve and maintain the quality of tourism services in the Kingdom of Cambodia by introducing a quality assurance system, in order to provide security and increase the satisfaction of tourists;
- E. Contribute to the international friendship and understanding through tourism industry.

Article 2: Definitions

To interpret this law the word:

- 1. "operator" means any person who carries on or operates the tourism business.
- 2. "person" includes natural person and legal entities.
- "tourism" means the activities of person travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.
- 4. "tourist" does not include persons who after entering the country for a tourist visit or stay, seek to prolong their length of visit or stay, so as to establish residence and/or to engage in a remunerated activity there.
- 5. "tourism activities" are those set out in Article 8 of this law.

Chapter II ______ Tourism Development Plan

Article 3: National Tourism Development Plan and Regional Tourism Development Plans

The Ministry of Tourism shall prepare a National Tourism Development Plan and Regional Tourism Development Plans upon consultation with the relevant institution for approval by the Royal Government.

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Article 4: Implementation of National Tourism Development Plan

The National Tourism Development Plan shall provide for the rational and sustainable planning, development and management of tourism and shall be implementation throughout the Kingdom of Cambodia.

The National Tourism Development Plan shall:

- identify important policies issues, strategies and planning for the development of tourism;
 and
 - propose measures for ensuring the national tourism development.

Article 5: Regional Tourism Development Plans

The Regional Tourism Development Plan shall be implemented in accordance with the National Tourism Development Plan.

The Regional Development Plans shall:

- prepare tourism development strategies for the respective region; and
- propose measures for ensuring development and management of tourism in the said regions.

Article 6. Review

The National and Regional Tourism Development Plans shall be reviewed and revised at least once every five years.

Chapter III Licensing of Tourism Operators

Article 7: Compulsory license

As from the date of entry into force of this law, no person shall be entitled to engage in any tourism activity without holding a current tourism license issued under the terms of the present law.

Other businesses shall refrain from entering into tourism service contracts with a tourism operator that is not duly licensed under this law.

This law shall also apply to tourism businesses, owned or operated by the public authorities.

Article 8. Types of tourism activity

The tourism activities are classified into the following categories:

- 1. Accommodation services (SD 26- 2000- old SD 34)
- 2. Food and beverages services 26
- 3. Tourist transportation and related services 26
- 4. Tourism information and advertising services 26
- 5. Tour operator and travel agency
- 6. Leisure activities
- 7. Sale of souvenirs and gifts (culture)
- 8. Any other tourism related services.

The Ministry of Tourism shall define each type of tourism activities subject to licensing in a Sub-Decree.

Article 9: Multiple businesses

Each tourism activity shall have a tourism license. Where an operator performs more than one type of tourism activity on the same premises, each type of activity must be licensed separately as if it were a separate business operated from separate premises.

Article 10: Licensing conditions

The Ministry of Tourism shall determine minimum standards and other criteria for each type of license designed to establish, improve and maintain the quality of tourism services in the Kingdom of Cambodia.

The criteria shall relate to such matters as the Ministry of Tourism determines is appropriate for the type of licence including all or any of the following matters: insurance, location, premises, equipment, and the qualifications, experiences and characters of the operator and key personnel.

The criteria shall be defined in a Prakas of the Ministry of Tourism or joint Prakas with other concerned ministries.

Article 11: Uniformity and recognition of licensing requirements

The tourism license will be generic for all types of tourism activities and only differ with respect to the specific features of each type of activity.

In case any requirement is already the object of a license, authorization or approval issued by another Ministry, the Ministry of Tourism will recognize the latter license as the fulfilment of the said requirement.

Article 12: Application for the license

The application for the issuance or the renewal of a license shall be made by the operator of the tourism business in the prescribed form and accompanied by the fee and other support documents and information as determined by the Ministry of Tourism.

A newly started tourism business may file its application for a license with the Ministry of Tourism, which will co-ordinate with the other Ministries for the purpose of the issuance of the licenses that are within the competence of those other Ministries.

Article 13: Review, inspection and decision

The Ministry of Tourism shall review the application for tourism license and advise the applicant within 30 days from it receipt of a complete application.

The officer in charge handling the inspection of the applicant's business and reviewing the application shall refrain from processing the application, if he has a personal conflict of interest.

The officer will incur personal civil and criminal liability, if he wrongly and on purpose either refused or granted a tourism license and if due to this respectively the applicant operator suffered losses from the refusal or if the consumer suffered injuries and/or losses pursuant to the wrongly licensed substandard tourism business.

