

**Cambodia**  
**Tax Newsletter**

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## **Foreign quota request and work permit renewal for 2019**

*(Notification No. 028/18 released on 20 August 2018)*

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The Ministry of Labour and Vocational Training issued Notification No. 028/18 dated 20 August 2018 informing that all owners or directors of enterprises who wish to request a quota for employing expatriate employees in 2019 must apply for the 2019 foreigner's quota between 1 September 2018 and 30 November 2018.

In addition to the above quota approval, owners or directors of enterprises who use foreign labor and expatriates who runs business in Cambodia, must renew the 2019 work permits between 1 January 2019 and 31 March 2019.

Failure to apply the foreign quota and renewal of work permits within the above timelines, may give rise to penalties in accordance with chapter 16 of the Labour Law.

## **Reminder of tax payment on immovable property for 2018**

*(Notification No. 12392.GDT released on 29 August 2018)*

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The General Department of Taxation ("GDT") recently issued Notification No.12392 to remind the owners of immovable property to pay property tax before the deadline of 30 September 2018.

Since the deadline of the tax payment is on a Sunday, it is recommended owners of property make the tax payment before 30 September at any tax branch or authorized bank.

Failure to pay property tax by the above deadline may trigger penalties.

## **Amendment of accounting records and tax returns and obligation to submit independent audit report for garment industry**

*(Notification No. 12802 GDT released on 6 September 2018)*

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Further to Prakas No. 741 MEF.PK on rules and procedures for the implementation of income tax and other taxes relating to qualified investment projects performing Cut, Make and Trim ("CMT") activities, the GDT issued this notification to encourage those enterprises who previously have not maintained proper accounting records for their CMT activities to revise their accounting records and file amended tax returns for the preceding three years if the enterprises do not comply with the above Prakas. The deadline for filing amended tax returns is 31 March 2019.

If the amended tax returns lead to additional tax liabilities, the enterprises will be exempt from penalty and interest for the late payment during this period. However, the penalty and interest for the late payment will be applied, if on audit, the tax authority determines there is any underpaid tax.

If an enterprise fail to revise its accounting records and file amended tax returns, there is a risk that the enterprise might be assessed by the GDT as having low tax compliance status, which results in losing their benefits of Prepayment of Tax on Income ("PTOI") exemption and failure to meet the conditions to become a CMT company.

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