

## Procedures for Resolving Individual Disputes in Cambodia

### Overview of the New Procedures and Differences from the Previous Procedures



Unresolved labor disputes may lead to workplace and business disruptions, declining employee productivity, and lowered employee retention and morale. By implementing labor dispute resolution mechanism, employers and employees gain a shared ability to manage and reduce these potential risks. While there are two types of labor disputes characterized under the Labor Law of Cambodia, this article will focus on the mechanism for resolving individual disputes to guide employers and employees toward effective implementation.

#### ***What is an Individual Dispute?***

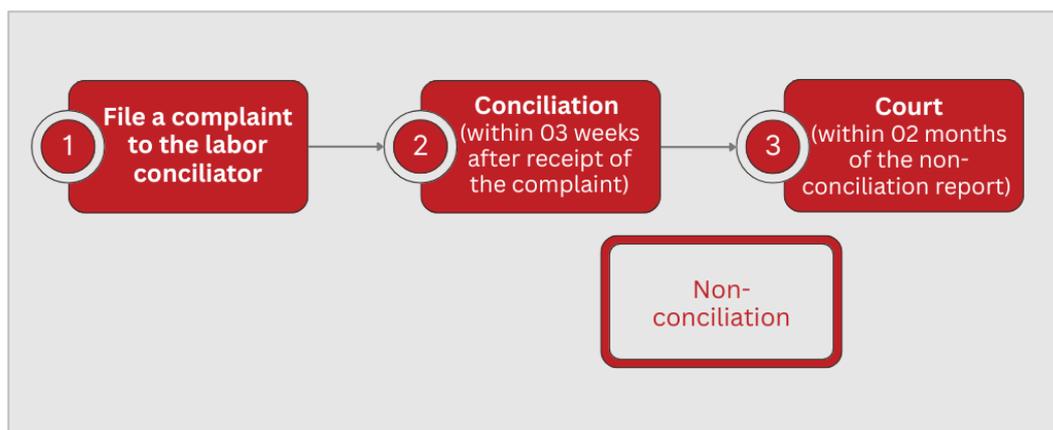
An individual dispute is one that arises between the employer and one or more workers or apprentices individually, and relates to the interpretation or enforcement of the terms of a labor contract or apprenticeship contract, or the provisions of a collective agreement as well as regulations or laws in effect.

#### ***How to Address Individual Disputes?***

The procedures for addressing individual disputes were initially established in the Labor Law of 1997 and subsequently revised in the amendment of Labor Law of 2021. On 29 November 2001, the Ministry of Labor and Vocational Training (“MoLVT”) issued Prakas No. 318 on Procedures for Resolving Individual Disputes (“Prakas No. 318”), which outlined a specific process for addressing individual disputes. Under these regulations, individual disputes may first undergo a conciliation process. If conciliation fails, the parties may escalate the case to the Court. The below diagram illustrates the procedures for resolving individual disputes under Prakas No. 318.

