

APPLICATION FOR FOREIGN EMPLOYMENT QUOTA 2025 IS NOW OPEN

September 2024 LABOR ALERT

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HBS Law would like to inform every enterprise, including commercial enterprises, associations, and NGOs, that intends to employ foreign nationals in Cambodia in 2025 that, in accordance with Ministerial Proclamation No. 196 on Employment of Foreign Labour issued by the Ministry of Labor and Vocational Training (the “MLVT”) on 20 August 2014, the application period for the mandatory foreign employment quota 2025 is now open and will remain so until the end of November 2024.

Please be aware that any enterprise intending to employ foreign employees in 2025 must apply for a foreign employment quota from the MLVT before the end of November 2024.

The foreign employee quota limits foreign employees to a maximum of 10% of the total local workforce, divided into the following categories: office employees (3%); specialized employees (6%); and non-specialized employees (1%).

However, under Prakas 277/20 on Special Conditions on the Employment of Foreign Nationals issued by the MLVT on 14 August 2020, enterprises are permitted to hire foreign employees beyond the standard quota at the discretion of the MLVT, upon special application. If an enterprise cannot find suitable or adequately qualified Cambodian nationals for a specific role, it may request permission to exceed the 10% limit of the total number of foreign employees.

We recommend that if your enterprise employs or intends to employ any foreign national in 2025, you should prepare to apply for the foreign employment quota 2025 no later than 30 November 2024 to avoid any potential fines by the MLVT and, if needed, leave sufficient time to seek additional quota approval.

Please note that, according to Guideline No. 3005 on Fines for Owners or Directors of Enterprises Using Foreign Workforce without a Work Permit and Employment Card issued by the MLVT on 9 September 2022, an enterprise will be subject to a fine in the amount of KHR 2,520,000 (63 days x KHR 40,000), approx. US 630) for failure to obtain a foreign employment quota approval. An offender that is a natural person is also subject to imprisonment of six days to one month.

Disclaimer: This article has been prepared for general information purposes only and it does not constitute, and must not be relied upon, as legal advice. Please contact us should you require any assistance.

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