

INVESTING

CAMBODIA 2013-2014



DOING BUSINESS IN CAMBODIA



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Welcome to Cambodia, The Kingdom of Wonder



There is no better time for UK businesses to invest in Cambodia.

With the economy of the ASEAN region as a whole expected to double by 2020, Cambodia is determined to be among those countries leading the way. Cambodia has already seen substantial growth over the last decade, but all the forecasts suggest there is no reason why the country's economy should not continue to expand impressively for some time to come.

The Asian Development Bank believes 7.5% growth can be achieved in 2014 and is forecasting a similar annual rate of increase for the next few years. This will offer countless opportunities for overseas companies to share in Cambodia's financial success story.

The purpose of this Invest in Cambodia brochure is to provide helpful information and advice to would-be investors.

The brochure clearly sets out and explains what administrative procedures are involved.

It also highlights the very positive attitude that has been adopted by the Royal Government of Cambodia towards foreign investment. This has included the creation of special economic zones, an assortment of financial incentives; and a standard corporate tax of just 20%.

The Government has also adopted a much more open policy towards global trade.

Five years ago bilateral trade between Cambodia and the UK was only worth around £100 million a year whereas last year it had increased to £400 million, and attracted more than 100,000 British tourists visiting Cambodia.

While garment-making remains by far the biggest industry in Cambodia, employing around 500,000 people and accounting for more than 75% of all exports, this brochure pinpoints other major industries seeking outside investment such as construction, mining, oil & gas, and agriculture.

Cambodia's rapidly-expanding tourism industry - which now attracts more than 3.5 million overseas visitors every year - also offers a plethora of opportunities for overseas investors.

On behalf of the Royal Embassy of Cambodia, I am delighted to introduce and endorse this Invest in Cambodia brochure and I would encourage both wealthy individuals and businesses in the United Kingdom to seriously consider both the investment opportunities currently available in Cambodia, not to mention the potentially generous returns.

Hor Nambora

Ambassador of Cambodia to
the United Kingdom

COUNTRY OUTLOOK



GEOGRAPHY

- Located in South East Asia
- Landmass of 181,035 km²
- Land borders with Vietnam, Laos and Thailand
- Cambodia is in the GMT +07:00 time zone
- **Capital:** Phnom Penh
- **Other major cities:** Siem Reap and Sihanoukville

GOVERNMENT

- **Government:** Constitutional Monarchy
- **Head of State:** King Norodom Sihamoni (since 29/10/2004)
- **Head of Government:** Prime Minister Hun Sen, Leader of the Cambodian People's Party

POPULATION STATISTICS

- **Cambodia:** 14.74 million (2013)
- **Phnom Penh:** more than 2 million
- Rural population around 80% of total
- 96% of the population is less than 65 years old
- 30% of the population is less than 30 years old
- **Life expectancy:** 63 years
- **Male/female ratio:** 49.1%/50.9%
- **Poverty rate:** 20 % (2012)
- **Literacy rate:** 78%

CLIMATE AND WEATHER

- Cambodia has two main seasons – wet (May to October) and dry (November to April) with an average temperature of 27°C

LANGUAGE AND ETHNICITY

- **Ethnicities:** Khmer (90%), Chinese, Vietnamese and Cham
- **Official language:** Khmer
- **Commonly spoken:** English and Mandarin
- **Others:** French, Japanese, Korean and Cantonese

GDP

- **GDP (nominal) :** USD 13.63 billion (2012)
- **GDP per capita :** USD 931 (2012)
- **GDP growth :** 7.2% (2013p) & 7.5% (2014p) by ADB; 7.3% (2012), 7.1% (2011)
- **GDP composition by sector:** agriculture 30%, industry 30% and services 40%
- **Labour force by occupation:** agriculture 55.8%, industry 16.9% and services 27.3%

INFLATION

- **2012:** 2.9% (2011: 5.5%; 2010: 4%)



FOREIGN TRADE

- **Exports:** USD5.49bn (2012); USD5.22bn (2011) – clothing, footwear, timber, rubber, rice, fish and tobacco
- **Main export partners:** US 47%, UK 8.4%, Canada 7.7%, Germany 7.7%, Singapore 6.6%, Vietnam 5.8% and Japan 4.7%
- **Imports:** USD8.14bn (2012); USD6.71bn (2011) –petroleum products, cigarettes gold, construction materials, machinery, motor vehicles and pharmaceutical products
- **Main import partners:** Thailand 27.2%, Vietnam 20%, China 19.5%, Singapore 7.1%, Hong Kong 6% and RoK 4.3%

FOREIGN DIRECT INVESTMENT

- **2011:** USD5.6bn (est. 2011), **2010:** USD2.69bn, **2009:** USD5.86bn, **2008:** USD11.36bn (Source: CDC)
- **By country 2005 to 2010:** China USD6.9 bn, RoK USD3.59bn, Malaysia USD0.37bn, US USD740m, Thailand USD499m, Vietnam USD708m
- **By country 1994 to 2005:** China USD1.3bn, South Korea USD832m, Malaysia USD1.93bn, US USD460m, Thailand USD299m, Vietnam USD38m (Source: CIB/CDC)

PUBLIC FINANCE

- Revenues \$2.216 billion (2012)
- Expenses \$2.934 billion (2012)
- Economic aid \$934 million pledged in grants and concessional loans for 2011 by international donors
- Credit rating B+ (Domestic); B2 (Moody); BB- (S&P)
- Foreign reserves US\$3.836 billion (NBC, 2012)

ECONOMIC AID

- **2011:** USD934m pledged in grants and concessional loans by international donors (Source: www.wikipedia.com)
- **2009:** USD989m disbursed (Source: www.state.gov)
- Major donors: ADB, UNDP, World Bank, IMF, Australia, Canada, China, Denmark, the EU, France, Germany, Italy, Japan, Sweden, Thailand, the UK and the US

MARKET OVERVIEW



ECONOMY

Industry is the primary source of growth, driven mainly by export of garments and footwear to the United States (US) and the European Union (EU). By November 2013, the exports of garment and footwear from the Southeast Asian nation of Cambodia has fetched US\$ 5.07 billion, showing a year-on-year increase of 22 percent (MoC 2013).

Cambodia's garment exports to the EU surged by 33 percent year-on-year to US\$ 1.81 billion during the first 11 months of 2013, while those to the US increased by 9 percent year-on-year to US\$ 1.96 billion. The value of garment exports from Cambodia to Japan and South Korea also registered a sharp 31 percent year-on-year increase.

Real economic growth was 7.3% in 2012 (agriculture grew 4.3%, crops – 4.9%, fisheries – 6.7%, industry – 9.2%, garment – 6.9%, services – 8.1%).

In an Annual Report of ADB in 2013 forecast Cambodia's economy to grow by 7.2% in 2013 and 7.5 % in 2014 while WB 2013's report expects the growth at 7.0% both 2013 and 2014.

BANKING SYSTEM: RAPID GROWTH OF THE BANKING SECTOR

In 2011, the key players in Cambodia's financial sector are 31 Commercial banks, 2 Representative Offices, 7 specialised banks and 32 microfinance institutions, 28 micro-finance NGOs, and 11 insurance companies.

In the face of inflationary pressures and a sharp increase in credit in 2008, The National Bank of Cambodia (NBC) raised the minimum capital requirement for commercial banks to \$37.5 million. All banks were required to conform by no later than the end of 2010.

32 commercial banks, 7 specialized banks, 34 licensed microfinance institutions (as of December 2012). Bank deposits: increase from \$347 million in 2000 to \$6.2 billion in 2012.



CAMBODIA TO BECOME LOWER-MIDDLE-INCOME NATION BY END OF 2013

Cambodia is projected to move from the status of a low-income to a lower-middle-income nation by the end of 2013, said Prime Minister Hun Sen.

CURRENCY

The local currency, Riel (KHR), was introduced in 1980. However, Cambodia is a heavily dollarized country with 80% of deposits and credits in the banking system in U.S. dollars. Cambodia is classified as partially dollarized, given that in such economies, the U.S. dollar circulates in conjunction with an official national currency as opposed to fully dollarized economies where the dollar is the only legal tender.

BUSINESS SECTORS

There are estimated to be in excess of 25,000 businesses in operation of which approximately 15,000 are foreign enterprises. Small and medium sized enterprises (SMEs) make up the vast majority of business in Cambodia and provide around two-third of the country's employment.

CAMBODIA STOCK EXCHANGE (CSX)

The Cambodia Stock Exchange (CSX) was established in July 2011 as a joint venture between the Royal Government of Cambodia, which controls 55%, and Korea Exchange Inc (KOSPI), the Seoul operator, which holds 45%. The CSX is intended to spur economic development by providing a fresh source of capital to local companies.

The first IPO was successfully completed in 2012 and the shares of Phnom Penh Water Supply were the first to trade on CSX in February 2012.

BUSINESS ENVIRONMENT



Cambodia is a rapidly developing country with a very open investment policy and real opportunities for creative entrepreneurs and dynamic businesses. The economy has experienced strong, positive growth over the last 15 years.

CAMBODIAN ECONOMIC PERFORMANCE IN 2013

GDP (nominal):	to reach USD 15.65 bln in 2013 (<i>WB2013</i>)
GDP Growth:	7.3% in 2013 & 7.5% in 2014 (<i>ADB 2013</i>) 7% both in 2013 & 2014 (<i>WB 2013</i>)
GDP per capita:	to hit 1,036 USD in 2013
Trade volume:	USD 10.45 billion, up 20 pct, in 8 months
FDI inflow:	USD 4.9 billion, up 69 pct, in 2013
Garment exports:	USD 5.07 billion, up 22 pct, in 11 months
Construction sector:	USD 2.4 billion, up 27 pct, in 11 months
Milled rice exports:	379,000 tonnes, up 84 pct in 2013
Tourist arrivals:	3,78 million in 11 months, up 18 pct (<i>MoT</i>)
Banking growth: in 7 months	Credit - USD 6.38 billion, up 8 pct (<i>NBC</i>) Deposit - USD 6.16 billion, up 4 pct (<i>NBC</i>)
Tax revenues:	USD 881 million, up 19 pct, in 2013
Garment Industry:	about 500 factories, with 510,600 workers, a worker's monthly minimum wage 80 USD
New business: registration	1,952 (963 foreigner-owned firms; 989 Cambodian-owned companies)

In 1999 Cambodia became a member of the Association of Southeast Asian Nations (ASEAN) allowing favourable import and export within the ASEAN Free Trade Area. Cambodia obtained full membership of the World Trade Organisation (WTO) in 2004 which provided a major confidence-boosting impact to the economy, particularly with regards to foreign direct investment; manufactured exports and real estate. Bilateral agreements are in place with a number of Asian and European countries and the United States.

