

Cambodia News Brief

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A periodic summary of new rulings and documents relating to legal, tax, and investment developments in Cambodia

Subject:

Determination of employment contracts (*Instruction No.050/19 MLVT, dated 17 May 2019*)

The following report may be of interest to:

General companies

The Ministry of Labour and Vocational Training (MLVT) has issued Instruction No. 050 to clarify the determination of employment contracts as stated in the Labour Law as follows:

Fixed duration contracts (FDCs):

1. An FDC is an employment contract made for a specific duration. It must be in writing and clearly show the starting and ending dates. The maximum total duration of an FDC is four years including the duration of the first FDC and its subsequent single or multiple renewals. If the FDC exceeds this duration, it automatically becomes an unspecified duration contract (UDC) starting from the exceeded date. The grace period between an old FDC and a new FDC for the same or similar work of an employee with the same employer must not be less than one month. Otherwise, the new FDC will automatically become a UDC.

For example:

- a) If the first FDC lasts six months, the maximum total duration of the FDCs will be two years and six months.
 - b) If the first FDC lasts one year, so the maximum total duration of the FDCs will be three years.
 - c) If the first FDC lasts two years, so the maximum total duration of the FDCs will be four years.
2. The FDC may have an unspecified date when it is drawn up for: (i) replacing a worker who is temporarily absent; (ii) seasonal work; or (iii) occasional period of extra work or a non-customary activity of the enterprise.

Probationary period

A contract for a probationary period cannot last longer than three months for regular employees, two months for specialised workers and one month for non-specialised workers. This probation period contract cannot be continued or renewed even though it is agreed between the employee and employer.



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