



**ព្រះរាជាណាចក្រកម្ពុជា**  
**ជាតិ សាសនា ព្រះមហាក្សត្រ**

**គណៈកម្មការមូលបត្រកម្ពុជា**

SECURITIES AND EXCHANGE COMMISSION OF CAMBODIA

N°.....**005/11**.....SECC.....**PrK**.....

# **PRAKAS**

**On**

## **the Implementation of the Operating Rules of Securities Clearing and Settlement**

**\* \* \* \* \***

**Deputy Prime Minister**

**Minister of Economy and Finance, and**

**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 Organization 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 Organization and Functioning of the Securities and Exchange Commission of Cambodia;
- Having seen the Anukret No. 54/ANKr/BK on 8 April 2008 on the Implementation of the Law on the Issuance and Trading of Non-Government Securities;
- Having seen the Prakas No. 011 SECC PrK on 01 December 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;

Unofficial Translation

- Having seen the Prakas No. 004/SECC/PrK on 18 March 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 request for review and approval on the Operating Rules of Securities Clearing and Settlement of the Cambodia Securities Exchange on 05 October 2010;
- In reference to the approval made by the Securities and Exchange Commission of Cambodia during the plenary session on 11 April 2011;

## **HEREBY DECIDES**

### **Article 1.-**

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

### **Article 2.-**

Director General of the Securities and Exchange Commission of Cambodia, the Department of Securities Market Supervision, the 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, 03 May 2011**

**(Signature and Seal)**

**KEAT CHHON**

### **Recipients:**

- General Secretariat of Senate
- General Secretariat of National Assembly
- 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
- Office of the Council of Ministers
- All ministries and relevant institutions  
“to be informed”
- As prescribed in Article 2  
“to implement”
- Royal Gazette
- Archives-records

# **Operating Rules of Securities Clearing and Settlement of the Cambodia Securities Exchange**

## **Chapter I** **General Provisions**

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

The purpose of the Operating Rules of Securities Clearing and Settlement is to prescribe the matters necessary for securities clearing and settlement at the Operator of Securities Clearing and Settlement Facility of the Cambodia Securities Exchange (hereinafter written as “the CSX”) granted the approval in accordance with the Law on the Issuance and Trading of Non-Government Securities and related regulations.

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

The terms used in these Rules are defined in this article and in glossary of the annex of the Law on the Issuance and Trading of Non-Government Securities and the Anukret on the Implementation of the Law on Issuance and Trading of Non-Government Securities and related regulations.

- “**Member**” shall refer to securities firms licensed by the Securities and Exchange Commission of Cambodia (hereinafter written as “the SECC”) and allowed to use the whole Securities Clearing and Settlement Facility of the CSX.

- “**Participant**” shall refer to Cash Settlement Agent, Securities Registrar, Securities Transfer Agent, the listed company etc. which have been allowed to use in part the Securities Clearing and Settlement Facility of the CSX.

- “**Cash Settlement Agent**” shall refer to the commercial Banks accredited by the SECC as prescribed in the Prakas on the Accreditation of the Cash Settlement Agent.

### **Article 3.-Clearing and Settlement Operations**

The trading of listed securities shall be settled through the regular settlement. The regular settlement is the settlement which shall be done 02 (two) business days after the trading day (T+2).

## **Chapter II**

## **Settlement between the Operator of Securities Clearing and Settlement Facility and Members**

### **Article 4.-Settlement Obligations of Members**

The members of the Operator of Securities Clearing and Settlement Facility shall settle the traded transactions on the settlement date.

The members of the Operator of Securities Clearing and Settlement Facility shall not transfer its settlement obligations to other members.

### **Article 5.-Date of Clearing and Settlement between Members**

Unless otherwise determined by the SECC, the settlement shall be conducted 02 (two) trading days after the traded day (T+2). The closing day shall not be included in the trading day.

### **Article 6.-Designation of Cash Settlement Agent**

The members shall designate a Cash Settlement Agent accredited by the SECC to carry out the cash settlement obligations.

### **Article 7.-Settlement Account Opening for Cash Settlement**

A member of the Operator of Securities Clearing and Settlement Facility shall open the cash account in its own name at a Cash Settlement Agent, as prescribed in the Article 6 of these Rules to carry out the cash settlement obligations.

After opening the cash account or changing the cash account, the member shall report the name of its Cash Settlement Agent and its account number to the Operator of Securities Clearing and Settlement Facility at least five 05 (Five) business days before its expected trading day.

The Operator of Securities Clearing and Settlement Facility shall open the cash settlement account at the Cash Settlement Agent to carry out the cash settlement obligations.

