

**Kingdom of Cambodia  
Nation – Religion – King  
Royal Government of Cambodia**

**Royal Government of Cambodia  
No. 79 ANKR BK**

**Sub-Decree  
On  
The Penalty for Violation of Accounting and Auditing Law**

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen Royal-Decree no. NS/RD/0918/925, dated 06 September 2018, on the appointment of the Royal Government of Cambodia;
- Having seen Royal-Decree no. NS/RD/0320/421 dated 30 March 2020, on the appointment and amend the composition of the Royal Government of Cambodia
- Having seen Royal Kram no. NS/RKM/0618/012, dated 28 June 2018, promulgating the Law on Establishment and Functioning of the Council of Ministers;
- Having seen Royal Kram no. NS/RKM/0196/18, dated 24 January 1996, promulgating the Law on the Establishment of the Ministry of Economic and Finance;
- Having seen Royal Kram no. NS/RKM/0416/006 dated 11 April 2016, promulgating the law of Accounting and Auditing
- Having seen Sub-Decree no. 488 ANK. BK, dated 16 October 2013, on the Establishment and Functioning of the Ministry of Economic and Finance;
- Having seen Sub-Decree no. 75 ANK. BK, dated 25 May 2017, on the Amendment of the Sub-Decree 488 SD. BK, dated 16 October 2013, on the Establishment and Functioning of the Ministry of Economic and Finance;
- Having seen Sub-Decree no. 185 ANK. BK, dated 25 October 2017, on the Establishment and Functioning of the National Accounting Council;
- Having seen Sub-Decree no. 113 ANK. BK, dated 02 August 2019, on the Establishment and Functioning of institute of Accounting and Auditing Professional;
- As it is requested by the Chairman of the Economy and Finance Policy Committee.

**Decides**  
**Chapter 1**  
**General Provision**

**Article 1**

The Objective of this Sub-Decree is to determine the transitional fine for the offense with the Accounting and Auditing law and to Promulgate the application Mechanism on the transitional fine management for the purpose of uphold responsibility for Enterprise, Non-profit Organization, Accountant and Auditor to guarantee the efficiency of functioning Accounting and Auditing Law.

**Article 2-**

This Sub-Decree implement for:

- The enterprise or Legal Person, registered at Ministry of Commerce and/or General Department of Taxation which refer to Large and Medium taxpayer.
- To all the Non-Profit Organization, registered with related Ministry and Institution
- To all the Accountants and Auditors which is a member of Kampuchea Institute of Certified Public Accountants and Auditors shall receive license on Accounting and Auditing from **NAC**.

**Article 3-**

Technical words using in this Sub-decree have its meaning as below;

- Does not having the proper accounting record refer to the missing accounting document and does not record the transaction into accounting book or accounting report properly. Accounting document included Invoice, Receipt, Certificate of registration. Accounting book or accounting report included Purchase record, Sale record, account receivable and account payable.
- illegal person refers to the enterprise, the NGO, accountant or auditor that disrespect the Accounting and Auditing law.
- Accountant and auditor who is a Physical person refer to the member of Kampuchea Institute of Certified Public Accountants licensed from **NAC**.
- Accountant and auditor who is a legal person, Accounting and Auditing firm that received the licensed from **NAC**.
- Large and medium taxpayer refer to the enterprise that recognized by Ministry of Economic and Finance.

- The case of repeat the offense refer to the offenses that the enterprise, NGO, Accountant and Auditor used to penalty but still didn't heed the warning.
- License owner refer to the person that have received the license to accomplish to perform as accountant and auditing from **NAC**.

**Chapter 2**  
**The offense and Transition fine**  
**Part 1**  
**For Enterprise**

**Article 4-**

The large taxpayer must pay a penalty for commit violations according to the conditions below:

- A. Using different physical year for accounting which is a violation of the Accounting and Auditing Law will be subject to 2,000,000 Riel.
- B. Not using the Khmer language for the accounting report and financial statements will be subject to penalty 2,000,000 Riel.
- C. Not using the Cambodian currency (KHR) in the accounting report and financial statements will be subject to penalty 2,000,000 Riel.
- D. late submissions of the financial report to secretary of **NAC** on the deadline will be subject to penalty 2,000,000 Riel.
- E. Not having the proper accounting record will be subject to penalty 10,000,000 Riel.
- F. Not having the standard accounting will be subject to 10,000,000 Riel.
- G. Fail to submit independent audit report will be subject to penalty 20,000,000 Riel.
- H. Not having the independent audit report accordance to law of taxation will be subject to penalty 10,000,000 Riel.
- I. Not maintain the accounting document in accordance to the law will be subject to penalty 10,000,000 Riel.

