



CAMBODIA – September 2021

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Property tax deadline put off till Oct 31 over Covid unease

The deadline for payment of 2021 property taxes has been extended from the usual September 30 to October 31 in light of the Covid-19 situation, and the typical penalties will apply to late payments made from November 1, according to the General Department of Taxation (GDT) on September 28.

The GDT provided a similar extension last year as well, as companies and auditors grappled with the effects of the pandemic.

The regulator suggested using their GDT Taxpayer App – available on Android and iOS 11.0 and above – to pay property taxes in order to save time and effort, as well as minimise the risk of spreading the novel coronavirus.

The GDT said it “strongly hopes that during this tax deferral period, all property owners will move quickly and declare their taxes on time, as scheduled,” the letter added.

The finance ministry unit reported 11.70052 trillion riel (\$2.89 billion) in tax revenue last year, up 423.20 billion riel or 3.73 per cent compared to 2019.

Hong Vanak, director of International Economics at the Royal Academy of Cambodia, stressed that taxes are an important source of revenue for most countries, and that lagging collection affects project developments and productivity in the administrative sector.

Along with business taxes and those on other bases, real estate constitutes a key source of fiscal revenue, he said, adding that the deadline extension would mean additional funds for state coffers.

“This delay is just an additional opportunity for those who were unable to pay their taxes on time, but tax collection in this sector [property] is still not perfect,” he told The Post.

Vanak said tax collection policies in Cambodia associated with real estate lack clarity and transparency, which requires the authorities to issue updates and other changes to provide a greater level of coherence.

This is particularly urgent when it comes to construction settings such as project type and height, as well as legal or other statuses of the underlying area, he added.

International Property Tax Institute

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“The construction and real estate sectors have seen strong growth in recent years, so tax revenue from this area will also increase accordingly with appropriate updates,” he said.

Global Real Estate Association president Sam Soknoeun shared Vanak’s view that the GDT’s decision will mean more revenue for the state, saying the move will benefit those who are late on their payments, or simply forgot.

He suggested that a considerable number of property owners are frankly unaware of their tax obligations.

“This tax is mandatory, but some people are just not interested.”

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