Annex I referred to in Article 7  
Existing non-conforming measures

1. The Schedule of a Contracting Party sets out, pursuant to paragraph 1 of Article 7, the reservations taken by that Contracting Party with respect to existing measures that do not conform with obligations imposed by:

   (a) Article 2 (National Treatment);

   (b) Article 3 (Most-Favored-Nation Treatment); or

   (c) Article 6 (Prohibition of Performance Requirements)

2. Each reservation sets out the following elements:

   (a) “Sector” refers to the general sector in which a reservation is taken;

   (b) “Sub-Sector” refers to the specific sector in which a reservation is taken;

   (c) “Industry Classification” refers, where applicable, to the activity covered by the reservation according to domestic industry classification codes;

   (d) “Type of Reservation” specifies the obligation referred to in paragraph 1 above for which a reservation is taken;

   (e) “Level of Government” indicates the level of government maintaining the measure for which a reservation is taken;

   (f) “Measures” identifies the existing laws, regulations or other measures for which the reservation is taken; and

   (g) “Description” sets out, with regard to the obligations referred to in paragraph 1 above, the non-conforming aspects of the existing measures for which the reservation is taken.
3. In the interpretation of a reservation, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of this Agreement against which the reservation is taken. The "Measures" element shall prevail over all the other elements.

4. For the purposes of this Annex I, the term "JSIC" means Japan Standard Industrial Classification as set out in the Statistics Bureau, Ministry of Internal Affairs and Communications, revised on March 7, 2002.
Schedule of Japan

1. Sector: Agriculture, Forestry and Fisheries (Plant Breeder’s Right)

Sub-Sector:

Industry Classification:
- JSIC 0119 Miscellaneous crop farming
- JSIC 0243 Tree seed gathering and forest nursery services
- JSIC 0413 Seaweed aquaculture
- JSIC 0415 Seed aquaculture

Type of National Treatment (Article 2)
Reservation:
Most-Favored-Nation Treatment (Article 3)

Level of Central Government

Measures: Seeds and Seedlings Law (Law No.83 of 1998), Article 10

Description: A foreign person who has neither a domicile nor residence (nor the place of business, in the case of a legal person) in Japan cannot enjoy a plant breeder’s right or related rights except in any of the following cases:

(a) where the country of which the person is a national or the country in which the person has a domicile or residence (or its place of business, in the case of a legal person) is a contracting party to the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as Revised at Geneva on November 10, 1972, on October 23, 1978, and on March 19, 1991;
(b) where the country of which the person is a national or the country in which the person has a domicile or residence (or its place of business, in the case of a legal person) is a contracting party to the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as Revised at Geneva on November 10, 1972 and on October 23, 1978 (hereinafter referred to in this Annex as "the 1978 UPOV Convention"), or a country in relation with which Japan shall apply the 1978 UPOV Convention in accordance with paragraph (2) of Article 34 of the 1978 UPOV Convention, and further provides the protection for plant genus and species to which the person’s applied variety belongs; or

(c) where the country of which the person is a national provides Japanese nationals with the protection of varieties under the same condition as its own nationals (including a country which provides such protection for Japanese nationals under the condition that Japan allows enjoyment of the plant breeder’s right or related rights for the nationals of that country), and further provides the protection for plant genus and species to which the person’s applied variety belongs.
2 Sector: Finance
Sub-Sector: Banking
Industry Classification:
- JSIC 612 Banks, except Central Bank
- JSIC 621 Financial institutions for small businesses
Type of Reservation: National Treatment (Article 2)
Level of Government: Central Government
Measures: Deposit Insurance Law (Law No. 34 of 1971), Article 2
Description: The deposit insurance system only covers financial institutions which have their head offices within the jurisdiction of Japan.
Sector: Heat Supply

Sub-Sector:

Industry Classification: JSIC 3511 Heat supply

Type of Reservation: National Treatment (Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order of Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in the heat supply industry in Japan.
4 Sector: Information and Communications

