

## PRESS RELEASE

### EuroCham hosts first in-person tax forum since 2019

**PHNOM PENH, 20 SEPT** – The European Chamber of Commerce held its annual Tax Forum on Wednesday 26 October at Sofitel Phnom Penh Phokeethra, the first time the forum was hosted in person since 2019.

The forum provided an overview of the tax landscape of the Kingdom and highlighted issues raised by the chamber’s tax questionnaire, which queried close to 70 anonymous taxpayers on their biggest taxation issues prior to the forum.

In his opening remarks, Director-General of the General Department of Taxation (GDT) H.E. Kong Vibol said the GDT’s main priorities included ensuring fair competition, combatting revenue loss through tax evasion schemes, and combatting money laundering.

“This mechanism [anti-money laundering] can help bring back Cambodia to the white list. When we are on the white list, more businesses will come and it will attract FDI. But now that we are on the grey list there is a lot of doubt and a lot of potential investors take a wait-and-see approach.”

EuroCham Tassilo Brinzer said in his welcome remarks that taxation in Cambodia had progressed immeasurably since he arrived in the country in 2000.

“The GDT and private sector have to work hand-in-hand to grow the economy and build skills, capacities, and the general wealth of society. In this, we are together... This idea lies at the core of our coexistence,” he said.

The results of the chamber’s tax questionnaire were presented by Antoine Fontaine, EuroCham’s Tax Committee Co-Chairman. Common issues revolved around VAT refunds, unclear processes, and disagreements over certain practices.

“We learned that some respondents see the tax system as too complicated and that there is not enough access to human resources to help alleviate issues,” Fontaine said.

Concerning the banking sector, Association of Banks in Cambodia Head Researcher Thomas Schings, said the sector pays a disproportionate amount of taxes compared to its contribution to the GDP, adding that it was in the government’s and the banking sector’s interest to formalize more businesses in the economy.

“Banking represents 5.9 percent of the economy but pays more than 11 percent [of GDT’s total annual tax collection]. This showcases two things: the banking sector is very compliant but also the biggest potential gain for the government and the GDT is the formalization of sectors,” he said.

The second half of the forum focused on e-commerce, transfer pricing, Accounting and Auditing Regulator (ACAR) Reporting and Deferred Tax, and Tax Audits, with a panel discussion on the topics

closing out the forum.

Several questionnaire respondents took issue with deemed salaries for foreigners that were often higher than their actual salaries. Addressing this question, Te Jeudi, the Director of the Department of Enterprise Audits at the GDT, said there was a proper benchmark used to determine these salaries.

The benchmark, he said, was dependent on the person in question's nationality, capacity, and position at their respective company.

On navigating e-commerce taxes, H.E. Eng Ratana, the Director of the Department of Large Taxpayers at the GDT, said: "We are not alone, we have to learn from all common understandings, including from experience in the private sector, to make our regulation easy to understand and implement."

H.E. Eng Ratana also said the Law on Taxation would soon be consolidated to improve its clarity and make it easier for taxpayers to comply with regulations.

-- Download the presentation [slides](#) and the [agenda](#) for the forum --

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### **About EuroCham Cambodia**

**The European Chamber of Commerce in Cambodia** (EuroCham Cambodia) was created in 2011 by French, German and British business associations in Cambodia to act as the official chamber of the European business community in the Kingdom. Since then, it has grown to over 300 members and 5 national chapters, comprising 11 European countries. [EuroCham Cambodia](#)'s core activities are to promote, support and represent its members and European business interests in dialogue with the Royal Government of Cambodia, with the aim of developing a more efficient and fertile business and investment environment for all.

EuroCham's key objectives are to

- Consult & advocate on key issues related to doing business in Cambodia;
- Promote investment to Cambodia
- Work to improve access for European business to the Cambodian market, and vice-versa; and facilitate business between small and medium size companies of Cambodia and EU Member States;
- Provide services relating to economic, legal, technical, financial, market and other business issues in the EU and Cambodia and industry specific information to investors;
- Promote a strong European Union business identity vis-à-vis the Cambodian business community;
- Work closely with Cambodian stakeholders in supporting inclusive and sustainable growth of the Cambodian economy

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