

# PATENT TAX

July 2024 LEGAL UPDATE

“Local expertise with international experience makes us the advisor of choice”

On 11 March 2024, the Royal Government of Cambodia issued Sub-Decree No. 47 An.Pr.K on Patent Tax (the “**Sub-Decree**”). The Sub-Decree is intended to assist the Royal Government of Cambodia with the collection of patent tax from taxpayers who fall under the self-assessment regime.

Patent tax is an annual tax that is determined based upon the classification of the taxpayer as a “small taxpayer,” “medium taxpayer,” or “large taxpayer,” and level of turnover as indicated in the table below.

Self-Assessment Tax Regime	Annual Patent Tax Rate Khmer Riel (KHR)	Annual Patent Tax Rate United States Dollars (USD)
Small Taxpayer	KHR 400,000	USD \$100
Medium Taxpayer	KHR 1,200,000	USD \$300
Large Taxpayer	KHR 3,000,000, or KHR 5,000,000 (if the annual turnover is more than 10 billion Riel - approximately USD \$ 2.5 million)	USD \$750, or USD \$1,250 (if the annual turnover is more than 10 billion Riel - approximately USD \$ 2.5 million)

Taxpayers must apply for a Patent Tax Certificate for each business activity undertaken. The patent tax payable for a new business activity starting from 1 July of the of the year in which the business operations are commenced is 50% of the standard annual patent tax amount specified above and the Patent Tax Certificate must be renewed annually within the first three months of the year.

This announcement does not constitute legal or tax advice and may not be relied upon as such. Should you have any questions or concerns regarding legal or tax issues in Cambodia please do not hesitate to contact us.

## AUTHOR'S PROFILE

---



HAK CHANNY  
Senior Tax Associate

GIA Tower, 37th Floor, Sopheak Mongkul Rd, Diamond Island, Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh, Cambodia (P.O.120101)

T: +855 (0) 85 555 777 / 16 555 777 | E: [info@hbslaw.asia](mailto:info@hbslaw.asia) | [www.hbslaw.asia](http://www.hbslaw.asia)

