

A stack of documents is shown, with the top document having a colorful cover. The cover features a globe with various colored segments (yellow, green, purple, red) and some text that is partially obscured. The documents are stacked on a dark surface.

DFDL CAMBODIA LEGAL ALERT

ANNUAL LABOUR COMPLIANCE OBLIGATIONS

ANNUAL LABOUR COMPLIANCE

Enterprises are subject to various labour obligations and filing requirements pursuant to the Labour Law and its implementing regulations, as summarised in the table below:

Obligation	Requirements	Deadline	Penalty
Monthly contribution and report to the National Social Security Fund (“NSSF”)	<p>An enterprise employing one or more employees is required to register itself and all its employees with the NSSF within 30 days after the date of its opening. The NSSF schemes for employees currently cover the following three pillars:</p> <ol style="list-style-type: none"> (1) occupational risk insurance: monthly contribution is equivalent to 0.8% of an employee’s monthly average wages (ranging from USD 0.80 to USD 2.40 per month per employee); (2) health care insurance: monthly contribution is equivalent to 2.6% of an employee’s monthly average wages (ranging from USD 2.6 to USD 7.8 per month per employee); and (3) pension scheme: monthly contribution will be jointly paid by the employer and the employee at the same rate of 2% (total of 4%) of the contributory wage for the first five years (ranging from USD 4 to USD 12 per month per employee). 	Monthly contribution (by 15 th) and report (by 20 th) to the NSSF.	Failure to pay the monthly contribution in a timely manner may give rise to a fine from KHR 800,000 (approximately USD 200) to KHR 2,400,000 (approximately USD 600) per number of employees whom the employer did not comply with the contribution requirement.
Foreign Employee Quota	Enterprises employing or intending to employ foreign employees are required to apply for a foreign employee	Early September to 30 November each year	Failure to have sufficient foreign employee quota approval may give rise to a fine of up to

	<p>quota (1 foreign employee for every 10 local employees) via the online system of the MLVT.</p> <p>However, the MLVT allows (at its discretion) the hiring of foreign nationals in excess of the above foreign employee quota cap if the enterprises cannot find suitably qualified Cambodian nationals or sufficient number for their workplace.</p>		<p>KHR 12.6 million (approximately USD 3,150) by the MLVT or KHR 18 million (approximately USD 4,500) by the court. Additional sanctions, as imposed by the Labour Law, include terms of imprisonment from six days to one month.</p>
Foreign Employee Work Permit	<p>If the enterprise employs any foreign nationals, work permits must be obtained. A work permit for a foreign employee is valid for only one year. No matter when the work permit for a foreign employee is issued by the MLVT, it expires on 31 December of that year. If an enterprise continues to employ foreign nationals in Cambodia for the following year, the enterprise needs to apply for an extension of their foreign work permits by 31 March of the following year.</p>	31 March	<p>Failure to obtain a valid work permit for a foreign employee may give rise to a fine of up to KHR 12.6 million (approximately USD 3,150) per employee by the MLVT capped at KHR 63 million (approximately USD 15,750) and/or KHR 18 million (approximately USD 4,500) by the court.</p> <p>Additional sanctions, as imposed by the Labour Law, include terms of imprisonment from six days to one month.</p>
Self-declared labour inspection	<p>Enterprises are required to complete semi-annual self-declared labour inspections via the MLVT online system. Under this self-declared labour inspection, enterprises are required to conduct self-assessment including providing supporting documents with respect to its compliance with the Labour Law and implementing regulations prior to the physical inspection conducted by the labour inspector.</p>	June and December	<p>Non-compliance with any of the 31 prioritized compliance points may result in administrative fines being imposed by the labour inspector if there is a physical inspection (with the amount determined based upon the extent of the non-compliance).</p>

