



Edwin Vanderbruggen



Laysym Sim

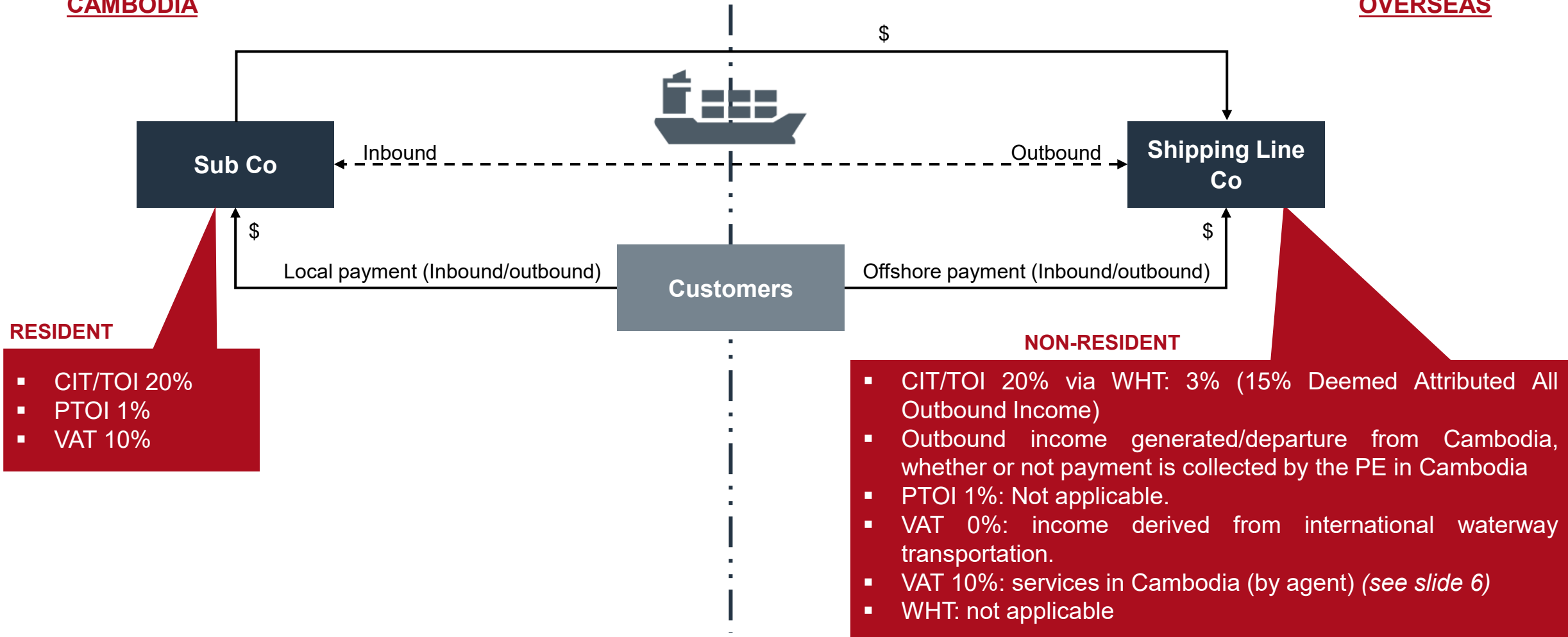
November 25, 2025

CAMBODIA'S NEW TAX REGIME FOR INTERNATIONAL SHIPPING: HOW TO APPLY IN PRACTICE?

Shipping Lines

CAMBODIA

OVERSEAS



Required “Taxable presence” – Permanent Establishment

- Article 3 of Prakas 405

Para 6. “Permanent establishment” (“**PE**”) refers to a fixed place of business in the Kingdom of Cambodia, [or] **an agent resident in the Kingdom of Cambodia**, through which the non-resident person carries on their business. The term “PE” also includes a network or other connection through which a non-resident person engages in economic activity in the Kingdom of Cambodia. Any person may be considered as a PE of a non-resident person in the Kingdom of Cambodia if the person regularly has and exercises the right to enter into a contract on behalf of the non-resident or is obligated to take a primary role in facilitating to reach the contract. A PE is considered as a resident legal person only for income from a Cambodian source. **For purposes of this paragraph, a non-resident person engaged in the international transportation of goods by sea and waterways through its subsidiaries or branches, independent agents, or freight forwarders is considered to have a PE in the Kingdom of Cambodia.**

