



MAKING IT EASY
YOUR TRUSTED PARTNER



A GUIDE TO DOING BUSINESS IN CAMBODIA

Making It Easy Co.,LTD





contents

I. Introduction

- About us
- Preparing for business registration
- Reasons and timing for business Registration
- Types of Business in Cambodia

II. Business registration process

III. Business compliance management

IV. References

ABOUT MAKING IT EASY

At Making It Easy, we provide one-stop professional services for foreigners doing business and investing in Cambodia.



MAJOR SERVICE

CUSTOMER SERVICE

 (+855) 085 914 201 | 070 914 201 | 012 914 201

 inquiry@makingiteasycambodia.com

 www.makingiteasycambodia.com

1K+ CLIENTS

We supported over 1,000 clients with strategic insights, expert guidance and multiple services for expats in Cambodia.

600+ COMPANIES

Successfully registered for 600+ companies.

90% FOREIGNERS

Majorities of our clients are foreigners. We supported clients from over 30 countries globally, and our top 3 clients coming from Singapore, Malaysia, and India.

EXPECTED OUTCOMES

By the end of the presentation, the participants will be able to:

- 1** Understand the requirements and process for business registration in Cambodia
- 2** Identify the key steps and compliance obligations for maintaining & dissolving business in Cambodia
- 3** Understand the basic accounting & tax for operating business in Cambodia
- 4** Have your questions answered concerning how to legally start, maintain, and close your business in Cambodia

PREPARING FOR BUSINESS REGISTRATION

1. Your main business activity

- Identify your target customers (B2B/B2C)
- Medium and large enterprises generally prefer to work with business partners of a similar size and scale.

- Identify your purpose and key business activities in Cambodia
- Ensure alignment with local laws and regulations

2. Your target customers

3. Your corporate shareholders

- Outline the total startup cost
- Plan for the sources of reserved fund

- Determine the ownership structure (Solo/shareholders)
- Discuss the background and roles of key shareholders

4. Your investment fund

5. Your business address

- Search for business address which is suitable for your business activity
- Virtual address is applicable

REASONS AND TIMING FOR BUSINESS REGISTRATION

1. Required by the commercial and taxation law, registration is required after 15 days of commercial activities
2. To be compliance, legalized, and liable business
3. Build trust among your corporate clients
4. Enable you to issue tax invoices and claim it (VAT) back
5. Opportunities for potential collaboration, partnership, and investment
6. Access to grants/government grants and incentives
7. Protect the name of your company for 99 years and renewable
8. Others

TYPES OF BUSINESS IN CAMBODIA

1.LEGAL ENTITIES/LIMITED COMPANIES

- Single membership private limited company
- Private limited company
- Public limited company

2.FOREIGN COMPANIES

- Representative Office
- Foreign branch company
- Subsidiary company (partnership or legal entity)

3.Partnerships companies

- General Partnership
- Limited Partnership

4.SOLE PROPRIETORSHIP (SOLE TRADER)

SIZES OF BUSINESS IN CAMBODIA

SME or Large Enterprise is defined by the Real Regimes of Taxation.

They are:



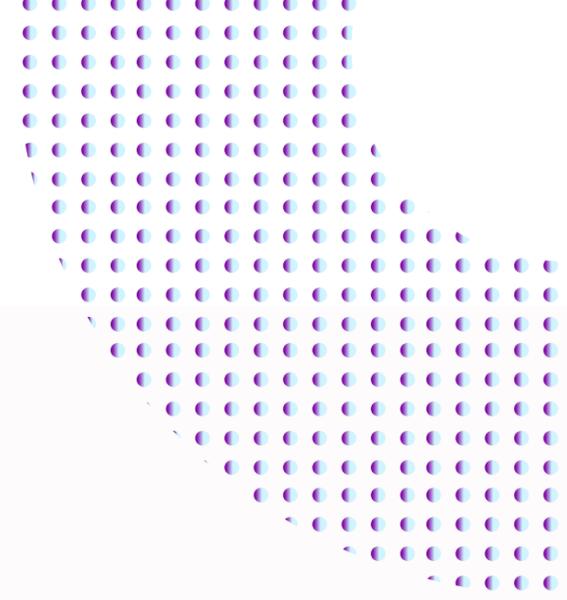
Small Taxpayers



Medium Taxpayers



Large Taxpayers



1. Small Taxpayers

Sole Proprietorships or Partnerships that:

