



**KINGDOM OF CAMBODIA
NATION RELIGION KING**

Royal Government of Cambodia
No: 97 ANKR BK

**ANUKRET
ON
THE CONDUCT AND ORGANIZATION
OF THE SECURITIES AND EXCHANGE COMMISSION OF CAMBODIA**

The Royal Government of Cambodia

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen the Preah Reach Kret No. NS/RKT/0704/124 on 15 July 2004 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;
- Referring to the proposals of Senior Minister, Minister of Economy and Finance and as the Chairman of the Securities and Exchange Commission of Cambodia.

HEREBY DECIDES

CHAPTER 1

General Provisions

Article 1.–

The purpose of this Anukret is to provide for the conduct and organization of the Securities and Exchange Commission of Cambodia (thereafter is called SECC).

CHAPTER 2

Functions and Structure of the Securities and Exchange Commission of Cambodia

Article 2.–

The Director General of the SECC shall have fully discretion to regulate and implement duties prescribed in the law and regulations pertaining to securities industry.

The Director General of the SECC shall have the following additional functions:

- to administrate daily works of the SECC;
- to formulate strategies for developing securities industry and to submit to the Chairman and members of the SECC for review and approval;
- to sign contracts and conventions on behalf of the SECC with an approval of the Minister of Economy and Finance and as the Chairman of the SECC;
- to act as the representative of the SECC in communication with third parties such as national and international institutions and private industry for strengthening securities industry cooperation;
- to be the representative of the SECC in a court;
- to prepare meeting of the SECC;
- to manage revenues and expenses of the SECC;
- to prepare annual financial statement to the Chairman and members of the SECC for review and approval;
- to fulfill other duties on recommendations of the Minister of Economy and Finance and as the Chairman of the SECC.

Article 3.–

The Director General of the SECC shall have the rank and privilege of the Secretary of State. The Director General shall have a number of Deputy Directors General with the rank and privilege of the Under Secretary of State as assistants as necessary. The Deputy Directors General shall have rights and power to implement duties delegated by the Director General of the SECC.

Article 4.–

The Director General of the SECC may have a number of national and foreign experts with high capacity and experiences to serve as technical advisors.

Article 5.–

The SECC shall have six (6) departments under the management of the Director General of the SECC. The six (6) departments shall be the followings:

1. Department of Administration and Finance;
2. Department of Research, Training, Securities Market Development and International Relations;
3. Department of Securities Issuance Supervision;
4. Department of Securities Market Supervision;
5. Department of Securities Intermediaries Supervision;
6. Department of Legal Affairs.

Each department shall be directed by one Director who has the rank and the privilege of the Director of Department and shall have a number of Deputy Directors as assistants. Each Department shall have a number of Bureaus as necessary, which shall be prescribed by the Prakas of the Minister of Economy and Finance and as the Chairman of the SECC. The Director of Department shall be appointed or rotated by the Anukret of the Royal Government at the request of the Minister of Economy and Finance and as the Chairman of the SECC. The appointment or rotation of the lower level of Department shall be made by the Prakas of the Minister of Economy and Finance and as the Chairman of the SECC at the request of the Director General of the SECC.

Organization Chart of the SECC shall be in the appendix to this Anukret.

Article 6.–

The Department of Administration and Finance shall have the following functions:

- to prepare the plan and budget for the SECC;
- to handle administrative affairs;
- to provide and maintain office materials and equipments;
- to arrange protocol affairs;
- to communicate with public and private institutions;
- to formulate policies, to manage and recruit personnel;
- to prepare payroll and allowances for the SECC's Officials;
- to manage and provide IT services;
- to implement other duties delegated by the Director General of the SECC.

Article 7.–

The Department of Research, Training, Securities Market Development and International Relations shall have the following functions:

- to conduct studies and researches on strategies for developing securities market in the Kingdom of Cambodia;

- to study and research for development of legal infrastructure and regulations relating to supervision and development of securities industry;
- to formulate strategies to promote firms going public;
- to evaluate and make recommendations on new financial instrument prior to introducing into the market;
- to develop training program for the general public and market participants;
- to communicate with regional and international securities regulators;
- to attend national and international forums;
- to implement other duties delegated by the Director General of the SECC.

