REPORT ON IMPLEMENTATION OF ACCOUNTING AND AUDITING OBLIGATIONS IN CAMBODIA

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ABBREVIATIONS

ACAR	Accounting and Auditing Regulator
ANOVA	Analysis of Variance
CAS	Cambodian Accounting Standards
CDC	Council for Development of Cambodia
CFRS for NFPE	Cambodian Financial Reporting Standard for Not-for-Profit Entities
CIFRS	Cambodian International Financial Reporting Standards
CIFRS for SMEs	Cambodian International Financial Reporting Standards for Small and Medium Sized Entities
CSO	Civil Society Organization
GAP	General Accounting Plan
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IFRS for SMEs	International Financial Reporting Standards for Small and Medium Sized Entities
KICPAA	Kampuchea Institute of Certified Accountants and Auditors
LAA	Law on Accounting and Auditing
LCA	Law on Corporate Accounts, Their Audit and the Accounting Profession
LOT	Law on Taxation
MEF	Ministry of Economy and Finance
MO	Ministry Order
NAC	National Accounting Council
NGO	Non-Governmental Organization
NFPE	Not-for-Profit Entity
PIE	Public Interest Entity
QIP	Qualified Investment Project
ROSC	Report on the Observance of Standards and Codes
UK	United Kingdom
USD	United States Dollar
$	United States Dollar

1. EXECUTIVE SUMMARY

Research

Research was conducted to determine compliance with accounting and auditing regulations under the 2016 Law on Accounting and Auditing, namely:

1. Preparation of financial reports in accordance with standards
2. Obligation to have an independent audit
3. Maintaining accounts and accounting records

A review of regulation and research literature was conducted, followed by an online survey to enterprises and not-for-profit organizations operating in Cambodia. There were 1,316 responses to the survey; after removing duplicate entity responses and invalid responses, there were 700 validated responses. Respondents were accounting related staff or general management of companies. The survey included identifying information so that researchers could insure valid responses and limit responses to one response per entity.

Compliance with Financial Reporting Standards and Record Keeping

The research found a dramatic increase in the proportion of respondents that implement the standards required, from only 27% in 2014 (Barnett, 2016) to 68% in 2021. In 2014, it was reported that only 12% of entities applied CIFRS for SMEs (Barnett, 2016), whereas in 2021 40% of respondents reported using CIFRS for SMEs. Similarly, the number of entities applying CIFRS increased from 15% in 2014 (Barnett, 2016) to 25% in 2021. Non-compliant entities tend to be smaller entities engaged retail or wholesale trade, not-for-profit activities, and education. Larger entities, especially those involved in the finance industry were mostly compliant.

The increase in compliance with financial reporting standards indicates that the efforts of the Accounting and Auditing Regulator (ACAR) and its predecessor organization the National Accounting Council (NAC) have been successful in their efforts to publicize and promote the standards. The current research also shows a continuing positive trend from 2020 to 2021, showing that ACARs public engagement and announcement of penalties and deadlines for submitting financial reports to ACAR are successfully driving greater compliance.

In regards to record keeping, 98% of respondents reported compliance with the requirements. However, a majority of respondents reported using software that is not Khmer language font compatible.

Compliance with Audit Obligations

The research found that the number of entities having an independent audit and complying with the legal requirement for an audit has increased to 79% in 2021 compared to only 60% in 2014 (Barnett, 2016). Non-compliant firms were often in the construction and real estate industry or the retail or wholesale trade industry. A risk of auditor self-review was noted in the research, with 20% of entities reporting that their auditor had prepared their financial report.

2. INTRODUCTION AND BACKGROUND

This Research

This research on implementation of accounting and auditing regulations has been conducted for the Accounting and Auditing Regulator, funded by the Royal Government of Cambodia Financial Sector Development Program.

2.1 LEGAL CONTEXT AND FRAMEWORK

Summary of Current Accounting and Auditing Regulatory Requirements

Accounting and auditing in Cambodia are mainly regulated under the 2016 Law on Accounting and Auditing which replaced the 2002 Law on Corporate Accounts, Their Audit, and the Accounting Profession. The regulator of accounting and auditing is the Accounting and Auditing Regulatory (ACAR) under the Ministry of Economy and Finance; ACAR was reformulated from the National Accounting Council (NAC), also under the Ministry of Economy and Finance. There are also requirements under the Law on Taxation for preparing and maintaining accounting records. In addition, industry specific regulators such as the National Bank of Cambodia, the Insurance Regulator, and the Securities and Exchange Regulator of Cambodia have set financial reporting and auditing requirements for the industries they regulate.

Enterprises and not-for-profit entities are currently subject to the requirements summarized in the table below.

Table 2.1.1: Accounting and Audit Requirements in Cambodia

	Requirement	Year Requirement Established	
		Enterprises	**Not-for-Profit Entities**
1	Prepare financial reports in accordance with standards For large and medium enterprises For enterprises subject to an audit For all enterprises	2003 (MEF 798, for the financial year 2005) 2009 (MEF MO 68) 2022 (ACAR No. 002, for financial year 2021)	2022 (ACAR No. 010)
2	Prepare and maintain accounts and accounting records	1993 (GAP) 1997 (LOT) 2002 (LCA)	1997 (LOT) 2002 (LCA)
	"Maintain accounts" defined as 2.1 Maintaining accounting documents: 2.1.1 Invoices 2.1.2 Receipts 2.1.3 Journal entry vouchers 2.2 Maintaining books of accounts: 2.2.1 Purchases book 2.2.2 Sales book 2.2.3 Cash receipts book 2.2.4 Cash payments book	2020 (Sub-Decree 79)	2020 (Sub-Decree 79)
3	Financial reporting date of December 31st or other date approved by regulator	2002 (LCA)	2016 (LAA)
4	Khmer language in accounts and financial report	2002 (LCA)	2016 (LAA)
5	Use Cambodian Riel in accounts and the financial report	2002 (LCA)	2016 (LAA)
6	Submit annual financial reports to ACAR For entities subject to an audit For all entities	2020 (MEF MO 563) 2022 (ACAR No. 002,for financial year 2021)	2020 (MEF MO 563) 2018 (MEF MO 335)
7	Have an independent audit for entities meeting certain criteria	2007 (MEF MO 643)	2018 (MEF MO 563)
8	Use financial report prepared in accordance with standards to fulfill tax obligations	2016 (LAA)	2016 (LAA)
9	Keep accounting records for a period of 10 years	2016 (LAA) 1997 (LOT)	2016 (LAA) 1997 (LOT)

Despite the legal requirements above, implementation was limited due to a lack of enforcement or penalties. Until 2020, the main enforcement came from tax officials who checked the presence and adequacy of accounting records as per the requirements under the Law on Taxation. However, the scope of the tax officials inspection was limited to compliance with the tax law and did not assess compliance with requirements under the accounting and auditing regulations. Prior to 2020, the National Accounting Council of the Ministry of Economy and Finance sought to achieve compliance through extensive education and public outreach activities.

Only in the year 2020 did the National Accounting Council begin to exercise greater control by requiring reporting entities to submit their financial reports to the regulator. There were also penalties for non-compliance with accounting and auditing regulations that were introduced in 2020 in Sub-Decree 79. Nevertheless, formal processes for submission of financial reports were not put in place until 2022, under the successor of the NAC, the Auditing and Accounting Regulator of Cambodia (ACAR). With penalties and processes in place, it is expected that 2022 will mark a turning point in achieving compliance with the Law on Accounting and Auditing.

ACCOUNTING AND AUDITING REGULATORY BACKGROUND

LAWS

Laws and regulation currently in place in Cambodia ultimately derive from the 1993 Constitution which was approved by the Constitutional Assembly elected subsequent to the 1991 Paris Peace Accords. The Cambodian government issued a General Accounting Plan in 1993 for the use of all enterprises (MEF, 1993, Royal Gazette p 166, 333) but by the end of the decade there was widespread adoption by private enterprises of International Accounting Standards (IAS) (p 12, Narayan, 2000). The 1994 Finance Law established a tax on profit and in Article 21 required real regime taxpayers to submit to the tax authorities a balance sheet, an income account and a table of supporting information. After the 1994 Finance Law, there was no further regulatory reference to private sector accounting or financial reporting until the 1997 Law on Taxation. This was followed by the 2002 Law on Corporate Accounts, their Audit and the Accounting Profession which was finally replaced by the 2016 Law on Accounting and Auditing.

Accounting Records Required by the 1997 Law on Taxation

The 1997 Law on Taxation set a legal requirement for taxpayers to maintain accounting records. The Law on Taxation, Article 6, required accounting as follows:

1. Cash basis accounting for taxpayers under the simplified regime system of taxation
2. Accrual accounting for taxpayers under the real regime system of taxation using a General Chart of Accounts

Furthermore, as per Article 29 of the Law on Taxation, real regime taxpayers were required to submit to the tax administration the following:

1. Balance sheet
2. Results account
3. Tables of complementary information

The requirements above were reinforced by the Law on Taxation Articles 91 and 98 that required all taxpayers "to maintain books of accounts" and that invoices need to be recorded in journals of accounts. Furthermore, there were penalties for obstructing the tax law, including as per Article 128 "failure to maintain proper records of accounts".

Accounting Regulations Introduced by the 2002 Law on Corporate Accounts, their Audit and the Accounting Profession

In 2002, the Law on Corporate Accounts, Their Audit and the Accounting Profession was promulgated to govern the profession of accounting and auditing. This law created the National Accounting Council (NAC) as both regulator and standard setter and also created the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) as the regulator. The law also established the following requirements specifically addressing private sector accounting and audit:

1. All enterprises must keep books of accounts and have audits in accordance with terms and conditions until the law (Article 3)
2. All enterprises much prepare annual financial statements in compliance with Cambodian Accounting Standards in line with International Accounting Standards (Article 4)
3. All enterprises shall keep accounting books and documentary evidence (Article 5)
4. Financial statements must include (Article 8):
    a. Balance sheet
    b. Income statement
    c. Explanatory notes
5. Accounting records must be prepared in Khmer and expressed in Riel, with possible exceptions for international related businesses (Article 9)
6. All financial statements must be prepared in Khmer and expressed in Riel (Article 9)
7. Financial statements must be prepared within 3 months of the end of the year (Article 11)
8. The duration of the accounting period is 12 months ending December 31st of each year, with exceptions possible (Article 11)
9. Financial statements and supporting documents must be kept for a period of 10 years

A weakness of the 2002 law and subsequent related regulation did not create an enforcement mechanism. Although the 2002 law created significant penalties for violating the law such as imprisonment, it did not create a mechanism to monitor implementation of the law. There was no obligation to submit financial statements to the National Accounting Council. Therefore, it was left to enterprises themselves to comply with the law. Instead of enforcing penalties, the National Accounting Council adopted a program of education and public awareness.

Accounting Regulations Introduced by the 2016 Law on Accounting and Auditing

A 2016 Law on Accounting and Auditing replaced the 2002 law. The 2016 law mostly repeated the content of the 2002 law, reestablishing the NAC as the standard setter and regulator and KICPAA as the professional body. However, the 2016 law expanded the scope of accounting requirements to include not only enterprises, but also not-for-profit entities and government entities.

Financial reporting requirements under the 2016 law include:

1. Financial statements are statements defined in the accounting standards (Article 16)
2. All enterprises and not-for-profit entities are required to prepare financial statements within three months of the end of the financial year (Article 16)
3. Financial statements may be required to be submitted to audit as per requirements of the NAC (Article 18)
4. Financial statements are the basis of fulfilling tax obligations (Article 19)

5. Enterprises and not-for-profit entities must keep accounting records (Article 20)
6. Accounting periods are 12 months ending on December 31st, with exceptions possible (Article 21)
7. Accounting records and financial statements shall be in Khmer language and expressed in Khmer riel, with exceptions possible (Article 22)
8. All enterprises and not-for profit entities must keep accounting records for a period of 10 years

In terms of accounting requirements, the 2016 law differs from the 2002 in two main ways. First, the 2016 law obligates not-for-profit entities to also comply with the accounting requirements. Second, the 2016 law does not attempt to define the content of financial statements, instead deferring to the relevant accounting standard.

