



ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ

គណៈកម្មការមូលបត្រកម្ពុជា
SECURITIES AND EXCHANGE COMMISSION OF CAMBODIA
N° 003/11 SECC PrK

PRAKAS

On

the Implementation of the Membership Rules

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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 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 Membership Rules 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 Membership Rules 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

dated on May 03, 2011

Membership Rules of the Cambodia Securities Exchange

Chapter I General Provisions

Article 1.- Purpose

The purpose of these Membership Rules is to prescribe the matters necessary for governing the membership of and participation in the securities market of the Cambodia Securities Exchange (hereinafter written as "the CSX"), including the membership and participation qualifications, the admission and withdrawal of membership and participation, and the rights and obligations of the members and participants 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 and relevant regulations.

Article 2.- Definitions

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

- **“Member and participant”** shall refer to a member or a participant who is allowed to use the CSX’s market facility wholly or partly in accordance with the categories of member and participant.

- **“Member”** shall refer to a securities firm that has obtained the license from the Securities and Exchange Commission of Cambodia (hereinafter written as “the SECC”) and shall be a member of the Securities Market Operator, the Securities Clearing and Settlement Facility Operator, and the Securities Depository Operator, and which is allowed to use wholly the trading system, securities clearing and settlement system, and securities depository system of the CSX.

- **“Participant”** shall refer to a Cash Settlement Agent, a Securities Registrar, a Securities Transfer Agent, and Listed Companies, etc. that are authorized to use partly the CSX’s market facility or services.

Chapter II

Member or Participant Admission

Article 3.-Admission Procedure for a Member or a Participant

Any securities firm licensed by or person registered with the SECC, who wishes to become a member or a participant of the CSX, shall file an application form and fulfill the eligibility requirements as defined in these rules.

Article 4.-Qualification Requirements

Qualification requirements are as the following:

1-Shall have, or have an evidence to be possessing, adequate facilities and information system which can be connected to the CSX's information system;

2-Shall have, or have an evidence to be possessing, adequate human resource to use the information system connected to the CSX's information system, in compliance with requirements as defined by the Law and relevant regulations.

Article 5.-Member and Participant Admission Fees

An applicant for membership or participation shall pay the following admission fees to the CSX:

1-Member shall pay 20,000,000 (twenty million) Riels for the membership of Securities Market Operator, Securities Clearing and Settlement Facility Operator, and the Securities Depository Operator.

2- Participant shall pay admission fees as the following:

a- Cash Settlement Agent: 5,000,000 (five million) Riels;

b-Securities Registrar: 2,000,000 (two million) Riels;

c-Securities Transfer Agent: 2,000,000 (two million) Riels;

d- Listed company is exempted from paying the admission fee.

Chapter III

Withdrawal of Membership or Participation

Article 6.-Voluntary Withdrawal of Membership or Participation

In case that the member or participant intends to withdraw its membership or participation, the person shall file an application for membership or participation withdrawal to the CSX.

The membership or participation withdrawal, including the effective withdrawal date, shall be decided by the CSX.

Article 7.-Withdrawal of Membership or Participation

CSX will implement procedures to withdraw any membership or participation in case a member or a participant comes under any of the following situations:

1-Revocation of the license or of the registration for conducting securities business, or closure, or transfer of the business;

2- Dissolution; or

3- Withdrawal of membership or cessation of participation.

Article 8.-Membership or Participation Transfer

Person intending to transfer membership or participation as a result of business transfer or merger shall file an application for membership or participation transfer to the CSX.

The membership or participation transferred pursuant to Para.1 may be succeeded to the surviving company or newly incorporated company with the approval of the CSX.

In case of the membership transfer pursuant to Para.1, any unsettled securities trades of the member shall be construed as the trades carried out by the surviving company or newly incorporated company.

Article 9.-Termination and Re-admission of Membership or Participation

The membership and participation shall be valid for 2 (two) years, starting from the date that the membership and participation are approved by the CSX. The renewed membership or participation shall be valid for a period of 03 (three) years starting from the date that the previous membership or participation has been expired.

