



**KINGDOM OF CAMBODIA
NATION RELIGION KING**

Royal Government of Cambodia
No: 54 ANKR BK

ANUKRET

**ON THE IMPLEMENTATION OF THE LAW ON
ISSUANCE AND TRADING OF NON-GOVERNMENT SECURITIES**

The Royal Government 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 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/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 approval by the Council of Ministers in plenary meeting on 03 April 2009.

HEREBY DECIDES

CHAPTER 1 GENERAL PROVISIONS

Article 1.–

The purpose of the Anukret is to prescribe regulations to implement the Law on the Issuance and Trading of Non-Government Securities.

Article 2.–

The purpose of the Anukret is to supervise the securities market, clearance and settlement facility operator, securities depository operator, other operators trading in securities market or providing security services, collective investment scheme, corporate governance, and issuing companies.

Article 3. –

The scope of the Anukret shall apply to all operations of non-government securities in the Kingdom of Cambodia.

Article 4. –

Technical terms used in the Anukret are defined in the glossary of the annex of the Anukret and are available in the glossary of the Law on the Issuance and Trading of Non-Government Securities.

CHAPTER 2 PROPOSED PUBLIC OFFER AND ISSUANCE OF SECURITIES

Article 5. –

Unless otherwise determined by the Securities and Exchange Commission of Cambodia (SECC), a person who submits a proposal seeking approval from the Director General of the SECC for a public offer of new securities shall prove that:

- 1- The issuing company is able to meet all requirements for listing;
- 2- Securities issued or sold in accordance with the public offer shall meet all requirements for setting price of those securities to be traded in the securities market approved by the SECC.

Article 6. –

A public offer of securities issued and sold in Cambodia is an exempt offer for the purposes of Chapter 3 of the Law, if the offer is:

- 1- An offer which is guaranteed by the Royal Government of Cambodia;
- 2- An offer to sell securities of which price is set for trading in the ordinary course in the securities market;
- 3- Other offers which are determined by the SECC.

Article 7. –

To make a public offer, a public limited company or permitted entity shall submit proposal for approval from the Director General of the SECC in compliance with the following conditions:

- 1- Obtaining prior approval by permitted securities market for listing;
- 2- Obtaining prior approval by permitted securities market for setting price of securities for offering;
- 3- After having met the requirements stated in the points 1 and 2 of this article, a public limited company or permitted entity shall issue securities within six (06) months from the date when the disclosure documents are registered at the SECC. Not exceeding thirty (30) days before the expiration of the 6-month period, a public limited company or permitted entity may seek for extending the period of securities issuance from the Director General of the SECC.
- 4- During subscription, if supplementary disclosure documents are required for approval and registration relating to public offer of securities, person who makes a public offer shall:
 - A- Provide approved and registered supplementary disclosure documents on the public offer following the forms determined by the SECC for subscribers and other public investors who receive the public offer after the supplementary disclosure documents are registered.
 - B- Advise subscribers on the public offer that subscribers may withdraw acceptance of the public offer and obtain a refund.
 - C- Follow other conditions determined by the SECC.

Article 8. –

Unless otherwise determined by the SECC, the payment for securities offered pursuant to a public offer of securities made in accordance with the Law and this Anukret shall be paid in cash or other payment instruments such as check, and other credit instruments such as banker's draft, money order, and credit card.

Article 9. –

A disclosure document that is lodged for approval from and registration at the SECC shall:

- 1- Be written document;
- 2- Have clear date;
- 3- Set out the conditions related to the public offer, including other conditions with a brief, sufficient, and precise description. If these conditions are not met, the public offer cannot be proceeded;
- 4- Contain sufficient information enabling the public and investment advisers to make an assessment by basing on precise information on the rights and obligations attached to the securities offered, and to value the assets and liabilities, financial situation, strength and weakness of issuing company that has issued or will issue the securities.

- 5- Contain sufficient information and other attached documents along with forms of disclosure documents determined by the SECC.
- 6- Contain consent by an expert in case that statement, citation, or references to statements which belong to that expert are included in the disclosure document.
- 7- Be signed by all members of the governing Board of the public limited company on the disclosure document which is lodged with the SECC for approval and registration. Members of the Board may authorize in written their agents to sign on their behalf.

Article 10. –

If any disclosure document in relation to a public offer lodged with the SECC for approval and registration contains any statement or report made by an expert, the disclosure document shall contain:

- 1- An Expert's statement or report which received consent in written to be published in the disclosure document and the consent is not withdrawn before the lodgment of the disclosure document with the SECC for approval and registration;
- 2- A statement of the expert's qualifications;
- 3- A statement indicating the state of having or having had relationship with the expert. In case of having or having had relationship with the public limited company, the expert shall specify the roles and duties in the public limited company or other types of relationship.

Article 11. –

Disclosure document lodged with the SECC for approval and registration shall be accompanied by:

- 1- All contracts used as reference in the disclosure document. Contract that is not written in Khmer, the contract shall be attached and translated into Khmer by the persons recognized by the Director General of the SECC;
- 2- Expert's report used as reference in the disclosure document, including the auditor's report required in accordance with the Law and this Anukret;
- 3- Other documents determined by the SECC.

Article 12. –

The Director General of the SECC may approve the terms of a public offer in order to implement the public offer which has obtained approval from the Director General of the SECC in accordance with the law and articles 7 and 9 of this Anukret.

The SECC may approve and register a disclosure document in relation to the terms of a public offer if the disclosure document:

- 1- Does not contain any false, misleading statement, does not fail to mention or pass over any relevant information;
- 2- Is clearly legible and unlikely to mislead or deceive;
- 3- Contains all other information required in a disclosure document in accordance with the Law and this Anukret.

Article 13. –

A disclosure document approved by the Director General of the SECC in accordance with the Law and this Anukret shall be registered in a manner determined by the SECC.