These arrangements have opened the door to foreign investment and opportunity for many years to come.

Business continues to boom for foreigners in Cambodia given the ease with which

they are able to conduct their work. During the past decade Cambodia has adapted a wide range of free market policies, with a business-friendly and proactive government seeking to encourage investment and manufacturing to startup companies. Cambodia offers an accessible, stable government with a simple tax system and plenty of incentives, particularly in certain industries or for companies in one of the country's burgeoning Special Economic Zones.

There is also no requirement to have a Cambodian partner meaning that businesses can be 100% foreign-owned. If you are applying to have your business recognised as a Qualifying Investment Project or "QIP", which is entitled to tax holidays and other financial incentives, you will need to apply to the Council for Development of Cambodia (CDC). When it comes to the South East Asia region, Cambodia is one of the most popular places to set up shop.

The majority of foreign companies were involved in garments and textiles, footwear, agriculture, tourism, construction and real estate. The opening of the UK Trade and Investment (UKTI) office in Cambodia in early 2013 also highlights the fact that the country is well and truly open for business and has high hopes of developing its economy at a faster rate.

As an emerging market, Cambodia is an attractive destination for franchise businesses, with a growing middle class demonstrating an appetite for, and the financial means to afford, international brands and the perception of quality and trendiness that attaches to them.

The first franchise to operate in central Phnom Penh was Thailand-based The Pizza Company, started in 2005 by EFG (Express Foods Group), followed by Swensen's, BBQ Chicken, Dairy Queen and recently Costa Coffee.

Other international brands operating in the country include KFC, Gloria Jean's Coffees, Spinelli and Sarpino's Pizza with more expected in the next few years. It is also possible to sub-franchise or create a joint venture, examples of which include ANZ Royal Bank (a joint venture between ANZ Bank and the Royal Group of Companies) and Cambodia Angkor Air, a joint venture between the Royal Government of Cambodia and Vietnam Airlines.



ESTABLISHING A BUSINESS

It is very easy to establish a business in Cambodia. The incorporation and typical licensing processes are straightforward and can be completed relatively quickly. The 2004 Law on Investment established an open and liberal foreign investment regime. There are no restrictions on investment sectors (although participation arrangements exist on occasion) and companies can be wholly foreign owned. Only locals or locally controlled companies can own land, although nominee control structures are very common.

EXCHANGE CONTROLS

There are no restrictions on transferring funds into or out of Cambodia through banks. This includes payments overseas for imports, management fees, repayment of loans and interest, repatriation of investment capital and dividends. Certain overseas payments, including management fees, interest and dividends attract withholding tax.

There are currently no significant restrictions on the repatriation of profit or capital derived from investments made in Cambodia.

CAPITAL RAISING

Businesses wanting to raise capital most commonly borrow from banks. However several private equity investors are present and willing to invest in well managed Cambodian projects. The Cambodian Stock Exchange is functional but to date only one company has successfully navigated the IPO process.

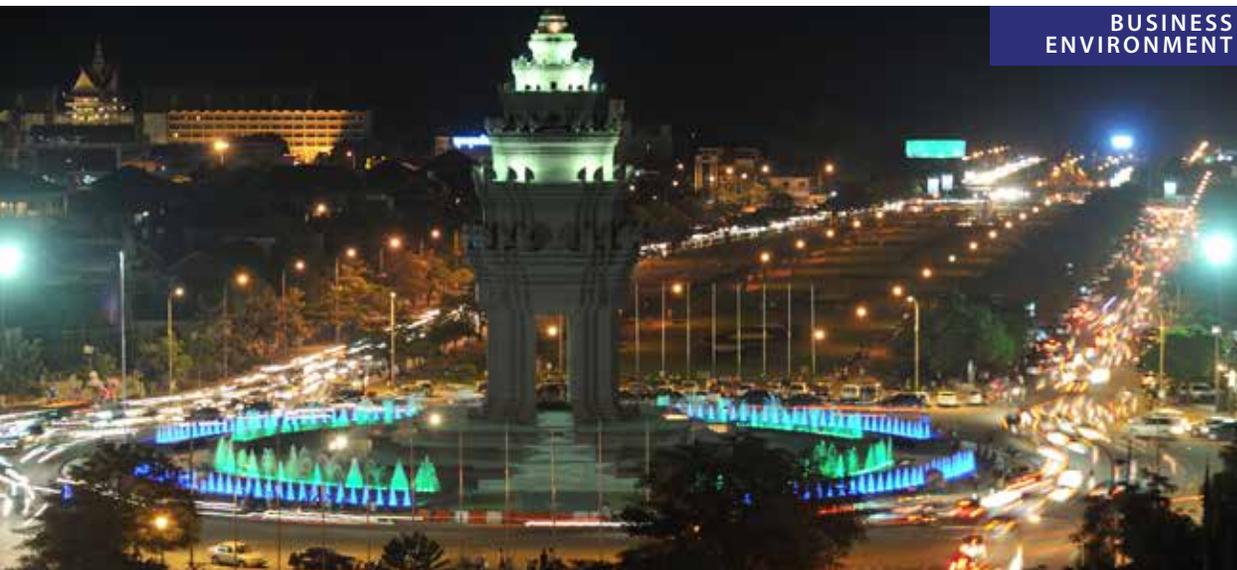
CURRENCY AND CREDIT CARDS

The official unit of currency is the Khmer Riel, often abbreviated to Riel when speaking and KHR when writing. US Dollars are actually used in most cases; however, Riel is used for small transactions. Both are accepted and either can be withdrawn from ATMs. Wherever you go, to a restaurant, supermarket or cinema etc., you will see prices are stated in USD. Most hotels, major restaurants, shops and supermarkets will accept international credit cards.

LAND OWNERSHIP

The Law on Investment of Cambodia restricts foreigners from owning land in Cambodia since land ownership is reserved to natural and legal Cambodians. However, effective from December 2011, foreigners are allowed to have a long-term lease for up to 50 years and renewable long-term lease or a renewable short-term lease.





COMMERCIAL ARBITRATION IN CAMBODIA

Cambodia launched the National Arbitration Centre (NAC) on March 4th 2013, and the launch will boost both local and international investor confidence and give Cambodia an edge over its more resource rich neighbours like Vietnam and Myanmar in competing for investor dollars.

Given that the NAC is in its infancy, its success will be dependent on several factors, most significantly, judicial support and the enforcement of arbitral awards by judges. While it is too premature to determine how the courts will respond to the new arbitration mechanism, the launch of the NAC is certainly an encouraging development for both current and potential investors.

A key objective in establishing the NAC is to offer the business community an alternative to the Cambodian courts for resolving disputes. The NAC is expected to settle disputes more quickly, inexpensively and fairly than the traditional court system.

INTELLECTUAL PROPERTY, PATENTS AND COPYRIGHT

The Ministry of Culture and Fine Arts (MCFA) is responsible for the registration of intellectual property, under the supervision of the Ministry of Commerce. Foreign organisations and individuals who seek to register their intellectual ownership should file their applications through an authorised agent, who will transfer their applications to the MCFA. International trademark registrations are not recognised therefore trademarks must be registered in Cambodia.

The Intellectual Property Department of Ministry of Commerce is responsible for the protection of copyrights. IP and copyright laws are compliant with international standards.

ANTI-CORRUPTION

The Anti-Corruption Act 2011 came into force on 1 July 2011 as a first step in reducing the culture of facilitation and bribery. Local staff should be trained to only make payments where a receipt

is provided. Professional advice should be sought where matters of this nature become difficult.

LABOUR

Companies can employ local staff and workers by means of a labour contract. Wages remain amongst the lowest in the region (minimum wage is currently being increased from USD61 to USD80 per month) although the skill and knowledge levels may be lower than anticipated. Employees are entitled to 18 days annual leave and 25 days public holiday each year. As with any venture in a new market it is important to source a trusted local who can assist you in business discussions, logistics and open the right doors to opportunity for you.

OFFICE HOURS

Normal office hours in Cambodia are Monday to Friday from 8am to 5pm with one hour for lunch (usually at midday). Some local companies require staff to work a half-day on Saturday morning. Government offices are generally open Monday to Friday from 7:30am to 11:30am, and from 2pm to 5pm.

EXPATRIATE LIVING STANDARDS

Employers may recruit foreigners where specialized skills are not available locally. For foreigners, living standards can be considered reasonably good with a relatively low cost of everyday living. Good education, accommodation, easy local and international travel, and modern media and communications are all available to reasonable standards in the major cities.

TELECOMMUNICATIONS

The Ministry of Posts and Telecommunications (MPTC) was originally responsible for policy making and has held regulatory and supervisory roles, including issuing and administering licenses and frequency spectrum for the telecommunications sector.

MPTC was also the operator of Cambodia's fixed-line network but, in January 2006, separated its telecom operation arm and established a new public enterprise called Telecom Cambodia, having provided its own assets equal to US\$ 40.3 million and 700 staff members, to provide fixed-line service with the 023 prefix. Telecom Cambodia dominates the fixed-line service in Cambodia. It also operates the international connection.

The Draft Law on Telecommunications has been introduced to improve regulations of the telecommunications sector, providing a more comprehensive framework for the licensing and regulation of operators.

In September 2012, the MPTC officially launched the Telecommunication Regulator of Cambodia (TRC) as a separate entity. The TRC's establishment will introduce regulations for managing conflicts among Cambodia's aggressive mobile network operators.

The country reported to have 6 mobile phone operators. As of last year, those operators had sold out 19.1 million SIM cards, exceeding the country's population of only 14.5 million.



