

## Explanation of Terms

*Numbers in parentheses are those of related questions in the Census Form.*

### **Establishment**

An establishment refers to a unit of the place where economic activities are performed and fulfill the following conditions in principle:

- (1) An establishment is a unit of place which occupies a certain space (1 plot) and in which economic activities are performed under a single management.
- (2) An establishment has (a) person(s) engaged and equipment, and produces and/or sells goods, or provides services on a continuous basis.

### **Entity**

An entity is a generic name to express a single unit establishment (**Single unit Entity**) or a group of establishments which consists of a head office in Cambodia and its branch offices within or outside Cambodia (**Multi-unit Entity**).

### **Enterprise**

An enterprise is a single unit establishment or a group of establishments whose Ownership of Establishment (Legal Status; Q5) is one of the following categories:

3. General Partnership, 4. Limited Partnership, 5. Private Limited Company, 6. Public Limited Company or 7. Subsidiary of a Foreign Company.

**Single unit Enterprise** and **Multi-unit Enterprise** are defined in a similar way as for the entity.

### **Sex of Representative of Establishment (Q3-1)**

A person who actually manages its activities; not always its owner.

### **Nationality of Owner of Establishment (Q3-2)**

The owner of an establishment is a person who owns it.

In case of joint ownership, the nationality of the largest shareholder prevails; in case of equal shares between a Cambodian and a foreigner, the nationality is set to be Cambodian.

### **Whether Registered or not at Ministry of Commerce or Provincial Department of Commerce (Q4-1):** Self-explanatory; based on the Law on Commercial Rules and Register.

### **Ministries or Agencies regarding Official License or Approval for the Business Operation of this Establishment (Q4-2):** Self-explanatory

### **Ownership of Establishment (Legal Status; Q5)**

#### **1. Individual proprietor (with no registration)**

This refers to individual proprietors other than “Sole proprietor” shown below.

#### **2. Sole Proprietor (with registration)**

This refers to an individual proprietor who has been registered at the Ministry of Commerce or Provincial Departments of Commerce in accordance with the Law on Taxation (or the Law on Commercial Rules and Register).

#### **3. General Partnership**

This refers to an economic organization which is operated under a contract between two or more persons to combine their property, knowledge or activities in common to carry on business with a view to pursue profits as prescribed in Article 8 of the Law on Commercial Enterprise.

#### **4. Limited Partnership**

This refers to an economic organization which is operated under a contract between one or more general partners who are authorized to administer and bind the partnership, as well as one or more limited partners who are bound to contribute capital to the partnership as prescribed in Article 64 of the Law on Commercial Enterprise.

#### **5. Private Limited Company**

This is a form of a limited company that meets basically the following requirements as prescribed in Article 85 of the Law on Commercial Enterprise:

- a. The company has 2 to 30 shareholders. However, one person may form a company called a single member private limited company.
- b. The company may not offer its shares or other securities to the public generally, but may offer them to shareholders, family members and managers.

#### **6. Public Limited Company**

This is a form of a limited company that is authorized to issue securities to the public by the Law on Commercial Enterprise as prescribed in Article 87.

#### **7. Subsidiary of a Foreign Company**

- a. This is a company that is incorporated by a foreign company in the Kingdom of Cambodia with at least fifty-one (51) percent of its capital held by the foreign company.
- b. In addition, a subsidiary of a foreign company may be incorporated in the form of partnership or limited company.
- c. A subsidiary has a legal personality separate from its principal from the date of registration pursuant to the law on Commercial rules and Register.
- d. A subsidiary may regularly carry on business in the same way as local companies except for any acts that are prohibited for natural or legal foreign persons.
- e. These are prescribed in Articles 283 and 286 of the Law on Commercial Enterprise.

#### **8. Branch of a Foreign Company**

- a. This is a branch office of a foreign company. The name should consist of the name of the company and "Branch".
- b. The branch may perform not only the following activities but also regularly buy, sell or provide goods and services and engage in manufacturing, processing and construction in the same way as local companies except for those prohibited for natural or legal foreign persons as prescribed in Articles 278 and 282 of the Law on Commercial Enterprise.
  - a) Contact customers for the purpose of introducing customers to its principals;
  - b) Research commercial information and provide the information to its principal office;
  - c) Conduct market research;
  - d) Market goods at trade fairs, and exhibit samples and goods in its office or at trade fairs, etc.;
  - e) Purchase and keep a quantity of goods for the purpose of trade fairs;
  - f) Rent an office and employ local staff;
  - g) Enter into contracts with local customers on behalf of its principal.

