



អគ្គនាយកដ្ឋានពន្ធដារ
នៃក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

ការបង់ពន្ធជូនរដ្ឋគឺជាកាតព្វកិច្ច របស់ប្រជាពលរដ្ឋកម្ពុជាគ្រប់រូប
 ដើម្បីចូលរួមចំណែកការពារ និង ការអភិវឌ្ឍន៍មាតុភូមិកម្ពុជា
 To Pay Tax Is The Obligation For All Cambodian People And
 To Contribute To The Defense And Development Of Our Nation!



12th IMF-Japan High-Level Tax Conference in Tokyo

Introducing Cambodia's VAT on E-Commerce

26th October 2022





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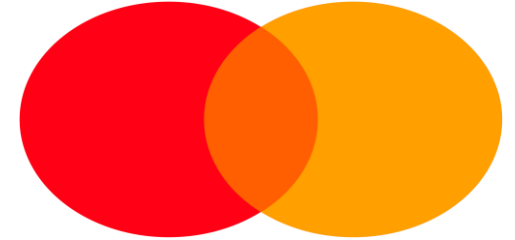


1. Preparation Stage and Implementation

- GDT Work Order No. 2777 on February 13, 2017 on Formation of Working Group to Research and Draft Laws and Regulations on Taxation of E-Commerce
- Study related documents and experiences of Australia, Japan, South Korea, Singapore, Malaysia
- Study Visit at ATO of Australia, NTS of Japan, and IRB of Malaysia
- Start implementing the collection on VAT on E-Commerce from April 01, 2022
- Up to the end of September 2022, 62 enterprises are registered with GDT
- For the first 5 months, GDT has collected \$26.56 million on the VAT on E-Commerce

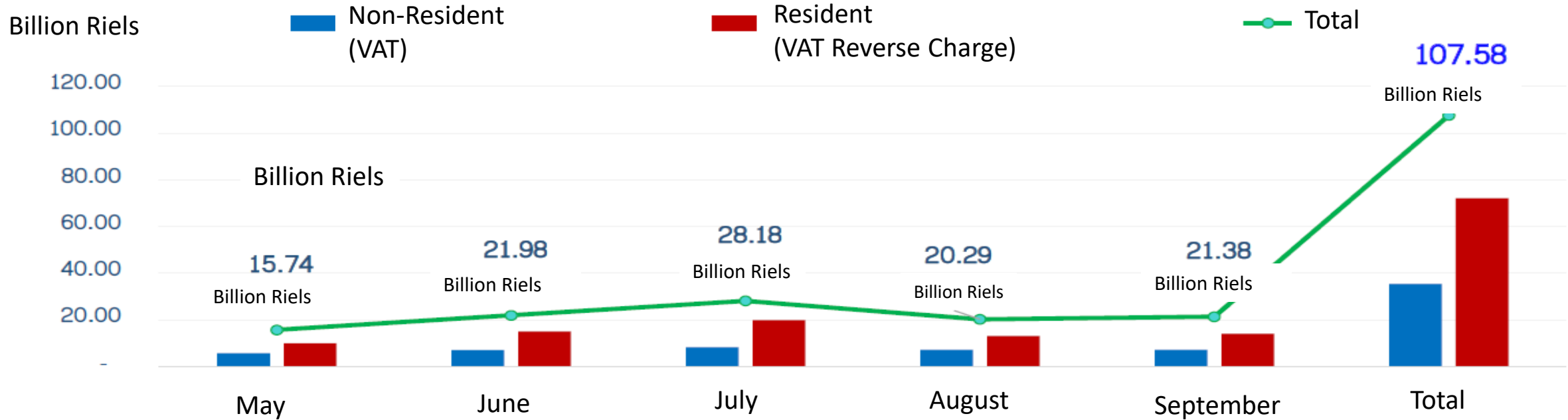


1. Preparation Stage and Implementation (Cont.)





1. Preparation Stage and Implementation (Cont.)



Types of Taxpayers		May	June	July	August	September	Total
Non-Resident (VAT)	Billion Riels	5.75	7.00	8.24	7.19	7.24	35.42
	\$ Million	1.42	1.73	2.04	1.78	1.79	8.75
Resident (VAT Reverse Charge)	Billion Riels	9.99	14.98	19.94	13.10	14.15	72.16
	\$ Million	2.47	3.70	4.92	3.23	3.49	17.82
Total	Billion Riels	15.74	21.98	28.18	20.29	21.38	107.58
	\$ Million	3.89	5.43	6.96	5.01	5.28	26.56