Article 14. –

A securities-related advertisement shall meet the following conditions:

- 1- Advertisement in relation to a public offer shall not contain any information, sound, image, or other activities which are inconsistent with any registered disclosure document relating to the offer;
- 2- A person shall not publish information that directly or indirectly refers to an offer or intended private offer of securities;
- 3- Unless otherwise permitted by this Anukret, a person, who makes an offer or intended offer which requires a disclosure document to be approved and registered in accordance with the Law, shall not:
 - A- Advertise the offer or the intended offer;
 - B- Publish information directly or indirectly referred to the offer or the intended offer.
- 4- Before the approval and registration of disclosure document, a person shall not advertise or publish any information contradicted to point 3 of this article in the exemption of the advertisement or publication of the following information:
 - A- A statement indicating identification of the issuing company and the securities related to the offer;
 - B- A statement indicating that a disclosure document in relation to the offer will be made available through a securities firm licensed by the SECC when the securities are offered to the public;
 - C- A statement noting that all the public who intends to buy securities may consult with a securities firm to obtain any advice or information related to the offer, and to obtain the application form on buying securities which is in or attached with the disclosure document;
 - D- A statement indicating that a person shall read the disclosure document or ask the securities firm who provides an application form in order to consult on the securities and the issuing company before accepting the offer;
 - E- Any additional information required or permitted by the Director General of the SECC.
- 5- After the disclosure document is approved and registered, an advertisement or publication which are not contradicted to point 3 of this article may be proceeded if the advertisement or publication includes the following statements:
 - A- The offers are made by enclosing with the approved and registered disclosure document.
 - B- A person intending to buy securities can obtain an application form available in or attached with the approved and registered disclosure document from a securities firm licensed by the SECC, and shall correctly complete the application form provided for a securities firm.
 - C- Addition information required or permitted by the Director General of the SECC.

Article 15. –

A person shall not advertise or publish a statement that directly or indirectly referred to an offer or an intended offer of securities, unless properly approved in written by the Director General of the SECC.

Article 16. –

A person shall not issue or provide any application form for the public to subscribe or purchase securities unless:

- 1- The application form is attached to a physical disclosure document approved and registered at the SECC.
- 2- The application form is provided for securities firm, and the securities firm shall explain to the public the terms of the offer and information in the disclosure document approved and registered at the SECC. The securities firms shall make the disclosure document available for the public to review during the working hours of the firms.

Article 17. –

A person, including a person who has obtained the approval and registration of the disclosure document in relation to a public offer and the issuer of the securities, shall:

- 1- Provide the registered disclosure document and application form for subscribing or purchasing the securities through licensed securities firms;
- 2- Issue or sell the securities to the public through licensed securities firms.

Article 18. –

A securities firm, receiving monies from the public or a client who have submitted application for subscribing or purchasing securities offered pursuant to a disclosure document approved by and registered at the SECC, shall hold these monies in a separate account in a commercial bank following the guidance of the Director General of the SECC until:

- 1- The monies shall be transferred to the issuer or seller of the securities, after the securities are issued or transferred;
- 2- The money shall be returned to the public or client if the public offer fails.

CHAPTER 3 FUNCTIONING OF SECURITIES MARKET

Article 19. –

Person, applying for approval or renewal of approval from the SECC as the securities market operator, clearance and settlement facility operator, or securities depository operator, shall meet the following conditions:

- 1- Shall be a company which has appropriate article of incorporation, ownership structure and shareholders;

- 2- Shall have articles of incorporation in conforming with forms defined by the SECC, and:
 - A- Shall define categories of members contracted to comply with the articles of incorporation, operating rules and procedures established by the operator in accordance with the Law and this Anukret.
 - B- In the case of applying for a securities market operator, shall restrict business participation and securities trading activities on any person licensed to operate as a securities firm or other persons in accordance with the Law and this Anukret.
 - C- In the case of applying for an operator of a clearance and settlement facility, shall restrict participation in the activities of the clearance and settlement facility on persons licensed to operate as a securities firm or other persons in accordance with the Law and this Anukret.
 - D- In the case of applying for the operator of a securities depository, shall restrict participation in the depository activities to any person licensed to operate as a securities firm or others person in accordance with the Law and this Anukret.
 - E- In the case of applying for a securities market operator, an operator of clearance and settlement facility, or a securities depository operator, shall restrict the membership of each operator, to persons approved by the SECC.
- 3- Shall have sufficient resources, including financial, technological and human resources and the abilities to oversight the relevant business in order to operate.
- 4- Shall have mechanism to supervise the operation of the securities market, clearance and settlement facility or securities depository, including:
 - A- Mechanism for monitoring members and participants in the securities market, clearance and settlement facility, and securities depository services.
 - B- Mechanism for surveillance on trading listed securities in order to monitor the market participants on the implementation of requirements defined by Law and relevant regulations in order to ensure a fair, efficient, transparent, and orderly market.
 - C- Mechanism for listed entities, members and participants to implement operating rules of the securities market, clearance and settlement facility and securities depository.
 - D- Updated plan in order to implement the 3 mechanisms mentioned above.
- 5- Shall have a business plan within at least 3 years started from the application date.
- 6- Shall have adequate operating rules and procedures to ensure with best effort that the operation will be fair, efficient, orderly and transparent. The prime principle of the operating rules and procedures are determined by the SECC.
- 7- Shall have an updated plan in order to manage all risks related to operations.
- 8- Shall be able to comply with its obligations in accordance with the Law and this Anukret.

Article 20. –

The Director General of the SECC shall grant an approval to persons in order to operate a securities market, clearance and settlement facility or securities depository in accordance with the Law within a finite or specified period upon the decision of the SECC. If an approval is granted for a specified period, the approval shall be invalid at the expiration

of the granting period, and operators shall apply for renewing of the approval before the granted approval becomes invalid in order to continue their operations.

Applicants shall apply only securities market operators or clearance and settlement facility or securities depository unless otherwise permitted by the Director General of the SECC.

Article 21. –

Besides the approved listing rules of a securities market, the operating rules of an operator shall have effect as a contract between:

1. Operator, and member or market participant;
2. Member, and market participant;
3. Member, and member;
4. Market participant, and market participant of operator;
5. Member, and other participants of operator.

The approved listing rules of securities market shall have effect as a contract between the operator of the securities market, and listed public limited company or permitted entity in the securities market.

Article 22. –

If an operator considers that a person who is under an obligation to comply with or enforce any of the operating rules of an operator fails to meet their obligation; an operator shall require the person by notice in writing to comply with the operating rules within a specified time.

If the SECC considers that a person who is under an obligation to comply with or enforce any of the operating rules of an operator fail to meet their obligation; the Director General of the SECC requires the operator to take measure of operation rules against the person by notice in writing within a specified time.

If a person who receives a notice in accordance with paragraph (1) and (2) does not comply with the notice within the period specified in the notice, the person shall be in contravention of this Article and an operator shall take any measure of the operating rules or apply to the SECC for mediation and resolution.