1. Turnover or Assets

Exchange Rate: 1 USD=4,000 Riels

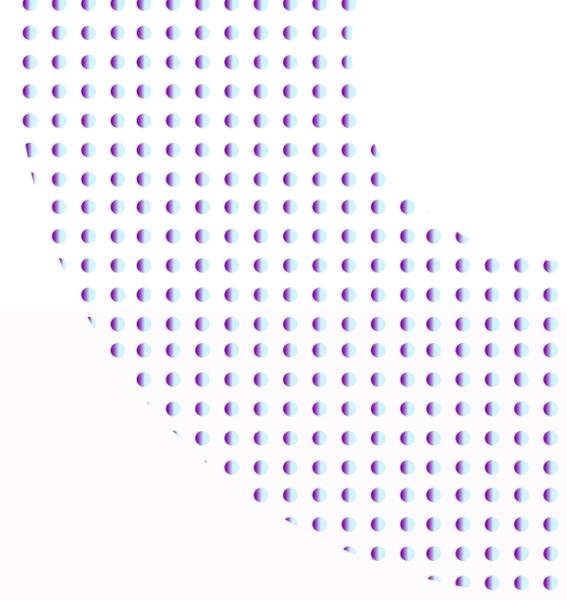
Sector	Turnover	Assets
Agriculture, Services, and Commerce	\$62.5K - \$250K	\$50K - \$250K
Industry	\$62.5K - \$400K	\$50K - \$500K



SMALL TAXPAYERS

Sole Proprietorships or Partnerships that:

2. Have taxable turnover, in any period of three consecutive calendar months (within this tax year), exceeding USD 15K
3. Expected taxable turnover of USD 15K or more in the next three consecutive months
4. Participate in any bidding, quotation or survey for the supply of goods and services including duties



2. Medium Taxpayers

Medium businesses that:

1. Turnover or Assets

Exchange Rate: 1 USD=4,000 Riels

Sector	Turnover	Assets
Agriculture	>\$250K - \$1M	>\$250K - \$500K
Services and Commerce	>\$250K - \$1.5M	>\$250K - \$500K
Industry	>\$400K - \$2M	>\$500K - \$1M

MEDIUM TAXPAYERS

Medium taxpayers include:

2. Enterprises that have been incorporated as legal entities, representative office or
3. National & sub-national government institutions, associations, and non-governmental organizations
4. Foreign diplomatic & consular missions, international organizations and foreign cooperation agencies

3. Large Taxpayers

Large taxpayers include:

1. Turnover or Assets

Exchange Rate: 1 USD=4,000 Riels

Sector	Turnover	Assets
Agriculture	> \$1M	> \$500K
Services and Commerce	> \$1.5M	> \$500K
Industry	> \$2M	> \$1M



LARGE TAXPAYERS

Large taxpayers include:

1. Large taxpayers
2. Subsidiary of multi-national companies, branch of foreign companies
3. Enterprises registered as a Qualified Investment Project (“QIP”) as approved by the Council for the Development of Cambodia (CDC)