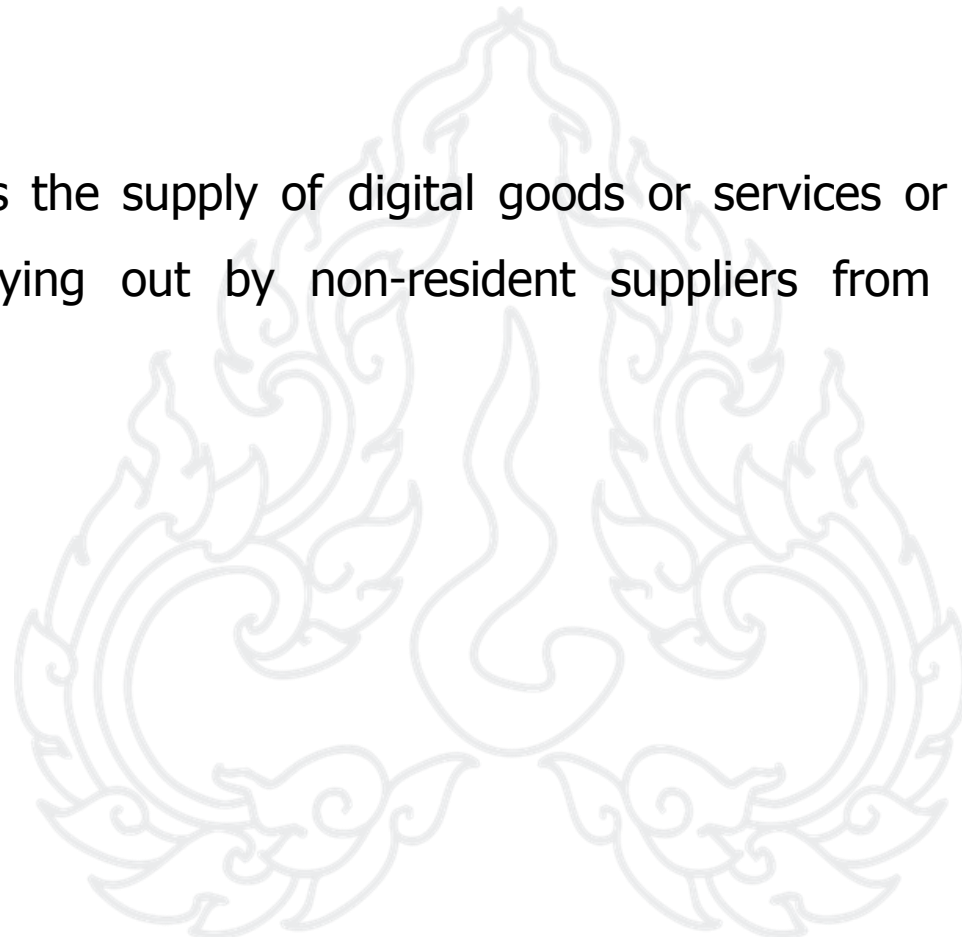


1. Preparation Stage and Implementation (Cont.)

Art. 1 and Art. 2 of Sub-Decree 65

Objective and Scope

- ❖ This Sub-Decree covers the supply of digital goods or services or any e-commerce activity via an electronic system carrying out by non-resident suppliers from the outside of Cambodia into Cambodia.





1. Preparation Stage and Implementation (Cont.)

Digital Goods

Refers to intangible goods that is procured, supplied, and fully transferred via electronic platform. *e.g. electronic order processing of tangible products, electronic ordering and downloading of digital products for purposes of commercial exploitation of the Copyright, subscription to a website allowing the downloading of digital products*

Digital Service

Refers to service that is operated via electronic platform *e.g. limited duration software and other digital information licenses, customer support over a computer network, advertising*

Electronic Commerce

Refers to the activities of purchasing, selling, leasing, or exchanging of digital products or digital services as well as electronic commercial and civil commercial transaction that conducted via electronic platform. *e.g. Application hosting-bundled contract, Application service provider-ASP, ASP license fees*

Platform Operator

Refers to non-resident taxpayers who provide services, receive payments, and deliver digital goods or digital services to buyers via electronic platform on behalf of non-resident suppliers. *eg. online shopping portals, online Auction, streamed web based broadcasting*



1. Preparation Stage and Implementation (Cont.)

Taxable persons

- **Non-resident taxpayers:** who supplies digital goods or digital services or e-commerce activities, including electronic platform operator, into the Kingdom of Cambodia that meet the simplified VAT registration.
- **Self-assessment taxpayers:** (Resident taxpayers) who received the supply of digital goods or digital services or any e-commerce activity from non-resident suppliers.