FINANCIAL REPORTING STANDARDS

Enterprises in Cambodia subject to financial reporting requirements are currently required to follow either Cambodia International Financial Reporting Standards (CIFRS) or Cambodian International Financial Reporting Standards for Small and Medium Sized Entities (CIFRS for SMEs). Not for profit entities are required to follow the Cambodian Not for Profit Entity Reporting Standard (CFRS for NFPEs). Previous to the introduction of CIFRS, CIFRS, and CFRS for NFPEs, medium and large size enterprises were required to follow Cambodian Accounting Standards (CAS). CAS were introduced by Ministry of Economy and Finance Order (Prakas) No. 798 in 2003 and comprised 15 Cambodian Accounting Standards based on 15 International Accounting Standards (1, 2, 7, 8, 10, 12, 16, 18, 21, 24, 25, 27, 30, 37, 38) for compulsory use by medium and large enterprises starting in 2005. CAS were revised in 2008 by MEF Order 221 which revised the number of CAS to 18 (adding CAS 11, 17, 23, 40, 41, and removing CAS 25 and 30) and added two CFRS based on the corresponding IFRS (CFRS 4 and 7). These updated 18 CAS and 2 CFRS were to be used for financial periods beginning in 2008. Ultimately, the CAS and CFRS were fully replaced by CIFRS and CIFRS for SMEs.

CIFRS and CIFRS for SMEs for Enterprises Subject to Statutory Audit

In 2009, the National Accounting Council and the Ministry of Economy and Finance fully adopted IFRS, renaming them CIFRS. IFRS were adopted in full and automatically adopted any and all subsequent amendments to IFRS. This was announced by the Ministry of Economy and Finance Order No. 68, the implementation of which was instructed in MEF Notification No. 97/09 which also introduced CIFRS for SMEs based on IFRS for SMEs. The notification required all entities subject to the audit requirement to implement CIFRS or CIFRS for SMEs. Entities following CIFRS were to implement the standards for periods beginning on or after January 1, 2012 while entities following CIFRS for SMEs were to implement the standards for periods beginning on or after January 1, 2010. However the implementation for banking and financial institutions was first delayed until 2016 (via MEF Order No. 86, July 30, 2012) and again delayed until 2019 (via MEF Order No. 58, March 24, 2016).

CIFRS and CIFRS for SMEs for Enterprises not Subject to Statutory Audit

In the 2009 Notification 98/09, the scope of compulsory use of CIFRS or CIFRS for SMEs was limited to only enterprises required to have an audit and thereby omitted any enterprises not required to have an audit. However, the scope expanded to cover all enterprises by Accounting and Auditing Regulator Notification 002 dated January 27, 2022, which required all non-audited enterprises to also submit their financial report to the regulator via an online submission process, starting with the 2021 financial report; the online submission process provided by the regulator required these enterprises to report using either CIFRS or CIFRS for SMEs.

CFRS for NFPEs

Since 2018, not-for-profit entities such as non-government organization (NGOs), associations and civil society organizations (CSOs) have been required to follow financial reporting standards and submit the financial reports to ACAR.

Prior to 2018, not-for-profit organizations were required to maintain accounting records in accordance with tax regulations and submit financial reports to both the Ministry of Interior and the Ministry of Economy and Finance (e.g. Article 25 of the 2015 Law on NGOs). However, these accounting and financial reporting requirements neither specified a financial reporting standard nor required an audit.

Not-for-profit entities, also known as non-governmental organizations or civil society organizations, had been left out of the scope of the 2002 accounting law, but were included in the scope of the 2016 Law on Accounting and Auditing.

Following the expanded scope of the 2016 Law on Accounting and Auditing, MEF Ministry Order No. 335 was issued in 2018, requiring all not-for profit organizations to submit financial reports to the National Accounting Council (ACAR) with the financial reports prepared in accordance with a cash basis Cambodian Financial Reporting Standard for Not-for-Profit Entities (CFRS for NFPEs). This standard did not specify a basis on which it was prepared, but it largely copies the New Zealand Tier Four: Public Benefit Entity Simple Format Reporting - Cash (Not-for-Profit) standard issued by the New Zealand External Reporting Board. However, Article 5 of MEF Ministry Order 335 allows for not-for-profit entities to also use CIFRS or CIFRS for SMEs and to notify the regulator when choosing to do so. The implementation of CFRS for NFPEs was delayed by NAC (ACAR) Notification 030 dated January 21, 2019, but the requirement to submit financial reports was not delayed.

Finally, in 2022, ACAR issued Notification 010 on March 15, 2022 requiring CFRS for NFPEs to be implemented by all not-for-profit entities from 2022 onward. Notification 010 reaffirmed the acceptability of not-for-profit entities using CIFRS or CIFRS for SMEs in place of CFRS for NFPEs. Notification 010 requires all no-for-profit entities subject to audit requirements to submit their financial reports to ACAR by July 15 of each year and all not-for-profits not subject to a statutory audit to submit their reports to ACAR by April 15 of each year.

INDEPENDENT AUDIT

Enterprises and not-for-profit entities meeting certain criteria are required to have an external independent audit of their financial reports. The requirement for an independent audit started with enterprises and later expanded to include not-for-profit entities. The requirement for entities to have independent audits was first set out in MEF Order No. 643 issued on July 26, 2007, and was updated by MEF Order No. 563 issued on 10 July 2020. The criteria is summarized in the table below.

Table 2.1.2: Criteria to have an external independent audit

Entity Type	MEF Order No. 643 (2007)	MEF Order No. 563 (2020)
Enterprises	Independent audit is required for: 1. All enterprises meeting two of the following three thresholds: • Turnover of 3 billion riel or more • Assets of 2 billion riel or more • 100 or more employees 2. All qualified investment projects (QIPs) approved by the Council for Development of Cambodia (CDC)	Independent audit is required for: 1. All enterprises meeting two of the following three thresholds: • Turnover of 4 billion riel or more • Assets of 3 billion riel or more • 100 or more employees 2. All qualified investment projects (QIPs) approved by the Council for Development of Cambodia (CDC) 3. All publicly accountable enterprises such as banks, mutual funds, investment funds, insurance companies, listed companies
Not-for-Profit Entities	Not-for-profit entities were not required to have an independent audit.	Independent audit is required for all not-for-profit entities meeting each of the following two criteria: • Expenditure of 2 billion riel or more • 20 or more employees

In addition to the requirements of ACAR there were long-standing requirements by the National Bank of Cambodia and Securities and Exchange Regulator of Cambodia (formerly the Securities and Exchange Commission of Cambodia) requiring financial institutions and listed companies to have independent audits of financial reports. Similarly, the Ministry of Economy and Finance Department of Financial Industry and now the Insurance Regulator have had additional financial reporting and audit requirements for the insurance industry.

Ever since the 2002 Law on Corporate Accounts, Their Audit and the Accounting Professional independent audits must be carried out only by auditors that are members of the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) and licensed by ACAR (formerly NAC).

SUBMISSION OF FINANCIAL REPORTS TO ACAR

Audited Entities

2020 was the first year that ACAR informed financial report preparers that audited financial statements needed to be submitted to ACAR. This was communicated in Article 10 of MEF Order 563 dated July 10, 2020. Prior to this, entities required to have an audit, had the option of conducting the audit but keeping the report to themselves. In 2021, this requirement was reinforced with ACAR Announcement 022 dated November 22, 2021, which reminded reporting entities subject to the statutory audit to submit both their 2020 and 2021 audited financial reports to ACAR. Audited entities are required to submit their audited financial report to ACAR via the ACAR online system by July 15 of each year.

Enterprises not Subject to the Statutory Audit

For enterprises not subject to the audit requirement, the 2021 financial report is the first financial report that ACAR requested to be submitted to ACAR. The request was made by ACAR in Notification 002 dated January 27, 2022. The notification instructed all enterprises to submit their financial reports via the ACAR online system by April 15 of each year.

Not-for-Profit Entities

All not-for-profit entities have been required to submit their financial reports to NAC/ACAR since 2018. In accordance with Article 4 of MEF Order 335 dated March 27, 2018, all not-for-profit entities, regardless of being subject to the statutory audit or not, are required to submit their financial reports to the NAC/ ACAR. While there was a temporary delay in implementation of CFRS for NFPEs from 2019-2021 as per ACAR Notification 30, there was no such delay in the requirement to submit the financial report to ACAR. Not-for-profits not required to have an audit must submit their financial statements to ACAR via the ACAR online system by July 15 of each year, while not-for-profit entities not subject to an audit must submit their financial reports to ACAR via the ACAR online system by March 15 of each year.

PENALTIES AND SCOPE OF PENALTIES

As described above, Cambodian tax laws have long required enterprises and other entities to maintain accounting records and accounting documentation. Non-compliance with the tax law requirements to maintain accounting records and accounting documentation is subject to serious penalties in accordance with tax regulation.

Aside from enforcement from tax officials during tax audits, there was no widespread enforcement of financial reporting and audit standards and requirements. From 2002 - 2019, the National Accounting Council adopted an approach of education and public awareness with ongoing public workshops and announcements. During that time, no penalties or sanctions were issued by the National Accounting Council (ACAR) for non-compliance with standards, financial reporting obligations, submission of financial statements or the requirement to have an independent audit. This dramatically changed with the issuance of Sub-Decree 79 dated June 6, 2020, titled Sub-Decree on Transitional Penalties for Violation of the Law on Accounting and Auditing, which for the first time set specific penalties for financial reporting entities for non-compliance with the Law on Accounting and Auditing. Thus, 2020 was the first year that report preparers were made aware of penalties.

Scope of Penalties in Sub-Decree 79

Sub-Decree 79, Article 3, limits the scope of entities subject to penalties for non-compliance with CIFRS or CIFRS for SMEs to enterprises that are registered with the General Department of Taxation as either medium or large taxpayers. Medium and large taxpayers are defined in Article 4 of Ministry of Economy and Finance Order No. 009 dated January 12, 2021, as follows:

Medium Taxpayers

1. Enterprises with turnover of 1 - 4 billion riel (approximately $250,000 - $1,000,000) for the agricultural sector
2. Enterprises with turnover of 1 - 6 billion riel (approximately $250,000 - $1,500,000 USD) for the services and commercial sectors
3. Enterprises with turnover of 1.6 - 8 billion riel (approximately $250,000 - $1,500,000 USD) for the industrial sector
4. All legal entities such as limited companies or representative offices
5. International organizations

Large Taxpayers

1. Enterprises with turnover of 4 billion riel (approximately $1,000,000 USD) or more for the agricultural sector
2. Enterprises with turnover of 6 billion riel (approximately $1,500,000 USD) or more for the services and commercial sectors
3. Enterprises with turnover of 8 billion riel (approximately $2,000,000 USD) or more for the for the industrial sector
4. All subsidiaries of multinational companies or branches of foreign companies
5. All enterprises registered as qualified investment projects (QIP)

Penalties for Reporting Entities in Sub-Decree 79

The penalties against financial reporting entities for violating the Law on Accounting and Auditing correspond to the key obligations under the law. The penalties are levied according to whether the reporting entity is a large taxpayer, a medium taxpayer or a not-for-profit entity. The requirements and penalties set forth in Sub-Decree 79 are summarized in the table below.