II. BUSINESS REGISTRATION PROCESS

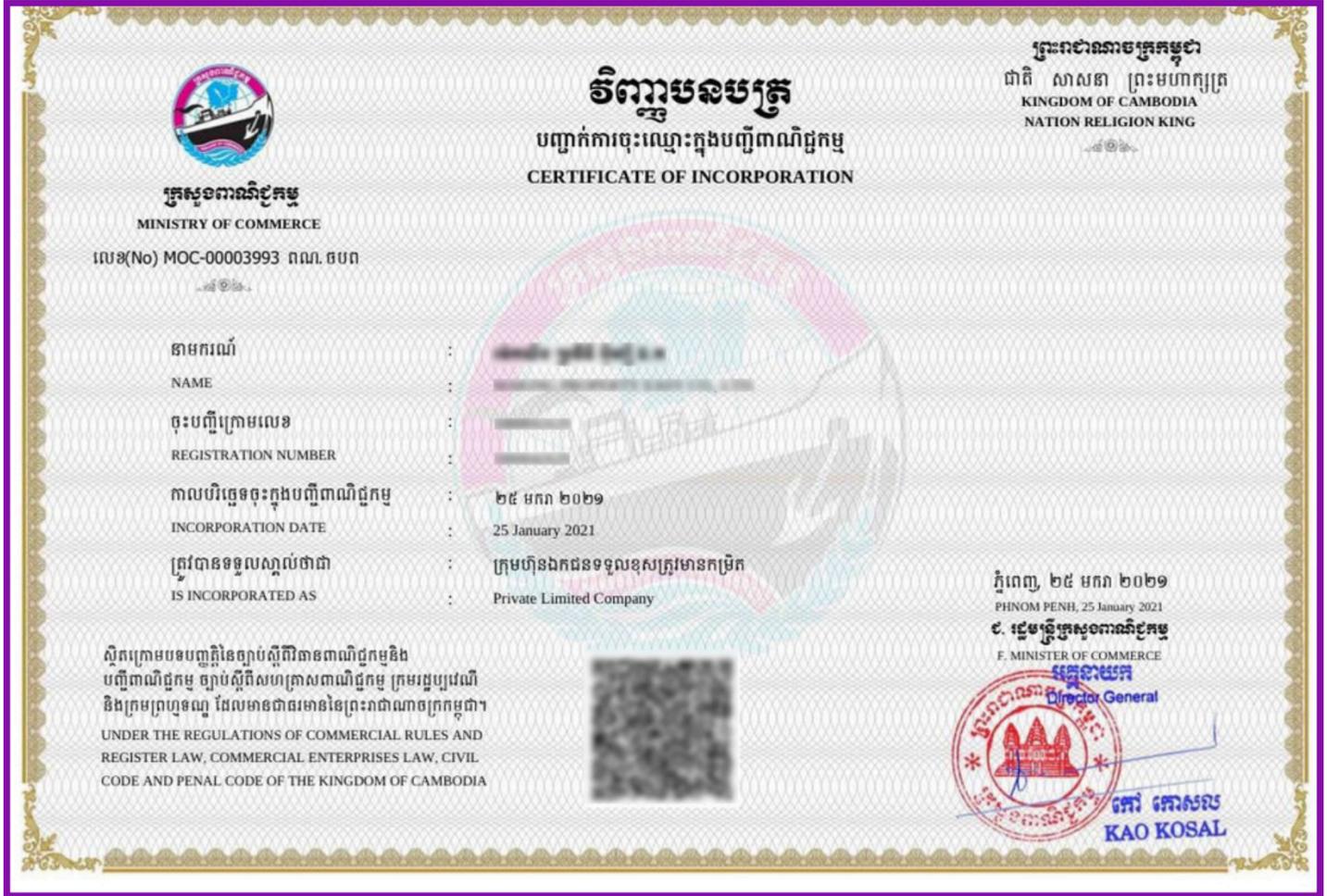
1. Business incorporation with Ministry of Commerce (MOC)
2. VAT & Patent registration with General Department of Taxation (GDT)
3. Enterprise registration with Ministry of Labour and Vocational Training (MOLVT)
4. National Social Security Fund (NSSF) Registration
5. Corporate bank account registration with any bank in Cambodia



1. BUSINESS REGISTRATION WITH MINISTRY OF COMMERCE (MOC)

What you get:

- ✓ Company registration certificate
- ✓ Company login username and password
- ✓ Company extract/registration summary
- ✓ Company Articles of Incorporation (stamped)
- ✓ Company stamp





4. ENTERPRISE REGISTRATION WITH NATIONAL SOCIAL SECURITY FUND (NSSF)

What you get:

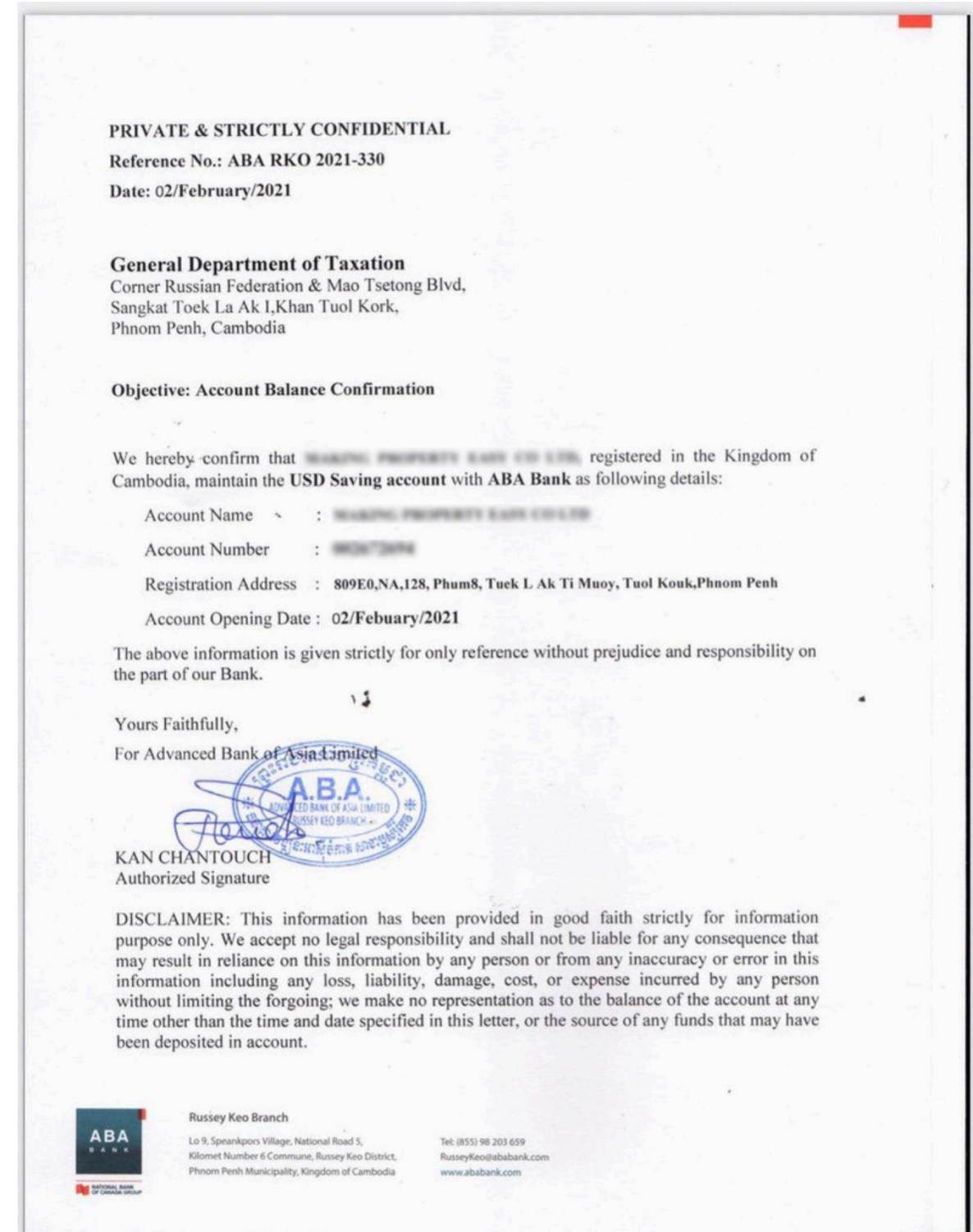
- ✓ Enterprise Registration Certificate



5. BANK ACCOUNT REGISTRATION

What you get:

- ✓ Bank confirmation letter





MAKING IT EASY

YOUR TRUSTED PARTNER

5. Other Related Registrations

1. License registration with line ministries (e.g. MOH, MOEF, MOLMUPC, MOI, NBC, SECC, CDC...)
2. License registration with GDCE (import-export)
3. Quota/Employee registration with MOLVT
4. Work Permit registration with MOLVT
5. Trademark registration with MOC
6. Certificate of Origin registration with MOC
7. And more...



MAKING IT EASY

YOUR TRUSTED PARTNER

III. BUSINESS COMPLIANCE MANAGEMENT

1. Maintaining proper accounting record (Internal):

- Accounting setup (1 time)
- Supporting documents
- Monthly bookkeeping and financial reports
- Compliance with Cambodian Accounting Standard (CIFRS for SMEs & CIFRS)

2. Monthly and annual obligation with GDT

- Monthly tax return (1st-25th)
- Annual Tax on Income return (Jan 1st-Mar 31st)
- Patent renewal (Jan 1st-Mar 31st)
- Stamp Tax (Jan 1st-Mar 31st)



3. Annual obligation with Accounting and Auditing Regulator (ACAR)

a. Annual audited financial reports submission

Enterprise is required to have an independent audit if it meets two of the following criteria:

- Annual turnover from **\$1M**;
- Total assets from **\$750K**; and
- **100** employees or more.