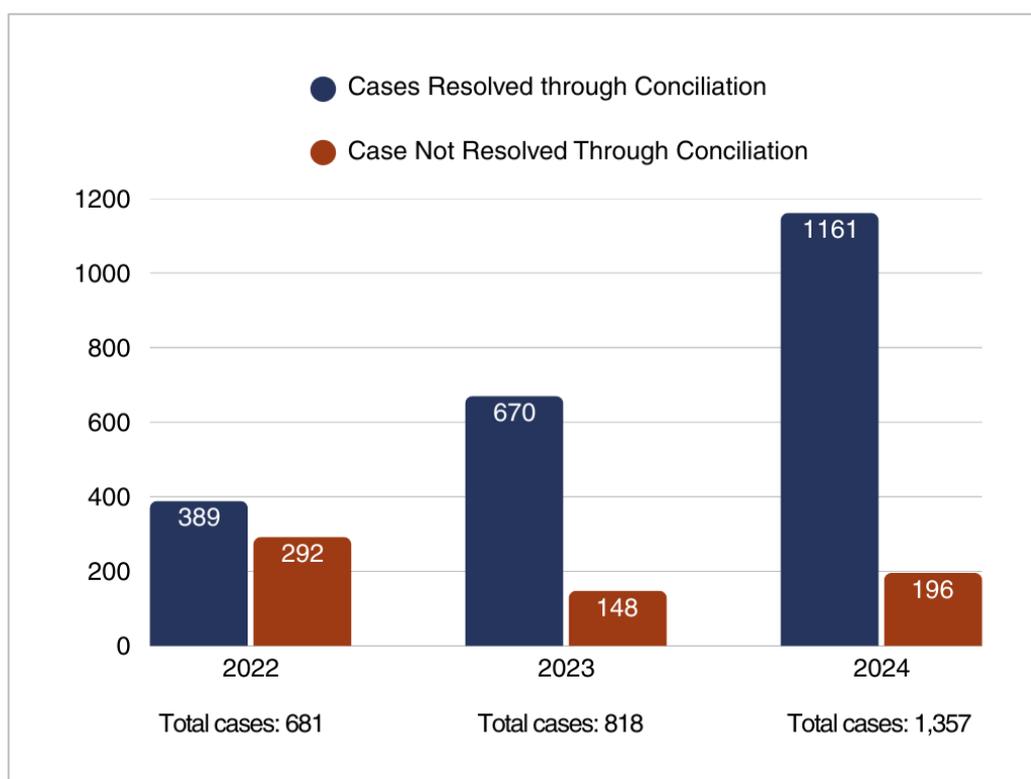


Exhibit 1: Previous procedures for resolving individual disputes



According to annual reports 2023 and 2024 of the MoLVT, during the 2022 – 2024 period, out of a total of 2,856 individual dispute cases, 2,220 were successfully conciliated by MoLVT.

Exhibit 2: Individual dispute cases filed to MoLVT 2022 – 2024 for conciliation (Per Annual Reports of MoLVT)

