

Technical Update TU001/2024

Issued in January 2024

These articles covered the important regulations issued by

- General Department of Taxation (GDT)
- Ministry of Economics and Finance (MOEF)
- Accounting and Auditing Regulator (ACAR)

The coverage of this newsletter are on the following areas:

1. INSTRUCTION NO. 180.GDT ON THE BENEFIT UNDER DOUBLE TAXATION AGREEMENT-DTA
2. NOTIFICATION NO. 001.MOEF ON THE EXTENSION OF TAX EXEMPTION POLICY, ADDITIONAL TAX INCENTIVES, EXTENSION AND SUSPENSION OF TAX IMPLEMENTATION FOR THE REAL ESTATE SECTOR
3. NOTIFICATION NO. 2284.GDT ON THE ANNUAL INCOME TAX RETURNS FILING FOR TAX YEAR 2023
4. NOTIFICATION NO. 3830.GDT ON THE MARKET INTEREST RATE FOR LOAN FY2023
5. NOTIFICATION NO. 004/24 ACAR ON CONTINUING TO PROVIDE EXTRA TIME FOR ENTERPRISES TO SUBMIT THE PROTEST LETTER TO THE ACCOUNTING AND AUDITING REGULATOR (ACAR)
6. PRAKAS NO. 071 MEF.PRK.GDT ON INCENTIVE

**I. INSTRUCTION NO. 180 GDT ON THE BENEFIT UNDER DOUBLE TAXATION AGREEMENT-DTA
DATED 3 JANUARY 2024**

This instruction might be interesting to general taxpayers who applies for DTA

In order to encourage taxpayers, the GDT would like to inform that the GDT would provide the benefits under the DTA for one (1) whole year, starting from 01 January of current year, to all DTA requests that receives an approval from the GDT.

**II. NOTIFIATION NO. 001 MOEF ON THE EXTENSION OF TAX EXEMPTION POLICY, ADDITIONAL
TAX INCENTIVES, EXTENSION AND SUSPENSION OF TAX IMPLEMENTATION FOR THE REAL
ESTATE SECTOR
DATED 4 JANUARY 2024**

This notification might be interesting to real estate sectors

1. STAMP TAX ON TRANSFER OF OWNERSHIP OR POSSESSION OF IMMOVABLE PROPERTIES

Extend the exemption on stamp tax on transfer of ownership or possession of immovable properties which categorized as Borey with the value below or equal to USD70,000 until the end of the year 2024. Moreover, it shall be allowing to deduct USD70,000 from the basis to calculate stamp tax if the value is over USD70,000 for the purchase property under Borey that is properly registered until the end of the year 2024. In order to eligible for the exemption, enterprise shall meet criteria as stated in the instruction No. 002 MOEF dated 25 February 2020.

2. CAPITAL GAIN TAX

Extend the implementation on the capital gain tax on the 6 types of capital gain such as sale or transfer of immovable property, finance leases, investment property, goodwill, intellectual property, and foreign currency until the end of the year 2024.

3. PROPERTY TAX

Registered properties that has not paid the tax correctly will be exempted on the tax reassessment inclusive of additional tax and interest from the implemented date until the end of the year 2023. Starting 2024, the property tax will follow the law.

Non registered properties that has paid the tax before will be allowed to register and pay the tax from the year of ownership or final benefits.

Extend the exemption of penalty (additional tax and interest) which will finish at the end of 2023 to June 2024.

4. TAX ON UNUSED LAND

Extension the implementation on collection on tax on unused land until the end of the year 2024. The Ministry of Economy and Finance will issue provision on the tax collection on unused land which will implement from the year 2025 onwards.

III. NOTIFICATION NO. 2284.GDT ON THE ANNUAL INCOME TAX RETURNS FILING FOR TAX YEAR 2023

DATED 15 JANUARY 2024

This instruction might be interesting to all general taxpayers

The GDT has reminded to all enterprises under the self-reassessment regime are obligated to submit the annual tax on income for FY2023 and pay tax on stipulated deadline by **31 March 2024**.

IV. NOTIFICATION NO. 3830.GDT ON THE MARKET INTEREST RATE FOR LOAN FY2023

DATED 24 JANUARY 2024

This notification might be interesting to all general taxpayers

The GDT would like to inform about the market interest rate for loan FY2023 based on the average calculation of the average interest rate for loan annually of the 12 local Commercial Banks as below:

- 9.66% per annum (KHR)
- 8.75% per annum (USD)

The intention of this new instruction is to inform all taxpayers to implement the obligation of withholding Fringe Benefit Tax on interest of loan which was provided to employees only.

V. NOTIFICATION NO. 004/24 ACAR ON CONTINUING TO PROVIDE EXTRA TIME FOR ENTERPRISES TO SUBMIT THE PROTEST LETTER TO THE ACCOUNTING AND AUDITING REGULATOR (ACAR)

DATED 23 JANUARY 2024

This notification might be interesting to medium and large taxpayers

In order to encourage to all enterprises that received letter of penalty from ACAR and late to submit the protest letter by 31 December 2023, the ACAR has decided to delay **45 days until 15 February 2024** to submit their protest letter.

VI. PRAKAS NO. 071 MEF.PRK.GDT ON INCENTIVE FOR VOLUNTARY AMENDMENT OF TAX RETURNS DATED 30 JANUARY 2024

This instruction might be interesting to all general taxpayers

1. Taxpayers or withholding tax agents who voluntarily file for the amendment on the tax returns from now until end of June 2024 are to enjoy the waiver of all additional tax, interest and penalty with the following conditions:

- a. Only the amendment on the tax returns for the transactions before January 2024 will be applicable.
- b. The amendment on tax returns for taxpayers or withholding tax agents being undergone tax audits will be applicable only if the taxpayers or the withholding tax agents file the amendment before the tax auditors discover any errors or present the results of the tax audit to them.

2. If the amendment on the tax returns is based on the result of the tax audit, taxpayers or withholding tax agents shall be subject to 10% additional tax and 1.5% interest on the late payment according to the laws and regulation in force. In this case, the taxpayers and withholding tax agents will be subject to the additional tax and interest on the late payment in according to the laws and regulations and the tax audit results, and the additional tax and interest on the late payment paid for the voluntary amendment on the tax returns will be allowed to offset with the additional tax and interest on late payment from the result of the tax audit.

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