



January 2026

KPMG in Cambodia

Welcome to the latest edition of Policy Watch. In this issue, we highlight the most important developments in November and December 2025, including a new regulation with respect to continuing to provide or receive independent audit services beyond five years. We also provide a preview of upcoming regulations currently in the pipeline and outline opportunities for businesses to share feedback on the legislation.

As always, KPMG in Cambodia remains actively engaged in policy dialogues to help shape a more transparent, competitive, and investor-friendly regulatory landscape.

1. November & December 2025 Highlights



A summary of major legal and regulatory developments in November and December 2025 that may significantly impact businesses in Cambodia.

Date	Highlights	Read now
November 2025	<p>Continuing to provide or receive independent audit services beyond five years <i>(Accounting and Auditing Regulator (ACAR) – circular no. 037/25 ACAR dated 7 November 2025)</i></p> <p>The Accounting and Auditing Regulator (ACAR) released guidelines on extending audit engagements past five years, outlining required procedures for firms and entities.</p>	English
December 2025	<p>Annual Tax, Accounting, Labor, and Regulatory Compliance Reminders</p> <p>KPMG has rollout a technical update to remind Taxpayers must ensure to full compliance with its obligations to avoid any risks, and hefty penalties imposed by the concerned government agency and/or regulators. This includes compliance with tax, accounting, labor, and regulatory requirement deadlines.</p>	English

2. On the Radar



A look ahead at regulations and developments currently in motion.

Date	Highlights
17 November 2025	<p>State-borne VAT on locally produced food from 2026 to 2028</p> <p>Locally produced food that are basic food for daily lives will be treated as state-borne from VAT from January 2026 to end-2028 to cut household costs and reinforce Cambodia’s food supply chain.</p>
19 November 2025	<p>Tax incentives for the agricultural sector</p> <p>These incentives, effective January 2026 through December 2027, promote growth and competitiveness in Cambodia’s agricultural sector and related exports.</p>
28 November 2025	<p>Draft national policy on rural development (2025–2035)</p> <p>A comprehensive strategy is being reviewed by the Cabinet to drive growth in agriculture, fisheries, water resource management, and rural infrastructure.</p>
08 December 2025	<p>Government Extends VAT Exemption on Essential Foods to 2028</p> <p>The measure aims to ease living costs by applying VAT to locally produced essential food items under the self-declaration tax regime, with the state covering the tax.</p>
31 December 2025	<p>Cambodia officially launched 5G services</p> <p>Commercial service began at 12:01 a.m. on 1 January 2026, marking the New Year celebrations with a rollout across Phnom Penh and major provinces through the country’s leading mobile operators.</p>

3. KPMG Public Affairs



4 December 2025 – Mr. James Roberts, Head of Advisory Services at KPMG in Cambodia discussed the nation’s economic outlook, challenges, and investor sentiment with B2B Cambodia.

Watch [Part I](#) and [Part II](#) of the Interview.

4 December 2025 – KPMG in Cambodia joins public consultation workshop on gathering feedback on the draft Prakas on The Organization and Functioning of the Trust Dispute Resolution Council.

18 December 2025 – KPMG Cambodia was recognized for its two CSR initiatives at the AmCham’s CSR Gala Dinner reflecting the firm’s commitment to expanding education access and advancing gender diversity in the technology sector.

18 & 24 December 2025 – Seyla Neou, Associate Director of Tax and Corporate Services attended Government-Private Sector forum’s working Group “G” to discuss on the production processing for export and trade facilitation.

Best regards,
KPMG in Cambodia

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