In a case that the case can not be mediated and resolved at the SECC, individual party shall apply the dispute case to arbitration forum or the court.

Article 23. –

An operator shall not amend the effective operating rules without the prior written approval from the Director General of the SECC.

If an operator intends to amend the effective operating rules, it shall apply for amendment in writing to the Director General of the SECC, by enclosing the text and an explanation of the proposed amendments.

To decide on approval of the proposed amendments under paragraph (2) of this Article, the Director General of the SECC shall examine whether the proposed amendments promote the purposes of the Law and regulations, and are consistent with the obligations of the operator and market participants.

The Director General of the SECC shall notice in written to the operator on approval or disapproval on the proposed amendments on the operating rules within 90 days at maximum after receiving the proposed amendments. If the SECC does not approve the proposed amendments, it shall provide the operator with precise and written reasons for its decision.

Article 24. –

Operator shall cooperate with the Director General of the SECC or official of the SECC or a person authorized by the Director General of the SECC to perform their functions.

If an operator reprimands, fines, suspends, expels or takes any other form of disciplinary action against a member, market participant or listed entity, it shall within three business days prior to taking such action provide written notice to the Director General of the SECC, specifying the name of the member, market participant or listed entity and indicating the nature and the reasons for these actions.

If an operator suspects that a person has committed, is committing or intend to commit a breach of the operating rules of the operator or any requirements under the Law or this Anukret, it shall immediately notify its suspicion in writing to the Director General of the SECC.

If a listed entity lodges a periodic report or continuous disclosure document with the securities market operator in accordance with the operating rules of the securities market, the operator shall provide a copy of the documents to the Director General of the SECC immediately after receiving the statement.

If a member or participant lodges a periodic report with operator in accordance with the operating rules of the securities market, clearance and settlement facility or securities depository, the operator shall provide a copy of the report to the Director General of the SECC immediately after receiving the statement.

Article 25. –

The Director General of the SECC may review any disciplinary action set force by an operator in accordance with its operating rules. After providing opportunities to the operator, an affected member, participant or listed entity to be heard, the Director General of the SECC may affirm or set aside the decision of the operator by basing on the Law and regulations or responding to the appeal of member, participant or listed entity.

Notwithstanding the paragraph 1 of this Article, if the operator has failed or is unable to take appropriate disciplinary action against the member, participant or listed entity, the Director General of the SECC may reprimand, fine, suspend, expel or take any other

form of disciplinary action determined by the SECC against a member, participant or listed entity of an operator, however, the SECC gives the person who would be subject to the disciplinary action and the operator an opportunity to be heard.

Article 26. –

Every operator shall maintain and preserve the following books of account and documents for a period of at least ten years:

- 1- Minutes of all meetings of members, shareholders, governing board, and any committees of its governing board members;
- 2- A name list and member identities;
- 3- In the case of a securities market operator, a register of the licensed representatives that are authorized to participate in the trading activities of the securities market conducted by the operator.
- 4- A record of security deposits.
- 5- Ledgers.
- 6- Journals.
- 7- Cash book.
- 8- Bank statements and bank reconciliation accounts.
- 9- Any other document determined by the SECC.

Article 27. –

Within 3 months after the fiscal year ended or after a period permitted by the Director General of the SECC, operator shall provide the SECC with a report of its activities for the preceding fiscal year, including audited financial statement and detail reports as the following:

- 1- Amendments of operating rules;
- 2- Changes in the membership of the governing board;
- 3- Changes of senior staff;
- 4- Admissions, re-admissions, deaths or resignations of members or participants;
- 5- Disciplinary action taken against members, participants or listed entities;
- 6- The results of dispute resolution involving members, participants, listed entities;
- 7- In the case of an operator of a securities market or a clearance and settlement facility operator, any trading or settlement defaults;
- 8- Actions taken to overcome adverse circumstances affecting the trading, clearance and settlement or custody of securities;
- 9- In the case of an operator of a securities market, a report on entities that is listed and de-listed.
- 10- Other reports determined by the SECC.

Article 28. –

Within 3 month after the fiscal year ended or after a period permitted by the Director General of the SECC, a securities market operator shall provide to the SECC and publish details of the audited accounts of listed entities, and details of securities transactions conducted during the previous year, including the prices at which such securities have been bought and sold during the year.

Information in paragraph 1 of this Article shall be published in a daily newspaper circulated in Cambodia or in any other mean of publication determined by the Director General of the SECC.

Article 29. –

Within 30 days at the end of each three-month period, a securities market operator shall provide the SECC with three-month report by indicating the following information:

- 1- The official prices paid for securities traded in the securities market;
- 2- The number of securities transactions provided by the securities market operator, based on the process of clearance and settlement from the clearance and settlement facility;
- 3- The number of securities admitted to quotation and removed from quotation.
- 4- Any other matter determined by the SECC.

Article 30. –

A clearance and settlement facility operator shall provide the SECC with a three-month report within 30 days at the end of each three-month period indicating:

- 1- The number of securities transactions provided by the securities market operator based on the clearance and settlement process of the operator of clearance and settlement facility.
- 2- The number of securities transactions cleared and settled;
- 3- A signed statement itemizing and explaining all settlement defaults and outstanding settlement beyond the settlement date for information to each member or participant of the clearance and settlement facility;
- 4- The financial standing of each member or participant including the net capital of the member or participant of the clearance and settlement facility;
- 5- Other matter determined by the SECC.

Article 31. –

A securities depository operator shall provide the SECC with a three-month report with thirty days at the end of each three-month period, indicating:

- 1- The number and price of securities.
- 2- Any action led to defaults of, losses of or mistakes related to security and measures taken to correct the defaults, losses or mistakes.
- 3- Other information determined by the SECC.

Article 32. -

A securities market operator shall implement and update guidelines approved by the SECC for promoting listings of public limited companies or permitted entities in the securities market to increase investment options, confidence and participation of the public investors in the market.

In order to achieve the objectives stated in the paragraph 1 of this Article, the securities market operator should have regard to:

- 1- The amount of capital and level of public ownership that a public limited company or permitted entity intends to raise;
- 2- The need for a public limited company or permitted entity to demonstrate good governance, recent profit history, and firm prospects related to the potential businesses, reflecting through the provision of independently audited accounts, business contracts or other relevant information;
- 3- The attracting policies for listings of public limited companies or permitted entities engaged in major business activities contributing to the development of the national economy.

