

Technical update

February 2026

Ministry of Commerce

Prakas 117 on the Simplified Business Registration Procedure

The Ministry of Commerce (“MoC”) issued Prakas No. 117 dated 9 December 2026, effective 8 January 2026, which modernizes and streamlines the business registration framework in Cambodia. The regulation has been issued with the intention of providing simplified procedures for company registration, amendments, local branch registration, dissolution, annual declarations, and corporate compliance.

The Prakas is organized into twelve chapters, covering general provisions, recognition of legal form, company registration, local branch registration, amendments, reregistration, dissolution, annual declaration, company secretary requirements, complaints procedures, service fees, and final provisions.

Below is a summary of the key changes compared to the previous regulation and/or practice:

| Area | Before (Old Regulation / Practice) | After (New Prakas) |
|--|---|--|
| 1. Use of “Holding” or “Group” in Company Names | <p>“Holding” Companies:</p> <ul style="list-style-type: none"> • Minimum 3 subsidiaries in Cambodia • Parent must include business objective No. 642 • Parent prohibited from commercial activities • ≥51% voting shares in each subsidiary <p>“Group” Companies:</p> <ul style="list-style-type: none"> • Minimum 3 subsidiaries in Cambodia • ≥51% voting shares in each subsidiary | <ul style="list-style-type: none"> • No change. |
| 2. Company Registration | <ul style="list-style-type: none"> • Registration fully electronic • Shareholder documents & resolutions require foreign notarization • No background checks • Electronic signatures not accepted • No submission deadline for hard copies | <ul style="list-style-type: none"> • Registration remains electronic • Certification on the shareholder documents accepted from: Cambodian Notary, Embassy/Consulate, or MoC-recognized foreign Chamber • Shareholder resolutions no longer require notarization • Background checks mandatory for individuals • Electronic signatures permitted • Hard copies required within 30 days of incorporation (risk of cancellation) |

| Area | Before (Old Regulation / Practice) | After (New Prakas) |
|--|---|--|
| 3. Local Branch Registration | <ul style="list-style-type: none"> Request letter signed by Chairman Board Resolution signed by all directors Electronic signatures not accepted | <ul style="list-style-type: none"> Request or authorization letter may be signed by one director Electronic signatures permitted |
| 4. Amendments to Registration | <ul style="list-style-type: none"> Most amendments online; branch changes/closures required hard-copy filing Foreign notarization required for shareholder documents No background checks No electronic signatures No specific deadline | <ul style="list-style-type: none"> All amendments processed online Certification accepted from Cambodian Notary, Embassy/Consulate, or MoC-recognized foreign Chamber Background checks required for individuals Electronic signatures permitted Hard copies required within 30 days |
| 6. Online Re-registration | Subject to fixed deadlines | No deadline imposed |
| 7. Dissolution & Deregistration | <p>Intend to dissolve (first stage):</p> <ul style="list-style-type: none"> Request letter Shareholder & Board resolutions Statement of intent <p>Deregistration Process (Final Stage)</p> <ul style="list-style-type: none"> Request letter Shareholder resolution Certificate of Tax Situation Liquidation report Licensed liquidator appointment (ACAR) Newspaper publication | <p>Intent to Dissolve:</p> <ul style="list-style-type: none"> Request letter Shareholder resolution Certificate of Tax Situation Annual Tax on Income Return (up to closure) <p>Final Deregistration:</p> <ul style="list-style-type: none"> Request letter & shareholder resolution Certificate of Tax Situation Liquidation report Additional tax payment receipt (if applicable) Annual closing report Appointment & ID of ACAR-licensed auditor Electronic signatures permitted |
| 8. Annual Declaration | <ul style="list-style-type: none"> Deadline: within 90 days from anniversary date of incorporation Limited documentation Penalty: KHR 2,000,000/year | <ul style="list-style-type: none"> Deadline: 3 months from anniversary + 15-day grace period Required documents include: VAT number, tax registration date, Patent Certificate, employee details, contact information; PLCs must submit financial report & shareholder list Penalty: KHR 2,000,000/year Companies missing filings for 3 years become inactive Directors/shareholders placed on MoC watchlist May result in dissolution |

| Area | Before (Old Regulation / Practice) | After (New Prakas) |
|---|---|--|
| 9. Company Secretary Requirement | Required but lacked qualification criteria and defined responsibilities | <ul style="list-style-type: none"> • Appointment required within 3 months • May be an individual or legal entity • Must complete MoC training and be formally recognized • Security deposit: KHR 4M (entity) / KHR 2M (individual) • Clear qualification standards • Responsibilities include governance compliance, recordkeeping, document certification, meeting administration, and liaison with authorities |
| 10. Complaints Procedure | No standardized process | <ul style="list-style-type: none"> • Formal complaint mechanism introduced • Two types: general complaints and preventive share-transfer complaints • Preventive complaints may only be filed by shareholders • Must follow MoC procedures and fee requirements |
| 11. Service Fee Payments | Paid either online or in cash at MoC | All service fees must be made via electronic payment |

Our Comments:

We note that some of the requirements under this Prakas are new and result in additional compliance obligations for entities operating in Cambodia, such as the requirement for Company Secretaries to complete MoC training. Furthermore, there is currently a lack of implementation guidelines to enable some of these new requirements to be implemented in practice. Therefore, it will be necessary to await further information from the MoC to ensure full compliance with the requirements outlined in this Prakas.

As a trusted professional firm, KPMG Cambodia is pleased to discuss how these updates may impact your business. For more information or any related inquiries, please feel free to contact us.

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