The audited financial reports shall be done by **30th June** and submit to the ACAR by **July 15th**.

b. Annual unaudited financial reports submission

Enterprises which don't meet the requirement shall have their unaudited financial reports done by 31st March and submit to the ACAR by 15th April.

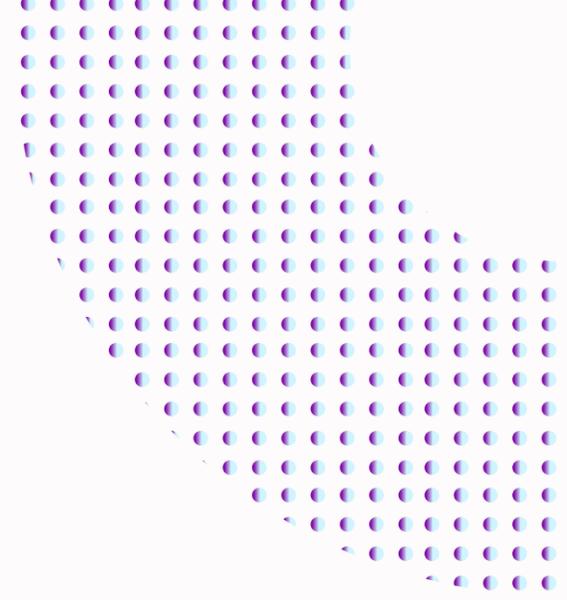
4. Monthly obligation with NSSF

- Calculate and pay NSSF by the **15th**
- File to the NSSF by the **20th**

5. Annual obligation with Ministry of Labor

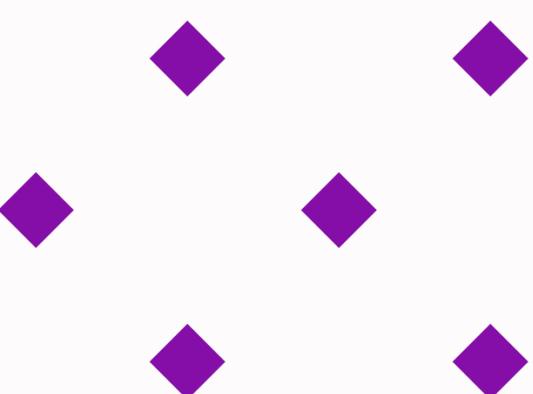
- Annual Quota (Sep 1st–Nov 31st)
- Annual Work Permit (Jan 1st–Mar 31st)

6. Other license renewal (if any)



7. Business Changes & Dissolution

- Change of shareholder, share, activity, name, address, and others with MOC & GDT
- Business dissolution/closure with GDT and MOC





1. Type of taxes to be filed return monthly:

No.	Small Taxpayers	Medium & Large Taxpayers
1.	<ul style="list-style-type: none">VAT (10%) Turnover/1.1 * 10% * 20%	<ul style="list-style-type: none">VAT (10%) for local suppliesVAT (0%) for export
2.	<ul style="list-style-type: none">Prepayment of tax on income (1%)	<ul style="list-style-type: none">Prepayment of tax on income (1%)
3.	<ul style="list-style-type: none">WHT on rental movable and immovable property (10%)	<ul style="list-style-type: none">WHT (4%,6%,10%,14%,15%)* Exempt service < 50,000 Riel (\$12.5)
4.	<ul style="list-style-type: none">Tax on salary (0%-20%) for residentTax on salary 20% for non-residentFringe benefit tax (20%)	<ul style="list-style-type: none">Tax on salary (0%-20%) for residentTax on salary 20% for non-residentFringe benefit tax (20%)



MAKING IT EASY

YOUR TRUSTED PARTNER

1. Type of taxes to be filed return monthly:

No.	Small Taxpayers	Medium & Large Taxpayers
5.	Specific tax on certain merchandise and services (3% - 35%)	Specific tax on certain merchandise and services (3% - 35%)
6.	Public Lighting Tax (5%)	Public Lighting Tax (5%)
7.	Accommodation Tax (2%)	Accommodation Tax (2%)

