

**ANNEX III**

**SCHEDULE OF RESERVATIONS AND NON-CONFORMING MEASURES FOR  
INVESTMENT**

**CAMBODIA**

## LIST A

### EXPLANATORY NOTES

1. This List sets out, pursuant to Article 10.8 (Reservations and Non-Conforming Measures), measures that do not conform to the obligations under:
  - (a) Article 10.3 (National Treatment);
  - (b) Article 10.4 (Most-Favoured-Nation Treatment);
  - (c) Article 10.6 (Prohibition of Performance Requirements); and
  - (d) Article 10.7 (Senior Management and Board of Directors).
2. Cambodia may add, withdraw or modify its entries as set out in this List for a period of 24 months from the date of entry into force of this Agreement, provided that the relevant non-conforming measure is in existence as of the date of entry into force of this Agreement. Cambodia shall notify the other Parties of any such addition, withdrawal, or modification in this List, including the relevant laws and regulations, through the Depositary. Such addition, withdrawal, or modification will take effect on the date of such notification.
3. Each reservation in this List shall set out the following elements, where applicable:
  - (a) **Sector** refers to the sector in which a reservation is taken;
  - (b) **Subsector** refers to specific industries, products, and activities in which a reservation is taken;
  - (c) **Industry Classification** refers to the activities covered by the reservation according to International Standard Industrial Classification (ISIC) Revision 3 for manufacturing, agriculture, fishery, forestry, mining and quarrying;
  - (d) **Level of Government** indicates the level of government maintaining the measures for which a reservation is taken. For the purposes of the Level of Government element, National Administration refers to Central Government and Sub-National Administration refers to Capital/Provinces, Khans/Municipalities/Districts and Sangkats/Communes;
  - (e) **Type of Obligation** refers to the obligations of Article 10.3 (National Treatment), Article 10.4 (Most-Favoured-Nation Treatment), Article 10.6 (Prohibition of Performance Requirements), and Article 10.7 (Senior Management and Board of Directors), as the case may be, which do not apply to the measures for which a reservation is taken;
  - (f) **Description of Measure** refers to a measure that does not conform to Article 10.3 (National Treatment), Article 10.4 (Most-Favoured-Nation Treatment), Article 10.6 (Prohibition of Performance Requirements), and Article 10.7 (Senior Management and Board of Directors) for which a reservation is taken; and

- (g) **Source of Measure** refers to existing measures that apply to the sector, subsector, or activity covered by the reservations and are identified for the transparency purpose only.
- 4. In the interpretation of a reservation, all elements of a reservation shall be considered. The Description of Measure element shall prevail over all other elements.
- 5. These Explanatory Notes shall form part of Cambodia's reservations in this List.

Sector	:	All sectors
Subsector	:	-
Industry Classification	:	-
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4)
Description of Measure	:	<p>National Treatment and Most-Favoured-Nation Treatment shall not apply to any measure relating to land ownership within the constitutional law, land law, and related laws and regulations.</p> <p>A foreigner has ownership rights over the private part of the co-owned building only from the first floor up. The ground floor and under-ground floors shall not be owned by the foreigners. A foreigner is not permitted to have ownership rights over the private parts of the co-owned buildings situated within 30 kilometres distance from land border, and other areas defined by the Royal Government of Cambodia, except the co-owned buildings located in the Special Economic Zones, for important public meeting, and other areas defined by the Royal Government of Cambodia.</p> <p>Land along the border cannot be leased to a national or legal person of a bordering country.</p>
Source of Measure	:	<ul style="list-style-type: none"> <li>- Constitution of the Kingdom of Cambodia, Article 44</li> <li>- <i>Land Law</i> (2001)</li> <li>- <i>The Law on Providing Foreigners with Ownership Rights Over Private Part of the Co-Owned Buildings</i> (2010)</li> <li>- <i>Code of Civil Procedure</i> (2006)</li> <li>- <i>Civil Code</i> (2007)</li> <li>- Sub-Decree No. 114 ANKR.BK dated 29 August 2007 on the Mortgage and Transfer of the Rights over a Long-term lease or an Economic Land Concession</li> <li>- Government circular No. 08 SR dated 17 November 2015</li> </ul>

