



គណៈកម្មការមូលបត្រកម្ពុជា
SECURITIES AND EXCHANGE COMMISSION OF CAMBODIA
N°.....០០១/១០..SECC/BK

ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ
KINGDOM OF CAMBODIA
Nation Religion King

PRAKAS

on the Registration of Securities Registrar,
Securities Transfer Agent, and Paying Agent

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Deputy Prime Minister
Minister of Economy and Finance, and
Chairman of the Securities and Exchange Commission of Cambodia

- Having seen the Constitutions 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 8 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 12 May 2010

Unofficial Translation

HEREBY DECIDES

Chapter I General Provision

Article 1.- Objective

The objective of this Prakas is to prescribe the requirements and procedures to recognize the registration of the applicants who wish to become the Securities Registrar, Securities Transfer Agent, and Paying Agent, and to determine the obligations of each agent in accordance with the Law on the Issuance and Trading of Non-Government Securities, and Sub-decree on the Implementation of the Law on Issuance and Trading of Non-Government Securities.

Article 2.- Definition

The definition of the terms used in this Prakas shall be determined within this Prakas and available in the annex of the Law on Issuance and Trading of Non-Government Securities and the Sub-decree on the Implementation of the Law on Issuance and Trading of Non-Government Securities.

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

- **Anukret** or Sub-decree means the Sub-decree No 54 ANKR/BK dated on 8 April 2009 on the Implementation of the Issuance and Trading of Non-Government Securities.

- **Securities Registrar** means the persons registered with the SECC to provide the following services on the behalf of the issuers in the framework of the securities offerings:

a. Ensuring proper management of the subscription process and securities allotment in accordance with the public offering procedures;

b. Recording securities owners' books after the securities allotment process have been completed in the primary market;

c. Preparing report on the completion and success of the securities depositing at the Securities Depository Operator to the issuer and the SECC;

d. Sending notification to securities holders by indicating the ownership of securities under the subscription process of the issuer;

e. Other relevant services approved by the SECC.

- **Securities Transfer Agent** means the persons registered with the SECC to provide the following services on behalf of the issuers after the allotments:

a. Maintaining and managing the securities owners' books including the details of the securities owners to be conformed to the records of the Securities Depository Operator;

b. Administration works related to the changes in ownership register, preparing reports, statistics and other relevant information related to the activities of the Securities Transfer Agent;

c. Preparing works related to the corporate actions provided by the issuers such as the notification of dividend, interest, and principle payments; and

d. Sending notification and other information to securities holders and dispute resolution related to the securities ownership involved with services of the Securities Transfer Agent;

e. Other relevant services approved by the SECC.

- **Paying Agent** means the persons registered with the SECC to provide the following services on the behalf of the issuer:

a. Calculating dividend, principle or other payments provided for securities holders or relevant parties following the instructions of the issuers;

b. Payment on the behalf of the issuers to securities holders or other relevant parties;

c. Sending necessary notices related to the payment and other information to the securities holders and preparing reports related to the payments to issuer and the SECC as necessary;

d. Other relevant services approved by the SECC.

-**Applicant** means the person applying for registration as the Securities Registrar, Securities Transfer Agent, or Paying Agent.

-**Senior Staff** means the persons who have within ranks from director general to director or section chief including the corporate secretary and the internal auditor.

-**Director** means chairman of Board of Director, and members of the Board of Director of the applicants or Securities Registrar or Securities, Transfer Agent or Paying Agent.

Chapter II

Requirements for Recognizing the Registration

Article 3.- Application

Applicants who wish to provide services as the Securities Registrar, Securities Transfer Agent, or Paying Agent shall be commercial company registered in accordance with the law of the Kingdom of Cambodia and shall apply for the registration from the Director General of the SECC.

Article 4.- Applicant

Applicants for Securities Registrar, Securities Transfer Agent, and Paying Agent may be:

1. Securities Depository Operator granted the approval from the SECC;
2. Commercial Banks licensed by the National Bank of Cambodia;
3. Other limited companies as stated in the Law on Commercial Enterprise.

In the event that the applicant applying for the Securities Transfer Agent is not the Securities Depository Operator, the applicant shall have the contract with the Securities Depository Operator on providing the information of changing in securities ownership in the account records, managed by the Securities Depository Operator.

