

Kingdom of Cambodia

Nation Religion King

Ministry of Economy and Finance

Phnom Penh, 02 July 2009

No 3841 SHV...

In Respect to

His Excellency, Delegate of the Royal Government of Cambodia In Charge of

the General Department of Customs and Excise

Subject: VAT exemption for investors in Special Economic Zone (SEZ)

References: – The notation of Samdech Akak Mohar Sena Padei Techo Prime Minister dated June 09, 2009 on the letter No2976 SHV dated May 01 2009 of Ministry Economy and Finance on the request of VAT exemption for the investors in SEZ of PPSEZ.

– Prakas No 734 SHV. BRK dated September 11, 2008 of the Ministry of Economy and Finance on special Custom procedure for SEZ.

According to the above subject and reference, I am honored to inform to your Excellency Delegate of the Royal Government of Cambodia that the Government has agreed to give incentive to the investors especially in the SEZ temporarily on 31 December 2010 as the aspect below:

1 The Export Oriented Industry in SEZ: It is temporarily and automatically suspended on VAT payment for imported construction materials, machinery/equipment for production and raw materials.

2 Domestic Manufacturing Industries in SEZ: It is temporarily suspended on VAT Payment for the import of construction materials, machinery/equipment for production.

In order to strengthen the incentive system to SEZ appropriately and transparently, we shall effectively establish observing mechanism according to the state law and especially ban the tax-exempted items diverting to the local market without prior permission from the General Department of Customs and Excise upon the tax obligation based on the existing regulations.

In accordance with the above mentioned, Your Excellency Delegate of the Royal Government of Cambodia, please be informed and coordinate to manage effective implementation on this information from today onwards.

Your Excellency, please accept the assurances of my highest consideration.

Deputy Prime Minister

Minister of Ministry of Economy and Finance

Stamp and Signature

Keat Chhun

Cc:

- Council of Ministers
- Cabinet Office of Samdech Akkak Sena Padei Techo Hun Sen, PM of Cambodia
- Cambodian Special Economic Zone Board of Council for the Development of Cambodia
- Special Economic Zone Administration
- Phnom Penh Municipality
- Cambodian Chamber of Commerce
- Investors in Special Economic Zone “To be informed”

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