

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Cambodia**



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This Profile provides information about the application of IFRS Standards in Cambodia. IFRS Standards are developed and issued in the public interest by the International Accounting Standards Board (the Board). The Board is the standard-setting body of the IFRS® Foundation, an independent, private sector, not-for-profit organisation.

This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the Foundation conducted on the application of IFRS Standards around the world. The Foundation drafted the profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	National Accounting Council (NAC)
Role of the organisation	The NAC is the accounting and audit standard setter and regulator. The NAC was established in 2002 under the Ministry of Economy and Finance by the <i>Law on Corporate Accounts, their Audits, and the Accounting Profession</i> .
Website	http://www.naccambodia.gov.kh/
Email contacts	Bou Tharin, NAC Deputy Secretary tharinbou@hotmail.com info@naccambodia.com

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Yes.
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<p>Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?</p>	<p>Yes.</p> <p>The National Accounting Council has fully adopted IFRS Standards and the IFRS for SMEs Standard without modifications.</p> <p>This has been set in regulation by a Ministry of Economy and Finance proclamation (in Cambodia referred to as a 'Prakas') dated 8 January 2009. The standards were thereby renamed Cambodian International Financial Reporting Standards (CIFRS). The dates for companies to implement CIFRS and CIFRS for SMEs was then set by an announcement/notification of the Ministry and Economy and Finance dated 28 August 2009. The date for application of full IFRS Standards in Cambodia was set for periods beginning on or after 1 January 2012.</p> <p>English translations of the documents referred to above may be found on the NAC website publication page:</p> <p>http://naccambodia.gov.kh/?page=document&menu1=&id=&q=&c_id=&date=&lg=en</p>
<p>What is the jurisdiction's status of adoption?</p>	<p>Cambodia has adopted IFRS Standards and the IFRS for SMEs Standard.</p>
<p>Additional comments provided on the adoption status?</p>	<p>Mandatory implementation of IFRS Standards for commercial banks and microfinance institutions started for periods beginning 1 January 2016.</p>
<p>If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.</p>	<p>Not applicable.</p>
<p>EXTENT OF IFRS APPLICATION</p>	
<p><i>For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:</i></p>	
<p>Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements?</p>	<p>Yes.</p>
<p>If YES, are IFRS Standards REQUIRED or PERMITTED?</p>	<p>Required.</p>
<p>Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?</p>	<p>All.</p>
<p>Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?</p>	<p>Yes.</p>
<p>For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?</p>	<p>Required.</p>

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market? IFRS Standards are required for publicly traded entities, financial institutions, and large entities. Other companies may use IFRS Standards or the IFRS for SMEs Standard.

If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future? Not applicable.

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements? Yes.

If YES, are IFRS Standards REQUIRED or PERMITTED in such cases? Required.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones? All.

IFRS ENDORSEMENT

Which IFRS Standards are required or permitted for domestic companies? Non-publicly accountable domestic companies have a choice between IFRS Standards and IFRS for SMEs Standard as issued by the IASB Board, which are adopted without modification as Cambodian International Financial Reporting Standards (CIFRS) and Cambodian International Financial Reporting Standards for SMEs (CIFRS for SMEs). Publicly accountable domestic companies must use IFRS/CIFRS.

The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with: The audit report must state compliance with Cambodian International Financial Reporting Standards (CIFRS). However, the audit report may also refer to compliance with IFRS Standards in addition to compliance with CIFRS.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)? Yes.

Are IFRS Standards incorporated into law or regulations? Yes. English translations of the regulations setting IFRS Standards and the IFRS for SMEs Standard as CIFRS and CIFRS for SMEs without modification may be found on the NAC website publication page: http://naccambodia.gov.kh/?page=document&menu1=&id=&q=&c_id=&date=&lg=en

If yes, how does that process work? By law, accounting standards are set by the National Accounting Council (NAC), a body under the Ministry of Economy and Finance. The NAC is composed of a mix of technical civil servants and private sector accounting professionals.

If no, how do IFRS Standards become a requirement in the jurisdiction? Not applicable.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?	No.
If yes, what is the process?	Not applicable.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	The ministerial proclamation that originally adopted IFRS Standards is worded so that all new standards, amendments and interpretations are automatically adopted without any additional adoption or endorsement process.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	No.
If yes, what are the changes?	Not applicable.
Other comments regarding the use of IFRS Standards in the jurisdiction?	None.
TRANSLATION OF IFRS STANDARDS	
Are IFRS Standards translated into the local language?	The IFRS for SMEs Standard has been translated into Khmer (the Cambodian language) and published. Full IFRS has been translated into Khmer, but has not yet been published.
If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?	IFRS Standards and the IFRS for SMEs Standard are translated by the National Accounting Council on a continual basis. The National Accounting Council has a copyright agreement with the IFRS Foundation.
APPLICATION OF THE IFRS FOR SMEs	
Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?	Yes. The IFRS for SMEs Standard is available for use by all SMEs. However, it is mandatory only for SMEs that are subject to a statutory audit.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	No.
Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	No.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so?	All SMEs are permitted to use the IFRS for SMEs Standard. However, only SMEs subject to a statutory audit are required to use IFRS for SMEs Standard. Non-publicly accountable SMEs subject to a statutory audit have a choice of either the IFRS for SMEs Standards or full IFRS Standard. The statutory audit is required when a company meets a certain threshold of revenue, asset value, and number of employees.
For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	SMEs not required to use IFRS for SMEs Standard due to not meeting the threshold criteria for a statutory audit are not required to follow any specific accounting framework.

Other comments regarding use of the IFRS for SMEs Standard? None.
