

### Comparison of Company Limited, Branch and Representative office in Cambodia

Items		Private Limited Company	Branch	Representative Office (“RO”)
1	Legal Status	Independent legal entity	Has no separate legal personality from its parent company, which means that the parent company is responsible for all liabilities incurred by its branch.	Has no separate legal personality from its parent company, which means that the parent company is responsible for all liabilities incurred by its RO.
2	Business Scope	Entitled to perform business activities within its business scope, such as sale, purchase of goods, services, and manufacturing.	Entitled to perform business activities within its business scope, such as sale, purchase of goods, services, and manufacturing.	<p>A RO has its limited scope of its businesses to be transacted and is not allowed to carry out generating profit activities (regular sale, purchase of goods, services, manufacturing, processing, construction).</p> <p>The scope of the permitted businesses of a RO are as follows: contacting with customers for introducing customers to its parent company, researching commercial information and providing the information to its parent company, conducting market research, market goods at trade fairs and exhibit samples and goods in its office or at trade fairs, purchasing and keeping a quantity of goods for the purpose of trade fairs, renting an office and employ local staff, entering into contracts with local customers on behalf of its parent company.</p>
3	Registered Capital	<p>The minimum registered capital is USD1,000.</p> <p>Kaizen advises to register USD5,000 to satisfy the operating costs.</p>	The registered capital is not required	The registered capital is not required
4	Annual Declaration of Commercial Enterprise (“ADCE”)	ADCE must be submitted on the annual basis	ADCE must be submitted on the annual basis	ADCE must be submitted on the annual basis

Items		Private Limited Company	Branch Office	Representative Office (“RO”)
5	Human Resource (“NSFF”)	It is required to pay monthly contribution to NSFF on the behalf of the employees.	It is required to pay monthly contribution to NSFF on the behalf of the employees.	It is required to pay monthly contribution to NSFF on the behalf of the employees.
6	A Status of Qualified Investment Project (“QIP”)	Eligible for a status of QIP to be approved by the Council for the Development of Cambodia to receive tax holidays and import duty exemptions.	Not accepted for QIP	Not accepted for QIP
7	Monthly Tax Return	Required to file & pay monthly tax returns, including prepayment of tax on income (1% of monthly turnover), withholding tax (10-15%), value added tax (charged at 10% on the value of the supply of most goods and services), tax on salary ( 5-20%) & fringe benefit tax (20% on the market value of the fringe benefits provided to an employee).	Required to file & pay monthly tax returns, including prepayment of tax on income (1% of monthly turnover), withholding tax (10-15%), value added tax (charged at 10% on the value of the supply of most goods and services), tax on salary ( 5-20%) & fringe benefit tax (20% on the market value of the fringe benefits provided to an employee).	Required to file & pay tax on salary, tax on fringe benefit and withholding tax for its’ activity. In the interim, a RO is also obliged to declare the income-related taxes, even though it does not carry out any generating profit activities.
8	Patent Tax (commonly known as business registration tax)	Shall pay patent tax and renew the Patent Tax Certificate every year before 31st March.  Patent tax for limited company depending on its classification of taxpayer (a medium or a large taxpayer) and its annual turnover (around USD300 per year as a medium taxpayer and USD750-1,250 as a large taxpayer).	Shall pay patent tax and renew the Patent Tax Certificate every year before 31st March.  Required to be registered with tax department as a large taxpayer and pay patent tax of USD750-1,250 per year regardless of its annual turnover and a business activity.	Shall pay patent tax and renew the Patent Tax Certificate every year before 31st March.  Can be registered with tax department as a medium taxpayer and pay patent tax of USD300 per year.
9	Annual Tax on Income (“TOI”) Return	Annual TOI return shall be done due three months after the year end, i.e. 31th March.	Annual TOI return shall be done due three months after the year end, i.e. 31th March.	Annual TOI return shall be done due three months after the year end, i.e. 31th March.

*If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at [www.kaizencpa.com](http://www.kaizencpa.com) or contact us through the following and talk to our professionals:*

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