

# Cambodia News Brief\*

*A periodic summary of new rulings & other legal documents relating to legal, tax and investment developments in Cambodia*

February 2008

## **Notification Letter – The Filing of Annual Tax on Profit Returns (No. 002 TD dated 14 January 2008)**

The Ministry of Economy and Finance has announced that the due date for filing the annual Tax on Profit (ToP) returns for tax year ended 31 December 2007 is 31 March 2008.

A balance sheet, income statement and other required supporting documentation must be submitted together with the ToP return. The taxpayer must ensure that the ToP return is complete and accurate before the filing with the Tax Department.

The Tax Department has issued a guide on how to complete the ToP returns.

## **Notification Letter – Change of Large and Medium Taxpayer Bureau Location (Dated 10 January 2008)**

The Tax Department has announced that effective from 1 February 2008, all tax administrative services (e.g. filing of monthly and annual tax returns) will be at the new Tax Department building located at the corner of Mao Tse Toung and Russian Boulevard.

## **Prakas on the Change of a Tax Year End (No. 1481 SHV.PK.TD dated 31 December 2007)**

The Prakas on the Change of a Tax Year End states that a company with more than 51% of ordinary shares owned by a foreign parent company is allowed to change its tax year end to a date other than the calendar year.

An application must be filed with the Tax Department with the following documents:

- A certification from the parent company confirming its financial year end.
- A certification letter from an independent auditor of the parent company confirming the company's financial year end.
- A certified copy of the company's Memorandum and Article of Association registered with the Ministry of Commerce indicating the name of the parent company

A company that applies for a change of its tax year end must file an annual ToP return and pay tax in the transitional period.

## **Double Tax Agreement and Tax Provision for Petroleum Industry**

The Tax Department announced that they are drafting a Double Tax Agreement (DTA) model and tax provision for the petroleum industry.