Table 2.1.3: Penalties Against Financial Reporting Entities

No.	Requirement	Penalties for Non-Compliance		
		Large Taxpayers KHR ៛	**Medium Taxpayers KHR ៛**	**Not-for-Profit Entities KHR ៛**
1	Financial reporting date in compliance with the law	2,000,000 (≈$500)	1,500,000 (≈$350)	800,000 (≈$200)
2	Use Khmer language in accounts and financial report	2,000,000 (≈$500)	1,500,000 (≈$350)	800,000 (≈$200)
3	Use Cambodian Riel in accounts and the financial report	2,000,000 (≈$500)	1,500,000 (≈$350)	800,000 (≈$200)
4	Submit on time the financial report to ACAR	2,000,000 (≈$500)	2,000,000 (≈$500)	1,200,000 (≈$300)
5	Keep accounts	10,000,000 (≈$2,500)	10,000,000 (≈$2,500)	6,400,000 (≈$1,600)
6	Prepare financial report in accordance with standards	10,000,000 (≈$2,500)	8,000,000 (≈$2,000)	6,400,000 (≈$1,600)
7	Have an independent audit	20,000,000 (≈$5,000)	16,000,000 (≈$4,000)	1,600,000 (≈$400)
8	Use financial report prepared in accordance with standards to fulfill tax obligations	1,000,000 (≈$2,500)	8,000,000 (≈$2,000)	4,800,000 (≈$1,200)
9	Keep accounting records for a period of 10 years	1,000,000 (≈$2,500)	16,000,000 (≈$4,000)	8,000,000 (≈$2,000)

In addition to the penalties above, there are additional penalties if the financial reporting entity refuses to correct its non-compliance or refuses to cooperate with instructions or penalties assessed by ACAR. These are detailed in Articles 11 and 12 of Sub-Decree 79. For example, a first refusal to correct noncompliance will result in a penalty equal to double the original penalty. A second refusal will result in a doubling of the amount assessed after the first refusal. Also, there are additional penalties for late payment. For example, if payment is made later than 30 days after the penalty is assessed, this will result in a doubling of the penalty. If payment is made later than 60 days after the penalty is assessed, this will result in a tripling of the penalty.

2.2 LITERATURE REVIEW

There are three main types of relevant literature. The first and potentially the most relevant to our research is literature on implementation of IFRS and IFRS for SMEs in Cambodia. The second is research into the determinants of IFRS or IFRS for SMEs adoption, identifying the characteristics of entities that choose to adopt the standards. The third type of literature looks into the practical benefits of IFRS adoption, such as improving the accuracy and usefulness of financial information.

Implementation of Accounting Standards in Cambodia

Most research and reporting on private sector financial reporting and accounting standards in Cambodia are descriptive of the regulatory framework and standards in place. These often appear as chapters or sections of reports on regional financial reporting practices, such as the report Development of the Accounting Profession in Cambodia by Juliet Candungog-Uy in the 2017 Routledge Handbook of Accounting in Asia or the chapter on Cambodia in the ASEAN Handbook on Liberalisation of Professional Services through Mutual Recognition in ASEAN: Accountancy Services (2015). Similar brief summaries are periodically produced by international audit firms operating in Cambodia and are included in their country handbooks on tax or doing business, such as the KPMG Investing in Cambodia 2020 and Beyond, the PwC Cambodian 2018 Tax Booklet, Deloitte Guide to taxation in Cambodia 2020. These reports are simply descriptions and brief summaries of the accounting requirements in place in Cambodia, with less detail than we have provided in Section 2 Introduction and Background of this report above.

The most comprehensive reports on the financial reporting regulator framework and practices in Cambodia are the Reports on the Observance of Standards and Codes (ROSC) Accounting and Auditing, Cambodia, published by the World Bank in 2007 and again in 2021. The ROSC reports are a join effort of the World Bank and the International Monetary Fund (IMF); these reports are drawn from a standardized assessment instrument that is used in a numbers of countries. The ROSC reports are supplemented with interviews of stakeholders and, in the case of the 2021 ROSC, included a review of the published financial reports of 19 businesses in Cambodia. The 2021 ROSC goes beyond the information we provide in Section 2 Introduction and Background above by summarizing the financial reporting requirements for specific industries such as listed companies, the banking sector and the insurance sector. The 2021 ROSC also addresses corporate governance practices, accountancy education and the accounting professional body.

The ROSC included an assessment of the compliance with CIFRS and CIFRS for SMEs by reviewing the latest published financial statements of 19 businesses, mostly financial institutions. All 19 companies claimed compliance with either CIFRS or CIFRS for SMEs as required by law. A common finding in the ROSC was that the financial reports included excessive boilerplate disclosures and were lacking in entity specific disclosures that would be useful to users (World Bank, 2021, p 89). They also noted inadequate disclosure of key measurement assumptions, measurement of uncertain tax positions, impairment of financial assets and risk (pp 89-97). They concluded that “all financial institutions reviewed likely did not comply with at least some aspects of CIFRS in some key areas” (p. 92) and “all financial statements reviewed likely did not comply with at least some aspects of the CIFRS for SMEs in some key areas” (p 96). It should be noted that all of the financial statements reviewed in the ROSC had received unqualified audit opinions (p 88) and the audit firms in question would obviously disagree with the ROSC assessment.

The ROSC provided a useful empirical review of financial reporting in Cambodia, but, with a sample size of only 19 companies, all of whom had made their financial statements available to the public, the current degree of compliance with required financial reporting standards for all businesses in Cambodia remains unknown.

Before the promulgation of the 2016 Law on Accounting and Auditing, research on compliance with financial reporting standards in Cambodia was published in the 2016 National Accounting Council Report on Implementation of Accounting Standards and Statutory Audits in the Kingdom of Cambodia by Casey Barnett, advisor to the Ministry of Economy and Finance. This survey received responses from 292 business entities and 71 not-for-profit organizations. The sample of respondents was drawn from 4,984 entities listed in public business directories; the report noted that the actual number of business entities in Cambodia was far higher (Barnett, 2016).

The 2016 research found that "43% of all businesses legally required to use CIFRS, CAS, or CIFRS for SMEs did so" (Barnett, 2016). It also found that "the rate of compliance with the legal requirement to have an external audit was 59%". Barnett's 2016 report also identified common reasons for non-compliance, the top three being "management does not need it" at 54% of non-compliant respondents, "not prepared" at 29%, and "too expensive" at 14% (Barnett, 2016).

Since Barnett's 2016 research, several events have transpired that may both increase compliance and decrease compliance. Factors that may increase compliance since 2016 include ACAR subsequently requiring audited financial reports to be submitted to ACAR. Being required to submit their financial reports to the regulator may motivate preparers to be more compliant. Also, since 2016, ACAR has broadly publicized financial reporting requirements and conducted dozens of large scale public workshops. Moreover, in 2022, all enterprises and not-for-profit organizations were required to submit their reports to ACAR, which may pressure them to comply.

Factors that may decrease compliance are the expanded scope of the requirement to comply with financial reporting standards. Only in 2022 have all enterprises been officially required to follow either CIFRS or CIFRS for SMEs; prior to 2022, only enterprises subject to the statutory audit were required to comply with one of the standards. Enterprises subject to audit were larger, as there were thresholds based on assets, turnover, and number of employees. Therefore, the expanded scope of enterprises includes relatively smaller enterprises, enterprises that may not have the human resources necessary to comply. Limited human resources for accounting in Cambodia have been noted in research by Seng (2009) and Vannda Chheang and Netdao Chaiyakhet (2018). Interviews conducted by Chheang and Chaiyakhet found that qualified practitioners and regulator officials estimated the "level of readiness FOR IFRS adoption in Cambodia" from 10%-30% (p 61, 2018).

In addition to the expanded scope of compliance for enterprises, the scope also expanded to include not-for-profit entities. It was only in 2019 that not-for-profit entities were required to comply with a financial reporting standard and submit it to ACAR. Due to the dramatic increase in the scope of entities required to comply with standards, there may be a drop in compliance.

As a result of the competing factors described above, the current degree of compliance in Cambodia with financial reporting standards and the statutory audit remains unknown.

In addition to the studies of regulation and compliance described above, research has been conducted into the characteristics of IFRS and IFRS for SMEs adopters as well as the real and perceived benefits of IFRS and IFRS for SMEs adoption.

Determinants of IFRS and IFRS for SMEs Adopters

Lay Sophanith conducted a survey of 262 companies in Cambodia and found a significant relationship between IFRS adoption and number of employees, value of assets, revenue, foreign ownership, having had an independent audit, and having provided accounting training to staff (pp 57-61, 2019). Lay Sophanith reported that there was no significant relationship between IFRS adoption in Cambodia and the number of shareholders, age of the company, or legal form of business entity (e.g. company limited, representative office, public company limited, general partnership, etc.) (pp 57-61, 2019). Conducting a logistic regression using the determinants as independent variables, Sophanith Lay found that only three variables were significant: revenue, foreign ownership and whether or not the business provided accounting training to staff (p 72, Lay, 2019). Sophanith Lay's work had two limitations, first, the sample included attendees of accountancy compliance workshops hosted by the National Accounting Council (p 38, Lay, 2019); such businesses would likely be more inclined to adopt the required standard. Second, the study was conducted in 2018 and included financial institutions, but implementation of CIFRS by financial institutions had been delayed by the NAC and the National Bank which required financial institutions to follow CAS until the financial year 2019. Therefore, Lay's research might have benefited from reviewing financial institutions separately.

The current regulatory environment in Brazil in regards to IFRS for SMEs is similar to Cambodia before 2020 in that IFRS for SMEs was mandatory, but there was no enforcement or penalties. A study of implementation of IFRS for SMEs in Brazil found that the main factor for non-compliance was lack of knowledge of the standard (Goncalves, et al., 20220).

Different determinants of IFRS adoption have been reported from different countries. In a study of 8,417 unlisted companies in the United Kingdom, it was found that voluntary adoption of IFRS was significantly predicted by degree of internationality of the company, leverage as measured by debt to assets ratio, company size, and auditor reputation (2012, Andre). In Vietnam, Ta et al found among a sample of 379 Ho Chi Minh Stock Exchange listed companies that the significant determinants of IFRS adoption were firm size, return on equity, audit quality, foreign investment and financial institution status (Ta et al, 2021).

Benefits of IFRS and IFRS for SMEs Adoption and Audits

IFRS and IFRS for SMEs aim to provide relevant and reliable financial information to support economic decision making, such as decisions regarding investment, providing loans and offering trade credit. The standards also aim to increase the comparability of financial reporting. Empirical research shows that adoption of IFRS does indeed increase the quality and comparability of financial information (Horton et al., 2013; De George et al., 2016). However, there is conflicting evidence on whether IFRS implementation provides other benefits such as helping to reduce the cost of debt or the cost of equity (De George et al., 2016).

In reviewing research on benefits of IFRS and IFRS for SMEs adoption, it should be kept in mind that benefits are often measured as the incremental benefit from the previously used standard in place. In a country with a high quality domestic accounting standard, the benefits of changing to IFRS may be limited (Lopes et al. 2010, Zeghal et al. 2012). Also, developing countries may wish to adopt IFRS for SMEs "to signal the quality of accounting and attract investment" (Zahid, 2018, p 14). In the case of Cambodia, IFRS and IFRS for SMEs are a new standard put in place in the absence of any accounting standard; they are not displacing any existing national standard. Therefore, in Cambodia there would be relatively larger improvements in financial reporting quality on adoption of IFRS or IFRS for SMEs.

A 2018 study of adoption by Nejad et al. of IFRS in ASEAN countries found that there was a positive and significant relationship between adoption of IFRS and the level of direct foreign investment and that stronger compliance with IFRS resulted in a stronger effect on the level of direct foreign investment (Nejad et al., p 83, 84, 2018).

To assess the usefulness of financial reporting in Cambodia, Heng Lalin and Raja Sabir conducted a survey of 103 reporting entities (Lalin, 2010). They concluded that reporting entities in Cambodia largely ignored balance sheet information, but found income statement information such as sales and profit and cash flow to be most useful (Lalin, 2010).