**Article 5-**

The medium taxpayer must pay a penalty for commit violations according to the conditions below:

- A. Using a nonstandard accounting in the financial statement and audit without permission is finable by 1,500,000 Riel.
- B. Using a language that is not the Khmer language in the accounting and financial statement is finable by 1,500,000 Riel.
- C. Using any other currency that is not the Cambodian Riels in the accounting and financial statement is finable by 1,500,000 KHR.
- D. The act of not/late submission of the necessary accounting and financial statement is finable by 2,000,000 KHR.

- E. Not using the accounting report is finable by 10,000,000 KHR.
- F. The act of submitting the financial statement in the wrong order is finable by 8,000,000 KHR.
- G. The act of not submitting the financial statement to the (fill in the blank) auditor is finable by 16,000,000 KHR.
- H. The act of not keeping the financial statement properly is finable by 8,000,000 KHR.

## **Part 2**

### **For Non-Profit Organization**

#### **Article 6:**

- A. The act of submitting a nonstandard accounting and financial statement without permission is fined 800,000 KHR.
- B. The act of not using the Khmer language in accounting and financial statements is fined of 800,000 KHR.
- C. The act of using a currency that is not the Cambodian Riels in the accounting and financial statement must pay a fine of 800,000 KHR.
- D. The act of not/late submitting of the financial statements to the Ministry of Taxation and Finance is fined 1,200,000 KHR.
- E. The act of not submitting financial statements is fined 6,400,000 KHR.
- F. The act of submitting financial statements that is not organized up to standard is fined 6,400,000 KHR.
- G. The act of failure in submitting the financial statements to the independence auditor is fined 1,600,000 KHR.
- H. The act of using a nonstandard accounting method on the financial statements is fined 4,800,000 KHR.
- I. The act of not keeping the financial statement properly is fined 8,000,000 KHR.

## **Part 2**

### **For Non-Profit Organization**

#### **Article 7:**

Accountant is a physical Person shall commit the offense for the law break as below;

- a. Break the paragraph no.2 of article 28 of Accounting and Auditing law must be account for the penalty in 5,000,000 Riel.
- b. Late in payment of CPA license (Certified Public Accounting) yearly, the owner must be account for the penalty in cash of 100,000 Riel per day starting from the expired date of the license.
- c. Late in requesting to continue the CPA license (Certified Public Accounting), the owner must be account for the penalty in cash of 100,00 Riel per day starting from the expired date of the license.

## **Article 8**

The accountant is a legal person will need to respond for the penalty for offenses as below:

- a. Late in payment of CPA license (Certified Public Accounting) yearly, the owner must be respond for the penalty 150,000 Riel per day, starting from the expired date of license.
- b. Late in requesting to continue the CPA license (Certified Public Accounting) yearly, the owner must be respond for the penalty 150,000 Riel per day, starting from the expired date of license.

## **Article 9**

For auditor who is an individual, need to account for the penalty for offenses as below:

- a. To prepare the audit reports without using Khmer or English language without permission, will be subjected to the penalty in cash of 10,000,000 Riel
- b. To prepare audit reports that not compliance with audit standards and international claims of Cambodia, will be subjected to the penalty in cash of 10,000,000 Riel
- c. To provide auditing services for any enterprises or Non-Profit organizations without compliance with the terms stated in paragraph 1 of article 15 of Law on Accounting and Auditing, will be subjected to the penalty in cash of 20,000,000 Riel
- d. To provide auditing services for any enterprises or Non-Profit organization without compliance with the terms stated in paragraph 2 of article 15 of Law on Accounting and Auditing, will be subjected to penalty in cash of 20,000,000 Riel
- e. Not keeping the related auditing evidence for at least 10 years starting from the date of issuing the auditing report, will be subjected to penalty in cash of 20,000,000 Riel
- f. To act against the terms in paragraph 2 of article 28 of Law on Accounting and Auditing, will be subjected to penalty in cash of 20,000,000 Riel
- g. Late in payment of Audit License yearly, will be subjected to penalty in cash of 150,000 per day starting from the expired date of license.
- h. Late in requesting to continue the Audit License, will be subjected to penalty in cash of 150,000 per day starting from the expired date of license

