



**KINGDOM OF CAMBODIA
NATION RELIGION KING**

Royal Government of Cambodia
No. 70 ANKR BK

**ANUKRET
ON TAX INCENTIVES IN SECURITIES SECTOR**

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The Royal Government of Cambodia

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen the Preah Reach Kret No. NS/RKT/0908/1055 on 25 September 2008 on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen the Preah Reach Kram No. 02/NS/94 on 20 July 1994 promulgating the Law on the Organizing and Functioning of the Council of Ministers;
- Having seen the Preah Reach Kram No. NS/RKM/0196/18 on 24 January 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen the Preah Reach Kram No. NS/RKM/0297/03 on 24 February 1997 promulgating the Law on Taxation;
- Having seen the Preah Reach Kram No. NS/RKM/0303/010 on 31 March 2003 promulgating the Law on Amendment to the Law on Taxation;
- Having seen the Preah Reach Kram No. 03/NS/94 of 05 August 1994 promulgating the Law on Investment in the Kingdom of Cambodia;
- Having seen the Preah Reach Kram No. NS/RKM/0303/009 on 24 March 2003 promulgating the Law on Amendment to the Law on Investment in the Kingdom of Cambodia;
- Having seen the Preah Reach Kram No. NS/RKM/0107/001 on 10 January 2007 promulgating the Law on Government Securities;
- Having seen the Preah Reach Kram No. NS/RKM/1007/028 on 19 October 2007 promulgating the Law on the Issuance and Trading of Non-Movement Securities;

- Having seen the Preah Reach Kram No. NS/RKM/0508/016 on 13 May 2008 promulgating the Law on Public Finance System;
- Having seen the Preah Reach Kram No. NS/RKM/1209/026 on 16 December 2009 promulgating the Law on Public Finance Management 2010;
- Having seen the Anukret No. 134 ANKR.BK on 15 September 2008 on the Promotion of Office of Costumes and Excies, Department of Taxation, and Department of National Treasury of the Ministry of Economy and Finance to become General Department of Costumes and Excies, General Department of Taxation, General Department of National Treasury which are under the Management of the Ministry of Economic and Finance;
- Having seen the Anukret No. 97 ANKR/BK on 23 July 2008 on the Conduct and Organization of the Securities and Exchange Commission of Cambodia;
- Having seen the Anukret No. 54 ANKR/BK on 08 April 2009 on the Implementation of the Law on the Issuance and Trading of Non-Government Securities;
- Referring to the proposals of the Minister of Economy and Finance.

HEREBY DECIDES

CHAPTER 1

GENERAL PROVISIONS

Article 1.–Objective

The purpose of the Anukret is to prescribe types, activities and other requirements which are subjected to tax incentives in securities sector as prescribed in the Article 12 of the Law on Public Finance Management 2010 promulgated by Preah Reach Kram No. NS/RKM/1209/ 026 dated on 16 December 2009.

Article 2.–Purpose

The purpose of this Anukret is to provide tax incentives in order to promote the securities sector development in the Kingdom of Cambodia.

Article 3.–Scope

The scope of the Anukret shall be applicable in the Kingdom of Cambodia to:

1. Equity and/or debt securities issuing companies granted approval from the Securities and Exchange Commission of Cambodia (thereafter is SECC) and listed on permitted Securities Market.
2. Public investors holding and/or buying-selling of government securities, equity and/or debt securities which are issued and listed on the permitted Securities Market. For the purpose of this Anukret, the public investors are also included both resident and non-resident investors.

CHAPTER 2

ACTIVITIES AND REQUIRMENTS OF TAX INCENTIVES

Article 4.–Tax Incentives on Profit Tax for Equity and/or Debt Securities Issuing Companies

Equity and/or Debt Securities issuing companies approved by the SECC and listed on the permitted Securities Market shall fulfill the form and submit to the General Department of Taxation through SECC in order to grant tax incentives by reducing 10% of total amount of tax on profit to be paid for three (03) years.