Sub-Sector: Telecommunications

Industry Classification:
- JSIC 3721 Regional telecommunications, except wired broadcast telephones
- JSIC 3741 Services incidental to telecommunications

Type of National Treatment (Article 2)
Reservation: Prohibition of Performance Requirements (Article 6)

Level of Government: Central Government

Measures: Law Concerning Nippon Telegraph and Telephone Corporation (Law No. 85 of 1984), Articles 6 and 10

Description:
1. Nippon Telegraph and Telephone Corporation may not enter the name and address in its register of shareholders if the aggregate of the ratio of the voting rights directly and/or indirectly held by the persons set forth in subparagraphs (a) through (c) reaches or exceeds one third:
   (a) a natural person who does not have Japanese nationality;
   (b) a foreign government or its representative; and
   (c) a foreign legal person or a foreign entity.

2. Any natural person who does not have Japanese nationality may not assume the office of director or auditor of Nippon Telegraph and Telephone Corporation, Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation.
5 Sector: Information and Communications

Sub-Sector: Telecommunications and Internet Based Services

Industry Classification:

- JSIC 3721 Regional telecommunications, except wired broadcast telephones
- JSIC 3722 Long-distance telecommunications
- JSIC 3729 Miscellaneous fixed telecommunications
- JSIC 3731 Mobile telecommunications
- JSIC 4011 Internet based services

Note: The activities covered by the reservation under JSIC 3721, 3722, 3729, 3731 or 4011 are limited to the activities which are subject to the registration obligation under Article 9 of the Telecommunications Business Law (Law No. 86 of 1984).

Type of Reservation: National Treatment (Article 2)

Level of Government: Central Government

Measures:

- Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
- Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in telecommunications business and internet based services in Japan.
Sector: Manufacturing
Sub-Sector: Drugs and Medicines Manufacturing
Industry Classification: JSIC 1763 Biological preparations
Type of Reservation: National Treatment (Article 2)
Level of Government: Central Government
Measures:
- Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
- Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in biological preparations manufacturing industry in Japan. For greater certainty, "biological preparations manufacturing industry" deals with economic activities in establishment which mainly produces vaccine, serum, toxoid, antitoxin and some preparations similar to the aforementioned products, or blood products.
Sector: Manufacturing
Sub-Sector: Leather and Leather Products Manufacturing

Industry Classification:
JSIC 1257 Fur apparel and apparel accessories
JSIC 1259 Textile apparel and accessories, n.e.c.
JSIC 1794 Gelatine and adhesives
JSIC 202 Rubber and plastic footwear and its findings
JSIC 21 Manufacture of leather tanning, leather products and fur skins
JSIC 3234 Sporting and athletic goods

Note 1: The activities covered by the reservation under JSIC 1259 or 3234 are limited to the activities related to leather and leather products manufacturing.

Note 2: The activities covered by the reservation under JSIC 1794 are limited to the activities related to animal glue (nikawa) and gelatine manufacturing.

Type of Reservation: National Treatment (Article 2)
Level of Government: Central Government
Measures: Foreign Exchange and Foreign Trade Law (Law No.228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No.261 of 1980), Article 3
The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in leather and leather products manufacturing industry in Japan.
Sector: Matters Related to the Nationality of a Ship

Sub-Sector:

Industry Classification:

Type of National Treatment (Article 2)

Reservation: Prohibition of Performance Requirements (Article 6)

Level of Government: Central Government

Measures: Ship Law (Law No. 46 of 1899), Article 1

Description: The Japanese nationality shall be given to a ship whose owner is a Japanese national, or a company established under Japanese law, of which all the representatives and not less than two-thirds of the executives administering the affairs are Japanese nationals.
Sector: Mining
Sub-Sector:

Industry Classification: JSIC 05 Mining

Type of Reservation: National Treatment (Article 2)

Level of Government: Central Government

Measures: Mining Law (Law No. 289 of 1950), Chapters 2 and 3

Description: Only a Japanese national or a Japanese legal person may have mining rights or mining lease rights.
10 Sector: Oil Industry

Sub-Sector:

