



## Cambodia Tax Alert

# Tax incentives available to encourage enterprises to transition to formal economy

Greetings from your Tax & Legal team at Deloitte Cambodia.

We are pleased to update you on the following:

The Cambodia General Department of Taxation (GDT) issued Instruction No. 18412 GDT on 20 May 2024, providing certain tax incentives to micro, small, and medium-sized enterprises to encourage economic development within priority sectors in the “informal economy” including: (i) wholesale, retail, and repair; (ii) accommodation and food services; (iii) crafts; and (iv) agricultural communities.

The tax incentives are as follows:

- Micro enterprises that register for tax voluntarily between 1 January 2023 and 31 December 2028 may be exempted from fees for registering for tax, updating information, and printing registration cards.
- In addition to the exemptions available to micro enterprises, small enterprises that register for tax voluntarily between 1 January 2023 and 31 December 2028, and medium-sized enterprises that register for tax voluntarily between 1 January 2024 and 31 December 2025, may be eligible for certain exemptions, such as from patent tax, or certain penalties and tax liabilities related to noncompliance prior to registration, etc.

Enterprises wishing to benefit from the incentives described above must comply with certain conditions, including proactively registering for tax voluntarily and operating in one of the priority sectors.

## Contacts

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

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