

What kind of immovable properties are taxable?



With the real estate sector booming, especially in the land and housing markets in Cambodian cities and provinces, understanding the types of taxable immovable property is important for property developers, land broker agencies and the general public to process their tax payment as required by law. The definition of “Immovable Property” is clearly spelled out in article 13 of the 2010 Law on Finance. The term refers to lands, houses, and other constructions directly built on land. In Cambodia, real estate is taxed only if the property is worth more than 100 million riels, or approximately US\$25,000 and must fall under categories of Land, House, Building or construction. Whereas the untaxable immovable property is a kind of property that is worth of 100 million riels or less, according to article 14 of the 2010 Law on Finance, untaxable immovable properties of Agriculture land, State properties, Religious and charity property, Diplomatic property, Majeure Force, Incomplete buildings, and SEZs Property. According to the above law, a taxpayer is referred to as a natural person or a legal entity that is determined by law to pay the property tax in various categories. Such persons or entities include: Proprietor, Occupier, Final beneficiary. In short, the type of taxable property in Cambodia depends on the amount of the property value, type of ownership and the purpose of using that property. Not all of the immovable property owners are subject to be taxed, and it does not mean that all of more than 100 million riels property owners are taxable. It also depends on for what purpose the property is used. Notably, unused properties are also subject to tax, especially

land without construction and land with construction but abandoned in cities and areas as defined by the “Unused Land Appraisal Committee (ULAC).”

Learnt from: Construction & Property (4th June, 2020)

Four-star hotel in Phnom Penh greenlit



The Council for the Development of Cambodia (CDC) has approved local company Sun and Moon Hotel Co Ltd.’s \$35.2 million four-star hotel project in Phnom Penh. The hotel will comprise 200 rooms and is expected to create 535 jobs. It is located in Chamkarmon district’s Tonle Bassac commune on the northeast corner of Norodom and Monivong boulevards just north of the Monivong Bridge. This is the company’s second Western-style luxury hotel in the city centre, after Sun and Moon Urban Hotel on the southeast corner of the intersection of Street 136 with Street 15, in Daun Penh district’s Phsar Kandal I commune. Investment continues to pour into Cambodia’s tourism sector and hospitality industry, setting an optimistic mood that the Kingdom will soon welcome back

Learnt from: Phnom Penh Post (10th June, 2020)

Leedon Heights: condominium project launch in Phnom Penh



Leedon Heights

Leedon Heights, a USD\$ 70 million condominium project, located in the Sen Sok district next to AEON2 will begin construction in the third quarter of 2020 and will be completed by the end of 2024, according to Managing Director of CBRE Cambodian. The first phase of development involves four towers on a site of 1.5 hectares. Each tower extends to 36 storeys, with the whole project containing a total of 1,190 units. Limited unit prices start from just under US\$70,000. The project is a joint-venture between Cambodian, Singaporean and Taiwanese corporations with many years of experience in delivering high quality residential and commercial developments in Cambodia.

Learnt from: Construction & Property (12th June, 2020)

Minister of Economics and Finance: 99-year economic land concessions to be cut to 50 years

State-owned lands granted to private companies as economic land concessions (ELC) for periods of 99 years, 90 years or 70 years must be reduced to 50 years, according to Minister of Economics and Finance (MEF) in a meeting on the Draft Law on the Management, Use and Organization of State assets on 16 June 2020. Currently in Cambodia, there are 231 private companies leasing a total of 1.1 million hectares lands from the state. To date, MEF has reviewed the lease terms of 64 companies among a total of 231 companies, to reduce the lease periods from more than 50 years to no more than 50 years in accordance with the draft law. So far, the rent from the state is US\$5 per hectare and the state only charges for lands that the companies have already cleared up. But now, the government requires that the company that rents land from the state must pay the rent depending on the size of the rented land.

Learnt from: Construction & Property (17th June, 2020)

Phnom Penh had 583 new construction projects worth US\$1.3 billion after 5 months of COVID-19

According to Director of the Department of Land Management, Urban Planning and Construction, there have been 583 new construction projects in

Phnom Penh, on a total area of about 2,881,317 square metres in the last five months. There are 529 high-rise buildings, and 244 boreys under construction on the current building statistics. For the systematic land registration work, the department has listed 162 separate registrations for the first half of this year. For work related to the registration of state private land for concessions, the department has registered 29 properties on over 82 hectares and granted ownership to approximately 18,000 families. In addition to the issue of land clearance for the people, the department also registered and distributed 562 plots of land to the citizens of Meanchey community, which was granted by lottery. As a result, 152 plots are now under construction. Despite several new projects, there are some projects being blocked due to the majority of the investors being foreigners.

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