

Technical Update

Tax and Corporate Services

January 2016

Online Business Registration and Re-registration of all Existing Companies with the MoC.

On 29 December 2015, the Ministry of Commerce ('MoC') issued Prakas no. 299 and 300 to inform that enterprises/establishments shall be obliged to register or re-register online with the MoC via www.businessregistration.moc.gov.kh. The new system is intended to allow companies to apply for business registrations, keep their official information up to date, and complete their filings without having to be physically present at the MoC.

Re-registration of all existing entities

Based on the Prakas no. 300, all entities registered with the MoC prior to 4th January 2016 are required to re-register in the online system not later than 31 March 2016. The application fees will be waived for those entities which apply within the timeframe. Upon completion of re-registration, the entity shall receive a business registration number and a new incorporation certificate which has no expiration date.

All entities are required to apply for a name reservation which has a 3-month validity, and can be prolonged for another 3-months. There is no fee charge for the name reservation.

If entities fail to re-register in the online system by 31st March 2016, the process can be prolonged to 30th June 2016, with the full payment of the application fees (same as new registration).

For entities which fail to meet the second deadline of 30th June 2016, the MoC shall file a letter to the Ministry of Economy and Finance to commence tax clearance obligations and then file to the court for legal action.

New Company registration

From 4th January 2016 onwards, all new business registrations with the MoC shall be done online. The payment of registration fees can also be made via the electronic banking system in accordance with Joint Prakas No. 1643 MoEF dated 16th December 2014. The payment receipt shall be issued by an automated system as evidence to prove the payment.

In addition to Prakas no. 299, the MoC issued a notification no. 0039 dated 5th January 2016 on the payment method, which can be made via ACLEDA, CANADIA and FOREIGN TRADE BANK to the bank account as follows:

1-FOREIGN TRADE BANK (FTB)	2-ACLEDA Bank Plc. (ACLEDA)	3-Canadia Bank Plc. (CANADIA)
KHR: 010-01-290-000094-0	KHR: 0001-02-076702-27	KHR: 001-000-333-88-22
USD: 010-30-063-000937-8	USD: 0001-02-076702-18	USD: 001-000-333-55-88

With regards to the above notification, the MoC is closely working with the Banks to improve the e-payment methods and shall shortly issue a notification to update the status of this matter.

Our comments

Online business registration is a new innovation introduced by the MoC in order to modernize its procedures and increase the transparency of the process. It is a positive step forward, however, we understand that the MoC officials are still in the process of training staff in the use of the system. Entities may find it difficult to implement the new system with a short deadline set without clear guideline from the MoC. KPMG have been working closely with the MoC for more updates and clarifications regarding the new requirement by the MoC and will provide further information on these as they become available.

As a committed tax and corporate consultant 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

PO Box 2352
4th floor, Delano Center
No.144, Street 169
Sangkat Veal Vong
Khan 7 Makara, Phnom Penh
Kingdom of Cambodia

Michael Gordon

Senior Partner
T : +855 23 216 899 (ext 7222)
E : mgordon@kpmg.com.kh

So Dary

Director
T : +855 23 216 899 (ext 7277)
E : daryso@kpmg.com.kh

Bun Sovann

Senior Manager
T : +855 23 216 899 (ext 7122)
E : bsovann@kpmg.com.kh

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