

Securities and Exchange Commission of Cambodia

No. 019/17 SECC/Pr.K.

PRAKAS

On

**the Implementation of the Operating Rules
of Securities Depository**

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**Senior Minister, Minister of Economy and Finance, and
the Chairman of the Securities and Exchange Commission of Cambodia**

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen the Preah Reach Kret No. NS/RKT/0913/903 dated on September 24, 2013 on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen the Preah Reach Kret No. NS/RKT/1213/1393 dated on December 21, 2013 on the Amendment and Adjustment to the Composition of the Royal Government of Cambodia;
- Having seen the Preah Reach Kret No. NS/RKT/0416/368 dated on April 04, 2016 on the Amendment and Adjustment to the Composition of the Royal Government of Cambodia;
- Having seen the Preah Reach Kram No. 02/NS/94 dated on July 20, 1994 promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen the Preah Reach Kram No. NS/RKM/0196/18 dated on January 24, 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen the Preah Reach Kram No. NS/RKM/0107/001 dated on January 10, 2007 promulgating the Law on Government Securities;
- Having seen the Preah Reach Kram No. NS/RKM/1007/028 dated on October 19, 2007 promulgating the Law on the Issuance and Trading of Non-Government Securities;
- Having seen the Anukret No. 97/ANKr/BK dated on July 23, 2008 on the Organization and Functioning of the Securities and Exchange Commission of Cambodia;
- Having seen the Anukret No. 54/ANKr/BK dated on April 08, 2009 on the Implementation of the Law on the Issuance and Trading of Non-Government Securities;
- Having seen the Prakas No. 011 SECC PrK dated on December 01, 2009 on the Grant of Approval to the Operator of a Securities Market, the Operator of a Securities Clearing and Settlement Facility, and the Operator of a Securities Depository;

- Having seen the Prakas No. 004/SECC/PrK dated on March 18, 2010 on the Prime Principle of the Operating Rules of a Securities Market, a Securities Clearance and Settlement Facility, and a Securities Depository;
- Having seen the Prakas No. 002/11 SECC/Prk dated on May 03, 2011 on the Implementation of the Operating Rules of Securities Depository;
- In reference to the request of the amendment of the Prakas No.002 /11 SECC Prk dated on May 03, 2011 on the Implementation of the Operating Rules of Securities Depository of the Cambodia Securities Exchange dated on January 05, 2017;
- In reference to the approval made by the Securities and Exchange Commission of Cambodia during the plenary session dated on December 05, 2017;

HEREBY DECIDES

Article 1.-

To set forth the implementation of the Operating Rules of Securities Depository of the Cambodia Securities Exchange (CSX) as enclosed in the annex of this Prakas.

Article 2.-

The Prakas No. 002/11 SECC/Prk dated on May 03, 2011 on the Implementation of the Operating Rules of Securities Depository and Article 3 of the Prakas No.003/2017 SECC dated on January 09, 2017 on the Implementation of the Amendment of the Operating Rules of the Cambodia Securities Exchange are hereby abrogated.

Article 3.-

Director General of the Securities and Exchange Commission of Cambodia, Director Department of Securities Market Supervision, Director Department of Legal Affairs, all other departments and unit of the SECC, the Cambodia Securities Exchange, members and participants of the Cambodia Securities Exchange, and relevant persons shall effectively implement this Prakas from this signing date onwards.

Phnom Penh, December 26, 2017

**Senior Minister, Minister of Economy and Finance,
and the Chairman of the Securities and Exchange Commission of Cambodia**

(Signature and Seal)

Dr. Aun Pornmoniroth

Recipients:

- Office of the Council of Ministers
- Ministry of Economy and Finance
- Ministry of Commerce
- Ministry of Justice
- National Bank of Cambodia
- General Secretariat of Royal Government
- Cabinet of Samdech Akka Moha Sena Padei Techo Hun Sen
Prime Minister of the Kingdom of Cambodia
- Cabinets of Excellencies Deputy Prime Ministers
- All ministries and relevant institutions “for information”
- As prescribed in Article 3 “to implement”
- Royal Gazette
- Archives-records