Article 5.- Applicant requirements

Applicant applied for Securities Registrar, or Securities Transfer Agent, Paying Agent shall:

- 1- Possesse minimum capital in national currency:
 - a. KHR 200,000,000 (Two hundred million) in case of applying for Securities Registrar;
 - b. KHR 200,000,000 (Two hundred million) in case of applying for Securities Transfer Agent;
 - c. KHR 500,000,000 (Five hundred million) in case of applying for Paying Agent.
- 2- Deposit 10 percent of the minimum capital at the National Bank of Cambodia. In necessary case, the deposits can be withdrawn with the approval from the SECC.
- 3- Possesse rules on services and mechanism in providing services as stated in Prakas 9 of this Prakas;

4- Have the operational technological facilities and back-up system to ensure the effective, efficient, and sustained operations;

5- Have separated entity or section which possesses adequate and well-managed property and human resources for providing services as Securities Registrar or Securities Transfer Agent or Paying Agent to ensure the efficiency, accountability, transparency, and responsibility. In case of applying for Securities Registrar, Securities Transfer Agent, and Paying Agent, applicant may have a structure for providing all these three agent services in one separated entity or section.

6. Have persons who are appointed as head of operation in providing services as Securities Registrar, Securities Transfer Agent, and Paying Agent complied with the requirement as stipulated in article 8 of this Prakas.

Commercial bank or Securities Depository Operator may create subsidiaries to applying for Securities Registrar, Securities Transfer Agent and Paying Agent. In the event that the applicant is the Commercial bank or Securities Depository Operator, minimum capital requirement stated in point 1 of the Sub-paragraph 1 of this Prakas shall be exempted.

In the event that applicants are other limited companies conducting business activities, applicant shall put additional capital as stated in point 1 of the Sub-paragraph 1 the of this Prakas to the existing Capital.

Article 6.- Applicant qualification

Applicants, persons appointed as directors and senior staffs of the applicants applying for Securities Registrar, Securities Transfer Agent, or Paying Agent, shall fulfill the following requirements:

- 1- Have a good character and moral as stated in the Article 42 of the Anukret;
- 2- Have never been declared bankrupt or been the director or the senior staffs who caused one or more companies becoming bankrupt during the 05 (five) years before the application date;
- 3- Have never committed a disgraceful act in the securities market or in the financial sector in general;
- 4- Have never acted in any way contrary to the public interest.

Article 7.- Attached documents to the application

Applicants applying for registration as the Securities Registrar, Securities Transfer Agent, or Paying Agent shall complete the application forms determined by the SECC attaching with the following documents:

- 1- A certified true copy of the Registration Certificate of the company;
- 2- A certified true copy of Patents and/or VAT Registration;
- 3- A certified true copy of the Article of Incorporation;
- 4- Evidence of minimum capital as required by the Article 5 of this Prakas;
- 5- Management structure and functions and responsibilities of each employee in the management structure;
- 6- A Rule on services;
- 7- A three-year period business plan from the date of lodgment the application;
- 8- A risk management plan;
- 9- A list of the issuer names, for which the applicants used to or intent to provide services as the Securities Registrar, Securities Transfer Agent or Paying Agent.

Article 8.- Qualification of the head of operation

Persons appointed as head of operation prescribed in the Article 5 of this Prakas shall have knowledge and experiences related to the securities business or financial sector at least 03 (three) years in order to run the operations of Securities Registrar, Securities Transfer Agent, or Paying Agent.

Article 9.- Mechanism in providing services

Rules on services and mechanisms in providing services as Securities Registrar, Securities Transfer Agent, or Paying Agent shall be created in accordance with the Chapter 3 of this Prakas and shall be approved by the SECC.

All services of Securities Registrar, Securities Transfer Agent, or Paying Agent shall be provided through contracts with issuers as customers.

Article 10.- Additional documents and clarification

The Director General of the SECC may require the applicants to provide other documents and clarification or other necessary information to ensure that the applicants have met all the requirements set out in this Prakas.

Article 11.- Refusal grounds

The Director General of the SECC may refuse the application for the registration based on any of the following grounds:

1- The applicant fails to comply with one of the conditions prescribed in this Prakas, or any guidelines made under this Prakas, or other relevant regulation;

2- Any information or document furnished by the applicant to the SECC is false or misleading;

3- The applicant is in the course of being wound up or otherwise dissolved;

4- The execution against the applicant in respect of a judgment debt has been returned unsatisfied in whole or in part;

5- The applicant, or any of directors, or any of senior staffs of the applicant:

a. Has conducted the business with fraud, in deceitful and improper ways;

b. Has contravened any provision made by or under any written law appearing to be enacted for protecting the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of the companies;

c. Has engaged in or has been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgment;

d. May not be able to act in the best interest of their clients having regard to their reputation, character, financial integrity and reliability; or

e. May not be able to efficiently, loyally and fairly conduct its business in accordance with all the requirement of the approval.