Article 33. –

A securities market operator shall immediately report, verbally and in writing, to the Director General of the SECC, when:

- 1- There shall be a delay in opening the trading session in the securities market;
- 2- There shall be a suspension of trading in the market;
- 3- There shall be an unusual activity in trading on the market;
- 4- The securities market operator receives any non-public information that it believes could have a material effect on any particular securities or the market in general;
- 5- The Director General of the SECC request the securities market operator the related information.

Article 34. –

A securities market operator shall daily publish a list of securities trading transactions quoted as bid and offer by stating the identities, price, and units transacted to the SECC and public media.

A securities market operator shall provide report on the securities priced and traded, and price fluctuation of each securities including low, high and average prices and the volumes of transactions to the SECC and the public media system at least once a month following the form determined by the SECC.

Article 35. –

The Director General of the SECC may require a listed entity, or a securities market operator to provide with additional periodic reports.

A securities market operator may prepare the operating rules in accordance with this Anukret requiring listed entities in the securities market to provide periodic reports, including financial statements, that the operator considers necessary for the purpose of appropriately informing to the securities market.

Article 36. –

Besides information exempted by the SECC, public limited company shall provide relevant document and information to the SECC and securities market operators if the public limited company becomes aware of information:

- 1- Which is not yet published;
- 2- Which is published, but has an affect on the price of securities issued;
- 3- Which has not been included in a supplementary or replacement disclosure document in relation to the public limited company;

The public limited company shall lodge relevant document and information as stated in the paragraph 1 of this Article to the securities market operator if the securities market's operating rules require for making it available to the public.

Any information shall be considered to be published as stated in the paragraph 1 of this Article if:

- 1- The information is readily observable by the public; or
- 2- The information consists of deductions, conclusions that can be drawn and used by the public.

As stated in paragraph 1 of this Anukret, any information would have an effect on the price securities of a public limited company if it has influence on the decision of a person to trade securities.

A confidentiality agreement shall not prevent a public limited company from complying with its continuous disclosure obligations under this Article.

If the SECC or a securities market operator considers that there is a false market in securities or a substantial risk of a false market developing in securities issued by a public limited company to which this Article applies:

- 1- The Director General of the SECC, or a securities market operator, shall ask the public limited company for information to correct or prevent a false market;
- 2- The public limited company shall give the Director General of the SECC or a securities market operator the information required to correct or prevent the false market.

If the Director General of the SECC or a securities market operator require a public limited company to provide information in accordance with this Article, the Director General of the SECC or the securities market operator may require the public limited company to publish any part or all of the information in the daily newspaper circulating in the Kingdom of Cambodia, or to publish in other mean determined by the Director General of the SECC. The information publication shall be at the public company's expense.

CHAPTER 4

LICENSING OF SECURITIES FIRMS AND REPRESENTATIVES

Article 37. –

The following persons are exempt securities dealers for the purpose of Chapter 5 of the Law:

- 1- A person who deals in securities on his, her or its own account through a licensed securities firm or securities representative;
- 2- A legal entity that is approved by the Director General of the SECC to operate a securities market, clearance and settlement facility or securities depository and deals in securities for the purpose of providing the services of the securities market, clearance and settlement facility or securities depository;
- 3- A person who deals in securities as an administrator of an insolvent person or a person having a financial problem;
- 4- Any other person determined by the SECC to be an exempt securities dealer.

Article 38. –

The following transactions are exempt securities transactions for the purposes of Chapter 5 of the Law:

- 1- A securities transaction in which the issue of the securities is guaranteed by the Royal Government of Cambodia;
- 2- Any other transaction determined by the SECC to be an exempt securities transaction.

Article 39. –

The Director General of the SECC may grant an applicant a license to operate the business of a securities firm or to carry out the activities of a securities representative of a licensed securities firm, if the applicant meets each of the following requirements:

- 1- The application shall be made in accordance with the Law and this Anukret;
- 2- The applicant shall satisfy any other requirements determined by the SECC.

Article 40. –

Before granting a license to a person to act as a securities firm, the Director General of the SECC shall require the person to satisfy the following requirements:

- 1- The applicant shall be a company or partnership which has been established in accordance with the Law on Commercial Enterprises or any other relevant laws or any person permitted by the SECC;
- 2- The applicant shall be a member and participant, or sufficiently qualified for member and participant of a securities market operator, unless otherwise permitted by the Director General of the SECC;
- 3- That the directors of the applicant company or partners of the applicant partnership:

A- Have never been declared bankrupt, or if a director or partner has been declared bankrupt, the date on which the bankruptcy declared shall not less than 05 (five) years before the date of the company's or partnership's application;

B- Have never been directors of a company or partners in a partnership whose the application for a license as a securities firm has been rejected by the Director General of the SECC or a similar overseas institution with similar powers to those of the SECC, unless otherwise permitted by the SECC;

C- Have never been directors of a company or partners of a partnership whose license as a securities firm has been revoked by the Director General of the SECC or a similar overseas institution with similar powers to those of the SECC, unless otherwise permitted by the SECC.

4- The directors of the company or the partners of the partnership and any employees who would perform duties in connection with the holding of the license are of good character;

5- At least one director of the applicant company or partner of the applicant partnership and one employee of the applicant company or partnership shall be qualified to be licensed as a securities representative of the applicant company or partnership;

6- The applicant shall lodge any securities bond or any other guarantee instrument determined by the SECC;

7- The applicant shall have net capital and capital structure determined by the SECC, in respect to each business type of the securities firm;

8- The applicant shall have premises suitably located and equipped to provide satisfactory services to clients in the fields of the activities to which the license relates, or evidence acceptable to the Director General of the SECC that such premises will become available if the license is granted;

9- The applicant shall have adequate facilities, instrument, and materials to meet the requirements of the operator of which the applicant is a member or participant.

Article 41. –

Before granting a license to a person to carry out the acts of a securities representative, the Director General of the SECC shall require the applicant to satisfy the following requirements:

1- The applicant shall be a natural person of good character;

2- The applicant shall provide the Director General of the SECC with written endorsement from a licensed securities firm, which has engaged the applicant to act as its securities representative;

3- The applicant shall satisfy any minimum education, training and experience requirements that are determined by the SECC;

4- Unless otherwise determined by the SECC, the applicant shall be authorized by a securities market operator, of which the securities firm that employs the applicant is a member. The applicant shall carry out securities transactions on the market on behalf of the securities firm or the client of the securities firm.

