



ព្រះរាជក្រឹត្យ

ROYAL KRAM

NS/RKM/0510/006

We,

KING NORODOM SIHAMONI

- Having seen the constitution of the kingdom of Cambodia;
- Having seen the Royal Decree NS/RKT/0908/1055 dated 25th September, 2008 on the Nomination of the Royal Government of Cambodia;
- Having seen the Royal Kram No. 02/NS/94 dated 20th July, 1994 Promulgating the Law on Organization and Functioning of Council of Minister;
- Having seen Royal Kram NS/RKM/0699/09 23rd June, 1999 Promulgating the Law on Establishment of Ministry of Land Management, Urban Planning and Construction;
- Having seen the request from Samdech Akka Moha Sena Pati Techo Hun Sen, Prime Minister of the Kingdom of Cambodia and pursuant to request of minister of Land Management, Urban Planning and Construction.

HEREBY PROMULGATES

The Law on Providing Foreigners with Ownership Rights Over Private Part of the Co-Owned Buildings which adopted by the National Assembly on 5th April, 2010 at its 4th plenary session of the 4th mandate, entirely approved by the Senate on its form and legal concepts on the 27th April, 2010 at its 7th plenary session of the 2nd legislature, and which has its full substance as follows

LAW

ON

PROVIDING FOREIGNERS WITH

OWNERSHIP RIHGT

OVER

PRIVAT PARTS OF CO-OWNED BUILDINGS

CHAPTER I

General Provisions

Article 1:-

The law provides foreigners with ownership rights over private parts and rights to use and enjoy over the common parts of the co-owned buildings.

Article 2:-

The purpose of this law is to:

- Determine the general principles, rights and obligations of the foreigners with ownership rights over the private parts of the co-owned buildings and other rights connected to the common parts and the procedure for registration of these ownership rights.
- Facilitate foreigners' investing in the Kingdom of Cambodia.
- Facilitate investors' business in the field of construction as well as to response to the increasing of real estate market in the Kingdom of Cambodia.

Article 3:-

The scope of this law shall apply to foreigners and Cambodian citizens having ownership over private parts of the co-owned buildings in the Kingdom of Cambodia.

Article 4:-

The terms use in this law shall be defined as below:

- **Foreigner:** refer to a natural or legal person of foreign national, and has no Khmer nationality, without any discrimination regardless of nationality, belief, religion or origin.
- **Legally Qualified Foreigners:** refer to foreigners, who enjoy legal capacity of Cambodian laws, and have legally entered into Cambodia.
- **Co-Owned Building:** refer to buildings or constructions in which several owners live. A Co Owned Building has some parts that are exclusive ownership of each of the co-owners and are called "Private Parts" when other parts are commonly used by the co-owners and called "Common Parts". There are many categories of co-owned buildings such as detached buildings, semi-detached ones, attached houses (that have several attached "Loveng" and "Floors"), Condominium or other kind houses with common structures.
- **Private Parts:** refer to the parts of the co-owned building, which are privately and exclusively occupied and used.
- **Co-Owners over Private Parts:** refer to person who has the ownership rights over the private parts.
- **Common Parts:** refer to all parts of the co-owned buildings, which are subject to common use or benefit for all co-owners such as ground, courtyards, parks and gardens, roads, access ways, stairs and joint walls, main structure of the buildings, common facilities, including water, electricity, and

gas pipelines, waste water, drainage system, which cross private parts, flues and stacks of chimneys, and common service area.

- **Special Co-Ownership:** refer to several people's rights as foreigners and Cambodian citizens on the only one co-owned building, in which foreigner and Cambodian citizen has ownership rights over the private part and has the ownership rights on special undivided ownership over the common parts of the co-owned building.
- **Special Co-Owners:** refer to foreigners who have the special co-ownership rights.
- **Special Undivided Ownership Rights:** refer to rights of several people over the common parts of the co-owned building, in which the foreigners have exclusive rights and extensive rights to use, enjoy on the common parts and Cambodian nationality has undivided ownership rights on the common parts because of having ownership over the private parts.
- **Lot:** refer to the private part that is attached to the common parts of the co-owned buildings. Each lot shall have different prices based on whether the private part is small or large, and calculation of prices shall be made according to each co-owner's private unit's surface.

CHAPTER II

General Principles

Article 5:-

The qualified foreigners, have ownership rights over the private parts of the co-owned buildings and rights to use and enjoy on the private parts, and shall obligated to obey to provisions of this law and other related regulations in force.

Article 6:-

Foreigners have ownership rights over the private parts of the co-owned buildings only from the first floor up. The ground floor and under-ground floor shall not be owned by the foreigners.

For a co-owned building, proportion and the way of measuring of the private parts that can be the ownership of a foreigner shall be defined by the Sub Decree.

This ownership offering, is only made to the private parts of the co-owned building. For the common parts of the co-owned buildings shall keep for the benefits of all co-owners in the co-owned buildings.

In whatever situation, the plot of land of a co-owned buildings located, cannot be objective of ownership of the special co-owners.

Foreigners are not permitted to have ownership rights over the private parts of the co-owned buildings situated of 30 (thirty) kilometers distance from land border, and other areas defined by the royal government, except the co-owned buildings located in the Special Economic Zone, important public meeting, and other areas defined by the royal government.

In the case that the co-owned buildings constructed on the rent land from the third party, the foreigner have right to permanent rent on the private parts as Cambodian citizen.

