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ជាតិ សាសនា ព្រះមហាក្សត្រ

គណៈកម្មការមូលបត្រកម្ពុជា
SECURITIES AND EXCHANGE COMMISSION OF CAMBODIA
N° ០០៨/១១ SECC ២២៣

PRAKAS
ON
CODE OF CONDUCT OF SECURITIES FIRMS AND SECURITIES
REPRESENTATIVES

Deputy Prime Minister
Minister of Economy and Finance
and the 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 Conduct and Organization of the Securities and Exchange Commission of Cambodia;
- Having seen the Anukret No. 54/ANKR.BK on 08 April 2009 on the Implementation of the Law on the Issuance and Trading of Non-Government Securities;
- In accordance with the approval by the plenary session of the Securities and Exchange Commission of Cambodia on 08 June 2011

Unofficial Translation

HEREBY DECIDES

CHAPTER 1
GENERAL PROVISIONS

Article 1.- Purpose

The purpose of this Prakas is to prescribe a code of conduct for securities firms, securities representatives, investment advisory firms and investment advisory representatives engaged in business activities in the Kingdom of Cambodia.

Article 2.-

The definition of the terms used in this Prakas are set out in this Prakas and are available in the glossaries of the annexes of 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:

- **“Best Execution”** means using best endeavors to obtain for a client the best available price for the size and kind of transaction concerned relative to the order received from the client.

- **“Discretionary Account”** means a client account in relation to which a securities firm has discretion to make decisions to purchase or sell securities exercising its own judgment, without acting on an order from the client.

- **“Internal Control”** means a system, policy, procedure, rule or other control implemented to ensure compliance with laws and regulations.

- **“SECC”** means Securities and Exchange Commission of Cambodia.

- **“Licensed Firm”** means any firm licensed by the Director General of SECC to conduct any securities business as defined in the Annex of Law on Issuance and Trading of Non-Government Securities.

- **“Licensed Representative”** means any representative licensed by the Director General of SECC to act as the representative of a licensed firm.

- **“License Conditions”** means any conditions or restriction of any kind imposed by the SECC in relation to a license issued to a securities firm.

- **“Investment Advice”** means any advice or a statement of opinion, or a report of either of those things, that:

1- is intended to influence a person or persons in making a decision in respect of a security or class of securities; or

2- could reasonably be regarded as being intended to have such an influence.

- **“Securities Transaction”** means the purchase, sale or exchange of a security.

- **“Anukret”** refers to the Anukret on the implementation of the Law on the Issuance and Trading of Non-government Securities.

- **“System Trading Program”** means computer software which excludes an investor’s own judgment but instead provides decision-making information on the trading type, transaction timing and trading quotation.

- **“Merit Based Payment”** means a payment that a licensed firm receives from a client in return for its services which is calculated based on investment profits.

- **“Non-Client Order”** means an order for the purchase or sale of a security received or originated by a securities firm for an account:

1-for a partner, director, senior staff or a person holding a similar position or acting in a similar capacity of the Securities Firm or of a related entity of the securities firm;

2-for an employee of the securities firm; but does not include a principal account.

- **“Order”** means an order for the purchase or sale of a security.

- **“Principal Account”** means an account in which a securities firm or a related entity of the securities firm holds a direct or indirect interest other than an interest in the commission charged on a transaction.

- **“Senior Staff”** refers to the staff working for a firm in the position from the directors of department to chief executive officer including the head of securities representatives, head of operations, compliance officer and internal auditor.

CHAPTER 2

PRINCIPLES OF BUSINESS

Article 3.- General Principles of Business

To promote maximum clients’ interests and fair market trading, a licensed firm and licensed representative must:

1- show integrity and carry on its business in a fair way.

2- conduct its business with due skill, care, and diligence.

3- take reasonable care to organize and control its affairs responsibly and effectively, with adequate risk management and supervisory systems.

4- secure enough human and material resources to carry on its securities business and have necessary business procedures in place.

5- ensure that it maintains adequate financial resources as required under the law and relevant regulations.

6- deal with clients' money and asset in good faith.

7- act in clients' best interests.

8- provide proper investment advice to clients and, for this purpose, shall make appropriate efforts to learn information about clients.

9- notify clients about information necessary for the clients to make reasonable decision.

10- be careful not to create any conflict of interest with its clients. In case it is unavoidable, the firm shall notify its clients thereof in advance or take proper measures to treatment of such clients' interest.

11- comply, and shall take reasonable steps to ensure that its representatives comply, with relevant laws and regulations, and other regulations issued by SECC.

