



Tax Alert

Classification of self-declaration regime taxpayers and annual patent tax

Following the 2016 Financial and Management Law, the Ministry of Economy and Finance (MEF) has issued Prakas 1819 and 1820 which were passed on 25 December to indicate clearly the classification of taxpayers under the self-declaration regime and annual patent tax, below. Its main purpose is to manage and collect all types of taxes of self-declaration taxpayers in Cambodia effectively, transparently and equitably.

Types of taxpayer	Level of turnover* or legal form	Patent Tax** (per business objective per annum)
Small	<ul style="list-style-type: none">- From KHR250 million (~USD62.5K) to KHR700 million (~USD175K)- Join in bidding, price consulting or price surveying in supplying goods and services	KHR 400,000 (~USD100)
Medium	<ul style="list-style-type: none">- From KHR700 million (~USD175K) to KHR2,000 million (~USD500K)	KHR 1.2 million (~USD300)

	<ul style="list-style-type: none"> - Registered legal entity - Sub-national institution, association and non-governmental organization 	
Large	<ul style="list-style-type: none"> - More than KHR2,000 million (~USD500K) - Foreign Branch - Qualified Investment Project - Governmental Institution, foreign diplomatic and consular mission, international organization and other government's technical cooperation agencies 	<p>KHR3 million (~USD750) if annual turnover is from KHR2,000 million (~USD500K) to KHR10,000 million (~USD2.5 million)</p> <p>KHR5 million (~USD1,250) if annual turnover is more than KHR10,000 million (~USD2.5 million)</p> <p>For local branch, warehouse and factory other than the head office, the patent tax is determined to be KHR3 million (~USD750) per province.</p>

* the term "Turnover" is defined to be taxable value of goods and/or services which is part of business activity of the enterprise.

** the deadline of patent tax payment is on 31 March 2016 regardless the financial year end of the enterprise.

If you have any questions, please feel free to contact me at kchhiv@deloitte.com.

Best regards,
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