

Cambodia News Brief

May 2019



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

Subject:

Tax exemption for seniority payments prior to 2019 and from 2019 onwards, and services involving the recruitment, training, sending and supervision of Cambodian workers or new trainees to work abroad (*Circular No.003 MEF, dated 11 April 2019*)

The following report may be of interest to:

General taxpayers

To comply with Prakas No. 1059, No 1173, and No. 443 as a contribution to improving the living standards, expanding the overseas working market for and providing more skills training for Cambodian workers, the Ministry of Economy and Finance (MEF) has issued the following guidelines:

1. Tax on salary (ToS) exemption for seniority payments prior to 2019 and from 2019 onwards for Cambodian staff.
2. An enterprise's expenses for seniority payments prior to 2019 and from 2019 onwards are allowed as deductible expenses in the current tax year for corporate income tax purposes.
3. Value-added tax (VAT) exemption for private recruitment agencies when providing services involving the recruitment, training, sending and supervision of Cambodian workers or new trainees to work abroad.



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