

Cambodia News Brief*

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

January 2007

Prakas on the Adjustment of the Tariff rates and Specific Tax on Import Commodities. (Prakas No. 1327 MoEF dated 15 December 2006)

Effective from 1 January 2007 onwards, the Tariff rates and Specific Tax on various imported goods have been adjusted:

- **0% for:**

2806.10.00	2815.11.00	2815.12.00	2828.10.00	2836.20.00
2847.00.10	2915.21.00	2918.14.00	3203.00.10	3815.90.10
3815.90.90	7601.10.00	7601.20.00	7606.11.10	7606.11.90
7606.12.10	7606.12.20	7606.12.31	7606.12.39	7606.12.40
7606.12.90	7606.91.10	7606.91.20	7606.91.90	7606.92.10
7606.92.20	7606.92.30	7606.92.90	7901.11.00	7901.12.00
7901.20.00	7905.00.10	and sub-category 7905.00.20;		

Examples of the type of goods include graphite, aluminum and zinc related products.

- **15% for:**

2103-90-20 2104-10-90 2707-99-10 and sub-category 2707-99-90 The custom duties for tariff codes 2103-90-20 and 2104-10-90 have been reduced from 35% to 15%. However, the custom duties for tariff codes 2707-99-10 and 2707-99-90 have been increased from 10% to 15%.

- **5% for** Sub-category No 8711.20.10 (Mopeds)

Prakas on the amendment to Prakas on Licensing of Commercial Banks, Specialized Banks and Microfinance Institutions.

(Prakas No B7.06-207, 208, 209, 210, 211, 212 PRK of National Bank of Cambodia dated 13 September 2006)

Based on the Prakas, the National Bank of Cambodia (NBC) shall provide indefinite period licences to all commercial banks, specialized banks and microfinance institutions operating in Cambodia.

Each licensed specialized banks and microfinance institutions shall maintain an amount equal to 5% of their registered capital in a permanent account with the NBC with the following conditions:

- Riel Deposit: interest at ½ of the refinancing rate set by the NBC. The interest payment shall be settled semi-annually by the NBC.
- Foreign currency deposit: interest at 3/8 SIBOR. The interest payment shall be settled semi-annually by NBC.

The NBC will only return the capital deposit to the licensed specialized banks and microfinance institutions if they voluntarily liquidate and have no customers' deposit liabilities.

The banks and financial institutions are required to seek permission from the NBC prior to any increase in capital. The increase in capital is subject to a processing fee of 0.03% of the incremental amount.

Commercial banks, specialized banks and microfinance institutions shall submit their periodic reports to the NBC in line with the following dates:

- Daily report: in the morning of the next working day
- Weekly report: every Tuesday of the following week
- Monthly report: by the 10th of the following month for commercial banks and specialized banks and by the 15th of the following month for microfinance institutions.
- Quarterly report: by the 15th of the 1st month of the following quarter.
- Annual report (Audited Financial Statement): by the 31 March of the following year for commercial banks and specialized banks and 30 April of the following year for microfinance institutions.
- Reports on reserve requirement shall be submitted based on the annual schedule set by the NBC.
- Publications of the annual audited financial statements by 30 June of the following year.

NBC can impose penalties for late submission of the above reports.

New Monthly Tax Forms

The Tax Department have issued new monthly tax returns for real regime taxpayers including the following returns:

- Value Added Tax
- Withholding Tax
- Tax on Salary

We understand from the Tax Department that taxpayers have to use the new monthly tax returns for February 2007 onwards. The February 2007 returns are due for filling by 15 March 2007.

The forms are available for sale at the Large and Medium Taxpayer Bureau of the Tax Department.