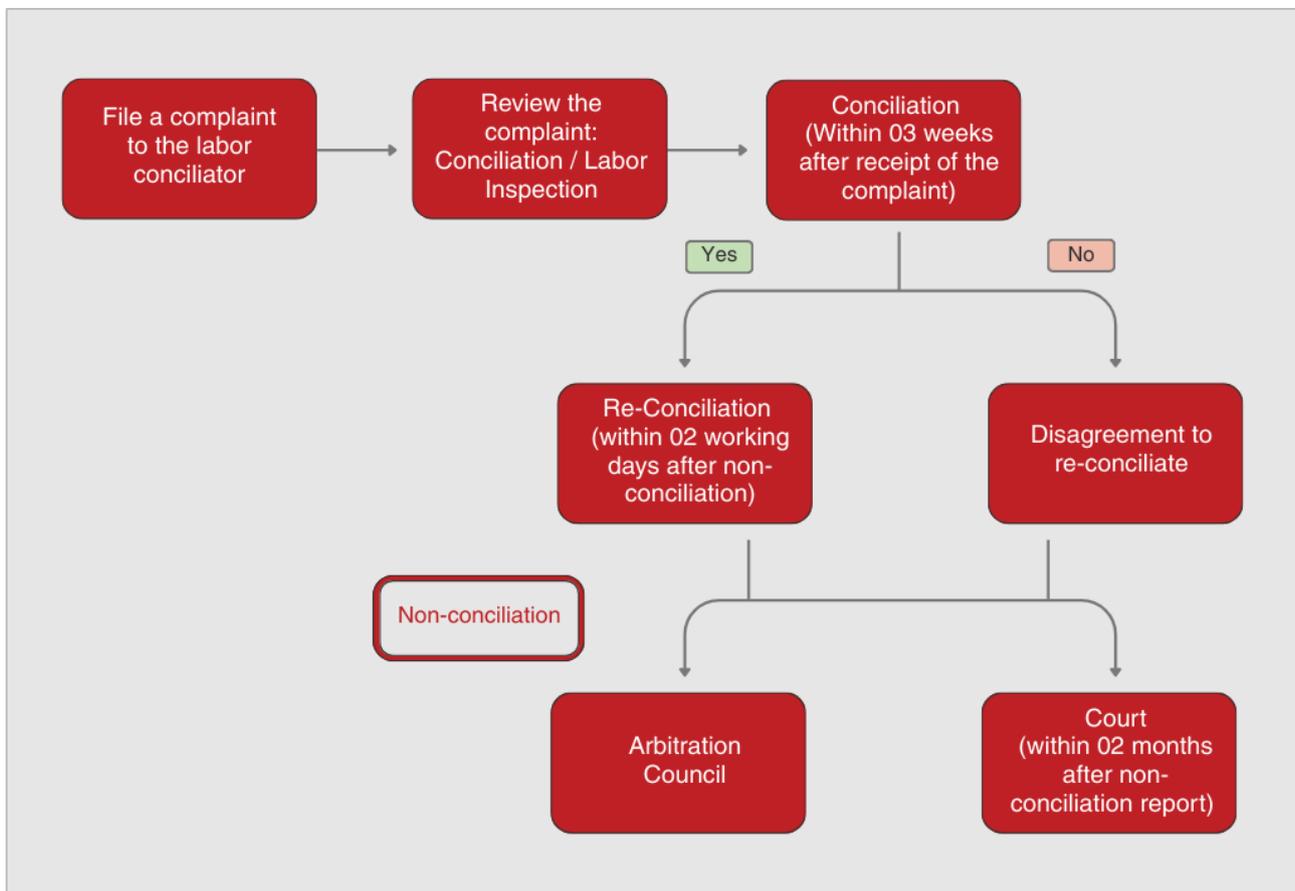


### Updated Procedures for Addressing Individual Disputes

Prakas No. 318 was abrogated following Prakas No. 073 on Procedures for Resolving Individual Disputes dated 04 March 2025 (“Prakas No. 073”). The new procedures for resolving individual disputes are illustrated as below:

- **Filing of a complaint to labor conciliator:** Either party may file a complaint to the labor conciliator for conciliation. In practice, it may be filed to the Department of Labor Disputes of Ministry of Labor and Vocational Training or the relevant provincial Department of Labor and Vocational Training. Upon receipt of the complaint, the conciliator will review the case to determine whether it requires conciliation or conducting a labor inspection.
- **Conciliation Process:** if the labor conciliator decides for conciliation, the disputing parties are required to provide information and other relevant documents requested by the labor conciliator and to attend meetings called by the labor conciliator. The labor conciliator is required to make a report clearly stating the outcome of the conciliation.
- **Re-conciliation:** If the disputing parties fail to reach an agreement, they may jointly submit a written request to the Minister of MoLVT to re-conciliation.
- **Possible path to seek to refer an individual dispute to the Arbitration Council:** Prior to or during the conciliation process, the disputing parties have the option to agree on and to request that the case be referred to the Arbitration Council for arbitration. Please note, as a matter of practice, this mechanism is not yet effective. It awaits the regulation of MoLVT to operationalize it.
- **Filing of a complaint with the Court:** While option is available for the disputing parties to refer the dispute to the dispute to Arbitration Council, if the option is not invoked, either of the disputing parties may file a complaint with the court following the non-conciliation.

Exhibit 3: *New process for resolving individual dispute:*



### **Highlight of Updated Procedures for Resolving Individual Disputes**

The new procedures for resolving individual disputes under Prakas No. 073 enhance the previous procedures and respond to the amendment of Labor Law 2021.

- The updated procedures allow the disputing parties to request a re-conciliation if the initial conciliation attempt is unsuccessful.
- Under the updated procedures, individual disputes, *with the agreement of the disputing parties*, can be forwarded to the Arbitration Council arbitration, except for those cases deemed void by the Labor Inspector.

### **Sok Xing & Hwang Commentary**

Prakas No. 073 is improved to reflect the amendment of the Labor Law 2021, where it provides an option to the disputing parties, where they agree, to bring their individual dispute to the Arbitration Council for arbitration. However, Prakas No. 073 does not specify the type of the arbitration award: whether it will be binding or non-binding. It appears to be ascertained as to whether the arbitration award of the Arbitration Council in such a case will be final. This ambiguity may need to be addressed in future updates to regulations of MoLVT.

Furthermore, it is noted that Prakas No. 073 does not specify whether an individual dispute will be a *right dispute* or an *interest dispute*. Consequently, employers should review their policies and internal regulations to determine if provisions should be included regarding the referral of rights and interest disputes to the Arbitration Council.

Finally, while the amended Labor Law of 2021 and Prakas No. 073 state that disputing parties can refer their cases to the Labor Court if conciliation is not successful, it is important to note that the Labor Court has yet to be established as of now. However, both regulations do not prevent disputing parties from referring their cases to common courts in Cambodia.

### **Further information**

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