



**Kingdom of Cambodia
Nation Religion King**

**Royal Kram
No. NS/RKM/0611/011**



Royal Kram

We

**Preah Karona Preah Bath Samdech Preah Boromneah Norodom Sihamoni
Saman Phoum Cheat Sasna Rokhathiya Khmerarothreas
Pouthitreathoramohaksat Khemreach Chorna Samohorpheas Kampuch
Ekreach Roth Boronaksanthi Sophekolea Sereivibolea Khemrasreipireash
Preahchau Krong Kampuchea**

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen Royal Decree No. NS/RKT/0908/1055 dated 25 September 2008 on the appointment of the Royal Government of Cambodia;
- Having seen Royal Kram No. 02/NS/94 dated 20 July 1994 promulgating the Law on Establishment and Execution of the Council of Ministers;
- Having seen Royal Kram No. NS/RKM/0196/18 dated 24 January 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen the request of **Samdech Aka Moha Sena Padei Techo, the Prime Minister** and Minister of Economy and Finance of the Royal Government of Cambodia

HEREBY PROMULGATE

The Law on Financial Regime and Property Management of Sub-National Administrations which was enacted by the National Assembly on 11 May 2011 at its sixth plenary session of the fourth legislature and approved entirely without change by the Senate on its form and legal concepts on 31 May 2011 at its ninth plenary session of second legislature with full provisions as followings:

Law on Financial Regime and Property Management of Sub-National Administrations

CHAPTER 1

GENERAL REGULATIONS

Article 1

This law has its goal to identify the financial regime and property management of the Sub-National Administrations of Kingdom of Cambodia.

Article 2

This law has its objective to establish the sources of financial resource to enable Sub-National Administrations to have appropriate possibility for sustainable local democratic development and to promote the implementation of the Royal Government's decentralization and deconcentration policy for poverty reduction of the citizens.

Article 3

The scope of this law does apply for the financial regime and property management of the Capital, Provincial, Municipality, District and Khan Administrations in the Kingdom of Cambodia.

The scope of this law does not apply for the financial regime and property management of commune/sangkat administration, except for any provisions that are defined in this law.

Article 4

The administrations of the Capital, Province, Municipality, District, Khan, Commune and Sangkat hereafter called “Sub-National Administrations”, is defined as a public legal entity which have their own property, financial resources and budget.

Within the framework of this law, the term “Sub-National Administrations” refers to the administrations of the Capital, Province, Municipality, District and khan.

Article 5

The management of financial affairs and budgets of Sub-National Administrations shall be complied with the basic principles specified in Articles 2, 5 and 6 of the Public Finance System Law.

CHAPTER 2

THE AUTHORITY AND MANAGMENT OF FINANCE AND PROPERTY OF SUB-NATIONAL ADMINISTRATIONS

Article 6

Each Council shall represent and take action on behalf of the citizens and shall manage public financial affairs in order to promote democratic development in a sustainable manner within its jurisdiction. The Council shall manage its public financial affairs effectively, transparently and accountable for its citizens and for the Royal Government with the Ministry of Economy and Finance as its état-major.

Article 7

In the financial and property management, the Sub-National Administration **Council** shall be responsible for the following:

- To review and approve the development plan, three-year rolling investment programme, and the medium-term expenditure framework;
- To review and approve the budget strategic plan and draft annual budgets submitted by the Governor, with the right to make changes to the draft budget, as long as these changes do not abuse any law, regulations or budget preparation principles;
- To review and approve any amendment to the budget at the request of the Governor;
- To review and approve the year-end financial statements;
- To review and approve the disposal of the sub-national administration's property in accordance with established rules and regulations;
- To monitor the financial and budget management performance of the Governor;
- To review and approve any contracts, agreements which make financial commitments or benefits beyond the current financial year.

Article 8

The Governor of Boards of Governors of the Capital, Province, Municipal, District and Khan shall have role to represent the ministries of the Royal Government within each Council's jurisdiction. The Governor of the Board of Governors on behalf of the Council, in all financial affairs, is the directed executor through by-law and decision of the council in the implementation of this law.

