## Client Update: Cambodia

2020 AUGUST



General – COVID-19

# RGC's Guideline on Additional Measures to Manage the COVID-19 Economic Impact on the Main Sectors and Economic Acceleration and Rehabilitation Post COVID-19

The Royal Government of Cambodia ("**RGC**") has issued consecutive press releases and regulations on preventive measures to mitigate the COVID-19 impact on the main sectors such as garment and textile, tourism, and aviation. The impact has been decreased but not vanished. The main sectors are still affected by COVID-19. Therefore, the RGC has issued a press release on the fifth round of preventive measures on 31 July 2020 in order to (1) rehabilitate and promote business operations and (2) mitigate burden on poor families and vulnerable groups by providing financial support.

The press release on the fifth-round mainly stipulates the continuance of the RGC's subsidy, monthly tax exemptions, and financial support which applies to the relevant sectors as follows:

#### 1. Garment, Textile, Footwear, Goods Travel, and Bags Sector

The RGC continues to provide subsidies to the employees from the factories/enterprises which were approved to receive subsidies during the employment suspension by the Ministry of Labour and Vocational Training. Each eligible employee from this sector is entitled to obtain **US\$70** (US\$40 from the RGC and US\$30 from the factory/enterprise) per month for August and September 2020.

#### 2. Tourism Sector

The RGC further extends all types of monthly tax exemptions for August and September 2020 to hotels, guesthouses, restaurants, and tourist agents registered with the General Department of Taxation that have business operations in Phnom Penh, Sihanouk Vile, Siem Reap, Kep, Kampot, Krong Bavet, and Krong Poi Pet. The eligible employees from these workplaces are entitled to obtain **US\$40** subsidy per month until September 2020.

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#### 3. Aviation Sector

The RGC further extends the minimum tax exemption for August and September 2020 to any airline company registered in Cambodia.

#### 4. Financial Support for Poor Families and Vulnerable Groups

The RGC continues to provide financial support for August and September 2020 to poor families and vulnerable groups during the COVID-19 pandemic.

Visit our <u>COVID-19 Resource Centre</u> for views from our lawyers across the region on common issues and legal implications brought about by COVID-19. For specific inquiries, please reach out to your relationship partner or send an email to our <u>COVID-19 Legal Team</u>.

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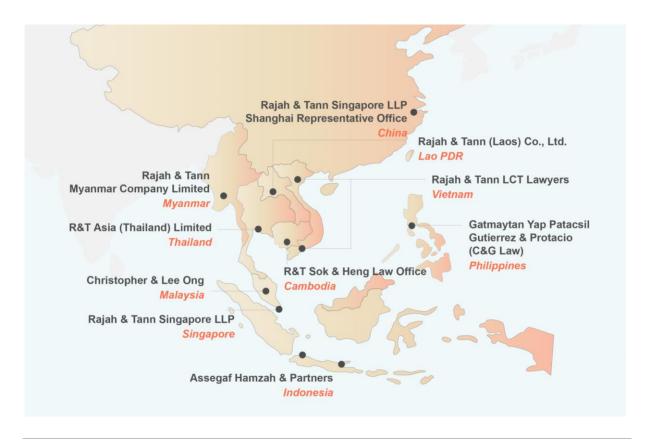
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