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Chartered Accountants

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**2026 TECHNICAL UPDATE ON CAMBODIAN TAX
REGULATION**

Overview

This report provides an analysis of critical updates on tax regulations issued by the Ministry of Economy and Finance (MEF) and the General Department of Taxation (GDT) in Cambodia. These updates include significant information on tax incentives for the agricultural sector, VAT policies for essential food items, and new procedures for transaction recording and tax filing in the Cambodian e-filing system.

Key Updates

1. **Tax Incentives for the Agricultural Sector (Prakas No. 962)**

The MEF has extended tax incentives for agricultural enterprises until the end of 2027, effective from January 1, 2026. These incentives aim to support agricultural production, local supply, and export activities. Key elements of this regulation include:

- Eligible Activities: Cultivation, production, and domestic or export supply of various agricultural products, including rice, corn, rubber, and certain livestock.
- Tax Incentives Offered:
 - Suspension of Minimum Tax.
 - Exemption from the 15% Withholding Tax (WHT) for service fees paid to non-VAT registered entities.

Business Logic: This extension of incentives is designed to bolster the agricultural sector's growth, stimulating economic activity by reducing the tax burden on key agricultural operations. Businesses should take advantage of these incentives by focusing on production and export activities.

Conclusion

Overall, the updates from the MEF and GDT demonstrate a clear intent to bolster agricultural productivity, support local food supplies, and simplify tax compliance through enhanced accounting methods and digital solutions. Businesses operating in Cambodia should adapt their strategies in response to these changes to maximize tax incentives and ensure adherence to new regulatory requirements. Each update represents a crucial opportunity for businesses to refine their fiscal practices and enhance operational efficiencies in a rapidly evolving tax landscape.

Want to know more?

If you require assistance with any of your annual compliance obligations or would like more information, please email: babulal.parihar@lochanco.com