- Monthly taxes through e-filing and e-payment (Vattanak, Canadia, and Acleda...)
- Deadline: 25th every month



MAKING IT EASY

YOUR TRUSTED PARTNER

Your paragraph text

Tax on Salary for resident

Exchange Rate: 1 USD=4,000 Riels

Level	Taxable Salary (USD)	Tax Rate (%)	Tax Bias (USD)
1.	< 375 USD	0%	0
2.	>375 -500 USD	5%	18.75
3.	>500-2,125 USD	10%	43.75
4.	>2,125- 3,125 USD	15%	150.00
5.	> 3,125 USD	20%	306.25



Tax on Salary (Cont.)

Your paragraph text

Remark	Supporting docs
<ul style="list-style-type: none">• Residents are taxed on their worldwide salary income. Non-residents are only tax on Cambodian sourced salary income.• Exchange rate for TOS calculation is on the 15th of the month.• Allowance amount \$37.50/person as the following:<ul style="list-style-type: none">- Spouse (housewife or househusband)- Dependant (Age <=14 years old), (Age<=25 years old for students)• Allowance is not eligible for non-resident.	<ul style="list-style-type: none">- Authority's confirmation letter- Birth certificate, and certificate of education.

Tax on Salary (cont.)

EX1 Mr. A, a Cambodian employee of Company PNNT, which is specialized in Media. His salary in May 20X4 is \$400. He is a single dad with a 6-year-old child. What is the tax on salary of Mr. A?

The exchange rate is 1USD =4,000Riel.

Solution

- Convert Salary from USD to Riel= $400 \times 4,000 = 1,600,000$ Riel
- Allowance =150,000 Riel
- Base amount for TOS calculation = $1,600,000 - 150,000 = 1,450,000$ Riel
- Tax Rate =0%
- TOS= $1,450,000 \times 0\% = 0$ Riel

Tax on Salary (cont.)

EX2 Mr. B, a Cambodian employee of Company ABC. His monthly salary in May 20X4 is \$2,000 plus incentive of \$500. Additional information:

- He has two children:
 - The first child is 10 years old
 - The second child is 26 years old pursuing his master's degree.
- His wife is also working at another private company, but she doesn't claim any allowances for their child.

Required: calculate tax on salary of Mr. B for May 20X4.

Tax on Salary (cont.)

EX2

Solution

- Calculate his total salary= $2,000+500= \$2,500$
- Convert salary from USD to Riel= $2,500 \times 4,000=10,000,000$ Riel
- Calculate the allowance =150,000 Riel
- Base amount for TOS calculation = $10,000,000 - 150,000= 9,850,000$ Riel
- **TOS Rate= 15%**
- **TOS to be paid= $(9,850,000 \times 15\%) - 600,000= 887,500$ Riel (USD 221.88)**

Tax on Salary

EX3 Mr. Brown, was newly recruited to work for Company ABC. His commencement date is on 01 May 20X4. His monthly salary in May 20X4 is \$4,000. He arrived in Cambodia with his wife who is a housewife in the mid April 20X4. The company also provides him accommodation which costs \$1,000 per month. What is the tax on salary of Mr. Brown? The exchange rate is 1USD =4,000Riel.

