



TaxBrief

December 2006

FIDES Certified Public Accountants & Auditors

The Ministry of Economy and Finance (“MEF”) has on 27 November 2006 issued the Notice on Collection of Accommodation Tax, starting from 1 January 2007 for *hotel and hotel related businesses*.

The first Prakas issued by the MEF introducing the Accommodation Tax was dated 14 July 2005 and the extension of its implementation dated 23 September 2005.

TaxBrief is prepared by FIDES for the benefit of our clients and prospective clients. It provides in summary update of the changes in the tax regulations in Cambodia.

ACCOMMODATION TAX (“AT”)

AT was first introduced in July 2005. Its implementation was subsequently extended to 31 December 2006 due to the state of the tourism industry in Cambodia.

The MEF has now issued the notice informing the “Hotel” owner and management of the obligations to collect AT starting from 1 January 2007.

Definition of a “Hotel”

The term “Hotel” is defined to include hotel, hotel apartment, hotel resort, motel, lodge, bungalow, guesthouse, tourist camping ground and other similar accommodation places.

Assessment of AT

AT is levied at a rate of 2% on room charge inclusive of service charge and all taxes, *except AT and value added tax*.

Submission of AT Return

Taxpayer is required to submit the AT return and make payment to the tax authorities on a monthly basis by the 15th day of the following month.

Tax Penalty

Non-compliance could result in penalty and interest charge in accordance with the tax provisions.

For further information, advice or assistance, please contact:

MS RANY CHUNG, Partner, or FIDES Taxation Service team.

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