Sector	:	All sectors
Subsector	:	-
Industry Classification	:	-
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	<p>National Treatment, Prohibition of Performance Requirements and Senior Management and Board of Directors shall not apply to any measure regarding the hiring of employment policies and obligation of an investor.</p> <p>Employers must give preference to Cambodians when hiring a worker (Article 263 of <i>Labor Law</i> (1997)). Investors shall be obliged to promote Cambodian staff to a senior management level, and this shall be made over time.</p> <p>The maximum percentage of foreigners who may be allowed to be employed in each of the enterprises shall not exceed 10 per cent of the total number of Cambodian employees.</p> <p>This rate of 10 per cent is divided into three categories of employees:</p> <ol style="list-style-type: none"> <li>1. Office employees: three per cent</li> <li>2. Employees or skilled workers: six per cent</li> <li>3. Employees or Non-skilled workers: one per cent</li> </ol> <p>For the establishment and operation of factory, the factory owner shall give priority to Cambodian engineers and technicians.</p>
Source of Measure	:	<ul style="list-style-type: none"> <li>- <i>Law on Investment of the Kingdom of Cambodia</i> (1994)</li> <li>- <i>Law on the Amendment of the Law on Investment of the Kingdom of Cambodia</i> (2003)</li> <li>- <i>Law on Administration of Factory and Handicraft</i> (2006 and amendment 2014), Article 10</li> </ul>

	<ul style="list-style-type: none"><li>– Sub-Decree No. 111 ANK/BK dated 27 September 2005 on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia</li><li>– Prakas No. 162 MOSALVY dated 16 July 2001 on the use of the foreign manpower issued by the Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation</li><li>– Prakas No.196 K.B/ BR K dated 20 August 2014 on Employment of Foreign Labour</li><li>– Code of Civil Procedure (2006)</li></ul>
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Sector	:	All sectors
Subsector	:	-
Industry Classification	:	-
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	<p>National Treatment and Senior Management and Board of Directors shall not apply to any measure relating to portfolio investments.</p> <ul style="list-style-type: none"> <li>- For domestic purchases by non-residents for equity securities, in the primary market, 20 per cent of each subscription for equity is reserved for Cambodian investors, and the remaining 80 per cent is for both Cambodian and non-Cambodian investors. However, the Director General of the Securities and Exchange Commission of Cambodia (SECC) may define the reallocation if the above allocation is not fulfilled.</li> <li>- A foreign investor cannot buy 100 per cent of subscription of securities publicly issued (maximum 80 per cent).</li> <li>- A corporate secretary must be a Cambodian national and an independent director shall have work experience condition different from a Cambodian national.</li> </ul>
Source of Measure	:	<ul style="list-style-type: none"> <li>- <i>Law on the Issuance and Trading of Non-Government Securities</i> (2007)</li> <li>- <i>Law on Government Securities</i> (2020)</li> <li>- Sub-decree on the implementation of the <i>Law on the Issuance and Trading of Non-Government Securities</i> (2009)</li> <li>- Article 65 of sub-decree on the implementation of the <i>Law on the Issuance and Trading of Non-Government Securities</i> (2009)</li> <li>- Article 36 of sub-decree No. 005/15 (2015)</li> <li>- Sub-decree on the Conduct and Organization of the Securities and Exchange Commission of Cambodia</li> <li>- Article 12 and 23 of Prakas No. 031/10 on corporate governance for the listed public enterprise dated on 15 December 2010</li> </ul>

	<ul style="list-style-type: none"><li>– Prakas on Public offering of Equities Securities</li><li>– Prakas on Public offering of Debt Securities</li><li>– Prakas on Licensing and Supervision of Derivative Trading</li><li>– The guideline on the mechanics of trading</li><li>– The guideline on Client Money Account and Mechanism of Deposit, Withdrawal and Settlement of Client money for trading derivative</li><li>– National Economic Development Policy</li><li>– Stock Market Development Policy and its strategies</li></ul>
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Sector	:	Manufacturing
Subsector	:	Production or processing of psychotropic substances and narcotic substances: Schedules I, II, and III of the <i>Single Convention on Narcotic Drugs</i> done at New York, 30 March 1961 (hereinafter referred to as "1961 Convention" in this Entry) and the <i>Convention on Psychotropic Substances</i> done at Vienna, 21 February 1971 (hereinafter referred to as "1971 Convention" in this Entry)
Industry Classification	:	ISIC 2429
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	National Treatment and Senior Management and Board of Directors shall not apply to any measure relating to the manufacturing of narcotic and psychotropic substances.  Manufacturing of narcotic and psychotropic substances of Schedule I is prohibited in Cambodia, but the manufacturing of finished products of Schedule II and III <sup>1</sup> are only permitted according to the needs and planning of the Ministry of Health of Cambodia.
Source of Measure	:	<ul style="list-style-type: none"> <li>– <i>Law on the Controlling of Drugs</i> (1997), Articles 1 through 4</li> <li>– Schedule I, II, and III of the 1961 Convention and the 1971 Convention</li> </ul>

