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# CAMBODIA

Legal and Tax Digest

October 2024

## Tax

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*Prakas No. 625 dated 10 October 2024 issued by the Ministry of Economy and Finance on “Amendment to Article 3 of Prakas No. 071 dated 30 January 2024 on Incentives for Voluntary Tax Return Adjustments”*

This Prakas modifies the provisions regarding voluntary tax return adjustments outlined in Article 3 of Prakas No. 071.

### Key modifications

- The deadline for exemption from administrative penalties for taxpayers or withholding tax agents who voluntarily correct their accounting records and tax returns **has been extended to 30 June 2025** from 30 June 2024.
- The date of transactions for which corrections to accounting records and tax returns can be made has been extended to before August 2024, from the previous deadline of January 2024.

### Other provisions

All other provisions of Article 3 of Prakas No. 071 remain unchanged, as follows:

- Exemption from administrative penalties for corrections made during tax audits if they are made before the issuance of audit findings.
- The number of administrative penalties for corrective action is set after the issuance of audit findings.
- Payment credits are applied after the issuance of audit findings.

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*Prakas No. 626 dated 10 October 2024 issued by the Ministry of Economy and Finance on “Tax Incentives for Businesses Operating in the Tourism Sector in Siem Reap Province”*

This Prakas aims to stimulate the growth of the tourism sector by providing tax incentives to businesses such as hotels, guesthouses, restaurants, and travel agencies that are legally registered in Siem Reap province. It replaces previous Prakas No. 199 dated 8 February 2024, which applied to four provinces. Under the new Prakas, the tax incentives will be limited to businesses within Siem Reap province.

### Tax incentives

- Exemption from all monthly taxes, except for VAT and accommodation tax, for the period 1 July 2024 to 30 June 2025.
- Exemption from annual income tax and tax audits for fiscal year 2024. If income tax has already been paid for 2024, it will be credited toward the income tax liability for the year 2025.

### Obligations

Businesses must still meet the following obligations:

- Small taxpayers must file tax returns using the form, timeline, and location designated by the tax administration, or may choose to use the General Department of Taxation's tax filing app.
- Medium and large taxpayers are required to file their monthly tax returns using the online business tax declaration system (e-filing) and the annual income tax return through the online income tax declaration system (TOI e-filing) in accordance with existing tax regulations.
- All businesses must prepare and maintain proper accounting records and all business-related documents.

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*Notification No. 014 dated 9 October 2024 issued by the Ministry of Economy and Finance on "**Extension and Addition of Tax Incentives for the Real Estate Sector**"*

This Prakas aims to reduce the tax burden on companies engaged in housing development and assist property owners.

Key incentives are as follows:

- The exemption from/reduction in stamp tax on the transfer of ownership or possession of Borey housing has been extended through 31 December 2025.
- The application of capital gains tax on real estate owned by natural persons has been extended through 31 December 2025.
- The exemption from property tax for agricultural land used for cultivation has been extended to remain valid as long as the land is actively utilized for agriculture.
- The exemption from property tax for residential land used for agricultural purposes has been extended through 30 June 2025.
- The suspension of unused land tax has been extended through 31 December 2024.