6- There are other circumstances which are likely to:

a. Lead to the improper conduct of business by the applicant, or any of its directors, or any of its senior staffs, or any shareholders who hold substantial voting shares of the applicant;

b. Reflect discredit on the manner of conducting the business of the applicant.

7- Applicant has or may have involved with the money laundering and terrorist financing or the registration of the applicant may have the impacts against the public interest.

Notwithstanding the above paragraphs, the Director General of the SECC shall not refuse to grant an approval without giving the applicant the reasons in writing.

Chapter III

Rules on Services and Business Plans of Securities Registrar, Securities Transfer Agent, and Paying Agent

Article 12.- Rules on Securities Registrar Services

Rules on the Securities Registrar Services of the applicant applying for the Securities Registrar stated in the Article 5 of this Prakas shall prescribe the procedure related to the operations of the Securities Registrar services. Rule on the Securities Registrar Services shall prescribe at least:

- 1- Scope of the servicing activities, and types of issued securities involved;
- 2- Conditions and procedures of providing, suspending, and terminating services, for the issuer and other related parties;
- 3- Service fees defined for the issuers and related parties;
- 4- Rights and obligation of the issuer as clients and other related parties receiving Securities Registrar services;
- 5- Matters required for describe in the agreement of the Securities Registrar services with the Issuer as clients and other related parties;
- 6- Methods on implementing the securities allotment, the registration of the securities ownership after the allotment;
- 7- Procedure on the notification of services to the Issuer, securities holders and other related parties;
- 8- Procedures to supervise all behaviors restricted in the securities sector as stated in the effective law and regulation.

Article 13.- Rules on the Securities Transfer Agent Services

Rule on the Securities Transfer Agent Services of the applicant applying for the Securities Transfer Agent as stated in the article 5 of this Prakas shall prescribe the procedure related to the service operations of the Securities Transfer Agents. The Rule on the Securities Transfer Agent Services shall prescribe at least:

- 1- Scope of the servicing activities, and types of the issued securities involved;
- 2- Conditions and procedures of providing, suspending, and terminating services, for the issuer and other related parties;

- 3- Service fees defined for the issuers and related parties;
- 4- Rights and obligations of the issuer as clients and other related parties;
- 5- Matters required for describe in the agreement of the Securities Registrar services with the issuer as clients and other related parties;
- 6- Procedures to ensure the proper registration of the securities transfer records of the securities holders of the Securities Transfer Agent to be conformed to the Securities Depository Agent;
- 7- Procedures on management of the registration of the securities transfer records which are not listed for trading in the permitted securities market;
- 8- Procedure on the notification on services to the issuer, securities holders and other related parties;
- 9- Rules and procedures to supervise all behaviors restricted in the securities sector as stated in the effective law and regulation.

Article 14.- Rules on Paying Agent Services

Rule on Paying Agent Services of the applicant applying for the Paying Agent as stated in the Article 5 of this Prakas shall prescribe the procedure related to service operation of the Paying Agent. Rule on the Paying Agent Service shall prescribe at least:

- 1- Scope of the servicing activities and types of the issued securities involved;
- 2- Methods and conditions of providing, suspending, and terminating services, and service fee of the issuer and other related parties;
- 3- Services fees defined for the issuers and related parties;
- 4- Rights and obligation of the issuer as clients and other related parties;
- 5- Matters required for describe in the agreement of the securities registrar services with the Issuer as clients and other related parties;
- 6- Procedures on payment of dividend, interest and principle and other payments to the securities holder and relevant parties;
- 7- Procedure on the notification on services to the issuers, securities holder and other related parties;
- 8- Procedures to supervise all behaviors restricted in the securities sector as stated in the effective law and regulation.

Article 15.- Business Plan

Business plan of the applicant applying for the Securities Registrar, Securities Transfer Agent, and Paying Agent as stated in the Article 7 of the Prakas shall have at least:

- 1- Justifying following the economic situation and business creation-related business plan describing the services offered;
- 2- Fee determination, and projection related to the revenue;
- 3- Risk and contingency plan related to the sustainability of the service operation;
- 4- Financial planning which states at least:
 - A- Pro Forma Balance sheet;
 - B- Pro Forma Income Sate;
 - C- Pro Forma Statement of Cash Flow.

