Kingdom of Cambodia

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MINISTRY OF ECONOMY AND FINANCE

28/Aug/2026

PRAKAS

ON

THE PROCEDURES FOR IMPLEMENTING TAX INCENTIVES UNDER THE SPECIAL PROGRAM TO PROMOTE INVESTMENT IN THE FOUR NORTHEASTERN PROVINCES OF THE KINGDOM OF CAMBODIA

Pursuant to Decision No. 28 SSR dated February 27, 2025, of the Royal Government on the Implementation of the Special Program to Promote Investment in the Four Northeastern Provinces of the Kingdom of Cambodia 2025-2028, the Royal Government of Cambodia has provided incentives, preferences, and procedure facilitation to investors for: 1. Qualified Investment Projects (QIPs) or business activities in general sectors, excluding priority sectors; 2. Investment projects or business activities in priority sectors; 3. Expansion of QIPs (EQIPs) in 2025-2028; 4. Business activities that have not yet been registered for tax, which are to commence operations from 2025 to 2028 in the four Northeastern provinces of the Kingdom of Cambodia, including: Kratie, Stung Treng, Ratanakiri, and Mondulkiri provinces. In this regard, the General Department of Taxation (GDT) of the Ministry of Economy and Finance would like to instruct all Governors, Directors, or Owners of enterprises on the procedures for implementing tax incentives under this special program as follows:

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I. Requesting Incentives under the Special Program

Investors or enterprises may submit an application to the Investment Promotion Working Group for the Northeast (hereinafter referred to as IPWG-NE) through its Secretariat located on the 21st Floor of the Business Development Center Building, Sangkat/Khan Chroy Changvar, Phnom Penh, or through the electronic system of the IPWG-NE, or through the four provincial administrations in the Northeastern region of the Kingdom of Cambodia.

II. Tax Registration Obligations

After receiving the Approval in Principle from the IPWG-NE, investors or enterprises must fulfill their tax registration obligations to receive Patent Tax exemptions and facilitated registration procedures. The formalities and procedures for tax registration shall be implemented as follows:

1. In the Case of Unregistered Projects

In the event that an investor or enterprise has not yet registered for tax, they must apply for tax registration through the Secretariat of the IPWG-NE by providing information and attaching the required documents as specified in the "Application for Tax Registration and Taxpayer Information Update," which can be downloaded from the GDT website (www.tax.gov.kh) according to each legal form as follows:

- **Form** 101-**P**5 for Sole Proprietorships
- **Form** 101-**P**4 for General Partnerships or Limited Partnerships
- **Form** 101-**P**3 for Branches of Foreign Companies or Representative Offices
- **Form** 101-**P**2 for Private Limited Companies or Public Limited Companies

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The official tax registration documents that the taxpayer will receive are in digital format and can be printed via the business registration website or provided by the Secretariat of the IPWG-NE. These official documents include:

- Tax Registration Certificate (Value Added Tax - VAT)
- Tax Registration Identification Card
- Patent Tax Certificate
- Notification Letter on the Fulfillment of Tax Obligations
- Letter on Receiving Tax Benefits under the Special Program to Promote Investment in the Four Northeastern Provinces.

2. **In the Case of Registered Enterprises**

Taxpayers must use their already registered Tax Identification Number (TIN) and attach the Tax Registration Certificate (VAT) or Patent Tax Certificate as identity verification documents to the Secretariat of the IPWG-NE to apply for incentives under the special program. These documents will also be forwarded by the Secretariat of the IPWG-NE to the GDT to update information regarding tax incentives, along with the Letter on Receiving Tax Benefits under the Special Program to Promote Investment in the Four Northeastern Provinces.

3. **In the Case of Registered Enterprises with Multiple Projects**

Taxpayers with multiple projects must apply for tax registration for the project receiving incentives in the four Northeastern provinces by providing the registered Tax Registration Certificate (VAT) or Patent Tax Certificate to the Secretariat of the IPWG-NE to apply for incentives. These documents will be provided by the Secretariat to the GDT to register

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the specific incentivized project as a multiple project, for which the taxpayer will receive a separate Tax Identification Number (TIN) along with the following documents:

- Tax Registration Certificate (Value Added Tax - VAT)
- Tax Registration Identification Card
- Patent Tax Certificate
- Notification Letter on the Fulfillment of Tax Obligations
- Letter on Receiving Tax Benefits under the Special Program to Promote Investment in the Four Northeastern Provinces.

III. Procedures for Implementing Tax Incentives under the Special Program

After receiving the Approval in Principle from the IPWG-NE and fulfilling the tax registration obligations, the GDT will issue a tax exemption letter to the enterprise at the time of registration or information update. Separately, for Value Added Tax (VAT) exemptions and expansion project requests, taxpayers must submit an application to the Secretariat of the IPWG-NE with documents detailed in the procedures below.

All submissions of required documents from investors or enterprises and the issuance of tax exemption letters from the GDT must be done through the Secretariat of the IPWG-NE.

