

Technical Update TU002/2025

Issued in February 2025

This article covers important regulations issued by:

- Ministry of Economy and Finance (MEF)
- Accounting and Auditing Regulator (ACAR)

This newsletter covers the following areas:

- I. INSTRUCTION NO.024 ON ENTERPRISES WITHIN THE SCOPE OF AUDIT OF THE SPECIAL TAX AUDIT UNIT
- II. INSTRUCTION NO.030 ON THE USE OF KHMER RIEL BANK ACCOUNT FOR REQUESTING FOR VALUE ADDED TAX REFUNDS
- III. NOTIFICATION NO.65/24 ON OBLIGATION ON SUBMISSION OF FINANCIAL STATEMENT FOR THE YEAR ENDING 2024 TO ACCOUNTING AND AUDITING REGULATOR (ACAR)
- IV. NOTIFICATION NO.020 ON TRANSFER TAX EXEMPTION AND CONCESSION ON TRANSFER OF OWNERSHIP OR POSSESSION OF REAL ESTATE FOR FIRST-TIME HOME BUYERS AND/OR TRANSFEREES (FIRSTTIME HOME BUYERS) TO BE IMPLEMENTED FROM 1 JANUARY 2025 UNTIL 31 DECEMBER 2025
- V. PRAKAS NO. 1000 MEF.PRK.GDT ON THE EXEMPTION OF SPECIFIC TAX ON DOMESTIC CEMENT PRODUCTS AS A STATE CHARGE

I. INSTRUCTION NO.024 ON ENTERPRISES WITHIN THE SCOPE OF AUDIT OF THE SPECIAL TAX AUDIT UNIT DATED 07 OCTOBER 2024

This instruction might be interested to all general taxpayers

The Ministry of Economy and Finance (MEF) would like to give an instruction on the implementation of selection of enterprises to be included in the scope of audit of the Special Tax Audit Unit (STAU) as follows:

1. Enterprises to be included in the scope of audit of the STAU are:
 - those that obtains a Gold Tax Compliance Certificate from the GDT after a decision of the GDT.
 - those that have been decided to be within the scope of the STAU if deemed necessary by the GDT.
2. Enterprise maybe excluded from the STAU by the decision of the GDT.
3. After receiving the decision from the GDT, the STAU will notify the enterprise about its inclusion or exclusion from the STAU.

Enterprise under the scope of audit of the STAU shall file their tax return via the E-Filing system, pay tax, and receive service through taxpayer management units (Department of Large Taxpayer or Provincial-District Tax Branch). Enterprise that under the scope of audit of STAU cannot be audited by other units.

II. INSTRUCTION NO.030 ON THE USE OF KHMER RIEL BANK ACCOUNT FOR REQUESTING FOR VALUE ADDED TAX REFUNDS DATED 24 DECEMBER 2024

This instruction might be interested to large and medium taxpayer

The MEF would like to give instruction to taxpayers in the order to fasten the process of requesting VAT refunds efficiency and effectively as well as to promote the usage of Khmer currency, any large and medium tax payers including foreign diplomatic and consular missions, international organizations, and agencies of technical cooperation of other governments, who need to apply for VAT refunds shall:

1. Have a KHR bank account that has been registered in the data management of the GDT for receiving VAT refund payments.
2. In the case of not having a KHR bank account, the enterprises shall create and update the bank account information at the GDT.

Separately, for foreign diplomatic and consular missions, international organizations and agencies of technical cooperation of other government, that does not yet possess a Khmer Riel bank account, may continue to receive VAT refund settlement until December 31, 2024.

III. NOTIFICATION NO.65/24 ON OBLIGATION ON SUBMISSION OF FINANCIAL STATEMENT FOR THE YEAR ENDING 2024 TO ACCOUNTING AND AUDITING REGULATOR (ACAR) DATED 25 DECEMBER 2024

This notification might be interested to all general taxpayers

ACAR has issued the notification to inform the enterprises and nonprofit organization who entitled and not entitled to external financial audit to submit the financial statement for year 2024 in accordance to accounting standard as per time frame below:

<p>1. ENTERPRISE AND NONPROFIT ORGANIZATION NOT SUBJECT TO BE AUDITED</p>	<ul style="list-style-type: none">• With a financial year ending on December 31 must submit the financial statements to ACAR by April 20, 2025• With a financial year ending on a different date must submit their financial statements no later than 3 months and 20 days after their financial year-end.
<p>2. ENTERPRISE AND NONPROFIT ORGANIZATION SUBJECT TO BE AUDITED</p>	<ul style="list-style-type: none">• With a financial year ending on December 31 must submit their audited financial statements to ACAR by July 20, 2025• With a financial year ending on a different date must submit their audited financial statements no later than 6 months and 20 days after their financial year-end.

IV. NOTIFICATION NO.020 ON TRANSFER TAX EXEMPTION AND CONCESSION ON TRANSFER OF OWNERSHIP OR POSSESSION OF REAL ESTATE FOR FIRST-TIME HOME BUYERS AND/OR TRANSFEREES (FIRST-TIME HOME BUYERS) TO BE IMPLEMENTED FROM 1 JANUARY TO 31 DECEMBER 2025 DATED 31 DECEMBER 2024

This notification might be interested to all general taxpayers

To facilitate individuals who have purchased homes from housing development companies (Borey or Condominiums) and supporting the real estate sector, the MEF issued a notification to inform property owners and the public of the following exemptions and relief stamp duties on the transfer of ownership or possession of real estate for first-time home buyers on incentives which is implemented from 1 January to 31 December 2025, as below:

Conditions	Housing Value	Tax Relief
Borey or Condo Purchase Before 2025	≤ USD 210,000	<ul style="list-style-type: none"> • Full exemption from stamp duty for the first-time purchase of a home (Borey) or Condominium.
	> USD 210,000	<ul style="list-style-type: none"> • First-time purchase: Tax deduction of USD 210,000 from the stamp duty base. • Second or subsequent purchases: Tax deduction of USD 70,000 from the stamp duty base.
Borey or Condo Purchase In 2025	≤ USD 210,000	<ul style="list-style-type: none"> • Full exemption from stamp duty for the first-time purchase of a home (Borey) or Condominium.
	> USD 210,000	<ul style="list-style-type: none"> • First-time purchase: Tax deduction of USD 210,000 from the stamp duty base. • Second or subsequent purchases: Tax deduction of USD 70,000 from the stamp duty base
Special Circumstances		<ul style="list-style-type: none"> • The same tax benefits apply if the home (Borey) or Condominium is purchased from unlicensed developers or property developers facing financial difficulties.

V. PRAKAS NO.1000 MEF.PRK.GDT ON THE EXEMPTION OF SPECIFIC TAX ON DOMESTIC CEMENT PRODUCTS AS A STATE CHARGE DATED 31 DECEMBER 2024

This Prakas might be interested to Cement Manufacturing Sector

The MEF has issued a new Prakas to exempt and allow as state charge on specific tax at rate 5% on domestic cement products from Financial Year 2025 until the end of Financial Year 2026.

The cement manufacturer shall fulfill following obligations to enjoy the incentive:

- Timely and properly file the tax returns including taxes in accordance with the laws via e-Filing system;
- Maintain proper accounting record in accordance with the laws;
- Provide training and transfer technical knowledge to local employees;
- Fulfil others obligation properly such taxes, royalties and contribution to social and environmental funds; and
- Submit annual reports to the MEF regarding on production costs and capacity, raw material use, training, and social activities.

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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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