Para 3. “**Agent of a liner**” refers to:

- a. A subsidiary or branch of the liner** that is registered for tax in the Kingdom of Cambodia.
- b. An independent liner’s agent**, which refers to an enterprise that acts as a representative under an agency agreement to communicate with customers, prepare relevant documentation, collect transport costs, and issue invoices on behalf of the liner.
- c. A freight forwarder**, which purchases and resells space on the liner’s vessels. The freight forwarder can provide other services, such as customs clearance and duty payment, preparation of documentation, arrangement of domestic transport, administrative services, and others.

Prakas 405

- “A subsidiary is an agent” (Art 3.3)
- “An independent agent is an agent → PE”
- “A freight forwarder is an agent of a liner → PE”

Cambodia DTAs

(example: Singapore)

- “The fact that a company resident in Singapore controls a company in Cambodia shall not itself constitute a PE” (Art 5 para 8)
- “An enterprise of Singapore shall not be deemed to have a PE (in Cambodia) merely because it carries on business through a broker, general commission agent or any agent of an independent status” (Art 5.7)

Taxable basis and payment of the tax for non-resident liners (with PE)

▪ Article 3

Para 7. “Gross income derived from the international transportation of goods by sea and waterways” refers to income that the liner has received or that is receivable from the international transportation of goods by sea and waterways, including:

- a. Ocean Freight charges (“**OFR**”)
- b. Terminal handling charges (“**THCs**”)
- c. Surcharges in connection with the international transportation of goods by sea and waterways, including:
 - Fuel (bunker adjustment factor (“**BAF**”), emergency bunker surcharge or (“**EBS**”));
 - Container imbalance charges (“**CICs**”);
 - Demurrage charges;
 - Fees for removing the container from the port and not returning it to the shipping company or agent of the shipping company within the specified period (detention charges); and
 - Other charges and fees.

- **Article 9:** An enterprise that is the PE of a non-resident person engaged in the international transportation of goods by sea and waterways must withhold the TOI of the non-resident as stated in Article 8(2) of this Prakas and pay it to the tax administration no later than the 20th day of the month following the month after the payment for the transportation took place. The TOI withheld under this article is the responsibility of the PE and is the final tax of the non-resident person engaged in the International [maritime] and waterways transportation of goods.

Value Added Tax for liner services

- **Article 5:** Pursuant to Article 65 of the LOT, Value Added Tax (“**VAT**”) on international transportation of goods by sea and waterways will apply as follows:
 1. 0% applies to the supply of international [maritime] and waterways transportation of goods . The supply of transport services through the purchase and resale [of space] with a profit margin will be considered as the international transportation of goods by sea and waterways.
 2. 10% applies to services performed in the Kingdom of Cambodia, such as agents’ commissions, lift-on lift-off in ports, local tracking, preparation of documentation for export or import, packaging, and other services.
 3. 10% applies to the supply of port services, such as lift on lift off goods from container, container storage charges, and other relevant charges, except services in connection with the international waterways transportation. Ports must issue invoices on these charges directly to the liners. Liners are not obligated to collect VAT on services of the international transportation of goods by sea and waterways and other services.
- **Article 6:** Input VAT credits for International [maritime] and waterways transportation of goods will be implemented as stipulated in the VAT provisions.

Documentation Fee

▪ International Shipping Liners

- Packing List
- Bill of Lading (**BoL**)
- Export/import Documentation Fee
- Certificate of Origin
- Delivery order
- Export License (if applicable)
- Insurance Certificate (for CIF shipments)
- Inspection / Fumigation Certificate Fees

▪ Local Shipping Liners

- Customs Clearance
- Document processing fee



David Ly
Assistant Tax Manager

Impact of Prakas 405 for Shipping Liners

PRIOR TO PRAKAS 405	AFTER PRAKAS 405
(Ambiguities) Outbound/inbound income fee (or Ocean Freight (OF)), THC fee, Doc fee, others	Outbound income fee only <i>(regardless fee payment is collected by PE or not)</i>