Article 14: Modalities of the license issuance

In its decision whether or not to issue a tourism license the Ministry of Tourism may:

- 1. Issue a tourism license with validity of at least one year.
- 2. Issue a provisional <u>tourism</u> license, in case at the time of assessment of the application, the applicant licensee does not meet all licensing requirements, but demonstrates in detail his firm commitment to remedy minor shortcomings within a reasonable period of time, not exceeding one year.

In such case the applicant shall provide to the <u>Ministry of Tourism</u>eompetent assessor full particulars of the intended remedial action.

The applicant shall undertake to carry out the remedial actions within the allowable period of time set by the assessor. Upon completion of the remedial action the licensee shall inform the Ministry who assessor who shall will, if satisfied, remove the qualification "provisional qualification" from the license.

In case the shortcomings are not remedied within the set period of time, the <u>provisional</u> license <u>shallwill</u> be revoked.

Article ///: Transfer

3. —APermit the tourism license shall be transferable with the sale of transfer of the business to be sold or transfer subject to the following conditions:

- the transferee licensee shall make an application to the Ministry of Tourism in the prescribed form and accompanied by the fee and such other information <u>as</u> determined by the Ministry of Tourism;
- the transferee-licensee has demonstratesd that the licensing requirements relating to the management are fulfilled; and
- the sale or transfer of the tourism license shall not applied to any temporary license and tourist operator license.

Article ///: License Renewal

The licensee shall submit an application for renewal not earlier than two months and not later than one month before the date of expiry of the license, and accompanied by the fee and such documents and information as the Ministry of Tourism shall determine.

Article 15: Register of licenses, transparency and public information

The Ministry of Tourism shall keep and maintain a register of the tourism licenses-issued. For the sake of transparency anyone who can prove a genuine interest, will have the right, through a court order, to consult the files-register and to have a certified copy of them a license delivered to him for a feeat cost price.

Annually t<u>The registerlist</u> of licensed tourism operators shall be published in the Official Journal of the Royal Government. The list shall also be available for consultation on the Web site.

The Ministry of Tourism may also post in public places or publish on its Web site or in the Official Journal or in Newspapersnewspapers, any decision to refuse, cancel or suspend a tourism license.

Article 16: Enforcement

The Ministry of Tourism has-shall have the right to cancels, suspends and downgrade the tourism license when:

- 1. the licensee
 - provides false or misleading information in the application for the purpose of obtaining the license;
 - does not meet all or any of the licensing conditions, or if the licensee
 - fails to comply with all or any of the duties.

In making any cancellation, suspension or downgrading of tourism license the Ministry of Tourism shall give one months prior notice to the licensee. In the latter case the tourism license may be downgrade to provisional license as specified in Article 14.2 of this law. The written notice shall specify the reasons for such action.

2. In case of emergency, when the continuing operation of a tourism business poses an imminent and serious potential risk to health, morality, safety or security, the Ministry of Tourism shall immediately suspend or cancel—of the license without advance notice but shall as soon as practicable inform the licensee in writing of the decision specifying the reason for such action.

Article 17: Closure of the business

A business whose <u>toursim</u> license has been cancelled or suspended or <u>one</u> that does not hold a <u>tourism</u> license, can be closed and its activities halted immediately by the Ministry of Tourism or other <u>judicial Ppolice a</u>Authorities, or by virtue of a Court order, i.ee. via sealing the premises or equipment or withholding or confiscating any products or equipment.

Article 18: Appeal procedure (judicial review)

Within one month of its receipt of written notice from the Ministry of Tourism on the latter decision:

- to refuses to grant or renew;
- to suspends;
- to cancel;
- issue provisional tourism license; and
- to downgrade the tourism license,

the tourism operator may appeal to the Ecommon court of Cambodia.

Also any other licensed tourism operator or consumer protection organisation may appeal to the Court on the decision to grant the license or provisional license.

Chapter IV Monitoring and Inspection

Article 19: Monitoring and inspection

The Ministry of Tourism shall conduct inspection and investigation as follows:

1. Sends its officials to enter and conduct random inspections of any place of business, premises, equipment used or suspected of being used for the purpose of a tourism business. The Ministry of Tourism may collaborate and co-ordinate the inspection with officers from other competent Ministries. He may ask the assistance of judicial prolice authorities.

If the premises are used as residences, inspection can only take place during working hours. In such case, outside the working hours, the authorization from the prosecutor and the presence of a local authority shall be required.