A 2018 study of the quality of annual reporting of financial institutions in Cambodia was conducted by Soth Sreymoch and Kong Yusheng. Their review mainly focused on the quality of financial reporting, but also included assessment of non-financial reporting presented in the annual reports. They assessed Cambodian annual reporting against the qualitative characteristics of financial reporting (relevance, faithful representative, comparability, verifiability, understandability, timeliness), finding that Cambodian reports were poor in terms of consistency, but good in terms of faithful representation (Sreymoch, 2018).

A number of studies have looked at the benefits and challenges of adopting IFRS for SMEs in developing countries. A 2017 study in Turkey found that the main perceived advantage of adopting IFRS for SMEs was improved quality of financial information (p 325, Kilic and Uyar, 2017) and a main perceived challenge was the cost of adoption and the lack of qualified staff (p 326, Kilic and Uyar, 2017).

In a study researching whether adoption of IFRS improves predictability of forecast earnings, using a sample of 925 listed European companies, Li, Sougiannis and Wang concluded:

> IFRS significantly increased the predictive ability of accounting numbers relative to domestic accounting standards. However, the improvements are not uniform - they depend on the strength of the legal and regulatory enforcement in each country… firms in strong enforcement countries experience larger improvements in earnings forecast accuracy than firms in weak enforcement countries… (Li, et al., p 5, 2019)

In their study, strength of enforcement was measured using a rule of law score (Li, et al. p 18, 2019). The variation of accounting quality in jurisdictions adopting IFRS has been attributed to the differences in the legal and political system of a country (Soderstrom, 2007).

Similar benefits of IFRS adoption have been reported for South Korean companies (Kim, et al., 2016; Yuk et al. 2017) and in less developed countries such as Nigeria (Osasere and Illaboya, 2018).

The expected benefits of implementation of a high quality financial reporting standard are also the expected benefits of an independent audit. That is, increased quality of accounting information, increased reliability and decrease of risk, reduced cost of capital. Indeed, independent audits have been shown to enhance the quality of accounting information (Vanstraelen, 2017). However, the benefit of an audit is greatest when it is voluntary as companies will be in the best position to determine whether the benefits are greater than the costs. Also, when audits are mandatory, companies may not fully achieve the improvement in accounting quality since companies may shop around to find a less expensive audit with lower quality (Vanstraelen, 2017). Regardless of the improvement in accounting quality, independent audits are shown to be cost effective for borrowers; audits reduce the interest rate on loans and reduce interest expense greater than the cost of the audit (Vanstraelen, 2017). Due to the ambiguous nature of the benefits of a mandatory audit, the European Union and a number of its members have increased the threshold criteria for a mandatory audit (EFAA, 2019; Accountancy Europe, 2020).

3. METHODOLOGY

In this study, we sent an online google form questionnaire attached as Appendix 1 to a database of over 25,000 enterprises and not-for-profit entity contacts provided in a business directory. The researchers re-constructed a commercially available business directly in a spreadsheet; firms were contacted to find the identity and contact information of the accountant or manager of each entity. There were 2,680 responses, but due to challenges verifying data and removing duplicate responses, the survey was sent a second time and 1,316 responses were received. The second survey included identifying information so that duplicate responses and multiple responses from a single entity could be removed. After removing these duplicate responses in the second survey, a net 700 valid responses were received.

Barnett's 2016 study on compliance with financial reporting standards in Cambodia, he used simple descriptive statistics, reporting the percentage of respondents who reported compliance with a standard (Barnett, 2016). In the case of compliance with the statutory audit, Barnett conducted a two step approach, first identifying whether the reporting entity was subject to a statutory audit according to the legal criteria, second inquiring whether the reporting entity had undergone a statutory audit; the results were presented as a percentage of compliant or non-compliance entities (Barnett, 2016).

We recommend further regression analysis of the data collected in this study. However, the research sponsor has requested use and presentation of simple descriptive statistics for ease of understanding by regulators and their stakeholders. A regression analysis of the data is encouraged for further academic research to better understand the significance of the findings presented in this report.

Respondents' companies and organizations were classified by industry. For industry classification, we have followed the United Nations International Standard Industrial Classification (United Nations, 2008).

Since the US dollar is the functional currency for the vast majority of enterprises in Cambodia, we have chosen to measure revenue and assets in USD with a convenience exchange rate of 4,000 KHR / 1 USD to approximate the actual current exchange rate of 4,104 KHR / 1 USD as quoted by the National Bank of Cambodia at the date of this report. Since USD is the main currency for accounting and bank deposits in Cambodia, we believe using USD in the survey instrument will facilitate better estimations than if Cambodia riel were used. Throughout this report reference to dollars or $ refers to United States dollars.

4. RESULTS

4.1 DESCRIPTION OF RESPONDENTS

There were 1,316 responses to the survey with 700 valid responses. The reduction from 1,316 to 700 was mainly due to multiple responses from the same entity; this occurred because some entities had more than one listing in the business directory used to send the surveys. In eliminating the excess responses, we maintained the response from the individual most responsible for the financial reporting function, such as the CFO or the accountant.

As shown in Table 4.1.1 there is a large number of respondents from the professional services and financial services industries. This will likely result in a bias when looking at results on a total basis. As professional services and financial services industries are more compliant with financial reporting and auditing requirements, it will increase the reported total rate of compliance. This bias also was evident in past research (Barnett, 2016). As a result, the overall rate compliance is likely overstated, but the trend from year to year is meaningful. Also, the results within each industry are also meaningful.

Table 4.1.1 Respondent industries, foreign ownership and number of employees

Industry	n	%	Foreign Controlled Entities		Entities with 100+ Employees	
			n	% of industry	n	% of industry
Accommodation and food service	25	4%	4	2%	5	3%
Administrative and support service	7	1%	0	0%	1	1%
Agriculture, forestry and fishing	15	2%	4	2%	4	2%
Arts, entertainment and recreation	15	2%	4	2%	4	2%
Construction	14	2%	3	1%	8	4%
Education	14	2%	6	3%	7	4%
Electricity, gas, steam	3	0%	2	1%	0	0%
Financial and insurance	103	15%	51	24%	60	30%
Human health and social work	10	1%	2	1%	2	1%
Information and communication	25	4%	8	4%	9	5%
Manufacturing	94	13%	24	11%	24	12%
Mining and quarrying	3	0%	1	0%	1	1%
Not-for-profit charitable activities	65	9%	24	11%	14	7%
Other service	5	1%	1	0%	1	1%
Professional, scientific and technical	109	16%	33	15%	12	6%
Real estate	36	5%	10	5%	13	7%
Transportation and storage	31	4%	13	6%	9	5%
Water supply; sewerage, waste	3	0%	1	0%	0	0%
Wholesale and retail trade	123	18%	24	11%	26	13%
Total	**700**	**100%**	**215**	**100%**	**200**	**100%**

Due to widespread respondent misunderstanding of what is a qualified investment project (QIP) and what is a listed company, we have excluded analysis on the basis of QIP or listed company status. This may be noted by the regulator when drafting or communicating regulation since the public may also misinterpret the requirements for QIP or listed companies as applying to non-QIP and non-listed companies.

As may be expected for a developing country such as Cambodia, most of the respondents were from small and medium sized entities, as shown in Figures 4.1.1 and 4.1.2 below. However, there was also a relatively large proportion of entities with revenue of more than $2,000,000, mainly financial services companies.

Figure 4.1.1 Respondent size by revenue

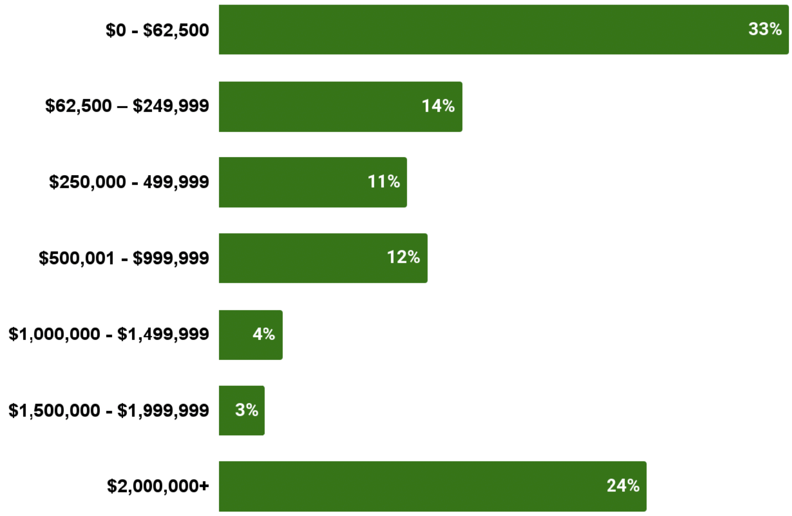
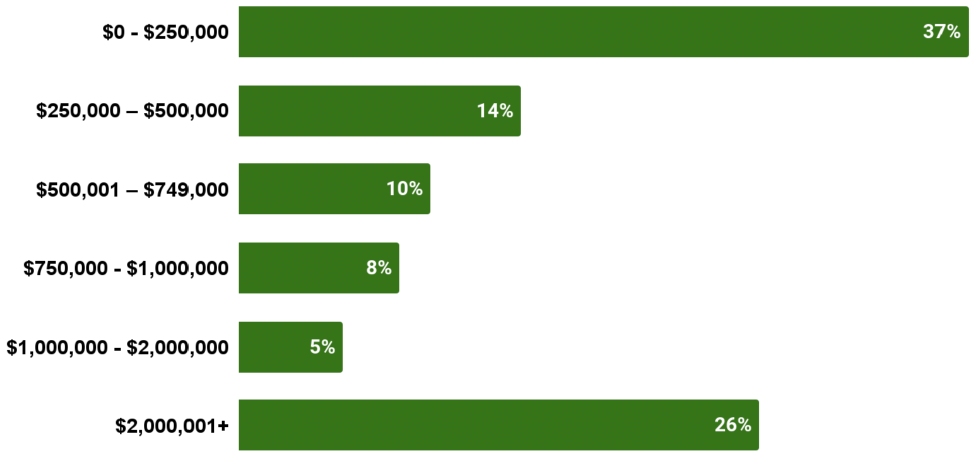


Figure 4.1.2 Respondent size by assets



Because Cambodian regulation requires audits of companies meeting two of three criteria (assets, revenue, number of employees), it can be useful to look at the relationship between these criteria. Shown below in Table 4.1.2 we see that 12% (25/217) of firms with revenue over $1,000,000 had assets under $750,000. These companies have significant economic activity that are not yet required to have an audit based on assets. Also, in Table 4.1.2, we see that 18% (86/487) of companies with assets more $750,000 had revenue under $1,000,000; thus, there are companies holding significant assets which are not required to have an audit based on revenue.

