

# Policy Watch

Tracking Regulatory & Policy shifts that matter to business



August 2025

KPMG in Cambodia

Welcome to the latest edition of Policy Watch. In this issue, we highlight the most important developments from May to July 2025, including updates on payroll compliance, the implementation of a new financial reporting framework and platform, and recent changes to tax relief and procedures. Notably, the Ministry of Labor and Vocational Training (MLVT) has issued new regulations aimed at enhancing labor compliance through digitalization. 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. July 2025 Highlights

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

Date	Highlights	Read now
July 2025	<p><b>Capital Gains Tax (CGT) Prakas</b></p> <p>This new CGT Prakas no. 496 determines the rules on the imposition of CGT on capital gains realized from the sale or transfer of “capital assets”.</p>	<p>- <a href="#">English</a></p>
July 2025	<p><b>Tax Obligation for Share Premium and Tax Obligations for Board of Directors (BOD) Member or Company Directors</b></p> <p>Based on the provisions outlined in the Tax on Salary (ToS) and Fringe Benefits Tax (FBT) Prakas no. 575, the GDT has clarified tax implications for BOD members and Company Directors</p>	<p>- <a href="#">English</a></p>
July 2025	<p><b>New Classification of the Environmental Impact Assessment for Investment Projects</b></p> <p>The Ministry of Environment (MoE) has issued a new guideline detailing EIA documentation requirement and classifying investment projects by environmental impact and compliance obligations.</p>	<p>- <a href="#">English</a></p>

July 2025	<b>Cambodia Labor Compliance Updates</b>  The Ministry of Labor and Vocational Training has two new Prakas introducing updated requirements for the use and inspection of the Payroll Ledger and the Enterprise Book Registration through the MLVT online system as part of MLVT's broader effort to digitize labor compliance processes through the LACMS.	- English
July 2025	<b>Implementation of Cambodian Reduced Financial Reporting Framework and the Digital Financial Reporting Platform</b>  The Non-Bank Financial Services Authority (FSA) has issued a Prakas to implement the Cambodian Reduced Financial Reporting Framework (CRFRF) and the Digital Financial Reporting Platform (DFR).	- English
July 2025	<b>Notification on the Cyber-Attack Preventative Measures</b>  This initiative is in response to recent cyber-attacks targeting websites and online platforms in Cambodia, which could potentially compromise the security of users of the E-filing system and the Digital Financial Reporting Platform.	- English
June 2025	<b>Rules and Procedures on Trust Taxation, WHT Relief for Domestic Airlines, and Supporting Documents for Related-Party Interest</b>  Prakas no. 192 which is effective from 12 March 2025 outlines the rules and procedures regarding the tax implications of Trust operations in Cambodia, relevant to the Trustor, Trustee, and the beneficiaries including both resident and non-resident taxpayers.	- English

## 2. On the Radar

A look ahead at regulations and developments currently in motion.

Date	Highlights
01 August 2025	<b>U.S. Reached Trade Deal with Cambodia</b>  A bilateral trade deal is revised, cutting U.S. tariffs on Cambodian exports to 19%. Cambodia's integration into global trade is a strength, but also a vulnerability. As geopolitical and economic uncertainties grow, exporters must not only navigate cost pressures, but also adjust their internal pricing strategies to stay compliant and competitive.  <i>Download Tax Newsflash <a href="#">English</a>   <a href="#">Chinese</a></i>
16 July 2025	<b>Cambodia Mandatory Conscription Law</b>  Upcoming revisions to the 2006 conscription law will be carefully reviewed and consulted upon to ensure that its implementation is effective and in line with national priorities.

## 3. Dialogues with Policy-makers

### Draft of Supplementation of the Registry of Administrative Registration for Security Service or Storage Service for Security Box hosted

18 July 2025: Ms. Neou Seyla participated in a consultation workshop on the Draft Prakas on the Supplement to the Prakas on Trust Registration Fees for Retention or Escrow Services in Safe Boxes. The session aimed to gather feedback on proposed regulatory enhancements.

### Consultative Workshop on the Draft Law on Personal Data Protection

23 July 2025: Ms. Seyla attended the Consultative Workshop on the Draft Law on Personal Data Protection, organized by the Ministry of Post and Telecommunications. The workshop brought

together key stakeholders from both the public and private sectors to provide constructive input on the draft legislation.

### **Dialogue Working Group “G” on Export Processing and Trade Facilitation**

28 July 2025: Ms. Seyla took part in the Dialogue Working Group “G” on Export Processing and Trade Facilitation, under the Government-Private Sector Forum with the Ministry of Commerce. The meeting focused on collaborative efforts to improve trade facilitation and support export-oriented businesses.

### **KPMG in Cambodia joins National Workshop on draft National Artificial Intelligence Strategy hosted by MPTC**

01-02 July 2025: Eng Bunthach, Director, IT Advisory joined the National Workshop on draft National Intelligence Strategy hosted by Ministry of Post and Telecommunication alongside with 400 participants from all sectors.

*Read more: [Dialogue summary](#), [News recording](#)*

**Best regards,**

KPMG in Cambodia



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