

Cambodia News Brief*

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

July 2008

Prakas on Suspension of the monthly Prepayment of Tax on Profit for Garment and Footwear Factories **(No. 305 BRK.SHV dated 23 April 2008)**

The Ministry of Economy and Finance has announced that effective from April 2008 to December 2010, garment and footwear factories (must be Qualified Investment Projects recognised by the Council for the Development of Cambodia) are not required to pay the monthly Prepayment of Tax on Profit after the tax exemption period. However, the garment and footwear factories are required to pay Tax on Profit annually to the Tax Department.

Prakas on Determination of Goods Exempted from Import Duties and Taxes **(No. 144 [MEF] dated 15 February 2008)**

Exemption of import duties and taxes shall be granted to the following goods based on Article 26 of the Law on Customs:

- Goods for use in the official functions of foreign diplomatic or consular missions, international organisations and agencies of technical cooperation of other government;
- Goods for personal use of official personnel of missions and organisations;
- Imported goods that have previously paid duties and taxes and left Cambodia, and are returning from abroad without increasing any value;
- Goods donated for charity, goods for research and science purposes, samples and goods for exhibition without commercial value;
- Goods up to a certain value as determined by the Director of Customs and Excise Department brought by passengers, crews of conveyances and border crossers;
- Goods transiting or transferring transportation means at Customs;
- Household materials, materials for personal use and other property except for vehicles imported by an individual who moves residence to Cambodia;
- Industrial equipment and other material needed for operation or maintenance, which are used in the sea for exploring and producing petroleum and mineral;
- Goods exempted under provisions of any other law of Cambodia;
- Other goods pursuant to the decision of the Ministry of Economy and Finance.

A person who imports exempted goods is required to provide supporting documents to Customs Administration that those goods are exempted from duties and taxes and to obtain prior authorisation from Ministry of Foreign Affair and International Cooperation.

(Please refer to the Prakas no. 114 (MEF) for more details)