- 2. The inspector shall present his identity card and service card or mission authorization letters before conducting the inspection.
- 3. Whenever during the inspection, the inspector finds that there has been a violation of a criminal law, including the provisions of the present law, he shall immediately report

to the competent judicial police authorities so that action can be taken under the law.

- 4. The person in charge of the place of business, premises or equipment shall ensure that the inspectors are provided with access to all facilities, and provide full cooperation and complete and accurate information and explanation of any questions.
- 5. No person shall prevent, obstruct or interfere with the inspections under this law.

Chapter V Incentives for Quality Assurance

Article 20: Hotel classification

A hotel classification system based on international standards and in compliance with Cambodian law-shall be established by a Sub-Decree prepared by the Ministry of Tourism.

Article 21: Eco-label

To encourage the quality assurance in the tourism the Ministry of Tourism shall:

- Develop a special Eco-label <u>asfor</u> an award to any tourism operator who strictly complied with the environmental standards of the Ministry of Environment; and
- Set up detailed criteria to achieve this objective in consultation with the Ministry of Environment. The Ministry of Tourism shall design a special logo for the special "Ecolabel".

Only tourism operator who has been awarded the special Eco-label has the right to use this logo in the contracts with the general public and <u>its_customers</u>.

Article 22: Incentives for holder of Eco-label

Tourism operator who hold the special Eco-label granted by the Ministry of Tourism may receive added benefits and incentives in priority to other <u>tourism</u> operator<u>s</u> as set by the Royal Government of Cambodia, such as:

the rights to engage business in prohibited zone;

-taxes exemption;

- the fees for tourism license reduce;
- registration in the Ministry of Tourism marketing and promotion Web-site; and

the right to participate in the bidding for public procurement project for the provision of goods and services.

Article 23: Royal Warrant Award

Tourism operator who had excellent service records may be awarded special title from His Majesty the King. The Ministry of Tourism shall set up detaileds criteria for this award in a separate Sub-decree-

Every year the Ministry of Tourism shall create a list of tourism operator as candidates for the award and send to the Royal Government of Cambodia to be forwarded to the King.

Only tourism operator who receives this award may use this special title in the contract with the general public and its customers.

Article 24: Professional code of conduct or code of ethics

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Tourism representative organization or tourism professional association shall establish its professional code of conduct or code of ethics for approval by the Ministry of Tourism.	
professional code of conduct or code of ethics for approval by the Ministry of Tourism.	

Chapter VI Rights and Duties of the Tourism sStakeholders In Tourism

Article 25: Duties of the licensed tourism operator

All person holding tourism license, including publicly owned or <u>runoperated</u>, under this law shall at all times have the duties to:

- 1. Comply with all planning, building, fire safety, environmental, health, food, hygiene, labour, tax, accounting, cultural heritage protection and other laws and regulations relating to the premises, equipment, employees and operation of the tourism and entertainment activity:
- 2. Provide prompt written notice to the Ministry of Tourism of any change in the particulars of the information supplied in the application form to the Ministry of Tourism:
- 3. Allow and co-operate with the inspection referred to in article-Article 19 of this law:
- 4. Upon request, provide promptly to the Ministry of Tourism such statistical and other information in relation to the tourism business as the Ministry of Tourism shall determine:
- 5. Display the tourism license on a prominent place in the business premises.

Hotel keepers shall also display the hotel grade it was classificationed in.

- Mention in all contacts with the public or customers the category and registered number of the tourism license; held.
- 7. Comply with the code of conduct <u>ofelaborated by</u> the professional organisation of the Tourism sector and with professional ethics.
- 8. Behave in an honest, helpful, hospitable, responsible and professional manner, respectful of the interests of customers as well as of the customs, traditions and culture of the Khmer people;
- 9. Provide the tourist with honest and objective information to tourists. Ensure that the contractual clauses proposed to the customer are readily understandable as to the nature, price and quality of the services:
- 10. Promptly and spontaneously issue to the tourist for any amount of money received from him, a voucher, ticket or a written receipt stating the detail.
- 11. Display clearly all tariffs, price-lists, tolls and fees of tourist services and with reference as the case may be to the applicable regulations on which they are based.
- 12. Provide <u>at all times</u> all employees or officers in charge of the collection of tourist attraction <u>f</u>-fees or tolls <u>at all times</u> with means <u>of identification</u> to prove their capacity <u>via-such asa wearing a</u> uniform, service ——identification badge or identity card.
- 13. Inform the customer of the possibility to file a complaint with the ombudsman in accordance with Aerticle 30 of this law, and provide the full address and telecommunication particulars of the ombudsman.