Article 9

The Governor of the Boards of Governors of Sub-National Administrations shall be responsible for the following:

- To formulate the development plan, three-year rolling investment programme, and the medium-term expenditure framework and update these annually;
- To prepare the budget strategic plan and annual budget plan.
- To implement the annual work plan and budget as approved by the Council in compliance with established financial management rules and procedures;
- To report to the Council, on a regular basis, on the implementation of the annual work plan and budget;
- To prepare annual financial report, annual revenue and expenditure statements and other reports, and submit these to the Council for review within the established time frame;
- To report to the Ministry of Economy and Finance and other relevant ministries and institutions on regular basis with regard to the financial performance and position of the sub-national administration, after approval of these reports by the Council;
- To manage the public property within the Council's jurisdiction and safeguard any properties assigned to the Council by the national government in accordance with the legal framework and established regulations.

Article 10

The Chief of Finance of the Sub-National Administration is responsible to assist the Council and Governor of Board of Governors directly to fulfill the duties defined in Articles 7 and 9 of this law.

The Chief of Finance shall perform the above mentioned roles and responsibilities in coordination with the Director of Administration and in collaboration with other units of the Sub-National Administration.

The Chief of Finance of Sub-National Administration shall be responsible for the financial management under the authority of the Governor of Board of Governors of Sub-National Administration.

The Chief of Finance shall be appointed by the Council and upon approval by the Minister of Economy and Finance based on the proposal of the Minister of Interior.

The modality of selection process and appointment and required qualifications for the Chief of Finance shall be defined by inter-ministerial Prakas of the Minister of Interior and the Minister of Economy and Finance.

Article 11

For the financial affairs under the provisions of Chapter 3 of this law, the Governor of the Board of Governors, on behalf of the Council, is the Directed Budget Holder and responsible for preparing and executing the budget of the Sub-National Administration.

In budget execution, pursuant to the provisions of Public Finance Law, the Governor of the Board of Governors, on behalf of the Council, shall order the collection of revenue, make spending commitments, and order payments based on the sub-national administration's approved budget and shall be also responsible to manage, open and close the administrative account.

Article 12

The Governor of the Board of Governors of Sub-National Administration may delegate in writing, the decision-making authority on budgetary matters to any Deputy Governor of the Board of Governors as the delegated Budget Holder who shall act under the responsibility and control of the Governor. The Directed Budget Holder and the delegated Budget Holder are required to lodge the specimen signatures with the Public Accountant.

Article 13:

Khans and Sangkats under the Capital shall have their budgets included in the Capital budget. Khan Governors and Sangkat Chiefs are delegated by the Capital Governor as delegated Budget Holders for their respective budgets.

Sangkats which are under a Municipality shall have their budgets included in the Municipality budget. Sangkat Chiefs are delegated by the Municipal Governor as delegated Budget Holders for their respective budgets.

The format, structure and procedure for integrating the budgets of Khans and Sangkats into Capital budget and the Sangkat budget into a Municipal budget shall be defined by Prakas of the Minister of Economy and Finance after consultation with the Minister of Interior.

Article 14

Cash management of Sub-National Administrations shall be ensured by the Public Accountant of the Treasury who shall carry out their tasks follow the order of Budget Holder of the Sub-National Administration by strictly obey the established principles of financial control and public accounting management.

Article 15

The Treasury of the Sub-National Administration shall act as Public Accountant for the Sub-National Administration and shall be responsible for the following tasks:

- Collect or receive revenues of Sub-National Administrations;
- Execute payment orders issued by the Governors of Sub-National Administrations;
- Manage and release budget of the Sub-National Administrations;
- Prepare financial reports on regular basis;
- File and safeguard all documents supporting transactions and accounting records of Sub-National Administrations.

