

ព្រះរាជាណាចក្រកម្ពុជា

Kingdom of Cambodia

ជាតិ សាសនា ព្រះមហាក្សត្រ

Nation Religion King



GUIDEBOOK

FOR

VALUERS, ESTATE AGENT'S LICENSEE TO IMPLEMENT



Ministry of Economy and Finance

Financial Industry Department

Real Estate Trading Management Division

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**GUIDEBOOK
FOR
VALUERS, ESTATE AGENT'S LICENSEE TO IMPLEMENT**



Section 1: Introduction

- Referring to Preah Reachkram N° NS/RKM/1206/035 dated 29 December 2006 promulgation of the Law on Financial Management 2007.
- In accordance with the agreement of Prime Minister Samdech Hun Sen on Property Valuation and Real Estate Trading Service Management Dated 18 July 2005.
- In accordance with the Prakas of the Ministry of Economy and Finance on adjustment of the conduct of the Financial Industry Department dated 19 September 2005.
- In accordance with the Prakas N° 142 សំណង់, ប្រកាស, ឧប្បត្តិ ថ្ងៃទី ១៣ ខែ កុម្ភៈ ឆ្នាំ ២០០៧ of the Ministry of Economy and Finance on Professional Certificate and Licensing to Valuers, appraiser and Estate Agents.
- To improve and straighten practice of professional code and conduct of any person who are offering the service of real estate or property valuation or who will provide them in the future.
- To encourage all property valuation and real estate trading services be legally conducted by real estate firm to get easy to management.
- To make better for all people or investors who intend to buy, sell, lease or mortgage properties to get a good service and fair price as on Market Value.
- To ensure the economic stability and real estate development as national and international standard.
- To increase national income through taxation and other services fees.

From now on the Ministry of Economy and Finance in short “Ministry” will provide the license for firm to where residents at
to conduct Valuation Service

Section 2: Guidebook

This guidebook is the guide for valuers or estate agents licensee to implement. All the license holder who are legally allowed to conduct property valuation or real estate service in the Kingdom of Cambodia unless they follow the law of the Kingdom of Cambodia and follow the conditions as prescribed in the Prakas N° 142 ស្របវិ. ប្រកាស ឧបក. dated 13 February 2007 on Professional Certificate and Licensing to Valuers, Appraisers and Estate Agents of Property Valuation or Real Estate Service, Circular to practise the Prakas N° 002 dated 03 July 2007 and the conditions as prescribed in this guidebook.

Section 3: Application form for License

To be legally conducted property valuation or real estate valuation services, all the companies shall apply for property valuation or real estate service license at Real Estate Trading Management Division of Financial Industry Department, Ministry of Economy and Finance as the form that is set by the division and enclose with the following documents:

- 4 (general) director's photos (4x6)
- Memorandum and articles book and certificate registered in the Ministry of Commerce
- The (general) director's criminal record issued by the Ministry of Justice (If (general) director is Cambodian)
- The (general) director's criminal record issued by its own country (If the (general) director is a foreigner)
- A copy of professional certificate of the company representative
- The degree or certificate translation issued by its own official authority (the foreigner)
- Other necessary documents that is required by Ministry of Economy and Finance

Every failing to provide documents or misleading information to the ministry as prescribed in chapter 3 above will be considered the violation or insufficient document

Section 4: Restriction on license for company/firm

The Ministry will issue license to companies/firms that committed the condition as provided in the section 8 of the Prakas on Professional Certificate and Licensing to Valuers, appraiser and Estate Agents.

The ministry has right to issue license with or without condition or refuse if the applicant has not completed to any requirement that was set by the ministry.

Section 5: Role and responsibility/duty of company/firm (to provide services)

The company/firm shall apply the role and responsibility as defined in the section 9 of the Prakas on Professional Certificate and Licensing to Valuers, appraiser and Estate Agents.

Section 6: License Fees

To receive a license, the company/firm has to pay license fees as the following type of services:

- a- The property valuation company/firm 500.000 Riel
- b- The real estate trading company/firm 500.000 Riel
- c- The branch office of property valuation or real estate trading 300.000 Riel
- d- The renewal license of company/firm as subsection (a) or (b) 500.000 Riel
- e- The renewal license for branch office of property valuation or real estate trading 300.000 Riel

Any company/firm that intends to do business as described in section (a) and (b) shall pay for both license fees 1.000.000 Riel.

The company/firm shall pay license fee as defined above to the treasury **commission** or the National Bank of Cambodia **with recommendation of** Financial Industry Department, Ministry of Economy and Finance.

Section 7: Setting up Branch office

The company/firm shall not establish any branch office or provides the service in different address as declared in the license without pre permitted from the Ministry.

Branch office can be established unless there is permission from the Ministry and have a professional certificate holder (property valuation or real estate trading) represent for and have to pay license fees as defined in section 6 of this guidebook.

Section 8: Transfer License and effect of expulsion or suspension

All kind of licenses shall not be transfered to any person.

In the case of expulsion or suspension service, the company/firm shall apply the application form in writing with the involved documentation and shall clearly explain the cause to the Ministry during 30 days (thirty days) before the service was suspended or expunged. After suspension or expulsion, the company shall give back the license to the Ministry.