Table 4.1.2 Respondent size by revenue and assets 2021

Revenue	n	%	Assets under $750,000		Assets $750,000+	
			n	%	n	%
Under $1,000,000	484	69%	400	94%	84	31%
Over $1,000,000	216	31%	25	6%	191	69%
Total	**700**	**100%**	**425**	**100%**	**275**	**100%**

Table 4.1.3 Respondent size by revenue and assets 2020

Revenue	n	%	Assets under $750,000		Assets $750,000+	
			n	%	n	%
Under $1,000,000	490	70%	414	95%	76	29%
Over $1,000,000	210	30%	23	5%	187	70%
Total	**700**	**100%**	**438**	**100%**	**266**	**100%**

Table 4.1.4 CSO / NGO / Not-for-profit respondents by employees and expenditure 2021

Employees	n	%	Expenditure under $500,000		Expenditure $500,000+	
			n	%	n	%
1-19	26	44%	21	66%	5	19%
20+	33	56%	11	34%	22	81%
Total	**59**	**100%**	**32**	**100%**	**27**	**100%**

Table 4.1.5 CSO / NGO / Not-for-profit respondents by employees and expenditure 2020

Employees	n	%	Expenditure under $500,000		Expenditure $500,000+	
			n	%	n	%
1-19	26	44%	24	73%	2	8%
20+	33	56%	9	27%	24	92%
Total	**59**	**100%**	**33**	**100%**	**26**	**100%**

4.2 KEEPING ACCOUNTING RECORDS

Overall, there is a reported high compliance with keeping accounting records, with 90% of respondents reporting that they maintain accounting records (see Figures 4.2.1, 4.2.2, 4.2.3). This high rate of record keeping has been maintained from year to year. This is helpful in understanding the non-compliance with financial reporting standards and audits, telling us that the problem is not a lack of record keeping, but a lack of willingness to prepare a financial report and/or lack of knowledge and skill in preparing a financial report in accordance with the standard.

Figure 4.2.1 Percent of entities keeping accounting records

Does your business or organization keep invoices, receipts, vouchers, purchases day book or journal, sales day book or journal, and a record of cash receipts and payments?

As shown below in Figures 4.2.2 and 4.2.3, the high level of record keeping does not significantly vary in accordance with the size of the entity. Entities of all sizes report a high rate of compliance; the differences in the rates of compliance in Figures 4.2.2 and 4.2.3 below are not significant when considering the sampling margin of error.

Figure 4.2.2 Record keeping compliance by number of employees

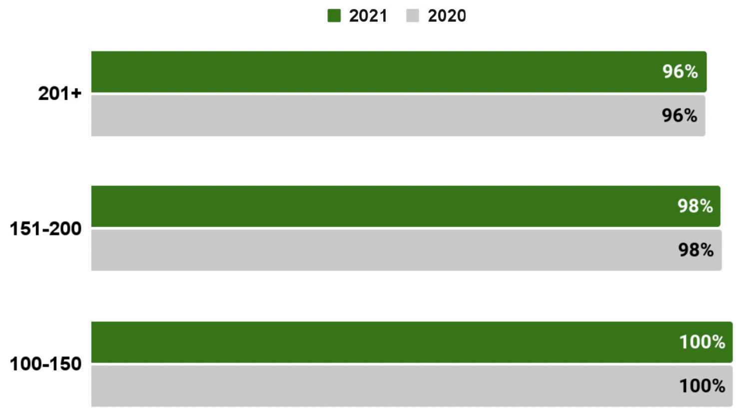
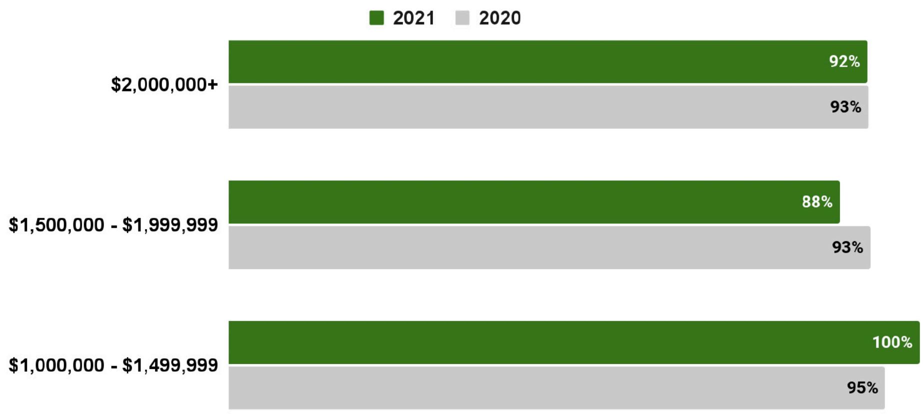


Figure 4.2.3 Record keeping compliance by revenue (bar chart)



Although there is no apparent trend of lack of record keeping by size of entity, it is noted that certain industries appear to be less compliant. As shown below in Table 4.2.1, the entertainment industry, accommodation and food services industry, and manufacturing industries all have a higher rate of non-compliance than other industries. For improving record keeping practices, ACAR may focus on these industries.

Table 4.2.1 Record keeping non-compliant entities by industry

Industry	A Companies in industry	B Companies non-compliant	C = B/A % non-compliant
Accommodation and food service	25	7	28%
Administrative and support service	7	1	14%
Agriculture, forestry and fishing	15	2	13%
Arts, entertainment and recreation	15	7	47%
Construction	14	1	7%
Education	14	2	14%
Electricity, gas, steam	3	1	33%
Financial and insurance	103	3	3%
Human health and social work	10	0	0%
Information and communication	25	1	4%
Manufacturing	94	25	27%
Mining and quarrying	3	0	0%
Not-for-profit charitable activities	65	2	3%
Other service	5	1	20%
Professional, scientific and technical	109	6	6%
Real estate	36	3	8%
Transportation and storage	31	1	3%
Water supply; sewerage, waste	3	1	33%
Wholesale and retail trade	123	8	7%
Total	**700**	**72**	**10%**

4.3 FINANCIAL REPORTING DATE, LANGUAGE, CURRENCY

The Law on Accounting requires a financial year end of December 31st or other date with explicit approval by ACAR. Companies that do not comply with this requirement are subject to fines and penalties. As shown in Table 4.3.1 below, 97% of respondents comply with this requirement and it does not appear to be an area of concern.

Table 4.3.1 Financial reporting date of entities in Cambodia

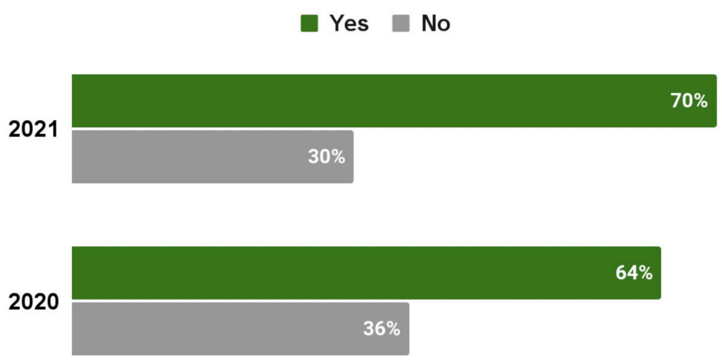
Reporting Date	Number of Company	Number of Company
December 31	97%	650
June 30	1%	6
September 30	1%	4
July 31	0%	3
March 31	0%	2
June 1	0%	2
August 31	0%	2
January 1	0%	1
January 15	0%	1
Total	**100%**	**671**

Table 4.3.2 Entities with non-standard financial reporting dates by industry, foreign ownership Industry

Industry	A Companies in industry	B Non-standard reporting date	C = B/A % Non-standard	D Non-standard reporting dates owned by foreigners	E = D/B % of Non-standard owned by foreigners
Accommodation and food service	25	0	0%	0	0%
Administrative and support service	7	0	0%	0	0%
Agriculture, forestry and fishing	15	0	0%	0	0%
Arts, entertainment and recreation	15	0	0%	0	0%
Construction	14	0	0%	0	0%
Education	14	2	14%	1	50%
Electricity, gas, steam	3	0	0%	0	0%
Financial and insurance	103	0	0%	0	0%
Human health and social work	10	1	10%	0	0%
Information and communication	25	0	0%	0	0%
Manufacturing	94	3	3%	1	33%
Mining and quarrying	3	0	0%	0	0%
Not-for-profit charitable activities	65	9	14%	6	67%
Other service	5	0	0%	0	0%
Professional, scientific and technical	109	5	5%	2	40%
Real estate	36	1	3%	1	100%
Transportation and storage	31	0	0%	0	0%
Water supply; sewerage, waste	3	0	0%	0	0%
Wholesale and retail trade	123	0	0%	0	0%
Total	**700**	**21**	**3%**	**11**	**52%**

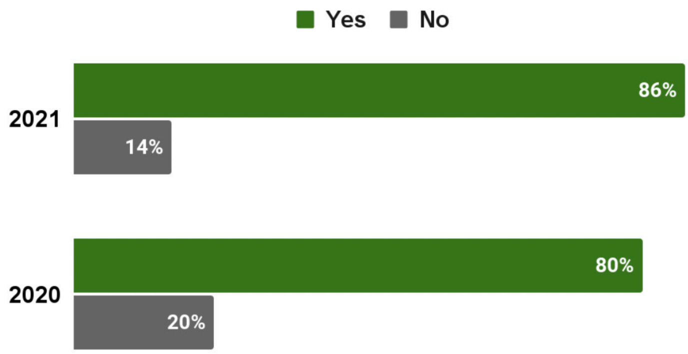
The Law on Accounting also requires presentation of financial reports in Cambodian riel. It is notable that the non-compliance with this requirement is relatively high, at 30% (see Figure 4.3.1). This is likely due to the fact that most entities in Cambodia have a functional current of the United States dollar. Since the functional currency of these entities is USD and the entities stakeholders will be most interested in the USD amounts reported, the requirement of reporting in Cambodian riel does not have much practical purpose except to comply with the law.

Figure 4.3.1 Presentation of the financial report in Cambodian riel



There is relatively high compliance with the requirement to use Khmer language for financial reporting, shown as 86% in Table 4.3.2 below. It is noted that this rate has increased from 80% in 2020 to 86% in 2021. The true rate of compliance with the law may be higher as ACAR issues exemptions to this requirement; our survey did not ask if respondents had received an exemption from ACAR. It is noted that many preparers unnecessarily continue to large amounts of text from the standards into the the notes of the financial reports; a lengthy financial report may make it challenging to translate into Khmer language. ACAR may consider use of illustrative example financial reports with concise writing to guide preparers.

Figure 4.3.2 Presentation of the financial report in Khmer language



Accounting regulations in Cambodia require that records be kept in Khmer language, which is not a realistic requirement since most software used by companies in the country do not allow for use of Khmer script (see Table 4.3.3 below). Accounting software dramatically improves efficiently and reliability of the financial reporting function. It is recommended that ACAR issue a blanket exemption from requiring Khmer script in accounting software records, or records produced with accounting software.