Article 16.- Creation, amendments or deletion of Rule on Services

Securities Registrar, Securities Transfer Agent, or Paying Agent shall not create, amend, or delete the Rules on the Securities Registrar Services, Securities Transfer Agent Services, or Paying Agent Services without prior approval from the Director General of the SECC. The Director General of the SECC may require in writing to the Securities Registrar, Securities Transfer Agent, or Paying Agent to create, amend, or omit the Rules on their services within a defined period. In case that the Agent does not respect the proposal from the SECC with a defined period, the SECC may arrange the creation, amendment, or deletion any rules in accordance with what the SECC has proposed.

Chapter IV

Recognized the Registration Fee and Charge

Article 17.- Period of deciding on accepting registration

After the applicant have submitted the full application documents as stated in this Prakas and the effective regulation within 02 (two) months, the Director General of the SECC shall notify on the acceptance or rejection to the applicant. In case that the Director General of the SECC inquires the applicant to amend or provide additional information, the examination and decision period shall be recounted from the date of the information provided for the SECC.

Article 18.- Validation of the registration

The validity of the registration period is for an indefinite duration.

Article 19.- Annual registration fees and other fees

The applicant applying for registration shall pay for the application and processing fee of KHR 1,000,000 (One million) when submitting the application for each agent. Application and processing fee shall not be refunded to the applicant in case of the application is rejected.

Person whose registration is recognized shall pay the annual registration fee as the following:

- 1- Securities Registrar shall pay KHR 1,000,000 (One million);
- 2- Securities Transfer Agent shall pay KHR 1,000,000 (One million);
- 3- Securities Paying Agent shall pay KHR 2,000,000 (Two million).

The following fiscal years, each agent shall pay the annual registration 30 (thirty) days before the day and month of the registration.

Chapter V

Obligations of the Securities Registrar, Securities Transfer Agent and Paying Agent

Article 20.- Start of operation

After receiving the registration, Securities Registrar, Securities Transfer Agent, or Paying Agent shall initiate its business activities not later than 3 months following the registration date or other appropriate period permitted by the Director General of the SECC.

Article 21.- General obligation

A Securities Registrar, Securities Transfer Agent, or Paying Agent shall:

- 1- Provide efficient and effective services;
- 2- Control and manage prudently all risks related to business or operations;
- 3- Accomplish all the obligation set in this Prakas and the effective regulation and shall not act against the public interest or interest of investor;
- 4- Implement rules on services prudently;

5- Make a public notice of the names of issuers and types of the securities for which the Agent provides its services in the agent office's location where it may be easily seen by investor and the public.

Article 22.- Professional liability Insurance

Applicant receiving the registration as a Paying Agent shall have the professional liability insurance before starting operations.

Article 23.- Termination of business

Securities Registrar, Securities Transfer Agent, or Paying Agent shall submit proposal to the SECC on termination of services of each agent, attaching with the procedure to terminate the services within 6 (six) months before the service termination date. The termination of operating service, its procedure, and its service period shall be approved by the SECC. In case that the procedure to terminate the services of each agent need to use more than 6 (six) months, the SECC have rights to determine the additional period.

Securities Registrar, Securities Transfer Agent, or Paying Agent shall notify in writing to the issuer on the termination of the services of each agent and transfer securities ownership books and relevant documents to its successor or each issuer after the approval of the SECC.

Article 24.- Report of the Securities Registrar

The Securities Registrar shall provide reports by each issue in the securities offering the issuers to the SECC, which shall contain the following information:

- 1- Name of the issuer;
- 2- Types of the securities;
- 3- Volume of the securities;
- 4- Number of securities holders;
- 5- Names of relevant parties involved in the offering process; and
- 6- Other necessary information.

Article 25.- Quarterly report of the Securities Transfer Agent

The Securities Transfer Agent shall provide quarterly report to the SECC, which shall contain the following information:

- 1- Name of the issuer;

- 2- Types of the securities;
- 3- Volume of the securities;
- 4- Number of securities holders;
- 5- Ownership percentage of the securities holders in each issuer; and
- 6- Other necessary information.

Article 26.- Quarterly report of the Paying Agent

The Paying Agent shall provide quarterly report to the SECC, which shall contain the following information:

- 1- Name of the issuer as client;
- 2- Number of securities holders;
- 3- Type of securities;
- 4- Volume of the securities;
- 5- Amount of the payments of dividend, interest and principle, and other payments of each issuer; and
- 6- Other necessary information.

