

# **Tax Trends in Cambodia**

13<sup>th</sup> IMF-Japan High-Level Tax Conference April 25-26, 2024

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## 1. Overview of Revenue Mobilization Strategy 2019-2023 (1/2)

Objective: To modern tax and non-tax administration and policy for ensuring effective and efficient revenue mobilization, enhance investment environment, strengthen competition, and foster economic diversification

- 1. To increase the ratio of the current revenue to GDP by 0.3 percentage point on average annually
- 2. Enhance the quality and productivity of service delivery provided by tax and non-tax administrations

#### **Principles**

Ensure economic growth

Maintain sustainable revenue to reach optimal level

Ensure the fairness of the implementation of tax and non-tax policy as well as revenue collection

Ensure equity



## 1. Overview of Revenue Mobilization Strategy 2019-2023 (2/2)



# **Modernization of Tax Administration**

- 1. Institutional framework and governance
  - 2. Core functions
- 3. Supporting functions



#### Modernization of Customs Administration

- 1. Trade Facilitation
- 2. Improving and strengthening governance
- 3. Strategic Management

#### Rationalization of Tax Policy

- 1. Excise Tax
- 2. Property Tax
  - 3. VAT
  - 4. PLT
  - 5. PIT
- 6. Tax on e-commerce
  - 7. Tax Incentive
    - 8. Others



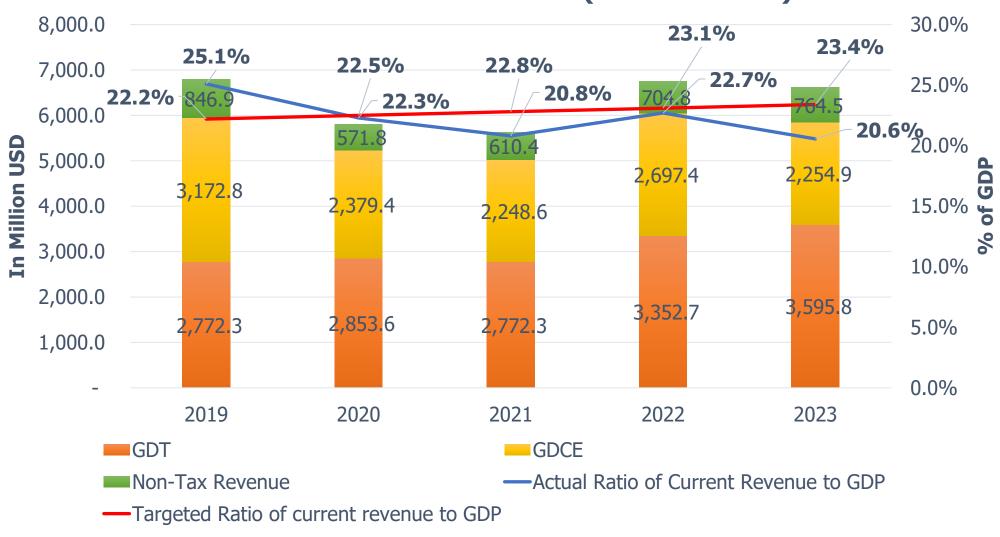
- 1. Modernization of IT Management system
- 2. Preparation of rules and regulations
- 3. Implementation of sectoral measures, which are the main sources of revenue





# 2. The Progress of the Implementation of RMS 2019-2023 (1/2)

#### **Current Revenue Collection (in Million USD)**





# 2. The Progress of the Implementation of RMS 2019-2023 (2/2)



#### Modernization of Tax Administration

- 1. Implementation of e-registration, e-filling, e-payment
  - 2. Strengthening capacify and promoting functions of local tax branches
- 3. The implementation of GDT live chat
  - 4. Strengthening the implementation of risk-based audit
  - 5. Preparation of resource development plan and performance monitoring and evaluation system

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#### Modernization of Customs Administration

- Improving criteria for riskbased indicators for import and export
- 2. Revise customs clearance procedure and process
- 3. Implementation of national single window
- Building and implementing new functions in ASYCUDA and ecustoms system
- 5. Implementation of pre-arrival processing

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#### Rationalization of Tax Policy

- 1. The preparation of guideline for excise tax reform 2024-2028
- 2. The preparation of policy framework for the preparation for the Implementation of personal income tax
- 3. The preparation of new Investment Law
- 4. Amendment of Public Lighting
  Tax

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# Strengthening of non-tax administration and policy

- Introducing Non-tax Revenue
   Management Information
   System (NRMIS) to line ministries and Enhancing the
   development of NRMIS
- 2. Preparation of Law on Non-tax Revenue Management
- 3. Strengthening the collection of non-tax revenue of main sectors such as tourism, mines, ect.



### 3. Way Forward and the Preparation of the Next Phase of RMS

In the Process of **Formulation of** the Next Phase of **RMS** 

**Modernization** of Tax **Administration** 

- 1. Institutional framework and governance
- 2. Core functions
- 3. Supporting functions

**Modernization** of **Customs Administration** 

- 1. Trade Facilitation
- 2. Strengthening governance

**Rationalization** of **Tax Policy** 

- 1. Implementation of guideline for excise tax reform 2024-2028
- 2. Implementation of PIT
- 3. Supporting Functions 3. Study on the impact of Inclusive Framework (Pillar 2)

Strengthening non-tax administration and policy

- 1. Strengthening governance and non-tax policy
- 2. Strengthening the collection of revenue from the potential sections
- 3. Strengthening the core functions of nontax revenue collection and management

# Thank You!