Where a member or participant intends to renew the membership or participation, such a member or participant shall file an application for membership or participation renewal at least 45 (forty-five) days prior to its expiry date.

The requirement for membership or participation renewal shall be the same as the initial membership or participation admission requirements pursuant to the Article 3.

The renewal of membership or participation pursuant to Para. 2 and Para. 3 shall be decided by the CSX and the membership or participation admission fee shall be paid in accordance with the article 5 of these rules.

A decision to renew membership or participation shall be done by the CSX upon such a member or participant has properly completed the renewal form and has paid fees as defined in these rules.

Article 10.-Trading Suspension and Settlement of Unsettled Trades

Where a member or participant has submitted an application for membership or participation withdrawal pursuant to the Article 6 or membership or participation has been withdrawn pursuant to the Article 7, such a member or participant shall be suspended the rights to use CSX's facilities from the effective date of membership or participation withdrawal decided by the CSX.

Chapter IV

Rights and Obligations of Members and Participants

Article 11.-Rights of Member and Participant

Member and participant have the right to use the CSX's facilities for securities trading, securities clearing and settlement and securities depository following the decision made by the CSX relating to the classification of members and participants and the disciplinary actions as defined in the CSX's rules approved by the SECC.

Article 12. -Fee Payment

A member or a participant obtained the admission approval from the CSX shall pay annual fees to the CSX as the following:

1-Member shall pay annual fee of 50,000,000 (fifty million) Riels before the end of each year;

2-Participants:

a-Cash Settlement Agent shall pay annual fee of 10,000,000 (ten million) Riels,

b-Securities Registrar shall pay annual fee of 2,000,000 (two million) Riels,

c-Securities Transfer Agent shall pay annual fee of 4,000,000 (four million) Riels, and

d- Listed Company is exempted from paying annual participation fee.

For the initial fiscal year, the payment of annual fee shall be made when obtaining the admission approval, calculated based on the outstanding days until the end of the fiscal year. For the following fiscal year, each member or participant should pay the fee not later than the 15th of December of the previous fiscal year.

Article 13.-Settlement of Securities Trading

A member shall be obligated to settle the securities trades executed in the CSX's trading system.

A member shall be prohibited to authorize a third party to settle the securities trades carried out under its own name.

Article14.-Compliances with Laws and Regulations

All members and participants shall comply with the law and regulations on securities business and the CSX's rules, including the Operating Rules of Securities Market, of Securities Clearing and Settlement, and of Securities Depository, as well as the measures or disciplinary actions taken pursuant to laws and relevant regulations.

Article 15.-Service Agreement

When opening an account, the member and participant shall sign a service agreement with the CSX following the forms approved by the SECC.

The member and participant shall also submit to the CSX its service agreement forms between member or participant and its clients which is established pursuant to relevant regulations of the SECC.

Chapter V

Member and Participant Supervision

Article 16.-Report of Financial Position

The members shall submit to the CSX an audited annual financial statement and other information determined by the SECC. The participants shall submit to the CSX the report and information determined by the SECC.

Article17.-Request for Information Submission

The CSX may request any concerned member or participant for submitting information

in the below cases:

- 1-Where it is deemed necessary to ascertain that a member and a participant have complied with the directives pursuant to these rules or with its obligations; or
- 2-Where it is deemed necessary for orderly market operation.

Article 18.-Disciplinary Measures against Members and Participants

Where a member or participant does not follow the CSX's rules, the CSX may take any of the following measures:

- 1- Warning;
- 2- Suspension of membership or participation as a whole or a part for a particular period; or
- 3- Membership or participation withdrawal from the CSX.

Article 19.-Notification of the Measures Taken

Where a measure, such as the withdrawal or suspension of the membership or participation in whole or in part, or suspension of trading rights in whole or in part, has been taken against a member or a participant, or the measures taken have been terminated, the CSX shall immediately notify such facts to other members and participants.

Chapter VI

Transitional Provision

Article 20.-Validity of the Initial Membership and Participation

For the initial membership or participation, the validity of membership and participation shall be equal to the remaining validity of the license or registration provided by the SECC, and admission fees shall be calculated on a pro-rata basis.
