**Kingdom of Cambodia**
**Nation Religion King**

**Accounting and Auditing Regulator**

No. 022/23 ACAR/SRSN

# Circular
# on
# Conditions, Formalities and Procedures for Obtaining Professional License for Accounting and Auditing for Foreign Accountants and Auditors

In reference to the necessity and demand for accounting and auditing services in the Kingdom of Cambodia, in accordance with the Law on Accounting and Auditing, Prakas No. 103 MEF.BrK dated January 31, 2020 on Granting the Authority Foreign Certified Accountants and Authorized Auditors to Continue Signing on Accounting Reports and Audit Reports, and Prakas No. 019 NBFSA.BrK dated April 20, 2023 on the Management of Professional License for Accounting and Auditing**,** the **Accounting and Auditing Regulator (ACAR)** hereby instructs foreign accountants and auditors who are currently practicing or intend to apply for a professional license for accounting and auditing in Cambodia to submit applications to ACAR by fulfilling the following conditions:

## A. Conditions for Initial License Application (for foreign accountants or auditors)

- Must have been present in the Kingdom of Cambodia for at least 60 (sixty) days as of the date of application for registration and must have been present in the Kingdom of Cambodia for more than 182 (one hundred and eighty-two) days within a period of 12 (twelve) months of any year, starting from the date of obtaining the license
- Must have membership as an ASEAN Chartered Professional Accountant (for foreigners who are citizens of ASEAN member countries)
- Must have registered as an International Certified Professional Accountants (for foreigners who are citizens of ASEAN member countries and non-ASEAN member countries)
- Must be an active member of KICPAA
- Must have passed the exam on Cambodian Tax Law and Cambodian Business Law from an institution or institute recognized by ACAR
- Must have a clear and definite residential address in the Kingdom of Cambodia
- Must not have any criminal record, both in home country and the Kingdom of Cambodia
- Must not have violated the code of professional ethics in the last 3 (three) years
- Must have a work permit and foreign worker book issued by the competent ministry or institution of the Kingdom of Cambodia
- Must have fulfilled the fit and proper test
- Must fulfill other conditions as required by ACAR.

## B. Conditions for License Renewal Application

- Must have been present in the Kingdom of Cambodia for at least 60 (sixty) days as of the date of application for registration and must have been present in the Kingdom of Cambodia for more than 182 (one hundred and eighty-two) days within a period of 12 (twelve) months of any year, starting from the date of obtaining the license
- Must have participated in Continuous Professional Development (CPD) programs according to the number of hours determined by KICPAA for the last 12 months as of the date of application
- Must have attended various training sessions organized by ACAR
- Must have membership as an ASEAN Chartered Professional Accountant (for foreigners who are citizens of ASEAN member countries)
- Must have registered as a International Certified Professional Accountant (for foreigners who are citizens of ASEAN member countries and non-ASEAN member countries)
- Must be an active member of KICPAA
- Must have a clear and definite residential address in the Kingdom of Cambodia
- Must not have any criminal record, both in home country and the Kingdom of Cambodia
- Must not have violated the code of professional ethics
- Must have a work permit and foreign worker book issued by the competent ministry or institution of the Kingdom of Cambodia
- Must have fulfilled the fit and proper test
- Must fulfill other conditions as required by ACAR.

## C. Attached Documents

### C.1. Natural Person

- Brief curriculum vitae (CV)
- Valid passport for at least 6 (six) months and proof of residence in the Kingdom of Cambodia
- Proof of presence in the Kingdom of Cambodia for at least 60 (sixty) days as of the date of application for registration and must have been present in the Kingdom of Cambodia for more than 182 (one hundred and eighty-two) days within a period of 12 (twelve) months of any year, starting from the date of obtaining the right
- Certificate from KICPAA on good professional ethics
- Certificate from ACAR and/or KICPAA on fulfillment of Continuous Professional Development (CPD) programs for the last 12 (twelve) months as of the date of application
- ASEAN Chartered Professional Accountant certificate
- International Certified Professional Accountant registration certificate
- Active membership letter or certificate from KICPAA
- Valid original letter of non-conviction certificate issued by the competent authority of the home country and Cambodia
- Work permit and foreign worker book issued by the competent ministry or institution of the Kingdom of Cambodia
- Residential lease contract with confirmation from local authority
- Certified copies of the highest diploma and certified public accountant certificate
- Other relevant documents as requested by ACAR.

