

LAW ON
CORPORATE ACCOUNTS, THEIR AUDIT
AND THE ACCOUNTING PROFESSION

Chapter 1: General Provisions

Article 1: This law shall determine the organization, management, and function of accounting system based on international accounting standards for enterprises either natural persons or legal entities having independent profession in the Kingdom of Cambodia.

Article 2: In this Law, unless the context or subject matters otherwise requires:

“Accounting” means a system of identifying, recording, assembling, measuring, classifying, and presentation of financial information concerning the activities of an entity.

“Audit” means the systematic review or examination of the assertions or actions of a business entity to evaluate whether that entity is complied with the standards. Audit services include financial statement audits, performance audits, compilation, reviews, and agreed upon procedures. Only a registered auditor complying with this Law may perform these services and sign such reports as an auditor.

“Financial Reporting” means the reports containing information on the financial position, the results of activities, and the cash flows of an accounting entity during a specific period.

“International Accounting Standards” means the standards promulgated by the International Accounting Standards Board.

Article 3: In compliance with current laws, all enterprises, whether natural or legal entities, are required to keep books and accounts and have audited in accordance with the terms and conditions provided for under this Law.

Article 4: Enterprises shall prepare financial statements on a yearly basis that are in compliance with both the conceptual framework and Cambodian Accounting Standards, the principles of which are set out by PRAKAS promulgated by the Minister of the Ministry of Economy and Finance and in line with the International Accounting Standards.

Article 5: Enterprises shall keep their accounts and accounting books as defined by PRAKAS announced by the Minister of Economy and Finance and in line with the International Accounting Standards. All accounting transactions shall be supported by documentary evidence.

Chapter 2: National Accounting Council

Article 6: A National Accounting Council shall be established under the auspices of the Ministry of Economy and Finance.

Article 7: The National Accounting Council is thereby mandated to:

- be a consultative body;
- review and give its opinion on all drafts and regulations which consist of provisions pertaining to the preparation of accounting for all enterprises or economic activities;
- develop the conceptual framework and the Accounting Standards referred to in article

Dated in Phnom Penh, this 8th day of July 2002
(signed)
Norodom Sihanouk

Submitted to The Signature of The King
The Prime Minister
(signed)
Hun Sen

Communicated to Samdech The Prime Minister
The Senior Minister and Minister of Economy and Finance
(signed)
Keat Chhon