

TAX AUDITS AND TRANSFER PRICING FOR THE **TRANSPORT** AND **LOGISTICS** SECTOR

BREAKFAST BRIEFING

📍 VDB LOI CAMBODIA OFFICE

📅 November 17, 2023



INTRODUCTION

Cambodian tax issues for freight forwarders, liners and other international transporters, logistics service providers and their agents are among the most complex from all industry sectors. Often, payments for international transport made by customers go through Cambodian bank accounts of agents or subsidiaries and trigger GDT scrutiny. Shared services and allocation of global expenses at times been used by tax officials to impose taxes. New 2023 rules about agents and permanent establishments will muddle the waters further. What issues can you win in tax audits, and how to better arm yourself against transfer pricing disputes?

In this highly practical briefing, we focus on the real tax issues transport and logistics companies face in tax audits. What to do if the GDT feels your profit margin is too low, or when the payments you make to the head office must also be taxed?

SPEAKERS



Edwin Vanderbruggen
Senior Partner

Edwin has 30 years of experience as a tax consultant and spent several years as a fulltime internal adviser with the tax authorities in Cambodia. He is recognized for his experience and knowledge in strategic transfer pricing matters, such as high-stakes disputes and transfer pricing planning, and he leads a team of experienced tax advisers in Cambodia on transfer pricing compliance projects. Edwin has trained tax authorities in Thailand, Myanmar, and Cambodia on transfer pricing issues, and published several professional textbooks on transfer pricing. Edwin and his team assist banks, oil and gas companies, telecoms, and other multinationals with their transfer pricing needs in Cambodia.



Laysym Sim
Partner

Laysym is an experienced tax adviser with a degree in management. He has over 19 years of work experience, including with KPMG and DFDL in Cambodia, where he was responsible for relations with the tax authorities. He advises on transfer pricing, tax planning, and tax disputes. Laysym has conducted tax due diligence on several major acquisitions in Cambodia, and worked with a wide variety of international clients across a broad range of industries.

HIGHLIGHTS

- GDT practices on actual tax audits in the logistics sector: what are the key lessons learned?
- Ocean freight and other payments for foreign liners or transports remitted by Cambodian agents, freight forwarders or subsidiaries
- Are ocean freight fees, document fees and THC taxable in Cambodia?
- Shared services, fees paid to group head office: tax audit challenges
- Transfer pricing for logistics companies and service providers
- What steps can you take to protect yourself from GDT challenges?
- What is a normal or arm's length profit margin for a logistics company? Actual case study



TIME	PROGRAM
09:15AM - 09:30AM	TAX ON INCOME ISSUES FOR LOGISTICS COMPANIES <ul style="list-style-type: none">• “Deemed profit margin” and tax audit challenges• Income of non-resident ocean liners, THC and Document fees• Expense deduction: practical cases
09:30AM - 09:45AM	WITHHOLDING TAXES FOR LOGISTICS COMPANIES <ul style="list-style-type: none">• Payments to group companies and head office• Service fees and other payments for head office support• Exemptions based on Double Tax Agreement (“DTA”)
09:45AM - 10:00AM	TRANSFER PRICING FOR LOGISTICS COMPANIES <ul style="list-style-type: none">• What is a normal profit margin for a Cambodian subsidiary?• What is a normal revenue share for an agent?• Benchmarking studies for logistics companies in Cambodia
10:00AM	Q&A

EVENT LOCATION




VDB LOI OFFICE CAMBODIA
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HOW TO REGISTER AND ATTEND?

Registration is free of charge for VDB Loi clients and invitees. Send your info (Name, Position, Company, Email, Contact Number) to Kathryn Ortega (kathryn.ortega@vdb-loi.com) or scan QR Code for online registration.

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