

Cambodia, officially known as the Kingdom of Cambodia, is a southeast Asian country located in the southern part of the Indochina Peninsula that borders the Gulf of Thailand. The country's large population around 16 million and thriving export industries such as textiles, vehicles, natural rubber, and fish make it a great place for companies looking to expand to Asia.

Globalization Partners can help your company expand faster without the stress of compliance. We offer Cambodia payroll outsourcing services through our [Employer of Record](#) solution. When you choose us, we'll add your employees to our locally compliant payroll and shoulder all compliance. With our help, you can have employees working on your behalf in days rather than spending weeks setting up the structures needed to hire Cambodian employees.

## Taxation Rules for Payroll

Cambodian companies are responsible for a corporate tax rate of 20%, as well as other taxes depending on your location and industry. Employers also have to pay 0.8% of your employees' monthly wages to social security. Employees do not pay into social security, but they do need to pay personal income taxed progressively up to 20%. As an employer, you're responsible for withholding taxes at the source and making Tax on Salary declarations no more than 15 days after the previous month's end.

## Cambodia Payroll Options

You have multiple different Cambodia payroll options to choose from, including:

- **Remote:** Many companies looking to open a subsidiary in Cambodia may already run payroll out of their parent company in their native country. You can add your Cambodian employees to that payroll and compensate them remotely, but they will have different regulations.
- **Internal:** Larger subsidiaries with more resources can run payroll out of their subsidiary as long as they can hire a larger HR staff. However, you will need a bigger budget and an expert in Cambodia employment compliance laws on your team.

- Local payroll company: You can also choose to outsource your payroll with a Cambodia payroll processing company. This process takes care of setting up your Cambodia payroll, but you'll still need to handle all matters of compliance.
- Globalization Partners: Globalization Partners is the Cambodia payroll outsourcing company you can trust. We'll run your payroll and also take on the risk of compliance, so your only focus can be on building a new company location.

## What Do You Need to Set up Payroll?

Companies looking to set up their Cambodia payroll must start by registering with the Ministry of Commerce and receiving a certificate of incorporation as well as a license. Other steps include:

- Registering with the General Department of Taxation within 15 days
- Receiving a tax patent and VAT certificate
- Visiting the Ministry of Labor and Vocational Training as well as the National Social Security Fund if you plan to have more than eight local employees

It can take a total of three months or more to register your Cambodia payroll. Plus, you have to establish a subsidiary in the country before undertaking any of these steps. Globalization Partners can take that time down to a few days. We can [hire employees on your behalf](#), help them become productive sooner, and provide Cambodia payroll outsourcing services for peace of mind.

## Necessary Entitlement and Termination Terms

We recommend including entitlement and termination terms in an employment contract before setting up your Cambodia payroll and hiring employees. Cambodia lets employees terminate indefinite-term contracts for any reason, but employers need a valid reason related to the employee's ability to do the work or the company's economic factors. You need to give termination notice in writing, and employees are typically entitled to severance pay of at least 5% of wages received during their contract.

## Contact Globalization Partners Today

If you're ready to expand to Cambodia, let Globalization Partners help. Contact us today to learn more about Cambodia payroll outsourcing.