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Casino & Gaming

## CGCC Prakas: Issuance, Transfer and Renewal of Licences for Casinos and Luck-Based Games Operations

On 21 October 2021, the Commercial Gambling Management Commission of Cambodia ("**CGCC**") issued Prakas No. 002 on Procedures, Formalities and Conditions for the Issuance, Transfer and Renewal of Licenses for Casinos and Luck-Based Games ("**Prakas**").

The Prakas aims to ensure the effectiveness, transparency, accountability and good order of casino and luck-based game operations. It covers the operations of integrated resorts, casinos, and luck-based games in Cambodia.

This Update highlights the key licensing requirements under the Prakas.

### Casino Licences

Casino licenses are categorised into two types as follows:

- (a) Licence for a casino operating inside an integrated resort - the validity of which shall not exceed 20 years; and
- (b) Licence for a stand-alone casino which is located outside of an integrated resort – the validity of which shall not exceed five years.

#### ***Requirements for application or renewal of casino licences***

To apply for or renew a casino licence, an applicant must fulfil certain minimum requirements. Key requirements include:

- **Minimum capital requirement** - Casino operators shall have a minimum "net capital" of at least 10% of the "capital".
- **Security deposit** - To secure their business operations, they must place a security deposit in an amount totaling at least 5% of the "capital" in the account of CGCC.

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- **Annual Fee** - New casino operators are also required to pay an annual licence fee of KHR400,000,000 (approx. US\$100,000). Existing casino operators which have obtained casino licences prior to the date of the Prakas shall pay the annual licence fee in five phases as follows:

Phase	Period covered	Annual Fee
Phase 1	Year 1 to Year 3	KHR200,000,000 (approx. US\$50,000)
Phase 2	Year 4 to Year 6	KHR240,000,000 (approx. US\$60,000)
Phase 3	Year 7 to Year 9	KHR280,000,000 (approx. US\$70,000)
Phase 4	Year 10 to Year 12	KHR320,000,000 (approx. US\$80,000)
Phase 5	Year 13 to Year 15	KHR360,000,000 (approx. US\$90,000)

Other requirements include having proper human resource department, physical and IT infrastructure.

### Licences for Other Luck-based Games Operators

The Prakas also provides for the licensing of "luck-based games" operations. A luck-based games licence is valid for no more than five years. This may be renewed provided that a request for such renewal is made at least six months prior to the expiration date of the licence.

#### *Requirements for application or renewal of luck-based games licences*

Similar to the application and renewal of a casino license, an applicant for a luck-based games licence or a renewal thereof must meet the prescribed minimum requirements set out in the Prakas. Key requirements include:

- **Minimum capital requirement** - The luck-based games operator shall meet the minimum capital requirement of KHR20,000,000,000 (approx. US\$5,000,000) while having a "net capital" of at least 10% of the "capital"
- **Security deposit** – The luck-based gamers operator shall provide a security deposit of at least 15% of the 'capital' in the account of CGCC.
- **Annual fee** - The luck-based games licence annual fee is KHR120,000,000 (approx. US\$30,000). If an operator intends to add any luck-based game into its licence, an additional fee of KHR40,000,000 (approx. US\$10,000) shall be paid per new game.

### Commencement of Business Operations

Casino operators and luck-based games operators holding a valid licence shall commence their business operations no later than six months from the issuance of their licences.

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## **Transfer of Casino Licences and Luck-based Games Licences**

The transfer of a casino and luck-based games operations (either by way of transfer of license or shares) shall be subject to the prior approval of the General Secretariat of CGCC and the payment of relevant fees as specified in the Prakas.

If you have any queries on the above, please feel free to contact our team members below who will be happy to assist.

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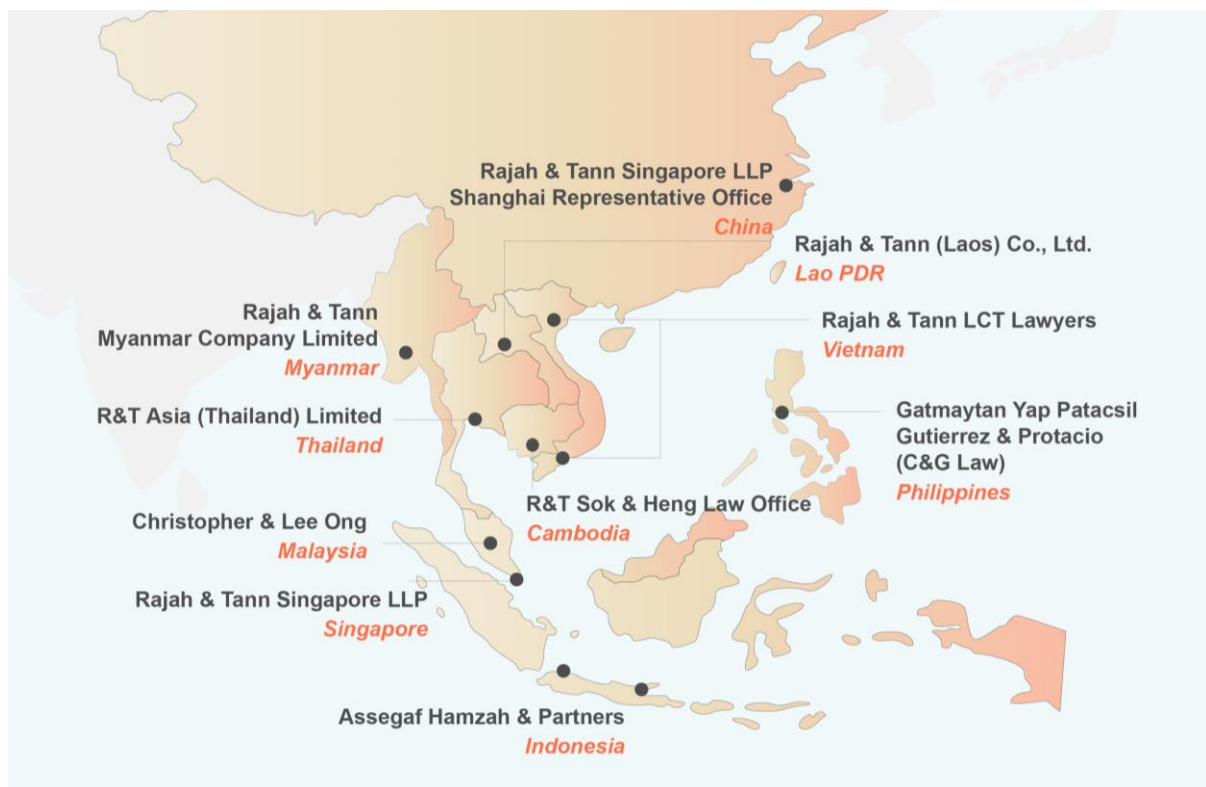
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