

# Cambodia News Brief



May 2022

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

## **Subject:**

Use of exchange rates for taxpayers under a self-declaration regime (Instruction No. 10362 GDT dated 17 May 2022)

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

General taxpayers

To comply with the tax law, VAT regulations and Instruction No. 27617, as well as to ensure clarity for the invoice mechanism and the effective implementation of online VAT refunds and credits, the General Department of Taxation (GDT) has provided the following guidelines for using official exchange rates:

### **1. The daily official exchange rate**

Taxpayers shall use the official exchange rate issued daily by the GDT for KHR currency for the total price of the invoice. If there are specific days or other times that the GDT hasn't issued its official exchange rate, taxpayers will use the official exchange rate that the GDT issued one day before the day the exchange rate is unavailable.

Non-resident taxpayers who register for simplified VAT are not required to use KHR currency for the total price of the invoice. For the objective of preparing tax returns in KHR and calculation of VAT to be paid, non-resident taxpayers shall use monthly official exchange rates as stated in point 3 of this Instruction (also point 3 below).

### **2. Official exchange rate for tax on salary**

Taxpayers will use the official exchange rate issued by the GDT on the 15th day of each month when calculating salary tax. If the 15th day of each month falls on a day on which the GDT doesn't issue its official exchange rate, taxpayers will use the GDT's official exchange rate issued one day before the exchange rate is unavailable.

### **3. Monthly official exchange rate**

Taxpayers will use the official exchange rate issued by the GDT on the last day of each month to calculate monthly tax payments for supplies by non-resident taxpayers who have registered for simplified VAT or any transaction without KHR currency on invoice such as transactions supplied by a person not under the self-declaration regime or supplied by non-residents, etc.

### **4. Annual official exchange rate**

Taxpayers will use the official exchange rate issued by the GDT on the last day of December of each year for which the annual tax payments are calculated.

The GDT will issue daily official exchange rate notifications on its website from **June 2022 onwards**. Any previous regulations which have been implemented for the use of exchange rates by self-declaration taxpayers will be abrogated.



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