

Royal Government's Relief Measures to Support the Important Sectors (Letter No. 2039 GDT, dated 1 February 2022, and Prakas No. 130 MEF, dated 9 February 2022)

The Government extended the tax relief measures provided to important sectors in Cambodia, as previously set out in the 10th round of tax relief, dated October 2021. In addition, the Ministry of Economy and Finance (MEF) has issued the Inter-ministry Prakas No. 130 MEF, dated 9 February 2022, to further emphasize on the additional incentive for the tourism industry. We summarize these incentives below:

Industry	As per Letter No. 2039 (11 th round), which is an extension of previous tax reliefs since Instruction No. 002, dated 25 February 2020 (1 st round)	As per MEF Inter-Ministry Prakas No. 130, dated 9 February 2022
Hotels, guesthouses, restaurants and tourist agency companies registered under the GDT and operating in Phnom Penh, Bavet and Poipet cities; and Siem Reap, Sihanoukville, Kep, Kampot provinces	<ul style="list-style-type: none"> — Exempt from payment of monthly taxes of all kinds (i.e. Value Added Tax, Prepayment Tax on Income, Tax on Salary, Fringe Benefit Tax, Withholding Tax, Special Tax on Certain Merchandises and Services, Public Lighting Tax and Accommodation Tax) until June 2022. (Round 11) — Exempt from renewal of tourism license fees for 2021 (Round 4) — Exempt from the 2021 Patent Tax obligation (Round 6 & 7) — Delay from comprehensive tax audit for year 2020 (Round 6) 	<ul style="list-style-type: none"> — Exempt from payment of monthly taxes of all kinds until June 2022. — Exempt from renewal of tourism license fees for 2022 — Exempt from the 2022 Patent Tax obligation — Continue the implementation of instruction on the incentive policy on tickets to visit Angkor Wat until 31 December 2022.
Hotels, guesthouses, restaurants and tourist agency companies registered under the GDT and operating in areas other than those listed above	<ul style="list-style-type: none"> — Exempt from renewal of tourism license fees for 2021 (Round 4) — Exempt from the 2021 Patent Tax obligation (Round 6 & 7) — Delay from comprehensive tax audit for year 2020 (Round 6) 	<ul style="list-style-type: none"> — Exempt from renewal of tourism license fees for 2022 — Exemption from the 2022 Patent Tax obligation — Delay of tax audit visits for the year 2021. — Continue the implementation of instruction on the incentive policy on tickets to visit Angkor Wat until 31 December 2022.
Domestic airline companies	— Exempt from Minimum Tax (MT) and shall not be required to pay Prepayment of Tax on Income (PTol) until June 2022. (Round 11)	— None

Taxpayers eligible for the above tax relief/incentives shall continue to comply with their obligations (e.g., monthly E-Filing declarations, E-VAT submission, update of Patent Certificates, renewal of tourism licenses, etc.) although the payment of the applicable tax dues/fees shall be borne by the State (i.e., State-Charged).

Our comments

With the Covid-19 situation continuing to impact the local and global markets, some of Cambodia's industry sectors are still struggling. These temporary tax relief measures by the Government will assist impacted businesses for another six months by not having to pay any monthly taxes. Notwithstanding, impacted taxpayers should still ensure to comply with monthly tax declaration requirements and other administrative compliance obligations to avoid any future risks.

As a committed tax advisor to our clients, we welcome any opportunity to discuss the relevance of the above matters to your business.

Contact us

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