### C.2. Legal Entity

- Documents on company history and organizational structure
- Certificate of business registration, company statutes, and company extract
- Tax registration certificate
- Patent tax certificate

- Active membership letter or certificate issued by KICPAA
- Professional liability insurance certificate for auditing professional license
- Valid office lease contract
- Business plan for at least 2 years
- Business plan for Cambodian staff to become certified public accountants and auditors
- List of names and brief CVs of engagement partners/audit partners/statutory auditors and senior officials of the firm
- Must have an audit quality control mechanism (audit procedures for audit firms) in accordance with the applicable Cambodian International Standards on Auditing and Assurance and other relevant standards in force in the Kingdom of Cambodia
- Financial statements for the last 2 (two) accounting periods in accordance with applicable accounting standards and regulations
- Valid professional license or permit for accounting or auditing issued by ACAR (in case the firm previously had a permit)
- Other relevant documents as requested by ACAR.

## D. Rights and Obligations of Foreign Accountants and Statutory Auditors

After obtaining a license from ACAR, foreign accountants and authorized auditors have the rights and obligations as defined in Prakas No. 019 ACAR.BrK dated April 20, 2023 on the Management of Professional License for Accounting and Auditing, and additional rights and obligations as follows:

### D.1. Rights

- Have the right to serve as engagement partner/audit partner/authorized auditor to apply for a professional license for accounting or auditing in the Kingdom of Cambodia in accordance with the law
- Have the right to sign on accounting reports and/or audit reports.

### D.2. Obligations

- Strictly adhere to the Code of Ethics for Cambodian Certified Public Accountants and Statutory Auditors and applicable technical standards
- Report to ACAR on changes in personnel on a quarterly basis
- Report to ACAR on periods of absence from the Kingdom of Cambodia
- Sign on accounting reports and/or independent audit reports and related documents on behalf of the firm, with the name of the accountant or auditor
- Employ Cambodian staff in proportionate numbers in accordance with the Labor Law of the Kingdom of Cambodia
- Train Cambodian staff to become certified accountants in accordance with the issued plan
- Report the results of the implementation of their annual training plan to ACAR every year for review and evaluation no later than January 15 of the following year
- Submit quarterly and annual reports no later than the 3rd week of the following quarter and year using the format prescribed by ACAR
- Cooperate in providing any information required by ACAR
- Notify ACAR within 15 days at the latest in case of:
    - Change of engagement partner, audit partner, auditor or certified accountant in the firm
    - Request for suspension of license or cessation of practice on their own
    - Change in shareholding structure

    - Change of business address or contact details.
- Comply with and implement the applicable laws and legal instruments of the Kingdom of Cambodia.

### E. Registration as a International Certified Professional Accountant

For individuals applying for a professional license for accounting and auditing for foreigners, they must go through the Inspection Committee in Cambodia.

### F. Penalties

Any non-compliance with the requirements and obligations stipulated in the contents of this Circular by foreign accountants and auditors and legal entities with foreign accountants and auditors will result in suspension or revocation of the professional license for accounting and auditing, without considering other penalties set forth in applicable laws and legal instruments.

### G. Implementation

Foreign accountants and auditors shall apply for a professional license for accounting and auditing to practice accounting or auditing by complying with the conditions and provisions set forth in this Circular and start fulfilling the procedures and pay attention to effectively implement this Circular from the date of signature onwards.

Phnom Penh, June 20, 2023

**Director General**

**Bou Tharin**

**Recipients:**
- Cabinet of H.E. Deputy Prime Minister, Minister of MEF and Chairman of NBFSA
  "For information"
- Kampuchea Institute of Certified Public Accountants and Auditors
  "For information and collaboration in implementation"
- Archives-Chronology