12- ensure that it, and its licensed representatives, keeps information relating to clients confidential and does not disclose such information to any third party unless required to do so by a law, court order, regulatory agency or the SECC, or unless the client consents in writing.

CHAPTER 3

CLIENT'S ACCOUNT

Article 4.-Opening of Client's Account

Each client can open only one account of securities transaction at anyone securities firm.

Before entering into a transaction with or on behalf of a client, a securities firm must:

1- Use due diligence to learn the essential facts relevant to the client and complete the Client Account Form in the Appendix in this Prakas.

2- Complete a Client Agreement, which is to be signed by the securities firm and the client, in accordance with Article 54 of the Anukret and Article 6 this Prakas.

Article 5.- Approval of Opening of New Accounts

Each securities firm must designate a supervisor to be responsible for the approval of the opening of new accounts and the supervision of account activity.

Client shall not initiate transactions of a new account unless the opening of new account is approved at least 01 (one) business day prior to the initial transaction.

The supervisor must approve the opening of the account in writing and a record of the approval must be maintained.

Article 6.-Client Agreement

The client agreement shall be in writing and signed by the client and the licensed firm ! under form of client agreement set by SECC in appendix in this Prakas. Its licensed

representative who deals directly with clients shall explain to the client the contents of the agreement before it is signed by the client.

A client Agreement shall contain, at a minimum, the following information:

1-The full name and address of the client, as evidenced by a retained copy of the client's identity card, the client's passport, investor's ID, business registration certificate, corporate documents, or any other official document which uniquely identifies the client;

2- The full name and registered address of the securities firm/ investment advisory firm;

3- The licensed firm's current license status, and information about the kinds of business that the licensed firm is authorized to provide under its license.

4- Undertakings by the securities firm/ investment advisory firm and the client to notify each other in the event of any material change to the information provided in the agreement.

5- A description of the nature of services to be provided to or available to the client;

6- A description of any remuneration and the basis for payment that are to be paid by the client such as commission, and any other fees and charges;

7- A statement indicating the circumstances under which the securities firm will be acting as principal in relation to the client and that in all other circumstances the securities firm will be acting as agent for the client in case licensed firm as securities dealer and securities broker;

8- Risk disclosure statements related to proposed securities transactions to be undertaken with the client;

9- The reporting that a client will receive and the method of reporting and securities transaction notifications;

10- Details of how to complain if the client has a complaint;

11- Details of any interests or relationships that could influence the licensed firm or/and its representatives;

12- Details of the means by which a client's instructions will be accepted, including the procedure for giving instructions, any current standing instructions of the client, how the client can override any standing instructions, and details of any person appointed by the client as an agent or pursuant to a power of attorney given by the client in respect of securities transactions.

A licensed firm and its representatives shall ensure that they comply with their obligations under this article and the client agreement. A client agreement shall not operate to remove, exclude, or restrict any rights of a client or obligations of a licensed firm under the law.

Article 7.- Unauthorized Use of Client Accounts

Unauthorized use of client accounts is not permitted.

To prevent unauthorized use of client accounts, a securities firm must:

1- Ensure there are adequate policies and procedures in place for making changes to client's data. In particular, any request for change on a client's data and instructions on payments must be in writing, and all reasonable efforts must be made to ensure that such requests for changes are genuine;

2- Ensure that all sale proceeds are made payable to the seller-client and no other person, unless authorized as set out in Article 44 in this Prakas.

CHAPTER 4

INVESTMENT ADVICE

Article 8.- Investment advice

Investment advice to client must be:

- 1- based on proper and reasonable grounds; and
- 2- suitable in light of the information provided by the client under paragraph (2) of this article.

A licensed firm or investment advisory representative must implement the know-your-client principle and make an adequate effort to find out the following information through face-to-face consultation with a client before it provides investment advice and complete the form for investment advice in the Appendix of this Prakas.

- 1- client's financial situation and needs;
- 2- client's investment objective;
- 3- client's attitude towards possible risk; and
- 4- client's investment experience and knowledge.

A licensed firm also must manage and maintain client's information held by a licensed firm as confirmed by the client in writing.

The licensed firm must keep adequate records of the information gathered in paragraph (2) of this article and must take reasonable steps to make sure the information is current. If a licensed firm or its licensed representative becomes aware of a material change in a client's information, such information collected in paragraph (2) must be updated.

A licensed firm shall, in writing, annually request that clients notify the licensed firm if their circumstances have materially changed.