<sup>1</sup> Schedule II (Tables I and II of the 1961 Convention): Acétyldihydrocodéine, Acétylméthadol, Alfentanil, Allylprodine, Alphaméprodine, Alphaméthadol, Alpha-méthylthiophentanyl, Alphaprodine, Aniléridine, Benzéthidine, Benzylmorphine, Bétacétylméthadol, Bétaméprodine, Bétaméthadone, Bétaprodine, Bézitramide, Butyrate de dioxaphétyl, Cétobémidone, Clonitazene, Lévorphanol, Lévorphanol, Métazocine, Méthadone, Méthadone, intermediary of the cyano-4 diméthylamino-2 diphényl-4, 4 butane, Méthyldésorphine, Méthyldihydromorphine, Métopon, Moramide, Morphéridine, Morphine, Morphine méthobromide and other by products from morphines of pentavalent azote, Myrophine, Nicocodine, Nicodicodine, Nicomorphine, Noracyméthadol, Norcodéine, Norlévorphanaol, Norméthadone, Normorphine, Norpipanone, N-oxymorphine, Opium, Oxycodone, Oxymorphone, Péthidine, Mécloquelone, Métamfétamine, Métaqualone, Méthylphénidate, Phencyclidine, Phenmétrazine, Racémate de Métamfétamine, and Sécoabarital.

Schedule III (Table III of the 1971 Convention): Amobarbital, Buprénorphine, Butalbital, Cathine, cyclobarbital, Glutéthimide, Pentazocine, and Pentobarbital. (Table IV of the 1971 Convention): Allobarbital, Alprazolam, Amfépranone, Barbital, Banzfétamine, Bromazépam, Butobarbital, Camazépam, Chloiazéproide, Clobazam, Clonazépam, Nordazépam, Oxazépam, Oxazolam, Pémoline, Phendimétrazine, Phénobarbital, Phentermine, Pinazépam, Papradol, Prazépam, Pyrovalérone, Secbutabarbital, Témazépam, Trizolam, and Vinylbital.

	<p>– Sub-Decree No. 111 ANK/BK dated 27 September 2005 on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia</p>
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Sector	:	Manufacturing
Subsector	:	Production of poisonous chemicals, agriculture pesticide, or insecticide and other goods by using chemical substances
Industry Classification	:	ISIC 2421
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	<p>National Treatment, Most-Favoured-Nation Treatment and Senior Management and Board of Directors shall not apply to any measure relating to the production of poisonous chemicals, and agriculture pesticide or insecticide.</p> <p>The production of other goods by using chemical substances, prohibited by international regulations or the World Health Organization, is prohibited for all investors.</p> <p>The production, processing, and registration of pesticide in the list of banned pesticides <sup>2</sup> in Cambodia are prohibited. The production, processing, and registration of other pesticides shall also be rejected if:</p> <ol style="list-style-type: none"> <li>1. information and data attached to the application are false;</li> <li>2. pesticide is highly toxic to public health or causes risk rather than the advantage of that pesticide usage;</li> <li>3. pesticide is a phytotoxic product, that cannot compensate the losses of crop yield;</li> <li>4. the efficacy of the pesticide has lower standard than what is clarified;</li> <li>5. the pesticide contains persistent toxic residue in crops and in the environment.</li> </ol>
Source of Measure	:	<ul style="list-style-type: none"> <li>– Prakas No. 598 BRK.KSK dated 15 December 2003 issued by Ministry of Agriculture, Forestry and Fishery</li> <li>– Prakas No. 484 BRK.KSK dated 26 November</li> </ul>

<sup>2</sup> The list of banned pesticides can be found in annex 1 of *Prakas No. 484 BRK. KSK* dated 26 November 2012 issued by Ministry of Agriculture, Forestry and Fishery.