<p>Payment of seniority pay to employees with unfixed duration contracts</p>	<p>Seniority pay equal to 15 days of wages and fringe benefits per year must be paid to employees who are employed under unfixed duration contracts on an on-going basis every six months per year, divided into 7.5 days of wages and other benefits to be paid in June and 7.5 days of wages and other benefits to be paid in December.</p>	<p>30 June and 30 December</p>	<p>An employee may claim for payment of any outstanding seniority payment immediately.</p> <p>An eligible employee who is yet to receive a due payment has three years to claim for such outstanding payment.</p>
<p>Establishing an in-house infirmary or medical clinic (if there are 50+ employees)</p>	<p>An enterprise employing 50 or more employees must establish an in-house infirmary or medical clinic.</p>	<p>No specific deadline</p>	<p>Failure to establish a permanent infirmary or medical clinic may give rise to a fine of up to KHR 20.16 million (approximately USD 5,040) if imposed by the MLVT, or KHR 28.8 million (approximately USD 7,200) if imposed by a court, and/or imprisonment of up to five years.</p>
<p>Training of Apprentice (if there are 60+ employees)</p>	<p>An enterprise employing more than 60 employees is required to conduct annual training of apprentices based on the following quota in proportion to the enterprise's total workforce:</p> <ul style="list-style-type: none"> (1) 10% for enterprise that employs between 61 to 200 employees; (2) 8% for enterprise that employs between 201 to 500 employees; and (3) an additional 4% for every further 500 employees at the enterprise that employs more than 51 employees, provided that a maximum of 110 apprentices may be trained by an enterprise in one year. 	<p>31 October each year</p>	<p>Failure to train the apprentices may result in a fine of up to KHR 3.36 million (approximately USD 840) imposed by the MLVT, or up to KHR 4.8 million (approximately USD 1,200) imposed by the court. If the enterprise is unable to train the apprentices, it is possible to submit a request to the MLVT for payment of tax in lieu of training the apprentices equal to 1% of total annual salary of all employees per year. This payment may be made to the MLVT by the end of each quarter of the year or paid in total at the beginning of the year.</p>

<p>Setting up a nursing room and a day-care center within or near the enterprise (if there are 100+ employees)</p>	<p>An enterprise employing 100 or more employees must set up a nursing room and a day-care center within or near the enterprise.</p>	<p>No specific deadline</p>	<p>Failure to establish a day-care centre or nursing room may give rise to a fine of up to KHR 1.68 million (approximately USD 420) imposed by the MLVT or KHR 2.4 million (approximately USD 600) imposed by the court.</p>
<p>Employment of Disabled Persons (if there are 100+ employees)</p>	<p>An enterprise employing more 100 or more employees must employ 1% of its total workforce as qualified disabled persons and report to the Ministry of Labour and Vocational Training (“MLVT”) and the Ministry of Social Affairs, Veteran and Youth Rehabilitation (“MOSAVYR”)</p>	<p>31 January</p>	<p>Failure to hire disabled persons, the enterprise is required to pay a monthly contribution fee to a designated fund for disabled persons, in an amount equal to 40% of the minimum monthly salary for each disabled person the company should hire. Failure to pay the contribution fee gives rise to a maximum fine of up to KHR 1 million (approximately USD 250).</p>

ANNUAL LABOUR COMPLIANCE CALENDAR

January	February	March
<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. ▪ Report on employment of disabled persons to the MLVT and MOSAVYR (if there are 100+ employees) 	<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. 	<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. ▪ Foreign Employee Work Permits (by 31st)
April	May	June
<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. 	<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. 	<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. ▪ 1st self-declared labour inspection/assessment of labour compliance via the MLVT online system ▪ Payment of seniority pay to employees under unfixed duration contracts
July	August	September
<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. 	<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. 	<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF.
October	November	December
<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. ▪ Training of Apprentice (if there are 60+ employees) 	<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. ▪ Foreign Employee Quota for 2024 	<ul style="list-style-type: none"> ▪ Monthly contribution (by 15th) and report (by 20th) to the NSSF. ▪ 2nd self-declared labour inspection/assessment of labour compliance via the MLVT online system ▪ Payment of seniority pay to employees under unfixed duration contracts

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