



គណៈកម្មាធិការដឹកនាំការកែទម្រង់ច្បាប់

## OPENING REMARKS

by

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At the

**“Consultative Workshop on the Preparation for the Cambodia’s Commercial Code”**

Co-organized by the LRC and TPAB

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- *H.E. Vongsey Vissoth, Deputy Prime Minister and Minister in charge of the Office of the Council of Ministers*
- *Your Excellency, Minister Attached to the Prime Minister,*
- *Excellencies, ladies and gentlemen, distinguished guest speakers, researchers, and diplomats*
- *Ladies and Gentlemen,*

1. Good morning and welcome to each of you here present. Seeing this huge conference hall filled with so many participants makes me realized the importance of the topics of what we are about to discuss today. The formulation of a Commercial Code is not a walk in the park. If the experiences of the drafting of the Civil Code is any indication, we have to expect that this journey will outlast the Seventh Mandate of our government. But we should not be afraid of the task. It is not an easy task but it is also not an impossible one. Taking the first step that we are doing now is the most important step. What follows next will be a journey. Not a destination. We will get there but we should learn and enjoy the experiences along the way.

*Excellency, Ladies and Gentlemen,*

2. Why an attempt to codify the commercial code now? The answer is very simple: modern commerce is no longer organized mainly around isolated, easily listed transactions. It is organized around **enterprises, networks, platforms, finance, services, data, and regulation**. The old “acts of commerce” doctrine originating back

from the French colonial legacy was useful in the past when commerce was easier to identify: buying goods for resale, banking, insurance, carriage, bills of exchange, warehousing, brokerage, and similar transactions.

3. Let me say **first and foremost, commerce is now enterprise-based, not a transaction-by-transaction deal.** Modern business would no longer ask the old doctrine question whether “this particular act is commercial?” The question would often be “Is this actor operating an organized commercial enterprise?”

4. Let me give you an example: a logistics company does not merely perform one act of carriage. It manages warehouses, contracts with carriers, provides customs documentation, uses digital tracking, arranges insurance, extends credit, and handles cross-border compliance. So, for a lawyer to try classifying each step separately as an “act of commerce” becomes artificial. It is better to regulate the **enterprise** as a continuing commercial actor.

5. **Second, Services now dominate many economies, and Cambodia is no exception.** The old doctrine was built around trade in goods: purchase for resale, shipping, warehousing, bills of exchange. But modern days commerce includes consulting, software, cloud services, digital marketing, engineering, franchising, tourism, professional services, logistics management, fintech, and platform intermediation.

6. Here is another example: A company provides software-as-a-service to our garment factories. Is that a sale? A lease? A service? A license? A data arrangement? A digital platform contract? The old “acts of commerce” list may not answer clearly. A merchant/enterprise concept is more flexible.

7. Moreover, in the digital age economy, digital commerce blurs the categories, and it is difficult to neatly fit digital transactions into traditional categories. I have to come up with many examples to illustrate these concepts. For an online marketplace, is the platform a seller, broker, agent, advertiser, payment intermediary, or data controller? For a ride-hailing/delivery app like Grab or WowNow, is it transport, agency, digital intermediation, employment, logistics, or consumer service? For cloud storage, is it a lease, a service, a custody, a data processing, or an infrastructure contract? For digital goods, are they goods, licenses, intellectual property, services, or data access? For a Buy-Now-Pay-Later, is it sale, credit, payment service, consumer finance, or platform service? So our new Commercial Code must adapt to functions, not only to old categories.

8. **Third, global value chains have fragmented commercial activities.** Old commercial law often imagined a transaction between two parties: buyer and seller, shipper and carrier, lender and borrower. But modern production is fragmented across many firms and countries. The WTO’s 2025 Global Value Chain Development Report notes that digitalization and services are reshaping value creation and that global value chains are being reorganized around new hubs and firm networks.

9. For example, a Cambodian garment exporter may depend on imported fabric, foreign designs, digital ordering systems, logistics providers, trade finance, inspection services, insurance, customs brokers, overseas buyers, and platform-based compliance

documentation. They are not one neat “act of commerce.” It is a **commercial ecosystem**.

10. **Fourth, finance has become embedded in ordinary commerce.** In the older doctrine, banking and bills of exchange were identifiable commercial acts. Today, finance is embedded everywhere: receivables financing, factoring, leasing, supply-chain finance, digital payments, escrow, guarantees, credit insurance, invoice discounting, fintech lending, and buy-now-pay-later.

11. For example, a supplier sells goods to a buyer, assigns the invoice to a bank, obtains working capital from a fintech platform, and insures the receivable. Is the transaction a sale, assignment, secured transaction, loan, payment service, insurance, or platform contract? It may be all of them. A rigid list of acts cannot keep pace with this integration.

12. **Fifth, regulation now cuts across commerce.** Modern commercial law must coexist with special laws: banking, securities, insurance, customs, tax, consumer protection, competition, insolvency, data protection, e-commerce, environmental standards, labor standards, and product safety. The old doctrine tended to classify a transaction as commercial or civil. But today the better question is “Which layers of law apply to this commercial activity?”

13. For example, a retailer selling household goods online may be governed simultaneously by commercial contract law, e-commerce law, consumer protection law, tax law, data protection law, payment regulations, and competition law. The “act of commerce” label alone does not solve this.