Article 42. –

In considering whether a person is of good character, the Director General of the SECC shall have regard to the following facts:

1- The person has never been sanctioned definitively of any felony;

2- Any definitive sanction application of any misdemeanor, including theft, fraud, breach of trust as well as forgery;

- 3- The person has previously held a license granted by the SECC that was cancelled or suspended or has committed any infringement as prescribed by the Law;
- 4- Any other matter determined by the SECC.

Article 43. –

The Director General of the SECC shall grant a license to a securities firm a securities representative either indefinitely or for a specified period determined by the SECC. If a license is granted for a specified period, the license shall be invalid at the expiration of the period and the securities firm or the securities representative shall apply for a new license prior to the expiry of the old license, in order to continue conducting the securities business or acting as a securities representative.

Article 44. –

A person who is licensed under this Chapter shall comply with any code of conduct and rules prescribed by the SECC in accordance with this Anukret. In the case of a license holder is a member or participant of a securities market, clearance and settlement facility or securities depository, that person shall comply with any code of conduct or operating rules of any operator in accordance with the Law and this Anukret.

Article 45. –

A company or partnership which is licensed as a securities firm by the SECC shall not carry on any other business, unless otherwise authorized by the Director General of the SECC.

If a company or partnership is authorized by the Director General of the SECC to run other business in addition to the business of a securities firm, the directors of the company or partners of the partnership shall ensure that the securities business is conducted separately from any other business of the company or partnership and shall ensure that:

- 1- Separate accounts and financial statements shall be maintained in relation to the securities business;
- 2- Separate qualified staff shall be only employed to provide the services in relation to the securities business;
- 3- Separate premises are used to operate the securities business;
- 4- Other requirements determined by the SECC.

Article 46. –

A licensed securities firm shall maintain and preserve for a period of 10 (ten) years records, documents and books of account determined by the SECC in its office. The securities firm shall produce the same records, documents and books of account for inspection by the SECC or the operator of which the securities firm is a member or participant.

Article 47. –

Every securities firm that has custody of securities, funds or other property of a client shall take reasonable steps to keep those securities, funds or other property safe from theft or loss and shall:

- 1- Notify the SECC that it has custody of securities, funds or any other property of each client;
- 2- Segregate the securities and other property of each client, mark such securities or property to identify each client who owns them, and hold the securities or property securely in a place reasonably free from the risk of destruction or loss;
- 3- Deposit clients' funds in one or more accounts operated by a commercial bank which only contain those funds and maintain the account or accounts in the client's name or clients' names;
- 4- Maintain a separate record of funds for each client showing the name and address of the commercial bank where the funds are kept, the dates, amounts of deposits and withdrawals and also the exact amount of each client's funds.
- 5- Notify a client in writing, immediately after accepting custody of funds, securities or other property from the client, of the place and manner in which the securities, funds or other property will be kept.
- 6- Send each client on behalf of whom the securities firm holds funds, securities or other property a statement, at least once every 06 (six) months, showing all debits, credits and transactions of securities, funds or other property in the client's account that the securities firm is holding and keeping in custody.
- 7- Have a professional independent accountant for verifying all clients' funds, securities or other property at least once a year by actual examination at a time chosen by the accountant without prior notice to the securities firm.

Article 48. –

After each examination, a securities firm shall promptly send the SECC the certificate signed by a professional independent accountant in accordance with sub-paragraph 7 of Article 47 of this Anukret that he or she has made an examination of funds, securities or other property and describing the nature and scope of the examination.

Article 49. –

If the license of a securities firm is revoked by the Director General of the SECC or a court, the securities firm shall immediately:

- 1- Cancel all clients' outstanding orders;
- 2- Notify those clients with outstanding orders that they can no longer be processed by the securities firm;
- 3- Notify each client that the securities firm's license has been revoked and the securities firm can no longer act on their behalf;
- 4- Arrange with the Director General of the SECC for any securities transactions conducted by the securities firm that remain unsettled by a clearance and settlement facility at the time of the revocation in order to finalize these transaction. The securities transaction shall be finalized by the securities firm whose license was revoked or another securities firm authorized by the Director General of the SECC, or a temporary administrator who, of the

securities firm whose license was revoked, shall be appointed in accordance with the Law and the Law on Insolvency of Cambodia.

- 5- Return to each client any securities, funds or other property that the securities firm holds in custody for the client.

Article 50. –

A securities firm shall submit to the SECC, to the operators of which the securities firm is a member or participant the audited annual financial statement within 03 (three) months or such other suitable period specified by the SECC, following the closure of its each fiscal year and any financial information determined by the SECC.

Article 51. –

A licensed securities firm shall at all times maintain any solvency margin, risk ratios and net capital that are determined by the SECC.

The Director General of the SECC shall suspend or revoke the license of a securities firm that fails to comply with paragraph 1 of this Article.

Article 52. –

A securities firm and the securities representatives of the securities firm:

- 1- Shall exercise reasonable care at all times not to misinform clients and to keep clients informed of any information that may affect their investment decisions, including any potential conflict between the interest of a client and the interest of the securities firm or a related entity;
- 2- Shall not purchase, sell or exchange securities and sign a contract on behalf of the client without the written authority of the client;
- 3- Accepting an order from a client shall confirm with the client all details of the order before implementing it. A daily record of orders received from all clients, showing the name of each client, details of the order and the time given shall also be maintained by the securities firm and its securities representatives;
- 4- Shall execute clients' orders in the order in which they are received and give priority to the orders of clients over the orders of the securities firm or any securities representative, director, partner, shareholder or employee of the securities firm, whether acting directly or indirectly;
- 5- Shall always follow the instructions of a client of the securities firm unless an instruction would require the securities firm or securities representative to violate a law and regulation of Cambodia. In this case, the securities firm or securities representative shall advise the client that it, he or she is unable to act on the client's instruction;
- 6- Shall not borrow money from a client unless the client is a financial institution that is licensed in accordance with the Law on Banking and Financial Institutions or, in the case of the securities firm, the client is a related entity of the securities firm;
- 7- Shall not lend money to a client unless the client is a related entity of the securities firm;

- 8- Shall not lend securities to a client or borrow securities from a client unless the client is a related entity of the securities firm or any other person specified by the SECC;
- 9- Shall comply with other requirements determined by the SECC.

