

TAX INCENTIVES FOR ENTERPRISES INVOLVED IN ART

DECEMBER 2024 TAX UPDATE

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On 31 October 2024, the Ministry of Economy and Finance issued Instruction No. 026 on Tax Incentives for Enterprises Involved in Art, continuing tax incentives and tax relief for businesses as follows:

1. Tax incentives for Khmer film production enterprises and Khmer traditional art performance production enterprises for a period of five years (2024 - 2028) in the form of:
 - a. Suspension of **income tax** for Khmer film production enterprises and Khmer traditional art performance production enterprises in all forms;
 - b. Suspension of the **special tax** on leisure services of Khmer traditional art performance production enterprises in all forms; and
 - c. Suspension of the 15% **withholding tax** on royalties for intangible assets, including the right to screen locally produced films and to produce Khmer traditional art performances in all forms.
2. Tax incentives for traditional artists for a period of five years (2024 - 2028) in the form of a suspension of the 15% **withholding tax** on payments for services rendered to Khmer traditional artists. However, payments made to artists not involved Khmer traditional art remain subject to the 15% withholding tax.

To obtain the above-mentioned tax incentives, Khmer film production enterprises and Khmer traditional art performance enterprises must register with the tax authorities, properly record and maintain their accounting records, submit monthly and annual tax returns, and fulfill other statutory tax obligations.

The information provided herein is for general informational purposes only and should not be construed as legal advice. No attorney-client relationship is formed by your use of this information. For specific legal advice tailored to your situation, please consult a qualified legal professional.

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