



Cambodia Tax Alert

PTOI for garment and textile sector may be suspended under certain conditions

Greetings from your Tax & Advisory team at Deloitte Cambodia.

We are pleased to update you on the following:

The Cambodia Ministry of Economy and Finance issued Prakas No. 120 MEF on 8 February 2024, which suspends the prepayment of tax on income (PTOI) for the garment and textile sector through the end of 2025.

The suspension applies to enterprises with qualified investment projects (QIPs) for export whose PTOI exemption period has expired, including textile, garment, footwear, carrying bag, and handbag enterprises, as well as enterprises engaged in the manufacturing of hats, garment brands, gloves, socks, towels, pillowcases, blankets/covers, bedsheets, and tablecloths.

Conditions to qualify for the PTOI suspension

Enterprises wishing to benefit from the PTOI suspension must meet the following three conditions:

1. Maintain proper accounting records;
2. Declare and pay other taxes in a timely manner; and
3. Provide an annual independent audit report to the tax administration.

In case of non-compliance with these three conditions, an enterprise will lose the benefit of the PTOI suspension and will be subject to various penalties in accordance with the law.

Contacts

Should you have any comments or questions arising from this newsletter, please contact the Deloitte Cambodia tax team below.

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