

Taxation

MEF Issues Prakas No. 009 on Reclassification of Taxpayers

The Ministry of Economy and Finance (“MEF”) has issued Prakas No. 009 on the Reclassification of Taxpayers under the Self-Assessment Regime (or the Real Regime of Taxpayers) dated 12 January 2021 (“**Prakas No. 009**”). Prakas No. 009 applies to all taxpayers who have registered from 12 January 2021.

Prakas No. 009 aims to replace and reclassify the categorisation of taxpayers set out in Prakas No. 025 on the Classification of Taxpayers under the Self-Assessment Regime (or the Real Regime of Taxpayers) dated 24 January 2018 (“**Prakas No. 025**”).

We set out a table below comparing the criteria of the classification of taxpayers under Prakas No. 025, and the reclassification of taxpayers pursuant to Prakas No. 009. Prakas No. 009 specifically reclassifies taxpayers based on turnover and sector.

Taxpayers	Classification criteria	
	Prakas No. 025 (Replaced)	Prakas No. 009 (New)
Small	<ul style="list-style-type: none"> Annual turnover from KHR 250,000,000 (approximately US\$ 62,500) to KHR 700,000,000 (approximately US\$ 175,000); Three consecutive months turnover or expected three consecutive months turnover more than KHR 60,000,000 (approximately US\$ 15,000) within the calendar year; Sole proprietorship or partnership; and Participation in any bidding or quotation for supply of goods or services. 	<ul style="list-style-type: none"> For taxpayers in agriculture, services and commercial sectors: annual turnover from KHR 250,000,000 (approximately US\$ 62,500) to KHR 1,000,000,000 (approximately US\$ 250,000); or For taxpayers in industrial sector: annual turnover from KHR 250,000,000 (approximately US\$ 62,500) to KHR 1,600,000,000 (approximately US\$ 400,000); or Three consecutive months turnover or expected three consecutive months turnover more than KHR 60,000,000 (approximately US\$ 15,000) within the calendar year; or Sole proprietorship or partnership; or Participation in any bidding or quotation for supply of goods or services.
Medium	<ul style="list-style-type: none"> Enterprises with annual turnover from KHR 700,000,000 (approximately US\$ 175,000) to KHR 4,000,000,000 (approximately US\$ 1,000,000); Enterprises which are incorporated as legal entities, representative offices; National and sub-national government institutions, all types of organisations or associations including non-governmental organisations; and 	<ul style="list-style-type: none"> For taxpayers in agriculture sector: annual turnover from KHR 1,000,000,000 (approximately US\$ 250,000) to KHR 4,000,000,000 (approximately US\$ 1,000,000); or For taxpayers in services and commercial sectors: annual turnover from KHR 1,000,000,000 (approximately US\$ 250,000) to KHR 6,000,000,000 (approximately US\$ 1,500,000); or For taxpayers in industrial sector: annual turnover from KHR 1,600,000,000 (approximately

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	<ul style="list-style-type: none"> Foreign embassies and consulates, international organisations and technical cooperation agencies of other countries. 	US\$ 400,000) to KHR 8,000,000,000 (approximately US\$ 2,000,000); or <ul style="list-style-type: none"> Enterprises which are incorporated as legal entities, representative offices; or National and sub-national government institutions, all types of organisations or associations including non-governmental organisations; or Foreign embassies and consulates, international organisations and technical cooperation agencies of other countries.
Large	<ul style="list-style-type: none"> Enterprises with annual turnover above KHR 4,000,000,000 (approximately US\$ 1,000,000); Subsidiaries of multinational companies, branches of foreign companies; and Enterprises registered as Qualified Investment Projects. 	<ul style="list-style-type: none"> For taxpayers in agriculture sector: annual turnover above KHR 4,000,000,000 (approximately US\$ 1,000,000); or For taxpayers in services and commercial sectors: annual turnover above KHR 6,000,000,000 (approximately US\$ 1,500,000); or For taxpayers in industrial sector: annual turnover above KHR 8,000,000,000 (approximately US\$ 2,000,000); or Subsidiaries of multinational companies, branches of foreign companies; or Enterprises registered as Qualified Investment Projects.

