



គណៈកម្មការរដ្ឋបាលស្ថាប័នហិរញ្ញវត្ថុ

SECURITIES AND EXCHANGE COMMISSION OF CAMBODIA

N°.....SECC/.....

ព្រះរាជាណាចក្រកម្ពុជា  
ជាតិ សាសនា ព្រះមហាក្សត្រ  
KINGDOM OF CAMBODIA  
Nation Religion King

## PRAKAS

### ON THE PRIME PRINCIPLE OF THE OPERATING RULES OF A SECURITIES MARKET, A CLEARANCE AND SETTLEMENT FACILITY, AND A SECURITIES DEPOSITORY

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Deputy Prime Minister

Minister of Economy and Finance

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/0908/1055 on 25 September 2008 on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen the Preah Reach Kram No. 02/NS/94 on 20 July 1994 promulgating the Law on the Organizing and Functioning of the Council of Ministers;
- Having seen the Preah Reach Kram No. NS/RKM/0196/18 on 24 January 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 on 10 January 2007 promulgating the Law on Government Securities;
- Having seen the Preah Reach Kram No. NS/RKM/1007/028 on 19 October 2007 promulgating the Law on the Issuance and Trading of Non-Government Securities;
- Having seen the Anukret No. 97/ANKR/BK on 23 July 2008 on the Organizing and Functioning of the Securities and Exchange Commission of Cambodia;
- Having seen the Anukret No. 54/ANKR/BK on 08 April 2009 on the Implementation of the Law on the Issuance and Trading of Non-Government Securities;
- In accordance with the approval made by the plenary session of the Securities and Exchange Commission of Cambodia on 02 March 2010.

Unofficial Translation

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## **HEREBY DECIDES**

### **Chapter 1**

#### **General provisions**

##### **Article 1.- Purpose**

The purpose of this Prakas is to prescribe the prime principle of the operating rules of a securities market, a clearance and settlement facility and a securities depository in accordance with the Law on the Issuance and Trading of Non-Government Securities and the Anukret on the Implementation of the Law on the Issuance and Trading of Non-Government Securities.

##### **Article 2.- Definitions**

Unless the context requires otherwise, terms used in the Prakas are either as defined in this Prakas or in the Glossary of the Annexes of the Law on the Issuance and Trading of Non-Government Securities and of the Anukret on the Implementation of the Law on the Issuance and Trading of Non-Government Securities.

-“Law” means the Law on the Issuance and Trading of Non-Government Securities.

-“Anukret” means the Anukret on the Implementation of the Law on the Issuance and Trading of Non-Government Securities.

-“Operating rules” means the operating rules of a securities market, a clearance and a settlement facility or securities depository. The operating rules shall prescribe rules and procedures related to operations of each operator, rules and procedures governing the membership of and participation in the market of each operator, and the articles of incorporation of each operator. The operating rules of a securities market shall include the listing rules of a securities market.

-“Service agreement” means an agreement to be made between member and market participant of each operator, and their customers for the provisions related to service providing.

### **Chapter 2**

#### **Main content of the operating rules of a Securities Market**

##### **Article 3.- Operating rules of a securities market**

The operating rules shall include:

- 1- Rules and procedures related to the operation of a securities market.
- 2- Rules and procedures governing the membership of and participation in the market.
- 3- Listing rules of a securities market.
- 4- Articles of incorporation of the operator.

#### **Article 4.- Rules and procedures related to the operation of a securities market**

The rules and procedures related to the operation of a securities market shall have separate rules and procedures for transactions of each type of securities. The rules and procedures related to those transactions must address at least:

- 1- Trading hours;
- 2- Types of securities to be traded;
- 3- Input of bid or offer order information;
- 4- Methods and mechanisms for executing all trades;
- 5- Measures to be taken in case of failure of the trading system;
- 6- Information to be published related to securities trading and information to be notified to the members and to market participants by the operator of a securities market;
- 7- Service fees and other related fees; and
- 8- Procedures for surveillance of securities trading.

#### **Article 5.- Rules and procedures governing membership of and participation in the market**

The rules and procedures governing membership of and participation in the market must address at least:

- 1- Categories of members and market participants;
- 2- Conditions and procedures for the admission of members and market participants;
- 3- Conditions and procedures for the suspension, withdrawal, or re-admission of membership and market participation;
- 4- Rights and obligations of members and market participants which can ensure the equality amongst them;
- 5- Obligations requiring members and market participants to comply with all existing laws and regulations;
- 6- Matters to be stipulated in service agreements;
- 7- Procedures related to regular and unannounced checks of compliance by members or market participants with the operating rules and procedures, especially procedures on the inspection of trading activities and financial position of members and market participants;
- 8- Timing for and types of information to be given to the operator by members and market participants;
- 9- Any disciplinary actions and sanctions which may be taken against members and market participants, setting out clearly the reasons and the actions to be taken as well as the procedures of notice;
- 10- Actions to be taken by members and market participants against clients in case of any trading default; and
- 11- Types of services to be provided to members and participants, as well as its fees.



