



Kingdom of Cambodia
Nation Religion King

The Royal Government of Cambodia
No. 79 ANKr. BK

Sub-Decree on
Transactional Fines for Offenses of the Law on Accounting and Auditing
The Royal Government

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen the Royal Decree No. NS/RKT/0918/925 dated 06 September 2018 on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen the Royal Decree No. NS/RKT/0320/421 dated 30 March 2020 on the Appointment and Modification of the Composition of the Royal Government of Cambodia;
- Having seen the Royal Kram No. NS/RKM/0618/012 dated 28 June 2018 promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen the Royal Kram No. NS/RKM/0196/18 dated 24 January 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen the Royal Kram No. NS/RKM/0416/006 dated 11 April 2016 promulgating the Law on Accounting and Auditing;
- Having seen Sub-Decree No. 488 ANKr.BK dated 16 October 2013 on the Organization and Functioning of the Ministry of Economy and Finance;
- Having seen Sub-Decree No. 75 ANKr.BK dated 25 May 2017 on the Amendment of Sub-Decree No. 488 ANKr.BK dated 16 October 2013 on the Organization and Functioning of the Ministry of Economy and Finance;
- Having seen Sub-Decree No. 185 ANKr.BK dated 25 October 2017 on the Organization and Functioning of the National Accounting Council;
- Having seen Sub-Decree No. 113 ANKr.BK dated 02 August 2019 on the Establishment, Organization and Functioning of the Professional Institutes of Accounting and Auditing;
- Pursuant to the request of the Minister of Economy and Finance;

Hereby Decides

Chapter 1
General Provisions

Article 1.-

This Sub-Decree determines the transactional fines for offenses of the Law on Accounting and Auditing and specifies the mechanisms for managing transactional fines with the aim of enhancing the responsibility of enterprises, non-profit organizations, accountants and auditors to ensure the effectiveness of the implementation of the Law on Accounting and Auditing.

Article 2.-

This Sub-Decree shall apply to:

- Enterprises or legal entities registered with the Ministry of Commerce and/or the General Department of Taxation as large taxpayers and medium taxpayers;
- All non-profit organizations registered with the relevant ministries and institutions;
- All accountants and auditors who are members of Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) and hold accounting and/or auditing licenses issued by NAC.

Article 3.-

The terms used in this Sub-Decree are defined as follows:

- Failure to hold accounting records refers to the failure to maintain accounting documents and record such transactions in the books or accounting records. Accounting documents include, but are not limited to, invoices, receipts, payment vouchers, and registration certificates. Accounting books or records include, but are not limited to, purchase books, sales books, cash receipt books, and cash payment books.
- Offender refers to an enterprise, non-profit organization, accountant or auditor who violates the Law on Accounting and Auditing.
- Individual accountant and/or auditor refers to a member of KICPAA who holds a license issued by NAC.
- Legal entity accountant and/or auditor refers to an accounting and auditing firm that holds an accounting and/or auditing license issued by NAC.
- Large taxpayers and medium taxpayers refer to enterprises defined by a Prakas of the Minister of Economy and Finance.
- Non-deterrence refers to a violation committed by an enterprise, non-profit organization, accountant or auditor who has previously been subject to transactional fines but continues to commit the same violation.
- License holder refers to a person who holds an accounting and/or auditing license issued by NAC.

Chapter 2 Offenses and Transactional Fines

Section 1 For Enterprises

Article 4.-

Large taxpayer enterprises shall be subject to the following transactional fines for offenses:

- a- Use of an accounting period other than that prescribed by the Law on Accounting and Auditing without authorization shall be subject to a transactional fine of 2,000,000 (two million) Riels.
- b- Failure to use the Khmer language in accounting records and financial reports shall be subject to a transactional fine of 2,000,000 (two million) Riels.
- c- Use of a currency other than Khmer Riel in accounting records and financial reports without authorization shall be subject to a transactional fine of 2,000,000 (two million) Riels.
- d- Failure to submit or delay in submitting financial reports to the General Secretariat of NAC within the prescribed deadline shall be subject to a transactional fine of 2,000,000 (two million) Riels.
- e- Failure to hold accounting records shall be subject to a transactional fine of 10,000,000 (ten million) Riels.
- f- Failure to prepare financial reports in accordance with the applicable accounting standards shall be subject to a transactional fine of 10,000,000 (ten million) Riels.
- g- Failure to have financial reports audited by an independent auditor shall be subject to a transactional fine of 20,000,000 (twenty million) Riels.
- h- Failure to use financial reports prepared in accordance with the applicable accounting standards for fiscal compliance purposes shall be subject to a transactional fine of 10,000,000 (ten million) Riels.
- i- Failure to maintain accounting documents as required by law shall be subject to a transactional fine of 10,000,000 (ten million) Riels.

Article 5.-

Medium taxpayer enterprises shall be subject to the following transactional fines for offenses:

- a- Use of an accounting period other than that prescribed by the Law on Accounting and Auditing without authorization shall be subject to a transactional fine of 1,500,000 (one million five hundred thousand) Riels.
- b- Failure to use the Khmer language in accounting records and financial reports shall be subject to a transactional fine of 1,500,000 (one million five hundred thousand) Riels.
- c- Use of a currency other than Khmer Riel in accounting records and financial reports without authorization shall be subject to a transactional fine of 1,500,000 (one million five hundred thousand) Riels.
- d- Failure to submit or delay in submitting financial reports to the General Secretariat of NAC within the prescribed deadline shall be subject to a transactional fine of 2,000,000 (two million) Riels.
- e- Failure to hold accounting records shall be subject to a transactional fine of 10,000,000 (ten million) Riels.
- f- Failure to prepare financial reports in accordance with the applicable accounting standards shall be subject to a transactional fine of 8,000,000 (eight million) Riels.
- g- Failure to have financial reports audited by an independent auditor shall be subject to a transactional fine of 16,000,000 (sixteen million) Riels.
- h- Failure to use financial reports prepared in accordance with the applicable accounting standards for fiscal compliance purposes shall be subject to a transactional fine of 8,000,000 (eight million) Riels.
- i- Failure to maintain accounting documents as required by law shall be subject to a transactional fine of 8,000,000 (eight million) Riels.

Section 2 For Non-Profit Organizations

Article 6.-

Non-profit organizations shall be subject to the following transactional fines for offenses:

- a- Use of an accounting period other than that prescribed by the Law on Accounting and Auditing without authorization shall be subject to a transactional fine of 800,000 (eight hundred thousand) Riels.
- b- Failure to use the Khmer language in accounting records and financial reports shall be subject to a transactional fine of 800,000 (eight hundred thousand) Riels.
- c- Use of a currency other than Khmer Riel in accounting records and financial reports without authorization shall be subject to a transactional fine of 800,000 (eight hundred thousand) Riels.
- d- Failure to submit or delay in submitting financial reports to the General Secretariat of NAC within the prescribed deadline shall be subject to a transactional fine of 1,200,000 (one million two hundred thousand) Riels.
- e- Failure to hold accounting records shall be subject to a transactional fine of 6,400,000 (six million four hundred thousand) Riels.
- f- Failure to prepare financial reports in accordance with the applicable accounting standards shall be subject to a transactional fine of 6,400,000 (six million four hundred thousand) Riels.
- g- Failure to have financial reports audited by an independent auditor shall be subject to a transactional fine of 1,600,000 (one million six hundred thousand) Riels.
- h- Failure to use financial reports prepared in accordance with the applicable accounting standards for fiscal compliance purposes shall be subject to a transactional fine of 4,800,000 (four million eight hundred thousand) Riels.
- i- Failure to retain accounting documents as required by law shall be subject to a transactional fine of 8,000,000 (eight million) Riels.