2. Simplified VAT Registration

Art. 11 of Prakas 542 MEF

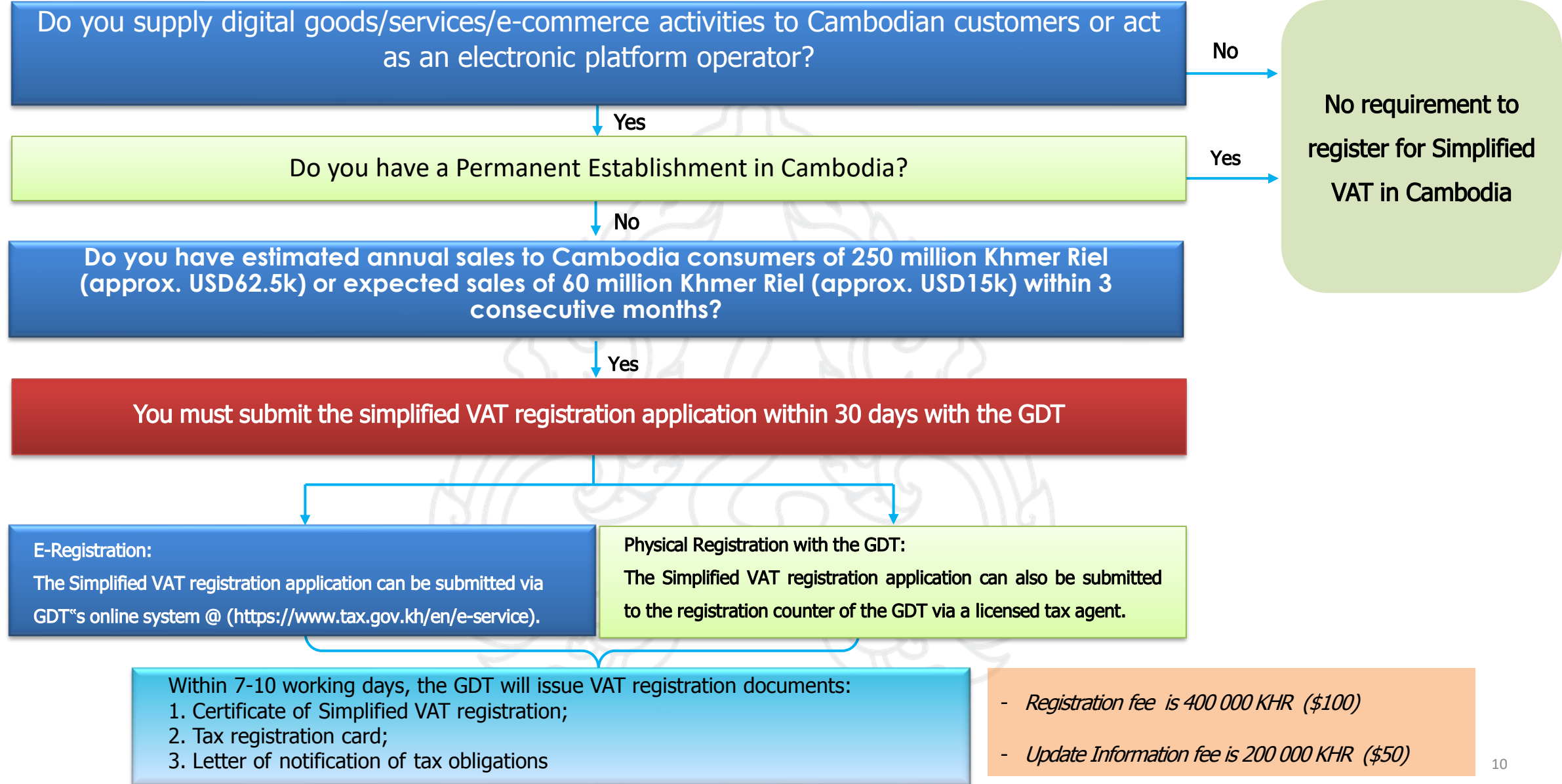
The non-resident taxpayer who supply the digital goods or digital service or any e-commerce activity into the Kingdom of Cambodia with :

- The annual turnover form 250 million Riel (\$ 62,500) or more or,
- Expect to have any 3 months consecutive turnover period completed in the current calendar year from 60 million Riel (\$ 15,000)

Shall have the obligation to completely register for the Simplified VAT Registration within 30 Days after the due turnover for the registration.