Table 4.3.3 Accounting software used in Cambodia

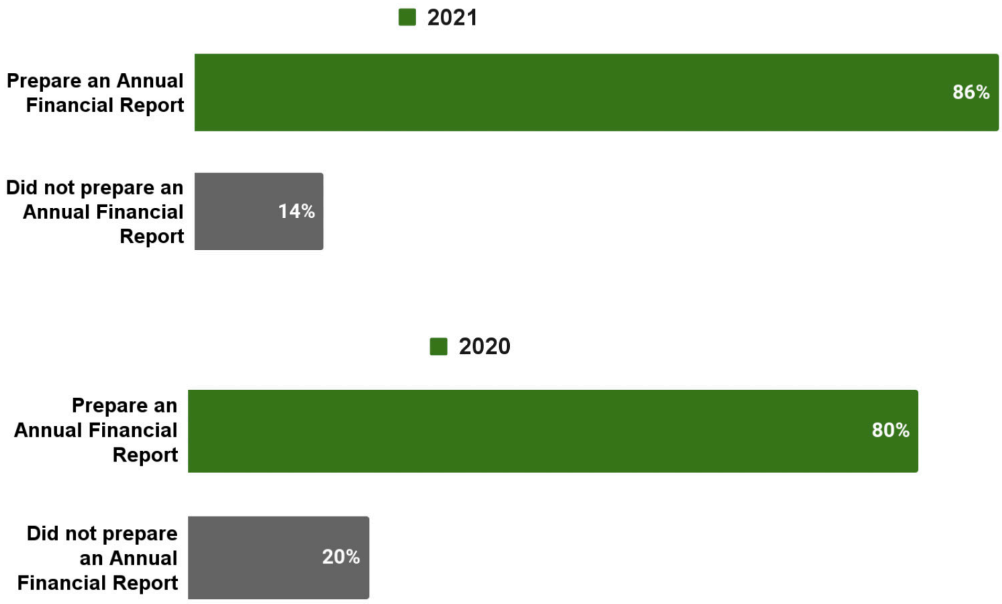
Software	Number of Reporting Entities Using	%	Able to Accommodate or Use Khmer Script/Fonts
Quickbooks	217	31%	No
Microsoft Excel	61	9%	Yes
SAP	33	5%	Yes
Sage	17	2%	No
SunSystems	16	2%	Yes
Xero	16	2%	Yes
Peachtree	13	2%	No
Oracle / Oracle Flexcube	12	2%	No
Dynamic 365 Business Central	10	1%	Yes
Odoo	7	1%	No
Microsoft Dynamics Nav	4	1%	Yes
T24	4	1%	No
Other	290	41%	
Total	**700**	**100%**	

4.4 COMPLIANCE WITH CIFRS, CIFRS FOR SMES OR CFRS FOR NFPES

Importantly, the level of compliance with preparing a financial report in accordance with the required standards has increased dramatically since 2014 and continues to increase. For the financial year 2021, 86% of entities prepared a financial report (see Figure 4.4.1). Also, for the year 2021, 68% complied with either CIFRS or CIFRS for SMEs, compared to only 27% in 2014 (Barnett, 2016). This is a significant improvement from 2014 and it should be noted that this dramatic increase is likely not an annual incremental increase, but a recent response to the ACAR filing requirements introduced in 2021. It should be noted that the reported rates of compliance for both 2021 and 2014 can be considered a high estimate of the true rate of compliance among the population considering that entities likely overreport compliance.

Figure 4.4.1 Percent of entities preparing an annual financial report

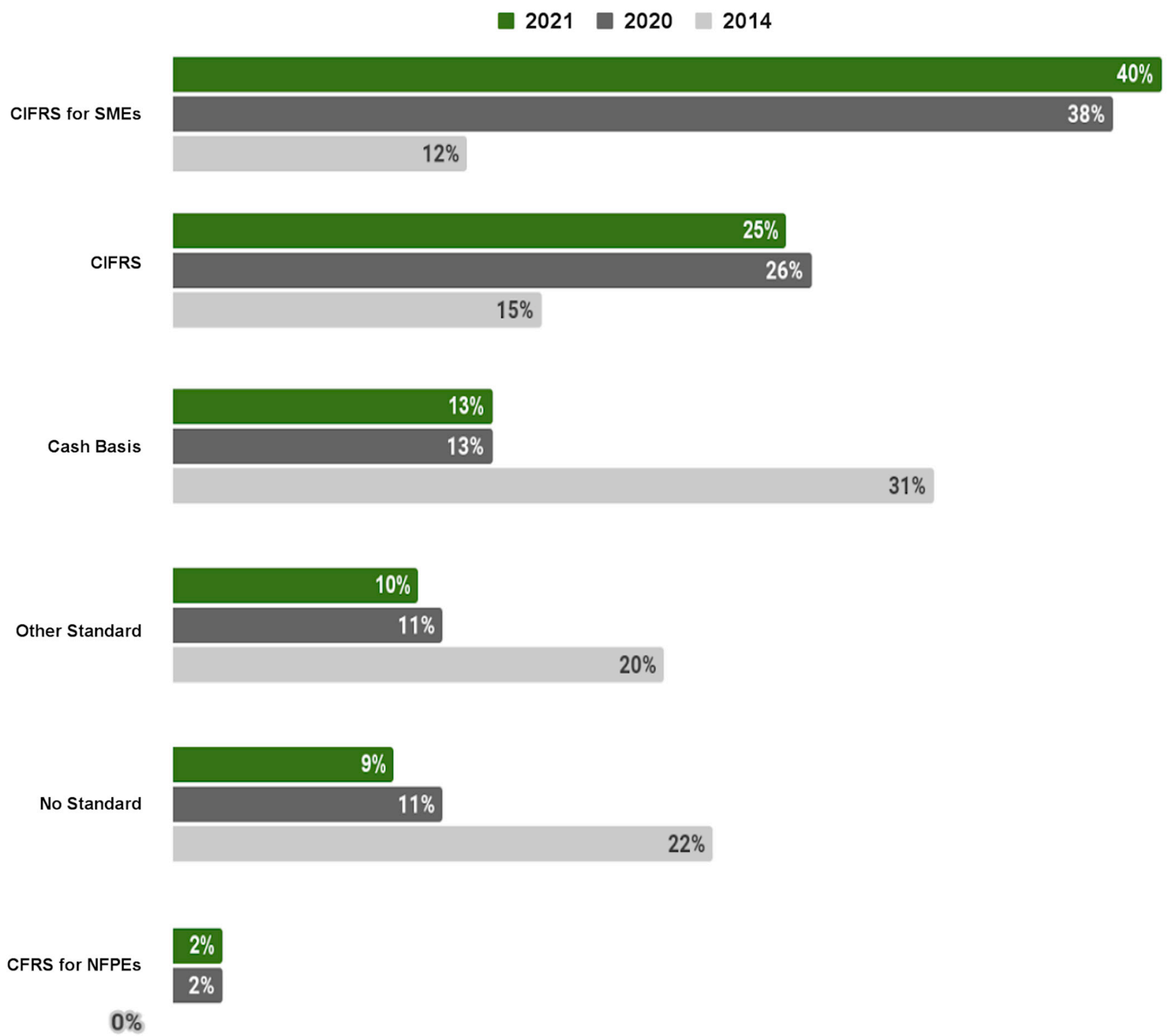
2021: n = 700
2020: n = 700



As shown in Figure 4.4.2 below, since 2014 there has be a dramatic decline in the use of cash basis accounting and a dramatic increase in the standards required of enterprises operating in Cambodia, CIFRS and CIFRS for SMEs. It can be seen that CIFRS for SMEs is now the primary financial reporting standard used in Cambodia, with use of CIFRS in a distant second place. Figure 4.4.2 is powerful evidence that measures taken by ACAR have been effective. Nevertheless, with approximately 35% of enterprises non-compliant, there is still room for improvement.

Figure 4.4.2 Financial reporting standards used in Cambodia

2021: n = 621
2020: n = 614



2014 Data Source: Barnett (2016).National Accounting Council of Cambodia Report on Implementation of Accounting Standards and Statutory Audits in the Kingdom of Cambodia.

Overall, enterprises with more than 100 employees are more compliant (76% compliant), followed by enterprises with more than $1,000,000 in revenue reported (71% compliant). Table 4.4.1 helps us understand which industries are more or less compliant. The non-compliant industries with low revenue and a low value of assets will be less of a concern to the regulator as they do not effect the public interest significantly; these include food and accommodation services. Non-compliant industries with high revenue and a high value of assets should be a concern to the regulator. These include construction, real estate, and manufacturing.

Table 4.4.1 Non-compliance with financial reporting standards by industry, revenue, and employees

Industry	A n	B non-compliant	C = B/A %	Entities with Revenue over $1,000,000		Entities with Assets over $750,000		Entities with 100+ Employees	
				D. n	E = D/B % of non-comply	F. n	G = F/B % of non-comply	H. n	I = H/B % of non-comply
Accommodation and food service	21	13	62%	0	0%	1	8%	2	15%
Administrative and support service	6	3	50%	0	0%	1	33%	0	0%
Agriculture, forestry and fishing	14	4	29%	1	25%	1	25%	0	0%
Arts, entertainment and recreation	11	6	55%	3	50%	3	50%	1	17%
Construction	10	4	40%	2	50%	3	75%	1	25%
Education	12	3	25%	0	0%	0	0%	1	33%
Electricity, gas, steam	3	1	33%	0	0%	1	100%	0	0%
Financial and insurance	100	7	7%	3	43%	4	57%	2	29%
Human health and social work	8	2	25%	0	0%	0	0%	0	0%
Information and communication	19	2	11%	1	50%	1	50%	1	50%
Manufacturing	82	40	49%	7	18%	11	28%	4	10%
Mining and quarrying	3	0	0%	0	0%	0	0%	0	0%
Not-for-profit charitable activities	57	35	61%	10	29%	8	23%	6	17%
Other service	4	1	25%	0	0%	0	0%	0	0%
Professional, scientific and technical	104	12	12%	1	8%	1	8%	0	0%
Real estate	32	8	25%	3	38%	4	50%	4	50%
Transportation and storage	24	9	38%	2	22%	2	22%	1	11%
Water supply; sewerage, waste	0	0	0%	0	0%	0	0%	0	0%
Wholesale and retail trade	111	50	45%	6	12%	8	16%	6	12%
Total	**621**	**200**	**32%**	**39**	**20%**	**49**	**25%**	**29**	**15%**

As can be shown below in Table 4.4.2, 78% of non-compliant firms are owned by Cambodians whereas only 23% are owned by foreigners. However, the rate of compliance for Cambodian owned and foreign owned firms is not that different, since there are less foreign owned firms. That is, 45 out of 215 foreign firms (21%) have been found to be non-compliant whereas 155 of 485 Cambodian owned firms (32%) were found to be non-compliant. Overall, there is no justification for ACAR to focus on foreign owned firms for compliance. For promoting compliance, nationality of owner is less important than industry type.

Table 4.4.2 Non-compliance with financial reporting standards by nationality of controlling party

Industry	A n	B non-compliant	C = B/A %	Cambodian Controlled		Foreign Controlled	
				D. n	E = D/B % of non-comply	F. n	G = F/B % of non-comply
Accommodation and food service	21	13	62%	11	85%	2	15%
Administrative and support service	6	3	50%	3	100%	0	0%
Agriculture, forestry and fishing	14	4	29%	3	75%	1	25%
Arts, entertainment and recreation	11	6	55%	5	83%	1	17%
Construction	10	4	40%	3	75%	1	25%
Education	12	3	25%	2	67%	1	33%
Electricity, gas, steam	3	1	33%	0	0%	1	100%
Financial and insurance	100	7	7%	4	57%	3	43%
Human health and social work	8	2	25%	2	100%	0	0%
Information and communication	19	2	11%	1	50%	1	50%
Manufacturing	82	40	49%	33	83%	7	18%
Mining and quarrying	3	0	0%	0	0%	0	0%
Not-for-profit charitable activities	57	35	61%	24	69%	11	31%
Other service	4	1	25%	1	100%	0	0%
Professional, scientific and technical	104	12	12%	9	75%	3	25%
Real estate	32	8	25%	6	75%	2	25%
Transportation and storage	24	9	38%	6	67%	3	33%
Water supply; sewerage, waste	0	0	0%	0	0%	0	0%
Wholesale and retail trade	111	50	45%	42	84%	8	16%
Total	**621**	**200**	**32%**	**155**	**78%**	**45**	**23%**

For achieving compliance, it is clear that education and training is essential. As shown in Table 4.4.3, the main obstacles to implementing CIFRS and CIFRS for SMEs are knowledge and interpretation of the standards. ACAR is advised to encourage widespread education and training in CIFRS and CIFRS for SMEs. As the second most reported obstacle is interpretation of standards, ACAR may consider measures such as issuance of answers to frequently asked questions and publication and promotion of illustrative examples.

