

Glossary

| <i>Technical Term</i> | <i>Meaning/Description</i> |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accommodation Tax | Tax imposed on accommodation in hotels and guest houses at the rate of 2 per cent and is collected by the person who supplies accommodation services. |
| Advance Ruling | A written statement issued by the GDCE to a person upon his/her written request on (1) the tariff classification, (2) the interpretation and application of the Law and regulations relating to the customs valuation, or (3) the origin of the goods to be imported. The advance rulings are binding on the Customs from the effective date of the ruling. |
| Annual Budget Law | To be enacted prior to the year to which it refers. All revenues and expenditures are included in the budget on a gross basis. |
| Ad hoc | When necessary or needed. |
| Allocation Efficiency | The assurance of allocation on target. |
| Accountability | An obligation or willingness to accept responsibility or to account for one's actions from Line Ministries or entities, subnational administration. Components of strengthening accountability are: (1) objective can be measurable and specific responsibility; (2) prepare plans in order to achieve the goal; (3) implement the action and monitor the progress; (4) report the progress; (5) outcome evaluation and feedback. |
| Arrears | Payables that have remained unpaid after a specified number of days (60 days) after the date on the invoice or contract, in accordance with a law, regulation, government payment policy or local practice. Payment not made by the due date. |

| | |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit-based Performance Framework | An independent and objective assessment of an entity’s activities, program, processes, internal controls systems, governance and risk management, with regard to one or more of the three aspects of economy, efficiency and effectiveness of resource used, aiming to lead to improvements. |
| Accrual Accounting | An accounting method that records revenues and expenses when they are incurred, regardless of when cash is exchanged. The term “accrual” refers to any individual entry recording revenue or expense in the absence of a cash transaction. |
| Accounting System | The system used to manage the income, expenses, and other financial activities of a business. There are 2 Accounting Systems—Cash Accounting and Accrual Accounting. |
| Authorized Economics Operator (AEO) | A party that is involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with World Customs Organization (WCO) or equivalent supply chain security standards. |
| Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) | The legal text that set outs the obligations and commitments of the Parties to the Agreement (chapter-by-chapter listed here): Chapter 1: Establishment of Free Trade Area; Chapter 2: Trade in Goods; Chapter 3: Investment |
| Bank Reconciliation | In bookkeeping, it is a process by which the bank account balance in an entity’s books of account is reconciled to the balance reported by the financial institution in the most recent bank statement. Any difference between the two figures needs to be examined and, if appropriate, rectified. |
| Budget Credibility | The ability of governments to meet their expenditure and revenue targets accurately and consistently. At its core, budget credibility is about upholding government commitments and seeks to understand why governments deviate from these commitments. |
| Budget Comprehensive | A compilation of an operating budget explaining all revenues, expenses and capital expenditures for short-term annual goals involving recurring items. |
| Budget Discipline | The extent to which the Ministry of Economy and Finance is able to forecast cash commitments and |

| | |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | requirements and to provide reliable information on the availability of funds to budgetary units for service delivery. |
| Budget Entity | A unit or function at the lowest level to which funds are specifically appropriated in the appropriations act. |
| Budget Expenditure | The estimated expenditure of the government during a given fiscal year. |
| Budget Framework | Fiscal arrangements that allow the government to extend the horizon for fiscal policy-making beyond the annual budgetary calendar. In Cambodia, the horizon is 3 years. |
| Budget | An estimate of income and expenditure for a set period. |
| Blueprint | A design plan or other technical drawing that can be used to specify a plan. |
| Citizen Budget | A simplified version of a Finance Act intended for all citizens to be informed of the multi-annual macroeconomic and budgetary outlook, new fiscal measures, general expenditure guidelines, sectoral priorities in relation to the public Investment program, and measures taken for regional development. |
| Civil Society | A group of people that operates in the community and that is not part of the government or a business; includes non-governmental organizations and social movements. |
| Commitment | A contractual obligation to make a future payment when a service is delivered in the future. The obligation is not recognized as a liability. |
| Compliance | The fulfilment of tax obligations by businesses and individuals. The four main categories of taxpayer obligations prescribed in tax laws are: (1) registration in the tax system; (2) timely filing of declarations; (3) payment of tax liabilities on time; and (4) complete and accurate reporting of information in tax declarations. |
| Consistency | Consistency in the pattern of behaviour, agreement, harmony, or compatibility, especially correspondence or uniformity among the parts of a complex thing. |
| Capacity Development Plan | The development of a clear and practical plan, with a timeline, measurable indicators and a |

| | |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | realistic budget, to address capacity needs identified through an assessment. The plan should set out the capacity objectives, activities and indicators; and the resources required to implement change and to measure progress. |
| Cash Management | A broad area of finance involving the collection, handling and usage of cash. |
| Classification of the Functions of Government | Developed by the OECD, the Classification of the Functions of Government (COFOG) classifies government expenditure data from the System of National Accounts by the purpose, for which the funds are used. |
| Chart of Account (CoA) | A listing of the names of the accounts that a company has identified and made available for recording transactions in its general ledger. |
| Check and Balance Mechanism | A system that allows each branch of a government to amend or veto acts of another branch to prevent any one branch from exerting too much power. |
| Tax Revenue | Revenues collected from taxes on income and profits, social security contributions, taxes levied on goods and services, payroll taxes, taxes on the ownership and transfer of property, and other taxes. |
| Tax Declaration | A standard form provided by the tax administration on which a taxpayer reports information relating to a core tax liability. Also called a tax return. |
| Tax Dispute | Disputed tax assessments normally arise: (a) from administrative error; or (b) as an outcome of a tax audit or investigation that has identified a discrepancy that is disputed by the taxpayer on grounds of facts or legal interpretation. TADAT assessments focus on (b). Tax laws typically provide for a formal dispute mechanism. |
| Tax Evasion | Deliberate acts to conceal income in order to escape tax liabilities (e.g., hiding money in secret offshore bank accounts). |
| Tax on Salary | A monthly tax imposed on a salary that has been received within the framework of fulfilling employment activities by both resident and non-resident physical persons and is withheld by the enterprise/employer of the employees. |
| Tax on Property Rental | Tax collected from the proprietors or assignees on the rental of properties such as buildings, manual tools |

| | |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | equipped with industrial institutions, Industrial and commercial installed fittings, floating houses, ships used as accommodations or for business services, and free land (land without buildings). |
| Transparency | Refers to all laws, regulations, principles, procedures, and their implementations that are broadly disseminated to ministries, institutions or public entities and the public. |
| Turnover tax | Paid every month at the rate of 2 per cent of the monthly turnover and implemented only on taxpayers in the Estimated Regime (to be abolished in 2016). |
| Value Added Tax (VAT) | Tax collected and paid by self-assessment regime taxpayers who make and supply taxable supplies (other than land or money) to their customers and the import of goods into the customs territory of the Kingdom of Cambodia. The VAT due is the difference between Output VAT (collected when supplying goods or services) and Input VAT (paid on import of goods or purchase of goods or services). |
| VAT Compliance Gap | The difference, in a given year, between the actual VAT paid and the estimated amount of VAT that should have been paid, i.e., total VAT theoretically due. Also known as the “VAT gap”. |
| Withholding Tax | Tax withheld by resident taxpayers carrying on business who make payment in cash or in kind on income received by both resident and non-resident taxpayers from the performance of services, royalties, interest, income from the rental of movable and immovable, and dividends. |
| Wrongdoing | Tax administration wrongdoing includes inappropriate behaviour of its employees, especially the misuse of public office for personal gain (i.e., corruption). |