	<p>2012 issued by Ministry of Agriculture, Forestry and Fishery</p> <ul style="list-style-type: none"><li>– Sub-Decree No. 111 ANK/BK dated 27 September 2005 on the Implementation of the <i>Law on the Amendment to the Law on Investment of the Kingdom of Cambodia</i></li><li>– <i>Law on the management of pesticides and fertilizers</i> (2012), Article 8 and Article 16</li></ul>
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Sector	:	Agriculture
Subsector	:	Seed management and Plant breeder's rights
Industry Classification	:	ISIC 0140
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	A foreign person cannot enjoy a plant breeder's right or related rights except for a foreign person who: <ol style="list-style-type: none"> <li>1. has resident status in Cambodia; or</li> <li>2. has a permanent residence in a signatory state of the <i>Convention of the International Union for the Protection of New Varieties of Plants</i> adopted in Paris in 1961, as amended, or in any State which has a memorandum of understanding with Cambodia regarding plant variety protection.</li> </ol>
Source of Measure	:	– <i>Law on seed management and plant breeder's rights</i> (2008), Article 13 and related regulations

Sector	:	Fishery
Subsector	:	Inland and marine fishery
Industry Classification	:	ISIC 0500
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	<p>The following activities shall be prohibited for all investors:</p> <ol style="list-style-type: none"> <li>1. fishing during closed season (for middle-scale and industrial fishing);</li> <li>2. any fishing activities in the fishery conservation areas, except where special permission is granted by the Minister of Agriculture Forestry and Fisheries to the Fisheries Administration to conduct scientific, technical research, and experiments related to fishery;</li> <li>3. bypass navigations or any activities in the fisheries conservation areas except competent officers in case of law enforcement;</li> <li>4. new settlement of less than two kilometres distance from the boundaries of fishery conservation areas except for Fisheries Administration resident which is used for law enforcement purposes;</li> <li>5. any fishing activities in the fishery domain using the prohibited gears<sup>3</sup>;</li> <li>6. producing, buying, selling, transporting, and storing any electrocuting devices, all types of mosquito net fishing gear, mechanised motor pushed nets, inland trawlers that are used for fishing purpose; and</li> <li>7. other activities prohibited in the <i>Law of Fisheries</i> (2006).</li> </ol> <p>A foreign person cannot enjoy small-scale or family-scale fishing.</p> <p>Fishing exploitation or aquaculture by foreigners must be conducted under the agreement with the Ministry of Agriculture Forestry and Fisheries after obtaining the approval from the Royal Government of Cambodia.</p>

<sup>3</sup> The prohibited fishing gears can be found in Article 20 of *Law on Fisheries* (2006).

	<p>Transshipments of fishery products and anchoring of the foreign fishing vessels shall be in accordance with terms and conditions determined by the Fisheries Administration.</p> <p>Foreign fishing vessels that are permitted to fish in the marine fishery domain shall inform the Fisheries Administration prior to port calls in marine fishery domains of Cambodia.</p> <p>Only Cambodian (Khmer) nationals can establish fishing community in their locals in order to manage, conserve, develop and use fishery resources.</p>
Source of Measure	: <ul style="list-style-type: none"> <li>– <i>Law on Fisheries</i> (2006)</li> <li>– Sub-decree No. 25 ANK.BK dated 20 March 2007 on management of fishing community</li> </ul>

Sector	:	Forestry
Subsector	:	Forestry and Logging: Forestry exploitation business
Industry Classification	:	ISIC 0200
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	<p>National Treatment and Senior Management and Board of Directors shall not apply to any measure relating to restriction or regulation on forestry and forestry-related industries.</p> <p>All activities prescribed in Articles 28 through 39 of Chapter 8 of the <i>Law on Forestry</i> (2002) shall be prohibited. Natural protected areas shall be governed by the <i>Law on Environmental Protection and Natural Resource Management</i> (1996), with the purpose to:</p> <ul style="list-style-type: none"> <li>- protect and promote environmental quality and public health through the prevention, reduction, and control of pollution;</li> <li>- assess environmental impacts of all proposed projects prior to the issuance of the decision by the Royal Government of Cambodia;</li> <li>- ensure rational and sustainable conservation, development, management, and use of the natural resources of Cambodia;</li> <li>- encourage and enable the public to participate in environmental protection and natural resource management;</li> <li>- suppress any acts that cause harm to the environment.</li> </ul> <p>Cambodia's measures relating to the investments in the Permanent Forest Reserves, except for rubber and eucalyptus plantations, are for the purpose of ensuring the sustainable management of forests for its social, economic and environmental benefits, including conservation of biological diversity and cultural heritage. Investors or the investment must comply with environmental impact assessment screening criteria and assessment process applicable to their proposed investments prior to their establishment, as required by the <i>Law on Environmental Protection</i></p>

