

**Kingdom of Cambodia
Nation Religion King**



Royal Government of Cambodia
No. 17 ANKr.BK

**Sub-Decree
on
Tax Incentive for SME Who Voluntarily Register for Tax**



Royal Government

- Having Seen the Constitution of the Kingdom of Cambodia;
- Having Seen the Royal Decree No. NS/RKT/0913/903 dated September 24, 2013 on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having Seen the Royal Decree No. NS/RKT/0416/368 dated April 04, 2016 on the and Revision and Addition to Composition of the Royal Government of the Kingdom of Cambodia;
- Having Seen the Royal Kram No. 02/NS/94 dated July 20, 1994 on the Promulgation of the law on the Organization and Functioning of the Council of Ministers;
- Having Seen the Royal Kram No. NS/RKM/0196/18 dated January 24, 1996 on the Promulgation of the Law on the Establishment of the Ministry of Economy and Finance;
- Having Seen the Royal Kram No. NS/RKM/0508/016 dated May 13, 2008 on the Promulgation of the Law on the Public Finance System;
- Having Seen the Royal Kram No. NS/RKM/0297/03 dated February 24, 1997 on the Promulgation of the Law on Taxation;
- Having Seen the Royal Kram No. NS/RKM/1215/016 dated December 17, 2015 on the Promulgation of the Law on Public Finance Management for the Year 2016;
- Having Seen the Royal Kram No. NS/RKM/1216/019 dated December 14, 2016 on the Promulgation of the Law on Public Finance Management for the Year 2017;
- Having Seen the Sub-Decree No. 488 ANKr.BK dated October 16, 2013 on the Organization and Functioning of the Ministry of Economy and Finance
- Referring to Request of the Minister of the Ministry of Economy and Finance

DECIDES

Chapter 1

General Provision

Article 1: Purpose

This Sub-Decree aims to put forward the tax incentives of the Royal Government as a contribution to the development of the small and medium-sized enterprises through voluntary registration for tax.

Article 2: Objective

This Sub-Decree defines the tax incentive mechanism to be provided to small and medium-sized enterprises for encouraging them to voluntarily register themselves for tax in order to create a transparent and equitable tax system.

Article 3: Scope

Tax incentive stated in this Sub-Decree is applicable only to small and medium-sized enterprises that voluntarily register for tax during the year 2017 and 2018.

Article 4: Definition

For the objective of this Sub-Decree:

1. "Small-sized Enterprise" refers to those enterprises that have an annual taxable turnover of KHR250 million to KHR700 million or those that meets the requirements set forth in the Regulation and Law on Taxation to register for tax as Small Taxpayers.
2. "Medium-sized Enterprise" refers to those enterprises that have an annual taxable turnover of KHR700 million to KHR2.000 million or those that meets the requirements set forth in the Regulation and Law on Taxation to register for tax as Medium Taxpayer.

Chapter 2

Tax Incentive and Obligation

Article 5: Tax Incentive

1. Small and Medium-sized who voluntarily register for tax during the year 2017 and 2018 shall receive two-year exemption from Tax on Profit, commencing from the year in which the enterprises first generate revenue for those who haven't earned revenue, or from the year of tax registration should those enterprises have already generated revenue. During the two-year exemption, small and medium-sized enterprises will also be exempted from the Prepayment of Profit Tax and the Minimum Tax.
2. In the year following the end of Tax on Profit exemption period stated in Paragraph 1, small and medium enterprises shall pay the Tax on Profit and the Minimum Tax in accordance with the Law on Taxation.
3. The Tax on Profit exemption period stated in Paragraph 1 is not applicable to small and medium-sized enterprises that do not voluntarily register for tax.

Article 6: Tax Obligation

Enterprises that register as Small Taxpayer and Medium Taxpayer must still submit annual Tax on Profit Declaration Form as required by the Tax Administration and submit all other Tax Declaration Forms in accordance with the Law on Taxation, even though those enterprises are subject to Tax on Profit exemption stated in Article 5.

Article 7: Failure to Register

Small and medium-sized enterprises that fails to register for tax will be deemed as having committed an act of obstruction and will be rigidly fined in accordance with Article 128 to Article 136 of Law on Taxation.

Article 8: Introduction to the Implementation of this Sub-Decree

Minister of the Ministry of Economy and Finance shall issues a Prakas introducing the rules and procedures for implementing this Sub-Decree.

Chapter 3

Final Provision

Article 9: Nullification

Any regulations that are contrary to this Sub-Decree shall be null and void.

Article 10: Implementation

Minister in charge of the Office of the Council of Ministers, Minister of Economy and Finance, all Ministers of relevant Ministries, all Heads of relevant Entities shall effectively implement this Sub-Decree from the date of its signature.

	<p style="text-align: center;">Phnom Penh, February 07 2017</p> <p style="text-align: center;">Prime Minister</p> <p style="text-align: center;">(official signature and seal)</p> <p style="text-align: center;">Samdech Aka Moha Sena Padei Techo HUN SEN</p>
<p>Having informed Samdech Aka Moha Sena Padei Techo Prime Minister for signature</p> <p style="text-align: center;">Senior Minister Minister of the Ministry of Economy and Finance</p> <p style="text-align: center;">(official signature and seal)</p> <p style="text-align: center;">PhD. Aun Pornmonyroth</p>	
<p>Recipient:</p> <ul style="list-style-type: none"> - Ministry of Royal Palace - Secretariat-General of the Constitutional Council - Secretariat-General of the Senate - Secretariat-General of the National Assembly - Secretariat-General of the Royal Government - Cabinet of Samdech Aka Moha Sena Padei Techo Prime Minister - Cabinet of Samdech, His Excellency and Her Excellency Deputy Prime Ministers - As in Article 10 “for implementation” - Royal Gazette - Documentation-Archive 	

