



Cambodia Tax Alert

Continuation of tax exemptions and additional tax incentives for real estate sector

Greetings from your Tax & Legal team at Deloitte Cambodia.

We are pleased to update you on the following:

The Cambodia Ministry of Economy and Finance issued Notification No. 014 on 9 October 2024, further extending (generally by one year) the tax incentives for the real estate sector addressed in Notification No. 001 issued on 4 January 2024 and providing new property tax exemptions.

Stamp tax on the transfer of ownership or possession of real estate

- The stamp tax exemption for the transfer of ownership or possession of all types of Borey residences with a value up to USD 70,000 is further extended through 31 December 2025.
- The additional stamp tax exemption for the transfer of ownership or possession of all types of Borey residences with a value greater than USD 70,000 is extended through 31 December 2025. The measure allows a deduction of USD 70,000 from the tax basis of the stamp tax calculation through 31 December 2025 for all purchases of Borey residences that have a business license and are properly registered.

To qualify for the above exemptions, some conditions must be met.

Capital gains tax

Implementation of the capital gains tax on immovable property for physical persons is further delayed through 31 December 2025. Implementation of the capital gains tax on gains derived from five types of capital assets, including financial leases, investment capital, goodwill, intellectual property, and foreign currency, will be effective as from 1 January 2025 (as provided in the January notification).

Property tax

- Immovable property or any part of it that is agricultural land used permanently for agricultural purposes is exempt from property tax, including administrative penalties (i.e., additional tax and interest).
- Immovable property with a land tenure document (ownership title or ownership transfer), registered as residential land but actually used for agricultural purposes with the approval of, or a certified letter from, a local authority, is also exempt from property tax.
- Immovable property that has been registered but for which previously declared property tax was incorrect due to an incorrect property value is exempt from tax reassessment, including administrative penalties (i.e., additional tax and interest), from the year the tax was implemented through 31 December 2024. As from 1 January 2025, the property tax must be based on the laws and regulations in force at that time.
- Property that has been registered and for which property tax has been declared but missed out for several years is exempt from administrative penalties (i.e., additional tax and interest) until 30 June 2025 (i.e., penalties will apply as from 1 July 2025).

Unused land tax

Implementation of the unused land tax remains suspended through 31 December 2024, as provided in the January notification.

All the rules discussed above have no effect on any taxes or interest already paid.

Contacts

Should you have any comments or questions arising from this newsletter, please contact the Deloitte Cambodia tax team below.

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