Annexe of Prakas No. 019/17

dated 26th December 2017

on

**Operating Rules of Securities Depository of
the Cambodia Securities Exchange**

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**Chapter I
General Provisions**

Article 1.-Purpose

The purpose of these rules is to prescribe the matters necessary for depositing and transferring securities at the Operator of Securities Depository of the Cambodia Securities Exchange (hereinafter written as “the **CSX**”), in accordance with the Law on the Issuance and Trading of Non-Government Securities, Anukret on the Implementation of the Law on Issuance and Trading of Non-Government Securities and related regulations in force.

Article 2.-Definitions

The terms used in these rules shall be determined in this article and available in the glossary of the annex of the Law on the Issuance and Trading of Non-Government Securities, the Law on Government Securities, the Anukret on the Implementation of the Law on Issuance and Trading of Non-Government Securities and related regulations in force.

- **Member** shall refer to the securities firms, licensed by the Securities and Exchange Commission of Cambodia (hereinafter written as “the **SECC**”), which has been allowed to use the whole securities depository facility of the **CSX**.

- **Participant** shall refer to the Cash Settlement Agent, the Securities Registrar, the Securities Transfer Agent, the Issuing Entity, the Listed Entity etc. which have been allowed to use a part of the securities depository facility of the **CSX**.

Article 3.-Business Hours

The business hours pursuant to these rules shall be from 8:00 AM to 5:00 PM of the working days.

Article 4.-Designation or Cancellation of Eligible Securities

Unless there is additional determination from the Director General of the **SECC**, deposit-eligible securities at the Operator of Securities Depository of the **CSX** are as the following:

- 1-Securities which are listed at the Operator of Securities Market of the **CSX**;
- 2-Securities which are additionally issued by a listed entity;
- 3-Securities under the process of public offering;
- 4- The existing securities of issuing entity;

- 5-Government Securities;
- 6-Securities subjected to private placement.

Unless there is additional determination from the Director General of the **SECC**, the Operator of Securities Depository of the **CSX** may withdraw deposited securities which are delisted from the Operator of Securities Market of the **CSX**. The Operator of Securities Depository shall withdraw the deposited securities after principal of debt securities is repaid.

In case of above deposited securities withdrawal, the Operator of Securities Depository Facility of the **CSX** shall notify the deposited Member and the deposited Participant in advance prior to the withdrawal.

Article 5.- Information Related to Securities Deposits

In order to deposit securities at the Operator of Securities Depository of the **CSX**, Members and Participants shall, directly or by a Securities Registrar, provide the following information:

- 1-Denomination;
- 2-Type of securities;
- 3-Par value;
- 4-Number of deposited securities;
- 5-Total issue amount;
- 6-International Securities Identification Number (ISIN) Code;
- 7-Identification numbers;
- 8-Issued date;
- 9-Listing date;
- 10-Maturity date, coupon rate, interest payment date and other related requirements for debt securities;
- 11-Other relevant information related to the securities ownership.

Chapter II Securities Accounts

Article 6.-Securities Account Opening

Unless there is additional determination from the Director General of the **SECC**, persons eligible for opening a securities account at the Operator of Securities Depository of the **CSX** shall be as follows:

- 1-Securities firms;
- 2-Issuing entity;
- 3-Listed entity;
- 4-Foreign securities depository;
- 5-Custodian agents of Securities;
- 6- Institutional investors.

Persons who intend to open a securities account shall complete the application forms at the **CSX**.

Article 7.-Securities Account Book of Members and Participants

The Operator of Securities Depository of the **CSX** shall maintain the Member and Participant's Securities Account Books, containing information and the detailed securities transactions made by Members and Participants. Unless there is additional determination from the **SECC**, detailed information includes the following:

- 1- Name and address of person intending to open an account;
- 2-Name, Class, quantity, identification number, and international securities identification numbers (ISIN) code of deposited securities;
- 3-Reason for credit or debit of deposited securities;
- 4-In case where the deposited securities are an object of pledge, the name and address of pledgee shall be mentioned;
- 5-In case where deposited securities are subject to restriction on selling, that restriction shall be mentioned.

