



DAY MONTH YEAR | CAMBODIA

## [New opportunities under Cambodia's Waterway Transportation Law]

### Law on Waterway Transportation in Cambodia

*Law on Waterway Transportation was promulgated into force on March 23, 2024 ("**Waterway Transportation Law**"). This law marks a pivotal moment in the development of Cambodia's inland waterway and port sectors. This legislation, encompassing 18 chapters and 275 articles, provides a detailed framework for the management and development of waterway transportation, offering clear guidance for ships, port crews, ship owners or operators, shipyard facilities, waterway infrastructure, and other related activities within Cambodian territory. The Ministry of Transport and Public Works ("**MPWT**") is designated as the competent authority to govern this sector.*

### What is the importance of this new law?

The Cambodian government, recognizing the vital importance of waterway transportation for the nation's economic future, has taken a significant step by ratifying this law aimed at strengthening the country's inland waterway transport network.

This forward-thinking legislation comes just ahead of the much-anticipated launch of the Funan Techno Canal project—a groundbreaking initiative that will revolutionize Cambodia's logistics landscape. By enabling ships to pass through the canal to the deep seaport in Sihanoukville, this project will reduce transportation costs and time. The new law is expected to play an essential role in facilitating projects, for example, the Funan Techno Canal, as well as promoting future investments in the waterway transportation sector.

### Key Provisions for Investors

Investors who are looking to navigate the complexities of the waterway transportation sector in Cambodia should pay close attention to the following key provisions outlined in this law:

#### 1. Vessel Management

- **Who Must Register?** Coastal vessels and domestic inland vessels navigating within Cambodia's territory, including those that are operated by foreigners, shall register with the MPWT. Family-use vessels may be exempted.
- **What You Receive:** Upon registration, a **certificate of permanent or temporary registry will be issued to vessels** and it is valid for up to one (1) year. Certificates from secondary and tertiary national registries are equivalent to the primary national registry.

- **Vessel importation:** Ships that are imported from abroad for registration as coastal or domestic inland vessels shall present an import tax receipt. Temporarily imported ships are subject to a temporary import tariff regime.

## **2. National Vessel Management**

- **Cambodian Nationality Registration:** ocean-going vessel owners or operators, whether foreign or domestic, can register their vessels under Cambodian nationality, granting them legal permission for international voyages.
- **Necessary Certificates:**
  - **Permanent Cambodian Ship Registration Certificate:** Valid for up to five (5) years.
  - **Temporary Cambodian Ship Registration Certificate:** Valid for up to six (6) months.
  - Additional certificates include the **Certificate of Minimum Safe Manning, Certificate of Technical Compliance, and Ship Radio License.**

## **3. Transportation of Goods and Passengers**

- **Goods Transportation:**
  - **Shipping Contract:** Required for all goods transported by coastal, domestic inland, or maritime vessels.
  - **Carrier Liability:** The carrier is liable for any damage or loss to freight, whether a fee is charged or not.
- **Passenger Transportation:**
  - **Passenger Carriage Contract:** Required for transporting passengers and their belongings.
  - **Transporter Liability:** The transporter is liable for any injury, loss of life, or damage to passengers' belongings, whether a fee is charged or not.

## **4. Port Classification**

- **Class one (1) Port:** For vessels engage in international navigation with high socio-economic potential.
- **Class two (2) Port:** For vessels operate under agreements with neighbouring countries.
- **Class three (3) Port:** For vessels navigate within Cambodia.
- **Special Class Port:** For ports that are not classified as Class 1, 2, or 3.
- **Port Criteria:** Each port must have a defined name, advantageous geographical location, specific functions, capacity, and clearly demarcated water and land boundaries.

## **5. Vessel Entry into Ports**

- **Permit Requirement:** Vessels engage in international navigation must obtain **an entry and an exit permit** to the ports.

## **6. Port Management, Construction, and Operation**

- **Construction/Repair Permits:** Required for building or repairing port facilities, which must adhere to MPWT technical standards. The MPWT oversees port development plans and phases.
- **Operation Permit:** A **Port Operation Permit** is valid for two (2) years and is required before operation. Completed structures of the port shall ensure security and environmental safety.

## **7. Security and Environment**

- **Waste Management:** Ports shall have facilities for receiving ship-generated waste and maintain a contingency plan for oil spills or hazardous substance releases.
- **Security Requirements for International Ports:**  
Ports accommodate international vessels must have:
  - **Security Facility Evaluation Report**
  - **Comprehensive Security Facilities Plan**
  - **Certificate of Security Facilities**
  - **Standardized Security Measures**

## **8. Shipyard, Shipbuilding, and Repair**

- **Shipyard Certification:** Establishing a shipyard requires a **valid shipyard certificate**.
- **Permits for Ship Construction/Repair:** Permits are required for **shipbuilding and repair activities**, which shall comply with MPWT technical standards.

## **9. Inspection**

- **Foreign Vessel Inspection:** Foreign ships enter Cambodian ports will be inspected by foreign ship inspection officers for technical compliance and adherence to international conventions.
- **Inland Vessel Supervision:** Vessels navigate within Cambodia are subject to inspection by competent officials to ensure compliance with national laws and regulations.

## **10. Existing regulations**

- **Regulations under the previous law:** Existing regulations will remain in effect until they are repealed by new regulations in compliance with the provisions of this new law.

For advice and expert guidance on navigating the complexities of the Waterway Transportation Law, please contact our law firm. Our team is well-equipped to assist you in ensuring full compliance with this critical legislation.

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