2. Simplified VAT Registration (Cont.)

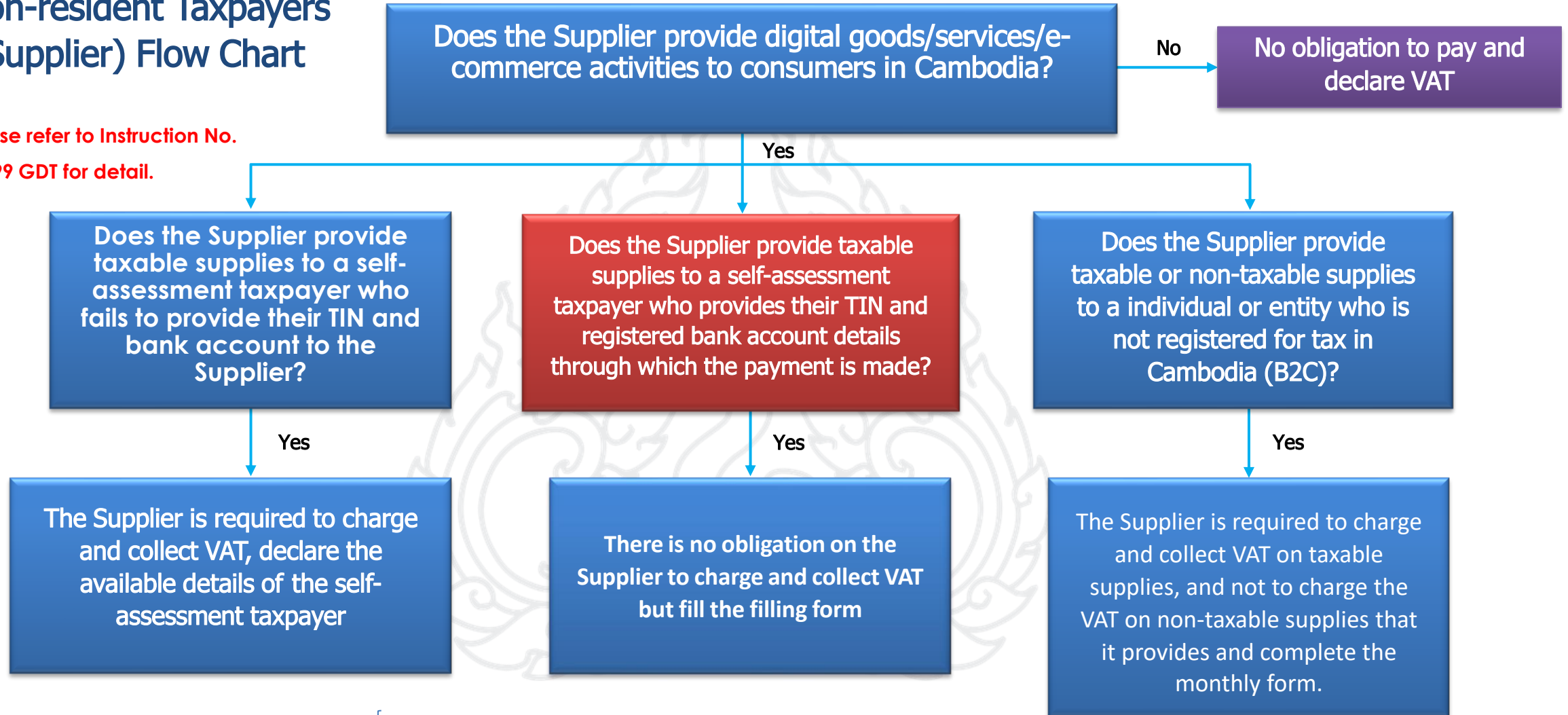




3.1 Filing Tax Returns (Non-resident taxpayers)

❖ Non-resident Taxpayers (Supplier) Flow Chart

❖ Please refer to Instruction No. 13099 GDT for detail.