If the General Department of Taxation (“GDT”) finds out that the taxpayers do not declare actual turnover, the GDT, at its own discretion, may reclassify taxpayers based on total assets, which include current and non-current assets, as follows:

1. Small taxpayers:

- For taxpayers in agriculture, services and commercial sectors: total assets from KHR 200,000,000 (approximately US\$ 50,000) to KHR 1,000,000,000 (approximately US\$ 250,000)
- For taxpayers in industrial sector: total assets from KHR 200,000,000 (approximately US\$ 50,000) to KHR 2,000,000,000 (approximately US\$ 500,000)

2. Medium taxpayers:

- For taxpayers in agriculture, services and commercial sectors: total assets from KHR 1,000,000,000 (approximately US\$ 250,000) to KHR 2,000,000,000 (approximately US\$ 500,000)
- For taxpayers in industrial sector: total assets from KHR 2,000,000,000 (approximately US\$ 500,000) to KHR 4,000,000,000 (approximately US\$ 1,000,000)

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3. Large taxpayers:

- For taxpayers in agriculture, services and commercial sectors: total assets above KHR 2,000,000,000 (approximately US\$ 500,000)
- For taxpayers in industrial sector: total assets above KHR 4,000,000,000 (approximately US\$ 1,000,000)

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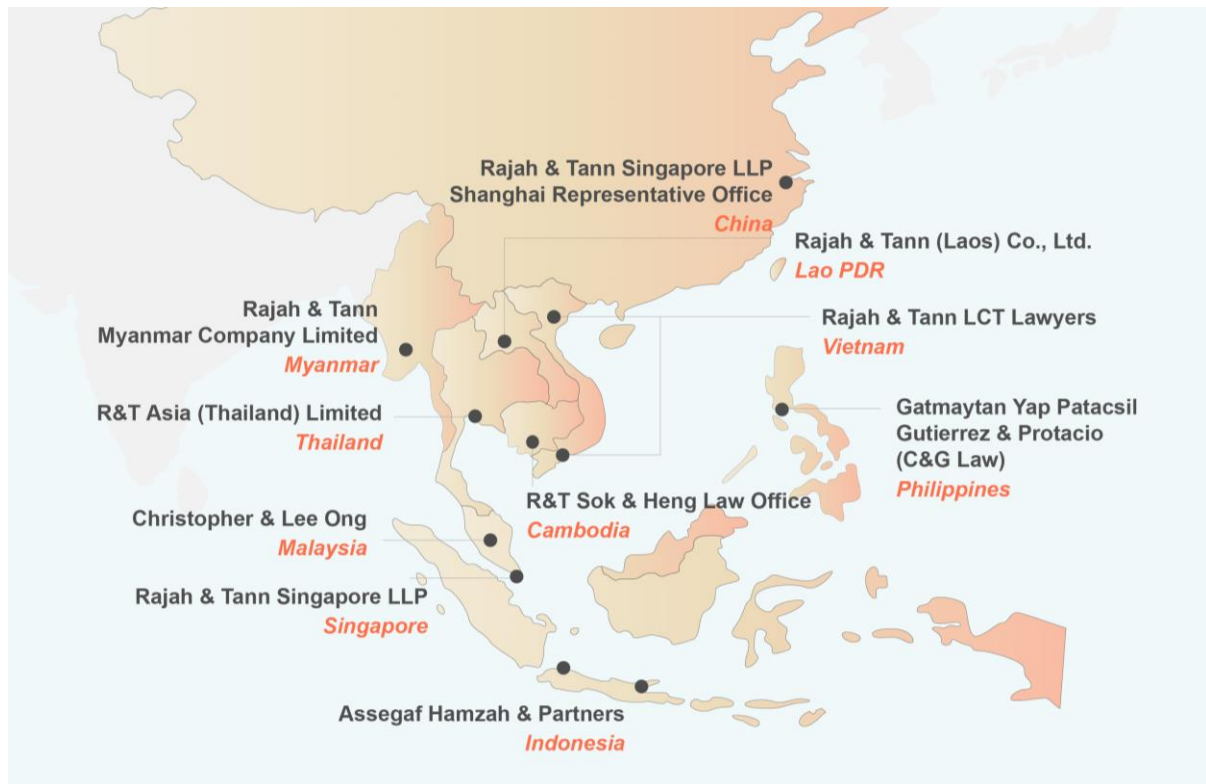
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