



Cambodia: Changes to Individual and Collective Labour Dispute Resolutions in Cambodia

The Ministry of Labour and Vocational Training (“**MLVT**”) issued Prakas 073 on Procedures for Resolving Individual Disputes dated 4 March 2025 (“**Prakas 073**”) and Prakas 074 on Procedures for Resolving Collective Labour Disputes dated 4 March 2025 (“**Prakas 074**”). These Prakas introduce certain modifications to the framework for resolving individual and collective labour disputes. The changes clarify the dispute resolution process and establish new procedural requirements for parties involved in labour disputes.

1. What are “individual labour dispute” and “collective labour dispute”:

An “individual labour dispute” is defined under the Labour Law as a disagreement between an employer and one or more employees or apprentices of each individual dispute concerning the interpretation or enforcement of the terms of a labour contract or apprenticeship contract, or the provisions of a collective agreement, as well as regulations or laws in effect.

A “collective labour dispute” is any dispute that arises between one or more employers and a certain number of their staff concerning working conditions, the exercise of the recognized rights of professional organizations, the recognition of professional organizations within the enterprise, and issues regarding relations between employers and employees, and this dispute could jeopardize the effective operation of the enterprise or social peacefulness.

2. Key procedures of individual labour disputes and collective labour disputes under Prakas 073 and Prakas 074:

Procedures	Individual Labour Dispute	Collective Labour Dispute
Filing complaint	Complaint filed by a party.	Complaint filed by a party.
Initial review of the complaint	The labour inspector to start conciliation or conduct an inspection.	<p>The labour inspector to start conciliation or conduct an inspection.</p> <p>After receiving the complaint, the labour inspector to report to the Minister of Labour within 48 hours to appoint a conciliator.</p>
Inquiry Session	<ul style="list-style-type: none"> - Invite parties to supply information/documents separately. - If the claimant does not provide information within the timeline or three working days afterward without a valid reason, the complaint is void. - If the respondent does not attend the inquiry session by the specified timeline or within three working days afterward without a valid reason, the conciliation is considered unsuccessful, and the respondent is regarded as having defaulted according to the claimant's complaint. 	<ul style="list-style-type: none"> - Invite parties to supply information/documents separately. - Parties must attend all meetings invited by the conciliator. Absence without valid reason may be subject to penalty under Article 363 of the Labour Law. - If a claimant fails to cooperate, refuses to provide the required signatures or fingerprints on procedural documents, or otherwise fails to engage in the conciliation process as required by law, the complaint shall be deemed void.
Conciliation Session	<ul style="list-style-type: none"> - Invite parties for conciliation within three weeks after receipt of complaint. - If the claimant does not attend the meeting without a valid reason, the complaint is void. - If the responded does not attend the meeting without a valid reason, the respondent is regarded as having defaulted according to the claimant's complaint. - Conciliation minutes must specify agreed and disagreed points. Agreements made before a labour inspector are legally binding. 	<ul style="list-style-type: none"> - Invite parties for conciliation after receipt of sufficient information. Conciliation must be conducted within 15 days after the conciliator is appointed by the Minister of Labour. - During conciliation process, parties must cease all dispute mechanisms. - The presence of trade unions or employee representatives during the conciliation process is mandatory. If the dispute arises from the implementation of a collective agreement, the most representative trade union must be involved. In cases where a dispute is unrelated to a collective agreement, a trade union with minority membership may also participate.