#### **9. Commercial Representative Office of a Foreign Company**

- a. This category includes "Commercial relations offices" of foreign companies.
- b. The name should consist of the name of the foreign company and such a term as "Commercial Representative Office" or "Commercial Relations Office".
- c. This office performs the following activities in the Kingdom of Cambodia, but may not regularly buy, sell or provide goods or services, or engage in manufacturing, processing or construction as prescribed Articles 274 and 277 of the Law on Commercial Enterprise:
  - a) Contact customers for the purpose of introducing customers to its principal;
  - b) Research

commercial information and provide the information to its principal office; c) Conduct market research; d) Market goods at trade fairs, and exhibit samples and goods in its office or at trade fairs, etc.; e) Purchase and keep a quantity of goods for the purpose of trade fairs; f) Rent an office and employ local staff; g) Enter into contracts with local customers on behalf of its principal.

#### **10. Cooperative**

This is a non-profit making business organization owned and operated by a group of individuals for their mutual benefit. It may also be defined as a business owned and controlled equally by the people who use its services or who work for it.

#### **11. State-owned Organization**

(1) Public corporation owned and operated by the central government including financial institutions like the National Bank of Cambodia and all other State-controlled institutions such as CAMINTEL, Cambodian Pharmaceutical Company, Electricite du Cambodge, State rubber plantations, State construction enterprises, State fishery enterprises, State printing house, State utilities, State courier and mail enterprises, national hospitals, national schools, etc.

(2) Such organizations as autonomy-owned organizations or local government-owned organizations whose fund is shared by the state are included in this category.

(3) Public corporations such as provincial hospitals, district schools and so on which are owned and operated by local governments.

#### **12. NGO (Non-governmental Organization)**

This is a non-profit making business organization other than “10. Cooperative”, “11. State-owned organizations”.

This category includes all Cambodian and foreign NGOs providing goods and services free or at a nominal fee that are not controlled and financed by the government. Also included are trade unions, professional associations, political parties, charities, pagodas and other religious institutions, and aid organizations financed by voluntary transfer.

#### **13. Others**

### **Whether Single unit, Head or Branch office (Q6)**

#### **1. Single unit**

This refers to a single establishment which has no head office or branch office under the same management in different places.

#### **2. Head office**

This refers to an establishment which controls all branch offices under the same management in other places.

#### **3. Branch office**

This refers to an establishment under supervision of the head office located in a different place.

### **Tenure of Business Place (Q7-1)**

In accordance with the situation in which the establishment owns, rents or uses the business place with approval from an authority or another organization etc.

### **Kind of Business Place (Q7-2)**

#### **1. Street business**

An establishment such as a stall, a booth etc. that runs at a fixed location on the sidewalk or the roadside, or around but outside a market.

#### **2. Home business**

An establishment that runs in a part of the residence where the owner resides actually.

#### **3. Business in apartment building**

An establishment that runs in a part of an apartment building, but the business place and the owner's residence are separate.

**4. Business in traditional market**

An establishment that runs in a corner or a block inside a so-called market, regardless of having an approval or a license from the superintendent of the market.

**5. Business in modern shopping mall**

A business that runs in a shopping mall of high-rise building where a number of establishments are operating

**6. Business that is occupying exclusively one block or one building**

A factory, a bank, a hospital, a school, a pagoda etc. occupying a block or a building.

**7. Others**

Shops, restaurants, massage rooms etc. under separate management in a premise or building of a hotel, factory or university etc.

**Area of Business Place (Q7-3):** Self-explanatory

**Business Hours (Q8-1, 2)**

This refers to the time when the business is opened and closed daily.

**Type of Business Hours**

1. Morning operation from 0am to 12am:  
Is opened and closed between 0am to 12am; no matter how short the duration is
2. Afternoon operation from 0pm to 6pm:  
Is opened and closed between 0pm to 6pm; no matter how short the duration is
3. Full day operation from 2am to 12pm: Is opened between 2am and noon, and closed between noon and 12pm; should be 8 hours or longer
4. Evening operation from 2pm to 12pm: Is opened between 2pm and 12pm, and closed between 6pm and 12pm; no matter how short the duration is
5. Night operation from 3pm to 3am: Is opened between 3pm and 12pm and closed between 0am and 3am; no matter how short the duration is
6. 24-hour operation: Is open 24 hours; never closed
7. Others

**Year of Starting the Business (Q-9):** Self-explanatory

**Number of Persons Engaged (Q10)**

Number of persons engaged in the establishment during one week before 1st March 2012. If the number changes daily, the average was taken.