Article 27.- Annual report

Securities Registrar, Securities Transfer Agent, or Paying Agent shall provide the report on the annual activities to the SECC within 3 (three) month period after the end of each fiscal year or after other period permitted by the Director General of the SECC.

The report on the annual activities of the Securities Registrar shall contain at least:

- 1- Name of the issuer;
- 2- Number of the issues under the Securities Registrar services;
- 3- Types of the securities;
- 4- Volume of the securities;
- 5- Number of the accounts of the securities holders recorded;
- 6- Denomination price and subscription price of securities recorded;
- 7- Other necessary information.

The report on the annual activities of the Securities Transfer Agent shall contain at least:

- 1- Name of the issuers;
- 2- Number of transaction of Securities Transfer Agent services;
- 3- Types of the securities;

- 4- Number of securities;
- 5- Ownership percentage of the securities holders of each issuer; and
- 6- Other necessary information.

The report on the annual activities of the Securities Transfer Agent shall contain at least:

- 1- Name of the issuer;
- 2- Number of securities holders;
- 3- Type of securities;
- 4- Volume of securities;
- 5- Amount of the payments of dividend, interest and principle, and other payments of each issuer; and
- 6- Other necessary information.

Article 28.- Inspection by the SECC

Securities Registrar, Securities Transfer Agent, or Paying Agent may be inspected by the SECC on the business situation and efficiency of service operations.

Each agent shall provide the good cooperation to inspection official of the SECC in order to ensure the working efficiency.

Article 29.- Continuous compliance with the requirements in the Prakas

After receiving the registration, Securities Registrar, Securities Transfer Agent, or Paying Agent shall continue to obey conditions stated in this Prakas.

Chapter 6

Penalties

Article 30.- Transactional penalties

The Director General of the SECC has rights to direct the person receiving the registration, impose further conditions, impose restrictions on the registration, or suspend the registration in the following cases:

- 1- Violating a condition of the approval in accordance with the Law, the Anukret, and this Prakas;
- 2- Failing to accomplish the obligation or satisfy the obligation determined by this Prakas;

- 3- Failing to comply with the direction issued by the Director General of the SECC;
- 4- Failing to satisfy a judgment debt in whole or in part; and
- 5- Being in a weak technical and/or financial situation.

Article 31.- Registration withdrawal

The Director General of the SECC has rights to revoke the registration in the following cases:

- 1- Obtaining the registration by falsity or in any other fraudulent ways;
- 2- Continuing its business during the suspension period;
- 3- Suspending its business without any prior notification to the Director General of the SECC;
- 4- Being a subject of dissolution by the court; and
- 5- Violating the measures as stated in the Article 30 of this Prakas.

Article 32.- Transactional fine measures

Yet including other penalties stipulated in effective laws and regulations in the securities sector and effective laws and regulations of the Kingdom of Cambodia, each agent violate any provisions in this Prakas shall be liable to the SECC's transactional fine of KHR 5,000,000 (five million) to KHR 20,000,000 (twenty million). For any delay in paying the annual registration fee stated in the Article 19 of this Prakas, Securities Registrar, Securities Transfer Agent, or Paying Agent shall be liable to the transactional fine of KHR 100,000 (hundred thousand) per day.

Chapter 7

Transitional provisions

Article 33.- Provisional exception condition

Conditions of registration of the agent prescribed in the paragraph 2 of Article 4 of this Prakas shall be provisionally exempted in case that the Securities Depository Operator has not operated.

Chapter 8

Final provisions

Article 34.- Other guidelines

The SECC may release guidelines to facilitate the understanding and enforcing the compliance with this Prakas to the relevant persons, securities market participants and the public.

Article 35.- Contravention

All provisions contrary to this Prakas are hereby abrogated.

Article 36: Implementation

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 after this signing date.

Phnom Penh, 30 June, 2010

(Signed and Sealed)

KEAT CHHON

Recipients:

- Ministry of Royal Palace
- Secretariat of Constitutional Council
- Secretariat of Senate
- Secretariat of National Assembly
- 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
- Office of the Council of Ministers
- Ministry of Economy and Finance
- Ministry of Commerce
- Ministry of Justice

- National Bank of Cambodia
- Securities and Exchange Commission of Cambodia
- All ministry and relevant institutions
 “to be informed”
- As prescribed in Article 36 to implement
- General Department of Royal Gazette
- Archives-records