Table 4.4.3 Top Ten Challenges to implementing CIFRS or CIFRS for SMEs

Challenge	n	%
1. Knowledge and understanding of CIFRS and CIFRS for SMEs	111	32%
2. Interpretation and application of accounting standards	91	26%
3. Complexity of report format	28	8%
4. Preparing notes to Financial Statement	27	8%
5. Supporting documents and information	25	7%
6. Accounting for impairment	24	7%
7. Exchange rate translation	16	5%
8. Tax accounting and implications	11	3%
9. Time consuming	11	3%
10. Short deadline	2	1%
Total	**346**	**100%**

4.5 COMPLIANCE WITH THE AUDIT REQUIREMENT

There has been a dramatic improvement in the percent of companies complying with the requirement to have a statutory audit. In 2014, only 60% of firms were compliant (Barnett, 2016), whereas in 2021 79% of firms were compliant (see Table 4.5.1 below). This is likely due to the 2020 requirement that audited financial statements must be filed with ACAR; previously companies were not required to disclose whether or not they had complied with the statutory audit requirement. As with surveyed compliance with financial reporting standards, the rate of compliance reported here as well as in 2014 are likely to be upper estimates of the true rates of compliance as companies will be reluctant to report non-compliance. However, assuming the rate of incorrect responses is stable, the upward trend in compliance is significant and reliable.

As shown in Table 4.5.1 below, the industries with low rates of compliance for the statutory audit include those with a low rate of compliance with financial reporting standards, construction, real estate, and manufacturing. In addition, the entertainment industry is noted for having the highest rate of non-compliance with the statutory audit.

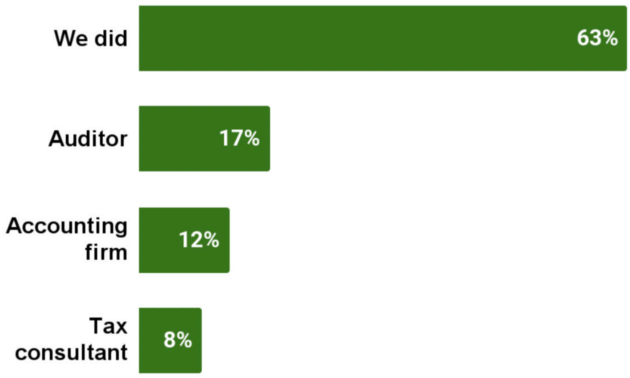
Table 4.5.1 Non-Compliance with audit requirement by industry, revenue, and employees

Industry	A Entities Required to Have Audit	B Entities Non-Compliant with Audit	C = C/B%	Non-Comply Revenue ≥ $1,000,000		Non-Comply Assets≥ $750,000		Non-Comply Employees≥ 100+	
				D. n	E = D/B % of non-comply	F. n	G = F/B % of non-comply	H. n	I = H/B % of non-comply
Accommodation and food service	3	1	33%	0	0%	1	100%	1	100%
Administrative and support service	1	0	0%	0	0%	0	0%	0	0%
Agriculture, forestry and fishing	7	3	43%	3	100%	3	100%	1	33%
Arts, entertainment and recreation	7	6	86%	4	67%	6	100%	3	50%
Construction	8	4	50%	4	100%	3	75%	3	75%
Education	6	2	33%	2	100%	2	100%	1	50%
Electricity, gas, steam	2	0	0%	0	0%	0	0%	0	0%
Financial and insurance	63	2	3%	2	100%	2	100%	2	100%
Human health and social work	1	0	0%	0	0%	0	0%	0	0%
Information and communication	9	0	0%	0	0%	0	0%	0	0%
Manufacturing	29	7	24%	6	86%	7	100%	4	57%
Mining and quarrying	1	1	100%	0	0%	1	100%	1	100%
Not-for-profit charitable activities	18	3	17%	2	67%	2	67%	3	100%
Professional, scientific and technical	15	5	33%	5	100%	5	100%	2	40%
Real estate	16	8	50%	8	100%	7	88%	7	88%
Transportation and storage	10	2	20%	2	100%	1	50%	1	50%
Wholesale and retail trade	23	3	13%	3	100%	2	67%	2	67%
Total	**219**	**47**	**21%**	**41**	**87%**	**42**	**89%**	**31**	**66%**

ACAR is justified in being concerned about the risk of self-review in financial audits. 17% of respondents reported that their auditor prepared their financial statements which were then audited by the auditor, a conflict of interest that requires careful measures to be put in place. The high rate of auditor-prepared financial statements is likely due to the lack of knowledge and skill of the audited company. ACAR may make a public statement that auditors should not be preparing the financial statements for the client and this practice requires careful segregation of duties within a firm which will be under scrutiny by ACAR. Moreover, Cambodian auditors tend to use boiler-plate financial statements, which reduces the usefulness of the financial report to stakeholders because it omits company-specific information or issues that are not part of the boiler-plate report.

Figure 4.5.1 Financial report preparers; answer to "Who prepared your 2021 annual report?"

n = 700



5. CONCLUSION AND RECOMMENDATIONS

Implementation of accounting standards and audit in Cambodia have progressed substantially over the past eight years, with a significant increase in compliance for the financial year 2021. ACAR has achieved success with its public awareness activities and the introduction of penalties for non-compliance. To support the continued success of ACAR in increasing compliance and usage of international financial reporting and auditing standards in Cambodia, and to optimize the cost:benefit ratio of regulation to support sustainable economic growth, we draw the following recommendations from our research.

5.1 Prioritize enforcement for QIPs and non-financial institution large taxpayers

To maximize the benefit to Cambodian economic growth and financial sustainability in the public interest, it will be best if ACAR focuses on larger enterprises that have great impact to the Cambodian economy and Cambodian people. Therefore, ACAR may choose to focus its limited resources on enterprises categorized as large taxpayers and QIPs, where there is greater risk to the public and where there is greater potential benefit for compliance with standards. In contrast, there is a risk that ACAR resources will be wasted if it spends resources monitoring the compliance of medium and small enterprises. However, certain large taxpayers, such as financial institutions have strong supervisory oversight, including review of compliance with financial reporting requirements. Such closely supervised enterprises do not require the close oversight of ACAR since this would result in a duplication of regulatory effort. ACAR may focus efforts on the industries with low compliance, namely the construction, real estate, manufacturing and entertainment industries.

5.2 Revise audit threshold criteria to meeting one criteria only

There are companies with significant revenue far in excess of $1,000,000 that are not required to have an audit because their assets are less than $750,000. Also, there are companies holding millions of dollars of assets that are not required to have an audit because they are not generating more than $1,000,000 in revenue. Moreover, it is noted that asset valuation can subjective and will vary based on accounting policies, especially in a low-compliance environment such as Cambodia. Thus, in order to require audits of all companies with significant economic activity, it is recommended that the audit thresholds be based on a “1 of 3” criteria rather than a two of three. At the same time, ACAR may consider raising the threshold amounts to avoid unnecessary audits of companies that do not significantly impact the public.

5.3 For industries with regulator oversight, establish regulator regulator-to-regulator information sharing procedures

To gain efficiencies in monitoring industries that have regulatory or supervisory oversight of financial reporting, ACAR may establish a systematic mechanism to receive regular reports from other regulators about the financial reporting compliance of entities under their supervision. For example, ACAR can establish a mechanism for bilateral exchange and communication with the Supervision Department of the National Bank of Cambodia so that the Supervision Department updates ACAR on its findings regarding the financial reporting and audit practices of banks and institutions that it inspects. Similar mechanisms may be established with the Trust Regulator, the Insurance Regulator, the Securities and Exchange Regulator and other industry regulators.

5.4 Prioritize enforcement of standards and audits, De-prioritize enforcement of accounting record keeping

This research found that 90% of entities complied with the requirement to maintain accounting records and books of accounting; when excluding micro-enterprises, this figure increases. Therefore, there is less risk of non-compliance with this requirement. Moreover, the tax department requires maintenance of accounting records and books and conducts inspections with every tax audit, reducing the need for ACAR to expend resources on this aspect of regulation. Also, the preparation and maintenance of accounting records would naturally result if an enterprise complies with the requirement to implement CIFRS or CIFRS for SMEs. Therefore, ACAR can de-emphasize enforcement or public awareness activities regarding maintenance of accounting records and instead keep its message on compliance with standards and audit.

5.5 Establish data exchange with the General Department of Taxation and the Ministry of Commerce and the CDC

ACAR needs a reliable way to know the population and entity names of the enterprises on which it will focus its enforcement activities and measure its performance. However, collecting financial information from enterprises is difficult and faces various risks of inaccuracy. Therefore, it is advised that ACAR seek the support of the Minister of Economy and Finance to establish a data exchange between ACAR and the GDT so that ACAR can identify the large taxpayers and other priority entities to review for compliance. Similarly, ACAR can establish data exchange with the Ministry of Commerce and the CDC to identify QIPs and other priority entities in a timely and efficient manner. Also, these partners may assist ACAR in disseminating information about accounting and audit regulations to newly registered taxpayers, corporate entities and QIPs.

5.6 Continue public awareness campaigns to promote CIFRS, CIFRS for SMEs and audits and their benefits

The public awareness campaigns of ACAR have been successful as evidenced by the steady increase in the number of entities that comply with CIFRS, CIFRS for SMEs and the statutory audit. A key obstacle and challenge to implementation of standards has been the lack of awareness of standards, the lack of knowledge of standards. Also, as noted by Barnett (2016) the decision to comply with standards and undergo an audit involves management approval and lack of management supply can be an obstacle to compliance. Therefore in its awareness campaigns, ACAR can not only reach out to accountants, but also to business manager and owners.

5.7 Focus public educational workshops on specific single-company challenges to producing compliant financial reports, such as IFRS 16, IFRS 17, currency translation

Most accountants in Cambodia are familiar with double entry bookkeeping and university programs in accounting are widespread in Cambodia. Also, due to the time limitation, workshop formats are not conducive to teaching a broad number of standards. As a result, ACAR may be more successful if it focuses its workshops and education activities targeting specific standards and issues faced by specific industries. The obstacles to compliance with CIFRS or CIFRS for SMEs are often specific to certain standards and challenges. For example, a number of insurance companies have noted that they do not have major issues with IFRS except that they face difficulty in understanding and implementing one standard, IFRS 17. Similarly, a number of enterprises say that their main challenge is IFRS 16 or translation of the financial report from a functional currency to a presentation currency in compliance with the standard.

5.8 Issue additional illustrative financial reports for service and trading businesses

A significant number of enterprises, accountants and auditors have expressed appreciation for the usefulness of the illustrative financial report provided by ACAR in early 2022. However, the illustrative example provided is for a relatively large business involved in manufacturing and many aspects of the example are not appropriate for small businesses or trading business. Therefore, it is recommended that ACAR issued two more additional illustrative example financial reports. One for a trading company and one for a service provider. This will not only assist trading and service businesses, but also create awareness among preparers that the financial report should be adapted to best communicate information about a particular entity.

5.9 Review audit firms' controls to minimize risks arising from self-review

It is the responsibility of each company to prepare and approve financial reports. However, nearly 17% of respondents who reported preparing an annual financial report said that their auditor was the one who prepared the report and only 63% said they prepared the report themselves. There is obviously a conflict of the auditor's interest if the auditor both prepares the financial report and then expresses an opinion about the true and fair presentation of the report in accordance with CIFRS or CIFRS for SMEs. ACAR should help break this bad habit of Cambodian auditors preparing the report for their clients. ACAR may send a reminder to the audit firms and request that they implement measures to prevent the risk of self-review. This can be followed up during audit quality inspections to inquire with firms how they separate the personnel and duties between the staff who prepare the financial report and the staff who conduct the audit.

5.10 Issue indefinite approval of English language accounting records without requiring a request

Virtually none of the major accounting applications used around the world accommodate Khmer font. Therefore, if the requirement to use Khmer script in accounting records is enforced, it will prevent Cambodian businesses from using the helpful, efficient software that they have invested significant time and effort to set up and learn to use. Enforcement of using Khmer script in accounting records would require extensive and costly replacement of world class software such as Oracle, SAP, Quickbooks and replace it with unreliable and less functional software. Given that 99% of respondents in this survey reported using accounting software that does not allow Khmer script, the cost of replacement would be enormous in terms of purchase price, staff training and lost efficiencies. With 100,000 enterprises and an average cost of replacement of $5,000, this could cost the Cambodian economy $500,000,000 without any benefit. Therefore, it is recommended that ACAR indefinitely approve English language in accounting records. Within 10 years, it may be that Khmer unicode font will eventually be accommodated by the major software companies and everyone can avoid any costly replacement.