According to statistics, Cambodians have, on average, 1.3 mobile subscriptions, and Cambodia was the first country in the world with more mobile phones than fixed line phones.

MPTC reported that some 1.7 billion U.S. dollars had been invested in building telecommunication infrastructure in the country in the last 3 years.

INTERNET SERVICE

Out of population of 14.5 million, Cambodia recorded about 2.7 million internet users in 2012, a 60 percent rise year-on-year (approx. 17 percent of the population), are using internet services provided by both mobile operators and internet service providers.

OIL AND GAS

Cambodian Petrochemical Company and Sinomach China Perfect Machinery Industry Corp jointly announced to build the first oil refinery in Cambodia and the construction is expected to be completed at the end of 2015.

The oil refinery will cost 2.3 billion U.S. dollars and it will take 36 months to be constructed on the 80- hectare area within the boundary of Preah Sihanouk province and Kampot province.

When the construction is completed, the plant will be capable to produce 5 million tons of oil a year. The would-be plant will help boost the development of Cambodian economy, increase state's revenues and generate thousands of jobs.

U.S.' Chevron has invested about 150 million U. S. dollars for oil and gas exploration in Cambodia's offshore Block A and it is estimated that the firm needs to invest another 600 million U.S. dollars to exploit oil and gas from the Block.

There are several oil companies negotiating with the Government to invest in other blocks. This also mirrors local and foreign investors' trust in Cambodian business and political situation. Currently, Cambodia's oil demand is more than 1 million tons a year, but the demand will reach 3 or 4 million tons a year in coming years thanks to a steadily growing economic size.

MINERAL INVESTMENT

By using the available mineral and geological data, so far there are around 91 companies (from Australia, China, Vietnam, Thailand, and domestic) licensed to conduct 139 exploration projects as shown below. Currently, they are being under their exploration phase. However, the preliminary results showed that about 17 of 139 exploration projects were confirmed positive.

NUMBER OF COMPANIES	EXPLORATION LICENSES	
	EXPLORATION LICENSES	NUMBER OF LICENSES
71	Metallic Minerals (Iron, gold, cooper, ect.)	118
1	Bauxite	1
1	Antimony, Chrome	1
13	Coal	14
2	Silica Sand	2
3	White Clay (Kaolin)	3
Total = 91		139

Source: General Department of Mineral Resources of Cambodia 2013)

Up to now 13 of 91 companies (5- China, 3-Thailand, and 5-domestic) have been licensed to conduct 13 mining projects, gold (4), iron (1) coal (1), limestone (5), and phosphate (1).

For the first quarter of 2013, three mining project proposals, one gold project in Mondulkiri province, one coal project in Kratie province and one silica sand project in Kampong Som province, were submitted to Ministry of Industry, Mines and Energy for review and approval.

TRANSPORTATION

Waterways

Sihanouk Autonomous Port (SAP) is the country's only deep seawater port and plays a significant role in the development of the economy. With offshore oil field being developed nearby, a new multi-purpose terminal is planned, consisting of a supply base for the oil fields and a handling area for bulky materials such as wood chip or coal.

Current shipments through SAP include the export of garments and import of vehicles, machinery, construction material, electronics and raw material for garment manufacturing.

In addition to SAP, there are other smaller sea ports such Sre Ambel, Oknha Mong and Kampot Port – which is due to undergo expansion. There are also plans to develop ports in Kiri Sakor, Koh Kong province (deep seawater port), Steung Hav of Preah Sihanouk province (international port) and Kep province (tourist port).





Inland Water Transportation

Cambodia's inland water network consists of the Mekong River and its tributaries; the Tonle Sap and Bassac River. The navigational segments of the network stretch to approximately 1,750 km in length during the rainy season. The Mekong River accounts for 30 percent of the total length, the Tonle Sap 15 percent, the Bassac River 5 percent, and other tributaries 50 percent.

Phnom Penh Autonomous Port (PPAP)

PPAP is the state-owned port and Cambodia's second largest. Shipments included garments, agricultural products, construction materials, vehicles, and machinery and consumer products.

PPAP is building a new container terminal with a total capacity of 120,000 TECs per year. Construction is scheduled to be completed by the end of 2013. Once completed, the new port will end the need for shipment transfers to larger vessels in Vietnam. It means that the imported goods can go directly to the capital rather stopping first in Sihanoukville and then travelling overland to Phnom Penh.

Aviation

Currently, there are 11 airports in Cambodia. Over recent years, regular flights have only been available at two airports; Phnom Penh International Airport and Siem Reap International Airport. But, over the coming years flights are expected to increase to and from Shihanoukville International Airport.

Cambodia Airports holds the concession for the development and the management of Cambodia's three international airports serving its main economic poles and tourist destinations: the capital city of Phnom Penh; Siem Reap, home to Angkor Wat; and the port city and resort town of Sihanoukville.

The shareholders of Cambodia Airports are France's Vinci Group (70%) and Muhibbah Masteron Cambodia (30%), a Malaysian-Cambodian joint venture.

All other airports are under the management of the State Secretariat of Civil Aviation (SSCA), except Kampong Chhang Airport.

Vinci plans to invest close to US\$ 400 million on upgrading Cambodia's airport system over the next eight years to meet the fast growing demand of passengers and air cargo.

Forecasts predict that Phnom Penh International Airport could be handling around 3 million passengers per annum by as early as 2015, Siem Reap 4 million passengers per annum by 2020, and Sihanoukville international Airport 4 million passengers per annum by 2025.

Railways

Cambodia's modern railway system commenced commercial rail operations on the 256- kilometre "Southern Line" between the capital city of Phnom Penh and Sihanoukville Port after years of renovation with the support from the development partners. The commercial

train service to the Port of Sihanoukville marks a significant development towards the completion of the long-awaited Pan-Asian railroad.

The new railway will bring a range of benefits to Cambodia. In addition it will position Cambodia as a true sub-regional transportation hub, reducing the time and costs of transporting a range of products.

According to ADB, another 337 kilometer "Northern Line", linking Phnom Penh to Poipet and Thailand, is expected to be opened in phases between 2014 and 2015. The total project cost of the Greater Mekong Sub-region Rehabilitation of the Railway project in Cambodia, amounting to 141.6 million U.S. dollars.



INVESTMENT GUIDE WHY CAMBODIA



ADVANTAGES OF INVESTING IN CAMBODIA

FAST FACT

- ASEAN membership offers regional trade benefits
- WTO member since 2004 increasing trade integrations
- Duty free or preferential export access to most developed economies
- Among Asia's lowest labour cost and a dynamic workforce
- Favourable investment environment.

MARKET OPPORTUNITY

Cambodia offers potential investment opportunities in tourism infrastructure and resorts; education; architecture, construction, and engineering services; household goods and appliances; agribusiness and food processing; used cars and automotive parts; power generation equipment; fast food and beverage franchises; pharmaceuticals, medical supplies, and medical equipment; and banking.



Access to the U.S.
Market **1996**



Access to the European.
Market **1996**



Joining ASEAN
1999



WTO Member
since **2004**

Reasons to Invest

- Open economy
- Sound Macroeconomic Environment
- Competitive Investment Incentives
- Government's strong support in private sector
- One Stop Service – Fast Track Investment Approval Process (28 days)
- Low Labour Cost
- Strategic Location
- Preferential Trading Status™
- Access to ASEAN and World Markets

Best Prospects

- Tourism Infrastructure and Resorts
- Education
- Architecture, Construction, and Engineering Services
- Household Goods and Appliances
- Agribusiness and Food Processing
- Used Cars and Automotive Parts
- Power Generation Equipment
- Fast Food and Beverage Franchises
- Pharmaceuticals, Medical Supplies, and Medical Equipment
- Banking

BILATERAL AGREEMENT ON THE PROMOTION AND PROTECTION OF INVESTMENTS BETWEEN THE KINGDOM OF CAMBODIA AND OTHER COUNTRIES:

- **Already signed:** Malaysia, Thailand, USA (OPIC), China, Switzerland, Singapore, ROK, Indonesia, Germany, Japan, France, Philippines, OPEC, Croatia, Cuba, Vietnam, Netherlands, Pakistan, Australia
- **In the pipeline:** Laos, Myanmar, Czech Republic, Ukraine, Egypt, Russia, DPR Korea, Libya, UK and Algeria, Austria.

GOVERNMENT TO INVEST \$4.4 BILLION IN PUBLIC SECTOR

Early in 2013, the government has approved more than \$4 billion of investment in the public sector over the next three years in a bid to stimulate economic growth, the council of ministers said in a statement to

the public, reported the Post. The rolling plan will focus on four main sectors:

- 40 percent would go toward infrastructure
- 37 percent would go directly into stimulating the economy
- 16 percent would go toward social spending
- 7 percent across all other sectors

Strong trade and international relations

Cambodia can leverage on its membership of the Association of South-East Asian Nations (ASEAN). Tariffs on most Cambodian exports to and imports from ASEAN member countries have been reduced to zero to five percent by 2010 and will be abolished by 2018. It has entered into bilateral investment treaties to provide reciprocal national treatments to investors preclude expropriations and guarantee the repatriation of investments.

Policies toward FDI

Laws and regulations governing FDI in Cambodia are basically designed to encourage investments. As the Law on Investment stipulates, FDIs are treated in a non-discriminatory manner except for land-ownership, which is stated in the Constitution, and allowed to invest freely in many areas. Under the current Law on Investment, the investors, who are given Final Registration Certificates, will be entitled to various incentives.

In addition, the Cambodian government has been improving their investment facilitation services. For example, the Government decided in 2005 to establish the Cambodian Special Economic Zone Board (the CSEZB) under the CDC to promote the special economic zone (SEZ) scheme in Cambodia. Administered by the CSEZB, the Special Economic Zone Administration is to be established in authorized SEZ and expected to provide one-stop service to zone investors from the registration of investment projects to routine export-import approvals.

Strengthened financial sector and system

Over the last decade, developments in the banking sector have been generally remarkable, following the completion of bank restructuring programs in 1999. This was witnessed by banking and financial stability, increased financial services promoted through the institutional and legal reforms under the financial sector blueprint.