TAX AMOUNT (PRIOR TO PRAKAS 405) (US\$)	TAX AMOUNT (AFTER PRAKAS 405) (US\$)	PERCENT INCREASE (%)
10,000*	200,000**	95

* 1% PTOI on voluntarily declared THC and seal fees to the GDT

** 3% WHT on outbound income fees from Cambodia to the GDT

Note: The tax amount provided is for illustrative purposes only and is based on our historical practice experience

Impact of Prakas 405:

- Cambodia's economy is export-oriented
- 3% WHT on outbound income from Cambodia
- Prakas 405 provides greater certainty regarding the tax payable, resolving previous ambiguities in Cambodian tax law for the shipping industry



Chanthearith Chea
Tax Director

Invoicing Options

1

Invoice

 **LINER CO.**
PHONE NUMBER
ADDRESS

BILLED TO:
CUSTOMER NAME
PHONE NUMBER
ADDRESS

Invoice No. 12345
 30 September 2025

2

Invoice

 **CAM SUB CO.**
PHONE NUMBER
ADDRESS

BILLED TO:
CUSTOMER NAME
PHONE NUMBER
ADDRESS

Invoice No. 12345
 30 September 2025

3

Invoice

 **CAM SUB CO.**
ON BEHALF OF LINER CO.
PHONE NUMBER
ADDRESS

BILLED TO:
CUSTOMER NAME
PHONE NUMBER
ADDRESS

Invoice No. 12345
 30 September 2025

Tax implications

1. In terms of tax liability for the liner under Prakas 405.
2. Accounting implications.



Laysym Sim
Partner

Intercompany charges

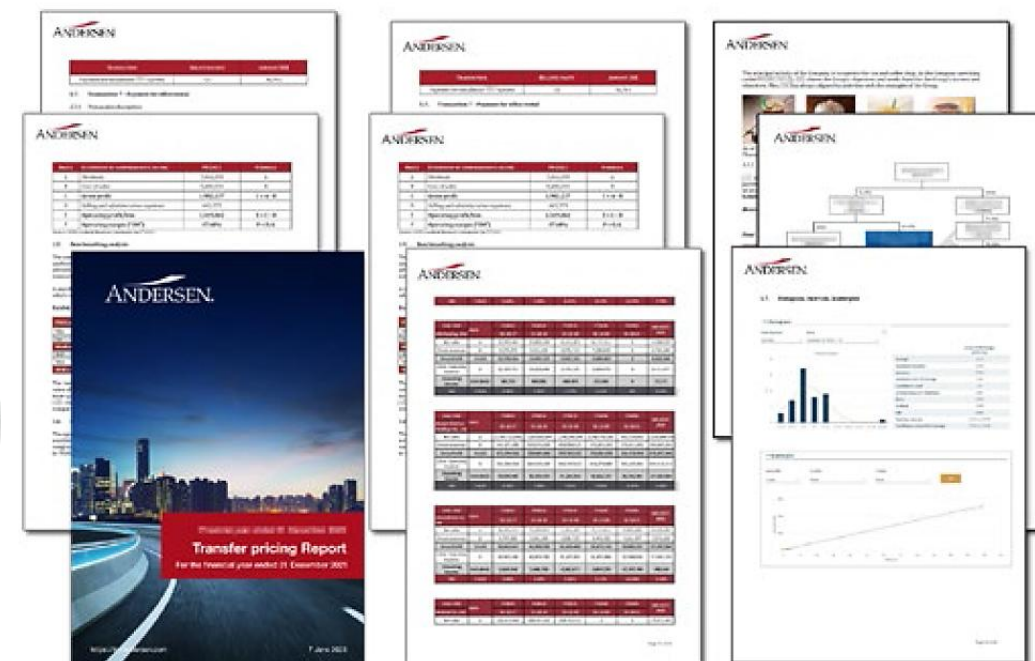
No.	COMPANY	JURISDICTION	FY2023	FY2022	FY2021	WA FY2021-FY2023
1	Company A	Vietnam	0.56%	1.33%	9.49%	3.83%
2	Company B	Vietnam	4.79%	3.30%	1.61%	3.18%
3	Company C	Japan	3.72%	6.45%	6.91%	5.70%
4	Company D	Taiwan	5.12%	6.77%	7.58%	6.72%
5	Company E	China	1.48%	1.32%	1.10%	1.28%
6	Company F	Japan	5.07%	5.72%	6.01%	5.60%
7	Company G	China	2.57%	2.35%	3.24%	2.74%
8	Company H	Republic of Korea	4.68%	4.25%	4.45%	4.45%
9	Company I	Japan	6.18%	6.06%	6.51%	6.25%
10	Company J	Japan	2.91%	4.21%	4.27%	3.81%
11	Company K	Japan	1.35%	2.28%	1.65%	1.80%
PLI CALCULATIONS			NCP FY2023	NCP FY2022	NCP FY2021	WA FY2021-FY2023
Minimum			0.56%	1.32%	1.10%	1.28%
Lower			2.03%	2.32%	2.44%	2.96%
Median			3.72%	4.21%	4.45%	3.83%
Upper			4.93%	5.89%	6.71%	5.65%
Maximum			6.18%	6.77%	9.49%	6.72%