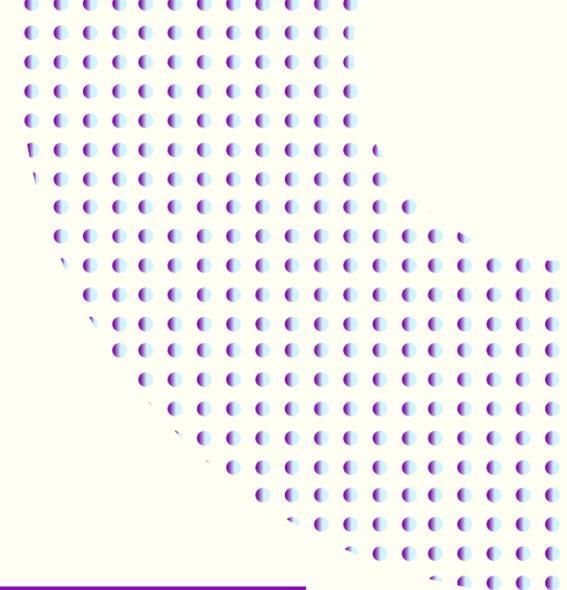
Solution

- Convert his salary from USD to Riel= $4,000 \times 4,000 = 16,000,000$ Riel
- He is non-resident (staying in Cambodia < 182 days within 12 months period)
- **Tax Rate= 20%**
- **TOS to be paid = $16,000,000 \times 20\% = 3,200,000$ Riel (USD800)**
- Convert Fringe benefit to Riel= $1,000 \times 4,000 = 4,000,000$ Riel
- **FBT= $4,000,000 \times 20\% = 800,000$ Riel (\$200)**



Type of taxes to be filed return annually:

No.	Type of Tax	Small Taxpayers	Medium & Large Taxpayers
1.	Tax on Income (TOI)	<ul style="list-style-type: none">1. \$0-\$4.5K : 0%2. > \$4.5K - \$6K : 5%3. > \$6K - \$25.5K : 10%4. > \$25.5K - \$37.5K : 15%5. > \$37.5K: 20% <p>*Exchange Rate: 1 USD=4,000 Riels</p> <p>Deadline: 31 March</p>	<ul style="list-style-type: none">1. Regular entity : 20%2. Natural resources base business: 30%3. Gross premium received in the tax year for insurance or reinsurance of property or risk in Cambodia: 5%4. QIP (holiday period): 0% <p>Deadline: 31 March</p>



Type of taxes to be filed return annually:

No.	Type of Tax	Small Taxpayer	Medium & Large Taxpayer
2.	Patent Tax	\$100 per year Deadline: 31 March	Medium: \$300 Large: \$750 \$1,250 (>\$2.5M) Deadline: 31 March
3.	Signboard tax	Base on size Deadline: 31 March	Base on size Deadline: 31 March



Who Bear the Taxes?

Taxes borne by the company	Taxes passed on customers/suppliers
<ol style="list-style-type: none">1. Prepayment of tax on income 1% (Credit to tax on income)2. Tax on income3. Patent tax4. Signboard tax (if any)5. Transport tax (if any)	<ol style="list-style-type: none">1. VAT : Customers2. Specific tax: Customers3. Public lighting tax: Customers4. Accommodation tax: Customers5. Withholding tax: Suppliers6. Tax on salary: Employees



REFERENCES



1. www.tax.gov.kh
2. Online business registration through CamDX User Guide
3. Prakas No. 168 on public lighting tax dated 20 March 2024
4. Prakas No. 173 on accommodation tax dated 20 March 2024
5. Updated law on taxation dated 16 May 2023
6. Sub degree No. 196 on table of taxable threshold for annual tax on income and monthly tax on salary dated 28 September 2022
7. Instruction No. 017 on the implementation of new rate for tax on salary dated 27 December 2022
8. Prakas No. 168/22 on formalities and procedures for National Security Fund Registration and Contribution Payment dated 05 July 2022
9. Prakas on Classification of Taxpayers by Self-Declaration Regime dated 12 Jan 2021
10. Law on social security schemes dated 02 November 2019

Address

3rd floor, The Point Community, Mao Tse Tung

Contact Number

070 914 201

E-mail

inquiry@makingiteasycambodia.com



Business or NGO registration
maintenance, and closure



Taxation
compliance



Business
address



Business & Investment
Compliance Consultancy

MAJOR SERVICE



(+855) 085 914 201 | 070 914 201 | 012 914 201



inquiry@makingiteasycambodia.com



www.makingiteasycambodia.com



MAKING IT EASY

YOUR TRUSTED PARTNER



FREE CONSULTANCY

(30 mins)

Address

3rd floor, The Point Community, Mao Tse Tung

Contact Number

070 914 201

E-mail

inquiry@makingiteasycambodia.com



MAKING IT EASY

YOUR TRUSTED PARTNER

JOIN US NOW



E-mail inquiry@makingiteasycambodia.com

Website www.makingiteasycambodia.com

Phone 012 914 201/070 914 201/085 914 201

Address 3rd floor, The Point Community, Mao Tse Tung (Opposite Chinese Embassy)