Where a client refuses to provide his/her current information even after the licensed firm requests that the client provide such information, then the licensed firm or its investment advisory representative may provide investment advice based on the client information provided. If the licensed firm, according to paragraph (1) to (5), is aware that an investment advice is based on incomplete or inaccurate information, it must warn the client, at the same

time and by same means that it gives the investment advice, that the client should, before acting on the advice, consider the appropriateness of the advice having regard to its relevant circumstances.

A licensed firm or investment advisory representatives must not provide clients referred to under paragraph (6) with investment advice regarding any of the following securities:

- 1- Securities that are not listed on a securities exchange permitted;
- 2- Securities that are designated as issues subject to an administration or surveillance;
- 3- Corporate bonds that are high risks.

The licensed firm shall separate the accounts of those clients that rely upon investment advice offered by the licensed firm and no or a little experience in securities transactions and shall periodically check the status of trading on such accounts, in order to ensure that advice is offered in accordance with under this Prakas.

A licensed firm must set and operate internal controls in order to comply with the principles contained in this Article.

Article 9.- Prevention of Conflict of Interests Relating to Investment Advice

A firm must ensure that it, and its securities representatives:

1- Prior to giving a advice to client, disclose in writing to the client all potential conflict of interests that could affect the provision an unbiased advice to that client; and

2- Shall notify in writing, if a securities firm or its securities representatives hold a material interest in price or trading of certain securities due to the following special reasons:

a- current or proposed provision of underwriting services to the issuer of the securities or its related entities;

b- current or proposed provision of financial services to the issuer of the securities or its related parties in respect of a merger or acquisition;

c- a holding of more than 1% of the total securities; or

d- any dealing or proposed dealing by the securities firm or its securities representatives in the securities,

3- A licensed firm shall not receive economic or other benefits from the issuer of the securities for which advice have been made, or any of their related entities, unless such benefits have been disclosed in advance to the client.

Article 10.- Prohibition on Promotion of Excessive Transactions

A licensed firm and its licensed representatives must not encourage a client to trade securities more frequently than is reasonably necessary in the interests of the client, taking into account the following factors:

- 1- Commission, fees or other remuneration paid by the clients;
- 2- Client's financial situation, needs, investment objectives and personal circumstances;
- 3- Whether a client sufficiently understands the possible risks of trading securities based on the client's investment knowledge and /or experience; and
- 4- The validity of each trading advice.

A licensed firm shall select any of its client accounts that have been subject to frequent trading and check whether the investment advice offered by the firm or its licensed representative complies with the principle of paragraph (1) above. For this purpose, a licensed firm must establish documented internal controls for selection of accounts subject to inspection.

Article 11.- Discretionary Accounts

A securities firm or its securities representatives shall not operate a discretionary account, unless approved by SECC. A securities firm or its securities representatives shall, subject to the provisions of this Prakas, purchase or sell securities on behalf of clients in response to orders of the relevant client.

CHAPTER 5

EXECUTION OF SECURITIES TRANSACTIONS

Article 12.- Receipt of Order

When a securities firm or its securities representative receives an order from a client, it must handle the order in a fair, prompt and accurate manner.

A securities firm or a securities representative shall only execute a order on behalf of a client if:

- 1- the securities firm or securities representative has the client's written authority to carry out the transaction;
- 2- in relation to a purchase of securities, the client has provided the securities firm with sufficient cleared client funds to execute the transaction; and
- 3- in relation to a sale of securities, the client owns the securities with sufficient cleared the securities to execute the transaction.

The order may be in writing, voice, email or other electronic. When a securities firm receives an order from a client, the securities firm must prepare a documentary record of the order in writing or voice recordings or electronic to verify the clients' orders. Such order records must be maintained daily and at a minimum show the name of the client, details of the order and the time given.

The securities firm shall have internal controls in management of clients' orders in compliance with this Article.

Article 13.- Computerized or Remote Order Handling

In addition to the requirements of Article 12, a securities firm intending to receive orders from clients via electronic system, voice, email or any means other than face to face communication, shall comply with all of the following additional Items:

- 1- It shall make client know of the process for order handling and execution of orders; and
- 2- Upon receipt of an order, it shall confirm whether the person placing such order has been duly authorized to place such order.

When a securities firm utilizes electronic systems, voice, email or any means other than face to face communication in its operations to facilitate the transaction processes, it must take reasonable precautions to test the systems to ensure they function properly and make sure the systems comply with the applicable relevant rules and regulations, including any requirements in respect of client confidentiality.

A securities firm must establish reasonable measures to avoid any situation where the order for trading cannot be executed due to a malfunction of its electronic systems, voice, email or any means other than face to face communication.

Article 14.- Legitimate Transaction Order Placer

A securities firm shall accept a trading order the following personas authorized:

- 1- The client owns an account.
- 2- A personal representative designated by client in writing as at the opening of the account or subsequently.
- 3- A person who has a legitimate right, as provided by a written power of attorney.

