

construction and commissioning of production methods, or any other form of capital contributions that the parties may agree upon. In addition, a foreign investor should note that the Cambodian party is not allowed to contribute foreign currencies to the capital of the enterprise.

If the joint venture is formed to conduct import and export activities, the foreign contribution to the equity may not exceed 49 percent of the total.

There are no limits to the duration of a joint venture which may be determined by agreement between the parties. A joint venture enterprise may also cease its business activities prior to its designated period by requesting and obtaining the consent of the Council of Ministers.

Whether or not the items are produced for export, other regulations require the new joint venture company to allocate a percentage of their product to the local market based on government priorities. Moreover, each partner shall be liable for acts of its co-partner, the enterprise, or a third party, but only up to the limits of its own contribution to the legal capital.

22.6 Wholly-Owned Company

A foreign enterprise in the SOC is a foreign investment with 100 percent foreign capital. It is the property of the investor who maintains the right to manage it individually. An agent can be designated to act on behalf of the foreign investor who chooses not to live in the country.

22.7 Business Cooperation Contract

A business cooperation contract is defined as "an agreement between the investor in Cambodia and a state entity in Cambodia for the purpose of undertaking activities of production and business in the state and to share between themselves the profits resulting from their activities." Trade and barter agreements are excluded from the contract. Private Cambodian companies are not able to enter into a business cooperation contract.

22.8 Representative Offices

Foreign companies are also permitted to establish representative offices in Cambodia; however, as in most Southeast Asian countries, representative offices may not directly import, export, or sell goods. There is no limit as to how long the representative office may exist nor is there a requirement for the senior official to be a Cambodian national. The office can sign contracts with Cambodian entities.