		<p>In enterprises without a trade union, employee representatives who are recognized by the conciliator must take part in conciliation proceedings. This requirement ensures that collective disputes are addressed with proper representation.</p> <ul style="list-style-type: none"> - Conciliation minutes must specify agreed and disagreed points. Agreements signed by parties and certified by conciliator has the same legal effect as collective bargaining agreement among the parties.
Re-conciliation	<ul style="list-style-type: none"> - Within two working days after unsuccessful conciliation, the parties may jointly submit a written request to the Minister of Labour for re-conciliation. - The Minister may appoint or change the conciliator for re-conciliation. - If the re-conciliation is not successful, the disputes will not be further conciliated and will be referred to subsequent processes. 	<ul style="list-style-type: none"> - Within two working days after unsuccessful conciliation, the parties may jointly submit a written request to the Minister of Labour for re-conciliation. - The Minister may appoint or change the conciliator for re-conciliation. - If the re-conciliation is not successful, the disputes will not be further conciliated and will be referred to subsequent processes.
Court procedures	After unsuccessful conciliation, the party may file the complaint to the competent court within two months.	
Arbitration procedures	Notwithstanding, if the parties agree during the conciliation process, the case is to be forwarded by the MLVT to the Arbitration Council.	If conciliation is unsuccessful, the conciliator must report to the Minister of Labour within 48 hours, and the case is forwarded to the Arbitration Council within three working days.

Please refer to the below figures for the settlement process.

3. Key considerations:

- (a) Dual role of labour inspector: A significant change under Prakas 073 and Prakas 074 is that the labour inspector now has a dual role as both a conciliator of the dispute and an inspector. Upon receiving a complaint, the labour inspector may either commence conciliation between the disputing parties or conduct a labour inspection. As such, the employers should be prepared for possible inspections when a dispute is filed, ensuring that they comply with labour laws to avoid additional legal complications or penalties.
- (b) Stricter procedural rules: Prakas 073 introduces stricter procedural rules regarding nullified complaints. If a complaint is deemed void due to the claimant's failure to provide the necessary information or attend the scheduled conciliation meeting, it cannot be reconsidered for conciliation. Furthermore, such complaints cannot be referred to the Arbitration Council. Similarly, under Prakas 074, if a claimant fails to cooperate, refuses to provide the required signatures or fingerprints on procedural documents, or otherwise fails to engage in the conciliation process as required by law, the complaint shall be deemed void. Once a complaint is nullified, it cannot be refiled for conciliation. In addition, a significant new provision under Prakas 074 is the imposition of monetary penalties for parties that fail to attend conciliation meetings without a valid reason. Absence without a valid reason will result in penalties as stipulated in Article 363 of the Labour Law. Under Article 363 of the Labour Law, a party's absence may result in a fine equivalent to 31 to 61 days of daily wages, amounting to approximately USD 1,220.
- (c) Potential conflict of jurisdiction: One potential issue arising from Prakas 073 is a possible jurisdictional conflict between the court and the Arbitration Council. According to the new rules, if conciliation fails, a disputing party may file a lawsuit to the court within two months. However, if a request is made during conciliation by a disputing party, the MLVT may refer the case to the Arbitration Council instead, within three working days. This could create confusion regarding the appropriate jurisdiction for resolving disputes, as parties may not have full clarity on whether their case will proceed through judicial litigation or arbitration.
- (d) Outlook: Overall, the new provisions introduced under Prakas 073 and Prakas 074 emphasize the need for procedural discipline and provide clearer guidelines for individual and collective labour dispute resolution. Both employers and employees must be diligent in following these new procedural requirements to maximize their chances of a favorable resolution. Given the potential complexities and jurisdictional conflicts, seeking legal consultation may be advisable to navigate the dispute resolution process effectively and ensure compliance with the latest regulations. It is important to note that given that the formalities and procedures for filing and hearing individual disputes at the Arbitration Council have not yet been determined, a new Prakas will likely be issued to provide further guidance on these matters. The MLVT is expected to issue additional regulations to further clarify labour dispute settlement at the enterprise level and the new arbitration procedures by the Arbitration Council for both collective and individual disputes.

