Update ACAR Relevant Regulation and Compliance

Nonprofit Entities

03 September 2026

REACHS & Partners

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About REACHS & PARTNERS

Founded by six Cambodian Professional

100+

Management & staff

6

prestigious

Professional Institutions

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Kampuchea Institute of Certified Public Accountants and Auditors

KICPAA

Since 2002

ACCA Think Ahead

CPA AUSTRALIA

CIMA

Chartered Institute of Management Accountants

CGMA

Chartered Global Management Accountant

Licensing & Accreditation from:

Institute of Professional Accountants and Auditors (KICPAA)

General Department of Taxation (GDT)

Accounting and Auditing Regulator (ACAR)

National Bank of Cambodia (NBC)

Securities and Exchange Regulator of Cambodia (SERC)

Trust Regulator (TR)

✓ Introduction and ACAR overview:

❑ What is ACAR?

- Regulates accounting and auditing in Cambodia
- Oversees financial reporting requirements
- Oversees independent audit requirements
- Develops and implements accounting standards
- Monitors compliance with accounting and auditing regulations
- Provides electronic systems for financial statement submission.

❑ Why should NGOs care about ACAR?

- Legal compliance
- Transparency
- Accountability
- Donor confidence
- Good governance
- Reliable financial information

✓ Key Law and Regulation requirement:

❑ Compliance Requirements for Non-profit Entities

Law on Accounting and Auditing NS/RKM/0416/008 issued on 11 April 2016

- Accounting records and financial reports must be maintained and prepared in Khmer language and expressed in Khmer Riel.
- Accounting period twelve months starting on the first day of January and ending on the 31st day of December of the same year.
- Non-profit entity is obligated to maintain their respective accounting records at least for ten (10) years, starting from the date the records were created.
- Non-profit Entities are required to prepare financial reports within 3 months after the reporting date.
- Financial reports are required to be prepared in accordance with the CFRS for NFPE or CIFRS for SMEs.
- Financial reports required to be audited based on criteria set by ACAR.

✓ Law and regulation requirement:

- ❑ Criteria and deadline for filling of Audited and Unaudited Financial report

Prakas 063 on Obligation for Annual filling Financial report and Independently Audited Financial report issued on 18 August 2026

Non-profit entities that meet this criterial are required to filling Audited Financial reports to ACAR:

1. For project expenditure from 2 billion or 500,000 USD.

If first criterial not met we need to check this 2 criterial as follow:

1. Expenditure from 3 billion rile or 750,000 USD.
2. Annal Average staff number 20 per year.

Require to meet both condition is subject for filling audited report

❖ Non-profit entities that do not meet the criteria are **require filling Unaudited Financial report to ACAR**.

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✓ Law and regulation requirement:

❑ Deadline filling

❖ Audited Financial Statement

Deadline:	Prakas 063 on 18 August 2026
Issued Audit opinion	6 months after reporting date
Filling Report to ACAR	6 months and 20 days after reporting date

❖ Unaudited Financial Statement

Deadline:	Prakas 063 on 18 August 2026
Filling Report to ACAR	3 months and 20 days after reporting date

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❖ Subject to submit Audited report Entities:

No	VIOLATIONS/NON-COMPLIANCE	FINE IN KHR	FINE IN USD
1	Not filling Annual Financial report to ACAR Using different reporting dates without request ACAR	36,000,000	9,000
2	Failed to filling financial statements for statutory audit	1,600,000	400
3	Not maintained accounting records	6,400,000	1,600
4	Not maintained proper accounting records	3,200,000	800
5	Not prepare financial reports in accordance with accounting standards allowed by ACAR	6,000,000	1,500
6	Not using financial report in according with accounting standards allow by ACAR for tax obligation	4,800,000	1,200
7	Not maintained documents according to the law require	8,000,000	1,600
8	Obstruction action to the implantation of the law	6,000,000	1,500
9	Intention to filling wrong financial report to ACAR	8,000,000	2,000
10	Not using Khmer riles in accounting records and Financial reports	2,000,000	500
11	Not using Khmer language in accounting records and Financial reports	2,000,000	500
12	Using different reporting period without request ACAR	2,000,000	500
Total		**86,000,000**	**21,500**

