Kingdom of Cambodia
Nation Religion King

Ministry of Economy and Finance
National Accounting Council

No. 001 NAC

Circular
on
Formalities, Procedures and Conditions for Obtaining the Authority to Continue Signing Accounting Reports and/or Audit Reports for Foreign Certified Accountants and/or Authorized Auditors

In accordance with Prakas No. 103 MEF.BrK dated January 31, 2020 on Authorization of Foreign Certified Professional Accountants and Authorized Auditors to Continue Signing Accounting and Audit Reports, with the aim of strengthening the management and development of accounting and auditing professions in the Kingdom of Cambodia, the National Accounting Council hereby instructs as follows:

A. Conditions for Registration Application

Foreign certified accountants and/or authorized auditors who intend to practice accounting and auditing professions in the Kingdom of Cambodia shall submit an application to the Chairman of NAC through the General Secretariat of NAC and shall fulfill the following conditions:

A1. Conditions for Initial Registration Application (Signing Authority)

- Have resided in the Kingdom of Cambodia for at least 60 days as of the date of application for registration and shall reside in the Kingdom of Cambodia for more than 182 days in a year from the date of obtaining the rights
- Have the membership of ASEAN CPA in accordance with the ASEAN Mutual Recognition Arrangement on Accountancy (ASEAN MRA on Accountancy) for applicants who are ASEAN nationals
- Have registered as a Registered Foreign Professional Accountant (RFPA) in accordance with the ASEAN Mutual Recognition Arrangement on Accountancy (ASEAN MRA on Accountancy)
- Be a person who meets the Fit & Proper criteria
- Have a work permit or employment book issued by the Ministry of Labor and Vocational Training of the Kingdom of Cambodia or the Provincial-Municipal Department of Labor and Vocational Training.

A2. Conditions for Application for Renewal of Individual Registration (Signing Authority)

- Have resided in the Kingdom of Cambodia for more than 90 days in 2019 and shall reside in the Kingdom of Cambodia for more than 182 days in a year from the date of obtaining the rights

- Have the membership of ASEAN CPA in accordance with the ASEAN Mutual Recognition Arrangement on Accountancy (ASEAN MRA on Accountancy) for applicants who are ASEAN nationals
- Have registered as a Registered Foreign Professional Accountant (RFPA) in accordance with the ASEAN Mutual Recognition Arrangement on Accountancy (ASEAN MRA on Accountancy)
- Be a person who meets the Fit & Proper criteria
- Have a work permit or employment book issued by the Ministry of Labor and Vocational Training of the Kingdom of Cambodia or the Provincial-Municipal Department of Labor and Vocational Training.

B. Conditions for Granting Signing Authority

To grant the signing authority to foreign certified public accountants and practicing auditors, the General Secretariat of NAC will conduct a detailed review of the following conditions:

- Have fulfilled all the conditions stated in points A1 or A2
- Have participated in activities with the National Accounting Council upon request for the purpose of developing accounting and auditing professions in the Kingdom of Cambodia (in case of renewal application)
- Have completed at least 40 hours of annual continuing professional development to maintain professional competence and service quality
- Have never been subject to complaints from the public or their clients to the relevant competent authorities.

C. Attached Documents

C1. Natural Persons

1. Certificate of non-conviction issued by competent authorities (valid for no more than 6 months)
2. Membership certificate of KICPAA
3. ASEAN CPA certificate for applicants who are ASEAN nationals
4. RFPA registration certificate for applicants who are ASEAN nationals
5. Valid passport for at least 6 months and documents proving that they have resided in the Kingdom of Cambodia in accordance with the requirements stated in points A1 or A2
6. Documents proving at least 40 hours of annual continuing professional development to maintain professional competence and service quality
7. Brief curriculum vitae (CV)
8. Highest degree and certified public accountant certificate
9. Other documents required by the Secretary General of NAC.

C2. Legal Entities

1. Company profile and organizational structure
2. Certificate of business registration
3. Membership certificate of KICPAA
4. Tax registration certificate
5. List of names of audit directors/audit partners/authorized auditors and senior officers and their brief CVs
6. Audit procedures (for audit firms)
7. Financial statements in compliance with applicable accounting standards for the last 2 years (in case of renewal application)
8. License or permit to practice accounting profession or permit to practice auditing profession issued by the National Accounting Council (in case of renewal application)

9. Documents on strategic plan and training plan for Cambodian staff to become certified accountants for a 5-year period from the date of application
10. Other documents required by the Secretary General of NAC.

D. Rights and Obligations of Foreign Accountants and Authorized Auditors

After obtaining the approval from the National Accounting Council, foreign certified accountants and/or authorized auditors have the following rights and obligations:

D1. Rights

- Have the right to act as an audit director/audit partner/authorized auditor to apply for a license/permit to practice accounting and/or auditing professions in the Kingdom of Cambodia in accordance with the law
- Have the right to sign accounting reports and independent audit reports.

D2. Obligations of Foreign Certified Public Accountants and Auditors

- Strictly adhere to the Code of Ethics for Professional Accountants and Auditors and applicable technical standards in the Kingdom of Cambodia
- Sign accounting reports and/or independent audit reports on behalf of the firm, with the name of the certified accountant and/or authorized auditor stated
- Apply for the right to continue signing for a period of 1 year at a time, and the application shall be made two (2) months before the expiration of the approval
- Comply with applicable regulations on conditions and procedures for licensing
- Employ Cambodian staff in compliance with the requirements of the Labor Law
- Train Cambodian staff to become certified accountants and/or authorized auditors
- Find Cambodian certified public accountants and/or Cambodian audit partners to sign accounting reports and/or audit reports within two (02) years at the latest from the date of issuance of this Circular
- Have appropriate professional indemnity insurance for the firm
- Report the results of the implementation of their annual training plan to the General Secretariat of NAC every year for review and evaluation, no later than January 15th of the following year
- Submit quarterly and annual reports no later than the 3rd week of the following quarter and year, using the forms prescribed by the General Secretariat of the National Accounting Council
- Collaborate in providing any information required by the General Secretariat of NAC
- Notify the General Secretariat of NAC within 15 days regarding:
    - Changes of audit director/audit partner/authorized auditor or certified accountant in the firm
    - Requests for suspension of license or voluntary cessation of practice
    - Changes in shareholder structure
    - Changes in business address or contact information.
- Comply with and implement applicable laws and regulations of the Kingdom of Cambodia.

E. Penalties

For any non-compliance with the requirements and obligations stated in the contents of this Circular, foreign certified accountants and/or authorized auditors and legal entities that have foreign certified accountants and/or authorized auditors will not be granted the authority to continue signing accounting reports and/or independent audit reports, without prejudice to other penalties stipulated in applicable laws and regulations.

Foreign certified accountants and/or authorized auditors and legal entities that have foreign certified accountants and/or authorized auditors, and all relevant entities shall pay attention to effectively implement this Circular from the date of signature onward.

Phnom Penh, May 11, 2020

Secretary of State
Ministry of Economy and Finance
and Chairman of the National Accounting Council

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Recipients:
- Cabinet of H.E. Deputy Prime Minister - Minister of MEF
  "For information"
- All Provincial-Municipal Halls
- Kampuchea Institute of Certified Public Accountants and Auditors
- "For information and collaboration in implementation"
- Archives-Chronology