Included are all the persons who are hired by this establishment and earn salaries or wages even if dispatched to other establishments.

Excluded are those persons who are dispatched from other establishments to work in this establishment. In case of a head office, persons engaged in branch offices are excluded.

Individual proprietors or sole proprietors themselves are counted as persons engaged, but chairmen or executives who are in a position of employing the workers are excluded.

**(1) Self-employed Proprietors (Individual Proprietors) or Sole Proprietors (Q10-A1)**

The individual proprietor or sole proprietor, and the chief or director etc. who actually manages and owns the establishment concerned.

**(2) Unpaid Family Workers (Q10-A2)**

This refers to a person who is a family member of the owner and helps the business of the establishment under no payment contract.

**(3) Regular Employees (Q10-A3)**

This refers to those who are employed on a continuous basis with more than one month period.

**(4) Other Employees than Regular Employees (Q10-A4) :** Self-explanatory

**(5) Voluntarily-engaged Persons (Q10-B)**

This refers to persons engaged voluntarily in the establishment without any employment contract, and without any reward for work such as wage or salary. They include monks, clergymen, nuns, sisters and so on. They may receive a reward or a gratuity.

**Number of Entire Persons Engaged:** (Q10-A1+Q10-A2+Q10-A4) in the head office plus Q13 which is the number of the entire regular employees.

**Number of Entire Employees:** Q10-A4 in the head office plus Q13 which is the number of the entire regular employees.

**Kind of Main Business Activities (Q11)**

In case of plural activities, it is the main activity in terms of value added or manpower inputted.

In case of Head office, activities of its branch offices are not taken into account.

**Number of Branch Offices (Q12)**

Total number of branch offices that the head office supervises.

Warehouses or dormitories where the employees of the entity are stationed are included.

**Number of Entire Regular Employees (Q13)**

Total number of regular employees who are engaged both in the head office and in the branch office(s) at the end of December of 2010.

**Kind of Main Business Activities of the Entire Entity (Q14-1)**

In case of plural activities, it is the main activity in terms of value added or manpower inputted.

**Kind of Second Main Business Activities of the Entire Entity (Q14-2)**

The second main activity is determined in terms of the second largest value added or the second largest manpower inputted.

**Whether or not Keeping Balance Sheet or Income Statement (Q15):** Self-Explanatory

The information is obtained from single unit establishments (single unit entities) and head offices of multi-unit entities.

**Number of Working Days in February 2011 (Q16-3)**

Number of days the establishment opens for its business in February 2011.

The information is obtained from entities not having Balance Sheet or Income Statement.

**Annual Sales, Expenses, and Profit and Loss (Q16 and 21)**

The information is obtained from single unit establishments (single unit entities) and head offices of multi-unit entities.

**Annual Sales (Q16 and 21)**

(1) For entities having Balance Sheet or Income Statement:

The amount is for 2010, and is the sum of operating revenues (Q21-1) and other revenues (Q21-3) in the Census Form.

(2) For entities not having Balance Sheet or Income Statement:

The amount is estimated from a daily or monthly figure in February 2011, that is, the month preceding the Census month immediately, or the most recent month. The estimation method is

multiplying the daily figure by 365 days or the monthly figure by 12 months, depending on the response to the Census Form. The daily figure is the response answered as “per day” in Q16-1 (sales), while the monthly figure is the one answered as “per month”.

#### **Annual Expenses (Q16 and 21)**

(1) For entities having Balance Sheet or Income Statement:

The amount is for 2010, and is the sum of operating costs (Q21-2), operating expenses (Q21-4), interest expenses paid to residents (Q21-5), interest expenses paid to non-residents (Q21-6), and profit tax (Q21-7) in the Census Form.

(2) For entities not having Balance Sheet or Income Statement:

The amount is estimated from a daily or monthly figure in February 2011, that is, the month preceding the Census month immediately, or the most recent month. The estimation method is multiplying the daily figure by 365 days or the monthly figure by 12 months depending on the response to the Census Form. The daily figure is the response answered as “per day” in Q16-2 (expenses), while the monthly figure is the one answered as “per month”.

#### **Annual Employee’s Salaries and Wages (Q16 and 21)**

(1) For entities having Balance Sheet or Income Statement:

The amount is for 2010, and is the response to Q21-4-1(employee’s salaries and wages) in the Census Form.

However, Q21-4-1 excludes salaries and wages for managers and workers in the production section. Those salaries and wages are included in Q21-2-1.

(2) For entities not having Balance Sheet or Income Statement: The above description for “Annual Expenses” applies with Q16-2 (expenses) being replaced with Q16-2-1(employee’s salaries and wages).

