

CAMBODIA

Cambodia - Civil law

Incorporate Now | Consultation

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Cambodia

Far Horizon Capital Inc
10 Anson Road, Suite 26-04
International Plaza, Singapore

Cambodia taxes

Want to setup a company in Cambodia? This will tell you about tax laws for a LLC, which is the most common company type in Cambodia.

Cambodia taxes resident entities on their worldwide income. The usual approximate tax rate for offshore income, from our research, and these things do change, is 20%. Cambodia may not have exemptions to transfer in income earned abroad. Taxes are lower than average in Cambodia as the rate which a LLC will pay tax is 20%. This ranks Cambodia as 70th overall in terms of corporate tax rate worldwide.

The value added tax (VAT) rate in Cambodia is 10.00%, which ranks the country as 47th overall in terms of value added tax rate worldwide. In terms of other taxation, an employer will contribute 2.10% to the equivalent of a social security fund and an employee will contribute 1.30%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 84hours. Contributing to this is the number of yearly labor tax payments, which is 12 in KH.

Thin cap laws aren't officially enacted. Thin capitalisation refers to any sort of requirements on given company with respect todebt-to-asset ratios. Dividends received from a resident company are not taxable. Dividends received from a foreign company are subject to corporate income tax. Dividends are distributions of company profits, established by the board, to a class of its shareholders. Dividends can be either cash payments, shares of stock, or other property. Capital Gains are subject to corporate income tax at standard rates. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 14%. This means that the tax authorities expects companies to automatically withhold 14% of interests paid to non-residents. The dividends withholding tax rate is 14%. This should be interpreted that usually the tax authorities expects relevant legal entities to pay tax on at least 14% of dividend payments to non-residents. The royalties withholding tax rate is 14%. This means that payments on royalties to non-residents are taxed at a 14% rate.
There is no known tax on wealth in Cambodia. There are no known inheritance and transfer taxes in Cambodia. There are real property taxes. There are not many well know research and development tax relieft in this country.

The above is not tax or legal advice for your specific tax obligations. We are able to refer you to a lawyer in Cambodia who can properly advise you. Ready to get started? Click the free consultation button above or press Incorporate now if you are in a hurry.

The vat rate in Cambodia is 10% which ranks 46 in the world.

- ✖ **Patent box**
- ✖ **RND credit**
- ✖ **Wealth tax**
- ☑ **Estate tax**
- ✖ **Transfer taxes**
- ✖ **Asset taxes**
- ✖ **Capital duties**

- **0** **Tax treaties**
- **20%** **Offshore Tax**
- **20%** **Corp rate**
- **-** **Loss carryback years**
- **23** **Corporate time**
- **10%** **VAT rate**
- **20%** **Capital gains**
- **No** **AEOI planned**

Cambodia Legalese

For starters, the law in Cambodia is civil law law. You will want to get some local advice as to how to best structure a company in Cambodia. Electronic signatures are permitted.

The abbreviation KH is for Cambodia and the most common company structure in Cambodia is a LLC.

The average time to incorporate is 8 weeks to put together the paperwork and file a LLC in KH. The types of currencies you can use to capitalize your legal entity is frequently any legal tender.

Yes, one is allowed to re-domicile a LLC from KH. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least This means it is not possible for you to own a LLC in Cambodia as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is encouraged, up to 100% of the total shareholding.

A company is only required to have one director. Speaking of shareholders, corporate directors are not permitted. Directors are disclosed publicly. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an address which can receive any lawsuit papers on behalf of the registered legal entity. However, a company secretary is not always necessary, at least not by law.

There is a requirement to file accounts to relevant authorities. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Cambodia is a ok option and have given it a score of 49 as an IO score, using the Incorporations.IO proprietary formula.

- ✖ **Directors not disclosed in a public registry**
- ☑ **Shareholders not disclosed in a public registry**
- ☑ **Redomiciliation permitted**
- ☑ **Registered office required**
- ✖ **Corporate director permitted**
- ✖ **Local Secretary not required**
- ☑ **Local Director not required**
- ☑ **Electronic signature**

2 **Shareholders required**

1 **Directors required**

8 weeks **to form**

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Country Info



National Flag of

(khm)

Currency

KHR

Area Code

+855

Capital

Phnom Penh

Region

South-Eastern Asia

Native Languages

Khmer