Article 16

The Director of the Department of Economy and Finance, the Director of the Treasury, the Director of the Tax Branch or Tax Office located within jurisdiction of the Sub-National Administration are the delegated recipients of authority from the Minister of Economy and Finance for the purpose of supporting the Sub-National Administration's Council and Board of Governors in the implementation of this law.

CHAPTER 3
BUDGETS OF SUB-NATIONAL ADMINISTRATIONS

SECTION 1
BUDGET MANAGEMENT PRINCIPLES

Article 17

Sub-national administrations shall have financial resources and appropriate budgets to carry out their functions for the economic and social development within their respective jurisdictions. The annual budget of the Sub-national Administration shall be made and to include all authorized resource sources and responsibilities so as to ensure a balanced budget.

Sub-National Administration's budget shall be under the provisions of the Public Finance System Law.

Article 18

The budgets of Sub-National Administrations shall be prepared and approved annually. The fiscal year of Sub-National Administration budgets starts on 1 January and ends on 31 December of the same year.

The budgets of Sub-National Administrations shall be prepared and approved so that there is a balance between revenues and expenditures and in accordance with the format and budget classification as defined by Prakas of the Minister of Economy and Finance.

Article 19

The sub-national administration's budget shall be formulated, adopted and executed in accordance with the following principles:

- Full information about budget formulation and adoption must be disclosed;
- All expenditures and revenues must be part of a unified budget;
- The budget shall include all expenditures and all revenues of the concerned Sub-National Administration;
- Revenues must be collected and accounted for based on their gross amount such that no expenditure shall be offset from collected revenues;
- No revenue shall be earmarked for the payment of a specific expenditure unless such earmarking is permitted or required by separated regulations;
- Total planned expenditures must be fully covered by total expected revenues;
- No revenue or expenditure shall be collected or undertaken outside the approved budget.

Article 20

Each Sub-National Administration shall prepare, adopt and implement a Medium Term Expenditure Framework.

The Medium Term Expenditure Framework shall specify the realistic forecasts of the revenue for a medium term, along with a provision on how any such revenue shall be allocated to the various categories of expenditures of Sub-National Administration.

The format of the Medium Term Expenditure Framework, as well as the modalities of its formulation and adoption, shall be defined by Prakas of the Minister of Economy and Finance.

Article 21

The sub-national administrations shall have no right to borrow, provide loans, issues bonds and other financial instruments and undertake any other direct or indirect actions which give rise to a direct or indirect debt or financial obligation to the Kingdom of Cambodia.

Sub-National Administrations shall get prior agreement from the Minister of Interior and Minister of Economy and Finance for obtaining of grant financing.

Article 22

Sub-National Administrations shall manage and use their budgets in an effective manner, transparently and with accountability to its citizens and the Royal Government with the Ministry of Economy and Finance as its état-major.

SECTION 2**RESPONSIBILITIES AND FINANCIAL RESOURCES OF SUB-NATIONAL ADMINISTRATIONS****Article 23**

Budget expenditures of Sub-National Administrations include:

- Administrative operations;
- Expenditures for performance of obligatory functions;
- Expenditures for performance of permissive functions; and
- Expenditures for performance of other roles and responsibilities as determined by laws or other established legal documents .

Article 24

Revenues of Sub-National Administration include:

- Local source revenue;
- National source revenue;
- Other revenue as determined by law or other established legal documents.

Article 25

Local source revenues include tax and non-tax revenue:

1. Local tax revenues are tax and duty revenue created by the Law in the framework of tax law as being of exclusive benefit to the budgets of Sub-National Administrations. The distribution of the types and proportion of local tax and duty revenue to each Sub-National Administration shall be determined by a sub-decree.
2. Local non-tax revenues include:
 - Revenues generated from the rental of property of Sub-National Administration, services fees and other revenues.
 - The distribution of local non-tax revenue to each Sub-National Administration and the table of maximum cost for service fees and other non-tax revenue collection shall be determined by sub-decree as proposed by the Minister of Economy and Finance, with agreement from the Minister of Interior.
 - Donations received from inside and outside of a Council's jurisdiction;
 - Revenues from other sources as determined by law or other legal documents .

