

# CAMBODIA - LOGIC CHANGES

## NEW LOGIC GUIDE

THOMSON REUTERS TAX RESEARCH  
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### Introduction

This guide provides an explanation of the most recent changes made to Determination for the authority of Cambodia, which were applied to reflect implementation of the Sub-decree on 8 April 2021, Prakas No. 542 on 8 September 2021 and Instruction No. 20522 on 8 December 2021. The Law introduces a new mechanism to collect tax from cross-border e-commerce traders and digital platform-based service providers. Starting 1 April 2022, tax registration, tax declaration, and payment of foreign suppliers shall be done electronically. Otherwise, in case of B2B transaction Cambodian organization purchasing services will withhold, declare, and pay taxes on behalf of the foreign supplier.

Below are some examples of the expected tax results including Cambodia authority in respect of the supplies of Electronic Services.

## PART I – UPDATES TO DETERMINATION

### Logic Mappings

The authority logic group of Electronic\_Services was mapped effective 1 April 2022 with the highest order for the authority of Cambodia.

### Authority Options

The following authority option was added effective 1 April 2022 for the authority of Cambodia:

AUTHORITY OPTION	CONDITION	VALUE
CL – Customer Location Reverse Charge	Foreign Transaction	Registration Required

## PART II - TAX RESULTS EXAMPLES

### Test 1: B2C Electronic Services provided by a foreign, not registered Seller to the Cambodian Buyer (Seller role)

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Electronic Services
Seller Primary	Poland
Buyer Primary	Cambodia
Seller Registration	PL1234567890
Buyer Registration	None

#### Tax Calculation Results

##### Scenario 2022 April 1st Update- Cambodia VAT on Electronic Services (Seller Role):

View Results: <input type="button" value="1"/>	<b>Gross Amount: 100.00</b>	<b>Eff%: 0%</b>					
Zone	Authority	Invoice Desc	Type	Dir	Fee Rate	Tax Amt	TT IT
Country: POLAND	Poland	Not Liable	NL	O	0%	0.00	
Country: CAMBODIA	Cambodia	Not Liable	UN	O	0%	0.00	
						<b>0.00 USD</b>	

#### Authority Messages:

Authority	RuleOrder	Message
Poland	5001	EUSS17: No VAT liability in Seller's country under Article 44 of EC Directive 2006/112.
Cambodia	5001	GCSC32: Seller cannot invoice VAT since seller is not registered in Buyer's country.

## Test 2: B2C Electronic Services provided by a foreign, registered Seller to the Cambodian Buyer (Seller role)

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Electronic Services
Seller Primary	Poland
Buyer Primary	Cambodia
Seller Registration	123456789
Buyer Registration	None

### Tax Calculation Results

#### Scenario 2022 April 1st Update- Cambodia VAT on Electronic Services (Seller Role):

View Results: <input type="button" value="2"/>	<b>Gross Amount: 100.00</b>	<b>Eff%: 10%</b>					
Zone	Authority	Invoice Desc	Type	Dir	Fee Rate	Tax Amt	TT IT
Country: POLAND	Poland	Not Liable	NL	O	0%	0.00	
Country: CAMBODIA	Cambodia	VAT	S	O	10%	10.00	
						<b>10.00 USD</b>	

#### ☐ Authority Messages:

Authority	RuleOrder	Message
Poland	5001	EUSS17: No VAT liability in Seller's country under Article 44 of EC Directive 2006/112.
Cambodia	10000	GCSCL14: Output VAT in Buyer's country.

### Test 3: B2B Electronic Services provided by a foreign Seller to the Cambodian Buyer (Buyer role)

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Electronic Services
Seller Primary	Poland
Buyer Primary	Cambodia
Seller Registration	PL1234567890
Buyer Registration	123456789

Tax Calculation Results									
Scenario 2022 April 1st Update- Cambodia VAT on Electronic Services (Buyer Role):									
View Results: 1		Gross Amount: 100.00		Eff%: 0%					
Zone		Authority		Invoice Desc		Type	Dir	Fee Rate	Tax Amt TT IT
Country: CAMBODIA		Cambodia		VAT		RC	O	10%	10.00
Country: CAMBODIA		Cambodia		VAT		RC	I	10%	10.00
								0.00 USD	
[-] Authority Messages:									
Authority		RuleOrder		Message					
Cambodia		10000		GCBCL31: Reverse charge in Buyer's country.					
Cambodia		10000		GCBCL32: Recovery of reverse charge in Buyer's country.					