Section 3 For Accountants and Auditors

Article 7.-

Individual accountants shall be subject to the following transactional fines for offenses:

- a- Violation of Article 28, Paragraph 2 of the Law on Accounting and Auditing shall be subject to a transactional fine of 5,000,000 (five million) Riels.
- b- Regarding late payment of the annual accounting license fee, the license holder shall be subject to a transactional fine of 100,000 (one hundred thousand) Riels per day from the expiration date of the license.
- c- Regarding late application for the renewal of the accounting license, the license holder shall be subject to a transactional fine of 100,000 (one hundred thousand) Riels per day from the expiration date of the license.

Article 8.-

Legal entity accountants shall be subject to the following transactional fines for offenses:

- a- Regarding late payment of the annual accounting license fee, the license holder shall be subject to a transactional fine of 150,000 (one hundred fifty thousand) Riels per day from the expiration date of the license.
- b- Regarding late application for the renewal of the accounting license, the license holder shall be subject to a transactional fine of 150,000 (one hundred fifty thousand) Riels per day from the expiration date of the license.

Article 9.-

Auditors as natural persons shall be subject to the following transactional fines for offenses:

- a- Preparing audit reports without using the Khmer language or using English without authorization shall be subject to a transactional fine of 10,000,000 (ten million) Riels.
- b- Preparing audit reports not in compliance with the Cambodian International Standards on Auditing and Assurance shall be subject to a transactional fine of 10,000,000 (ten million) Riels.
- c- Providing audit services to enterprises or non-profit organizations that is not in compliance with the conditions set forth in Article 15, Paragraph 1 of the Law on Accounting and Auditing shall be subject to a transactional fine of 20,000,000 (twenty million) Riels.
- d- Providing services to enterprises or non-profit organizations that is not in compliance with the conditions set forth in Article 15, Paragraph 2 of the Law on Accounting and Auditing shall be subject to a transactional fine of 20,000,000 (twenty million) Riels.
- e- Failure to maintain audit evidence for a minimum of ten years from the date of the audit report shall be subject to a transactional fine of 20,000,000 (twenty million) Riels.
- f- Violation of Article 28, Paragraph 2 of the Law on Accounting and Auditing shall be subject to a transactional fine of 20,000,000 (twenty million) Riels.
- g- Late payment of the annual auditing license fee shall be subject to a transactional fine of 150,000 (one hundred fifty thousand) Riels per day from the expiration date of the license.
- h- Late application for the renewal of the auditing license shall be subject to a transactional fine of 150,000 (one hundred fifty thousand) Riels per day from the expiration date of the license.

Article 10.-

Auditors as legal entities shall be subject to the following transactional fines for offenses:

- a- Late payment of the annual auditing license fee shall be subject to a transactional fine of 200,000 (two hundred thousand) Riels per day from the expiration date of the license.
- b- Late application for the renewal of the auditing license shall be subject to a transactional fine of 200,000 (two hundred thousand) Riels per day from the expiration date of the license.
- c- Providing audit services to enterprises or non-profit organizations that is not in compliance with the conditions set forth in Article 15, Paragraph 1 of the Law on Accounting and Auditing shall be subject to a transactional fine of 20,000,000 (twenty million) Riels.
- d- Providing services to enterprises or non-profit organizations that is not in compliance with the conditions set forth in Article 15, Paragraph 2 of the Law on Accounting and Auditing shall be subject to a transactional fine of 20,000,000 (twenty million) Riels.
- e- Providing audit services to enterprises or non-profit organizations that is not in compliance with the conditions set forth in Article 15, Paragraph 3 of the Law on Accounting and Auditing shall be subject to a transactional fine of 30,000,000 (thirty million) Riels.

Chapter 3

Non-Deterrence and Late Payment of Fines within the Prescribed Period

Article 11.-

In the event that an offender has previously been subject to transactional fines but continues to commit the same violation, the offender shall be subject to additional transactional fines as follows:

- First non-deterrence: A fine double the amount of the original transactional fine.
- Second non-deterrence: A fine double the amount of the transactional fine paid for the first non-deterrence.
- Third non-deterrence: NAC shall decide to suspend or revoke the accounting and auditing license of the accountant or auditor. NAC will prepare a letter requesting the relevant competent ministries and institutions to take legal action against the enterprise or non-profit organization in accordance with the applicable laws.