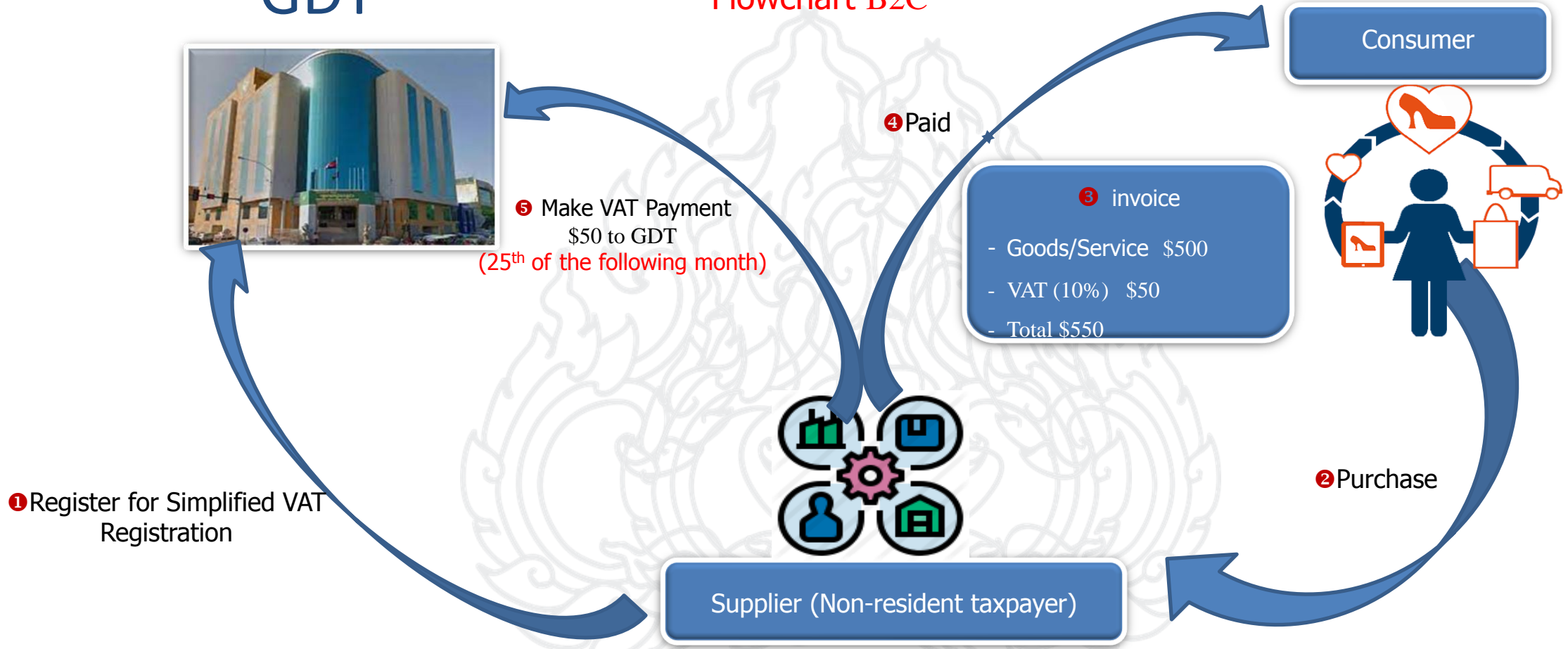
- ❖ The VAT filing and payment
 - 20th of the following month after supplied for manual filing;
 - 25th of the following month for e-filing and e-payment.