The cash settlement shall be conducted by cash transfer from the members' cash account to the Operator of Securities Clearing and Settlement Facility's cash settlement account. The Operator of Securities Clearing and Settlement Facility shall transfer the received cash to the members who shall receive the settled cash.

### **Article 8. Securities Account Opening for Securities Settlement**

A member shall open a securities account in accordance with the Operating Rules of Securities Depository of the CSX to carry out the securities settlement obligations.

The Operator of Securities Clearing and Settlement Facility shall open the securities settlement account at the Operator of Securities Depository to carry out the securities settlement obligations.

The securities settlement shall be conducted by book-entry transfer from the members' securities account to the Operator of Securities Clearing and Settlement Facility's securities settlement account. The Operator of Securities Clearing and Settlement Facility shall transfer the received securities to the members who shall receive the settled securities.

### **Article 9.-Good Faith Deposit**

Before placing the client's orders, the members shall ensure that their clients have

sufficient good faith deposits in cash for bid order and in securities for ask order, as required in the paragraph 2 of this article.

The minimum rate of the good faith deposits for bid order and ask order shall be as the following:

1. At least 100% of the amount of cash for bid order;
2. At least 100% of the quantity of securities for ask order.

The members shall ensure that the amount of cash and the quantity of securities required as the good faith deposits shall be kept or frozen for the settlement or until the orders become invalid.

#### **Article 10.-Procedures for Clearing and Settlement Operations**

The Operator of Securities Clearing and Settlement Facility shall calculate the quantity of securities and the amount of cash to be settled by member by netting the securities and cash of each member to be settled in the same day.

The Operator of Securities Clearing and Settlement Facility shall notify the following matters to the members on the clearing and settlement dates:

1. The dates of clearing and settlement;
2. The quantity of each securities to be settled by members or on behalf of their clients;
3. The amount of cash to be settled by members or on behalf of their clients.

The quantity of securities and the amount of cash to be settled shall be calculated by the following methods:

1. In case of securities: obtained by clearing the total sold quantity and total purchased quantity per issue for the concerned member; and
2. In case of cash: obtained by clearing the total purchased value and the total sold value of concerned member.

The member shall transfer the securities and cash to be settled to the accounts of the Operator of Securities Clearing and Settlement Facility before 8:30 AM on the settlement date and the Operator of a Securities Clearing and Settlement Facility shall transfer those securities and cash to the beneficial members after 8:30 AM on the same settlement date.

#### **Article 11.-Submitting Settlement Documents**

The Operator of Securities Clearing and Settlement Facility shall provide settlement instructions including the details of the securities and cash to be settled to members after the market closed through computerized system.

Member shall verify the securities and cash to be settled in the settlement instructions, and shall settle in compliance with the determined schedules.

Member shall submit the settlement documents which include the settlement details and settlement schedule, etc. to the Operator of Securities Clearing and Settlement Facility after settlement.

#### **Article 12.-Disciplinary Measures against Settlement Failure**

In case any member has failed to settle a trade, the Operator of Securities Clearing and Settlement Facility may cancel the trade in whole or in part at the CSX or/and suspend trade of that member for a determined period of time.

In case of shortage of cash to settle, the Operator of Securities Clearing and Settlement Facility may use any means to guarantee the settlement unless otherwise defined.

In case of shortage of securities to settle, the Operator of Securities Clearing and Settlement Facility shall settle securities by borrowing the same securities from other member. If securities lending and borrowing is impossible, the settlement shall be cancelled.

In case that the Operator of Securities Clearing and Settlement Facility cannot find any means to complete the settlement, as prescribed in the paragraphs 2 and 3 above, the Operator of Securities Clearing and Settlement Facility may take action as prescribed in the paragraph 1 of this Article.

#### **Article 13.-Settlement Representative**

Each member shall appoint and register at least 01 (one) settlement representative who shall be trained by the CSX, and has rights to carry out its settlement operations on behalf of its member with the CSX.

The settlement representative appointed by member may be the market representative in accordance with the operating rules of Securities Market of the CSX.

### **Chapter III Clearing and Settlement Service Fees**

#### **Article 14.-Clearing and Settlement Service Fees**

The members shall pay clearing and settlement service fees to the Operator of Securities Clearing and Settlement Facility in accordance with the following rates and schedules:

1. The fee of clearing and settlement services shall be levied on the value of traded securities (the clearing and settlement service fee shall be rounded to the first decimal) at the rate of 10/10,000 (ten- ten thousandths) or 0.10% (zero point ten percent);
2. The payer is the securities firm which is the member of the Operator of Securities Clearing and Settlement Facility;
3. Payment schedule of the service fee is at 8:30 AM on the settlement date.

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