	<i>and Natural Resource Management</i> (1996) and its Sub-Decree on Environmental Impact Assessment Process (EIAP) for such investment.
Source of Measure	: <ul style="list-style-type: none"> <li>– <i>Law on Forestry</i> (2002)</li> <li>– <i>Law on Environmental Protection and Natural Resource Management</i> (1996)</li> <li>– Government Declaration dated 25 January 1999 on Management and Elimination of Forest Anarchy</li> <li>– Sub-Decree No. 111 ANK/BK dated 27 September 2005 on the Implementation of the <i>Law on the Amendment to the Law on Investment of the Kingdom of Cambodia</i></li> </ul>

Sector	:	Mining
Subsector	:	Mining including sand exploitation, and oil and gas extraction and refinery
Industry Classification	:	ISIC 1410, 1110
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	<p>To protect the natural environment in all areas within the fresh water and sea water in Cambodia, all kinds of sand exploitation for export abroad shall be prohibited.</p> <p>National Treatment, Prohibition of Performance Requirements and Senior Management and Board of Directors shall not apply to any measure relating to mining including the sand exploitation, and oil and gas activities carried out within Cambodia.</p> <p>An investment licence in mining, including sand exploitation and oil and gas activities, is required and shall be subject to terms and conditions determined by the Council of Ministers, the Ministry of Mines and Energy, and the relevant regulatory authorities.</p> <p>Investment projects involving exploration and exploitation of minerals and natural resources shall be submitted for the approval of the Council of Ministers.</p> <p>The export of all types of natural resources is prohibited. Mineral resources shall be preserved to meet the demand of the domestic factories in converting those mineral resources to finished products. Only finished products are allowed for export.</p> <p>Petroleum contractors shall have obligations to (1) provide education, training, and prioritising employment for Cambodian people and (2) maximise the utilisation of domestic labour force, goods, and services.</p>

	<p>The Royal Government of Cambodia can require petroleum contractors to supply not more than 25 per cent of their petroleum share for fulfilling domestic demand. In case of emergency in domestic supply, the exportation of petroleum's resources shall be prohibited.</p> <p>Petroleum contractors shall submit all petroleum data from their operations to the Ministry of Mines and Energy when the petroleum agreement is completed or expired.</p> <p>Petroleum contractors shall submit all information and reports to the Ministry of Mines and Energy.</p> <p>The Ministry of Mines and Energy can publicly disseminate relevant information related to petroleum operations, and environmental and social.</p> <p>The State has its right to participate in the shares of petroleum operation. The shares participation of the State is approved by the Prime Minister.</p>
Source of Measure	<p>:</p> <ul style="list-style-type: none"> <li>– <i>Law on Environmental Protection and National Resource Management</i> (1996)</li> <li>– <i>Law on Mineral Resource Management and Exploitation</i> (2001)</li> <li>– <i>Law on Management of Petroleum and Petroleum Products</i> (2019)</li> <li>– Sub-Decree No. 27 ANRK.BK dated 6 April 1999 on the Water Pollution Control</li> <li>– Article 11 of sub-decree No. 60 ANK. BK dated 5 April 2016 on the organization and functioning of the Council for the Development of Cambodia</li> <li>– Sub-Decree No. 08 ANK.BK dated 31 January 2005</li> <li>– Government Decision No. 29 SSR dated 8 May 2009 on the Limitation of Sand Exploitation</li> </ul>