2.96% - 5.65%

This is the typical net-cost plus profit margin range achieved by independent freight forwarders and logistics companies in the region, providing a market-based benchmark for related-party pricing.



Andersen Cambodia Transfer Pricing Reports



Eric Yang
Tax Manager

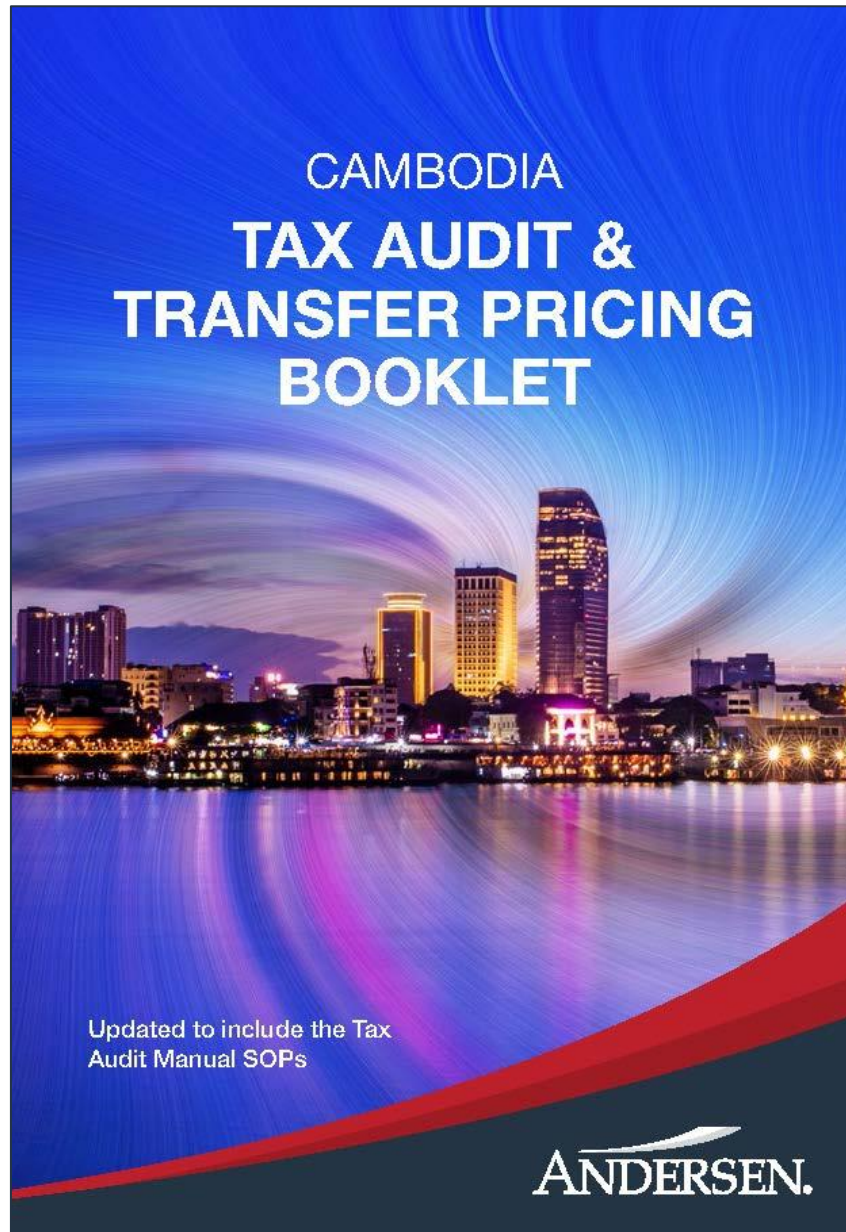
Turn Data into Your Defence

We help international shipping and logistics groups use objective market data—like the benchmark analysis to the left—to