Article 26

National source revenues are:

- Shared revenue;
- Funds transferred from the national budget, and
- Service fees for agent functions carried out by a Council on behalf of the ministries and agencies of the government.

Article 27

Shared revenue is revenue that is to be shared between the national administration and the relevant Sub-National Administrations. The type and proportionate distribution of such shared revenue shall be determined by law or sub-decree proposed by the Minister of Economy and Finance in agreement with the Minister of Interior.

Article 28

Fund transferred from the national budget shall include both conditional transfers and unconditional transfers.

Sub-National Administrations shall receive conditional and unconditional transfers from the national budget made in installments basic for each year.

Procedures and modalities for the transfer of fund from national budget to Sub-National Administrations shall be determined by sub-decree as proposed by the Minister of Economy and Finance and in agreement with the Minister of Interior.

Article 29

Conditional transfers are the fund that Sub-National Administrations shall use for:

- Administering, managing and implementing one or more obligatory functions transferred to the Sub-National Administration through delegation or assignation of functions or
- Continuing of administering and implementing one or more permissive functions previously implemented by the government ministry or institution; or
- The purpose of one or more other defined obligatory purposes.

Procedures, modalities and condition for the transfer of conditional transfers shall be determined by sub-decree as proposed by the Minister of Economy and Finance and in agreement with the Minister of Interior.

Article 30

Unconditional transfers are the fund that Sub-National Administrations shall use for:

- Fulfilling its legal duties;
- Fulfilling functions and duties related to establishing, promoting and sustaining democratic development;
- Covering its administrative costs; and
- Selecting, administering and implementing permissive functions.

Sub-National Administrations have the right to receive annually the unconditional transfers from the state budget based on a transparent allocation criteria and formula.

Procedures, modalities and condition for the transfer of unconditional transfers shall be determined by sub-decree as proposed by the Minister of Economy and Finance and in agreement with the Minister of Interior.

Article 31

The State shall establish the District/Municipality Fund with its separate account at the National Treasury in order to receive unconditional transfers from the State budget and to receive funds from other sources for the benefit of a District/Municipality budget.

The unconditional fund transferred from the State budget to the District/Municipality Fund shall be made in installments during each year based on a specific formula or rate and predictable in the medium term.

The allocation from the District/Municipality Fund to each District/Municipality Administration shall be made annually based on transparent allocation criteria and formula.

The establishment and operating rules of the District/Municipality Fund shall be determined by sub-decree as proposed by the Minister of Economy and Finance with agreement from the Minister of Interior.

Article 32

Sub-National Administrations may derive revenue from fulfilling of agent functions on behalf of the government's line ministries and institutions.

Article 33

Sub-National Administrations may receive agent functions to be fulfilled on behalf of the government, government's ministries or institutions based on law and other legal documents.

Sub-National Administrations may discuss and agree with national line ministries, institutions, departments and technical units of national government to fulfill the specific functions through contract or other agreement, specifying the tasks, timing, outputs and fees to be received.

Rules, procedures and modalities for the use of the budget to fulfill the above mentioned agent functions shall be determined by Prakas as proposed by the Minister of Economy and Finance with agreement from the Minister of Interior.

SECTION 3

FORMULATION AND ADOPTION OF SUBNATIONAL ADMINISTRATION BUDGET

Article 34

The strategic budget plan and draft budget of each Sub-National Administration shall be prepared by the Governor of the Board of Governors and adopted by its Council in accordance with procedures defined by Prakas of the Minister Economy and Finance.

A consolidated sum of all draft Sub-National Administration budgets constitute a budget envelop which shall be submitted for approval to the National Assembly and Senate within the framework for reviewing and approving the Annual Budget Law. The budget envelop constituting the sum of all Sub-National Administrations shall be allocated to each Council by Prakas of Minister of Economy and Finance following approval of the Annual Budget Law by the National Assembly and Senate.