Article 15.- Prohibition of Acceptance of Illegal Trading Orders

A securities firm must not accept orders from clients in the following circumstances:

- 1-The securities firm knows that a client's proposed trading is contrary to any relevant law or regulation.

2-The securities firm has reasonable grounds that, given a client's trading/ settlement history, the size of securities holdings and financial situation, the client will not settle the trade.

3- It is apparent that a client has no true intention to trade in view of the following factors:

- a- The number and the average trading volume of the listed shares at issue;
- b- Share ownership distribution of corporations issuing listed shares;
- c- Size of the client deposited asset and mode of trading; and
- d- The quotation status at the time the order.

Article 16.- Best Execution

Subject to any instructions provided by a client in relation to placing an order for securities at market or at a fixed price limit, a securities firm and its securities representatives must make precaution and efforts to the client orders on the basis of best execution, and in doing so shall give consideration to factors including:

- prices and volumes of the last sale and previous trades;
- direction of the market for the security;
- posted bid and offer size;
- the size of the spread; and
- the liquidity of the security.

When a securities firm receives a order from a client, it must promptly deliver the order to the market in accordance with the terms of the order, without accumulating, combining or bundling orders.

The securities firm can change the methods of order such as the timing of order delivery to the market and the method of the ask and bid; and combine them with other orders and execute them as a bundled order, in case when the securities firm received to be prior consent in writing from client that the changed method of order or making orders together with other orders for the purpose of best execution; and implemented with the internal controls relating to changes in method of placing orders or submitting bundled orders shall be properly implemented.

Article 17.- Prohibition of Front Running

Prior to the entry of such client order for a purchase or sale of securities which is expected to affect the market price of such securities, securities firm receiving such order shall not:

1- enter a an order in respect of a principal account or a non-client order on a marketplace, for the purchase or sale of the security;

- 2- solicit an order from any other person for the purchase or sale of the security; and
- 3- inform any other person, other than in the necessary course of business, and in compliance with the client confidentiality requirements, of the client order.

Article 18. - Client Priority

A securities firm shall give priority to orders for the accounts of clients of the securities firm over all other orders for the same security at the same price.

When a client gives an order to buy a security, a securities firm must not enter a buy order for the same security for a principal account or a non-client account at a price that is the same as or lower than the client order before the client order is completed.

When a client gives an order to sell a security, a securities firm must not enter a sell order for the same security for a principal account or a non-client account at a price that is the same as or higher than the client order before the client order is completed.

If a securities firm trades securities as principal with its client as the counter party, it must not offer trading conditions unreasonable to the client in light of the then market situation and the client's trading cost.

CHAPTER 6

INFORMATION TO CLIENTS

Article 19.- Provision of Information prior to Transactions

A securities firm and its securities representative must inform its client in writing of the following prior to execution of securities transactions of the clients.

- 1- Business activity of the licensed firm;
- 2- Commissions, fees or other remuneration to be paid by the client, the calculation methods thereof, and tax to be paid by client; and
- 3- Information in relation to conflicts of interest.

Article 20.- Notification of Risk of Trading Strategies

A securities firm and its securities representatives shall not make a false description of, or exaggerate, the investment performance of any trading strategies, methodologies or system trading programs, where this may mislead clients.

A securities firm and its securities representatives shall notify clients of any risk involved in trading strategies, methodologies or system trading programs that it advises to such clients.

A securities firm and its securities representatives shall not advise a trading strategy, methodology or system trading program to a client if it is not suitable for the client based on the client's trading experience, knowledge, financial situation, needs and investment objectives.

A securities firm and its securities representatives must not solicit a client to use system trading program unless there is a reasonable ground to believe that the client properly understands the specific system trading program and the risks involved.

Article 21.-Notification of Securities Transactions

A securities firm and its securities representative shall, the order of a client is executed, send the client a written confirmation of purchases and sales as promptly as possible. The confirmation must include the following information:

- a description of the security;
- the quantity;
- the price per unit and the total amount;
- trade date;
- fees, commissions or other remuneration paid by the client, and any taxes payable related to trading by the client;
- the name of the securities representative acting for the client in the purchase or sale;
- whether the securities firm acted as principal or agent;
- the name of the securities exchange permitted where the trade took place; and
- whether the order was executed at best execution, or otherwise based on the client's instructions.

Delivery of the confirmation may be by mail, delivery of trade report, telegram, fax, email and other electronic communication system, provided, that the securities firm and its securities representative have agreed with the client about the notice method in advance, and record and maintain such method.

