



CAM ACCOUNTING & TAX SERVICE CO., LTD.

Key Notes for Tax Incentives

The Cambodia's Prime Minister Hun Manet addressed a continuation of Cambodia's strategic efforts to improve tax environment that will attract and help the following industries to supports economic growth and sectoral development.

Real Estate Sector

- **Extended Tax Incentives:** The Prime Minister extended tax incentives in the real estate sector until the end of 2025. This includes the postponement of capital gains tax, lump-sum tax payments for real estate developers, and the exemption of transfer tax on ownership transfers for residential houses in Borey projects valued at or below USD 70,000.
- **Exemption on Unused Land Tax:** Additionally, land areas below 5 hectares will be exempt from the tax on unused land, a move aimed at reducing the financial burden on landowners and encouraging land development.

Voluntary Amendment of Tax Returns

- **Extended Timeline:** The timeline for taxpayers to voluntarily amend their tax returns has been extended until the end of June 2025. During this period, taxpayers can make corrections without facing penalties or the standard 1.5% monthly interest rate, providing significant relief and encouraging compliance.

New Tax Incentives for Enterprises

- **Site Tax Audit Exemption:** The government will continue to exempt small taxpayers from site tax audits during business operations and closures, aiming to ease operational pressures on small enterprises.
- **Repeal of Prakas 360:** The Prime Minister also announced the abrogation of Prakas 360, which had caused confusion among small business owners. He clarified that businesses with an annual turnover below 250,000,000 KHR are exempt from tax obligations, including patent tax registration, ensuring that the smallest enterprises operate without undue tax burden.

Agriculture Sector

- **Continued Exemptions:** The tax exemption for agricultural and family farmland remains in place, supporting the agricultural sector's vital role in the economy. Additionally, the import tax on agricultural equipment and products such as fertilizer, seeds, and animal feed continues to be exempted.
- **Suspension of PTOI and WHT:** The suspension of PTOI (Prepayment of Tax on Income) and WHT (Withholding Tax) on service payments for enterprises involved in producing, supplying, or exporting 11 key agricultural products, including paddy rice, rubber, and mango, has been extended.

Tourism Sector

- **Extended Tax Exemptions for Siem Reap:** The previously granted tax exemptions for tourism enterprises in Siem Reap province have been extended for another year, until June 2025. These businesses will continue to be exempt from all types of monthly taxes, except VAT and accommodation tax, and will not be subjected to tax audits during this period.

Education Sector

- **Long-term Tax Incentives:** The education sector will benefit from extended tax incentives until the end of 2028, reflecting the government's focus on supporting long-term growth in education.





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