Industry Classification: JSIC 053 Crude petroleum and natural gas production
JSIC 181 Petroleum refining
JSIC 182 Lubricating oils and greases (not made in petroleum refineries)
JSIC 1841 Paving materials
JSIC 1899 Miscellaneous petroleum and coal products
JSIC 4711 Warehousing
JSIC 4721 Refrigerated warehousing
JSIC 5231 Petroleum (wholesale trade)
JSIC 6031 Petrol stations (gasoline service stations)
JSIC 6032 Fuel stores, except gasoline service stations
JSIC 9099 Miscellaneous business services, n.e.c.

Note 1: The activities covered by the reservation under JSIC 1841, 1899, 4711, 4721 or 6032 are limited to the activities related to oil industry.

Note 2: The activities covered by the reservation under JSIC 9099 are limited to the activities related to liquefied petroleum gas industry.
Type of Reservation: National Treatment (Article 2)
Level of Government: Central Government
Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in oil industry in Japan. All organic chemicals such as ethylene, ethylene glycol and polycarbonates are outside the scope of the oil industry. Therefore, the prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.
| 11 Sector: Agriculture, Forestry and Fisheries, and Related Services (except fisheries within the territorial sea, internal waters, exclusive economic zone and continental shelf provided for in the reservation No.7 in Schedule of Japan in Annex II) |
| Sub-Sector: |
| Industry Classification: |
| JSIC 01 Agriculture |
| JSIC 02 Forestry |
| JSIC 03 Fisheries |
| JSIC 04 Aquaculture |
| JSIC 6224 Agricultural cooperatives |
| JSIC 6225 Fishery and fishery processing cooperatives |
| JSIC 791 Agriculture, forestry and fisheries cooperative associations, n.e.c. |
| Type of Reservation: National Treatment (Article 2) |
| Level of Government: Central Government |
| Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 |
| Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3 |
The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in agriculture, forestry and fisheries, and related services (except fisheries within the territorial sea, internal waters, exclusive economic zone and continental shelf provided for in the reservation No.7 in Schedule of Japan in Annex II) in Japan.
Sector: Security Guard Services

Sub-Sector:

Industry Classification: JSIC 9061 Guard services

Type of Reservation: National Treatment (Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in security guard services in Japan.
13 Sector: Transport
Sub-Sector: Air Transport
Industry Classification: JSIC 4611 Air transport

Type of Reservation:
- National Treatment (Article 2)
- Most-Favored-Nation Treatment (Article 3)
- Prohibition of Performance Requirements (Article 6)

Level of Government: Central Government

Measures:
- Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
- Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
- Civil Aeronautics Law (Law No. 231 of 1952), Chapters 7 and 8

Description:
1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in air transport business in Japan.

2. A permission of the Minister of Land, Infrastructure and Transport for conducting air transport business as a Japanese air carrier is not granted to the following natural persons or entities applying for the permission:

   (a) a natural person who does not have Japanese nationality;

   (b) a foreign country, or a foreign public entity or its equivalent;
(c) a legal person or other entity constituted under the laws of any foreign country; and

(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event a person conducting aerial work business becomes a natural person or an entity referred to in subparagraphs (a) through (d), the permission will lose its effect. The conditions for the permission also apply to companies, such as holding companies, which have substantial control over the air carriers.

3. Japanese air carriers or the companies having substantial control over the air carriers, such as holding companies, may reject the request from a natural person or an entity set forth in subparagraphs 2(a) through (c), who owns equity investments in such air carriers or companies, to enter its name and address in the register of shareholders, in the event such air carriers or companies become natural persons or entities referred to in subparagraph 2(d) by accepting such request.

4. Foreign air carriers are required to obtain permissions of the Minister of Land, Infrastructure and Transport to conduct international air transport business.
5. Permission of the Minister of Land, Infrastructure and Transport is required for the use of foreign aircraft for air transportation of passengers or cargoes to and from Japan for remuneration.