Article 22.-Client Statements

A securities firm must provide client with a monthly transaction report for each account of the client in which there has been any securities transaction activity, within 07(seven) days of business day after the month end that details:

- The opening balance;
- All debits and credits during the period;
- The closing balance;
- Details of any deposits or withdrawals money in a client money account or in respect of securities and other property of the client held in safe deposit;

- The quantity and description of each security purchased, sold or received during the period.

The securities firm shall provide the report in writing as agreed with the client.

Regardless of trading activity a securities firm must provide the client with an account statement at least every 06 (six) months that contains the information in paragraph (1) of this article.

CHAPTER 7

PROHIBITION OF UNSOUND BUSINESS

Article 23.-Prohibition of unlicensed individual

A licensed firm shall not permit any person to act as a securities representative or investment advisory representative on behalf of the firm, or to hold themselves out as a representative of the firm unless the individual shall fulfill the following requirements:

1- The person is licensed as a securities representative or investment advisory representative of the firm and is conducting business within the conditions of the firms' license and any conditions of the representative's license; and

2- The individual is not a representative of any other securities firm or investment advisory firm.

Article 24.- Underwriting and confidentiality of information

When a securities firm, in connection with its business, acquires confidential information relating to a company that issues securities, the securities firm shall not trade such securities on its own account or solicit a third party to trade them.

Where a licensed firm is licensed to conduct underwriting as well as another securities business, it must maintain separate business units with a clear division of responsibility to ensure that confidential information is not shared between the units.

When the underwriting unit of a securities firm underwrites securities, the unit responsible for investment advisory shall not recommend trading in such securities during the period from the signing of the underwriting agreement with the listed company to the date on termination of the underwriting agreement.

A person who is a director, senior staff, or shareholder of substantial interest in voting share in a licensed firm may not occupy a position as director or senior staff in, or hold shares in, another licensed firm.

Article 25.- Prohibition of compensation for losses

A securities firm and its securities representatives shall not, either directly or indirectly:

1- provide to a client a minimum guaranteed return in respect of securities investments or trading; or

2- compensate a client for all or part of any securities investment or trading losses incurred by the client in any manner, including by paying money, discounting commissions or fees, or effecting a securities transaction.

In case of compensation by a securities firm, its securities representatives, senior staff or employees, the securities firm or its securities representatives, senior staff or employees shall report it in advance to the compliance officer.

Article 26.- Prohibition on offering and receiving gifts and other benefits

A Licensed firm and its licensed representatives must not provide to, or accept from, any clients or potential clients, any inducements, gifts or other benefits, unless in any of the following cases:

1- the offered benefits could not have the influence to the recipients' independence; and

2- the benefit has been approved in writing by the compliance officer in writing prior to its provision or acceptance.

Article 27.- Prohibition on limiting unfair competition

A securities firm must not request other securities firms to change the ask and bid prices, trading conditions, commissions, fees or other remuneration, or to participate in any other acts in an attempt to limit competition.

CHAPTER 8

COMMISSIONS AND MERIT-BASED PAYMENT

Article 28.-Commission, Fees and other Remuneration

A licensed firm must have in writing internal guidelines and procedures that are used to determine its commissions, fees and any other remuneration, and must comply with them under the existing regulations.. The internal guidelines and procedures must be advised to the SECC in 7 business days prior to any change.

Article 29.- Restriction on Merit-based Payment

A licensed firm shall not make any prior contract with a client to receive a merit-based payment.

CHAPTER 9

ADVERTISEMENT AND DISCLOSURE TO GENERAL PUBLIC

Article 30.- Advertising requirements

Licensed firm and its representative shall not issue to the public, participate in or knowingly allow its name to be used in any advertisement, sales literature or and correspondence relating to its business which:

- 1- contains an unjustified promise of specific results;
- 2- uses unrepresentative statistics to suggest unwarranted or exaggerated conclusions, or fails to identify the material assumptions made in arriving at these conclusions;
- 3- contains any opinion or forecast of future events which is not clearly labeled as such;
- 4- fails to fairly present the potential risks to the client;
- 5- is detrimental to the interests of the public; or
- 6- does not comply with law on the Issuance and Trading of Non-Government Securities and relevant regulations.

Each licensed firm shall develop written policies and procedures that are appropriate for its size, structure, business and clients for the review and supervision of advertisements, sales literature and correspondence relating to its business. All such policies and procedures shall be approved by the SECC.

Copies of all advertisements, sales literature and correspondence and all records of supervision under the policies and procedures required by paragraph (2) shall be retained so as to be readily available for inspection by the SECC.

