



## Tax Alert

# VAT exemption on agriculture products

The Ministry of Economy and Finance (MEF) has issued a Prakas 495 dated 6 April 2016 to provide the VAT exemption on the sale of unprocessed agricultural products like grains including paddy rice by registered taxpayers. The term “unprocessed agricultural products” refers to tubers, roots, tree bark, fruit, flower, or grains that have not been processed yet.

This Prakas gives additional VAT exemptions to the Prakas 312 dated 19 March 2014 for VAT exemption on importation and local supply of agriculture equipment and products. Moreover, the registered taxpayer could claim the input VAT on the local purchase in accordance with the article 29 to 41 of VAT sub decree 114 dated 24 December 1999.

If you have any questions, please feel free to contact me at [kchhiv@deloitte.com](mailto:kchhiv@deloitte.com).

Best regards,  
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