

Cambodia finally passes competition law, but key details still to come

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Over a decade in the making, the law (see [here](#)) is similar in structure to most competition regulations: It prohibits anti-competitive agreements, dominance abuse, and anti-competitive mergers, and applies to conduct outside the country as long as it affects local markets.

In an advisory, David Fruitman, regional competition counsel at law firm DFDL, notes that Cambodia has chosen not to address unfair trade practices in the law, unlike its neighbors, and regulates these solely through other legislation.

The law also provides for the establishment of a competition commission that will be headed by the commerce minister, which will be tasked with receiving complaints, issuing orders and decisions on antitrust cases, and establishing other relevant policies and plans.

These policies include procedures on how to calculate fines, which can amount to 2 billion riels (\$490,000) for a violation of the provision on horizontal agreements, or between 3 percent and 10 percent of an erring company's total turnover during the period of the infringement up to a maximum of three years, for violations of prohibitions on anti-competitive vertical agreements, dominance abuse or anti-competitive mergers.

Details of the merger control regime will also be outlined by the competition commission, once it is established. The Philippine antitrust regulator said it is scheduled to share its merger control lessons with Cambodia later this month, indicating that Cambodia could adopt a similar mandatory pre-merger notification regime (see [here](#)).

The law also provides for leniency and exemptions, but rules for these will again all be issued later by the competition commission.

"It is said that the law is promulgated urgently, therefore it becomes effective immediately from the date of promulgation. It is not clear how to implement it as there is currently no institution in operation and no implementing regulation or guideline," Phin Sovath from Cambodian law firm Bun & Associates told MLex.

The law was promulgated on Oct. 5 after being endorsed by the National Assembly in September.

Mao Thora, a secretary of state at the Ministry of Commerce, was quoted by *The Phnom Penh Post* as saying he already has the draft of the sub-decree on the "establishment, composition and duties" of the competition commission.

However, the law also states that the "Directorate General in charge of competition" will serve as its implementing body. The commerce ministry's Consumer Protection Competition and Fraud Repression Directorate-General will be acting in this role, according to DFDL.

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