6. A foreign aircraft may not be used for a flight and for transporting passengers or cargoes for remuneration, between points within Japan.
Sector: Transport
Sub-Sector: Air Transport
Industry Classification: JSIC 4621 Aircraft service, except air transport
Type of Reservation: National Treatment (Article 2)
Prohibition of Performance Requirements (Article 6)
Level of Government: Central Government
Measures: Foreign Exchange and Foreign Trade Law (Law No.228 of 1949), Article 27
Cabinet Order on Foreign Direct Investment (Cabinet Order No.261 of 1980), Article 3
Civil Aeronautics Law (Law No.231 of 1952), Chapters 7 and 8
Description: 1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in aerial work business in Japan.
2. A permission of the Minister of Land, Infrastructure and Transport for conducting aerial work business is not granted to the following natural persons or entities applying for the permission:
   (a) a natural person who does not have Japanese nationality;
   (b) a foreign country, or a foreign public entity or its equivalent;
   (c) a legal person or other entity constituted under the laws of any foreign country; and
(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event a person conducting aerial work business becomes a natural person or an entity referred to in subparagraphs (a) through (d), the permission will lose its effect. The conditions for the permission also apply to companies, such as holding companies, which have substantial control over the person conducting aerial work business.

3. A foreign aircraft may not be used for a flight between points within Japan.
15  Sector:  Transport

Sub-Sector:  Air Transport (Registration of Aircraft in the National Register)

Industry Classification:

Type of Reservation:  National Treatment (Article 2)

Reservation:  Prohibition of Performance Requirements (Article 6)

Level of Government:  Central Government

Measures:  Civil Aeronautics Law (Law No. 231 of 1952), Chapter 2

Description:  1. An aircraft owned by any of the following natural persons or entities may not be registered in the national register:

   (a) a natural person who does not have Japanese nationality;

   (b) a foreign country, or a foreign public entity or its equivalent;

   (c) a legal person or other entity constituted under the laws of any foreign country; and

   (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

   2. A foreign aircraft may not be registered in the national register.
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<th>Transport</th>
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<td>Sub-Sector:</td>
<td>Freight Forwarding Business (excluding freight forwarding business using air transportation)</td>
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<td></td>
<td>Industry Classification:</td>
<td>JSIC 4441 Collect-and-deliver freight transport</td>
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<td></td>
<td></td>
<td>JSIC 4821 Deliver freight transport, except collect-and-deliver freight transport</td>
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<td>Type of Reservation:</td>
<td>National Treatment (Article 2)</td>
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<td>Level of Government:</td>
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<td></td>
<td>Measures:</td>
<td>Freight Forwarding Business Law (Law No. 82 of 1989), Chapters 2, 3 and 4</td>
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<td>Enforcement Regulation of Freight Forwarding Business Law (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990)</td>
</tr>
<tr>
<td></td>
<td>Description:</td>
<td>The following natural persons or entities are required to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure and Transport for conducting freight forwarding business using international shipping. Such registration shall be permitted, or such permission or approval shall be granted, on the basis of reciprocity:</td>
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<td></td>
<td>(a) a natural person who does not have Japanese nationality;</td>
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<td>(b) a foreign country, or a foreign public entity or its equivalent;</td>
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(c) a legal person or other entity constituted under the laws of any foreign country; and

(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).
17  Sector: Transport

Sub-Sector: Freight Forwarding Business (only freight forwarding business using air transportation)

Industry Classification:

- JSIC 4441 Collect-and-deliver freight transport
- JSIC 4821 Deliver freight transport, except collect-and-deliver freight transport

Type of Reservation: National Treatment (Article 2)

Reservation: Most-Favored-Nation Treatment (Article 3)

Prohibition of Performance Requirements (Article 6)

Level of Government: Central Government

Measures: Freight Forwarding Business Law (Law No. 82 of 1989), Chapters 2, 3 and 4

Enforcement Regulation of Freight Forwarding Business Law (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990)

Description: 1. The following natural persons or entities may not conduct freight forwarding business using air transportation between points within Japan:

(a) a natural person who does not have Japanese nationality;