❖ Subject to submit Unaudited report Entities :

No	VIOLATIONS/NON-COMPLIANCE	FINE IN KHR	FINE IN USD
1	Not filling Annual Financial report to ACAR Using different reporting dates without request ACAR	27,000,000	6,750
2	Not maintained accounting records	5,000,000	1,250
3	Not maintained proper accounting records	2,500,000	625
4	Not prepare financial reports in accordance with accounting standards allowed by ACAR	5,000,000	1,250
5	Not using financial report in according with accounting standards allow by ACAR for tax obligation	4,000,000	1,000
6	Not maintained documents according to the law require	6,000,000	1,500
7	Obstruction action to the implantation of the law	3,000,000	750
8	Intention to filling wrong financial report to ACAR	6,000,000	1,500
9	Not using Khmer riles in accounting records and Financial reports	2,000,000	500
10	Not using Khmer language in accounting records and Financial reports	2,000,000	500
11	Using different reporting period without request ACAR	2,000,000	500
Total		**64,500,000**	**16,125**

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❖ Admin fine:

No	Admin fine	FINE IN KHR	FINE IN USD
1	Late filling Annual Financial report to ACAR	1,200,00 Per Month	300 per month
2	Maximum fine for late filling Annual Financial report to ACAR	7,200,000	1,800
3	For missing of penalty payment within 30 days	100% of total penalty	100% of total penalty
4	For missing of penalty payment within 60 days	200% of total penalty	200% of total penalty
5	For missing of penalty payment within 30 days	Subjected for Law sued	Subjected for Law sued

✓ Implementation of Penalty:

❑ For Entities Filling Annual Financial report to ACAR

- First time find out of Violations Law: Can be exemption and reminding for correction, or 20% penalty.
- Second time find out of Violations Law: If the same Violation will subject to 40% penalty.
- Third time find out of Violations Law: If the same Violation will subject to 80% penalty.
- Fourth time find out of Violations Law: If the same Violation will subject to 100% penalty.

❑ For Entities missed Filling Annual Financial report to ACAR

- First time find out of Violations Law: Subject to 30% penalty.
- Second time find out of Violations Law: If the same Violation will suffer 50% penalty.
- Third time find out of Violations Law: If the same Violation will suffer 100% penalty.

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✓ On site compliance check from regulator :

❑ Criterial entities subject for selection for On-site check

- Non-profit entities that missed to fill Annual report to ACAR.
- Non-profit entities that received Audit Opinion “Qualify” or “Disclaimer”.
- Non-profit entities that are subject to sued related to the accounting or auditing profession.
- Non-profit entities get compliance check that not correct after the finding.
- Other entities considered to pose risks, as determined by the Royal Government and/or the Minister of Economy and Finance, who is also the Chairperson of the Non-Bank Financial Services Authority Council.

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✓ Applicable Accounting Framework for Nonprofit Entities

CFRS for NFPEs

Cambodia Financial reporting standards for Non for-profit Entities.

Accounting method " Cash basis"

CIFRS for SMEs

Cambodia International Financial Reporting Standards for Small and Medium Entities.

Accounting method "Accrual basis"

Modify Cash basic

Accounting method that combines elements of the two primary bookkeeping practices:

"Cash and Accrual accounting"

Applicable Accounting Framework for Nonprofit Entities

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Maintaining of Accounting Record:

Is the entity mush change its **Accounting Recordings or existing recording** practice from current practice in order to be able to prepare **Financial Reports** in according with **CIFRS for NFPEs**?

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Accounting Record vs Financial Report:

Accounting records is the process of recording financial transactions which is separate from the preparation of the **Financial Reporting**. A single system of recording accounting information can provide information for preparing **Financial Reporting** under different financial reporting standards.

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Accounting Record vs Financial Report:

No requirement to change the current system of recording to fit with CFRS for NFPEs but entities are required to have knowledge and skills to prepare Financial reporting with a difference accounting framework.

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Applicable Accounting Framework for Nonprofit Entities

CFRS for NFPEs

Cambodia Financial reporting standards for Nonprofit Entities.

Accounting method " Cash basis"

Easy to prepare but require well prepare…!

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