Article 53. –

A securities firm or securities representative of a securities firm shall not:

1- Recommend to a client the purchase, sale or exchange of any securities without reasonable grounds and without being based on the basis of information furnished by the client in relation to the client's investment objectives, financial situation and needs.

2- Misrepresent to any client, or prospective client, its, his or her qualifications, the nature of the investment advisory service being offered or fees to be charged for such a service;

3- Charge a client a fee for investment advice or a rate of commission on a securities transaction or any other fee without approval by the SECC;

4- Fail to disclose to clients in writing, before any advice is given to the client by the securities firm or a securities representative of the securities firm, any substantial conflict of interest relating to the securities firm or securities representative or any other employee of the securities firm, which could affect the provision of unbiased and objective advice;

5- Disclose the identity, affairs, or investments of any client to any third party unless required by law, court order or a regulatory agency to do so, or unless the client consents for a specific reason.

Article 54. –

Before accepting a person as a client of a securities firm, the securities firm or a securities representative of the securities firm shall enter into a client agreement with the prospective client and that client agreement shall be determined and approved by the SECC. The securities firm or a securities representative of the securities firm shall provide the prospective client with any other information determined by the SECC.

Article 55. –

A securities firm shall be liable in any civil action for those acts of a securities representative of the securities firm that the securities representative is authorized to carry out under the terms of their license or by the securities firm.

The acts of a securities representative which lead the securities firm to be liable in any civil action shall include omissions to take action in a given situation.

The acts of a securities representative that are authorized by a securities firm shall include the acts that are impliedly approved by the securities firm on the basis that the securities firm knows or ought to have known that the securities representative has carried out such acts and has not taken any action to prevent or repudiate such acts.

Article 56. –

A securities firm shall exercise diligent supervision over the activities of all securities representatives licensed to carry out functions on behalf of the securities firm.

Without limiting the responsibility of a securities firm in accordance with paragraph 1 of this Article, each securities firm shall ensure that all securities representatives of the securities firm are subject to the supervision of a supervisor who may be a director, partner or official designated by the securities firm.

A securities firm shall establish, maintain and enforce written procedures in relation to the conduct of its securities representatives.

Article 57. –

A securities firm shall employ a compliance officer who shall be responsible for:

1- Establishing the written procedures for securities representatives and giving advice to help ensure that the securities firm and its securities representatives meet their obligations under the Law and relevant regulations.

2- Receiving complaints, assessing the clients' complaints and advising the securities firm about the resolution of the complaints concerning acts of the securities firm or its securities representatives.

CHAPTER 5 COLLECTIVE INVESTMENT SCHEME

Article 58. –

To be considered as a business of Collective Investment Scheme (hereafter referred to as "CIS") shall be:

- The operations of managing, keeping in custody, selling or buying back, and/or redeeming indirect investment property, indirect investment securities or indirect investment funds;
- The operations related to indirect investment property, indirect investment securities or indirect investment funds.

Article 59.-

The persons relating to the CIS include:

- Funds Manager;
- Trustee;
- Distribution Company;
- Funds Administrator;
- Any other person determined by the SECC.

Article 60.-

The CIS may be organized in form of:

- A- company;
- B- Collective investment contract.

The CIS may be open-ended funds or closed-ended funds.

The CIS shall be a company which is licensed by the SECC.

The CIS organized under the sub-paragraph (b) of this article shall be managed by a funds manager under contract, and shall be authorized in accordance with requirements and regulations determined by the SECC.

The property of the CIS shall be kept in custody by a trustee that operates on behalf of that CIS.

The price of CIS's net assets shall be evaluated and calculated by a funds administrator in accordance with the rules determined by the SECC.

Article 61.-

Any person intending to apply for a license for running the business of CIS shall meet the following requirements:

- 1- The applicant shall have a minimum net capital that will be determined by the SECC, in respect to each type of business of the CIS;
- 2- The applicant shall have premises suitably located and equipped with physical facilities to operate the business;
- 3- The applicant shall have a precise and applicable investment scheme;
- 4- The applicant, director and all employees shall be of good character;
- 5- The applicant shall comply with the procedure of the application for operating CIS's business and other requirements determined by the SECC.

Article 62.-

The company having obtained a license to conduct the business of CIS shall satisfy the following requirements:

- 1- Shall not use CIS funds for lending or borrowing;
- 2- Shall not use CIS funds for participating in or purchasing equity securities of other CIS funds;
- 3- Shall have rules of internal control and sufficient mechanism of dispute resolution, which can secure the business operation efficiently, honestly and fairly;
- 4- Shall all the time maintain any solvency margin, risk ratios and net capital, as well as complying with other requirements, determined by the SECC.

Article 63.-

Funds manager of the CIS shall:

- 1- Provide CIS investors with the disclosure document that has been approved and registered at the SECC.
- 2- Perform the function carefully and honestly, respect the purpose of the CIS in the entire interests of CIS investors.
- 3- Prove that there is no any direct or indirect interest with other persons that affects the interests of the CIS.

- 4- Provide the Director General of the SECC with audited annual financial statement within 03 (three) months, or such other suitable period specified by the Director General of the SECC, following the closure of each financial year.
- 5- Comply with other requirements determined by the SECC.

CHAPTER 6

CORPORATE GOVERNANCE AND CONTROL

Article 64. –

The directors and senior officials of a public limited company or permitted entity shall honestly and diligently act for the interest of all shareholders equally.

A director or senior official of a public limited company or permitted entity shall satisfy their duty under paragraph 1 of this Article to shareholders of the public limited company or permitted entity, if the director or senior official:

- 1- Had sufficient information about the subject matter for the decision;
- 2- Makes a decision based on good faith for a proper purpose;
- 3- Has no personal interest in other company affecting performance of duties;
- 4- Is confident that the decision making truly serves in the best interest of all shareholders.

A director or senior official of a public limited company or permitted entity who, in the course of carrying out their duties, faces a potential conflict between their personal interest and the interest of shareholders, shall give precedence to the interests of shareholders or follow the decision making by the general shareholders meeting.

Article 65. –

A person shall not acquire a controlling interest in the total voting shares of a public limited company or permitted entity that has issued or sold to the public, unless the acquisition of the controlling interest is approved by the Director General of the SECC and carries out in accordance with any requirements determined by SECC.