Article 8.–

The Department of Securities Issuance Supervision shall have the following functions:

- to formulate conditions for granting approval to firms going public;
- to formulate conditions relating to governance and supervision of public issuing firms;
- to examine routinely the enforcement of conditions relating to governance and supervision of public issuing firms;
- to examine implementation of Cambodian accounting and auditing standards of public issuing firms;
- to examine and make recommendations on public offerings of securities;
- to review and make recommendations on registration statement, disclosure documents, supplementary disclosure documents, replacement disclosure documents and other statements relating to securities business;
- to register disclosure documents, supplementary disclosure documents, replacement disclosure documents and other statements of public issuing firms;
- to monitor and publish disclosure documents, supplementary disclosure documents, replacement disclosure documents and other statements relating to securities business through electronic system or/and public media;
- to review financial report or/and business report of public issuing firms;
- to conduct on-site inspection of the applicant if necessary;
- to supervise public issuance mechanism;
- to send suspicious case of offence relating to public offering of securities to the Department of Legal Affairs for ongoing investigation;
- to implement other duties delegated by the Director General of the SECC.

Article 9.–

The Department of Securities Market Supervision shall have the following functions:

- to formulate regulations or conditions for granting an approval as operator of securities market, clearance and settlement facility and securities depository, for review and approval from the Director General of the SECC;
- to review and make recommendations on application for approval as operator of securities market, clearance and settlement facility and securities depository;
- to supervise and monitor provisions of trading system and other operations of securities market operators;

- to supervise and monitor operations of clearance and settlement facility operators;
- to supervise and monitor operations of securities depositories operators;
- to conduct on-site inspection of operators of securities market, clearance and settlement facility and securities depository ;
- to send suspicious case of offence relating to operators of securities market, clearance and settlement facility and securities depository to the Department of Legal Affairs for ongoing investigation ;
- to implement other duties delegated by the Director General of the SECC.

Article 10.–

The Department of Securities Intermediaries Supervision shall have the following functions:

- to formulate regulations or conditions for granting license to securities firms, representative of securities firms, investment advisors, securities dealers, securities brokers, fund managers and others market participants, to submit to the Director General of the SECC for review and approval;
- to review and make recommendations on application for license for operating securities firms, representative of securities firms, investment advisor, securities dealers, securities brokers, fund managers and other market participants;
- to supervise and monitor the operations of securities firms, representatives of securities firms, investment advisors, securities dealers, securities brokers, fund managers and others market participants;
- to conduct on-site inspection as necessary of the operations of securities firms, representatives of securities firms, investment advisors, securities dealers, securities brokers, fund managers and others markets participants;
- to send suspicious case of offence relating to the operations of securities firms, representatives of securities firms, investment advisors, securities dealers, securities brokers, fund managers and others market participants to the Department of Legal Affairs for ongoing investigation;
- to implement other duties delegated by the Director General of the SECC.

Article 11.–

The Department of Legal Affairs shall have the following functions:

- to examine and make recommendations on operating rules of the operators of securities market, clearance and settlement facility and securities depository;
- to examine and make recommendations on operating rules requested by self-regulatory organizations;
- to develop necessary rules and regulations and propose for the amendment to laws and rules and regulations in order to develop the securities industry;
- to enforce the implementation of laws and regulations relating to securities industry;
- to receive any lawsuits and investigate related to illegal or abnormal issuing and trading securities in both primary and secondary markets;

- to examine and make recommendations in order to take fine measures against the person who has contravened any provision of the law and other regulations relating the securities industry;
- to make mediation and dispute resolution among market participants;
- to take transactional fine measures against the person who has contravened any provision of the law and other regulations relating to the securities industry;
- to file relevant lawsuits and send them to the court;
- to implement other duties delegated by the Director General of the SECC.

