Kingdom of Cambodia
Nation Religion King

The Royal Government of Cambodia
No. 08 ANKr. BK

Sub-Decree on Composition and Functioning of the National Accounting Council

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The Royal Government

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen the Royal Decree No. NS/RKT/1198/72 dated November 30, 1998 on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen the Royal Kram No. 02/NS/94 dated July 20, 1994 promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen the Royal Kram No. NS/RKM/0196/18 dated January 24, 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen the Royal Kram No. CS/RKM/0696/03 dated June 17, 1996 promulgating the Law on the General Statute of Public Enterprises;
- Having seen the Royal Kram No. NS/RKM/0702/011 dated July 8, 2002 promulgating the Law on Corporate Accounting, Corporate Auditing, and Accounting Profession;
- Having seen Sub-Decree No. 41 ANKr.BK dated August 6, 1997 on the Implementation of the Royal Kram on the General Statute of Public Enterprises;
- Having received the approval from the Council of Ministers in its plenary session on February 7, 2003;

Hereby Decides

Chapter 1
General Provisions

Article 1.-

This Sub-Decree determines the composition and functioning of the National Accounting Council, abbreviated as NAC, under the guardianship of the Ministry of Economy and Finance.

Article 2.-

NAC shall have the following duties:

- Act as a consultative body;
- Review and provide opinions on all draft laws and regulations that contain provisions related to the organization of accounting for all enterprises or economic activities;
- Develop conceptual frameworks and accounting standards as stipulated in Article 4 of the Law on Corporate Accounting, Corporate Accounting Auditing, and Accounting Profession;
- Propose measures to improve accounting techniques;
- Represent the Kingdom of Cambodia in international organizations and meetings to discuss accounting matters.

Chapter 2
Composition and Appointment of Members of the National Accounting Council

Article 3.-

NAC shall have 13 members:

- 3 representatives from the Ministry of Economy and Finance;
- 1 representative from the Ministry of Justice;
- 2 representatives from the National Bank of Cambodia;
- 3 members from the Kampuchea Institute of Certified Public Accountants and Auditors;
- 1 higher education professor teaching in the fields of fiscal accounting, economics and finance, proposed by the Minister of Education, Youth and Sports;
- 1 representative from the Ministry of Commerce;
- 2 accounting and finance managers of enterprises, proposed by the Chamber of Commerce.

Representatives of ministries and institutions that are members of NAC, except for the representative of the Ministry of Justice, must possess accounting expertise and at least 5 years of experience.

Article 4.-

The Chairperson, Vice-Chairperson, and members of NAC shall be appointed for a term of 3 years and may be reappointed for another 3-year term by a Prakas of the Ministry of Economy and Finance. If in its mandate, any member needs to be changed within their term for any reason, the person for replacement shall be appointed for the remaining period of that term.

Article 5.-

Representatives of ministries and institutions shall lose their membership in NAC if they resign from NAC or cease to work in their respective ministry or institution.

In accordance with internal regulations, members of NAC representing three-quarters of the votes may request the Minister of Economy and Finance to remove any of its members who fail to attend NAC meetings.

Article 6.-

The Chairperson and Vice-Chairperson of NAC shall be elected from among the members of NAC by secret ballot with an absolute majority vote at a meeting presided over by the oldest member.

The appointment of the Chairperson and Vice-Chairperson shall be made within one month after the election date.

The Chairperson and Vice-Chairperson may be terminated from their positions as stipulated in Article 5 of this Sub-Decree. The Vice-Chairperson shall have the right to replace the Chairperson in case of the Chairperson's temporary absence.

In the event that the Chairperson can no longer perform his/her duties, the Vice-Chairperson shall automatically become the Chairperson. The election of a new Vice-Chairperson shall be conducted in accordance with the procedures specified in Article 6, Paragraph 1.

Chapter 3
Organization and Functioning of the National Accounting Council

Article 7.-

NAC shall meet under the chairmanship of the Chairperson at least 3 times a year to approve draft opinions, conceptual frameworks, accounting standards, auditing standards, recommendations, annual work programs, and draft activity reports.

The quorum required for NAC meetings shall be the presence of at least 9 members. Decisions of NAC shall be made by a majority vote of the members present.

The Chairperson shall convene and preside over NAC meetings. In case of an equal vote, the Chairperson's vote shall supersede.

In the event that NAC decides on draft laws, regulations, accounting standards, or auditing standards related to a specific sector of activity, the minister in charge of that sector shall have a representative, and this representative shall participate with a voting right. Regarding opinions on draft laws and regulations received by NAC, NAC shall review and decide within 6 months from the date of referral by the competent minister.

Decisions of NAC shall be sent to the Minister of Economy and Finance within one month after the date of the decision.

Article 8.-

NAC may establish committees to review and provide opinions on draft opinions, conceptual frameworks, accounting standards, auditing standards, or recommendations.

Members of the committees from various ministries, institutions, and business communities shall be appointed by the Chairperson of NAC upon the request of NAC.

The committees shall approve draft opinions, conceptual frameworks, accounting standards, auditing standards, or recommendations by a simple majority of those present. In case of an equal vote, the chairperson's vote shall supersede.

Article 9.-

The Chairperson of NAC shall be the representative in relations with ministries, institutions, and civil society, both national and international.

The Chairperson of NAC shall report on the annual activities and finances of NAC to the Minister of Economy and Finance, who shall further report it to the Royal Government within four months after the end of each customary year.

Article 10.-

The formalities for providing allowances for the positions of NAC members shall be determined by a Prakas of the Minister of Economy and Finance.

Article 11.-

NAC shall have a secretariat led by a secretary who shall be established and appointed by a Prakas of the Minister of Economy and Finance after consultation with NAC by a majority vote.

Article 12.-

The position of the secretary of NAC shall be incompatible with that of a public official or private professional currently engaged in accounting work. Under the supervision of the Chairperson of NAC, the secretary shall be responsible for the administrative management of NAC, organizing and monitoring technical work, and any issues assigned by the Chairperson or NAC. The secretary shall participate in NAC meetings without voting rights. The formalities for providing remuneration for the secretary shall be determined by a Prakas of the Minister of Economy and Finance.

Article 13.-

The internal regulations of NAC and the organization of the secretariat shall be determined by a Prakas of the Minister of Economy and Finance upon the proposal of NAC, approved by a three-quarters majority vote of the members.

Article 14.-

The budget of NAC shall come from the following sources:

- State budget;
- Contributions, donations, and aid from public organizations, national and international organizations;
- Fruit of assignation from the sale of copyrights, publications, training courses, meetings, and dissemination activities.

Chapter 4
Final Provisions

Article 15.-

The Minister in charge of the Office of the Council of Ministers, the Minister of Economy and Finance, ministers and secretaries of state of all relevant ministries and institutions shall be responsible for implementing this Sub-Decree according to their respective duties, from the date of its signature onwards.

Done in Phnom Penh, March 3, 2003

Prime Minister

HUN SEN

Recipients:

- Ministry of the Royal Palace;
- General Secretariat of the Senate;
- General Secretariat of the National Assembly;
- Cabinet of Samdech Prime Minister;
- National Audit Authority;
- As per Article 15;
- Document-Archive.