Inflation remains under control

Despite high fuel prices, the Cambodian Government has been successful in keeping inflation in check. The tight fiscal policies and the growing influence of monetary policy in controlling money supply expansion have contributed to this stability.

Special Economic Zones (SEZ)

- **The main rationale of establishing SEZs is to:**
 - Provide investors with adequate infrastructure and supportive facilities
 - Effectively respond to the challenge of diversifying the Cambodian economy and to promote demand-driven development, such as export promotion
 - Enhance competitiveness of garment industry and other labour intensive activities
 - Promote agro-industry, food processing
 - Promote assembling industry
 - Promote electronic and electric appliances industries



▣ Investment Incentives in SEZ

- up to 9 years tax holiday
- 0% rate on Value-Added Tax
- Full Import Duty Exemption: raw materials, machinery, equipment...
- No Export Tax
- employment of foreign expatriate authorized up to 10% of all employees, staff and workers
- permanent visa for families and investors
- Long term lease up to 99 year
- Free repatriation of profit

One Stop Service

▣ Special Economic Zone Administration (SEZA)

- company registration and investment license
- export/import permit
- Work permit and Labour books (both workers and expatriate)
- SEZA will provide on-site immediate legal and administrative assistance

▣ Infrastructure/Utilities in SEZ

- Internal roads in connection to public roads
- Dry port/bonded warehouse
- Telecommunications
- Electricity
- Industrial water supply
- Waste water treatment plant
- Dormitory and canteen

AGRO-BUSINESS

- Basic agrarian economy
- Natural endowments
- Abundant land
- Rich fishery resources
- Timber resources
- Organic crops
- Value-added emphasis/Food processing
- New product development

PHYSICAL INFRASTRUCTURES: WORK IN PROGRESS

- Asian Highway A1: Build and Rehabilitate Bangkok – Phnom Penh – Vung Tao Road
- Rehabilitate RN7 from Southern Laos to Sihanoukville Deep Seaport
- Upgrade and Expand Sihanoukville Port
- Upgrade and Expand Phnom Penh, Siem Reap and Sihanoukville Airports

MANUFACTURING & EXPORT

- Competitive labour cost
- Tax incentives
- Market access
- Regional arrangement

MANUFACTURING & EXPORT

- Natural beauty
- World Heritage Monuments
- Open Sky Policy to Siem Reap
- Ability to attract “add-on” trips
- Novelty value

MANUFACTURING & EXPORT

- Priority for infrastructure
- Infrastructure rehabilitation
- Multilateral aid availability
- Decentralization
- Regional opportunities
- ASEAN & GMS integration
- Private Participation in Infrastructure (PPI): BOT, BOO, etc...

SETTING UP BUSINESS



Generally, there are no restrictions on the setting up of businesses. However, many businesses require a license or permit to operate, including areas such as banking and finance institutions, tour agencies, real estate agencies, telecommunication, industrial factories, etc.

- **Commonly used business entities**

A new entity is registered with the Cambodian Ministry of Commerce (MoC). Approval for registration usually takes approximately ten and a half working days upon submission of all required documents. In general, businesses operate in Cambodia via the following vehicles:

- a company incorporated in Cambodia
- a branch of a company incorporated outside Cambodia
- a representative office of a company incorporated outside Cambodia.

- **Main legal formalities for the formation of a company or registration of a branch Company**

The minimum registered capital is 4,000,000 Riels (approximately USD1,000). Generally, there is no restriction on foreign ownership (except for land holding). The name of the company must first be cleared with the MoC.

A standard memorandum and articles of association will have to be prepared for the company and lodged with the MoC, together with the prescribed information for incorporation.

Branch

Certain documents and information of the holding company and the Cambodian branch are required to be provided to the MoC for branch registration. The name of the Branch shall be the name of its principal.

Representative Office (RO)

A RO is prohibited from undertaking profit making activities including the buying or selling of goods, performing services or engagement in manufacturing, processing or construction. The name of the RO shall be the name of its principal.

- **Requirements for foreign investors**

For a Cambodian company, the full name, address, nationality of the foreign investor and the number of shares held in the company are required by the MoC.

For a Cambodian branch, the place of registration of the foreign company, details of its structure and other information in the prescribed documents is required by the MoC.

For a RO, the requirements are the same as a Branch. If the Cambodian company or Cambodian branch needs

to apply for a particular license to carry out its business operation, additional information on the foreign investor may have to be provided to the relevant government authority.

- **Currency/monetary restrictions**

Currently, Cambodia does not have any restrictions on funds transfer (i.e. the repatriation of profits or capital from Cambodia etc). Also, the Foreign Exchange Law of 1997 provides for foreign currencies to be freely purchased via the banking system. In particular, the Law states that there should be no restrictions on foreign exchange operations; however, these operations can only be performed through an authorized financial institution.

- **Qualified Investment Project (QIP)**

Investors may apply for a QIP status by registering their projects with the Council for Development of Cambodia (CDC). However, a project with investment capital less than USD 2,000,000 shall be registered with the provincial/municipal investment sub-committee.

QIP will be entitled to certain incentives. A tax holiday period may be available up to a maximum of 9 years.

REGISTERING AS A SOLE PROPRIETORSHIP

A Sole Proprietor, who falls into the “Real Regime” (see information box below) for tax purposes, must obtain a business registration with the Ministry of Commerce.

Process of establishing a Sole Proprietorship:

Step 1

The Sole Proprietor informs the Registry Official at the provincial Department of Commerce (PDOC), Municipal Commerce Department or at the Commercial Registration Department at the Ministry of Commerce that they are a natural person who wishes to operate as a Sole Proprietor. The Sole Proprietor needs to perform the name check with the Registry Official.

Step 2

The required documents and administration fee for registration as a Sole Proprietor.

Step 3

When the documents as mentioned above is sufficient for registration, the sole proprietor must present at PDOC, Municipal Commerce Department or the Commercial Registration Department at the MoC for signature.

The PDOC, Municipal Commerce Department or the Commercial Registration Department at the MoC will inform the Sole Proprietor within one (1) month of the application to pick up the registration certificate.

Real Regime Information:

The MEF Prakas 795 sets out the thresholds for whether a sole proprietor falls within the Real Regime for tax purposes. These are as follows:

Goods supply:	Annual revenue greater than KHR 500m
Services:	Annual revenue greater than KHR 250m
Government contractor:	Annual revenue greater than KHR 125m

Where the revenues of a sole proprietor falls below these thresholds, the sole proprietor will fall under the Estimated Regime (colloquially known as the “Negotiated Regime”).

Step 4

All documents must be taken to the Commercial Registration Department at the MoC.

Step 5

The PDOC, Municipal Commerce Department or MoC shall enroll the Sole Proprietorship in the commercial register and notify the applicant within one (1) month from the date of receiving such documents.

REGISTERING AS A LIMITED LIABILITY COMPANY

All companies must go to the Commercial Registration Bureau at the Ministry of Commerce except where a Commercial Registration Branch is available in their province for company registration, in which case the company must make its application to that office.

Step 1

Check availability of company name at the Commercial Registration Department at MoC.

An important early decision, requiring some thought, is selecting a name for your business. An effective business name relates to your product or service and is easy to pronounce, spell and remember. You will want a unique name that creates a mental image of the attributes and benefits of the product or service.

If the chosen name is not unique, the Applicant is requested to suggest an alternative. This may require consultation with a shareholder or a director if the Applicant does not have the authority to select an alternative name. The name search should take only 10 minutes.

Step 2

The required documents and administrative fee for registration of a company.

Step 3

When the documents as mentioned above are considered sufficient for registration, a director or any shareholder of the company must be present at MoC for signature of the application form before the Registration Certificate is produced.

Where the application has been made at a provincial Commercial Registration Branch, the director or any shareholder of the company must be present – When the documents as mentioned above are considered sufficient for registration, a general partner must be present at MoC for signature of the application form before the Registration Certificate is produced.

Where the application has been made at a provincial Commercial Registration Branch a general partner must be present at that Commercial Registration Branch for signature of the application form before the Registration Certificate is produced.

Step 4

All documents must be taken to the Commercial Registration Department at the MoC.

Step 5

The PDOC, Municipal Commerce Department or MoC shall enroll the Sole Proprietorship in the commercial register and notify the applicant within one (1) month from the date of receiving such documents.





REGISTERING AS PARTNERSHIP

All partnerships must go to the Commercial Registration Bureau at the Ministry of Commerce except where a Commercial Registration Branch is available in their province for business registration, in which case the partnership must make its application to that office.

Step 1

Check availability of company name at the Commercial Registration Department at MoC.

An important early decision, requiring some thought, is selecting a name for your business. An effective business name relates to your product or service and is easy to pronounce, spell and remember.

If the chosen name is not unique, the Applicant is requested to suggest an alternative. This may require consultation with a partner of the partnership if the Applicant does not have the authority to select an alternative name. The name search should take only 10 minutes.

Please note that the name of the partnership shall include the name of one or more of the partners.

Step 2

The required documents and administration fee for registration of a partnership.

Step 3

When the documents as mentioned above are considered sufficient for registration, a general partner must be present at MoC for signature of the application form before the Registration Certificate is produced.

Where the application has been made at a provincial Commercial Registration Branch a general partner must be present at that Commercial Registration Branch for signature of the application form before the Registration Certificate is produced.

Step 4

It can take as few as 5 working days to process documents and issue a Registration Certificate. If the application has been made at a provincial Commercial Registration Branch a temporary Registration Certificate will be issued within 10 days. This temporary Registration Certificate will have a validity of 30 days and the formal Registration Certificate will be issued within that period of validity.

Step 5

The Commercial Registration Department can organise for the newly registered partnership to get a partnership seal made in accordance with the approved design of the Ministry of Commerce.

REGISTERING AS REPRESENTATIVE OFFICE

All Representative Offices must go to the Commercial Registration Bureau at the Ministry of Commerce except where a Commercial Registration Branch is available in their province for business registration, in which case the Representative Offices must make its application to that office.

Step 1

The required documents and administrative fee payable for registration of a Representative Office.

Step 2

When the documents as mentioned above are considered sufficient for registration, a general partner must be present at MoC for signature of the application form before the Registration Certificate is produced.

