



Press Release

Dissemination Forum on “Procedures for Annually Financial Statements Submission via Online System (E-Filing)” for Enterprises and Not-For-Profit Entities

Phnom Penh, 16th July 2024



On 16th July 2024, The Accounting and Auditing Regulator of the Non-Banking Financial Services Authority, organized a dissemination workshop on “Procedures for Annually Financial Statements Submission via Online System (E-Filing)” for Enterprises and Not-For-Profit Entities via online (ZOOM) which was presided over by H.E. Bou Tharin, Director General of ACAR, accompanied by Mr. Ly Kosal, Acting Director of the Legal Affairs and Compliance Department and the management and officer level of ACAR, as well as the presence of representatives of enterprises and Not-For-Profit Entities, totally 440 participants. The purpose of this workshop is to disseminate to Directors of enterprises, representatives of enterprises, and representatives from various entities to gain insight and participate in the effective implementation of accounting and auditing obligations as stated in the relevant laws and regulations and the procedure for annually financial statements submission via online system (E-Filing) to ACAR.

To begin, H.E. Bou Tharin, Director General of ACAR delivered the opening remarks, appreciating the presence of all members of the ACAR management team and participants who participated in this important forum, which can reflect the high attention paid to understanding the performance of accounting and auditing obligations and the procedure for the annual financial statement submission of Enterprises and Not-For-Profit Entities. H.E. Director General emphasized that ACAR the evolution of the regulator since 2002, after The Law on Corporate Accounts, Their Audit, and Accounting Profession came into force, two institutions were established and implemented including the National Accounting Council and Kampuchea Institute of Certified Public Accountants and Auditors. Later on, in 2016, it was changed into the Law on Accounting and Auditing. In fact, in 2021, there was a change in the institutional structure that made the National Accounting Council became the Accounting and Auditing Regulator in accordance with the Law on the Organization and Functioning of the Non-Banking Financial Services Authority. Currently, ACAR continue to perform its duties and responsibilities from the National Accounting Council and shall be under the supervision of the Non-Banking Financial Services Authority. However, ACAR observe that some entities still do not fully understand the procedures for using this system. Thus, ACAR will continue to dissemination such forum to public in accordance with the plan and high guidance of H.E. Akka Pundit Sopheacha AUN PORNMONIROTH Deputy Prime Minister, Minister of Ministry of Economy and Finance and Chairman of Non-Banking Financial Services Authority, with the purpose of broader and clearer understanding of the laws and regulations of accounting and auditing professions.

Taking this opportunity, Raising the level of compliance is very important in creating and maintaining an investment climate in Cambodia, especially in reviving the national economy. In fact recently, at the official opening ceremony of the "Association of Cambodian Investors and Solidarity Dinner" on May 9, 2024, **Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia**, mentioned about strengthening compliance. An important factor to strengthen compliance only if the private sector joins the Royal Government means that everyone agrees to follow the principles and rules set out and agreed so that we can compete and plan better, especially build trust between the states and the private sector and the private sector. **Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia**, added that do not worry about the word "compliance" because compliance does not mean that the state will always hold on, increase compliance, increase the business environment with Certainty, long term the state has a role to play in supporting the partnership. Helping to think, help do and help practice. The combination of the private sector and the Royal Government work together to create an attractive and warm investment environment in Cambodia for all domestic and foreign investors to prosper. Not only that, on the occasion of the first National Day of Micro, Small and Medium Enterprises **Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia**, in addition Compliance Department with laws and **obligation to holding accounting records** should be promoted and considered investment that will pay off rather than a business burden.

Taking this opportunity, **H.E. Director General** mentioned about the Law on Accounting and Auditing that was promulgated for use by Royal Code No.NS/RKM/0416/006 dated 11 April 2016, defining three fundamental obligations for Enterprises and Not-Profit Entities includes:

- **The obligation to holding accounting records**
- **The obligation to prepare financial statements in accordance with applicable accounting standards and**
- **The obligation to submit financial statements to an independent audit in accordance with the conditions set.**

The obligation to holding accounting records, the obligation to prepare financial statements in accordance with applicable accounting standards and the obligation to submit financial statements to an independent audit in accordance with the conditions set as well as the obligation to file financial statements to ACAR, are recognized as an important basis for fulfillment fiscal obligations in accordance with applicable laws and regulations.

At this point, **H.E. Director General** highlighted that Sanctions or penalties for Enterprises and Not-For-Profit Entities are not the primary intention of ACAR. The purpose of ACAR is to **"establish a strong accounting system, transparent and reliable accounting system"** by adhering to the above obligations properly. As a result, although there is no official assessment and no specific data yet, it can be estimated that about 30% of enterprises have participated in the implementation of their obligations, and at the same time, some enterprises have already been subject to penalties in pursuant to Sub-Decree No. 79 dated June 1, 2019 on Transitional Penalties for Violations of the Law on Accounting and Auditing.

Before concluding, H.E. Director General informs Entities that, in this 2024, Entities are required to prepare financial statements in accordance with applicable accounting standards and submit them to the financial statements for independent audit date, 30 June 2024 and financial statements submit them to ACAR no later than 20th July 2024 following the close of the accounting period. However, the ACAR has given an additional 30 days to submit the financial statements until 20 August 2024. On the other Enterprises and Not audit Entities may submit a letter requesting an extension of the termination of the independent audit to ACAR No later than 30 July 2024.

In conclusion, H.E. Director General extended his heartfelt gratitude to all of the forum members who took the time to participate in this Forum on “**Procedures for Annually Financial Statements Submission via Online System**” for Enterprises and Not-Profit Entities. H.E. Director General sincerely hopes that by the end of this forum, members will have a better understanding of the rules, procedures, and mechanisms for submitting online financial statements to the ACAR in a highly effective manner, and he wishes all forum members to be healthy, strong, and successful in all tasks.