## **Article 6.- Listing rules of a securities market**

The listing rules of a securities market must address at least:

- 1- Requirements for listing of securities;
- 2- Procedures for listing eligibility review;
- 3- Conditions and procedures for listing suspension and delisting;
- 4- Obligations and procedures for submitting of disclosure documents by listed companies; and
- 5- Types of services provided to listed companies and its fees.

## **Chapter 3**

### **Main content of the operating rules of a Clearance and Settlement Facility**

## **Article 7.- Rules and Procedure related to the operation of a clearance and settlement facility**

The rules and procedures related to the operation of a clearance and settlement facility must address at least:

- 1- Clearance and settlement hours;
- 2- Classes or categories of transactions to be cleared and settled;
- 3- Opening and management of clearance and settlement accounts;
- 4- Procedures regarding clearance and settlement operations;
- 5- Rules for management of securities delivery versus cash payment or DVP rules;
- 6- Percentage of securities and cash which members or market participants shall have in their account at the moment of securities transfer and cash settlement;
- 7- Procedures for submitting relevant clearance and settlement information to the operator of a securities market;
- 8- Rules and procedures related to default or likely default members or market participants in clearance and settlement operations; and
- 9- Procedures for the default of securities delivery or in case of securities to be transferred are not well registered.

## **Article 8.- Rules and Procedure governing membership of and participation in the market of a clearance and settlement facility**

The rules and procedures governing membership of and participation in the market of a clearance and settlement facility must address at least:

- 1- Categories of members and market participants;
- 2- Conditions and procedures for the admission of members and market participants;
- 3- Conditions and procedures for the suspension, withdrawal, or re-admission of membership and market participation;

- 4- Rights and obligations of members and market participants which can ensure the equality amongst them;
- 5- Types of clearance and settlement services to be provided to its members and market participants, as well as its fees;
- 6- Information to be kept and maintained by its members and market participants;
- 7- Obligation to be prescribed related to the contribution of its members to the compensation fund; and
- 8- Procedures for monitoring and ensuring that members and market participants comply with the operating rules; and disciplinary actions and sanctions to be taken against members and market participants who fail to comply with the operating rules.

## **Chapter 4**

### **Main content of the Operating rule of a Securities Depository**

#### **Article 9.- Rules and procedure related to the operation of a securities depository**

The rules and procedures related to the operation of securities depository must address at least:

- 1- Business hours;
- 2- Designation of categories or eligibility of securities to be deposited;
- 3- Opening and closing of an account of a depositor;
- 4- Preparation and keeping of a depositors' account book;
- 5- Deposit, and withdrawal of securities and return of deposited securities ;
- 6- Transferring securities between accounts;
- 7- Procedures for administration and custody of deposited securities ;
- 8- Procedures for processing corporate actions; and
- 9- Conditions and procedures for using deposited securities as collateral.

#### **Article 10.- Rules and procedure governing membership of and participation in the market of a securities depository**

The rules and procedures governing membership of and participation in the market of a securities depository must address at least:

- 1- Categories of members or market participants;
- 2- Conditions and procedures for the admission of members or market participants;
- 3- Conditions and procedures for the suspension, withdrawal, or re-admission of membership and market participation;
- 4- Rights and obligations of members and market participants which can ensure the equality amongst them;
- 5- Matters to be stipulated by members and market participants in service agreements with clients;

- 6- Types of services to be provided to members or market participants and its fees; and
- 7- Procedures for monitoring and ensuring that members and market participants comply with the operating rules; and disciplinary actions and sanctions to be taken against member and market participant who fail to comply with the operating rules.

## **Chapter 5**

### **Final provisions**

#### **Article 11.- Contradiction**

All provisions contrary to this Prakas are hereby abrogated.

#### **Article 12.- Application**

The Director General, the Deputy Director Generals of the SECC, the Department of Securities Market Supervision, the Department of Legal Affairs, all Departments and Unit of the Securities and Exchange Commission of Cambodia, and all related persons shall effectively implement this Prakas from the signing date.

Phnom Penh, 18 March 2010

Signature and Seal

KEAT CHHON

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