

# Technical Update

April, 2024

## Prakas Tax on Rent Real Estate Property

**(Sub-Decree No. 169, dated 20 March 2024)**

### The tax base for rental assets

Property tax is levied at a rate of 10 percent of the total rental asset value.

1. The total monthly rental value in accordance with the lease agreement or agreed upon with the lessee based on market prices.
2. The total rental value that the owner or right holder receives from the lessee in accordance with the lease agreement or agreed upon with the lessee based on market prices.

### Property tax exemptions are granted

1. Rental fees from assets of the Royal Government of Cambodia or institutions under the Royal Government of Cambodia.
2. Fees from renting assets of foreign diplomatic missions or consulates, international organizations, and other government technical cooperation agencies.
3. Fees from renting assets of any organization or association organized and operated for purely religious, charitable, scientific, literary, or educational purposes, with no portion of the fees used for personal benefits.
4. Deposits made by the lessee as a guarantee that the owner or right holder must return the full amount to the lessee at the end of the agreement.
5. Rental fees that have already been tax deducted by the enterprise as a taxpayer under the real regime, in accordance with Articles 25 and 26 of the Law on Taxation.
6. Rental fees from assets of the enterprise as a taxpayer under the real regime already included in the taxable income of the enterprise.
7. Rental fees for all rental cases with a total monthly rental amount less than 500,000 Riels.

### **The owner or right holder has the following obligations :**

1. Register with the tax administration where the asset is located within 15 days from the date of signing the lease or from the date of the change of information of the contract, using the form prescribed by the tax administration.
2. Notify the tax administration in writing within 15 days after the termination of the lease agreement, with the notification dated and correctly signed by the owner or right holder or an authorized representative.
3. Issue payment receipts to tenants during each payment period.

Every month no later than the 20th day of the month following the month in which the payment is to be made if the contract requires monthly payments. No later than the 20th day of the month.

For more information, we welcome any opportunity to further discuss Cambodia Taxation and Accounting, which is relevant to your business.

## Contact Us

**Ms. Haing Sivtieng, MBA, CAT**  
**Tax & Accounting Partner**  
(+855) 89 777 589 / 93 335 158

**Mr. Keat Heng, ACCA, CPA**  
**Audit Partner**  
(+855) 12 753257 / 93 335 158

**Mr. Sim Hoychhoung, ACCA, CPA**  
**Audit Partner**  
(+855) 12 753257 / 93 335 158

**E-mail:** [info@krestoncambodia.com](mailto:info@krestoncambodia.com)  
[www.krestoncambodia.com](http://www.krestoncambodia.com)

**Head office:** #3D, Street 416, Sangkat Tumnuh Tuek, Khan Beong Keng Kong, Phnom Penh, Cambodia.