

**ANUKRET ON THE ORGANISATION AND FUNCTIONS  
OF  
THE KAMPUCHEA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND AUDITORS**

**The Royal Government of Cambodia**

- Seen the Constitution of the Kingdom of Cambodia;
- Seen the Royal Decree NS/RKT/1198/72 dated 30 November 1998 on the appointment of the Royal Government;
- Seen the Law on the Organisation and Functioning of the Council of Ministers promulgated by the Royal Decree No.2/NS/94 dated on 20 July 1994;
- Seen the Law on the Establishment of the Ministry of Economy and Finance promulgated by the Royal Decree NS/RKM/0196/18 dated 24 January 1996;
- Seen the Law on General Statutes for the Public Enterprises promulgated by the Royal Decree CS/RKM/0696/03 dated 17 June 1996;
- Seen the Law on Corporate Accounts, "Their Audit and the Accounting Profession" promulgated by the Royal Decree NS/RKM/0702/011 dated 8<sup>th</sup> July 2002;
- Seen the Anukret No.41 ANKR.BK dated 6<sup>th</sup> August 1997 on the application of the Law on General Statutes for the Public Enterprises;
- Following the approval of the Council of Ministers in its plenary session dated 28 February 2003

**HEREBY DECIDES**

**CHAPTER 1  
GENERAL PROVISIONS**

- Article 1** - This Anukret shall determine the organisation and functions of the Kampuchea Institute of Certified Public Accountants and Auditors as well as the conditions regulating the profession of certified public accountant and statutory auditor exercising in the Kingdom of Cambodia whose functions are:
- To provide a national professional body to represent its members, to participate in promoting and defending the statute and interests of the profession;
  - To participate as a working member of the National Accounting Council;
  - To prepare the regulations and duties of the profession and ensuring their application;
  - Organise accounting professional training for Khmer citizens who wish to enter the profession of Certified Public Accountant or Auditor
- Article 2** - The registered office of the Kampuchea Institute of Certified Public Accountants and Auditors is situated in Phnom Penh. The acronym of the Institute is "K.I.C.P.A.A".
- Article 3** - The Institute shall be placed under the supervision of the Ministry of

Economy and Finance. The supervising Ministry shall be presented at the Institute by a Commissioner of the Government appointed by ministerial Prakas.

## CHAPTER 2 ADMINISTRATION AND FUNCTIONS OF THE INSTITUTE

**Article 4** - The K.I.C.P.A.A. shall consist of the various administering bodies as follows:

- Members' Assembly
- Governing Council
- Committee of Professional Ethics
- Registration Committee for certified public accountants and statutory auditors
- Working groups, study and research task forces
- Secretariat

The Institute may create branch offices in every province of the Kingdom of Cambodia.

**Article 5** - The Governing Council specified in Article 4 above shall consist of a maximum of nine (9) members. They shall be elected among active members by secret ballot taken at absolute majority of members present at members' assembly for a four-year term.

The procedures for the organisation and appointment of Members of the Governing Council shall be set by Prakas of the Minister of Economy and Finance.

**Article 6** - The first Governing Council appointed by the transitional provision set forth in Article 21 of this Anukret shall within two (2) years of its nomination draw up the following regulations:

- Internal regulations of the K.I.C.P.A.A.
- Professional code of ethics of certified public accountant and statutory auditor.
- Professional code of conduct of K.I.C.P.A.A.'s members.
- Codes of administration and conditions regarding the functions of the Disciplinary Committee in Article 7 of this Anukret.
- Internal regulations governing the duties and obligations of the members as well as the terms of the convention signed with foreign professional statutory auditors and certified public accountants. They shall also define the events leading to the loss of membership.

**Article 7** - There shall be a Disciplinary Committee within the Institute entrusted in particular with the task of imposing sanctions against sufficiently evidence voluntary breaches of the code of professional ethics, the code of professional conduct, internal regulations of the Institute and in general any breach of one or the other of the rules governing the profession of certified public accountant and of statutory auditor.

