

# MINISTRY OF ECONOMY AND FINANCES

---

## ROYAL GOVERNMENT OF CAMBODIA

### PRAKAS (DECLARATION)

#### DECLARATION NO. 18 ON THE IDENTIFICATION OF

#### BUSINESSES SUBJECT TO PROFIT AND INCOME TAX

- Seen the Constitution of the Kingdom of Cambodia;
- Seen the Royal Decree of His Majesty the Kingdom of Cambodia, Samdech Preach NORODOM SIHANOUK VARMAN, dated November 1, 1993 on the Formation of the Royal Government;
- Seen the Royal decree of His Majesty the King of Cambodia, Samdech Preach NORODOM SIHANOUK VARMAN, dated November 1, 1993 on the Appointment of Ministers, Secretary of State and Under Secretaries of State in all ministries and institutions;
- Seen the Law on Finance 1994, dated December 28, 1993 and its promulgation by Royal Decree (KRAM) No 02 dated December 28, 1993; and
- Pursuant to the exigent needs of the present economic and financial situation

#### IT IS HEREBY DECIDED

#### ARTICLE 1:

- Setting tax on benefit and regular business:
- Enterprises selling original products or products of transformation and gaining income exceeding 100,000,000 Riles
- Enterprises gaining income exceeding 50,000,000 Riles and its process of services exceeding its half of whole process ,
- Shall be under tax on benefit and income regardless of yearly income, and the taxation shall start from the beginning of process and shall be towards following enterprises:
- Any private enterprise or judicial individual company including public enterprise and any persons having business and taking advantage of their patrimony.

- Import & export company
- Any enterprise participating in bidding and contracting with the state or public collectively
- Any enterprise under the investment law in Cambodia
- Any enterprise operating under income tax at 10% rate.

**ARTICLE 2:**

Any enterprises under tax on benefit and income of regular business shall be under obligation of holding account in double . Enterprises and corporations operating in non-profit and providing services more than buying and selling may choose résumé system of account, on condition of yearly income not exceeding 100,000,000 Rile, and this such condition of choosing résumé system of account shall be applied to enterprises having yearly income from buying and selling more than services, not exceeding 200,000,000 Rile.

**ARTICLE 3:**

The double account, at least, consisting of as follows:

- a) Balance
- b) Profit and loss account
- c) Dailly report contains operation of income and expenditure
- d) Cash account
- e) Amortizing account

All account being used in every phase shall be numbered pages and signed in advance by general director of taxation department or by taxation competent curry confirmed by department.

**ARTICLE 4:**

The résumé system of account being composed of:

- a) Daily report containing process of buying and expenditure involved activities of enterprise.
- b) Fiscal list being created at the beginning and the end of every date.

The net result shall be the tangency between total amount of income plus fund at the end of phase of date and total amount of expenditure plus fund at the beginning of phase of date.

**ARTICLE 5:**

This declaration shall enter into force from the date of signature.

Senior Minister

Minister of Economy and Finances

Signature and Seal

SAM RAINSY