Article 35

The budgets of Sub-National Administrations shall be prepared in accordance with the following calendar:

1- Preparation of a Strategic Budget Plan (from March to May):

The Minister of Economy and Finance shall issue the instruction on the preparation of the strategic budget to all ministries, institutions, and units to inform each Council about programmes and budget projections in their respective sectors that are expected to be implemented within the jurisdiction of each Council. The Governor of a Sub-National Administration, on behalf of the Council, shall prepare the Strategic Budget Plan based on the Development Plan, Investment Programme and Medium Term Expenditure Framework of each administration of Sub-National Administration and then submit the Strategic Budget Plan to the Council for review and approval and then to the Department of Economy and Finance for consolidation and submission to the Ministry of Economy and Finance no later than 15th May.

2- Preparation of Budget Envelop (from June to September):

In the first week of June, the Minister of Economy and Finance shall prepare a circular on technical guidelines for budget preparation, specifying formats and procedures for budget

preparation and relevant supporting documentation to be attached with and shall issue this circular to Sub-National Administrations to prepare its detailed plan of revenue and expenditure. The Governor of the Board of Governors of each Sub-National Administration shall prepare the draft detailed plan of revenue and expenditure based on the circular on technical guidelines for budget preparation and the sub-national administration's priority policies including all budget sources to be implemented in its the respective jurisdiction.

The draft budget of Sub-National Administration shall be prepared by the Governor of Board of the Governors of each Sub-National Administration with assistance from its Chief of Finance of the Council and officials of the Department of Economy and Finance. The Governor of Board of the Governors, on behalf of its Council, shall disseminate the draft budget to the public to obtain feedback from the citizens and other stakeholders within its jurisdiction. Following further review and revision, the Governor shall then submit the draft budget to the Council for discussion and approval in a public meeting no later than 30th June.

For the purpose of District and Municipal budget preparation, the Minister of Economy and Finance shall delegate the Governor of Provincial Board of Governors to be responsible for providing technical support, with provincial department of Economy and Finance as the *état-major*, to ensure that District and Municipal budget preparation is done in accordance with provisions of this law and with all regulations and procedures as defined by the national level. The Governor of the Provincial Board of Governors shall report to the Council in its regular meetings about the process of this technical support.

The Governor of the Provincial Board of Governors shall ensure that the official of the Department of Economy and Finance consolidates the Provincial budget, together with the District and Municipal budgets, into a budget format as defined by the Ministry of Economy and Finance and enclose with the draft budget and descriptive explanations of the Province, Municipal and District. These shall all be submitted to the Ministry of Economy and Finance by no later than 15th July.

The Ministry of Economy and Finance shall aggregate the budgets of all Sub-National Administrations for each year.

For the entire month of August, the Ministry of Economy and Finance shall conduct legality control checks and endorsements of the Capital, Provincial, Municipal and District budgets.

The Minister of Economy and Finance may delegate the function of conducting legality control checks to its competent unit or any authority at the Sub-National Administration level as deemed necessary.

The process of legality control checks shall include participation from the Governors of the Board of Governors of Capital, Province, Municipal and District administrations as representatives of the respective Councils as the budget's owner; representative from the Ministry of Interior and other officials as determined by the Ministry of Economy and Finance. In the process of legality control checks, the Ministry of Economy and Finance or its delegated authority shall check and verify that the sub-national administration budgets are in compliance with the following principles of legality control:

- Budgets are formulated in accordance with a defined format, budget classifications, modalities and procedures;
- Having the participation of local people and stakeholders in the budgeting process;
- Appropriations are in accordance with mandatory expenditures;
- Draft budget was planned in accordance with any conditions, including earmarks, attached to the use of resources from specific sources;
- Balance of budget revenue and budget expenditure is assured; and
- Proper deliberation and approval of the budget by the Council in a public meeting.