14. **Sixth, informality and platform commerce make status unclear.** In Cambodia and many developing economies, many commercial actors are not formally registered. A person may sell through Facebook, Telegram, TikTok-style platforms, or informal distribution networks without being a registered merchant. If the Code relies only on formal merchant status, it misses real commerce. But if it relies only on old acts of commerce, it may still miss new platform-based activities.

15. That is why a hybrid model is better: A person may fall under the Commercial Code because they are a merchant, because they perform a commercial act, or because they habitually operate an enterprise even without formal registration.

16. **Seventh, commercial custom changes faster than laws.** Modern trade practices evolve very quickly: electronic invoices, digital bills of lading, QR payments, platform ranking, online reviews, electronic signatures, digital trade documents, and automated compliance. This means our Commercial Code cannot rely only on a fixed statutory list. It must also recognize **commercial usage, trade custom, and functional equivalence** for electronic records.

17. **Eight, the boundary between commercial and consumer is more sensitive.** Old commercial law assumed merchants dealing with merchants. Today, many transactions are mixed: A platform seller is a merchant; the buyer is a consumer; A farmer sells to an agribusiness; A micro-enterprise borrows from a fintech lender; A household user becomes a platform seller; A freelancer provides digital services to a company abroad, etc.

18. If the law simply says, “this is an act of commerce,” it may accidentally subject weaker parties to strict commercial rules. A modern Commercial Code must preserve protections for consumers, farmers, workers, and micro-enterprises.

19. **Lastly, intangible assets are central to commerce.** Old commercial law dealt mainly with goods, ships, warehouses, bills, and money. But modern commerce depends on intangibles: intellectual property, brands, software, data, domain names, carbon credits, digital tokens, customer lists, receivables, licenses, and algorithms. So, a rigid “acts of commerce” doctrine does not easily capture these assets.

20. In sum, all these factors will define how we should formulate or design our new Commercial Code to reflect the modernity of our present commerce.

*Excellency, Ladies and Gentlemen,*

21. As mentioned above, the formulation and drafting of this "Commercial Code" is an immense project and a historic task of great complexity. It is an endeavor that requires not only an extended period of time but also highly skilled human resources in the legal and commercial sectors, alongside full financial and political support.

22. Therefore, I would like to take this auspicious opportunity to express my deepest gratitude to **H.E. Vongsey Vissoth**, Permanent Deputy Prime Minister, Minister in Charge of the Office of the Council of Ministers, and Chairman of the LRC, who has always provided unwavering and full support to our strategic initiatives. This support clearly reflects **H.E. Vongsey Vissoth's** forward-looking and sharp vision, as well as his meticulous attention toward driving the drafting process of this Commercial Code into reality. At the same time, I would like to express my high appreciation and commendation to the Working Group on the Conceptual Framework of the Commercial Code for Cambodia, and especially to **H.E. Ly Chantola**, legal experts, and all officials of the General Secretariat of the LRC, who have dedicated their utmost physical, mental, and intellectual efforts to organizing this highly significant workshop today.

23. Having witnessed this valuable commitment and dedication, I would like to warmly encourage all excellencies, ladies, gentlemen, and distinguished participants here today, particularly representatives from specialized ministries and institutions, judges, lawyers, professors, and legal experts to actively engage in the discussions, exchange views, and provide comprehensive, vibrant, and deep inputs based on your respective concepts, experiences, and distinct expertise, for the ultimate benefit of constructing and strengthening our nation's legal system as a whole.

24. Without further ado, I would like to inform you that this consultative workshop on the drafting of the Commercial Code will proceed for the full day, focusing on detailed presentations and open Q&A sessions led by renowned national and international speakers on three key topics, including:

1. **The Concept of Drafting the Commercial Code for Cambodia**, to be presented by **H.E. Ly Chantola**, Secretary of State, Vice Chairman, and Secretary-General of the General Secretariat of the LRC.

**2. The Methodology of Codifying the Commercial Code and the Scope of Commercial Relations in France**, to be presented by Ms. Elisabeth Catta, Senior Legal Expert and Former Member of the Codification Commission, and Dr. Anne-Sophie Laffitte-Milard, Lecturer in Law at Université Paris 1 Panthéon-Sorbonne, Researcher at the Sorbonne Legal Research Institute, and holder of a Ph.D. in Comparative Law.

**3. Q&A Session on:** The concept of drafting the Commercial Code for Cambodia, the methodology of codifying the Commercial Code, and the scope of commercial relations in France.

At the same time, this workshop also features two panel discussions, which are:

**1. "The Methodology for Drafting Codes and the Commercial Code for Cambodia"**, moderated by **H.E. Dr. Hel Chamroeun**, Secretary of State of the Ministry of Economy and Finance and Member of the LRC, featuring speakers from the Ministry of Commerce, the Ministry of Justice, the State Secretariat of Border Affairs, as well as Japanese and French legal experts.

**2. "The Scope of Commercial Rules to be Incorporated into the Cambodian Commercial Code"**, moderated by myself, featuring speakers from the Ministry of Justice, the Ministry of Commerce, representatives from the judiciary, professors from France, representatives from UNCITRAL, lawyers, and the Chamber of Commerce.

*Excellencies, ladies, and gentlemen!*

25. Once again, I would like to express my sincere gratitude to excellencies, ladies and gentlemen, for taking your valuable time to participate in today's consultative workshop. I wish you all abundant good health, great strength, sharp wisdom, longevity, and success in your new endeavors, along with the four traditional Buddhist blessings: Longevity, Beauty, Happiness, and Strength.

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