Figure 1: Individual Dispute Settlement Process

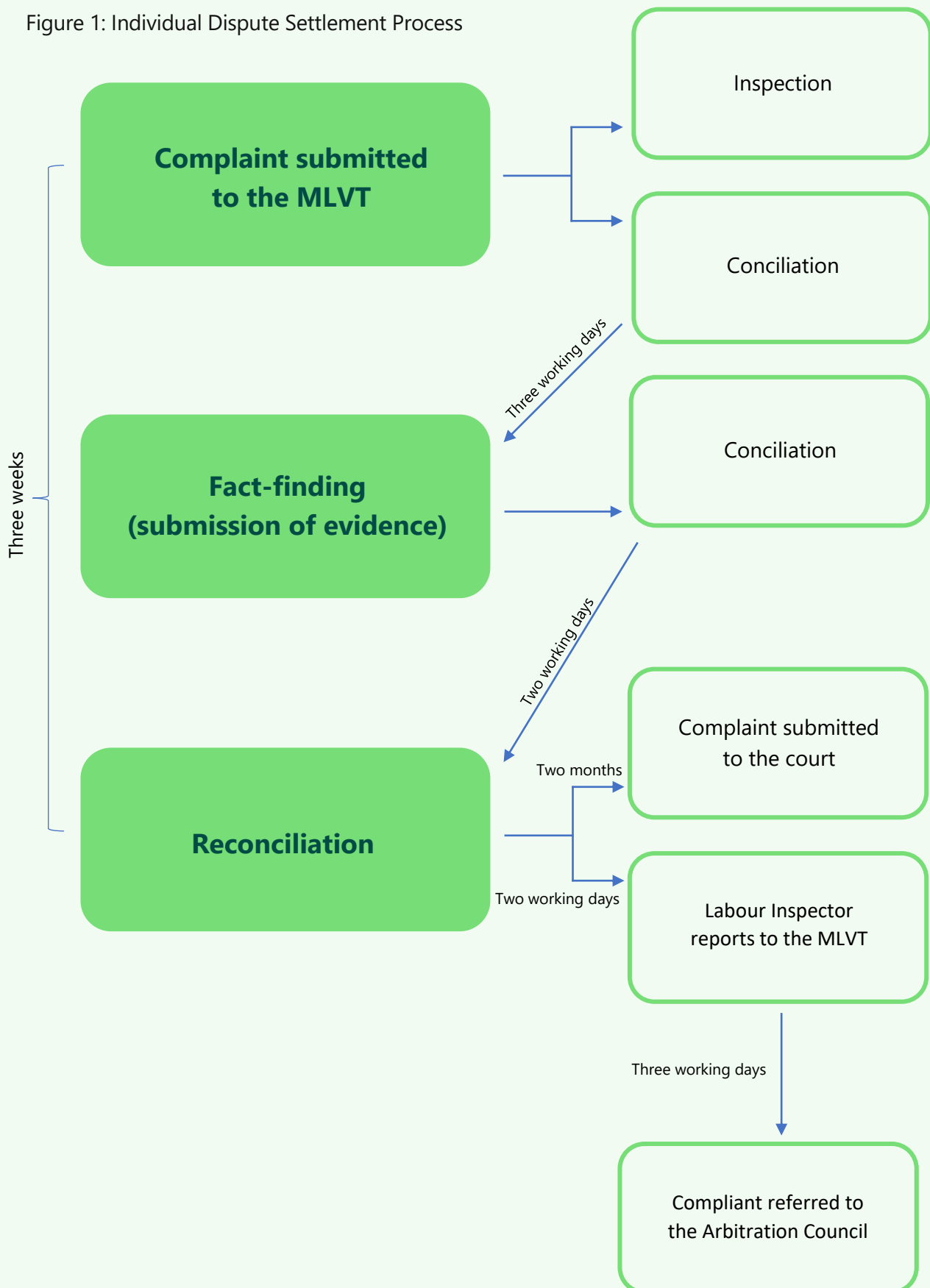
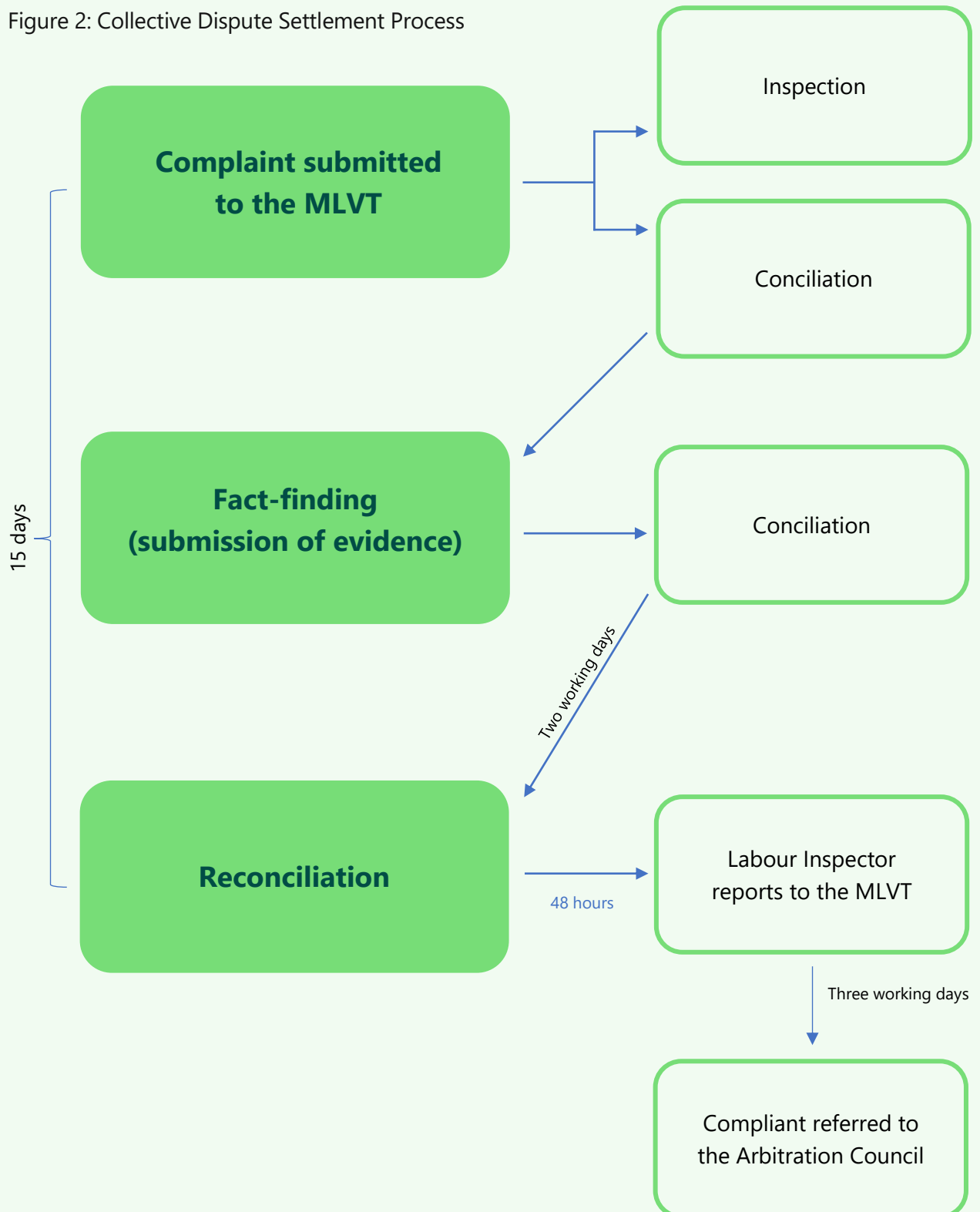


Figure 2: Collective Dispute Settlement Process



The information provided here is for information purposes only and is not intended to constitute legal advice. Legal advice should be obtained from qualified legal counsel for all specific situation.

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