In case the review by Ministry of Economy and Finance or the Ministry of Economy and Finance's delegated authority finds that Sub-National Administration budget is not in line with the principles of legality control checks as defined above, the Ministry of Economy and Finance or the Ministry of Economy and Finance's delegated authority shall decide and revise it and notify in writing to the Governor of the Board of Governors of Sub-National Administration to revise the draft budget in accordance with the established procedures.

3- Approval of Sub-national Administrations' Budgets (from October to December):

In the first week of October, the Ministry of Economy and Finance shall submit the sub-national administration a draft budget which is one chapter of Annual Budget Law to the Council of Ministers for review and approval. Following such approval, the draft Annual Budget Law will then be submitted to the National Assembly in the first week of November for approval, followed by submission to the Senate in first week of December for final endorsement before 25 December.

Article 36

In case the draft budget has not been approved before January 1 of the new fiscal year, the Governors of Sub-National Administrations have the right to collect revenue on the same condition of the previous year's budget appropriation and to ensure the monthly expenditure up to an amount equal to one-twelfth of the previous year's budget.

SECTION 4

BUDGET EXECUTION OF SUB-NATIONAL ADMINISTRATIONS

Article 37

To carry out the transaction of revenue and expenditure, each Sub-National Administrations shall hold a deposit account at relevant Sub-National treasury.

Article 38

The budgets of Sub-National Administrations may be amended during the fiscal year in response to changes in the economic and financial conditions that impact on revenue and expenditure forecasts. Budget amendments shall be prepared, reviewed, adopted and endorsed in accordance with procedures defined in Article 35 of this law.

Article 39

Changes in the allocation of budget funding (internal credit) for within a Sub-National Administration budget shall be made in accordance with conditions defined by the circular of

the Minister of Economy and Finance. The Minister of Economy and Finance may delegate authority to a Sub-National Administration to make reallocation of its budget in the event of an emergency, if deemed necessary.

Article 40

Contingency allocation budget of Sub-National Administrations may be used to cover any expenditure for which no allocation has been specified in the initial approved budget or as additional appropriation for the benefit of other expenditures of the Sub-National Administration.

The Governors shall seek approval from the Council when there is a need to use contingency allocation budget.

Article 41

Projects or programmes that have not been completed during the fiscal year shall be included for continuation in their implementation during the subsequent fiscal year budget.

Article 42

In the event that of Sub-National Administration budget execution results in a deficit, the Sub-National Administration shall take all self-regulated actions to ensure a balanced budget. In the event that actual revenue of Sub-National Administration budget during the fiscal year increases to a level above the annual plan, planned budget expenditure may be increased or reallocated for the benefit of budget of other Sub-National Administrations as determined by Prakas of the Minister of Economy and Finance and in accordance with the level of surplus accounted. At the end of a fiscal year, any budget surplus of Sub-National Administration shall be recorded to the result account of the National Treasury.

Article 43

The annual financial statements of Sub-National Administrations are subject to be inspection and audit by competent institutions. The purposes of inspection and audit are for assurance of transparency, accountability and efficiency of financial information and to evaluate the budget execution of Sub-National Administrations in accordance with the public financial management system.

Inspection and audit reports that include the opinions of the Councils of Sub-National Administrations shall be disclosed to the public.

Article 44

Financial and accounting transactions shall be conducted in accordance with the rules of financial control, public procurement management and general provisions of public accounting as defined by other law and legal documents .

Article 45

The budget execution of Sub-National Administrations shall be a chapter of the **Law on General State Budget Outturn**. In compliance with unified accounting principles, the Governor of the Board of Governors of a Sub-National Administration is responsible for preparing and providing a report to the Minister of Economy and Finance on the execution

of the budget, and any other information deemed to be necessary, at the end of each fiscal year.

Article 46

At the end of the fiscal year, each Governor of the Board of Governors of a Sub-National Administration shall reconcile the administrative accounting with account managed by Public Accountant of Treasury and prepare a budget execution report and other necessary information for submission to the Council for review and approval, then submit it to the Department of Economy and Finance for consolidation as a Capital/Provincial report and then submit it to Minister of Economy and Finance for consolidation as a draft budget execution of the Sub-National Administration to be included as a chapter of the draft Law on General State Budget Outturn that shall be submitted for review and approval by the National Assembly and Senate.