Sector	:	All Sectors
Subsector	:	-
Industry Classification	:	-
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	<p>Investment projects which:</p> <ul style="list-style-type: none"> <li>- have investment capital of USD 50 million or more;</li> <li>- involve politically sensitive issues;</li> <li>- may have negative impact on the environment</li> <li>- have long-term strategy; or</li> <li>- involve infrastructure concession,</li> </ul> <p>shall be submitted for the approval of the Council of Ministers. Other or further requirements relating to National Treatment, Prohibition of Performance Requirements and Senior Management and Board of Directors for the aforementioned investment projects may be adopted by the Council of Ministers.</p> <p>Prohibition of Performance Requirements and Senior Management and Board of Directors shall not apply to any measure relating to tax incentive for small and medium enterprises with any condition as follows:</p> <ul style="list-style-type: none"> <li>- to use at least 60 per cent local content; or</li> <li>- to increase the number of employees by at least 20 per cent; or</li> <li>- to locate in small and medium enterprises cluster.</li> </ul>
Source of Measure	:	<ul style="list-style-type: none"> <li>- <i>Law on Investment of the Kingdom of Cambodia (1994)</i></li> <li>- <i>Law on the Amendment of the Law on Investment of the Kingdom of Cambodia (2003)</i></li> <li>- Sub-Decree No. 111 ANK/BK dated 27 September 2005 on the Implementation of the <i>Law on the Amendment to the Law on Investment of the Kingdom of Cambodia</i></li> </ul>

	<ul style="list-style-type: none"><li>– Sub-decree No. 124 ANK.BK dated 2 October 2018 on tax incentive for Small and Medium Enterprises</li><li>– Article 11 of sub-decree No. 60 ANK. BK dated 5 April 2016 on the organization and functioning of the Council for the Development of Cambodia</li></ul>
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## LIST B

### EXPLANATORY NOTES

1. This List sets out, pursuant to Article 10.8 (Reservations and Non-Conforming Measures), the specific sectors, subsectors or activities for which Cambodia may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
  - (a) Article 10.3 (National Treatment);
  - (b) Article 10.4 (Most-Favoured-Nation Treatment);
  - (c) Article 10.6 (Prohibition of Performance Requirements); and
  - (d) Article 10.7 (Senior Management and Board of Directors).
2. Cambodia reserves the right to maintain and to add, for policy flexibility, to this List any non-conforming measure at all levels of government that existed prior to but was not listed in this List at the date of entry into force of this Agreement, for a period of 24 months from the date of entry into force of this Agreement, against the above-mentioned obligations. Cambodia shall notify the other Parties of any such maintenance or addition in this List, through the Depositary. Such maintenance or addition will take effect on the date of such notification.
3. Each reservation in this List shall set out the following elements, where applicable:
  - (a) **Sector** refers to the sector in which a reservation is taken;
  - (b) **Level of Government** indicates the level of government maintaining the measures for which a reservation is taken. For the purposes of the Level of Government element, National Administration refers to Central Government and Sub-National Administration refers to Capital/Provinces, Khans/Municipalities/Districts and Sangkats/Communes;
  - (c) **Type of Obligation** refers to the obligations of Article 10.3 (National Treatment), Article 10.4 (Most-Favoured-Nation Treatment), Article 10.6 (Prohibition of Performance Requirements), and Article 10.7 (Senior Management and Board of Directors), as the case may be, which do not apply to the measures for which a reservation is taken;
  - (d) **Description of Measure** refers to a measure that does not conform to Article 10.3 (National Treatment), Article 10.4 (Most-Favoured-Nation Treatment), Article 10.6 (Prohibition of Performance Requirements), and Article 10.7 (Senior Management and Board of Directors) for which a reservation is taken; and
  - (e) **Source of Measure** refers to existing measures that apply to the sector, subsector, or activity covered by the reservations and are identified for the transparency purpose only.

4. In the interpretation of a reservation, all elements of a reservation shall be considered. The Description of Measure element shall prevail over all other elements.
5. These Explanatory Notes shall form part of Cambodia's reservations in this List.

Sector	:	All sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure relating to special preferences or treatments granted to Micro, Small and Medium-sized Enterprises (MSME).
Source of Measure	:	<ul style="list-style-type: none"> <li>– Industrial Development Policy 2015-2025 dated 6 March 2015</li> <li>– SME Promotion Policy Framework (2015)</li> <li>– Draft Policy on Promotion of Small and Medium Enterprises</li> <li>– Draft Law on Investment as of 14 June 2019</li> <li>– Draft Law on Special Economic Zones as of 14 June 2019</li> </ul>

Sector	:	All sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure regarding subsidies.
Source of Measure	:	-