Proprietary holdings of Members' securities shall be separately recorded from those of their customers.

The Securities Account Book of Members and Participants shall be maintained for 10 (ten) years.

In case where a Member or Participant intends to change name, address, business registration number, or registered seal impression, the Member or Participant shall notify such changes to the Operator of Securities Depository of the **CSX** by submitting the appropriate application form.

Article 8.-Customer Securities Account Book

A Customer Account Book shall contain the following detailed information:

- 1-Name and address of the customer;
- 2-Name, Class, quantity, identification number, and international securities identification numbers (ISIN) code of the deposited securities;
- 3-Details of all transactions of the deposited securities;
- 4-Customer information.

The Customer Securities Account Book shall be maintained for 10 (ten) years.

Article 9.-Effective Date of Deposit

Deposit, withdrawal, or the return and book-entry transfer under these rules shall be effective when the relevant information has been recorded in the Member and Participant Account Books.

Article 10.-Account Closure

Unless otherwise determined by the **SECC**, the Operator of Securities Depository of the **CSX** may close the securities account of a Member or Participant in any of the following cases:

- 1-A Member or Participant requests to close the securities account;
- 2-A Member or Participant has not used their account for 2 (two) years.

Before closing the Member or Participant's Securities Account, the Operator of Securities Depository of the **CSX** shall provide the deposited balance of the closed securities

account to the relevant Member or Participant.

Chapter III

Additional Provisions

Article 11.-Securities Depository Representative

Each Members and Participants shall appoint and register at least 1 (one) securities depository representative, who shall be trained by the **CSX**, and has rights to conduct securities deposit transaction for the respective Member and Participant.

The securities depository representative of a Member and Participant may also be a settlement representative appointed by a Member and Participant in accordance with the Operating Rules of Securities Clearing and Settlement of the **CSX**.

Article 12.-Notification of Depository Balance

The Operator of Securities Depository of the **CSX** shall notify Members and Participants about the balance of securities account at the end of each month. This notification of account balance may be substituted by submitting a copy of the Member or Participant Account Book.

Article 13.-Service Fees of Securities Depository Operation

Members or Participants shall pay to the **CSX** the following fees:

1- Securities Depository Fee: this fee is for the deposited securities during the public offering procedure and securities subjected to private placement. Monthly fee for deposited securities shall be paid by the 10th of the month following the month in which such fees have been occurred, according to the following conditions:

- a. Rate: 20 (twenty) Riel on the basis of 10,000,000 (ten million) Riel denomination. In this case, the fee shall be levied on the daily deposit balance, reflected in the Securities Account Book. The fee shall not exceed 120,000 (one hundred and twenty thousands) Riel per day.
- b. Payer shall be the Members or Participants who are the depositors.

2- Book-entry Settlement Fee

- a. The fee for the book-entry settlement service: shall be levied on the amount of value of trade settled at the rate of 5/10,000 (five-ten thousands) or 0.05% (zero point zero five percent) for the equity securities and 1.25/10,000 (one point two five-ten thousands) or 0.0125% (zero point zero one two five percent) for debt securities, and the fee amount obtained shall be round up to the first decimal;
- b. Payers shall be the Members or Participants subject to the securities transfers;
- c. Time of payment: 8:30 AM on the settlement date.

3- Other fees:

- a. Transfer fee without settlement: 100,000 (one hundred thousands) Riel per transaction. Members or participants who are the depositors shall pay this fee to the Operator of Securities Depository of the **CSX** when requesting for the

securities transfer.

- b. Securities deposited withdrawal fee: 200,000 (two hundred thousands) Riel per transaction. Members or Participants who are the depositors shall pay this fee to the Operator of Securities Depository of the **CSX** when requesting securities withdrawal.