set compliant transfer prices and build a strong defence for tax audits.

Remaining points of attention

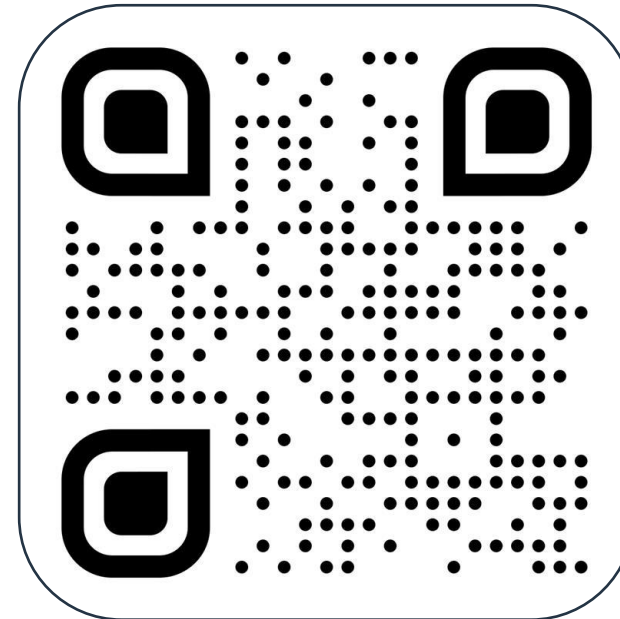
- Impact of Prakas 405 on pending tax audits of previous financial years
- Do Cambodia's DTA offer protection?
- Tax disputes on margins, evidencing offshore payments
- Penalties for “late” implementation of Prakas 405

NEW!

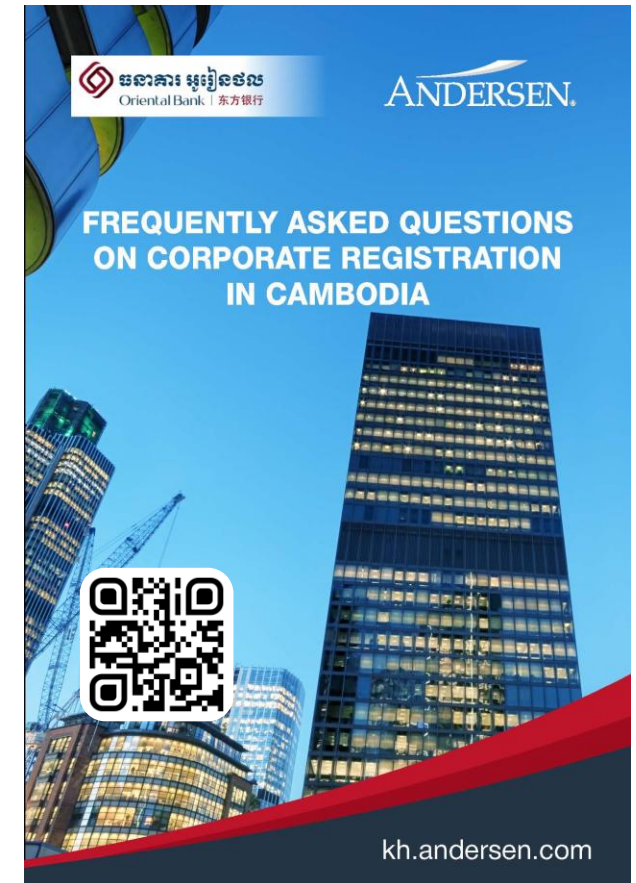


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Thank You