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# Labor Alert: Initials Labor Registration Updates: the Declaration of the Opening and Closing of the Enterprise/Establishment, the Payroll Ledger and the Enterprise Book



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## **Prakas No. 110/25 on the Declaration of the Opening and Closing of the Enterprise/Establishment.**

On May 5<sup>th</sup>, 2025, The Ministry of Labor and Vocational Training (“**MLVT**”) issued Prakas No. 110/25 on the Declaration of the Opening and Closing of the Enterprise/Establishment (“**Prakas**”), which replaces previous Prakas No. 288 on the Declaration of the Opening and Closing of the Enterprise/Establishment dated 05 November 2001. This Prakas requires owners or directors of an enterprise/establishment to apply for a declaration of the opening of an enterprise/establishment with the MLVT through the Labor Automated Central Management System (“**LACMS**”), an official online system initiated by the MLVT to manage mandatory labor-related services and registrations, prior to commencing business operations, under the following scenarios:

### **1. Newly Registered Enterprises/Establishments**

- The application for a declaration of the opening of an enterprise must be submitted concurrently with the registration of the business via one-stop online portal at <https://registrationservices.gov.kh>.
- After obtaining the declaration of the opening of the enterprise, the owner or director of the enterprise/establishment shall request for the enterprise/establishment's account with LACMS via website: <https://lacms.mlvt.gov.kh> within 30 (thirty) days the latest before proceeding with a request for other relevant labor compliance obligations.

## **2. Enterprise/Establishments operating without having a declaration of the opening of enterprise**

- The owner or a director must firstly request for access to their enterprise/establishment's account with LACMS via website: <https://lacms.mlvt.gov.kh> within 30 (thirty) days from the effective date of this Prakas in order to proceed with a request for other relevant labor compliance obligations.

It is important to note that should there be any change of registered information including, but not limited to, corporate name, address, owner(s) or director(s), business objective, form of legal entity, or shareholder(s) of enterprise/establishment, the owner or director must notify the MLVT within 30 (thirty) days from the existence of such changes attached with relevant supporting evidence. Where there is a concern relating to using incorrect information, the labor inspector may summon the owner or director to provide further information or justify the information submission.

The owner or director is also required to share a focal point of contact in the enterprise/establishment for ease of communication with the MLVT. The registered declaration of the opening of enterprise shall be publicly displayed at the premises of the enterprise/establishment.

Based on the Joint Prakas No. 498 on Fine for Violator of the Provisions of the Labor Law dated 31 July 2023, failure to obtain a declaration of the opening of enterprise may result in a fine of 5,040,000 riels (approximately USD 1,260).

### **Prakas No. 111/25 On Payroll Ledger**

On May 06, 2025, the MLVT issued Prakas No. 111/25 on Payroll Ledger (“**Prakas**”), which replaces Prakas No. 269 on Payroll Ledger dated 11 October 2001, introducing new obligations for owners or directors of enterprises and establishments regarding the use and maintenance of payroll ledgers.

Under this Prakas, owners and directors are required to maintain either a physical payroll ledger or a computerized payroll list in compliance with MLVT standards. To ensure valid verification, the payroll ledger or computerized payroll list must include a Quick Response (“**QR**”) code which can be downloaded through the LACMS, accessible via <https://lacms.mlvt.gov.kh>.

If an enterprise/establishment intend to use the format of enterprise payroll ledger differs from the official MLVT template or amend the existing registered payroll ledger template, the owner or director of said enterprise/establishment must validate the proposed payroll ledger template accordingly through the LACMS.

In order to ensure legal standing of the payroll ledger or computerized payroll list, owners and directors must fulfill the following formalities and conditions:

- Opt for either a payroll ledger or a computerized payroll list;
- If a computerized payroll list is used, the owner or director must complete any additional payroll information reflecting their business activities;
- Generate the payroll ledger or computerized payroll list from the LACMS for execution, then re-upload it into the LACMS to include a valid QR code;
- Input relevant data relating to the payroll ledger into the LACMS no later than the 20<sup>th</sup> of the following month;
- Maintain the payroll ledger or a monthly computerized payroll list for three (3) years after it has been used; ensuring that it is available for labor inspection at any time.

Based on the Joint Prakas No. 498 on Fine for Violator of the Provisions of the Labor Law dated 31 July 2023, failure to obtain a payroll ledger is subject to a fine of 5,040,000 million riels (approximate of USD 1,260).

### **Prakas No. 113/25 on Enterprise Book issued by MLVT**

On May 06, 2025, the MLVT issued Prakas No. 113/25 on Enterprise Book (“**Prakas**”), which replaces the previous Prakas No. 268 on Enterprise Book dated 11 October 2001, requiring owners and directors of enterprises and establishments to properly utilize and maintain a new format of enterprise book with **QR** Code which can be downloaded from the **LACMS** through the MLVT official website <https://lacms.mlvt.gov.kh/>.

The enterprise book is a mandatory labor compliance document that serves as a tool for labor inspectors to record, assess, and monitor an enterprise’s adherence to labor laws and related regulations. Owners and directors are required to review and address any findings from labor inspections. This includes responding to observations,

recommendations, restrictions, or other enforcement actions noted by the inspector. Timely corrective action must be taken to ensure the enterprise remains in full compliance with applicable labor standards and regulatory requirements.

In addition, the Prakas imposes the following obligations on owners and directors:

- Maintain the enterprise book and all relevant documents within the premises of the enterprise/establishment, ensuring that it is available for labor inspection at any time;
- Continue to maintain the enterprise book for a period of three (3) years from the date of closure of the registered enterprise book (if any); and
- Promptly download a new enterprise book from the LACMS once exhausting all pages of the registered enterprise book.

Please note that the labor inspector is entitled to check the enterprise book and other relevant documents at any time.

Based on the Joint Prakas No. 498 on Fine for Violator of the Provisions of the Labor Law dated 31 July 2023, failure to obtain an enterprise book may result in a fine of 1,680,000 million riels (approximate of USD 420).

If you have any questions about the alert or need advice on labor-related matters, please contact your usual contact at Bun & Associates.

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