



Tax Alert



TAX ALERT – WEEK 1, August 2019

Tax Incentives for Agricultural Enterprises

(Prakas 252 MEF.Prk, 11 March 2019)

This Prakas, issued by the Ministry of Economy and Finance, aims to provide tax incentives, as well as rules to implement them, for agricultural enterprises. These include enterprises producing rice, corn, bean, pepper, cassava, cashew nuts and rubber for domestic supplies and overseas export.

The tax incentives for agricultural enterprises above are as follows:

- **Value Added Tax (VAT):** shall be allowed as state-charged for VAT on supplies of goods or services to agriculture enterprises above. The suppliers to the enterprises above shall not apply VAT on their supplies but are allowed to claim VAT input from purchases relating to those supplies.
- **Withholding Tax (WHT):** shall be exempted from obligation to withhold 15% WHT on service fee paid to individuals not registered in the self-assessment regime.
- **Minimum Tax:** shall be exempted from minimum tax, provided enterprises maintain proper accounting records in accordance with laws and provisions in effect.

To obtain above tax incentives, enterprises must fulfil the following conditions:

- Obtain a certificate of VAT as state-charge from the General Department of Taxation with a 1-year validity;
- Attach a list of suppliers claiming VAT as state-charge with the monthly VAT return; and
- Maintain accounting records in accordance with laws and provisions in effect.

These tax incentives shall be implemented until the end of year **2023**.

As a committed tax advisor to our clients, we welcome any opportunity to discuss the relevance of the above matters to your business.

Contact us

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