CHAPTER 4

MANAGEMENT OF SUBNATIONAL ADMINISTRATIONS PROPERTY

Article 47

The properties of Sub-National Administration include properties transferred from the State and properties acquired by their own funds. The State transfers and assigns the occupation and use right of some State public properties and State private properties which are the fixed assets and under each council's jurisdiction to Sub-National Administration in accordance with the decisions of the State.

The transfer and assignment of State properties to Sub-National Administration shall be made by sub-decree as proposed by the Minister of Economy and Finance in agreement with the Minister of Interior. Properties subject to any such transfer and assignment are to be processed in returnable condition.

Article 48

The transfer of properties from the National level to be the benefit of Sub-National Administration for the public use or to fulfill the demand of public services shall be appropriated together with the functions transferred to each Sub-National Administration.

Article 49

Sub-National Administrations are entitled to manage, use and generate income from State properties transferred to the Sub-national administration and Sub-National Administration shall properly maintain those properties has no right to sell, rent or transfer the ownership or transfer the use of those properties without prior approval from the Minister of Economy and Finance in agreement with the Minister of Interior.

Article 50

The properties acquired by Sub-National Administrations from their own revenues are their own properties. The Sub-National Administrations have the right to make their own decisions on how to manage, use and derive revenue from such properties within the conditions defined by law or other relevant established legal documents.

Article 51

Sub-National Administrations shall prepare an inventory list of all properties and to update that inventory list annually. The updated inventory list shall be submitted to the Ministry of Economy and Finance for the purpose of consolidation into a list of all State properties.

**CHAPTER 5
SEPARATED PROVISIONS****Article 52**

The implementation of this law to be in line with necessary requirements and based on actual situation of each Sub-National Administration, including Commune and Sangkat Administrations, the Minister of Economy and Finance shall consult with the Minister of Interior to propose a sub-decree or issue a separate Prakas for each Sub-National Administration.

**CHAPTER 6
PENALTY PROVISIONS****Article 53**

Councilors and all categories and all positions of public officials who are currently working and those who had previously worked and found to not comply with the provisions of this Law in fulfillment of their assigned roles and functions will be punished in accordance with laws and legal documents for disciplinary actions which remain valid regardless of any criminal charges and civil code and shall compensate the budget of Sub-National Administrations for the value of any losses and damages of properties or public money including the interest of the lost and damaged cost resulting from these actions.

**CHAPTER 7
TRANSITIONAL PROVISION****Article 54**

Law and any provisions related to the Law on Province/Municipality Financial Regime and Property which previously implemented shall be valid till the new law and legal regulations come to replace them in accordance with the spirit of Law on Administrative Management of the Capital, Province, Municipal, District and Khan, Public Finance Law and this Law.

**CHAPTER 8
FINAL PROVISIONS****Article 55**

The law on Province/Municipal financial regime and property promulgated by Royal Decree CS/RKM/098/03 dated 25th February 1998 and other provisions which are the results of the

amendment of the law on Province/Municipal financial regime and property that are contradicted to this law shall be abrogated.

Article 56

This law shall be declared as urgent.

Royal Palace, Phnom Penh Capital 17 June 2011

PRL.1106.594

Royal Signature and Stamp

Norodom Sihamoni

Have submitted for the royal signature

Prime Minister

Signature

Samdech Aka Moha Sena Padei Techo **Hun Sen**

Have submitted to Samdech Aka Moha Sena Padei Techo
Hun Sen, Prime Minister of the Royal Government of Cambodia

Deputy Prime Minister, Minister of Economy and Finance
Signature

Keat Chhun

No. 550 CH.L
For copying and distribution
Phnom Penh Capital, 21 June 2011
Deputy Secretary General of the Royal Government

Khun Chinken