

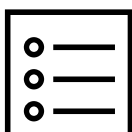
Cambodia

News Brief



March 2025

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



Subject

WHT incentives for local airlines (*Prakas 198 MEF dated 17 March 2025*)

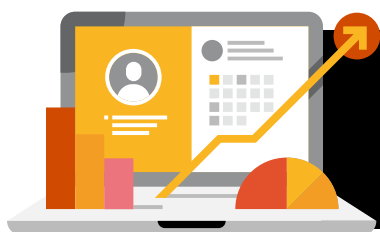
The following report may be of interest to:

Local airlines

The Ministry of Economy and Finance has issued Prakas 198 to ease the withholding tax (WHT) burden on local airlines and support the tourism sector.

1. WHT has been reduced to 2% for local airlines' payments to non-resident taxpayers for:
 - a. aircraft rental
 - b. aircraft maintenance and overhaul
 - c. overseas technical assistance
 - d. overseas airport charges
 - e. IT shared service costs
 - f. brand licensing fees
 - g. online ticket booking systems
 - h. training by overseas vendors
 - i. centralised system shared costs, and
 - j. system licence fees.
2. WHT has been reduced to 10% for local airlines' payments to non-resident taxpayers for:
 - a. management service fees, and
 - b. other services.
3. These reductions will be effective for four years, from 17 March 2025 to 31 December 2028.

All local airlines must submit monthly and annual tax returns, and record and maintain accounting records and information related to their business activities in accordance with tax laws and regulations.



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