

# Technical Update

June 2020

## Business registration via information technology system

### Royal Government of Cambodia (“RGC”) – Sub Decree No. 84 dated 10 June 2020 on Business Registration via Information Technology System (“Sub Decree”)

The RGC has launched a one-stop online platform to simplify business registration in Cambodia. The platform centralizes the following services:

- Business registration with the Ministry of Commerce (“MoC”).
- Tax registration with the General Department of Taxation (“GDT”) of the Ministry of Economy and Finance (“MoEF”).
- Declaration of the opening of the enterprise with the Ministry of Labor and Vocational Training (“MLVT”).
- Registration of Qualified Investment Projects (“QIP”) with the Council for the Development of Cambodia (“CDC”).

Applicants must complete the required information and attached all required documents via this website: [registrationservices.gov.kh](http://registrationservices.gov.kh). Applicants may authorize a third party to conduct the registration on their behalf.

The Sub Decree also sets the timeframe for each competent Ministry/Institution to issue the registration Certificate or Verification Letter as follows:

- MoC: Within three (3) working days after receiving the online application, the MoC examines the accuracy of the information provided, verifies that the documents requested have been included in the application, and issues the Certificate of Incorporation in digital form that can be extracted from the business registration website for official use.
- GDT: Within four (4) working days after getting the Certificate of Incorporation from the MoC, the GDT examines the accuracy of the information provided, verifies that all documents requested have been included in the application, and provides the tax registration approval including Patent Tax Certificate, VAT Certificate, ID card of Tax Registration, and the notification letter on the completion of the tax obligation in digital form that can be extracted from the business registration website for official use.

All types of taxpayers only need to pay 50% of the Patent tax fee as determined in the tax regulations in force for the year of doing the business registration.

Note that business registration applicants must submit their bank account information to the GDT within fifteen (15) working days after receiving the tax registration approvals, or the tax registration approvals will be withdrawn automatically.

- MLVT: Within one (1) working day after getting the approval from the MoC and GDT, the MLVT reviews and accepts the application for the declaration of the opening of the enterprise by providing the administration number via the business registration website in accordance with the law and regulations in force. If the MLVT fails to meet the deadline, the declaration on the opening of the enterprise application will be accepted automatically.
- CDC: Within twenty (20) working days after receiving the application and if the project does not fall within the investment “negative list”, the CDC examines the accuracy of the required information, verifies that all documents requested have been included in the application, and issues the Project Registration Certificate in digital form to the applicant via the business registration website for official use.

The competent Ministries/Institutions could suspend or withdraw the Certificate and Verification Letter if the applicants fall under the following situations:

- Fail to follow the requirements as determined in this Sub Decree
- Provide fake information or fake documents
- Breach the law or regulations in force.

Finally, in the event that the completed information and the attached documents are not complete and filed correctly, the competent Ministries/Institutions are required to notify the applicant for rectification or addition of information. The competent Ministries/Institutions must issue the Certificate or Verification Letter within the set timeframe in this Sub Decree counting from the time that the applicant has rectified or provided the additional information.

The Sub Decree came into in force and is effective from 10 June 2020.

### **Commentary:**

The new system has been introduced by the RGC to speed up, facilitate and increase the transparency of the business registration process.

This is a positive step forward. However, the new system requires entities to learn how to use it as well as identify the necessary adjustments to the existing registration processes to comply with its requirements. KPMG has worked closely with the relevant authorities to gain an understanding of the operation of this new system and can assist you to navigate the new registration process.

As committed tax and corporate consultants to our clients, we welcome any opportunity to discuss the relevance of the above matters to your business at a mutually convenient time.

## Contact us

**KPMG Cambodia Ltd.**

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**Please contact us if you have any questions:**

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