Article 26: Duties of the tourist

Without prejudice to his rights and duties under the tourism contract and notwithstanding his duty under the general law, tourist shall have the duties:

- to be respectful of the traditions and customs of the Khmer people;
- to refrain from any acts that are offensive or injurious to the culture of the Kingdom;
- to refrain from spoiling the environment or damaging the cultural heritage; and
- to refrain from taking irresponsible risks.

Tourist who misbehaves or does not respect the Khmer culture, customs and traditions, may be denied access to the tourist attractions, see have his/her visa repealed and, if the offence is serious, be expelled from the Kingdom of Cambodia, if the offence is serious.

Article 27: Duties of the public authoritiesy

The public authorities shall have the following duties:

- 1. Provide the tourist with honest and objective information.
- Behave in an honest, helpful, hospitable, responsible and professional manner, respectful of
 the interests of customers as well as of the customs, traditions and culture of the Khmer
 people.
- Facilitate the travel by simplifying the administrative procedures and formalities for the tourist.
- 4. Refrain from differential treatment or discrimination on the basis of nationality.
- 5. Take the necessary measures to protect the safety and security of the tourists and their his belongings and in all circumstances enessure the respect of their fundamental human rights.

Chapter VII Institutional arrangements

Article 28: Tourism Marketing and Promotion Board

The Royal Government shall established a Tourism Marketing and Promotion Board of Cambodia ("TMPBC") as an organisation to promote the tourism sector through market research, marketing and promotion.

TMPBC shall haves the following duties and responsibilities:

- a. to conduct market research, marketing and promotion;
- b. <u>to perform</u> the tasks expressly referred to in the present law:
- c. <u>to perform other tasks endowed as prescribed inby sub-decrees;</u>
- d. to act as a platform for discussion dialogue of the sector;
- e. <u>to act as</u> a think tank body to advise the Ministry of Tourism on the policy and development plan for tourism marketing and promotion.

Article 29: Composition and membership

The TMPBC shallwill consist of representatives in equal numbers of both the private tourism sectors, non-governmental organizations, the Ministry of Tourism and other concerned ministries and institutions.

Bye-<u>l</u>Laws, the organization and functioning, personnel, secretariat, housing, expenses, financial resources, and the budget of the TMPBC shallwill be determined by a Sub-Decree proposed by the Ministry of Tourism.

Article 30: Ombudsman service

An Ombudsman service will shall be created. The Ombudsman (Mediator) (director of the service) will shall be appointed by the King.

The conditions of competencequalifications, independence and neutrality the Ombudsman has to meet, his salary, office housing, secretariat and equipment, staff members will be determined by a Sub-Decree.

The Ombudsman will receive complaints from the tourism consumer in his relationship with the service provider and the public authorities; and the tourism operator in his relationship with the public authorities.

The Ombudsman <u>will shall</u> try and mediate in order to find an amicable solution for any such conflicts that may have arisen.

The Ombudsman will-shall produce an annual report on his activities, reflecting the recurring complaints and problems and formulate legislative, and regulatory changes to the Ministry of Tourism.

Article 31: Arbitration Tribunal

An arbitration tribunal will be created to try conflicts and action for damages between tourism consumers on the one hand and operators on the other hand.

Article 32: Tourism Development Fund

A Tourism Development Fund shall be established with the purpose to cover expenses required for:

the development of infrastructure

- education and training in the tourism sectors
- promotion of tourism in Cambodia and abroad

-environment protection measures

- protection and restoration of historical and cultural monuments
- support and protection of natural, historical and cultural heritage
- -loans to tourism service undertakers.

The Fund shall be financed through the annual capital allocation by the central state budget; contributions and donations of foreign and domestic citizens Cambodian nationals; and organisations other sources not forbidden-prohibited by law.

The administration and application of the funds shall be stipulated in a Sub-Decree.

Article 33: Handicraft and Artefact Cooperative Corporation

A Handicraft and Artiefact Cooperative shall be established. It will have a branch in every province.

Craftsmen shall be free to join the Cooperative

The objectives of the Cooperative will-shall be:

- to promote in the country and abroad the handicraft and artefact products of Cambodia
- to organize their marketing and distribution
- to set the quality standards of the products

-to issue certificates of origin of the products

- to affix the quality label
- -to regulate the sales prices
- to provide display and sales shops, premises and areas

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to advise, assist and help the artisans, artists and craftsmen in their professional activity

Its working operating expenses will shall be covered by membership fees and levies (royalties?) y on the sales price of the products.

