

## CHAPTER 3: TAXATION

### Relevant Laws:

- Law on Taxation 2023
- Law on Commercial Enterprises 2005 (as amended in 2022)
- Law on Commercial Rules and Register 1995 (as amended in 2022)
- Law on Accounting and Auditing 2016
- Tax regulations, notifications and instructions issued by MEF or GDT

Tax Administration	Key Functions and Services
GDT-Central Department	<ul style="list-style-type: none"><li>• Providing taxpayer services including information, education, and guidance for taxpayers to properly comply with the laws and regulations on taxation;</li><li>• Undertaking enforcement programs by auditing, enforcing and penalizing any taxpayers who do not properly comply with the laws and regulations on taxation;</li><li>• Collecting tax revenues by properly implementing the laws and regulations on taxation and collating and preparing information used by the government in preparing the national budget;</li><li>• Providing taxpayer services and education in a timely manner and reliably in order to reduce taxpayers' expenses, and to ensure proper compliance with the laws and regulations on taxation;</li><li>• Undertaking enforcement programs effectively, responsibly and equally for non-compliant taxpayers;</li><li>• Applying transparent principles in the implementation of laws and regulations on taxation to enhance the reliability of tax administration;</li><li>• Reducing expenses of the tax administration in its operation, simplifying its procedures and reducing expenses of taxpayers;</li><li>• Enhancing capacity and knowledge of tax officers on a regular basis for effective performance; and</li><li>• Enhancing the effectiveness of management through precise, modern and highly responsible policies, work performance measures, and work systems.</li></ul>

Tax Branches	<ul style="list-style-type: none"> <li>• Implementing the tax policies issued by the GDT;</li> <li>• Collecting other taxes which are assigned by the GDT;</li> <li>• Being responsible for and cooperating in tax matters on behalf of the GDT;</li> <li>• Calculating and collecting taxes and any additional revenues;</li> <li>• Determining tax bases on taxpayers and withholding agents based on cross-checking; and</li> <li>• Managing the tax responsibilities including desk and limited audits for medium and small taxpayers.</li> </ul>
National Tax School	<ul style="list-style-type: none"> <li>• Tax Education Center for providing education on tax, including training and capacity building for tax officers, tax agents and the general public;</li> <li>• Providing tax agent licenses;</li> <li>• Researching and programing development and maintaining a library; and</li> <li>• Providing public tax training.</li> </ul>
Various Departments under the GDT	<ul style="list-style-type: none"> <li>• Department of Administration and General Affairs</li> <li>• Department of Finance and Personnel</li> <li>• Department of Law, Tax Policy and International Tax Cooperation</li> <li>• Department of Tax on Movable and Immovable Properties</li> <li>• Department of Information and Communication Technology</li> <li>• Department of Tax Crime Investigation</li> <li>• Department of Large Taxpayers</li> <li>• Department of Small and Medium Taxpayers</li> <li>• Department of Enterprise Audit</li> </ul>

## I. TAXATION REGIME

The Law on Taxation was promulgated in 2023 to set out the rules, procedures, and conditions for tax obligations and to compile tax provisions regarding payment, filing and related obligations stipulated in the 1997 Law on Taxation, its amendment in 2003 and other relevant laws and implementing regulations.

Since the promulgation of the Law on Financial Management for year 2016, Cambodia applies a self-assessment tax regime. It is a tax regime which requires taxpayers to calculate tax and submit tax returns to the Tax Administration by themselves.

There are two different accounting rules applied by taxpayers depending on their classification. Small taxpayers apply the simplified accounting rules. Medium taxpayers and large taxpayers apply International Accounting Standards of Cambodia as