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To receive tax incentives for each type of tax as specified in the Approval in Principle from the IPWG-NE, investors or enterprises must follow the procedures described below:

1. Withholding Tax on Real Estate Lease

Enterprises will receive an exemption on the Withholding Tax on real estate leases for the requested project for a period of 3 years, counting from the year the enterprise receives the Approval in Principle from the IPWG-NE and ending at the end of the final year of the incentive period.

Example: An enterprise receives the Approval in Principle from the IPWG-NE in August 2025. Therefore, the enterprise's tax exemption period begins from August 2025 until December 2027.

1.1 **Filing of Tax Return**

Enterprises are obligated to file tax returns and pay monthly taxes in accordance with Instruction No. 003 MEF dated February 27, 2020, on the Implementation of the Online Tax Return Management System (e-Filing) and new monthly tax return forms. Taxpayers are required to select the "Withholding Tax List" tab, click on "Add New," and begin entering the information for the real estate lease withholding tax that received the tax exemption approval in the four Northeastern provinces one by one by ticking the "Tax Exemption" box.

2. **Value Added Tax (VAT) at Zero Percent (0%) for the Purchase of Locally Produced Production Inputs**

Enterprises may apply directly to the Secretariat of the IPWG-NE by attaching the following required documents:

1. Application letter to implement VAT at a zero percent rate

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2. Approval in Principle from the IPWG-NE
3. Annex list of supplier companies (including the list of locally produced production inputs) and supply contracts.

The GDT will review the enterprise's request and issue an authorization letter for the 0% VAT rate.

2.1 **Filing of Tax Return**

Enterprises are obligated to file tax returns and pay monthly taxes in accordance with Instruction No. 003 MEF. Taxpayers must enter purchase invoices by selecting the "Purchase of Goods and Services (Inputs)" tab, clicking on "Add New," and entering the information for each purchase invoice one by one, selecting the 0% tax rate.

3. **Prepayment of Tax on Income (PTOI)**

3.1 **QIP Enterprises in General Sectors, Excluding Priority Sectors**

Enterprises will receive a tax exemption for a period of 3 years in addition to the tax exemption period received under the Law on Investment of the Kingdom of Cambodia.

Example: A QIP enterprise receives tax exemption under the Law on Investment until 2028. The enterprise receives an additional 3-year tax exemption under this special program. Thus, the exemption period continues from January 2029 to December 2031.

3.2 **Enterprises in Priority Sectors**

Enterprises will receive a tax exemption for a period of 12 years, counting from the year the enterprise earns its first revenue from business activities.

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Example: An enterprise receives incentives from the IPWG-NE in 2025 and earns its first revenue in May 2026. Thus, the exemption period begins from May 2026 to December 2037.

3.3 **Filing of Tax Return**

In accordance with Instruction No. 003 MEF, taxpayers must select the "Sale of Goods and Services (Outputs)" tab, click "Add New," and enter the sales information for each invoice by ticking "Exempt" at the Prepayment of Tax on Income rate.

4. **Prepayment of Tax on Income (PTOI) for Expansion of QIPs**

4.1 **Expansion of Qualified Investment Projects (EQIPs)**

After receiving the Approval in Principle for project expansion from the IPWG-NE, the enterprise must submit documents related to the expansion plan to the GDT via the Secretariat of the IPWG-NE. The GDT will review the expansion based on conditions set in the special program and Prakas No. 313 MEF.Prk.GDT dated May 10, 2024, before issuing a tax exemption certificate for the expansion.

Example: Enterprise ABC is a QIP investing in the manufacturing of electrical lighting equipment (Investment Activity Group 2) with an initial registered capital of 100,000 million Riels. In early 2026, ABC applies to expand its production with a planned expansion capital of 53,850 million Riels by the end of 2026. In July 2026, ABC has a total business revenue from both the QIP and EQIP of 600 million Riels.

For this expansion, the enterprise will receive a PTOI exemption for 3 years in addition to the specific period of the original investment group (6 years), proportionally based on the

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expansion capital ratio, starting from when the enterprise earns its first revenue from the expansion activity.

Calculation of PTOI payable for July 2026 for Enterprise ABC:

- **Proportional Rate of Expansion Capital**: Planned Expansion Capital / (Planned Expansion Capital + Initial Investment Capital)

= 53,850 M Riels / (53,850 M Riels + 100,000 M Riels) = 35%

- **PTOI payable for July** 2026:

= 600 M Riels x (100% - 35%) x 1% = 3,900,000 Riels.

4.2 **Filing of Tax Return**

In accordance with Instruction No. 003 MEF, taxpayers must select the "Sale of Goods and Services (Outputs)" tab, click "Add New," and enter the sales information. For expansion projects, select "EQIP IPWG-NE" (Expansion Project under the Special Program in the Four Northeastern Provinces), then input the "Expansion Capital Rate." The system will automatically calculate the payable PTOI.

5. **Tax on Income (TOI) and Minimum Tax (MT)**

5.1 **QIP Enterprises in General Sectors, Excluding Priority Sectors**

Enterprises will receive a tax exemption for a period of 3 years in addition to the exemption period received under the Law on Investment.

