



Cambodia tax alert

Update on registration Tax

A regulation issued by Cambodia's Ministry of Economy and Finance makes changes to the rules governing the registration tax. The regulation applies as from 26 April 2017 and replaces a previous regulation dating from 2016.

Registration tax is levied as follows:

- 4% of the value of immovable property and vehicles upon the transfer of ownership or rights of possession;
- 0.1% of the value of shares upon the transfer of all or part of a company's shares and 0.1% of the value of contracts to supply goods that use the state budget; and
- KHR1 million on legal documents relating to the incorporation, merger or liquidation of a company.

Under the new rules, the transfer of ownership or rights of possession of immovable property between certain relatives is exempt from registration tax.

In addition, the following may be deducted in calculating the amount of registration tax due:

- Transfer of ownership or rights of possession to immovable property from a parent-in-law to a child-in-law and between siblings: KHR 200 million and KHR 100 million, respectively; and
- Donation of the same property between spouses and from biological parents/grandparents to biological children/grandchildren without/with their spouses: KHR 100 million.
- Documentation (e.g. family book, birth certificate, marriage certificate or other documents to prove the

relationship) must be produced for a taxpayer to benefit from the exemption/deduction.

Should you have any questions, please contact us our tax director, Ms Kimsroy CHHIV, via kchhiv@deloitte.com.

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