The person who has the controlling interest in the company or permitted entity shall disclose to the SECC on the amount of their share currently holding event a movement up or down of at least one share.

Article 66. –

Any decision of the SECC and any rules adopted by the SECC shall ensure that:

- 1- The acquisition of control over the total voting shares in a public limited company or permitted entity that has issued or sold securities to the public shall be in a fair and transparency procedure.
- 2- The current holders of the voting shares in a public limited company or permitted entity shall:
 - A- Have identities of any person who proposes to acquire control over the total voting shares in the public limited company or permitted entity;

- B- Have sufficient time to consider any proposal to acquire control over the total voting shares in the public limited company or permitted entity;
 - C- Received enough information to enable them to assess the merits of a proposal to acquire control over the total voting shares in the public limited company or permitted entity.
- 3- The current holders of the relevant class of voting shares all shall have a reasonable and equal opportunity to participate in any benefits offered to the holders through any proposal under which a person would acquire a controlling interest in the total voting shares in the public limited company or permitted entity.
 - 4- Any person who acquires or disposes of a substantial interest in the voting shares of a public limited company or permitted entity makes full and accurate disclosure of that substantial interest.

Article 67. –

Unless exempted by the SECC in writing, a person shall provide the information referred to in paragraph 3 of this Article, if:

- 1- The person begins to have or ceases to have a substantial interest in a public limited company or permitted entity that has issued or sold securities to the public;
- 2- The person has a substantial interest in the company or permitted entity and there shall be a movement up or down of at least 1% in their interest;
- 3- The person makes an authorized offer to acquire a controlling interest in the total voting shares of the public limited company or permitted entity.

A person to whom paragraph 1 of this article applies shall provide the information referred to in paragraph 3 of this Article to:

- 1- Inform to public limited company or permitted entity, the SECC, as well as the securities market operator in the case that a public limited company or permitted entity is listed on the market;
- 2- Inform to public limited company or permitted entity, the SECC, in the case that a public limited company or permitted entity is not listed on the market.

The information that requires to be provided for the purposes of paragraphs 1 and 2 of this Article shall be:

1. The person's name and address;
2. Details of their purposes in holding a substantial interest and a controlling interest of the public limited company or permitted entity;
3. Details of any agreement through which they have a substantial interest and a controlling interest of the public limited company or permitted entity;
4. The name, the identity, and detail information of each associate or related entity of the person who has a controlling interest or a substantial interest of the public limited company or permitted entity, together with any agreement through which the associate or related entity has a controlling interest or a substantial interest of the company or entity;

5. The information is being provided because of a movement in their interest, the size and date of that movement;
6. A person has ceased to be an associate or related entity of the person who has a controlling interest or a substantial interest, the name and the identity of the person shall be indicated;
7. Any other information determined by SECC.

The information provided for the purposes of paragraphs 1 and 2 of this Article shall be provided in any form determined by SECC and accompanied by any document setting out the terms of any relevant agreement.

The person shall give the information to be provided for the purposes of paragraphs 1 and 2 of this Article within 3 working days after the person become aware of the information.

CHAPTER 7 FORMS AND FEES

Article 68.-

The forms prescribed as the following, including an application form, that are required to be used for the purposes of the Law and this Anukret shall be determined by the SECC:

- 1- Approval of a proposed public offer of securities;
- 2- Approval and registration of disclosure document in relation to the proposed public offer of securities;
- 3- Approval as the operator of a securities market, clearance and settlement facility or securities depository;
- 4- A license to conduct a securities business in the form of a securities firm or to act as a representative of securities firms and other market participants;
- 5- Approval of an advertisement in relation to a proposed public offer of securities;
- 6- Approval of the operating rules of an approved market, facility or depository;
- 7- Approval to any amendments to the operating rules of an approved market, facility or depository;
- 8- Approval of a client agreement used by a securities firm;
- 9- Lodgment of periodic and continuous reports by a public limited company or other permitted entity that has issued or sold securities to the public members in the Kingdom of Cambodia;
- 10- Lodgment of periodic and continuous reports by an approved market, facility or depository;
- 11- Lodgment of periodic and continuous reports by a licensed securities firm or other market participants;
- 12- Lodgment of a certificate provided by an professional independent accountant regarding the client accounts of a licensed securities firm;
- 13- Any other forms.

Article 69.-

Fees and other commission that are required to be paid under the Law or this Anukret, including any other service fees shall be determined by SECC.

CHAPTER 8 PENALTIES

Article 70.-

A person, who contravenes any provisions of this Anukret or any requirement prescribed in accordance with this Anukret, shall commit an offence and be liable to punishments in accordance with the existing laws and provisions in the Kingdom of Cambodia.

CHAPTER 9 FINAL PROVISIONS

Article 71.-

The SECC may adopt guidelines for the purpose of facilitating understanding and enforcement of the requirements of the Law and this Anukret by the public and securities market participants.

Article 72.-

All provisions contrary to this Anukret are hereby abrogated.

Article 73.-

Minister in charge of the Council of Ministers, Minister of Economy and Finance and as the Chairman of the SECC, Minister of Justice, Minister of Commerce, Governor of National Bank of Cambodia, the Ministers, the Secretaries of State of Ministries, relevant institutions shall implement this Anukret after the date of signing.

Phnom Penh, date.....
Prime Minister
(Signature and Sealed)

SAMDECH AKAK MOHA SENA PADEI TECHO HUN SEN

Copy and Distribution:

- Royal Palace
- Secretariat of Constitution Council
- Secretariat of Senate
- Secretariat of National Assembly

- Secretariat of Royal Government
- Cabinet of Samdech Prime Minister
- Cabinet of H.E. Deputy Prime Ministers
- As prescribed in Article 73
- Official Gazette
- Archives- records

ANNEX

GOSSORY TO BE USED IN THE ANUKRET FOR THE IMPLEMENTATION OF THE LAW ON ISSUANCE AND TRADING OF NON-GOVERNMENT SECURITIES

1-“**Advertisement**” means information or statement, other than disclosure document approved and registered in accordance with the provisions of the Law and this Anukret, that is capable of being distributed or communicated to any person by any means.

2-“**Custody of Securities, Funds or other Property of Clients of a Securities Firm**” means physical possession and control of such securities, funds or property.

3-“**Securities Pricing**” means the process of giving the price of securities to be bought- sold in securities market. The process may be conducted through a system of bidding or price creator on the market in accordance with operating rules of securities market operator.