CHAPTER III

Acquisition of Special Co-Ownership

Article 7:-

Special Co-Ownership shall be created, transferred and modified by:

- The consent of the parties with pursuant to the legal provisions or other regulations in force.
- Succession.

Article 8:-

Transferring of the special co-ownership by agreement will not effective if there is no registration in compliance to the legal provisions or other regulations on registration.

Article 9:-

When the Cambodian co-owners over the private parts transferred his/her private parts to foreigners, the special co-owners only acquired the ownership rights over the private parts and only acquired the rights to use and enjoy over the common parts. In this case, the former Cambodian co-owners over the private parts shall lose the undivided ownership rights over the common parts.

In the case that the foreign co-owners over the private parts transferred his/her private parts to Cambodian citizen, the Cambodian co-owner shall acquired the ownership rights over the private parts and undivided ownership on the common parts.

Article 10:-

Successor of the special co-owners shall continued joining the rights and obligations of the predecessor in compliance to laws and regulations in force.

In the case that the succession is free without the continued successor or the successor abundant or the succession have never offered to any person in compliance to laws, the succession is free, shall be belong to state properties.

Article 11:-

In the case of any foreigners acquired the transferring or buying the private parts of co-owned buildings violate to article 6 of this law after the come into force of this law, it shall be considered that operation be null, and the parties operate together shall transfer it back.

CHAPTER IV

Rights and Obligations of the Special Co-Owners

Section 1

Rights and Obligations of the Special Co-Owners over the Private Parts

Article 12:-

Special co-owners over the private parts have rights to use and enjoy and manage on the private parts which belong to it freely in the scope of law defined.

Article 13:-

Special co-owners of the private parts cannot use its private part to have malevolence, breach or obstruct to the use or bother the livelihood of other co-owners over the private parts.

Special co-owners of the private parts shall not commit any action that affect to the maintenance of a co-owned building or other actions contradicted to the collective interest of the co-owners over the private part related to management or using of a co-owned building.

Article 14:-

Special co-owners over the private part of a co-owned building shall have obligations and burdens to Cambodian co-owners as well. Special co-owners shall respect the obligations and/or burdens stipulated in inter rule of a co-owned building and/or any laws in force.

SECTION 2

Rights and Obligations of the Special Co-Owners over the Common Parts

Article 15:-

The common parts shall be in the special undivided ownership of the co-owners on all the private parts.

Special co-owners have only right to use and enjoy on the common parts.

Article 16:-

Special undivided ownership and other supplement rights recognized by law shall not be an objective of dividing, arranging, and force to sell separately from the private parts.

Article 17:-

Special co-owners shall join to take care of the common parts. This burden shall be divided through the proportion of each plot, except otherwise agreement stated, or separately state in the internal rule.

Article 18:-

The right to use and enjoy the common parts, including the land on which the co-owned building is situated or the land developed as courtyard that has been determined as a common parts, shall not cease although the building or the private unit ceases to exist.

In the event that a co-owned building becomes dilapidated, impossible to reside in, or destroyed in any way including by a forced measure by the competent authorities to dismantle it for the safety of the residents, all co-owners may agree on repairing or reconstructing by taking charge of the expenses according to the proportion of the value of each lot or according to a previously made agreement or the

internal rules. The repair or reconstruction shall be undertaken in compliance with the effective legal procedures regarding construction permits and shall maintain the original structure of the building unless there is an agreement to the contrary or provided otherwise by the internal rules of the co-owned building.

In the event that a co-owned building gets totally destroyed by a human act or by force majeure and the Cambodian co-owners agree to sell the land on which the co-owned building is situated, special co-owners shall be entitled to receive sale proceeds based on their right to use and enjoy the common areas according to the proportion of the surface area of their private units or according to a previously made agreement or the internal rules.

CHAPTER V

Procedure for Registration and Issuance of Certificate

Article 19:-

The legal provisions and other regulations relevant to procedural mechanisms of registration and issuance of certificates shall likewise apply to the procedure for registration and issuance of certificates for special co-ownership of the co-owned buildings.

A sample of the certificate of ownership of a private unit of a special co-owner, with wording regarding rights, shall be determined by Prakas of the Minister of Land Management, Urban Planning, and Construction.

CHAPTER VI

Penalties

Article 20:-

Special co-owners who infringe on the common areas of a building or the land by altering it for private use or for sale shall be forced to make restitution. Such co-owners shall be penalized as stated in Article 257 of the Land Law.

Special co-owners who refuse to participate in taking charge of the maintenance of the common areas or fail to comply with the requirements of public order shall be penalized as stated in Article 258 of the Land Law.

Article 21:-

A violation committed by the cadastral authority against the provisions of this law concerning registration or issuance to a special co-owner of a certificate of ownership of a private unit of a co-owned building, shall be penalized as stated in Article 264 of the Land Law.

CHAPTER VII

Transitional Provisions

Article 22:-

Any foreigner who purchased or received the transfer of a private unit of a co-owned building before this law came into effect and in conflict with the provisions of Article 6 of this law, shall be allowed to rectify himself and obey this law within a period of 2 (two) years.

In case of failure to comply with the first paragraph, the competent authority shall file a complaint to the competent court in order to force-sell the private unit of the co-owned building.

CHAPTER VIII

Final Provisions

Article 23:-

Any provisions contrary to this law shall be considered as null and void.

Article 24:-

This law shall be promulgated urgently.

Done at the Royal Palace, Phnom Penh, May 24, 2010

Royal signature

NORODOM SIHAMONI