

Sub-Decree #54 (RGC) on the Implementation of the Law on Publishing and Trading of Non-Government Securities (April 8, 2009)

The goal of this Sub-Decree is to determine the provisions for implementing the Law on the Issuance and Trading of Non-Government Securities.

The objective of this Sub-Decree is to manage the securities markets, the depository of clearance and settlement facility, securities depository, and other operators in the securities market who deal with or provide securities services, collective investment projects, corporation governance as well as issuers.

The scope of this Sub-Decree shall extend to all transactions of non-government securities in the Kingdom of Cambodia.

Except where there is a separate determination by the Securities and Exchange Commission of Cambodia (SECC), a person who applies for approval from the General Director of the SECC to issue new securities for public sale shall be required to specify that:

- (1) issuers can comply with all required conditions for registration of securities; and
- (2) securities, which are issued or sold by the public offer, shall perform pursuant to the required conditions for submitting the value of those securities for trading in the securities market authorized by the SECC.

Public offers in the Kingdom of Cambodia shall be deemed as exempt offers for the purpose of Chapter 3 of the Law if they are:

- (i) offers which are guaranteed by the Royal Government of Cambodia;
 - (ii) offers which are submitted for trading in the process of normal trading in the securities market;
- and
- (iii) other offers which are determined by the SECC.

Public Limited Companies or Permitted Entities wishing to issue a public offer must request authorization from the SECC in compliance with the terms and conditions detailed in Chapter 2 of this Sub-Decree.

Any person who applies for authorization or an extension of authorization from the SECC in order to act as a market operator, a clearance and settlement operator or a securities depository shall fulfill the terms and conditions as follows:

- (1) shall be a company with a statute and an appropriate structure of ownership and shareholders; and
- (2) shall have statute in line with form determined by the SECC.

For the purpose of Chapter 5 of the Law on Issuance and Trading of Non-government Securities, an exempt securities dealer shall be a person as follows:

- (1) a person who trades securities on a personal account through a securities firm or a securities representative with license;
- (2) a legal entity who is authorized by the General Director of the SECC to operate a securities market, the clearance and settlement of securities or a service of securities custody and securities transaction for the purpose of providing a service to the securities market, service of clearance and settlement of securities or service of securities custody;
- (3) a person who conducts trading of securities in the name of a temporary administrator of a person who is in an insolvent or has financial problems; and
- (4) other persons determined by SECC to act as exempt Securities dealer.

For the purpose of Chapter 5 of the Law, exempt securities transactions are:

- (1) securities transactions of which the issuance of securities for sale shall be guaranteed by the Royal Government of Cambodia; and
- (2) other transactions determined by the SECC as exempt securities transaction.

This Sub-Decree is made up of 73 Articles and 9 Chapters prescribing General Provisions, Offer and Issuance of Securities, Process of Securities Market, Grant of License to Securities Firm and Securities representative, Collective Investment Projects, Corporation Administrator and Management, Formalities and Service Fees, Penal Provisions, and Final Provisions.