



## Cambodia Tax Alert: Updates

### Prakas on revision of statutory audit requirements

Greetings from your Tax team at Deloitte Cambodia. We hope that you and your loved ones are staying safe and healthy in these challenging times.

We are pleased to share with you the following tax updates on the revision of statutory audit requirements.

Cambodia's Ministry of Economy and Finance (MEF) issued guidance on the statutory audit requirements on 10 July 2020 that is effective immediately (Prakas no. 563 MEF.BrK). The guidance revises the criteria under which all enterprises and non-profit organizations (NPOs) must have their financial statements audited by an independent external auditor, which are summarized as follows:

Types of entity	Old criteria	New criteria
Public limited companies (PLCs) and qualified investment projects (QIPs)	Compulsory	Compulsory
Enterprises other than PLCs and QIPs	Meet any two of the following criteria: <ul style="list-style-type: none"> <li>• Annual turnover above KHR 3 billion (~ USD 750,000);</li> <li>• Total assets above KHR 2 billion (~ USD 500,000); or</li> <li>• More than 100 employees.</li> </ul>	Meet any two of the following criteria: <ul style="list-style-type: none"> <li>• Annual turnover above KHR 4 billion (~ USD 1 million);</li> <li>• Total assets above KHR 3 billion (~ USD 750,000); or</li> <li>• More than 100 employees.</li> </ul>
NPOs	No requirement	Meet the following two criteria: <ul style="list-style-type: none"> <li>• Annual expenses above KHR 2 billion (~ USD 500,000); and</li> <li>• More than 20 employees.</li> </ul>

All enterprises (i.e., except NPOs) that used to have their previous year financial statements audited by an independent external auditor will continue to have their financial statements audited for at least three consecutive years, regardless of whether they meet the above criteria.

The deadline to submit audited financial statements with the National Accounting Council (NAC) is six months and 15 days after the closing date of the accounting books.

An independent external auditor will not be allowed to provide audit services to any one enterprise for more than five consecutive years. For rotation purposes, financial year 2020 will be considered the first audit year.

## Contact

Should you have any comments or questions arising from this newsletter, please feel free to contact me.

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