3.1 Filing Tax Returns (Non-resident taxpayers) (Cont.)

GDT

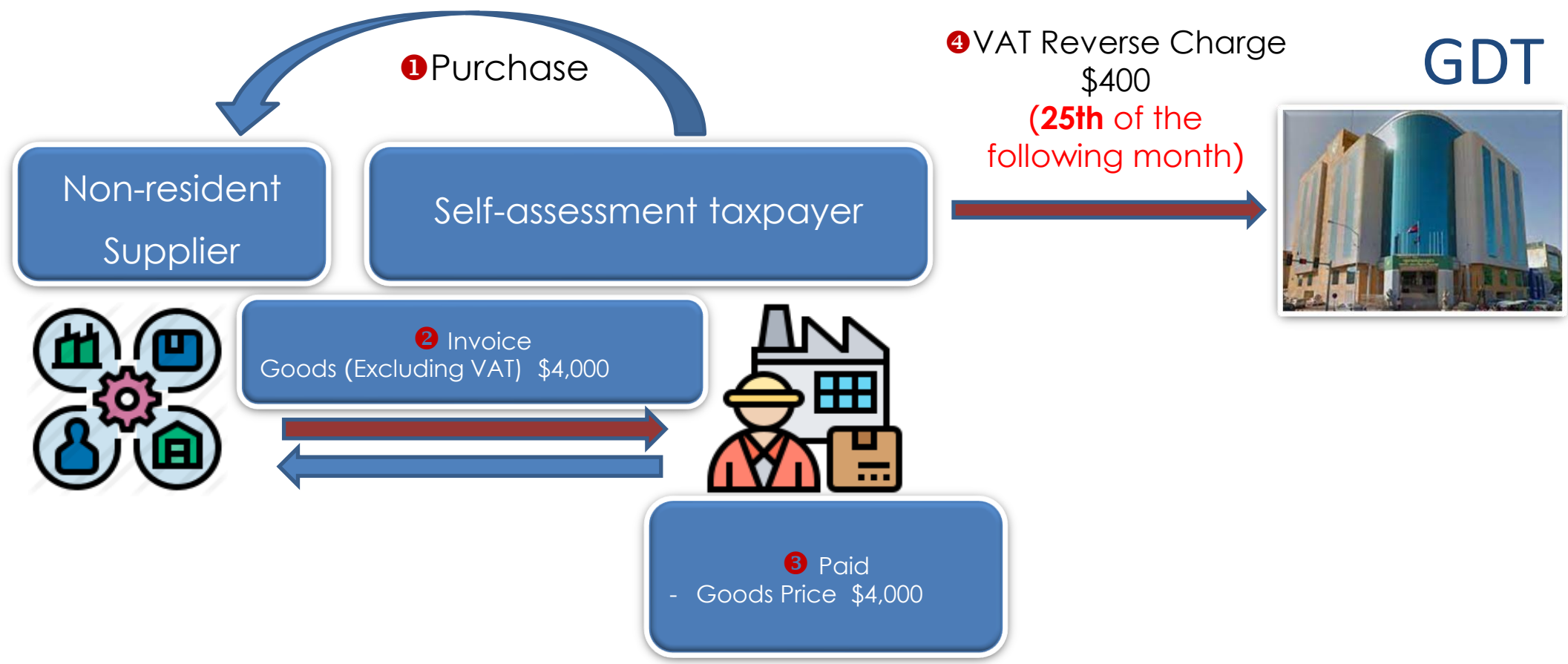
Flowchart B2C





3.2 Filing Tax Returns (Self-assessment taxpayers) (Cont.)

Flowchart B2B





4. Payment Methods

❖ VAT Payment Methods for non-resident taxpayers

VAT payment shall be made through the partner banks of GDT as one of the following:

1	2	3
Pay directly to the local partner banks in cash or through e-payment for the local payment. Non-resident taxpayer may use representative or any tax service agent to arrange and make payment on behalf	Use credit card or debit card	Transfer the VAT amount from overseas to the account of the GDT via the appointed local partner banks.

❖ All the expenses incurred due to VAT payment are the burdens of the non-resident taxpayers.



5. Challenges

- Some non-resident enterprises have not yet come to register for VAT
- It is hard to find, contact and invite non-VAT enterprises to register for VAT.
- Awareness of taxpayers
- Limited skills of staff
- Request delay of implementation
- Double tax on services (VAT 10% + WT 14%)



6. Way Forward

- Monitor (1) the filing of VAT returns (reverse charge method) in E-Filing system and (2) the filing of VAT returns of non-resident taxpayers in the E-commerce data management system (E-Commerce Tax System).
- Continue to seek and cooperate with relevant units and institutions to find non-resident individuals who supply digital goods or digital services or all e-commerce activities to Cambodia who have reached the turnover level to register for VAT.



6. Way Forward (Cont.)

- Promote the tax return filing obligation to non-resident taxpayers
- Continue to disseminate laws and regulations on the implementation of VAT on e-commerce transactions through workshops or through GDT Facebook Live
- Training officials
- IT system to support VAT on E-commerce



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Thank you

General Department of Taxation