If the ministry realizes that license holder has committed violate to any point/subsection as prescribed in section 9 of the Prakas N° 142 ស្រី. ប្រក ឧប. dated 13 February 2007 on Professional Certificate and Licensing to Valuers, Appraisers and Estate Agents, the ministry will suspend or expunge for a while the license that has already offered as far as there is a new decision.

During the expulsion the license, the license holder can not continue its service. In the case not follow the ministry guideline, the ministry will take action as set forth by the appropriate law.

Section 9: Renewal and Validity of license

All license types are valid only one year from the date of signature. The company must submit application for license renewal 2 months prior the expiry date of the license.

To renewal license is depend on the compliance with the conditions as stated in the Prakas on Professional Certificate and Licensing to Valuers, appraiser and Estate Agents, this Guidebook and others circulars that issued by the Ministry. To renewal License have to pay license fees as defined in the section 6 of this guidebook for one year period.

The ministry has right to issue license with or without condition or refuse if the licensee has not completed to any requirement that was set by the ministry.

Section 10: Penalty

The ministry will fine 10, 000, 000 riel (ten million riel) to any company/ firm that conducts/provides property valuation or real estate service without license. In the case of contiuing its business without applying for license from the ministry to legally conduct the business will be fined double/ twice 20, 000, 000 riel (twenty million riel) and will be immediatly closed the business and will refill application form for the license from the Ministry of Economy and Finance. In the case of not following, the ministry will take action strictly as set forth by the appropriate law.

The company/firm shall apply for the renewal application form as stated in section 9 of this guidebook. In the case of later than the due date, a fine will be imposed as the following contents:

- 500.000 Riel + License fees for Property Vuation company/firm.
- 500.000 Riel + License fees for Real Estate Trading company/firm.
- 1.000.000 Riel + License fees for both licenses.

Any company/firm shall not use the expiry date of license, in the case of using it, the Ministry will punish to pay as follow:

- 500.000 Riel x 10 times for property valuation company/firm
- 500.000 Riel x 10 times for real estate trading company/firm

- 1.000.000 Riel x 10 times for both licenses.
- 300.000 Riel x 10 times for Branch office.

Any company/firm failed to comply with the ministry guideline, such as established the branch office or changed office address without permission from the Ministry, shall be penalized for 10 times of the license fee:

- 500.000 Riel x 10 for property valuation company/firm
- 500.000 Riel x 10 for real estate trading company/firm
- 1.000.000 Riel x 10 for both property valuation and real estate trading company/firm
- 300.000 Riel x 10 for branch office.

Any company/firm failed to comply with the circular of the ministry by transferring the license to other partner to conduct service will be penalized for 10 times of the license fee:

- 500.000 Riel x 10 for property valuation company
- 500.000 Riel x 10 for real estate trading company
- 1.000.000 Riel x 10 for both property valuation and real estate trading company/firm
- 300.000 Riel x 10 for branch office.

After receiving the recommendation in writing from the Ministry, any company/firm failed to comply with any point of the section 5 of this Guidebook will be punished to pay 1.000.000 Riel.

In the case late for providing the monthly report or annual financial report as prescribed in section 12 and section 13 of this guidebook, will be penalized 1, 000, 000 riel.

The company/firm that was penalized as stated above shall pay to treasury commission or the National Bank of Cambodia with recommendation of Financial Industry Department, Ministry of Economy and Finance.

In the case of not paying the penalty fees as mention above, the Ministry will take action as determine in the appropriate laws

Beside the penalty as defined above the company/firm can be faced to halt their service for a while until the Ministry reconsiders. In the case of continuing the services without the permission from the ministry by using expired license, the Ministry will take action as determine in the appropriate laws.

Section 11: Revoke license

The Ministry has the right to revoke the license when the licensee do not follow or comply with the condition as described in the section 9 of the Prakas on Professional Certificate and Licensing to Valuers, Appraiser and Estate Agents.

Section 12: Monthly report

All companies/firms shall statistics and monthly report of trading service to the Ministry not exceed 15 days of the month after. Statistics and monthly reports is accurate and it shall be clarified by the director or acting director of the company.

Section 13: Annual financial reports

In 3 months period after the end of each year, the company must provide the annual financial report that it was inspected by the any independent accountant that recognized by the Ministry.

Section 14: Inspection and Auditing

The Ministry can nominate the professional staff in any time to inspect and audit account and other documents that related to the trading service. The company shall well cooperate with the staff

from the Ministry to inspect and audit account and other involved documents. In the case of necessary the Ministry can hire a professional accountant to take operation and the Ministry has their own right to copy other documentations as desire to be inspected and audited, and all payment of cost related to the operation in the above shall be borne by the firm.

Section 15: Notice

Any notice issued by the Ministry and the company/firm shall be made in writing to all relevant legal representatives by: (1) delivering manually, (2) or post office, (3) or facsimiles. The notice shall be regarded as received: (1) with specification of the receipt date if manually delivered, (2) with signature or receipt if delivered via registered mail.

*Have seen and Agree to apply with all sections
of this Guidebook
Director of Company/Agent*

*This guidebook comes into effect from the date of signature onward.
Phnom Penh,Month.....Year 2009*

Deputy Prime minister, Minister of Economy and Finance