Where the application has been made at a provincial Commercial Registration Branch a general partner must be present at that Commercial Registration Branch for signature of the application form before the Registration Certificate is produced.

Step 3

It can take as few as 5 working days to process documents and issue a Registration Certificate. If the application has been made at a provincial Commercial Registration Branch a temporary Registration Certificate will be issued within 10 days. This temporary Registration Certificate will have a validity of 30 days and the formal Registration Certificate will be issued within that period of validity.

Step 4

The Commercial Registration Department can organise for the newly registered partnership to get a partnership seal made in accordance with the approved design of the Ministry of Commerce.

FINANCIAL STATEMENTS

The National Accounting Council of Cambodia has decided to adopt International Financial Reporting Standards for Small and Medium-sized Entities and International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) effective for Financial Statements with the period beginning on or after 1 January 2010 and 1 January 2012, respectively.

The new standards will be referred as Cambodian International Financial Reporting Standards for Small and

Medium-sized Entities (CIFRS for SMEs) and Cambodian International Financial Reporting Standards (CIFRS).

Public accountability entities are required to adopt CIFRS and non-public accountability entities that meet the audit requirements below are required to adopt CIFRS for SMEs or opt to use CIFRS, if necessary. Other entities can also adopt CIFRS for SMEs.

AUDIT REQUIREMENTS

All enterprises that meet two of the three criteria set by Prakas no. 643 of the Ministry of Economy and Finance, shall submit their annual financial statements to be audited by an independent auditor. The audit shall be carried out by an auditor registered with Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA):

annual turnover above 3 billion Riels (USD750,000)
total assets above 2 billion Riels (USD500,000)
more than 100 employees

For QIPs registered with the Council for the Development of Cambodia in accordance with the Law on Investment, there is an obligation to submit their annual Financial Statements to be audited by an independent auditor registered with the KICPAA.

BOOK YEAR/ ACCOUNTING CURRENCY

Generally, the tax and accounting year is the calendar year. The accounting year end does not need to coincide with the calendar year, although any change must be approved. The bookkeeping shall be prepared in Khmer Language and in Khmer Riels.

PERMISSION LETTER FOR REGISTERED OFFICE FROM MUNICIPALITY OR PROVINCIAL OFFICE

In addition to registration with the MoC, a registration with the Phnom Penh Municipality or provincial commercial offices is necessary for confirming the business' registered address.

ANNUAL DECLARATION OF COMMERCIAL ENTERPRISE (ADCE)

All entities registered with the MoC in Cambodia are required on an annual basis to prepare and lodge with the MoC an ADCE.

CERTIFICATE OF COMPLIANCE (COC)

On an annual basis, the CDC requires all QIPs to apply for the CoC to enable QIPs to continue to receive the investment incentives granted under the Investment license.

LABOUR CODE COMPLIANCE

The enterprise is required to notify the Ministry of Labour and Vocational Training on an ongoing basis of any changes that may occur. The obligations for an employer under the labour code compliance include: initial registration requirement, declaration of staff movement in/out, annual application for quota of foreign workers, annual application for work permits of expatriate staff, registration of minutes of meeting for the election of staff representatives, etc.

NATIONAL SOCIAL SECURITIES FUND (NSSF)

Every month, an employer or owner of an enterprise (8 staff or more) shall report the number of workers/employees and pay the required contribution of 0.8% of average monthly wage of workers/employees to NSSF by the 15th of the following month.

The principal taxation law of Cambodia is the Law on Taxation (LoT) adopted by the National Assembly in January 1997. In 2000, the Ministry of Economy and Finance issued a Prakas (regulation) on Tax on Profit to clarify certain tax provisions stipulated in the 1997 Law.

The Law on Amendment on the LoT (LALoT) was signed into Law in March 2003, and the revised Prakas on Tax on Profit was issued in December 2003.

The Cambodian Tax Law provides for three types of tax regime:

- the real regime tax system (RRTS)
- the estimated regime and
- the simplified regime.

Each regime imposes different tax obligations on taxpayers. All enterprises, other than sole proprietorships, are taxable under the RRTS. Therefore, the tax obligations set out below are applicable to taxpayers who are subject to the RRTS.

Sole proprietorships will be subject to tax under the real regime if the sole proprietorships meet certain conditions as stated in the tax provisions (i.e. level of turnover or type of business activities).

A real regime taxpayer will be required to submit and pay taxes to the General Department of Taxation (GDT) on an annual and monthly basis. Such taxes are mainly as follows:

- Annual Tax on Profit and/or Minimum Tax
- Annual Patent Tax
- Monthly Prepayment of Tax on Profit

- Monthly Tax on Salary and Fringe Benefit Tax
- Monthly Value Added Tax
- Monthly Withholding Tax

1. TAXATION OF COMPANIES

Corporate taxpayers in Cambodia are classified as either resident taxpayers, or non-resident taxpayers. A resident taxpayer is primarily an enterprise that has a place of management and carries on business in Cambodia, as defined below.

A non-resident taxpayer is an enterprise that derives Cambodian source income, but does not have a place of management in Cambodia.

A non-resident taxpayer will be deemed to be Cambodian resident for tax purposes if it is found to have a Permanent Establishment (PE) in Cambodia (see 6.2 for PE definition).

A resident taxpayer is subject to Tax on Profit (ToP) or Corporate Income Tax (CIT) on income derived from both Cambodian and foreign sources, whereas, a non-resident taxpayer is subject to ToP/CIT in respect of its Cambodian source income only.

● Residence

A company is resident in Cambodia if:

- It is organised or managed in Cambodia; or
- It has its principal place of business in Cambodia.

● **Taxable Income**

Taxable income is the net profit obtained from all types of business operations including capital gains realized during the business operation or at the cessation of the business, interest, rental, and royalty income as well as income and gains from financial or investment assets including immovable assets.

Taxable income shall also include all capital gains realized from operations other than business operations. The

determination of taxable income, and the rules and procedures for the collection of the tax due, are determined by Prakas (Regulation).

● **Capital Gains Tax**

All realized gains (including capital gains) are treated as income. Cambodia does not impose a separate tax on capital gains. Gains arising from the disposal of real property and other assets are treated as ordinary income and are therefore subject to tax at the prevailing tax on profit rate.

● **Dividends**

A dividend is defined as a distribution of property or money, made by a legal person to a shareholder. A distribution arising from a complete liquidation is specifically excluded from the definition of a dividend.

Dividends received from resident companies are not subject to income tax.

Dividends received from non-resident companies are subject to income tax in Cambodia. A credit is allowed for

tax paid overseas on foreign source income, subject to certain conditions.

● **Exempt Income**

Dividends received from resident companies are not subject to income tax.

● **Deductions**

Allowable Deductions

Allowable deductions include most expenses incurred in the course of carrying on a business, with certain limitations. The deductibility of charitable contributions is limited to five percent of taxable profit of the taxpayer.

Depreciation is allowed as a deduction in accordance with the rates determined by the tax provisions. There are also certain restrictions on the deductibility of interest.

Non-deductible Expenses

Non-deductible expenses include:

- increase in provisions
- any expense on activities generally considered to be amusement, recreation, entertainment
- personal expenses, except for fringe benefits which are subject to fringe benefit tax
- any loss on sale or exchange of property, directly or indirectly, between related parties
- penalties, additional tax and late payment interest imposed for violation of the LoT

- non-deductible tax expenses
- donations, grants or subsidies and
- extravagant and / or unrelated business expenses.

● **Losses**

Losses can be carried forward for a maximum of 5 years. Losses cannot be carried back. Tax losses may be forfeited upon a change in ownership of the business or if there is a change in business activity.

Tax losses will also be forfeited in the event a taxpayer is subject to a unilateral tax assessment.

● **Grouping/Consolidation**

There are no grouping provisions in Cambodia.

● **Tax Depreciation/ Capital Allowances**

Depreciation is deductible in accordance with specified rates if the assets are used in the course of carrying on a business.

Land is not a depreciable asset. Depreciable assets are divided into the following classes, and are depreciated at the following rates:

Assets in classes 2 to 4 are accounted for on a pooled basis, and therefore capital gains or losses on the disposal of fixed assets are not calculated individually but are calculated based on the result of the pooled asset account.

Additions for fixed assets from class 1 to 4 are depreciated for the full year in the year of acquisition.

● **Amortization of Expenditure**

Intangible assets, including preliminary and formation expenses, R&D, patents, copyrights, trademarks, computer software, and purchased goodwill can be amortized over the useful life of the property. If the life of the intangible assets cannot be determined, a tax depreciation rate of 10% based on the straight-line method is used.

All exploration and development costs of a natural resource, including interest, shall be capitalized and written-off in accordance with the depletion of the resource recorded as a percentage of the estimated total production from the resource.

● **Interest Expense**

Interest expense allowable as a deduction is limited to an amount equal to the total interest income plus 50% of net non-interest profit earned for the year. Net non-interest profit is the gross income, other than interest income, less allowable non-interest expenses. The excess amount can be carried forward to future years.

Class 1:	Buildings and structures – 5% straight line
Class 2:	Computers, electronic information systems, software and data handling equipment – 50% diminishing value
Class 3:	Automobiles, trucks, office furniture and equipment – 25% diminishing value
Class 4:	All other tangible property – 20% diminishing value

● Tax Rates

The Cambodian Tax Law provides corporate income tax or annual tax on profit (ToP) rates as follows:

- | |
|--|
| <ul style="list-style-type: none"> • 20% for the profit realised by a legal person. |
| <ul style="list-style-type: none"> • 30% for the profit realised under an oil or natural gas production sharing contract and the exploitation of natural resources including timber, ore, gold and precious stones. |
| <ul style="list-style-type: none"> • 9% for profit of Qualified Investment Project (QIP) approved by the Council for Development of Cambodia (This rate expires in 2010). |
| <ul style="list-style-type: none"> • 0% for the profit of QIP during the tax exemption period as determined by CDC. |
| <ul style="list-style-type: none"> • 5% on gross premiums received in Cambodia for Insurance Companies engaged in the insurance or reinsurance of life, property or other risks and 20% on non-insurance income. |

● Tax Administration

Tax Identification Number

Taxpayers are required to register with the GDT and obtain a Tax Identification Number (TIN) within 15 days after the commencement of business. As a matter of practice, taxpayers are required to register with the GDT within 15 days after obtaining the Ministry of Commerce's approval to conduct business.