## **Article 10**

For auditor who is a legal person, need to account for the penalty for offenses as below:

- a. Late in payment of Audit Licenses yearly, will be subjected to the penalty in cash of 200,000 per day starting from the expired date of license
- b. Late in requesting to continue the Audit License, will be subjected to penalty in cash of 200,00 Riel per day starting from the expired date of license.
- c. To provide services to any enterprises or Non-Profit organizations without compliance with the terms stated in paragraph 1 of article 15 of Law on Accounting and Auditing, will be subjected to penalty in cash of 20,000,000 Riel
- d. To provide services to any enterprises or Non-Profit organizations without compliance with the terms stated in paragraph 2 of article 15 of Law on Accounting and Auditing, will be subjected to penalty in cash of 20,000,000 Riel

- e. To provide services to any enterprises or Non-Profit organizations without compliance with the terms stated in paragraph 3 of article 15 of Law on Accounting and Auditing, will be subjected to penalty in cash of 30,000,000 Riel

### **Chapter 3**

#### **In the case of non-compliance and late penalty payment according to the deadline**

##### **Article 11**

In the case that the offender has already once received an interim fined, but still continue to commits the same offense, they will be subjected to the following additional penalties:

- First time commit the same offense, will be subjected to twice penalty of the first penalty payment
- Second time commit the same offense, will be subjected to pay twice penalty of the amount of first time commit the same offense
- Third time commit the same offense, National Accounting Council will decide to suspend or subtract the Accounting and Auditing license from accountant and auditor. National Accounting Council will issue the letter to ministry to take legal action with enterprises and Non-Profit organization.

##### **Article 12**

In the case that the offender did not pay penalty within 30 days, the amount of penalty will increase twice. In the case that the offender did not pay penalty within 60 days, the amount of penalty will increase 3 times. In the case the offender did not pay penalty within 90 days, NAC will take legal action.

For 30 days, 60 days and 90 days starting from the date offender received the notification letter to pay penalty from NAC.

### **Chapter 4**

#### **Relevant Authority, Mechanism of fine and penalty and the management of penalty fund**

##### **Article 13**

Transaction penalty is the obligation of NAC. President of NAC has the authorize to decide represent of NAC. General secretary of NAC raises up the request and prepare the penalty decision for president of NAC for review and approval.

##### **Article 14**

Procedure of penalty, payment of penalty, management of penalty receipt, and organize of payment get from penalty for offenses stated in this Sub-Decree need to be decide by Ministry of Economy and Finance and minister of Ministry of Justice.

Income from penalty will be considered as an income of NAC.

## **Article 15**

Payment of penalty will result in ending of lawsuit.

In the case that the offender does not take responsible for the penalty, president of NAC can assign the delegation of General Secretary of NAC to check the company, enterprise or Non-Profit Organization, accountant and/or auditor and prepare the case and send to the court.

Officer who has an intention to hide the offense for offender, will result in administrative disciplinary action that not yet regarding to the criminal penalties.

## **Chapter 5**

### **Abrogation**

## **Article 16**

For those who not agree with the penalty issued by president of NAC has the right to submit the protest letter to NAC within 15 days of working day starting from the date of receiving the notification letter of penalty from NAC.

In the case that the individual does not agree with the decision on protest of penalty issued by NAC, they can submit the protest letter to Ministry of Economy and Finance within 30 days of working day starting from the date of receiving the letter of decision on protest of penalty.

In the case that the individual still not agree with the decision issued by Ministry of Economy and Finance, they can oppose to the court within 30 days of working day starting from the date of receiving the decision from Ministry of Economy and Finance.

The oppose of individual who subject to penalty to the court, will not has an effect to suspend the decision made by Ministry of Economy and Finance.

## **Article 17**

Rule and procedure of oppose resolution on decision of penalty need to set by the Prakas of Ministry of Economy and Finance.

## **Chapter 6**

## **Article 18**

All regulations that opposed from this Sub-Decree is considered as abrogation.

**Article 19**

The minister in charge in Minister of Council, minister of Ministry of Economy and Finance, and secretary of all related ministry need to follow the Sub-Decree accordingly starting from the sign date of this letter.

Date 9 June 2020

Prime Minister

[Sign and Stamp]

Acknowledge of the attention from the Prime Minister

Deputy Prime Minister of Ministry of Economy and Finance

[Sign]