4-“**Settlement Default**” means a transaction failed by a party or both parties who has not fulfilled its or their obligation within the settlement date.

5- “**Settlement Date**” means any specific date which is set by concerned parties to fulfill an obligation for their settlements.

6-“**Confidentiality Agreement**” means an agreement in relation to the activities of a public limited company or permitted entity, under which the relevant parties agree to keep secret of specified information or a general category of information about the activities of the company or permitted entity for the purpose of preventing that information being made available to shareholders or public investors.

7. “**Collective Investment Contract**” means a contract established by a funds manager and a trustee with the participation from the investors of the collective investment scheme, under which the funds manager is allowed to control and manage the investment and the trustee is allowed to provide the service of custodian of property.

8-“**Public Investor’s Ownership**” means ownership of securities hold by public investors in a public limited company or permitted entity.

9-“**Solvency Margin**” means an amount of assets determined in accordance with this Anukret. It serves as security against the possibility that the provider of the solvency margin will not be able to meet their mature financial obligations. The assets may be in the form of cash deposits, money market securities or other assets that are readily convertible to cash.

10-“**Board of directors**” means the board of directors of the company.

11-“**Issuers**” means a public limited company or permitted entity which is proposing or has issued a public offer of securities.

12- **“Trustee”** means a company who is responsible for the custodian of cash or property on behalf of a person or a group of people.

13- **“Funds Administrator”** means a company whose activities facilitate the process of management of collective investment scheme through trading, valuation of net assets and equity securities pricing.

14- **“Professional Independent Accountant”** means a professional accountant certified to practice accounting profession in Cambodia. Certified accountant is not a client, associate or related entity of the securities firm, or employed by the securities firm.

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

16- **“Professional Advisor”** means the advisors of a public limited company or permitted entity, includes a professional accountant, lawyer or securities dealer that provides advice to the company or entity.

17- **“Investment Advisor”** means natural person or legal person who provides investment advice or so professionally does to public investors in decision on securities investment.

18- **“Indirect Investment Property”** means the property which the owner provided in order for an expert to hold, use, manage and invest on his behalf to earn a maximum profit as capable as possible.

19- **“Operator”** means any person who is approved by the SECC to conduct securities market operation, clearing and settlement facilities and securities depository.

20- **“Market Operator”** means a person who carries out securities market operation such as:

A. Providing the service for facilitating securities transaction for market participants or for matching the offers to buy and sell of securities through a place, a system or physical or electronic mean for securities trading.

B. Other business activities determined by SECC.

21- **“Funds Manager”** means natural person or legal person who manages cash which is used to buy and sell indirect property investment, indirect investment securities or indirect investment funds on behalf of investors to earn a maximum profit as capable as possible for investors.

22- **“Listed Entity”** means a public limited company or permitted entity that is listed on the securities market approved in accordance with the Law and this Anukret. The listing is proposed for the purpose of enabling the securities issued by the public limited company or permitted entity to be given their price and traded on the securities market.

23- **“Security Bond in Relation to a Securities Firm”** means a sum of money that is deposited by a securities firm, as security to be used in the event that the securities

firm is not able to meet its financial obligations, including the ability to return to a client securities, funds or other property that the client has entrusted to the custody of the securities firm.

24-**“Risk Management Plan”** means a written statement describing the activities to be conducted by staff of market operator, facility or depository for the purpose of managing, minimizing or avoiding risks that may threaten the effective operation of the market, facility or depository, including the risk that an electronic system that operates a market, facility or depository will not function during trading hours.

25-**“Voting Shares”** means shares issued by a public limited company or permitted entity that carry a right to vote on matters considered at a meeting of shareholders of the public limited company or permitted entity.

26- **“Shareholders”** means natural person or legal person who owns legally one or more shares of a company. The class of shares determined the right of shareholders.

27-**“Indirect Investment Securities”** means securities which are used as capital for investment by an expert to earn a maximum profit as capable as possible.

28-**“Open-ended Funds”** means funds which allow to make an offer to sell and buy back from investors indirect investment property or indirect investment securities or indirect investment funds within the term of its permitted capital.

29-**“Closed-ended Funds”** means funds which not allow to make an offer to sell and buy back indirect investment property or indirect investment securities or indirect investment funds from shareholders.

30-**“Indirect Investment Funds”** means funds raised from public investors for investment by an expert to earn a maximum profit as capable as possible.

31-**“Net Capital of a Securities firm”** means the current assets of the company, including any shareholders’ funds of the company and fixed assets owned by the company, but doesn’t include:

- A- Non-current assets and pre-paid expenses of the company.
- B- Unsecured loans and advances made by the company and included under current assets.
- C- Amounts due from a director, partner or associate to the company and included under current assets.
- D- The excess of the book value of securities carried in the company’s own account over market value.
- E- Deficits in client’s accounts, less any provisions for bad or doubtful debts already made and computed and set out in a form satisfactory to the SECC.
- F. Other elements for calculating net capital of securities firm will be determined by SECC.

32-**“Periodic Reports”** means reports that are prepared for a specific reporting period, including monthly, three monthly, half yearly and annual report.

33-**“Security Certificate”** means a document that provides evidence of legal ownership of a security issued by a public limited company or permitted entity in accordance with the Law and this Anukret.

34-**“Controlling Interest in voting shares”** means an interest of a person in 30% or more of the voting shares in a public limited company or permitted entity, whether the interest is indirect or arisen by any mean. The interest of the person has arisen by the fact that:

A- The person is the owner of the securities.

B- The person has power to exercise, or control the exercise of right to vote attached to the securities.

C- The person has power to transfer or sell, or control the exercise of a power to transfer or sell securities.

D- A company or other legal entity controlled by the person has the interest arose from the transfer or sale of the ownership of voting share.

E- An associate or related entity of the person has the interest arised from the transfer and sale of ownership of voting share.

35- **“Substantial Interest in voting share”** means an interest or combination of interests, including the legal interest of an associate or related entity in voting shares of the public limited company or permitted entity, that gives the person the ability to control 5% or more of the total votes attached to voting shares in the company or permitted entity.

36- **“Risk Ratio of a securities firm”** is the level of debt that the securities firm may incur on its own behalf or on behalf of a client, expressed as a percentage of the assets of the securities firm or client.

37- **“Subscriber”** means a person who is applying for subscription of securities at a time of public offer of securities.