#### **Annual Profit and Loss**

Annual Profit and Loss = Annual Sales - Annual Expenses

#### **Ratio of Labor Costs to Sales**

Ratio of Labor Cost = Annual Salaries and Wages / Annual Sales × 100;

#### **Gross Margin**

The gross margin is the difference between operating revenue (Q21-1) and operating costs (Q21-2).

#### **Non-current Assets (Fixed Assets; Q17-1)**

Total amount of the following items at the end of December 2010:

1) Freehold land, 2) Improvement and preparation of land, 3) Freehold building, 4) Freehold building on leasehold land, 5) Non-current assets in progress, 6) Plants and equipment, 7) Goodwill, 8) Preliminary formation expenses, 9) Leasehold assets and lease premiums, 10) Investment in other enterprises, 11) Other fixed assets.

#### **Current Assets (Q17-2)**

Sum of stock of raw materials and supplies, goods in storage for sale, stock of finished goods, and products in progress, plus the following items at the end of December 2010:

1) Trade debtors accounts receivable, 2) Other accounts receivable, 3) Prepaid expenses, 4) Cash on hand and at bank, 5) Prepayment of profit tax credit, 6) Value added tax credit, 7) Other taxes credit, 8) Other current assets, 9) Differences arising from exchanging currency

#### **Equity (Q18)**

Total amount of the following items held at the end of December 2010:

- 1) Capital/share capital, 2) Share premium, 3) Legal capital reserved, 4) Reserves revaluation surplus of assets, 5) Other reserved capital, 6) Profit and loss brought forward, and 7) that for the period

### **Non-current Liabilities (Q19)**

Total amount of the following items at the end of December 2010:

- 1) Loan from related parties, 2) Loan from banks and other external parties, 3) Provision for charges and contingencies, 4) Other long-term liabilities.

### **Current Liabilities (Q20)**

Total amount of the following items at the end of December 2010:

- 1) Bank overdraft, 2) Short-term borrowing-current portion of interest bearing borrowing, 3) Account payable to related parties, 4) Other accounts payable, 5) Unearned revenue, accrual and other current liabilities, 6) Provision for charges and contingencies, 7) Profit tax payable, 8) Other taxes payable, 9) Differences arising from currency exchange in liabilities.

### **Revenues and Expenses in a year 2010 under “Accrual basis accounting” (Q21)**

#### **Operating Revenues (Q21-1):**

- 1) Sales of manufactured products, 2) Sales of goods, 3) Sales/provision of services.

**Operating Costs (Q21-2):** 1) Costs of products sold of production enterprises, 2) Costs of goods sold of non-production enterprises, 3) Costs of services provided.

**Other Revenues (Q21-3):** 1) Subsidy/grant, 2) Dividend received or receivable, 3) Interest received or receivable, 4) Royalty received or receivable, 5) Rental received or receivable, 6) Gain from disposal of fixed assets (capital gained), 7) Gain from disposal of securities, 8) Share of profit from joint venture, 9) Realized exchange gain, 10) Unrealized exchange gain, 11) Other revenues.

**Operating Expenses (Q21-4):** 1) Salaries and wages, 2) Fuel, gas, electricity and water expenses, 3) Travelling and accommodation expenses, 4) Transportation expenses, 5) Rents, 6) Repair and maintenance expenses, 7) Entertainment expenses, 8) Commission, advertising, and selling expenses, 9) Other tax expenses, 10) Donation expenses, 11) Management, consultant, other technical, and other similar services expenses, 12) Royalty expenses, 13) Bad debts written off expenses, 14) Amortization/depletion and depreciation expenses, 15) Increase/decrease in provisions, 16) Loss on disposal of fixed assets, 17) Realized exchange loss, 18) Unrealized exchange loss, 19) Other expenses.

Expenses incurred in the production section are not included in the above listed items if any, but included in Q21-2-1.

**Interest Expenses paid to residents (Q21-5) :** Self-Explanatory

**Interest Expenses paid to non-residents (Q21-6) :** Self-Explanatory

**Profit Tax (Q21-7) :** Self-Explanatory

### **Industrial classification of establishments/entities (Q11/ Q14)**

The main industry of an establishment is determined based on the kind of its main business activities. Basically, the industrial classification is based on United Nations ISIC Rev.4 (International Standard Industrial Classification, Revision 4).

The main industry of an entity is determined based on the kind of its main economic activities basically according to ISIC Rev.4.

The second main industry of an entity is determined based on the kind of its second main economic activities basically according to ISIC Rev.4.