

Baker Tilly briefs MBCC members on tax updates

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Baker Tilly's Tan Khee Meng (left) speaks during yesterday's event. KT/Siv Channa

Audit and advisory firm Baker Tilly Cambodia yesterday held a briefing session with the Malaysian Business Chamber of Cambodia to inform members of recent tax updates.

The event, held in Phnom Penh's Sunway Hotel, was led by Baker Tilly Managing Partner Tan Khee Meng. Mr Khee Meng discussed the double-tax avoidance (DTA) agreement recently signed by Cambodia and Malaysia.

The DTA was signed during Malaysian Prime Minister Tun Mahathir's visit to Cambodia in September.

"Cambodia's withholding tax rates for Malaysia tax residents on dividends, interest, royalties and fees for technical services will be reduced from the current level of 14 percent to 10 percent," said Mr Khee Meng.

Under the DTA, Malaysian airlines operating international routes to Cambodia will have to pay taxes on their profits only in Malaysia, Mr Khee Meng explained.

Malaysian tax residents operating ships in international routes to and from Cambodia are eligible for a 50 percent tax cut.

The DTA has not yet been implemented as it must first be ratified by each country's tax authorities.

Mr Khee Meng also discussed tax incentives for listing an entity in the local stock market. These include a tax liabilities waiver, a 50 percent reduction on tax on income for the first three years and another 50 percent reduction on withholding tax on interest and dividend.

Companies in the agriculture sector are also exempted from paying tax on income for five years if they maintain proper accounting standards and fulfill their tax duties.

Mr Khee Meng also covered tax audits and new regulations regarding the use of the local currency, the riel, in invoices and loan-related documentation.

"Companies must use the riel in invoices. They can either use the General Department of Taxation's (GDT) average rate or the market rate, which cannot be below the National Bank of Cambodia's rate," Mr Khee Meng pointed out.

Source:

https://www.khmertimeskh.com/664793/baker-tilly-briefs-mbcc-members-on-tax-updates/?fbclid=IwAR0pFQIA3HrsRLo_tGOe745TUvHNWWb3eTph47tnLwHNUYIHrY9N-puDrsg