

PRAKAS (DECLARATION)

**DECLARATION No. 227 ON THE AUTHORIZATION TO OPEN
PRIVATE AUDITING FIRM TO AUDIT ACCOUNTS OF
BUSINESSES**

Phnom Penh, October 14, 1994

- Seen the Constitution of the Kingdom of Cambodia;
- Seen the Royal Decree of His Majesty the Kingdom of Cambodia, Samdech Preach NORODOM SIHANOUK VARMAN, dated November 1, 1993 on the Formation of the Royal Government;
- Seen the Law on the Mandatory Maintenance of Business Accounts dated August 11, 1992, and its promulgations by Decree No 90 dated August 27, 1992;
- Seen the Sub-Decree No 635 dated April 04, 1994 on the auditing of business accounts,
- Seen the Prakas No 147 dated August 30, 1994, on the identification of business subject to profit tax and business tax; and
- Pursuant to the exigent needs of the present economic and financial situation

IT IS HEREBY DECIDED

ARTICLE 1:

That all business accounts and revenues declarations of businesses subject to business tax shall be certified by a private auditing firm duly admitted by the Ministry of Economy and Finances .

ARTICLE 2:

The registrar of private auditing firms shall be publicly listed and kept in the Department of Taxation.

ARTICLE 3:

To be admitted by the Ministry of Economy and Finances, private auditing firms are required to fulfill the following conditions:

- a. Must be a Chartered Accountant or Auditor, or possess an equivalent certificate duly recognized by the Ministry of Economy and Finances

- b. Be of Khmer citizenship
- c. Never been sentenced of the followings :
 - Felony
 - Commissions of serious crimes.
 - Committing acts affecting honor.
 - Being prohibited from supervisory capacities as a result of the followings:
 - ♦ Criminal acts
 - ♦ Theft, fraud, bankruptcy, issuing dishonored checks, waste of state funds, and hiding incriminating evidence, or all the above.
- d. Be at least 25 years of age.
- e. Having good morals.

The Department of Taxation shall have the right to conduct character checks of the applicant.

ARTICLE 4:

All applicants applying for the opening of an auditing firm are considered as professionals and can not hold any positions in any companies they are conducting the audits.

ARTICLE 5:

All applicants shall provide proof that they have suitable amenities to conduct their works.

ARTICLE 6:

Applicant applying for the opening of an auditing firm as a representative of an auditing firm located outside Cambodia, shall be duly appointed as the representative of such foreign auditing firm. Such foreign auditing firm shall be duly registered in their country of practice.

ARTICLE 7:

Applications to be registered in the Registrar of auditing firms shall be sent to the Department of Taxation of the Ministry of Economy and Finances, along with other documents specifically mentioned in Articles 3 and 6.

ARTICLE 8:

The Minister of Economy and Finances or his representative can delete the name of the auditing firm from the Registrar for the following causes :

- Voluntary resignation of the applicant concerned,
- Commission of serious professional faults,
- Being sentenced by court of law, and
- Being temporarily or permanently prohibited from performing any jobs.

The deletion of the name of the auditing firm from the Registrar can temporary or permanent.

ARTICLE 9:

The Ministry of Economy and Finances, the Department of Taxation, the Department of Accounting, other relevant departments, state-owned enterprises, quasi-state-owned enterprises and all private enterprises shall be responsible for implementing and applying this Declaration within their respective capacity.

ARTICLE 10:

Any provisions contrary to this Declaration shall be annulled.

Senior Minister and
Minister of Economy and Finance

Signature and Seal
SAM RAINSY