5.11 ACAR can set key performance indicators towards achievement of compliance, conduct a follow up independent research survey periodically

In order to measure progress towards its strategic plan, ACAR is recommended to develop a set of key performance indicators (KPIs) which are measurable and realistic. These KPIs can be a basis for measuring the effectiveness of ACAR activities and making adjustments to improve that effectiveness. The KPIs can include a target level of compliance with standards and the statutory audit. The measurement of KPIs can be supported by periodic independent research, such as in this report.

5.12 Delay the requirement to report in Cambodian riel

Although the law requires financial reports to be prepared in Cambodian riel, there is little practical benefit to the business owner or stakeholders when the day-to-day functional currency of the business is USD. Also, translation from USD to Cambodian riel in accordance with CIFRS or CIFRS or SMEs is a technical undertaking and requires training that most bookkeepers have not undergone. Moreover, the National Bank of Cambodia allows transactions and bank accounts in USD, with Cambodia being a 90% dollarized economy. Therefore, to make it easier for entities to apply CIFRS and CIFRS for SMEs, it is recommended to delay the requirement to report in Cambodian riel until the National Bank of Cambodia fully dedollarizes.

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Appendix 1 - Survey Instrument

Financial Reporting in Cambodia

This research estimates compliance with accounting regulations. Your participation is voluntary and will help support education and policies. We collect identifying information such as email and company name, but your responses will be kept confidential for analysis by our researchers and disclosed only as part of summary numbers.

Switch account

* Required

Email *

Your email

What is the name of your business or organization? *
តើស្ថាប័នរបស់អ្នកមានឈ្មោះអ្វី?

Your answer

What is your position? *
តើអ្នកមានតួនាទីអ្វី?

Your answer

Is your majority shareholder or controlling person Cambodian or foreign? *
តើម្ចាស់ហ៊ុនភាគច្រើន ឬភាគីត្រួតត្រា ជាជនជាតិអ្វី?

- ◯ Cambodian ខ្មែរ
- ◯ Foreigner បរទេស

What is your organization's main industry? *
តើក្រុមហ៊ុន/អង្គការរបស់អ្នកចូលរួមក្នុងឧស្សាហកម្មណា ក្នុងចំណោមឧស្សាហកម្មខាងក្រោម?

- ◯ Charity or not-for-profit activities សប្បុរសធម៌ ឬមិនស្វែងរកប្រាក់ចំណេញ
- ◯ Agriculture កសិកម្ម
- ◯ Manufacturing/industrial កម្មន្តសាល/ឧស្សាហកម្ម
- ◯ Electricity, gas, water អគ្គិសនី ឧស្ម័ន ទឹក
- ◯ Construction/real estate សំណង់ អចលនទ្រព្យ
- ◯ Retail or Wholesale Trade ពាណិជ្ជកម្ម
- ◯ Hotel, Restaurant សណ្ឋាគារ ភោជនីយដ្ឋាន
- ◯ Transport គមនាគមន៍
- ◯ Telecommunication ទូរគមនាគមន៍
- ◯ Finance ហិរញ្ញវត្ថុ
- ◯ Education អប់រំ
- ◯ Health Care សុខាភិបាល
- ◯ Tourism ទេសចរណ៍
- ◯ Other: ____________________

Did your business/organization prepare an annual financial report? តើអាជីវកម្ម/អង្គការរបស់អ្នកបានរៀបចំរបាយការណ៍ហិរញ្ញវត្ថុប្រចាំឆ្នាំដែរឬទេ? *

	1) Yes បាទ/ចាស	2) No អត់ទេ
For the year 2021	○	○
For the year 2020	○	○

Which of the categories best defines your company/organization status? ក្នុងចំណោមប្រភេទខាងក្រោម តើប្រភេទមួយណាកំណត់អំពីប្រភេទទិដ្ឋភាពផ្លូវច្បាប់នៃក្រុមហ៊ុន/អង្គការរបស់អ្នក? *

Choose

Is your business a Qualified Investment Project (QIP)? តើក្រុមហ៊ុនអ្នកជាគម្រោងវិនិយោគមានលក្ខណៈសម្បត្តិគ្រប់គ្រាន់ ដែលត្រូវបានអនុម័តដោយក្រុមប្រឹក្សាអភិវឌ្ឍន៍កម្ពុជាដែរទេ? *

○ Yes បាទ/ចាស

○ No អត់ទេ

Is your business any of the following? If no, please skip question.
តើក្រុមហ៊ុនរបស់អ្នកជាប្រភេទក្រុមហ៊ុនឬស្ថាប័នខាងក្រោមទេ? ប្រសិនបើ ទេ សូមរំលងសំណួរនេះ។

- ☐ Commercial Bank ធនាគារពាណិជ្ជ
- ☐ Deposit Taking Microfinance Institute គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ ទទួលប្រាក់បញ្ញើ
- ☐ Listed Company on the Stock Exchange ក្រុមហ៊ុនចុះបញ្ជីនៅផ្សារហ៊ុន
- ☐ Trust Company ក្រុមហ៊ុនបរធនបាលកិច្ច
- ☐ Insurance Company ក្រុមហ៊ុនធានារ៉ាប់រង
- ☐ Securities Dealer, Securities Broker ក្រុមហ៊ុនធានាទិញមូលបត្រ/ក្រុមហ៊ុនជើងសារមូលបត្រ
- ☐ Mutual Fund សង្គហមូលនិធិ
- ☐ Investment Fund មូលនិធិវិនិយោគ

How many employees did you have? *
តើស្ថាប័នរបស់អ្នកមានបុគ្គលិកប៉ុន្មាននាក់ ?

	1-19	20-50	51-99	100-150	151-200	201+
2021	○	○	○	○	○	○
2020	○	○	○	○	○	○

What is the estimated value of your business/organization assets? *
តើតម្លៃប៉ាន់ស្មាននៃទ្រព្យសកម្មក្រុមហ៊ុន/អង្គការរបស់អ្នក មានប្រហែលប៉ុន្មាន?

	$0 - $250,000	$250,000 – $500,000	$500,001 – $749,000	$750,000 - $1,000,000	$1,000,000 - $2,000,000	$2,000,001+
2021	○	○	○	○	○	○
2020	○	○	○	○	○	○

What was your company/organization's total revenue in year? *
តើក្រុមហ៊ុន/អង្គការរបស់អ្នកមានចំណូលសរុបប៉ុន្មានក្នុងឆ្នាំ?

	$0 - $62,500	$62,500 – $249,999	$250,000 - 499,999	$500,001 - $999,999	$1,000,000 - $1,499,999	$1,500,000 - $1,999,999	$2,000,000+
2021	○	○	○	○	○	○	○
2020	○	○	○	○	○	○	○

What was your company/organization's total expenses? *
តើក្រុមហ៊ុន/អង្គការរបស់អ្នកមានចំណាយសរុបប៉ុន្មាន?

	$0 – $499,000	$500,000 +
2021	○	○
2020	○	○

What is reporting date in your financial report? *
តើដំណាច់ឆ្នាំគណនេយ្យរបស់អ្នក នៅក្នុងខែណា?

- ◯ December 31 ថ្ងៃទី៣១ ខែធ្នូ
- ◯ Other: ____________

Who prepared your annual financial report? *
តើនរណាជាអ្នករៀបចំរបាយការណ៍ហិរញ្ញវត្ថុប្រចាំឆ្នាំ របស់អ្នក?

	We did it ourselves យើងបានរៀបចំដោយខ្លួនឯង	Auditor សវនកររបស់យើង	Tax consultant	Accounting firm
2021	◯	◯	◯	◯
2020	◯	◯	◯	◯

Did you prepare your annual financial report in Khmer language? *
តើអ្នកបានរៀបចំរបាយការណ៍ហិរញ្ញវត្ថុប្រចាំឆ្នាំរបស់អ្នកជាភាសាខ្មែរទេ?

	Yes	No
2021	◯	◯
2020	◯	◯

Did you present your annual financial report in Cambodian riel? *
តើអ្នកបានបង្ហាញរបាយការណ៍ហិរញ្ញវត្ថុប្រចាំឆ្នាំរបស់អ្នកជាប្រាក់រៀលកម្ពុជាទេ?

	Yes	No
2021	○	○
2020	○	○

Has your business borrowed money from a bank? *
តើក្រុមហ៊ុនរបស់អ្នកមានខ្ចីប្រាក់ពីធនាគារទេ?

	Yes	No
2021	○	○
2020	○	○

Does your business or organization keep invoices, receipts, vouchers, purchases day book or journal, sales day book or journal, and a record of cash receipts and payments? *

តើក្រុមហ៊ុន ឬស្ថាប័នរបស់អ្នករក្សាវិក្ក័យបត្រ បង្កាន់ដៃ ប័ណ្ណទូទាត់ សក្ខីបត្រចុះបញ្ជី សៀវភៅទិញ ឬទិនានុប្បវត្តិ សៀវភៅលក់ ឬទិនានុប្បវត្តិ និងកំណត់ត្រាបង្កាន់ដៃសាច់ប្រាក់ និងការទូទាត់ដែរឬទេ?

○ Yes បាទ/ចាស

○ No ទេ

What financial reporting standard did you use to prepare your financial report? *
តើអ្នកប្រើប្រាស់ស្តង់ដាររបាយការណ៍ហិរញ្ញវត្ថុមួយណា ក្នុងការរៀបចំរបាយការណ៍វត្ថុឆ្នាំរបស់អ្នក?

	CIFRS	CIFRS for SMEs	CFRS for NFPEs	Cash Basis មូលដ្ឋានសាច់ប្រាក់	Other standard ស្តង់ដារផ្សេង	No Standard មិនប្រើស្តង់ដារទេ	Do not know មិនដឹង
2021	○	○	○	○	○	○	○
2020	○	○	○	○	○	○	○

Did your business/organization have an independent audit of your financial report? *
តើក្រុមហ៊ុន/អង្គការរបស់អ្នកបានដាក់របាយការណ៍ហិរញ្ញវត្ថុអោយរងសវនកម្មឯករាជ្យដែរឬទេ?

	1) Yes បាទ/ចាស	2) No អត់ទេ
2021 Financial Report	○	○
2020 Financial Report	○	○

If you answered "yes" to the question above, what is the name of your independent auditor? បើសិនជា "បាទ/ចាស" ក្នុងសំណួរខាងលើ, តើសវនកររបស់អ្នកឈ្មោះអ្វី?

Your answer

Did you submit your financial report to the Accounting and Auditing Regulator of Cambodia? តើអ្នកបានដាក់របាយការណ៍ហិរញ្ញវត្ថុ របស់អ្នក ជូនទៅនិយ័តករគណនេយ្យ និងសវនកម្មកម្ពុជាដែរឬទេ? *

	1) Yes បាទ/ចាស	2) No អត់ទេ
2021 Financial Report	○	○
2020 Financial Report	○	○

What is the biggest difficulty in preparing a financial report according to CIFRS, CIFRS for SMEs or CFRS for NFPEs?

តើអ្វីជាការលំបាកធំបំផុតក្នុងការរៀបចំរបាយការណ៍ហិរញ្ញវត្ថុយោងទៅតាម CIFRS, CIFRS សម្រាប់ SMEs ឬ CFRS សម្រាប់ NFPEs?

Your answer

What is the name of the main accounting software used in your business? តើកម្មវិធីគណនេយ្យសំខាន់ដែលប្រើក្នុងក្រុមហ៊ុនរបស់អ្នកមានឈ្មោះអ្វី?

Your answer

Submit

Clear form