The three (03) years of tax incentives above shall be calculated from:

- a. the beginning of the taxable year of securities issuance within the first six (6) months of the taxable year.
- b. the beginning of the taxable year after the taxable year by which securities are issued within the last six (6) months of the taxable year.

Article 5.–Tax Incentives on Withholding Tax for Securities Investors

Public investors shall gain fifty (50%) percent deduction of withholding tax on interest and/or dividend which derives from holding and/or buying-selling the government securities, equity securities and debt securities for the period of three (03) years counting from the opening of securities market.

The person ,withholding agents, disbursing interest and/or dividend shall calculate the withholding tax as prescribed in the paragraph 1 prior to disbursement and submission of withholding tax declaration letter to tax administration with compliance to a particular form no later than day fifteenth (15th) of the following month after withholding.

Article 6.–Companies Which Subject Not To Be Granted on Tax Incentives on Profit Tax

Companies shall not be granted tax Incentives on profit as prescribed in the Article 4 of this Anukret if those companies are qualified investment enterprises enjoying within their tax holidays period as prescribed in the Laws and regulations on Investment in the Kingdom of Cambodia.

Article 7.– Tax Incentive Termination

The General Department of Taxation may propose the Ministry of Economy and Finance through SECC to terminate tax incentives as prescribed in the Article 4 of this Anukret, in case the equitiy and/or debt securities issuing companies approved by SECC and listed on permitted Securities Market:

- fail to file monthly tax declaration and fail to pay tax in due date set by the tax administration;
- fail to file the annual tax declaration for the fiscal year and fail to pay tax in due date set by tax administration. The annual tax declaration shall be attached with audited-financial statements by professional accounting firms providing services in the securities sector, including balance sheet, income statement, statement of cash flow, and note(s) no later than three (03) months after the end of fiscal year.
- Fail to allow the tax administration to conduct audit on accounting book and other documents.
- Fail to pay all taxes, value added tax (VAT) and interest that set for the taxable period which is audited by the fiscal administration.

In case the companies receiving the tax incentives on profit as prescribed in this Anukret fail to implement the Law on the Issuance and Trading of Non-Government Securities and other related regulations in the securities sector, SECC may propose the Ministry of Economy and Finance to terminate the tax incentives as prescribed in paragraph 1 of the Article 4 of this Anukret.

Equity and/or Debt Securities issuing companies approved by SECC and listed on the permitted Securities Market shall not be granted the tax incentives on profit as prescribed in this Anukret, if the companies delist themselves or being delisted on the permitted Securities Market.

CHAPTER 3

FINAL PROVISIONS

Article 8.–Abrogation

All provisions contrary to this Anukret are hereby abrogated.

Article 9.–Application

The Minister in charge of Council of Ministers, Minister of Economy and Finance and the Chairman of the Securities and Exchange Commission of Cambodia, the Ministers, the Secretaries of State of Ministries and relevant institutions and Delegates of Royal Government responsible for Director General of General Department of Taxation shall implement the Anukret from the date of signing.

Phnom Penh, 22 April 2011

Prime Minister
(Signed and Sealed)

SAMDECH AKAK MOHA SENA PADEI TECHO HUN SEN

Has informed to
SAMDECH AKAK MOHA SENA PADEI TECHO, Prime Minister for signature
Deputy Prime Minister, Minister of Economy and Finance
(Signature)

KEAT CHHON

- Copied and Distribution:
- Ministry of Royal Palace
 - Secretariat of Constitutional Council
 - Secretariat of Senate
 - Secretariat of National Assembly
 - Secretariat of Royal Government of Cambodia
 - Cabinet of Samdech Akak Moha Sena Padei Techo **HUN SEN**
Prime Minister of the Kingdom of Cambodia
 - As prescribed in Article 9 for “Implementation”
 - All Ministries and Institutions
 - Royal Gazette
 - Archives- Records