The Disciplinary Committee shall also be referred to on the ground of any misconduct by a member likely to impair the honour of the profession,

especially:

- Clearly dishonest dealing against third parties
- Corruption
- Embezzlements
- Manipulations of various documents with the intent to deceive
- Presentation of misleading financial statements.

The Disciplinary Committee shall also be referred to on appeal, for any request to rescind decisions made by the Registration Committee with regards to the registration and expulsion from the list of certified public accountants and the list of statutory auditors.

**Article 8** - To ensure the transparency, correctness and fair presentation of the Institute's accounts, a college of two auditors (one incumbent and one deputy) shall be elected from among the members registered on the two lists as provided in Article 9 of this Anukret.

The deputy auditor is deemed to replace the incumbent auditor in case of prevention or death of the latter. The office of auditors shall be renewed at each annual general meeting.

The functions of auditors are incompatible with those of Members of the Governing Council.

The incumbent auditor shall carry out his duties and establish his report which is made available to the members of the Institute at least fifteen (15) days before the date of the annual general meeting.

He shall present his report to the general meeting and certify the accuracy of the financial resources of the Institute for the financial period under review.

The auditors shall be released from their responsibilities only after approval of their report resolved upon by the general meeting before which they have submitted their report.

**Article 9** - Subject to any provisions contrary to this Anukret, the Registration Committee of certified public accountants and registered auditors specified in Article 4 of this Anukret shall have the powers to establish the list of certified public accountants and the list of statutory auditors who are members of the Institute, practicing either individually or within a firm as certified public accountant or statutory auditor. Both lists shall make the official register of the Institute and shall be supplied on a free basis to the various categories of members and State Institutions.

Each list shall be divided up into three (3) sections:

- The section of certified public accountants and statutory auditors natural persons members of the Institute
- The section of firms of certified public accountants and statutory auditors recognised as such by the Registration Committee
- The section of foreign natural and legal persons authorised to practice as certified public accountant and statutory auditor under the terms of convention signed with the Institute.

### CHAPTER 3 MEMBERS OF THE INSTITUTE

**Article 10** - The members of the Institute shall be classified as:

- Affiliated member
- Active member
- Trainee member

An **affiliated member** is any person holding university qualifications in accounting, business or finance of a standard recognised by and acceptable to the Registration Committee.

An **active member** is any affiliated member meeting the requirements to be registered on the list specified in Article 9 of this Anukret, on the basis of the level of competency, diploma and aptitude in practicing the profession of this member.

The foregoing provisions relating to the admission of active members notwithstanding, the Governing Council may in its absolute discretion admit to active membership any person whom it deems especially qualified for admission.

A **trainee member** is any person having accounting and financial knowledge deemed sufficient by the Registration Committee to follow a professional training period or carry out studies leading to the profession of certified public accountant and/or statutory auditor.

A trainee member shall not practice as a certified public accountant and/or statutory auditor. A trainee member shall have a voting right without being eligible to be elected.

**Article 11** - The functions of the Institute's members practicing the profession of certified public accountant or statutory auditor shall be incompatible with any occupation or action likely to impair his independence.

It is forbidden for members of the Institute to hold a salaried occupation, except with another member of the Institute or in a certified public accounting and/or auditing firm which is a member of the Institute.

Members of the Institute shall however be entitled to accept engagements as experts which they are entrusted with by decision of justice, and/or by state institutions to fulfil the functions as an arbitrator or a university lecturer.

### CHAPTER 4 THE PROFESSIONS OF CERTIFIED PUBLIC ACCOUNTANT AND STATUTORY AUDITOR

#### SECTION 1 THE PROFESSION OF CERTIFIED PUBLIC ACCOUNTANT

**Article 12** - A certified public accountant means a person in public practice who has the usual profession to offer to his clients to which he is not bound by an employment contract, services in relation to:

- Bookkeeping
- The aggregation of financial statements
- Opening balances engagements
- Closing balances engagements
- The supervision of the accounts
- The review of financial statements
- Adjusting entries in the books
- Assessing and consolidating the accounts of companies and entities
- The organisation of accounting procedures and provide analysis, through accounting technique processes, on the statement of financial position and operations of companies under their various economic, legal and financial aspects, and
- Report his findings, conclusions and suggestions

A certified public accountant shall also be entitled to certify the fair presentation of financial statements.

