

The Andersen logo features a stylized white wing above the word "ANDERSEN" in a white, serif, all-caps font. The background of the entire page is a satellite night view of the Earth, showing the illuminated landmasses of Asia and Australia against the dark blue of the oceans and the blackness of space with visible stars.

ANDERSEN®

CAMBODIA

Legal and Tax Digest

September 2024

Tax

Instruction No. 33000 dated September 18, 2024 issued by the General Department of Taxation (“GDT”) on the “Implementation of Tax Obligations for Immovable Property Leases”

The instruction, which is effective from the date of signature, provides new guidance on immovable property lease agreements that include a period for construction, design, renovation, or improvement. It provides a business-friendly approach for taxpayers by allowing a grace period of up to 10% of the total lease term contract for lessees to renovate or repair the property for business use where there is no or reduced rental payments (and thus no or lower applicable income tax and value added tax).

To ensure compliance, property owners must notify the GDT of any rent-free or reduced rent period within 30 days of signing the lease agreement, and if the period will exceed the maximum 10% period allowed, prior approval must be obtained.

Labor

Prakas No. 211/24 dated September 20, 2024 issued by the Ministry of Labor and Vocational Training on “Increase in the Minimum Wage for 2025 for the Garment, Textile, Footwear, Travel Product, and Bag Sector”

Effective from January 1, 2025, the new monthly minimum wages for garment, textile, footwear, travel product, and bag workers are as follows:

- Regular workers: USD 208 per month
- Probationary workers: USD 206 per month

In addition, provisions regarding the minimum wage for piece-rate workers (those whose pay is based on their production level) are as follows:

- If their output exceeds the minimum wage, they are entitled to the higher paid amount.
- If their output falls below the minimum wage, employers are obliged to adjust their pay to at least the 2025 minimum wage.

All other benefits typically provided to workers in this sector will remain unchanged.