Article 31.-Management status evaluation

A securities firm must not, directly or indirectly, use in its business or advertise the results of management status evaluation pursuant to Prakas on Financial Soundness of Securities Firms and must not use in its business or advertise the prescribed level of net capital as a means to compare with other securities firm.

Article 32.- Providing of Information Relating to Investment in Securities

When a licensed firm makes a public statement or announcement on market condition or/and trading or/and investment in securities, it shall make an effort not to cause any misunderstanding by taking all of the following into consideration:

- 1- The relevant information may cause unnecessary misunderstanding in the entire context;
- 2- Level of knowledge and understanding of the audience; and
- 3- The transmission medium can clearly deliver the relevant information in the light of the complexity and specialized nature of the information.

Article 33.- Providing of Information Obtained from Third Party

When a licensed firm uses any information obtained from a third-party for purpose of investment solicitation or as a basis for investment advice for clients, or causes any other person to use it, he licensed firm must ensure that there are reasonable grounds to deem that such information is reliable.

A licensed firm shall establish in writing and apply internal control standards in order to ensure the information obtained from a third-party that is reliable under paragraph (1).

CHAPTER 10

RESEARCH ANALYSIS REPORTS AND TRADING ADVICES

Article 34.- Preparation and disclosure of research analysis materials

A licensed firm that publishes its own research analysis reports or trading advice information must:

- 1- Not trade the securities contained in the research analysis report in their own account within 02 (two) days after the publication thereof.
- 2- Have written policies and procedures:
 - a- to maximum reduce conflict of interest faced by preparing analysis reports and advices and prevent reports and advises from being influenced by the issuer or other interested parties.
 - b- to restrict any trading in the securities under review by securities representatives or investment advisory representatives.
- 3- Prominently disclose in any research report or advice:
 - a- Any information regarding its or its analyst's business with or relationship with

any issuer which is the subject of the report, if such information might reasonably be expected to indicate a potential conflict of interest in making a advice with regard to the issuer.

b- If the licensed firm or the analyst holds securities in the issuer under review;

c- If the licensed firm or the analyst received any payment or other material benefit from the issuer for the preparation of the research report or advice;

d- The system for rating investment opportunities and how the advice fits within the system; and

e- The firm's policies and procedures regarding the dissemination of research.

4- Not issue a research report prepared by an analyst if the analyst or any associate of the analyst serves as a senior staff, director or employee of the issuer or serves in any advisory capacity to the issuer.

A licensed firm shall cause an affiliate, its securities representative, senior staff or employee, or any other person who was involved in preparation of research analysis reports not to trade in the securities of the issuer under review without prior approval from compliance officer.

CHAPTER 11

INTERNAL CONTROL STANDARDS

Article 35.- Establishments and Application of Internal Control

Each licensed firm shall establish and maintain adequate internal controls consisting of policies and procedures established and maintained by senior staff to assist in achieving its objective of ensuring, as far as practical, the orderly and efficient conduct of the licensed firm's business, compliance with law on the Issuance and Trading of Non-Government Securities and relevant regulations and with its securities license conditions.

The licensed firm shall specify the roles of the board of directors, senior staff and compliance officers, and employees in relation to internal control. In the event of delegation of internal control business operations, a delegating person and a delegated person shall be expressly specified in writing.

Article 36.-Internal Control Officer

The licensed firm shall appoint a person with sufficient experience and capability as a internal control officer, and for the purpose of effective administration, and independence in fulfilling his/her duties.

The internal control officers shall have the authority to access all of the firm's records and books, and to personally attend necessary meetings, as required for the performance of such officer's duties, and shall be able to report to the chief executive officer and auditor or audit committee of the firm.

Article 37.-Mechanism of Internal Control

The internal control standards and related procedures shall include both preventative and detective internal controls. Preventative internal controls aim to prevent or maximum reduce the occurrence of fraud or error. Detective internal controls aim to detect fraud and errors so that corrective action can be promptly taken.

The internal control standards and the related procedures shall be recorded as documents, and shall be modified or reviewed promptly in the event of an amendment to any applicable relevant law or regulation.

The internal control standards shall incorporate all business activities of the licensed firm, and its business procedures and computer system shall be designed to take into account appropriate steps for administration and ensure compliance with relevant laws and regulations.

Article 38.-Enforcement of Internal Control

The licensed firm shall secure the procedures that representatives of the firm can utilize for appropriate support and advice at any time, in connection with various legal inquiries that may occur in the course of business.

The licensed firm shall establish education programs to ensure that its representatives understand the purpose of the regulations governing prohibited practices and obligations, and shall carry out the necessary training programs regularly or as required.