Article 12.-

In the event that an offender fails to pay the transactional fine within 30 (thirty) days, the amount of the transactional fine will be doubled. If the failure to pay the transactional fine exceeds 60 (sixty) days, the amount of the transactional fine will be tripled. If the failure to pay the transactional fine exceeds 90 (ninety) days, NAC will take legal action in accordance with the applicable laws.

The periods of 30 (thirty) days, 60 (sixty) days, and 90 (ninety) days are counted from the date the offender receives the notice from NAC regarding the payment of the transactional fine.

Chapter 4

Competent Authorities, Mechanism for Imposing Transactional Fines, and Fine Management

Article 13.-

The imposition of transactional fines falls under the authority of NAC. The Chairman of NAC has the authority to make decisions on behalf of NAC. The General Secretariat of NAC shall propose and prepare decisions on transactional fines for the Chairman of NAC to review and decide.

Article 14.-

The formats and formalities for imposing transactional fines, payment of transactional fines, management of receipts for transactional fine payments, and the allocation of funds obtained from transactional fines for the offenses specified in this Sub-Decree shall be determined by an Inter-Ministerial Prakas between the Minister of Economy and Finance and the Minister of Justice.

The transactional fine amounts will be subject to the national budget revenue of NAC.

Article 15.-

The payment of transactional fines shall result in the extinction of criminal action.

In the event that a person refuses to pay the transactional fine, the Chairman of NAC may appoint a delegation from the General Secretariat of NAC to inspect the company, enterprise, non-profit organization,

accountant and/or auditor and compile a case file of the offense to be forwarded to the court in accordance with the legal procedures in force.

Competent officials who intentionally conceal the offenses of the offender shall be subject to administrative disciplinary sanctions, notwithstanding any criminal penalties.

Chapter 5

Appeals against Transactional Fine Decisions

Article 16.-

A person who is dissatisfied with the transactional fine decision issued by the Chairman of NAC has the right to file an appeal to NAC within 15 (fifteen) working days from the date the person receives the notice regarding the transactional fine decision of the Chairman of NAC.

In the event that the person is dissatisfied with the decision on the appeal against the transactional fine issued by NAC, that person has the right to file a complaint to the Minister of Economy and Finance within 30 (thirty) working days from the date the person receives the decision on the appeal against the transactional fine.

In the event that the person remains dissatisfied with the decision of the Minister of Economy and Finance, that person may file an appeal to the competent court within 30 (thirty) working days from the date the person receives the decision of the Minister of Economy and Finance.

The filing of an appeal by the person subject to the transactional fine to the court shall not have the effect of suspending the execution of the decision of the Minister of Economy and Finance.

Article 17.-

The rules and procedures for resolving appeals against transactional fine decisions shall be determined by a Prakas of the Minister of Economy and Finance.

Chapter 6

Final Provisions

Article 18.-

Any provisions contrary to this Sub-Decree shall be abrogated.

Article 19.-

The Minister in charge of the Council of Ministers, the Minister of Economy and Finance, and the Secretaries of State of all relevant ministries and institutions shall respectively implement this Sub-Decree from the date of its signature.

Phnom Penh June 1, 2020

Prime Minister

Samdech Akka Moha Sena Padei Techo HUN SEN

Have been submitted to
Samdech Akka Moha Sena Padei Techo, Prime Minister, for signature

**Deputy Prime Minister,
Minister of Economy and Finance**

Academician Dr. Aun Pornmoniroth

Recipients:

- Ministry of the Royal Palace;
- General Secretariat of the Constitutional Council;
- General Secretariat of the Senate;
- General Secretariat of the National Assembly;
- Cabinet of Samdech Techo Prime Minister;
- Cabinet of Samdech, His/Her Excellencies, Deputy Prime Ministers;
- As per Article 19;
- Royal Gazette;
- Document-Archive