

**PRAKAS**  
**On**  
**Sub-contract Monitoring of Textile and Garment Industry**

**THE SENIOR MINISTER**  
**MINISTER OF COMMERCE**

- Pursuant to the Constitution of the Kingdom of Cambodia;
- Pursuant to the Preah Reach Kreth No NS/RKT/0908/1055 dated September 25, 2008 on the Appointment of the Royal Government of Cambodia;
- Pursuant to the Preah Reach Kreth No 02/NS/94 dated July 20, 1994 on the Organization and Functioning of the Council of Ministers;
- Pursuant to the Preah Reach Kram No NS/RKM/0196/16 dated January 24, 1996 on the Creation of the Ministry of Commerce;
- Pursuant to the Sub-Decree No 91 AK.BK dated August 01, 2007 on the Organization and Functioning of Ministry of Commerce;
- Referring to directive No 06 SRN dated July 15, 2005 on the implementation of International Labor Organization-Better Factories Cambodia program in Textile and Garment Sectors.
- Referring to Inter-Ministerial Prakas No. Special Inter-Ministries dated June 17, 2011 On Sub-contract Monitoring in Garment, Textile and Footwear Industry
- Referring to critical situations of Garment and Footwear Market;

**DECIDES**

**Article 1:** The implementation of every subcontract agreement makes it obligatory for textile and garment factories to announce to the General Directorate of International Trade, Ministry of Commerce.

**Article 2:** Any subcontract agreement made between registered manufacturers (subcontractors) and registered subcontracted companies does not require any permission from the Ministry of Commerce or any payment upon announcing to the Ministry, except for a postage stamp at the cost of 500 Riel, including registration and dating on factory's announcement letter.

**Article 3:** Only Manufacturers who are the members of Garment Manufacturers Association in Cambodia (GMAC) registered under Better Factories Cambodia Project in accordance with the announcement introduced by the Ministry of Commerce are eligible to carry out subcontract agreement.

**Article 4:** All manufacturers eligible to sign subcontract agreement shall regularly announce their individual production capacities on trimestral base of each calendar year to the General Directorate of International Trade, Ministry of Commerce.

**Article 5:** The secretariat of the inter-ministerial committee between Ministry of Commerce, Ministry of Interior and Ministry of Labor and Vocational Training has to assign its competent officers to examine and evaluate production capacities as reported by each manufacturer and monitor the implementation of subcontract agreement.

**Article 6:** The secretariat of the inter-ministerial committee has duty to conduct inspection and to investigate the implementation of subcontract agreement and collect relevant documents including pieces of evidence in order to make submission to the committee for consideration and then impose penalty for those manufacturers in violation of the Prakas.

**Article 7:** In the case that registered manufacturer who carries out subcontract agreement but fails to make the announcement to the General Directorate of International Trade of Ministry of Commerce shall be subject to one-week period for export suspension penalty. If not deterrent and still continue to do so for the second time, those factories shall face one-month export suspension and even more three-month export suspension for the third time.

**Article 8:** Non-GMAC members are not allowed to either sign or implement subcontract agreement with GMAC's registered manufacturers.

**Article 09:** On the condition that manufacturers who registered with GMAC and made subcontract agreement with unregistered manufacturers shall be subject to two-week export suspension and even more to one-month export suspension for the second violation. If such issue still persists in the third time they will be subject to their export licenses revoked and their factories be eliminated from the list of export license under Generalized System of Preferences.

**Article 10:** Any provision contradicts with this Prakas shall be annulled.

**Article 11:** The director of Cabinet and concerning departments under the Ministry of Commerce shall ensure the effective implementation of this Prakas since its signing approval.

Phnom Penh, ... ០៥ September 2011

**Senior Minister  
Minister of Commerce**

(Signature and Stamp)  
**Cham Prasidh**

**CC:**

- Cabinet of **Samdech Akka Moha Sena Padei Techo Hun Sen**
- Cabinet of H.E Deputy Prime Minister **Sar Kheng**
- Cabinet of Lok Chumteav Permanent Deputy Prime Minister **MEN Sam An**
- Cabinet of H.E Deputy Prime Minister **Keat Chhon**
- Office of Council of Ministers
- Ministry of Ministry of Labor and Vocational Training
- Ministry of Industry, Mines and Energy
- Council for the Development of Cambodia
- General Directorate of Customs and Excise of Cambodia
- Garment Manufacturers Association in Cambodia (for distribution)
- All Special Economic Zones in Cambodia
- Archives/documentation