



Tax obligation of association and NGO

(Prakas no. 464 MoEF, 12 April 2018)

The Ministry of Economy and Finance (MEF) issued a new Prakas on the tax obligations of associations and non-governmental organisation (NGO).

According to the new Prakas, associations and NGOs must apply to the General Department of Taxation (GDT) to receive Tax on Income (ToI) exemption and can potentially lose the exemption if some conditions or status changes.

However, they are still required to declare and pay Withholding Tax and Salary and Fringe Benefit Tax. They are also required to declare monthly and annual returns.

The annual tax return must be attached with supporting documents such as bank account information, financial statements, loan agreement, etc.

For more details, please refer to the Prakas.

VAT state-charge for basic daily foods

(Prakas no. 361 MoEF, 3 April 2018)

The MEF issued a new Prakas, where VAT on supply of certain categories of basic foods will be borne by the state for two years from 2018 to 2019.

The state-charge above does not include foods supplied by restaurants.

Deadline of the FATCA reporting requirement

(Notification no. 4539 GDT, dated 3 April 2018)

Further to the latest update regarding FATCA reporting requirements, the General Department of Taxation (GDT) has set out the deadline for banks, insurance and micro-finance enterprises to submit the information of reportable accounts to the GDT before 29

June 2018.

Reporting enterprises can go to www.fatca.gov.kh to obtain the HCTA public key and obtain relevant information.

Rule and Procedure to implement the DTA

(Instruction 4084, dated 26 March 2018)

Further to the implementation of the DTA, starting from January 2018 onward, the GDT, issued this instruction to provide the rules and procedures to implement the existing DTA with four foreign partners (Singapore, China, Brunei and Thailand) in Cambodia.

The main take away is that a taxpayer needs a residency certificate (obtained by applying to the Department of Administration and General Affairs) to take advantage of the benefits from the DTA. The residency certificate is valid for one year from the date of issuance.

In case of Withholding Tax (WHT), to apply the DTA rate, the taxpayer is required to apply to the Department of Law, Fiscal Policy and International Cooperation using the form provided.

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

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