Sector	:	All sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	Most-Favoured-Nation Treatment (Article 10.4)
Description of Measure	:	<p>Cambodia reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement or arrangement in force or signed prior to the date of entry into force of this Agreement.</p> <p>Cambodia reserves the right to adopt or maintain any measure that accords differential treatment to Member States of ASEAN under any ASEAN agreement open to participation by any Member States of ASEAN in force or signed after the date of entry into force of this Agreement.</p> <p>Cambodia reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement or arrangement in force or signed after the date of entry into force of this Agreement.</p>
Source of Measure	:	<ul style="list-style-type: none"> <li>– Cambodia Industrial Development Policy 2015-2025 dated 6 March 2015</li> <li>– Rectangular Strategy, Phase IV, of the Royal Government of Cambodia</li> <li>– National Strategic Development Plan (2019-2023)</li> </ul>

Sector	:	Agro-industries, Supporting industries, Handicraft
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure relating to agro-industries, supporting industries for the agriculture, tourism, and textile sector, cultural, historical, or traditional handicraft and incidental services to all the said sectors or industries.
Source of Measure	:	<ul style="list-style-type: none"> <li>– Cambodia Industrial Development Policy 2015-2025 dated 6 March 2015</li> <li>– Rectangular Strategy, Phase IV, of the Royal Government of Cambodia</li> <li>– National Strategic Development Plan (2019-2023)</li> </ul>

Sector	:	All sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure relating to national defence, public order and security.
Source of Measure	:	-

Sector	:	All sectors
Level of Government	:	Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure already or will be adopted, or maintained by Sub-National Administration or Authorities affecting investor or investment.
Source of Measure	:	-

Sector	:	Real estate
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure with respect to real estate development, supply, management, sale, and rental services.
Source of Measure	:	-

Sector	:	All sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure that accords rights or preferences to socially or economically disadvantaged groups, such as disabled persons and ethnic minorities.
Source of Measure	:	-

Sector	:	All sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Prohibition of Performance Requirements (Article 10.6) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure affecting the administration and operation of any State-owned enterprises including the Electricity Authority of Cambodia (EAC), Small and Medium Enterprises Bank of Cambodia (SME Bank), Agricultural and Rural Development Bank, Electricité du Cambodge (EDC), Phnom Penh Water Supply Authority (PPWSA), and Green Trade.
Source of Measure	:	-

Sector	:	All sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure relating to investment in services, on condition that such measures do not constitute a violation of its obligations under Chapter 8 (Trade in Services) including National Treatment and Most-Favoured-Nation Treatment.
Source of Measure	:	-

Sector	:	All sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure already or will be adopted or maintained by Central Government.
Source of Measure	:	<ul style="list-style-type: none"> <li>– <i>Law on the Issuance and Trading of Non-Government Securities</i> (2007)</li> <li>– <i>Law on Government Securities</i> (2020)</li> <li>– Sub-degree on the implementation of the <i>Law on the Issuance and Trading of Non-Government Securities</i> (2009)</li> <li>– Sub-Degree on the Conduct and Organization of the Securities and Exchange Commission of Cambodia</li> <li>– Prakas on Public offering of Equities Securities</li> <li>– Prakas on Public offering of Debt Securities</li> <li>– Prakas on Licensing and Supervision of Derivative Trading</li> <li>– The guideline on the mechanics of trading</li> <li>– The guideline on Client Money Account and Mechanism of Deposit, Withdrawal and Settlement of Client money for trading derivative</li> <li>– National Economic Development Policy</li> <li>– Stock Market Development Policy and its strategies</li> </ul>

Sector	:	All Sectors
Level of Government	:	National Administration and Sub-National Administration
Type of Obligation	:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4)
Description of Measure	:	Cambodia reserves the right to adopt or maintain any measure relating to land including the acquisition, ownership, lease, policy on the usage of land, land planning, and term of land use, rights and obligations of land users.
Source of Measure	:	<ul style="list-style-type: none"> <li>– Constitution of the Kingdom of Cambodia, Article 44</li> <li>– <i>Land Law</i> (2001)</li> <li>– <i>Law on Providing Foreigners with Ownership Rights Over Private Part of the Co-Owned Buildings</i> (2010)</li> <li>– <i>Code of Civil Procedure</i> (2006)</li> <li>– <i>Civil Code</i> (2007)</li> <li>– Sub-Decree No. 114 ANKR.BK dated 29 August 2007 on the Mortgage and Transfer of the Rights over a Long-term lease or an Economic Land Concession</li> <li>– Government circular No. 08 SR dated 17 November 2015</li> </ul>