

# Cambodia News Brief

July 2019



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

## **Subject:**

Implementation of Withholding Tax (WHT) for insurance enterprises (*Instruction No. 14005 GDT, dated 16 July 2019*)

## **The following report may be of interest to:**

Insurance enterprises

To comply with the new Article 21 of the tax law and Article 8 of Prakas No. 490 MEF.BrK dated 30 April 2018, the General Department of Taxation (GDT) has provided guidelines for WHT implementation for insurance enterprises who reinsure their life insurance policies with a non-resident taxpayer.

The guidelines are:

1. Any insurance enterprise who makes any net life reinsurance premium payments to a non-resident taxpayer is subject to WHT as stated in Article 26 new (one) of the tax law.
2. If the amount of net life reinsurance premium is negative, the insurance enterprise is allowed to take the negative net amount to offset against the gross life reinsurance premiums in the following months.
3. Life insurance enterprises will have the penalties and interest waived if they voluntarily file their amended WHT returns and pay the past underpaid WHT by 31 December 2019.

The GDT requires all life insurance enterprises carrying out their businesses in Cambodia to comply with the instruction.



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