

Technical Update

August 2022



Royal Government's Relief Measures to Support the Tourism Sector

(News Press No. 01 PKN, dated 15 July 2022)

The Royal Government of Cambodia (RGC) has issued the news press no. 01 PKN to provide additional incentives to support the recovery of the tourism sector in Cambodia. In cooperation with the private sector and relevant ministries, the RGC provides the following additional measures to the tourism sector:

1. Exemption from payment of all types of monthly taxes (i.e., 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), except Value Added Tax (VAT) for **additional 3 months from July to September 2022** for business activities in **Phnom Penh, Siem Reap, and Sihanoukville**.
2. Relief through freezing debt figure at the end of 2019 and exemption from penalties in 2022.
3. Encourage businesses in the tourism sector to organize a specialist development program for their staff and have the possibility to request financial support from the Specialist Development Fund (SDF) project, as needed.

Taxpayers eligible for the above tax relief/incentives shall continue to comply with their obligations (e.g., monthly E-Filing declarations, E-VAT submission, etc.) and comply with their other tax compliance obligations in Cambodia.

Our comments

In light of the reopening of Cambodia's economy and socio-economic activities from the easing of the restrictions, the RGC has seen noticeable recoveries in some heavily impacted sectors, particularly the garment and tourism sector. The additional measures provided by the RGC are specific to the tourism sectors operating in Phnom Penh, Siem Reap, and Sihanoukville which are still facing certain challenges, including the continued threat of increasing COVID 19 cases, and the rising global inflation rates.

Impacted taxpayers are suggested to consult with their tax advisors on how these measures will impact their current tax and regulatory compliance obligations in Cambodia, and to clarify on the specific criteria/conditions to avail of these incentives.

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

Phnom Penh

PO Box 2352
35th Floor, GIA Tower,
Sopheap Mongkul Street, Diamond Island,
Sangkat Tonle Bassac, Khan Chomkarmon,
Phnom Penh, Kingdom of Cambodia

T: +855 (17) 666 537 | +855 (81) 533 999
E: kpmg@kpmg.com.kh

Michael Gordon

Senior Advisor,
Partner
T: +855 17 666 537 (ext. 7222)
E: mgordon@kpmg.com.kh

Nguon Socheata

Director
T: +855 17 666 537 (ext. 7217)
E: nsocheata@kpmg.com.kh

Tan Mona

Partner
T: +855 17 666 537 (ext. 7221)
E: tmona@kpmg.com.kh

Song Kunthol

Director
T: +855 17 666 537 (ext. 7202)
E: skunthol@kpmg.com.kh

So Dary

Partner
T: +855 17 666 537 (ext. 7277)
E: daryso@kpmg.com.kh

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