The licensed firm shall check compliance on a regular basis in order to prevent significant legal violations in advance and to detect in advance any vulnerability in its operating system relating to internal control.

In the event that any violation by representatives, employees or senior staff of the licensed firm is found as a result of compliance monitoring, the firm shall take prompt and effective action in order to prevent any recurrence of such violation, taking disciplinary action against the employees or senior staff and improvement of the weaknesses found in internal control.

The licensed firm shall secure appropriate procedures in order to resolve any complaint from clients, and disputes between the clients and its employees.

CHAPTER 12

CLIENT MONEY

Article 39.- Client money accounts

A securities firm must open a client money account with a cash settlement agent in respect of any client for whom the securities firm is to hold client money.

The securities firm shall treat and deal with all client money as belonging to that client.

The name of the client money account must include the words “Client Money Account” and must be opened solely for the benefit of the securities firm’s clients in the name(s) of those clients.

All client money of a securities firm must be deposited into a client money account. A securities firm must not deposit client money into an account other than the client money account, unless provided that with the written consent of the client. Moneys received by the securities firm on account of its clients may be commingled and deposited in the same client money account as long the securities firm keeps accurate records for each individual client in individual client ledgers held in the internal accounts of the securities firm so that at any time the client money to which each client is entitled can be readily ascertained.

The securities firm shall deposit the client money received in the client money account no later than the business day immediately following the day on which the securities firm receives such money or is notified of the receipt of such money, whichever is the later, unless the money has deposited in an account directed by the client.

Upon opening a client money account, a securities firm must notify the SECC of the opening of the account.

Upon depositing client money into a client money account, the securities firm must immediately notify the client in writing of the place and name of cash settlement agent, and manner in which the money will be kept.

The securities firm’s obligations in relation to client money are not discharged until:

- 1- that client has received clear money from the securities firm; or
- 2- the client’s ownership of securities has been registered with the securities depository.

Article 40. – Record Keeping

A securities firm must:

- 1- record movements in and out of each client money account on a transaction by transaction basis.

2- reconcile the records for each of the client money accounts with the records of the cash settlement agent on a daily basis, and must notify SECC if, for any reason, the securities firm is unable to perform a daily reconciliation.

Article 41. – Protection of client money accounts

Client money held in a client money account is not capable of being attached or otherwise taken in execution, or being made subject to a set-off, charge or charging order, or a process of a similar nature, except at the suit of a person who is otherwise entitled to the money.

The securities firm must not use client monies that are held for clients in a client money account to discharge any of its liabilities or obligations and must not pay monies out of the client money account except as provided for in article 44.

The securities firm must not commingle moneys received on account of its client with its own money, and must not use such moneys as margin or guarantee for, or to secure any transaction of, or to extend the credit of, any person.

For the purposes of the law on insolvency, client money held in a client money account shall not be taken form part of the assets of any person, and accordingly, shall not be available for the payment of the liabilities or obligations of the securities firm or the cash settlement agent or any person other than the client in the event of the insolvency, winding-up, administration, receivership or any similar event in relation to any such person. No liquidator, provisional administrator or person occupying a similar position shall be entitled to treat assets in a client money account as the assets of any person other than the client.

Article 42. – Client Money

For the purposes of this Prakas, money in a client money account that the securities firm received includes:

- 1- Money received from, or on account of, the client for the purchase of or holding of securities, or the maintenance of a securities trading account by the client;
- 2- Money received for the account of the client in respect of a sale of securities;
- 3- Any other money received from, or on account of, the client in the course of the business of the securities firm.

But does not include:

- a- money which is to be used to reduce the amount owed by the client to the securities firm;
- b- money which is to be used to pay the securities firm 's fee, commissions and other proper charges; and
- c- money which is to be paid to any other person entitled to the money.

Article 43.-Notification and acknowledgment from Cash Settlement Agent

Where the securities firm opens a client money account with a cash settlement agent specified in Article 39 paragraph (1), the securities firm shall, before depositing moneys received on account of its client in the account, give written notice to the cash settlement agent and obtain written an acknowledgment from the cash settlement agent that all moneys deposited in the client money account are to be held in accordance with article 39 and 41 by the securities firm for its client and that the cash settlement agent shall comply with article 39 and 41 above. The written acknowledgement of the cash settlement agent shall be in the form approved by the SEC and shall be signed by a representative of the cash settlement agent.

