



# Technical Update TU004/2023

ISSUED IN SEPTEMBER TO DECEMBER 2023

These articles covered the important regulations issued by the GDT and MOEF on the following area:

## THIS NEWSLETTER COVERS

1. SUB-DECREE NO. 286 ON PUBLIC LIGHTING TAX
2. DECLARATION OF SECOND PROTOCOL AMENDING THE AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF CAMBODIA AND THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE FOR THE AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF FISCAL EVASION WITH RESPECT TO THE TAX ON INCOME
3. NOTIFICATION NO. 43279.GDT ON THE IMPLEMENTATION OF THE EFFECTIVE DATE OF NOTIFICATION LETTERS OR OTHER NOTICES BY THE GDT
4. NOTIFICATION NO. 44611.GDT ON THE EVIDENCE OF EXPENDITURE OF ENTERPRISE PROCURING SUPPLIES FROM FARMERS NOT UNDER SELF-ASSESSMENT REGIME
5. NOTIFICATION NO. 038/23 ON THE OBLIGATION TO SUBMIT THE FINANCIAL STATEMENTS FOR THE YEAR 2023 TO ACCOUNTING AND AUDITING REGULATOR

### I. SUB-DECREE NO. 286 ON THE PUBLIC LIGHTING TAX DATED 20 SEPTEMBER 2023

This sub-decree might be interesting to businesses related to alcohol & tobacco.

The rate on the Public Lighting Tax (PLT) is increased from 3% to 5%.

Rule and procedure shall be determined by the Minister of the Economics and Finance.

### II. DECLARATION OF SECOND PROTOCOL AMENDING THE AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF CAMBODIA AND THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE FOR THE AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF FISCAL EVASION WITH RESPECT TO THE TAX ON INCOME DATED 02 NOVEMBER 2023

This instruction might be interesting to all general taxpayer.

On 2<sup>nd</sup> November 2023, the Ministry of Economy and Finance has organized the signing ceremony on the "2<sup>nd</sup> Protocol amending the Double Tax Agreement between the Government of the Kingdom of Cambodia and the Government of the Republic of Singapore for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with the Respect to the Tax on Income.


The purpose of the "2<sup>nd</sup> Protocol" is to amend the Cambodia-Singapore DTA in line with the latest international standards, especially under the framework of the Organization for Economic Co-operation and Development (OECD) to face the Base Erosion and Profit Shifting (BEPS).

### III. NOTIFICATION NO. 43279.GDT ON THE IMPLEMENTATION OF THE EFFECTIVE DATE OF NOTIFICATION LETTERS OR OTHER NOTICES BY THE GENERAL DEPARTMENT OF TAXATION "GDT" DATED 08 DECEMBER 2023

This instruction might be interesting to all general taxpayer.

In light of the decision of the Royal Government of Cambodia during the 19<sup>th</sup> Government-Private Sector Forum on 13 November 2023, GDT issued this notification to inform all taxpayers regarding the effective date of notification letters or other notices from the GDT as following:

- The date on the notification letter shall have validity from the date of which the letter is delivered.
- The delivery date of the notification letter is the date of which the person receives the letter or the date of which the mail envelopes being stamped by the postal office in case the letter is sent via post office to the legal address of the taxpayer.



**IV. NOTIFICATION NO. 44611.GDT ON THE EVIDENCE OF EXPENDITURE OF ENTERISE PROCURING SUPPLIES FROM FARMERS NOT UNDER SELF-ASSESSMENT REGIME DATED 18 DECEMBER 2023**

This instruction might be interesting to all general taxpayer.

To promote the local agricultural sector and to reduce the burden to obtain the proper supporting documents from supplies from farmers, the GDT provides additional instruction on the evidence for deductible expenses for enterprises that are supplied by farmers as follows:

1. Every transaction supplied by farmers without proper invoices, the enterprise shall obtain the ID card number, name, and telephone number of the supplier; except for the occasional transactions and transactions whose amount less than 200,000 Riels - the ID card number is not required.
2. Enterprises supplied by farmers as stated in Point No.1 above shall input the following data such as date, expense voucher number, and expense amount, ID card number, name, and phone number of the farmers in the purchase record in the online tax filing system (e-Filing). For expenses under 200,000 Riels, the enterprises shall include only the expense voucher number and supplier's phone number.
3. With the aim of tax compliance, Enterprises shall maintain internal documents that can be reviewed such as contracts, purchase orders, delivery documents and payment receipt, inventory, cash voucher, bank statement, ID card (farmer), as well as keeping in the accounting record by specifying accurate amount of money and the date of expenses incurred.

**V. NOTIFICATION NO. 038/23 ON THE OBLIGATION TO SUBMIT THE FINANCIAL STATEMENTS FOR THE YEAR 2023 TO ACCOUNTING AND AUDITING REGULATOR ("ACAR") DATED 27 DECEMBER 2023**

This instruction might be interesting to all general taxpayer.

Accounting and Auditing Regulator issued notification No. 038/23 dated 27 December 2023 on the obligation to submit the financial statements for the year 2023. The notification is to inform the enterprise and nonprofit organization entitled and not entitled to external financial audit to submit the financial statement for year 2023 in accordance to accounting standard as per timeline below:

1. *Enterprise and nonprofit organization not entitled to external financial audit:* required to submit the financial statement to ACAR no later than 20 April 2024. Enterprise and nonprofit organization whose financial year end is not 31 December are required to submit the financial statement to ACAR no later than 3 months plus 20 days from the closing date of the financial statement.
2. *Enterprise and nonprofit organization entitled to have external financial audit:* required to submit the audited financial statement to ACAR no later than 20 July 2024. Enterprises and nonprofit organization whose financial year end is not 31 December are required to submit the financial statement to ACAR no later than 6 months plus 20 days from the closing date of the financial statement.

In the meantime, ACAR has reminded several important work in order for the enterprise and nonprofit organization to properly practice the accounting and auditing obligation and to avoid the penalty for violations of law on Accounting and Auditing.

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For further information about how Baker Tilly Cambodia can assist you and your organisation, please contact us via below.

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