Tax Returns

The annual tax return must be filed within 3 months following the tax balance date. The tax year is generally a calendar year. The return must be filed irrespective of whether the company is making a profit or loss.

Payment of Tax

A company is subject to a monthly prepayment of tax on profit (PTP) during the year, which is self-assessed at 1% on monthly turnover inclusive of all taxes except for VAT. However, insurance companies are required to declare and pay the monthly PTP at the rate of 5% on gross premiums from insurance or re-insurance income and at the rate of 1% on non-insurance related income. Payments of PTP are due by the 15th day of the following month.

The liquidation of the tax on profit is the balance of tax payable after deduction of all tax credits and PTP and must be paid upon the submission of the annual tax on profit return to the GDT by the 31st March in the year following the tax year (is calendar year, but a company can apply for a tax year other than calendar year, for example, to be consistent with its parent company/ if the foreign parent company owns more than 51% equity shares).

The minimum tax (is exempted for Qualified Investment Project) is a separate and distinct tax from the tax on profit, and is payable by companies regardless of whether they are in a profit or loss situation. The minimum tax is calculated at 1% on annual turnover inclusive of all taxes except for VAT. However, if the tax

on profit is greater than the minimum tax, the minimum tax is not payable. The minimum tax is calculated at year-end, however it should be totally liquidated by the monthly PTP.

Tax Credits

Tax paid overseas on foreign source income is available as a tax credit, subject to the taxpayer providing sufficient evidence to substantiate the foreign tax paid. The tax credit is calculated separately for each foreign country and is the lower of the foreign tax paid or Cambodian tax payable on foreign source income.

Record Keeping

All books of accounts, accounting records and other documents must be maintained in the Khmer language and in KHR, and kept for a period of 10 years.

2. TAXATION OF INDIVIDUALS

Individual residents in Cambodia are liable for personal income tax/tax on salary on Cambodian and foreign source income, whereas non-residents are subject to income tax on Cambodian source income only. A credit for foreign income tax paid is allowed against Cambodian income tax. The tax credit is calculated separately for each foreign country and is the lower of the foreign tax paid or Cambodian tax payable on foreign source income. Employers are required to withhold income tax from salaries and other benefits paid to employees. The salary tax rate is based on a progressive tax rate ranging from 5% to 20%.

● **Residence**

A person is resident in Cambodia if the person is “domiciled in” or has a “principal place of abode” in Cambodia, or the person is present in Cambodia for more than 182 days during any 12 month period.

● **Employment Income/ Employee**

Benefit Individuals receiving remuneration in the course of employment are subject to personal income tax known as tax on salary. The remuneration includes salary, wage, bonus, overtime and other compensation. A fringe benefit tax on employer-provided cars, housing, low interest loans, and free, subsidized or discounted goods and services is levied on employers according to the taxable value of the fringe benefits provided to their employees. The tax rate is currently 20% and it is payable monthly. The actual cost of providing the benefit will normally be deductible for the employer except for the fringe benefit tax.

● **Exempt Income**

Employment related payments received by a tax resident that are not subject to income tax include:

- reimbursement of business expenses by the employer, provided that the costs are incurred in the course of employment, the amounts are not excessive and they can be substantiated
- indemnity for layoff within the limit as stated in the Labor Law
- additional remuneration received with social characteristics as provided in the Labor Law

- supply of free or subsidized uniforms or special professional equipment used in the course of employment and
- flat allowances for mission and travel received in the course of employment.

• Deductions

Employees are not allowed any deductions against their salary income as employees are not required to submit annual tax returns.

• Personal Allowances/Rebates of Tax

The following relief is provided to a resident employee:

Relief for the Month	KHR
Child relief for each child (14 years old or 25 years old if still at school)	75,000
Dependent spouse (must be housewife)	75,000

• Tax Rates

Residents

The personal income tax rates are as follows:

Taxable Income for the Month (KHR)	Progressive Tax
Up to 500,000	0
From 500,001 – 1,250,000	0
From 1,250,001 – 8,500,000	10
From 8,500,001 – 12,500,000	15
Over 12,500,000	20

Non-residents

Non-residents are taxed on salary from Cambodian sources at the flat rate of 20%.

• Tax Administration

Returns and Assessments

The salary and fringe benefit tax return and payment are due to be filed and paid to the GDT by the 15th day of the following month. Currently the Cambodian Tax Law does not require a resident individual to submit an annual personal income tax return to the GDT. Accordingly, the monthly salary tax deduction is considered to be a final tax for individuals.

4.3. INDIRECT AND OTHER TAXES

• Value Added Tax

VAT is chargeable on a wide range of goods and services supplied in Cambodia and on the importation of goods.

The basic principle of VAT is to charge tax at each stage of production, allowing each supplier credit for the tax paid, so that the VAT eventually impacts the final consumer.

Taxable supplies attract VAT at either the standard rate of 10% or the zero rate. Zero rating applies to export of goods and services, and certain charges in relation to international transport of people and goods.

Exempt supplies are not subject to VAT and include:

- public postal service
- hospital, clinic, medical, and dental services and the sale of medical and dental goods incidental to the performance of such services
- passenger transportation services by a wholly state-owned public transportation system
- insurance services
- primary financial services
- importation of articles for personal use that are exempt from customs duties and
- non-profit activities for public interest that have been recognized by the Ministry of Economy and Finance.

Enterprises providing taxable supplies of goods and services are required to register for VAT if they meet the criteria specified below:

- corporations, importers, exporters and investment companies
- taxpayers with turnover in respect of goods sold exceeding KHR125 million for the preceding three consecutive months or in the next three consecutive months
- taxpayers with turnover in respect of services provided exceeding KHR60 million for the preceding three consecutive months or in the next three consecutive months and
- taxpayers undertaking government contracts with a total taxable turnover exceeding KHR30 million

VAT registration must be made at the commencement of business operations or within 30 days in which the taxpayer becomes a taxable person.

VAT returns and payment are due to be filed and paid to the GDT by the 20th day of the following month.

VAT is payable at 10% on imports by reference to the value of the import, including any customs duty, insurance and freight charges.

● **Specific Tax on Certain Merchandises and Services (STCMS)**

Certain goods and services are subject to STCMS which is a form of excise tax that applies to importation or domestic production and supply of certain goods and services.

Examples of the levy of STCMS are:

Item	Rate (%)
Domestic and international telephone services	3
Domestic and international air ticket	10
Entertainment services	10
Cigarettes	10
25	25
Beers	25

For domestically produced goods, STCMS is calculated on the ex-factory selling price. The ex-factory selling price is determined as 65% of the selling price exclusive of VAT and any discounts. For imported goods, the tax is computed inclusive of duty and CIF value.

Payment of STCMS to the GDT is due on the 15th day of the following month.

● Tax for Public Lighting (TPL)

TPL is a tax levied on the sale of alcohol and cigarette products, both imported and domestically manufactured, at each stage of supply. The tax rate is 3% of the value of the taxable product inclusive of taxes but not the TPL nor VAT. The tax is payable on a monthly basis, by the 15th day of the following month. The revenue from the collection of this tax shall be used to improve public lighting in cities and the provinces.

● Accommodation Tax (AT)

AT is a tax on the provision of hotel accommodation services. AT is levied at the rate of 2% on hotel accommodation services, inclusive of other services charges and all kinds of taxes but exclusive of the AT itself and VAT. Payment of AT to the GDT is due on the 15th day of the following month.

● Other Taxes

Withholding Taxes (WHT)

Resident withholding tax

A resident taxpayer is required to withhold tax from the following payments of Cambodian source income to a resident entity:

Payment	Rate (%)
Payment for services to a physical person, including management, consulting, and other similar services ⁴	15
Payment of royalties for intangible assets and interests in minerals, oil or natural gas	15
Interest payments made to a physical person or an enterprise, except for interest paid to a domestic bank or savings institution	15
Income from rental of movable or immovable properties	10
Interest payments on a fixed deposit made by a domestic bank or savings institution to a resident taxpayer	6
Interest payments on savings account made by a domestic bank or savings institution to a resident taxpayer	4

Non-Resident WHT

A resident taxpayer carrying on a business who makes any of the following payments to a non-resident is required to withhold the non-resident WHT:

Payment	Rate (%)
Interest	14
Royalties, rent and other payments connected with use of property	14
Compensation for management or technical services	14
Dividends	14

The liability for WHT rests with the remitter. The GDT has no recourse to recover withholding tax from the recipient of the payment. The WHT is payable at either the date the payment is made, or the date the expense is recorded in the books, whichever is first.

Payment of WHT to the GDT is due on the 15th day of the following month.

Cambodia currently has no Double Tax Treaties (DTA) in place (see 5.2).

Accordingly, no DTA relief from WHT is available.

Additional Profit Tax on Dividend Distribution (APTDD)

APTDD is applicable on the distribution of retained earnings or annual profit after taxes that were subject to the following rates:

ToP rate	APTDD rate
0%	20%
9%	12% (11/91)
20% or 30%	0%

Dividend distributions to Cambodian resident taxpayers, after payment of the APTDD are exempt income in the hands of the Cambodian resident taxpayer.

Payment of APTDD to the GDT is due on the 15th day of the following month in which the distribution is paid.

Patent Tax

Patent tax is a yearly business registration tax which all enterprises carrying on business activities in Cambodia are required to pay by 31 March. A “patent tax certificate” will be issued by the GDT upon registration.

If the enterprise carries out different types of businesses, a separate patent tax certificate is required for each distinct

business activity. Likewise, if a taxpayer carries out business in different cities or provinces, a separate patent tax certificate is required for each location.

The standard patent tax payment is KHR 1,140,000 (approximately USD285).

Customs Duty

Customs duty is levied on certain goods entering Cambodia. The rates vary depending on the type of goods entering Cambodia. Currently, the duty rates are 0%, 7%, 15%, and 35%.

