Advance Grand
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2025 Annual Compliance Obligations

November 1, 2025

Advance Grand Formula would like to extend our warmest wishes to all our clients, partners, and friends. May the new year bring you growth, prosperity, and success in every endeavor.
As 2025 comes to a close, businesses in Cambodia must complete various year-end compliance requirements and prepare for their 2026 obligations.

2025 Tax on Income Return
The standard fiscal year in Cambodia runs from 1 January to 31 December. All taxpayers are required to declare annual Tax on Income (TOI) for the 2025 through electronic filing with the General Department of Taxation (GDT) by the 31st of March 2026, or within three months after the end of the tax year for enterprises that have a non-standard tax year.

This requirement is mandatory regardless all taxpayers have any taxes to pay not.

All self-assessment taxpayers must include a balance sheet, profit and loss account and an annexed list of any related party transactions carried out during the 2025 tax year.

2025 Transfer Pricing

Prakas 986 requires self-assessment taxpayers that engage in related-party transactions (RPTs) during the 2024 tax year to meet two annual obligations:

- Complete a transfer pricing declaration attached to the 2024 annual TOI return and submit it to the GDT through the e-filing system; and
- Prepare a 2024 local transfer pricing file, with its completion confirmed in the 2024 TOI return.

General Department of Taxation (GDT) issued revised transfer pricing (TP) regulations under Prakas 574 on 19 September 2024, which will come into effect in 2025. The updated framework brings Cambodia's TP rules more closely in line with OECD guidelines and broadens the definition of a "related party" to include any entity that directly or indirectly controls, is controlled by, or is under common control with the taxpayer. This expanded definition also covers relationships between a permanent establishment and its non-resident head office.

Under the new rules, all Cambodian entities involved in related-party transactions are required to prepare and retain Local File transfer pricing documentation on an annual basis. Covered transactions include intercompany loans, sales and purchases of goods, leases, royalties, transfers of intangible assets, and technical or management service fees.

Annual Certificate of Compliance – Qualified Investment Project
The annual Certificate of Compliance (COC) is a formal document issued by the Council for the Development of Cambodia (CDC) or the Municipal-Provincial Investment Sub-Committee (MPISC) in the year following the relevant compliance period. It certifies that a Qualified Investment Project (QIP) has met all applicable legal and regulatory obligations for the preceding year, thereby maintaining its eligibility for investment incentives, including tax holidays and duty exemptions.

Sub-Decree 139, dated 26 June 2023, requires investment projects to submit both semi-annual and annual reports to the CDC/PMIS within 20 days after the tax return filing deadline in order to retain their investment and tax incentives.

2025 Patent Tax

All self-assessment taxpayers operating in Cambodia are required to register and pay their 2026 Patent Tax by the 31st of March 2026 for each business activity that they carry out. The amount of Patent Tax is dependent on what class a taxpayer is classified. The 2026 Patent Tax fees are as follows:

Tax Regime	Patent Tax Cost in Khmer Riel	Patent Tax Cost in USD
Small taxpayer	400,000 KHR	100 USD
Medium taxpayer	1,200,000 KHR	300 USD
Large taxpayer	3,000,000 (Applies when annual turnover ≤ KHR 10,000,000) or 5,000,000 (Applies when annual turnover exceeds KHR 10,000,000)	500 USD or 1,250 USD

Annual Declaration of Commercial Enterprise (ADCE)
All enterprises (including company, branch or representative office) are required to update the Ministry of Commerce (MOC) on any changes to the enterprise's information previously submitted upon registration. ADCE must be performed within 3 months from the anniversary of re-registration of the enterprise on the MOC's online system. The MOC will impose a penalty of KHR 2,000,000 (approx. USD 500) if an entity submit after that three months period.

Submission of Annual Financial Statements
Audited Financial Statements
Entities who are obliged to obtain audited financial statements under Prakas 563 must submit their audited financial statements with the Accounting and Auditing Regulator ("ACAR"), using its e-filing system, no later than 6 months and 15 days after the close of the accounting period.

Unaudited Financial Statements
Those entities that are not required to have their 2025 financial statements audited are required to submit their 2025 unaudited financial statements through ACAR's e-filing system no later than 3 months and 15 days after the close of the accounting period. However, since 12 and 13 April fall on weekends and 14 to 16 April are public holidays (Khmer New Year), the practical deadline becomes 11 April 2026. The deadline may be revised upon notification from ACAR.

Labour Compliance
Foreign Employee Quota for 2025
Enterprises that employ or plan to employ foreign workers are required to apply for a foreign employee quota through the Ministry of Labour and Vocational Training (MLVT) online system. All applications must be submitted by the 30 November each year.

Foreign Employee Work Permits for 2025
A foreign national must have a valid work permit to legally work in Cambodia. Each work permit is valid for one year and, regardless of the issuance date, automatically expires on 31 December of that year. If a company intends to continue employing foreign nationals in the next year, it must apply to extend their work permits by 31 March of the following year.

Obligations for large employers

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Enterprises with 100 or more employees are required to hire at least 1% of their workforce as qualified disabled persons and report this to the MLVT and the Ministry of Social Affairs, Veterans, and Youth Rehabilitation every January.
Additionally, companies with more than 60 employees must provide annual apprentice training according to the following workforce-based quotas:

1. 10% for enterprises with 61–200 employees
2. 8% for enterprises with 201–500 employees
3. An extra 4% for every additional 500 employees beyond 51, with a maximum of 110 apprentices trained per year

The deadline to complete apprentice training is 31 October each year.

Advance Grand Formula Co., Ltd is licensed audit firm from Accounting and Auditing Regulator (ACAR Decision N0. 014), member audit firm of Kampuchea Institute of Certified Public Accountants and Auditors (license number C-00085) and tax agent from General Department of Taxation (license number TA202204002).

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