

Technical Update

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This article covers the important regulations issued by:

- General Department of Taxation (GDT)
- Ministry of Economics and Finance (MOEF)

This newsletter covers
the following areas

- I. INSTRUCTION 33000.GDT DATED 18 SEPTEMBER 2024 ON THE IMPLEMENTATION OF TAX OBLIGATION FOR REAL ESTATE LEASES
- I. INSTRUCTION 009.MOEF DATED 7 JUNE 2024 ON REDUCTION OF WITHHOLDING TAX AND SPECIFIC TAX RATE FOR AIRLINE ENTERPRISES

I. INSTRUCTION NO. 33000.GDT ON THE IMPLEMENTATION OF TAX OBLIGATION FOR REAL ESTATE LEASES ISSUED BY THE GENERAL DEPARTMENT OF TAXATION ON 18 SEPTEMBER 2024

This instruction might be interested to all general taxpayers and real estate owners

The General Department of Taxation (“GDT”) has issued an instruction No. 33000.GDT dated 18 September 2024 on the implementation of tax obligation for real estate leases.

This instruction is issued to reinforce the consistency in the implementation of the provision on Tax on Income (“ToI”) and Value Added Tax (“VAT”). The GDT has set down some guidelines as below:

A lease agreement may specify a period of time when the lease is free or reduced to a certain amount **not exceeding 10% of the total lease period**, due to construction, design, repair or improvement. The ToI, Withholding Tax on immovable property rental, and the VAT **shall be calculated following the lease agreement**.

The property owner must submit the lease agreement to the GDT within 30 days after the signing of the lease agreement, or if the construction, design, repair, or renovation period is extended, the property owner must submit a request to the tax administration for review and approval.

II. INSTRUCTION NO. 009.MOEF ON THE REDUCTION OF WITHHOLDING TAX AND SPECIFIC TAX RATE FOR AIRLINE ENTERPRISED

This instruction might be interested to Cambodian or foreign airline companies.

Based on the note from Samdech Moha Bovor Thipadei Hun Manet, Prime Minister of Cambodia, the Ministry of Economy and Finance (“MOEF”) issued Instruction 009 to provide the following instructions for implementing Withholding Tax (“WHT”) and Specific Tax (“SPT”) to relieve airline companies’ tax burden on the lease of aircrafts from foreign companies and the burden of people travelling by air. The reductions below will last for three years, from 1 June 2024 to 31 May 2027.

No.	Type Of Tax	Tax Rate	Incentive Tax Rate
1.	The WHT on the aircraft lease from foreign companies by domestic airline companies.	14%	10%
2.	The SPT on air transport service of passengers, regardless of the service provided by domestic or foreign airline companies.	10%	5%

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Let us be of assistance to you.

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

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