

Cambodia NEWS Brief

January 2022



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

Subjects:

1. Delay in implementing value added tax (VAT) on e-commerce
2. VAT state-charge for basic daily food items

The following report may be of interest to:

General taxpayers

Delay in implementing value added tax (VAT) on e-commerce

(Notification 776 GDT dated 17 January 2022)

On 8 December 2021, the General Department of Taxation (GDT) had issued Instruction 20522 to postpone the implementation of Prakas 542 on the rules and procedures for implementing VAT on e-commerce to 31 December 2021. On 17 January 2022, the GDT issued Notification 776 to further postpone the implementation of Prakas 542 to **31 March 2022**.

During this delay, non-resident taxpayers who provide supplies of e-commerce digital goods/services or e-commerce activities to Cambodia shall register for simplified VAT before 1 April 2022.

If these non-resident taxpayers fail to register or update their information or fail to submit returns and pay VAT to the GDT on time, they'll be subject to the penalties as stated in the tax law and regulations in force.

VAT state-charge for basic daily food items

(Prakas 009 MEF dated 11 January 2022)

The Ministry of Economy and Finance issued Prakas 009 to determine that VAT on certain basic food items for the people's daily living shall be borne by the state for the next two years.

Under this Prakas, 'basic food' refers to certain food necessary for the daily living:

- meat from domesticated animals: cattle, buffalos, goats, sheep, pigs, chickens and ducks, whether the meat is fresh, cured or smoked
- eggs from all kinds of domesticated animals, whether the eggs are fresh, cured or smoked
- all kinds of freshwater and marine (saltwater) fish, lobsters, shrimps, prawns, crabs and all kinds of molluscs, whether fresh, cured or smoked
- all kinds of sugar which are not characterised as candy
- all kinds of salt
- all kinds of fish sauce and soy sauce.



The VAT on domestic supplies of these basic foods will be considered as a state-charge for the two years from 1 January 2022 to 31 December 2023.

Under this Prakas, food supplied by restaurants shall be excluded from the above.



For more information, please contact Pov Ratha at ratha.pov@pwc.com or Heng Thy at thy.heng@pwc.com or call +855 (0) 23 860 606.

