

CHAPTER 6: CONSUMER PROTECTION, COMPETITION, AND E-COMMERCE

Relevant Laws:

- a) Law on Competition 2021
- b) Law on E-Commerce 2020
- c) Law on Consumer Protection 2019
- d) Other sectoral laws and many implementing regulations

I. CONSUMER PROTECTION

To ensure that trade practices are conducted fairly and equitably between sellers and buyers, in a free-market economy, the RGC enacted the Law on Consumer Protection (the “LCP”). It aims to ensure the protection of consumers and to contribute to the promotion of fair competition within Cambodia.

The LCP’s main objective is to lay out the rules and mechanisms to create a fair, competitive, and trustworthy trading environment between consumers and businesses, wherein consumers’ rights and interests are protected.

A. Consumer Rights and Association

The LCP provides for the following consumer rights:

- The right to access information and education to distinguish the difference between goods or services and to prevent fraud and fraudulent commercial advertisements;
- The right to choose goods or services with competitive prices and quality;
- The right to be heard on concerns and to examination and settlement by competent regulators and the RGC; and
- The right to claim compensation under the LCP, or other related laws.

The LCP grants consumers in each sector the right to form associations with the MOI in accordance with the Law on Associations and Non-Governmental Organizations, with prior authorizations from the relevant competent regulators.

Once established, the consumer association has the following roles and duties:

- To consult independently with consumers and coordinate consumer-related issues;
- To act as a representative before the National Consumer Protection Committee or before the court on behalf of any consumer or consumer group whose rights and interests are infringed;

- To represent the views and interests of consumers in public forums or the press;
- To receive consultation from any competent regulator on any regulation concerning information standards issued by the competent regulator to be provided to consumers;
- To create a consumer protection working group in each sector; and
To undertake to perform other duties as assigned by the National Consumer Protection Committee.

B. Unfair Acts and Unfair Practices

Investors who wish to conduct business in Cambodia must be aware of the prohibited acts and practices as stipulated under the LCP as follows.

An “*Unfair Act*” is defined by the LCP as any act of a person in business, that may be misleading or deceptive to a consumer, whether that act is intentional or unintentional. Unfair acts include the following:

- An act or representation such as advertising, sales promotion, and other representations;
- Misleading consumers regarding the cost, price or quality of the goods or services. Hard-to-read small print and labels and misleading claims for self-defense, cannot be relied upon by those who conduct businesses to avoid liability;
- Failure to present to consumers promises, expectations, and relevant information;
- Taking advantage of the consumers if the supplier is aware that the consumers are not in a position to protect their interests or are incapable of understanding the goods or services, such as the characteristics, type, language, effect of the transaction or any problems related to the transaction, or
- Other acts determined by the MOC.

Further, business activities regarding the provision of goods and/or services, which are misleading or deceptive to the public concerning the type, production process, characteristics, suitability, quantity, measurement, dimension, standard, or quality, constitute unfair acts and are prohibited by the LCP.

A misrepresentation also constitutes an unfair act prohibited by the LCP. Article 12 of the LCP provides an exhaustive list of business representations that are considered misleading as follows:

Chapter 5 of the LCP also prohibits nine specific unfair practices as follows:

- Prohibition of unfair sales;
- The promise of gifts and prizes;
- Bait advertising;
- Unfair solicitation sales;
- Demanding or accepting payments without intention to supply goods or services as per the purchase order;