As a member of ASEAN, Cambodia has implemented the tariff reduction schedule under the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area (CEPT for AFTA) since 1 January 2000.

Goods exempt from customs duty include school facilities, medicine, sport facilities, fertilizer, rice seeds and agricultural tractors.

Exemptions can also be obtained as part of the incentives offered by the CDC for the QIP undertaken in Cambodia.

Registration Tax

The following legal documents are subject to a registration tax (stamp duty) of KHR100,000:

- company formation
- company merger
- dissolution of a company and
- an agreement to provide goods or services to public organizations.

Property Transfer Taxes

There is a 4% tax on transfer of title in certain assets (such as land, building, vehicles). This 4% tax is imposed on the transferred value and payable by the party acquiring the asset, within 3 months from the date of the execution of the agreement to transfer the title.

Tax on Unused Land

A tax is levied on unused land and the registered owner of the land is responsible for the payment of the tax. Tax on unused land is based on 2% of the market price per square meter as determined by the Committee for the Valuation Unused Land and is due to be paid annually by 30 September.

Tax on Immovable Property (TIP)

TIP was recently created in the 2010 Law on Financial Management (LFM) to be imposed on certain immovable properties. The term “immovable property” is defined as land, houses, buildings and constructions that are built on the land.

The Prakas on the collection of the TIP was subsequently issued on 19 July 2010 for implementation of the TIP. This TIP will be collected every year at the rate of 0.1% on the value of the immovable property that is more than the threshold of KHR100,000,000 (approximately USD25,000). The value of the immovable property is assessed by the Assessment Committee, which is set up by the Ministry of Economy and Finance.

The deadline for paying the TIP is on 30 September each year.

4. TAX INCENTIVES

The CDC is the principal government agency responsible for providing incentives to stimulate investment in Cambodia. The Lol was introduced in 1994 and substantially revised in 2003. Investors are required to submit an Investment Proposal to either the CDC or the PMIS to obtain a Qualified Investment Project (QIP) status depending on capital level and location of the investment project in question.

The LALol 2003 changed the way in which incentives are granted. Instead of a list of eligible sectors being provided in the legislation, a “negative list” was established. This means investment incentives would be available to all sectors not included in the negative list.

The investment incentives (generally) available to QIPs are:

- exemption from tax on profit imposed by the LoT

The tax on profit exemption consists of a Trigger Period (of up to 3 years), 3 years automatic exemption, plus a Priority Period that will be provided for in the Law on Financial Management. In effect, the tax exemption period could be maximum up to 9 years.

- accelerated depreciation on manufacturing assets (however, this is not available if the QIP elects to take the profit tax exemption)
- exemption from import duty on production equipment, raw materials and inputs to manufacture and
- the right to employ foreign labour.

On an annual basis, the CDC requires all QIPs to apply for a Certificate of Compliance (CoC), to enable QIPs to continue to receive the investment incentives granted under the investment license.

5. INTERNATIONAL TAX

● Double Tax Relief

A foreign tax credit is available to a resident in respect of foreign taxes paid, subject to certain conditions. Foreign tax credits in excess of the Cambodian tax liability are lost, i.e. they cannot be carried forward or back.

● Double Tax Agreements

Cambodia has not entered into any Double Tax Agreements (DTA) with other countries. However, Cambodia has made investment and trade agreements with a number of countries such as China, Indonesia, Malaysia, Germany, Switzerland, France, Singapore, Russia, United States of America, Laos, Philippines, Korea, India, Thailand, Bangladesh, Brunei, Uganda, and Vietnam.

6. ANTI-AVOIDANCE RULES

There is no “general anti-avoidance” provision in the Cambodian tax law.

● Transfer Pricing

There is no specific transfer pricing legislation in Cambodia. However, the related party provision of the 1997 LoT (Article 18) gives wide power to the GDT

to re-determine related party transactions. The GDT may re-determine related party transactions to impose pricing that the GDT considers “arm length” parties would have undertaken in the transactions.

A related party relationship is one where there is a 20% or more shareholders relationship.

● Permanent Establishment

A PE is defined in Cambodia as “a fixed place of business in the Kingdom of Cambodia, the branch of a foreign company or an agent resident in the Kingdom of Cambodia, through which the non-resident person carries on their business. The term PE also includes any other association or connection through which a non-resident person engages in economic activity in the Kingdom of Cambodia”.

The term economic activity is explained as the “regular, continuous or time to time activity of a person, whether or not for profit, in the supply of, or the intent to supply, of goods and services to other persons for the purpose of obtaining any benefit”.

As Cambodia has not entered into any DTAs with other countries, the PE provisions under the DTAs or the OECD/UN Models will be subject to the domestic law (and the interpretation of the GDT).

● Thin Capitalization

There is no specific thin capitalization legislation but there are limitations on the deductibility of interest.

● **Controlled Foreign Company (CFC) Provisions**

There are no CFC provisions in Cambodia.

7. FOREIGN EXCHANGE CONTROLS

All matters relating to the management of foreign exchange are carried out by the NBC. Although the KHR is the official currency of Cambodia, the USD is in common circulation and the majority of commerce is denominated in USD.

There are currently no restrictions on the repatriation of profits or capital from Cambodia, and the LALol 2003 guarantees the rights of foreign investors to remit foreign currencies abroad for:

- the payment of imports and repayment of principal and interest on foreign loans

- the payment of royalties and management fees
- the remittance of profits and
- the repatriation of invested capital on dissolution of an investment project.

The Foreign Exchange Law of 1997 provides for foreign currencies to be freely purchased via the banking system. In particular, the Law states that there should be no restrictions on foreign exchange operations; however, these operations can only be performed through an authorized financial institution.

It should be noted that the Law does provide for the NBC to implement exchange controls in the event of a foreign exchange crisis.

There are no restrictions on the establishment of foreign currency bank accounts in Cambodia for residents.



BUSINESS CARDS

Always carry business cards when you visit Cambodia and distribute them at every business meeting. When you meet someone for the first time in Cambodia, it is polite to offer your card with both hands. Upon receiving a card, do not stuff it into your pocket. Take a minute to look at the person's card, take care to pronounce their name correctly and acknowledge their title to show your counterpart that you value the opportunity to meet them. When you have finished engaging with the individual, place the business card in your wallet or purse, to show respect.

If you have a business card that is in English and Cambodian, it is good etiquette to present the card to local people with the Cambodian side facing upwards.

The order for a Cambodian name is family name first, then given name. So when referring to a Cambodian person, use their given name, prefixed by the appropriate term of reference. Hence, the Prime Minister of Cambodia Hun Sen should be referred to as Mr Sen or Mr Hun Sen.

LANGUAGE HINTS

Most Cambodian business people have used English throughout high school and university, and are surrounded by English language media both online and through television. However you should speak slowly and concisely as they may not be familiar with your accent. Remember to avoid using words in English that are specific to a particular country or region, and if someone does not understand certain words, try using a different version (eg footpath, sidewalk or pavement).

It is impolite to undermine the authority of a more senior Cambodian person by directing questions or responding to a more junior person whose English skills may be better. If it is necessary to use an interpreter, it is polite to talk directly to the person you are dealing with and to maintain eye contact.

Attempts at Khmer language are best left to more informal settings in the company of friends.

BUSINESS ATTIRE

The climate in Cambodia can be quite hot all year round, so it is advisable to make allowances for this when selecting your business wardrobe. Probably the most suitable business attire is a lightweight suit with collar and tie for men, and either a smart trouser suit or skirt and blouse for women.

GREETINGS

Traditionally Cambodians will put their hands together as high as the chest when meeting someone. This is called a “Sam Peah”, and is used when meeting or when saying goodbye to someone. A foreigner who is familiar with this gesture and reciprocates will be warmly received.

Handshakes are becoming more common on meeting and departing. Handshakes only usually take place between members of the same sex. Always wait for a woman to extend her hand. If she does not, bow your head slightly.

BUSINESS MEETINGS AND NEGOTIATIONS

Hierarchy and face manifest themselves in different ways within business meetings. For example, the most senior person should always enter the room first. Silence is also common in meetings where someone disagrees with another and remains quiet, so as not to cause a loss of face. Those not familiar with Asian culture should simply behave in a polite manner and allow your local counterpart to take the lead.

It is advisable not to negotiate very hard in person, but rather treat a verbal offer as indicative and follow up formally afterwards with a counter-offer and an explanation of the basis for your figures and terms. Relationships are critical to successful business partnerships. Always invest time in building a good relationship based on both personal and business lines.

Any initial meeting should be used solely as a “getting to know you” meeting. Most contracts will require several meetings to clarify the details, but also to assess your mannerisms, motivations and commitment.

BUSINESS NOTES

Cambodians are polite people and on occasions may smile and agree with you when in fact they may not have fully understood what you have said. This is not as big a problem as in some neighbouring countries where a smile and nod are usually to acknowledge that you have spoken, and do not always indicate a firm agreement. To avoid misunderstanding, it is advisable to politely clarify matters, and on occasion for a local colleague to do so in Khmer.

When doing business with local businesses or government organisations, it is advisable to have bilingual sales literature, including business cards and service/product manuals available for more complex negotiations. It is useful to have an agenda and relevant papers translated into Khmer prior to the meeting so both sides are clear on what they wish to discuss.

EATING AND DRINKING

Eating and drinking is a major part of doing business in Cambodia. Toasting at banquets and karaoke are common after-dinner activities. Cambodian men may smoke during the meal. When cognac or whisky is served at a meal, the custom is for individuals to drink only after a toast is made. The glass should be held in the right hand, which is supported by the left. Returning a toast is standard practice. Common toast is “Sok ka pheap la or” (Good health!).

GIFTS

Gifts are not commonly exchanged when meeting for the first time. However a small token over dinner or at an appropriate moment is always appreciated. The gift is not as important as the sentiment sent with it. A box of chocolates, a bottle of cognac (for a man), or a small souvenir from your country will show that you are a considerate person.

