KPMG

Technical Update

August 2023

Amendment of Specific Tax (ST) Rates on Locally Produced Non-alcoholic Beverages

(Notification 28271 GDT, dated 15 August 2023)

Further to the promulgation of the new 2023 Law on Taxation (LoT) and Sub-Decree no. 122, dated 6 June 2023, this notification was issued by the General Department of Taxation (GDT) to inform all enterprises in the non-alcoholic beverage industry that produce and supply locally in Cambodia regarding the new ST rates effective from 1 September 2023 onwards:

1. 15% ST on all kinds of energy drinks
2. 5% ST on certain non-alcoholic beverages, including:
    - Milk-based drinks that undergo high ultraviolet (UV) radiation
    - Soy milk
    - Coconut water-based drinks
    - Coffee-based drinks or drinks with coffee-added flavor
    - Non-carbonated drinks for instant consumption
3. 10% ST on other non-alcoholic beverages not mentioned above

The calculation base of ST shall be implemented in accordance with the existing Prakas 012 MEF.Prk, dated 14 January 2020.

Our comments

This GDT notification informed the affected taxpayers on the ST rates imposed on local production and supply of specific non-alcoholic beverages which is in line with the provisions of the 2023 LoT and Sub-Decree no. 122. For instance, while the ST on energy drinks is increased by 5%, the ST on specific milk, coffee products, and non-carbonated drinks is also reduced by 5%. Affected taxpayers should review the product descriptions and be aware of the new ST rates to ensure proper compliance with this new notification.

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

© 2023 KPMG Cambodia Ltd., a Cambodian single member private limited company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Contact us

Phnom Penh

PO Box 2352
35th Floor, GIA Tower,
Sopheak Mongkul Street, Diamond Island,
Sangkat Tonle Bassac, Khan Chomkarmon,
Phnom Penh, Kingdom of Cambodia

T +855 (17) 666 537 | +855 (81) 533 999

Scan to visit our website: kpmg.com.kh
Email: kpmg@kpmg.com.kh

Michael Gordon
Senior Advisor,
Partner

T +855 17 666 537
E mgordon@kpmg.com.kh

Tan Mona
Partner

T +855 17 666 537
E tmona@kpmg.com.kh

So Dary
Partner

T +855 17 666 537
E daryso@kpmg.com.kh

Nguon Socheata
Director

T +855 17 666 537
E nsocheata@kpmg.com.kh

Song Kunthol
Director

T +855 17 666 537
E skunthol@kpmg.com.kh

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG Cambodia Ltd., a Cambodian single member private limited company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.