

Technical Update

July 2020

Labor – Holidays on 17, 18, 19, 20 and 21 August 2020 to Compensate for the Khmer New Year Holidays for the Year 2020

Royal Government of Cambodia (“RGC”) and Ministry of Labor and Vocational Training (“MLVT”) – Sub-Decree No. 101 dated 15 July 2020 and Prakas No. 242/20 dated 16 July 2020 on Holidays on 17, 18, 19, 20 and 21 August 2020 to Compensate for the Khmer New Year Holidays for the Year 2020



The government has announced that all civil servants, employees and workers in Cambodia shall have public holidays on **17, 18, 19, 20 and 21 August 2020** to compensate for the Khmer New Year holidays for the year 2020 which were postponed due to the Covid-19 pandemic.

However, for factories or enterprises pursuing global business objectives, requiring regular operations which cannot be interrupted, if the introduction of public holidays for all workers and employees at the same time may cause damage to the public interest or to the business, the owner or director may impose public holidays on a rotational basis and for different dates than those mentioned above; provided that such an agreement exists between the workers/ employees and the employer, or the internal rules or collective bargaining agreement of the company provide for this.

The owners or directors of factories or enterprises must prepare a name list of workers and employees who take their holidays as per each of the above dates in a rotating manner and must keep it all times for inspection by the labor inspectors.

During the rotating days off, the owners or directors of factories or enterprises can have other workers and employees temporarily replace the workers and employees who take days off.

Labor – Inter-ministerial inspections for the tourism industry

Ministry of Labor and Vocational Training (“MLVT”) – Joint Prakas No. 072/20 dated 27 February 2020 on the creation of inter-ministerial inspections for the tourism industry

The inter-ministerial inspection team has been jointly created by the three relevant ministries including the Ministry of Labor and Vocational Training (“MLVT”), Ministry of Tourism (“MoT”) and Ministry of Environment (“MoE”) to jointly inspect tourism enterprises and establishments to ensure compliance with the labor, tourism industry and environmental laws and regulations.

The directors of tourism enterprises and establishments which are under the scope of the labor, tourism industry and environmental laws and regulations must comply with the relevant laws and regulations on working conditions and must facilitate the inspections to be conducted by the inter-ministerial inspection team.

The inter-ministerial inspection team having a joint order issued by the three ministries (i.e. the MLVT, MoT and MoE) has the obligation to conduct inspections in the tourism enterprises and establishments which are under the scope and authority of the three ministries.

This joint Prakas is effective from the signing date of 27 February 2020.

Commentary:

With an estimated loss of US\$3 billion by the year 2020, the coronavirus pandemic has had a major impact on Cambodia’s tourism sector. In order to mitigate the impact of the crisis, the Cambodian government has implemented various measures to support the industry and its workers. This contains several tax breaks, exemptions in some cases, but also economic stimulus measures that affect the price of specific products (e.g. control of the gas and electricity prices).

The government has not suspended the inspections; they will still be carried out to ensure compliance with the measures it has issued. What is new is the joint nature of the annual inspection: inspectors from the provinces and the three designated Ministries would be involved at the same time.

KPMG Cambodia can assist businesses in the tourism industry by checking that they are compliant prior to any potential inspection, with inspections themselves or with post-inspection compliance.

Contact Us

KPMG Cambodia Ltd.

PO Box 2352
4th Floor, Delano Center
No.144, Street 169,
Sangkat Veal Vong, Khan 7 Makara,
Phnom Penh, Kingdom of Cambodia

Michael Gordon

Senior Advisor
T: +855 23 216 899 (ext. 7222)
E: mgordon@kpmg.com.kh

Bun Pesey

Manager
T: +855 23 216 899 (ext. 7425)
E: bpesey@kpmg.com.kh

Max Howlett

Director
T: +855 23 216 899 (ext. 7424)
E: mhowlett@kpmg.com.kh

Neou Seyla

Manager
T: +855 23 216 899 (ext. 7426)
E: nseyla@kpmg.com.kh

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