

Legal Alert: Implementation of Tax-break Provisions and Others Measures to Support the Tourism Sector

February 2022 Publication

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On 9th February 2022, the Ministry of Economy and Finance and the Ministry of Tourism issued the Inter-Ministerial Prakas No. 130 on Implementation of Key Policy Measures for Tourism Sector (the “Prakas No. 130”).

The Policy Measures for Tourism Sector contemplated in the Prakas No. 130 are parts of a general public policies framework under, among others, the Decision No. 122 dated 16th December 2021 on the Strategic Framework and Programs for Economic Recovery in the Context of Living with the COVID-19 in a New Normal (2021-2023), and the Policy Measures dated 23rd October 2021 to Promote Internal Tourism Movement in 2021-2023.

Key Features of the Prakas No. 130

- Continuing the exemption of all types of monthly taxes for hotels, guesthouses, restaurants and travel agencies (the “Tourism Operators”) registered with the GDT, having their business activities in Phnom Penh, Siem Reap, Sihanoukville, Kep, Kampot, Bavet or Poipet. The exemption period will run from 1st January 2022 until 30th June 2022. Depending on the activities of the taxpayer, the monthly taxes may include V.A.T, taxes to be withhold and paid on a monthly basis, Public Lighting Tax, Special Taxes, Prepayment Tax on Income, etc.
- Postponing the requirement for audit for the year 2021 for Tourism Operators having financial difficulties.
- Exempting the patent tax payment for Tourism Operators for the year 2022.
- Exempting the renewal fees for all types of tourism licenses for year 2022 for valid tourism licenses holders.
- To continue the validity of implementation on notification of the policy to encourage the sale of entry tickets for the visit of the Angkor Archaeological Area until 31ST December 2022.

Actions to be Taken by the Tourism Operators under the Prakas No. 130

- Notwithstanding the fact that the Prakas No. 130 extends the exemption period of all types of monthly taxes for the Tourism Operators, the Tourism Operators are still required to file a monthly tax return for all kind of taxes via the dedicated online filing system for every month during the exemption period.
- The Tourism Operators shall continue to update any information related to the patent tax.
- During the exemption period, the Tourism Operators are still obliged to apply for renewal of tourism licenses from the relevant authority depending on the type and size of tourism businesses they are operating.

This legal alert has been prepared for general information purposes only and does not constitute legal advice. Please contact us should you require any assistance.

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