CHAPTER 3

Internal Audit Unit of the Securities and Exchange Commission of Cambodia

Article 12.–

The Securities and Exchange Commission of Cambodia shall have the Internal Audit Unit under the direction and supervision of the Minister of Economy and Finance and as the Chairman of the SECC.

The Internal Audit Unit shall be directed by one Director who has the rank and privilege of the Director of Department and shall have a number of Deputy Directors as assistants. The Unit shall have a number of bureaus under its ruling as necessary, which shall be prescribed by the Prakas of the Minister of Economy and Finance and as the Chairman of the SECC. The Director of Internal Audit Unit shall be appointed or rotated by the Anukret of the Royal Government at the request of the Minister of Economy and Finance and as the Chairman of the SECC.

The appointment and rotation of the lower level of Director of the Unit shall be prescribed by the Prakas of the Minister of Economy and Finance and as the Chairman of the SECC.

Article 13.-

The Internal Audit Unit of the SECC shall have the following functions:

- to review duties, activities, programs and operations of the SECC within convenient period to define the implementation in line with the plan, rules and regulations, job assignment and supervision pursuant to policies, guidelines and procedures of the SECC, and in line with the SECC's objective;
- to define suitability and efficiency of internal controlling system of accounting, administration and other operations of the SECC;
- to examine credibility and reliability of information, data, and strategies to make report on those information and data in decent period;
- to examine the applicable system to ensure fairness in accordance with policies, plan, legal procedures and to propose for justification, improvement if mistakes found;
- to examine the way of using and maintaining of the SECC's property;
- to assess economies and economical efficiency of the utility of the SECC's resources and propose for resolution and revamping the operations;
- to audit operating revenue, expenses of the SECC to ensure fairness of financial reports;

- to make auditing report for the Minister of Economy and Finance and as the Chairman of the SECC on the conduct of Departments or Unit which shall have been audited;
- to make quarterly and annual report on its duties to submit to the Chairman and members of the SECC for review and advices;
- to conduct internal audit on recommendation of the Minister of Economy and Finance and as the Chairman of the SECC;
- to prepare annual internal auditing plan to submit to the Chairman and members of the SECC for review and approval;
- to make coordination of internal audit task with National Audit Authority to ensure sufficient and proper performance, especially to reduce overlapping duties;
- to implement other duties delegated by the Minister of Economy and Finance and, as the Chairman of the SECC.

CHAPTER 4

Officials of the Securities and Exchange Commission of Cambodia

Article 14.-

Officials of the SECC shall consist of:

- Officials with the status of civil servants and
- Officials with the status of the SECC.

Article 15.-

The Director General of the SECC shall recruit Officials without the status of civil servants to work at the SECC based on necessity. The Officials shall be ruled under the SECC's status and recognized as Officials by the Prakas of the Minister of Economy and Finance and as the Chairman of the SECC at the request of the Director General.

Article 16.-

The Officials of the SECC shall obtain legal capacity of Judicial Police Officers (JPO). The procedure of giving legal capacity to the Officials of the SECC to implement the role and function of judicial police officers is prescribed by a joint Prakas of the Minister of Economy and Finance and as the Chairman of the SECC and the Minister of Justice with accordance to the Criminal Procedure Code.

CHAPTER 5

The Conduct of the Securities and Exchange Commission of Cambodia

Article 17.-

The SECC shall meet at least one time per month at the invitation of the Minister of Economy and Finance and as the Chairman of the SECC. If deems necessary and

urgent, the SECC shall hold the extra-ordinary meeting at anytime for the sake of the securities industry in the Kingdom of Cambodia at the request of the Minister of Economy and Finance and as the Chairman of the SECC or at the request of the Director General of the SECC or of at least 1/3 of the SECC's members. In case in which the Minister of Economy and Finance and as the Chairman of the SECC is busy or absent, he shall delegate the rights to any member of whom are present to chair the meeting. The agenda and documents of meeting shall be dispatched to members of the SECC at least 7 days prior to the meeting date.