Example: A QIP enterprise receives tax exemption until 2028. With the additional 3-year exemption, it continues from 2029 to 2031.

5.2 **Enterprises in Priority Sectors**

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Enterprises will receive incentives for a period of 12 years, counting from the year the enterprise earns its first revenue from business activities.

Example: An enterprise receives incentives in 2025 and has its first revenue in 2026. The exemption period is from 2026 to 2037.

5.3 **Filing of Tax Return**

Enterprises are obligated to file the annual Tax on Income return in accordance with Instruction No. 3140 GDT dated February 18, 2021, on the implementation of the Tax on Income e-Filing (TOI e-Filing) system, with the following steps:

- **Step** 1: Log into the TOI e-Filing system. At the Tax on Income rate section on Page 1, select the "Zero Percent Rate."
- **Steps** 2 **to** 7: Fill out as a general enterprise per Instruction No. 3140 GDT.
- **Step** 8: The calculation in box "E43" will be calculated automatically.
- **Steps** 9 **to** 17: Fill out as a general enterprise per Instruction No. 3140 GDT.

6. **Tax on Income (TOI) and Minimum Tax (MT) for Expansion of QIPs**

6.1 **Expansion of Qualified Investment Projects (EQIPs)**

Example: Enterprise ABC (Group 2 QIP) has an initial capital of 100,000 million Riels. In early 2026, it expands with 53,850 million Riels. ABC fully injected the expansion capital in the 2026 tax year and earned a total taxable income from both QIP and EQIP of 8,000 million Riels.

The portion of income eligible for the TOI exemption for 2026 is calculated as follows:

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- **Eligible Income for Exemption**: Total Taxable Income x (EQIP Capital / Total Capital)
- **Total Capital**: 100,000 M Riels + 53,850 M Riels = 153,850 M Riels
- **Expansion Capital Rate**: 53,850 M Riels / 153,850 M Riels = 35%
- **Eligible Income**: 8,000 M Riels x 35% = 2,800 M Riels.

The portion of taxable income eligible for the TOI incentive equals 2,800 million Riels.

6.2 Filing of Tax Return

- **Step** 1: Log into the TOI e-Filing system. For expansion projects, select "EQIP IPWG-NE" on Page 1, then input the "Expansion Capital Rate."
- **Steps** 2 **to** 7: Fill out as a general enterprise.
- **Step** 8: Box "E43" will calculate automatically.
- **Steps** 9 **to** 17: Fill out as a general enterprise.

7. Tax on Signboards (Advertising Panels)

Enterprises will receive an exemption on the Tax on Signboards for a period of 3 years for the requested project, counting from the year the enterprise receives the Approval in Principle from the IPWG-NE and ending at the end of the final year of the incentive.

7.1 Filing of Tax Return

Enterprises are obligated to file and pay the Tax on Signboards via the "GDT Taxpayer App" in accordance with Instruction No. 7785 GDT dated March 9, 2023, by entering the

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details of the signboards eligible for the exemption in the four Northeastern provinces, and ticking the "Tax Exemption" box.

8. **Tax on Salary (TOS)**

Enterprises will receive an exemption on the Tax on Salary for Cambodian national employees who receive a monthly salary of less than 2,000,001 Riels and are employed by a QIP in the four Northeastern provinces.

Example 1: A Cambodian employee earns 1,900,000 Riels in December 2025 (under 2,000,001 Riels). The Tax on Salary for this employee for December 2025 is exempted.

Example 2: A Cambodian employee earns 2,500,000 Riels in December 2025 (over 2,000,001 Riels). The TOS must be calculated using the progressive rates based on current taxable salary brackets.

- **TOS Base**: 2,500,000 Riels (Subject to 10% rate)
- **Deduction (Offset)**: 175,000 Riels
- **Tax on Salary**: (2,500,000 Riels x 10%) - 175,000 Riels = 75,000 Riels.

8.1 **Filing of Tax Return**

In accordance with Instruction No. 003 MEF, taxpayers must select the "Tax on Salary and Fringe Benefits" tab, click "Add New," enter the salary information of the Cambodian employee working for the incentivized QIP, and tick the "QIP Northeast" box. The system will automatically calculate the payable Tax on Salary.

9. **Patent Tax**

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Enterprises will receive a Patent Tax exemption for a period of 3 years for the requested project under the following conditions:

- **For unregistered projects**: Patent Tax exemption counts from the time of tax registration.
- **For registered enterprises**: Patent Tax exemption counts from the time information is updated after receiving the Approval in Principle from the IPWG-NE.
- **For registered enterprises with multiple projects**: Patent Tax exemption counts from the time of tax registration for the new multiple project.

9.1 **Filing of Tax Return** (**Post-Tax Registration**)

Enterprise owners may file the Patent Tax return and claim the exemption by accessing the online tax payment system (e-Payment) to select the Patent Tax exemption and print the Patent Tax Certificate.

The General Department of Taxation of the Ministry of Economy and Finance strongly hopes and believes that the implementation of the procedures detailed above will surely facilitate all taxpayers in fulfilling their tax obligations.

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