Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

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Statement

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ACCOUNTING AND CORPORATE REPORTING AND DEVELOPMENT OF SOUND POLICIES AND ROLES OF POLICY-MAKERS—CAMBODIA

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LAW AND REGULATIONS DEVELOPMENT

- Before 1999, there were no accounting and financial reporting standards
- In 1999, Establishment of a Research Committee on International Accounting Standards
- In 2002, Adoption of Law on Corporate Accounts, Their Audit and Accounting Profession.
STANDARDS DEVELOPMENT

- In 2003, MEF issued fifteen Accounting Standards and ten auditing standards.
- In 2009, MEF announced full adoption of IFRS for publicly accountable entities.
- In 2010, IFRS for SME were adopted for application by small and medium enterprises and non-public accountable entities.
- In 2013, MEF adopted chart of accounts for IPSAS.
- Full adoption of IFRS by financial institutions will begin early 2016.
CONSTRANINTS, GAPS AND CHALLENGES

- **Limited monitoring and enforcement:** The local standard setter does not yet have an effective means of monitoring implementation of standards.

- **Regulatory overlap, industry exceptions:** In Cambodia, financial reporting for financial and banking institutions is under the authority of two regulators; implementation of standards for this group has been delayed.

- **Lack of human resources:** Local universities’ accounting curriculum is inadequate; there is a small base of qualified accountants from which to train and develop new professionals.
SELECT FUTURE ACTIONS

- **Monitoring compliance with laws and regulations.**
  - Review and amendment of the existing law.
  - Establishment of a company register to which businesses will submit financial reports, audit reports and other details.
  - Establishment and empowerment of an inspection and enforcement unit.

- **Standardize local accounting curriculum**
  - Introduction of an appropriate bachelor degree curriculum
  - Training of accounting professors and other educators

- **Introduce IPSAS to the government**
  - Begin implementation on a central basis, with the National Treasury
Thank you.