Article 18.-

The meeting of the SECC shall be held as long as the presence of members shall be constituted by more than 50 percent of total members. The member-absentees have no rights to send any representative to attend the meeting. In case in which the quorum is not met, the second meeting shall take place without any requirement of the quorum.

The decision made by the SECC shall be effective as long as it is approved by the majority of members present. In case of an equal number of votes among members, the Chair shall have the casting vote.

Article 19.-

The Director General of the SECC shall designate note-taking secretary to the meeting of the SECC. The SECC's decision shall be noted in the minutes, which shall be signed by the Chair of the meeting and the secretary. This minute shall be sent to the Chairman and members of the SECC within a period of 10 days after the meeting.

Article 20.-

The Minister of Economy and Finance and as the Chairman of the SECC shall regularly make a report on the development, policies and strategies as well as challenges in the securities industry to the Prime Minister of the Kingdom of Cambodia for notification, seeking recommendation or decision.

Article 21.-

The SECC shall have its own logo and stamp to fulfill the duties.

CHAPTER 6

Resources and Financial Management

Article 22.-

The financial resources and budget of the SECC shall consist of:

- the national budget allocated for the SECC
- the SECC has the rights to obtain and manage funds from foreign Co-operations and other sources for spending on its researches, administrative services and the

facilities supply and on other expenses as necessity to ensure efficiency in the implementation of its duties.

Beside the resources and budget as prescribed in paragraph 1, the SECC shall also have other resources from:

- fees from granting licenses to securities firms or representative of securities firms or other market participants, fees from public offering of securities, fees from securities transactions and revenues from other operations under the competency of the SECC. The fees shall be determined by the Prakas of the Minister of Economy and Finance and as the Chairman of the SECC
- transactional fines against person who breaches the law and other regulations relating to the securities industry.

The resources in paragraph 2 shall be kept in an account at the National Treasury, unless permitted by the Prakas of the Minister of Economy and Finance.

The SECC has the rights to obtain and manage as the owner of mobile and immobile properties given by private testament and State as gifts.

Article 23.-

The SECC shall formulate annual budget based on guideline of the Ministry of Economy and Finance.

The Director General of the SECC shall formulate strategic plan including thorough budget plan for each year and submit it to the Chairman and members of the SECC for review and approval.

Article 24.-

Allowances of the Chairman and members of the SECC shall be determined by the Prakas of the Minister of Economy and Finance.

Article 25.-

Salaries and allowances for Officials with the SECC's status and for technical advisors who work for the SECC, as well as bonuses for the SECC's Officials with the status of civil servants, shall be determined by the Prakas of the Minister of Economy and Finance and as the Chairman of the SECC at the request of the Director General of the SECC.

CHAPTER 7

Final Provisions

Article 26.-

All existing provisions contrary to this Anukret are hereby abrogated.

Article 27.-

The Minister of Council of Ministers, the Minister of Economy and Finance and as the Chairman of the Securities and Exchange Commission of Cambodia, the Minister of Justice, the Minister of Commerce, the Governor of National Bank of Cambodia, Ministers, Secretaries of State of all ministries and relevant institutions shall implement this Anukret after the date of signing.

Phnom Penh, July 23, 2008
Prime Minister
(Signature and Seal)

SAMDECH AKAK MOHA SENA PADEI TECHO HUN SEN

Has informed to
SAMDECH AKAK MOHA SENA PADEI TECHO, Prime Minister for signature
Senior Minister, Minister of Economy and Finance
(Signature)

KEAT CHHON

Copy and Distribution:

- Ministry of Royal Palace
- Secretariat of Constitutional Council
- Secretariat of Senate
- Secretariat of National Assembly
- Secretariat of Royal Government
- Cabinet of Samdech Prime Minister
- Cabinet of Deputy Prime Ministers
- As prescribed in Article 27
- Archives- records
- Royal Gazette

**Appendix to the Anukret No: 97 ANKR. BK of 23 July 2008
On the Conduct and Organization of the Securities and Exchange Commission of Cambodia
Organization Chart of the SECC**