(b) a foreign country, or a foreign public entity or its equivalent;

(c) a legal person or other entity constituted under the laws of any foreign country; and
(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

2. The natural persons or entities referred to in subparagraphs 1(a) through (d) are required to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure and Transport for conducting freight forwarding business using international air transportation. Such registration shall be permitted, or such permission or approval shall be granted, on the basis of reciprocity.
Sector: Transport  
Sub-Sector: Railway Transport  
Industry Classification:  
JSIC 42 Railway transport  
JSIC 4851 Railway facilities services  
Type of Reservation: National Treatment (Article 2)  
Level of Government: Central Government  
Measures:  
Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27  
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3  
Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in railway transport industry in Japan. The manufacture of vehicles, parts and components for railway transport industry is not included in railway transport industry. Therefore, the prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.
19  Sector: Transport
Sub-Sector: Road Passenger Transport
Industry Classification: JSIC 4311 Common omnibus operators
Type of Reservation: National Treatment (Article 2)
Level of Government: Central Government
Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27. Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in omnibus industry in Japan. The manufacture of vehicles, parts and components for omnibus industry is not included in omnibus industry. Therefore, the prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.
20 Sector: Transport

Sub-Sector: Water Transport

Industry Classification:
- JSIC 452 Coastwise transport
- JSIC 453 Inland water transport
- JSIC 4542 Coastwise ship leasing

Type of Reservation: National Treatment (Article 2)

Level of Government: Central Government

Measures:
- Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
- Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in water transport industry in Japan. For greater certainty, “water transport industry” refers to oceangoing/seagoing transport, coastwise transport (i.e. maritime transport between ports within Japan), inland water transport and ship leasing industry. However, oceangoing/seagoing transport industry and ship leasing industry excluding coastwise ship leasing industry are exempted from the prior notification requirement.
Sector: Transport
Sub-Sector: Water Transport

Type of Reservation:
National Treatment (Article 2)
Most-Favored-Nation Treatment (Article 3)

Level of Government:
Central Government

Measures:
Ship Law (Law No. 46 of 1899), Article 3

Description:
Unless otherwise specified in laws and regulations of Japan or international agreements to which Japan is a party, ships not flying the Japanese flag are prohibited from entering Japanese ports which are not open to foreign commerce and from carrying cargoes or passengers between Japanese ports.
Sector: Water Supply and Waterworks

Sub-Sector:

Industry Classification: JSIC 3611 Water for end users, except industrial users

Type of Reservation: National Treatment (Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in water supply and waterworks industry in Japan.
Schedule of Cambodia

1 Sector: Land Ownership

Industry Classification:

Type of Reservation: National Treatment (Article 2)

Level of Government: Central Government and Province/Municipality

Measures: Constitution of the Kingdom of Cambodia, Article 44

Description: Only Cambodian legal entities and citizens of Cambodian nationality shall have the right to own land.
2 Sector: All sectors

Industry Classification:

Type of Reservation: National Treatment (Article 2)

Prohibition of Performance Requirements (Article 6)

Level of Government: Central Government and Province/Municipality

Measures:
- Labor Law, Article 21 and Article 264
- Prakas No. 162 MOSALVY dated 16 July 2001 on the use of the foreign manpower issued by the Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation.

Description: The maximum percentage of foreigners who may be allowed to be employed in each of the enterprises shall not exceed 10% of the total number of Cambodian employees and the maximum rate of 10% shall be divided into the following categories of employees:

1. Office personnel 3%;
2. Specialized personnel 6%; and
3. Non-specialized personnel 1%.

Note: (a) Foreign labor can be exceeding the above limit with the authorization of the Ministry of Labor and Vocational Training.
(b) An employer can directly recruit workers for his enterprise, but he must meet the requirement mention in article 21 of the Labor Law on declaration in which the movement of hiring labor must be made within 15 days at the latest after the date of hiring.

(c) An employer is required to notify any vacancies in his enterprise or any new need of personnel to the Ministry of Labor and Vocational Training/provincial Employment Office.