Article 34: Tourism Police

The Tourism Police unit shall be created. The Tourism Police forces will-shall be reinforced in the tourismt resorts in order to maintain public order and enforce the Laws laws and Regulations.

The Tourism Police forces <u>will-shall</u> be specially trained in tourism related matters and <u>will-shall</u> be proficient in international languages. They <u>will-shall</u> wear a distinctive sign.

The operation of the Tourism Police shall be under the guidance of the Ministry of Tourism.

Chapter VIII Miscellaneous Provisions

Article 35: Minimum age for presence on the premises of some entertainment businesses

Persons under 18 years of age are not permitted to be on the premises of a karaoke, massage parlour or disco bar business unless they are accompanied by legal guardian.

The managers of the karaoke, massage parlour or disco bar businesses are under a duty to prevent the presence of persons under 18 years of age on their premises.

Article 36: Fees and financing

The application fee for a tourism operator license shall not be refundable even if the license is refused. The fees for the issuance, renewal or transfer of the licenses under this law, shall be payable to the Ministry of Tourism.

Chapter IX Offences and Penalties

Article 37: Operate tourism business without a tourism license

Any person who is in violation of article 8.1 of this law shall be liable to a fine ranging from one million Riels (1,000,000) to ten million (10,000,000) Riels.

Article 38: Interference with inspections

Any person who is in violation of Article 19.4 and 19.5 of this law shall be liable to a fine ranging from fifty thousand (50,000) Riels to two hundred (200,000) Riels and/or to an imprisonment from one (1) week to one (1) month.

Article 39: Failure to display a tourism license in prominent place

Any person who in violation of Article 25.4 of this law shall be liable to a fine ranging from one hundred thousand (100 000) Riels to t wo hundred (200 000) Riels.

Article 40: Contracting with non-license operator

Any person who in violation of Article 8.2 of this law shall be liable to a fine ranging from one hundred thousand (100,000) Riels to one hundred and fifty thousand (150,000) Riels.

Article 41: False or misleading information

Any person who provided false or misleading information in the application for a tourism license shall be liable to a fine ranging from one hundred thousand (100,000) Riels to two hundred thousand (200,000) Riels.

Article 42: Wrongly refused or granted a tourism license

Any inspector of the Ministry of Tourism who has wrongly granted or refused the tourism license, is in violation of Article 13 paragraph 3 of this law and shall be liable to a fine ranging from one hundred and fifty thousand (150,000) Riels to two hundred thousand (200,000) Riels. If due to the wrongly issuing of a license, a customer of the tourism operator incurred injuries or dies from the substandard tourism establishment, the inspector will be subject to criminal liability as determined by the court

Article 43: Under age found in the premises of entertainment businesses

Any person under the age of 18 found on the premises of a karaoke, massage parlour or disco bar business shall be liable to a fine ranging from ten thousand (10,000) Riels to fifty thousand (50,000) Riels, EXCEPTS, where the operator of any of the above mentioned establishment failed to put up a warning sign as such.

Article 44: Failure of manager to take reasonable measure

The manager of the karaoke, massage parlour or disco bar business who fails to take all reasonable measures to prevent the presence of minors on the premises of his business is in violation of Article 35 paragraph 2 of this law and shall be liable to a fine ranging from fifty thousand (50,000) Riels to two hundred thousand (200,000) Riels.

Article 45: Breach of duties

Except for Article 39 of this law, any person who is in violation of article 25 and 26 of this law shall be liable to a fine ranging from fifty thousand (50,000) Riels two hundred thousand (200,000) Riels.

Article 46: Repeated offenders

For repeat offenders the fines in Article 37, 38, 39, 40, 41, 42, 43, 44 and 45 shall be doubled.

Chapter X Final Provisions

Article 47 Further regulations

All regulations and further provisions required to implement this law including the types of activities, the requirements for obtaining the license, definitions, criteria, special conditions, fees, discounts, forms, documents, information, procedures and systems shall be determined by the Ministry of Tourism .

Article 48: Transition period

The Ministry of Tourism may for such requirements as it will determine, provide for a 3 years transition period, so as to allow the tourism operators to gradually adapt in order to meet the legal requirements by the time of expiry of this transition period.

Article 49: Repeal

Any laws which are inconsistent with the provisions of the present Law, are to the extent of inconsistency hereby repealed.

Article 50: Entry into force

This law shall come into force six months after the date of its signature.