**Article 13** - No person shall exercise the profession of certified public accountant unless that person is registered on the list of certified public accountants of the Institute of Certified Public Accountants and Auditors provided for in Article 9 of this Anukret. With the exception of the specific provisions set by the internal regulations regarding the admission of foreign professionals, the registration as a certified public accountant on the list maintained at the Institute is subjected to compliance with the following conditions:

1. be of Cambodian nationality
2. be more than twenty five (25) years old on the day of admission as a member of the Institute
3. be in full possession of civil rights
4. not have been found guilty any crime or offence witnessed by a clean record delivered by the relevant authorities
5. hold the certified public accountant diploma or a diploma deemed equivalent by the Registration Committee of certified public accountants and statutory auditors.

**Article 14** - Natural and/or legal persons can be registered on the list of the accounting firms provided that they fulfil the eligible conditions defined by the internal regulations of the Institute. Moreover, the provisions of companies' statutes shall be in compliance with those of the internal regulations.

**Article 15** - Certified public accountants registered on the list drawn up by the Institute shall assume responsibility for their work. They shall comply with the legislative and regulatory provisions in force, including the code of ethics governing the profession as well as the internal regulations of the Institute.

In order to guarantee the liability they may incur as a result of their work and activities, they are bound to subscribe a professional insurance contract.

The liability incumbent on firms of certified public accountants registered

on the list of the Institute shall not override the personal liability of each individual member vis-à-vis the Institute, on account of the works he is led to perform himself on behalf of these firms and which have to bear his personal signature as well as the visa of the signature firm.

- Article 16** - Certified public accountants registered with the Institute shall be required, under the conditions to be set out in the internal regulations of the Institute, to take in charge trainee accountants and to provide for their professional training.

## **SECTION 2 THE PROFESSION OF STATUTORY AUDITOR**

- Article 17** - A statutory auditor shall be the person who in his own name and under his own responsibility certifies the true and fair presentation of the accounts of natural and legal persons which have entrusted him with this engagement as a result of regulatory provisions in force or a contractual agreement.

- Article 18** - No person shall exercise the profession of statutory auditor, unless that person is registered on the list of statutory auditors of the Institute of Certified Public Accountants and Auditors as defined in article 9 of this Anukret.

Registration as statutory auditor on the list of the Institute shall be governed by observance of the same criteria than those defined in article 13 of this Anukret.

- Article 19** - The statutory auditors registered with the Institute shall be entitled to form limited companies in accordance with the internal regulations and the provisions of the laws currently in force.

- Article 20** - There shall be a Supervising Committee within the Institute in charge of supervising compliance with independence and due professional diligence requirements expected from statutory auditors. The composition and functions of the Supervising Committee shall be set out by Prakas of the Minister of Economy and Finance.

- Article 21** - In order to implement the objectives of this Anukret, a Prakas of the Minister of Economy and Finance shall appoint one (1) President, one (1) Vice President, one (1) Treasurer and two (2) additional members to serve as members of the first Governing Council of the Institute.

## **PENALTIES**

- Article 22** - Persons who engage in the profession of certified public accountant and/or statutory auditor in breach of the provisions set forth in article 9, 13 and 18 of this Anukret shall be punished by the Legislation currently in force.

## **CHAPTER 6 FINAL PROVISIONS**

- Article 23** - Any provisions contrary to this Anukret shall be deemed null and void.

- Article 24** - The Cabinet Minister, the Minister of Economy and Finance, Ministers,

State Secretaries and agencies concerned are responsible for the enforcement of this Anukret from the date of its signature.

Dated in Phnom Penh, this Wednesday of 19 March, 2003

**The Prime Minister**

**Hun Sen**

CC:

Ministry of The Royal Palace  
Cabinet of the Senate  
Cabinet of the National Assembly  
National Audit Authority  
Cabinet of the Prime Minister  
As stated in Article 24  
Documents/Archives

**Unofficial Translation**