ANNEX: LIST OF SPECIAL ECONOMIC ZONES

NAME OF SEZ	INFORMATION	
1. Neang Kok Koh Kong SEZ	1) Location	Neang Kok Village, Pakkhlong Commune, Mundul Seyma Destrict, Koh Kong Province
	2) Zone Investor	<ol style="list-style-type: none"> 1. Camko Motor Company Ltd. (Vehicle assembly and spare part) 2. Yazaki Corporation (Wire harness)
2. Suoy Chheng SEZ	Location	Neang Kok Village, Pakkhlong Commune, Mundul Seyma Destrict, Koh Kong Province
3. S.N.C SEZ	Location	Sangkat Bet Trang, Khan Prey Nob , Preah Sihanouk Province
4. Stung Hav SEZ	Location	Sangkat O Tres, Stung Hav District, Preah Sihanouk Province
5. N.L.C SEZ	Location	Phum Prey Phdao abd Phum Thlok, Khum Chrok Mtes, Srok Svay Teab, Sray Rieng Province
6. Manhattan (Svay Reing) SEZ	1) Location	Bavet Commune, Chantrea District, Svay Rieng Province
	2) Zone Investor	<ol style="list-style-type: none"> 1. Best Way Industry Co., Ltd. (Bicycle) 2. S.Y.G. Steel International Co., Ltd. (Bolt-Nut) 3. Kingmaker Footwear Co., Ltd (Footwear) 4. Galaxy Textile Co., Ltd (Garment) 5. ARC Cambodia Corp. (Hi-tech equipment recycling) 6. MSEZ Comfort Hospital Co., Ltd (Hospital) 7. Sheico (Cambodia) Co., Ltd (Neoprene wet suits) 8. Forest Packing (Cambodia) Co., Ltd (Packing bag) 9. Pique Garment Co., Ltd (Garment) 10. Leegrow Plastic Packaging Co., Ltd. (Packaging bag) 11. Ampac Packaging (Cambodia) Ltd. (Packaging products) 12. Eastern Industrial Enterprise Inc. (Garment and textile) 13. Visca Plastics Joint Stock Company (Plastic) 14. Angkor Spring Co., Ltd. (Mattress products) 15. Kaoway Sports Ltd. (Sport Shoes) 16. Morofuji (Cambodia) Co., Ltd. (Bags and package products) 17. Top Sports Textile Ltd. (Textile and garment) 18. Elite (Cambodia) Co., Ltd. (Garment)
7. Poi Pet O'Neang SEZ	1) Location	Poipet Commune and Nimit Commune, O' Chhrov District, Banteay Meanchey Province
	2) Zone Investor	<ol style="list-style-type: none"> 1. Campack Co., Ltd. (Jewelry Packing Manufacturing)
8. Doung Chhiv Phnom Den SEZ	Location	Kiri Vong District, Takeo Province
9. Phnom Penh SEZ	1) Location	Khan Dangkao, Phnom Penh and Ang Snuol District, Kandal Province
		<ol style="list-style-type: none"> 1. Navy Water Production Co., Ltd (Drinking water) 2. Bok Seng PPSEZ Dry Port Co., Ltd (Dry port) 3. Redial Industrial Co., Ltd (Plastic) 4. Civil (CP) Construction Product Ltd (Pole) 5. Tiger Wing Co., Ltd (Footwear) 6. Evergreen Industrial Co., Ltd (Garment)

ANNEX: LIST OF SPECIAL ECONOMIC ZONES

NAME OF SEZ	INFORMATION	
	2) Zone Investor	<ol style="list-style-type: none"> 7. Yamaha Motor (Cambodia) Company Limited Co., Ltd (Motorcycle assembly, accessories and spare parts) 8. Cambodia Success Industries Co, Ltd (Steel processing for construction material) 9. Agricom (Cambodia) Co., Ltd (Sugar packaging) 10. Cambox Private Limited (Plastic) 11. Ji-Xiang Co., Ltd (Processing cartons and papers production) 12. Colben Energy (Cambodia) PPSEZ Ltd. (Power Plant) 13. Yi Xiang Co., Ltd. (Plastic) 14. Ajinomoto (Cambodia) Co., Ltd. (Seasoning and food processing) 15. Sin Chn Hong (Cambodia) Plastics Industry Co., Ltd. (Plastic) 16. Clean Circle Co., Ltd. (Leather shoes) 17. Cambodian Food Processing and Distribution Co., Ltd. (Food processing) 18. Sichuan New Hope Agribusiness (Cambodia) Co., Ltd. (Animal feed) 19. MKK Co., Ltd. (Cigarette and cigar) 20. Liwayway (Cambodia) Food Industries Co., Ltd. (Food Processing) 21. Haru Phnom Penh Comic Center Co., Ltd. (Comic book assembly and authoring) 22. Dishells (Cambodia) Ltd. (Heat insulation and its products) 23. Proceeding (Phnom Penh) Co., Ltd. (Japanese traditional clothes) 24. FST PP Co., Ltd. (Japanese traditional clothes) 25. Shin Feng Paper Co., Ltd. (Carton box and paper processing) 26. Atlas Ice (Cambodia) Co., Ltd. (Ice manufacturing) 27. Thibidi (Cambodia) Co., Ltd. (Electrical equipment) 28. Minebea (Cambodia) Co., Ltd. (Small-size motor) 29. O and M (Cambodia) Co., Ltd. (Leather products) 30. Combi (Cambodia) Co., Ltd. (Baby goods and toy) 31. Marunix (Cambodia) Co., Ltd. (Wire harness assembly) 32. Sumi (Cambodia) Wiring Systems Co., Ltd. (Wiring Harness) 33. Kyowaseikan (Cambodia) Co., Ltd. (Packaging materials) 34. Sunhsin Thread And String (Cambodia) Co., Ltd. (Shoulder Pads) 35. Zion Label And Printing Co., Ltd. (Labels) 36. Daiwa Onkyo (Speaker) 37. Denso Electronics (Wiring harness)
10. Kampot SEZ	Location	Koh Toch commune, Kampot district, Kampot Province
11. Sihanoukville SEZ 1	1) Location	Stung Hav District, Preah Sihanouk Province
	2) Zone Investor	<ol style="list-style-type: none"> 1. Cambodian Energy Limited (To build, operate and own a 100 MW coal fired power generation plant) 2. C.I.I.D.G Erdos Hongjun Electric Power Co., Ltd. (Power plant of 3x135 MW (405MW) by coal-fire)
12. Tai Seng Bavet SEZ	1) Location	Bavet District, Svay Rieng Province
	2) Zone Investor	<ol style="list-style-type: none"> 1. Atlantic Cycle Co., Ltd. (Bicycle) 2. La More (Cambodia) Ltd. (Footwear) 3. DK Inc. (Garment) 4. Yorks (Cambodia) Co., Ltd. (Gloves) 5. Smart Tech (Cambodia) Co., Ltd. (Bicycle) 6. A and J (Cambodia) Co., Ltd. (Bicycle Manufacturing) 7. Swany (Cambodia) Corporation (Gloves) 8. Ronchester (Lady's apparel) 9. Helsa South East Asia Co., Ltd. (Shoulder Pads) 10. Towa (Cambodia) Co., Ltd. (Men's Suits) 11. Nakayama Shoji Co., Ltd. (Baby underwear)

NAME OF SEZ	INFORMATION	
13. Oknha Mong SEZ	Location	Srea Ambel District, Koh Kong Province
14. Goldfame Pak Shun SEZ	1) Location	Sa Ang District, Kandal Province
	2) Zone Investor	<ol style="list-style-type: none"> 1. Gold Dragon Printing & Carton Boxes Factory Co., Ltd. (Carton, Printing plastic label, Knitting) 2. Kingway Manufacturing Limited (Garment) 3. Good Ray Development Limited (Garment)
15. Thary Kampong Cham SEZ	1) Location	Da commune, Memot District, Kampong Cham Province
16. Sihanoukville SEZ 2	1) Location	Pou Thoung Village, Betrang Commune and Smach deang Village, Ream Commune, Prey Nop District, Preah Sihanouk Province
	2) Zone Investor	<ol style="list-style-type: none"> 1. Nanguo Garment co., ltd (Garment) 2. Hongdou International Garment Co., Ltd. (Garment) 3. Qianlima Vehicle Co., Ltd. (Vehicle assembling) 4. Taihua Plastic Products Co., Ltd. (Plastics) 5. Huang Jia Arts and Crafts Co., Ltd. (Arts and crafts candle) 6. Wealth (Cambodia) Steel Industry Engineering Co., Ltd. (Steel processing for construction material) 7. Horseware Products Cambodia Co., Ltd. (Horse ware products) 8. Zhong Zheng (Cambodia) Co., Ltd. (Bags) 9. Keptop Sporting Goods (Cambodia) Co., Ltd. (Bags Factory) 10. BRILLIANT SHOES FACTORY Co., Ltd. (Shoes) 11. Prosource Electronics (Cambodia) Co., Ltd. (Household appliances) 12. Wan Hai Hanger (Cambodia) Co., Ltd. (Founded hnger) 13. Worldtec Cycles (Cambodia) Co., Ltd (Bicycles assembling) 14. Aley Global (Cambodia) co., Ltd. (Garment) 15. Oufeiya Leather (Cambodia) Co., Ltd. (Leather Products) 16. Asle Electronic (Cambodia) Co., Ltd. (Electronics parts) 17. Shandong Forest Wood (Cambodia) Co., Ltd. (Floor and plywood) 18. Izumi (Cambodia) Co., Ltd. (TV frame and electric parts)
17. D&M Bavet SEZ	Location	Bavet commune, Chantrea District, Svay Rieng Province
18. Kiri Sakor Koh Kong SEZ	Location	Khum Prek Kasach, Srock Kirisakor, Koh Kong Province
19. Sihanoukville Port SEZ	Location	Tomnop Rolok Area, Sangkat Lek1 and Lek3, Sihanoukville City, Preah Sihanouk Province
20. Kampong Saom SEZ	Location	Village 4, Ortres Commune, Stung Hav District, Preah Sihanouk Province
21- P (SEZ) I C	Location	Salatean and Preytob Villages, Chhrokmates Commune, Svayteab District, Svay Rieng Province.
22. MDS THMORDA SEZ	Location	Khum Thmorda, Srock Veal Veng, Pursat Province



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