Article 44.-Withdrawal of client money from client money account

The securities firm shall not withdraw any client money from a client money account or instruct such money to be withdrawn except for the purpose of :

- 1- making a payment to any person entitled thereto;
- 2- making a payment to meet an obligation of a client whose money is deposited in that account, being an obligation that arises from any dealing in securities, by the securities firm for the client;
- 3- paying its fees, brokerages and other proper charges by client;
- 4- making a payment to any other or account in accordance with the written direction of the client;
- 5- making a payment or withdrawal that is authorized by law.

Article 45.-Interest arising from client money account

Subject to any agreement between the securities firm and its client, all interest earned from the maintenance of the moneys received on account of the client in a client money account, shall accrue to the client.

CHAPTER 13

CLIENT'S SECURITIES AND OTHER PROPERTY

Article 46.-Duties of Securities Firm on receipt of client's securities and other property

The securities firm shall make arrangements for the custody provider to maintain the safe custody of securities or other property. In the case of securities shall maintain with the securities depository.

The securities firm shall deposit the client's securities or other property with the custody provider no later than the business day immediately following the day on which the securities

firm receives such securities or other property or is notified of the receipt of such securities or other property, unless the securities or other property have deposited as directed by the client.

Article 47.-Notification and acknowledgment from specified custody providers

The securities firm shall give written notice to the custody provider about depositing a client's securities and other property, and obtain an acknowledgment from the custody provider that:

1- all client's securities and assets deposited in the custody account are to be separately by the securities firm for its client; and

2- the securities or other property shall held for the firm's clients shall be distinguished and maintained separately from any other securities or property of the securities firm.

Article 48.-Withdrawal or transfer of client's securities and other property

The securities firm shall not withdraw or transfer any of its client's securities or other property from safe custody except for the purpose of :

1- transferring the securities and property to any person entitled thereto;

2- meeting the client's obligation arising from any dealing in securities, as the case may be, by the securities firm for the client;

3- transferring the securities and property to any person or account in accordance with the client's written directions;

4- making a transfer that is authorized by law.

CHAPTER 14 BOOKS AND RECORDS

Article 49.- Books and Records Rule and Management

Every licensed firm shall make and keep the following books and records relating to its business, which shall be maintained for at least 10 (ten) years in the principal office of the licensed firm under article 46 of the Anukret:

1- Journal containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities, all receipts and disbursements of cash and all other debits and credits. Such records shall show the account for which each such transaction was effected, the name and class of securities, the number of securities and aggregate purchase or sale price, the trade date, clearing and settlement date, and the name or other designation of the person from whom purchased or received or to whom sold or delivered.

2- General ledger reflecting all assets and liabilities, revenues and expenses and capital of the firm in order to prepare financial statements of licensed firm. Transaction ledgers (sub ledger) must be made based on confirmations sent to clients and licensed firms and contain the following items: the transaction date, the type of transaction (purchase or sale), the price, the commissions, fees and expenses, the date of settlement, the name and address of the purchaser, the name and address of the seller, transaction number, number of securities, clearing and settlement method and information on the clearing and settlement of the transaction based on the clearing and settlement method.

3- A record of each order received for the purchase or sale of securities in chronological sequence, showing the time of receipt, the terms and conditions of the order and any modification or cancellation of the order, the account for which the order was entered, the time of entry into the market for execution, the price at which the order was executed and, to the extent feasible, the time of execution or cancellation;

4- A questionnaire or application for employment executed by each securities representative of such licensed firms.

5- Record relating to internal control activities as follow:

- a- operation of internal control and material compliance of securities firm.
- b- role and activities of the compliance officer in respect of internal control.
- c- details and result of internal auditing conducted.

6- Records and maintain of all written complaints received by the firm, together with any reply thereto, in a file or register established for that purpose.

7- A licensed firm must also maintain supporting records and documents as follows:

- a- bank account reconciliations;
- b- evidence of check payments; and cancelled checks (if any);
- c- every written agreement entered into by the securities firm with its client in accordance with Article 6 of this Prakas.
- d- every acknowledgement of receipt of assets from a client indicating the person in whose name the assets are registered;
- e- every report, letter, circular, memorandum, publication, advertisement, and other advice distributed by the securities firm to client, indicating the date of publication;
- f- approval, license, and relevant laws and regulations, issued by regulatory authorities.
- g- other report, which has been prepared or received in the conduct of business.

A licensed firm must record all daily transactions in compliance with CIFRS and regulations issued by SECC.

The Recording system used must have sufficient protection to prevent false entries.

The recording system used must be able to quickly provide, accurate information that can be understood easily by interested persons.

Every licensed firm shall immediately make available any or all of its books and records, furnish copies thereof, and prepare and submit reports to the SECC.

CHAPTER 15 OTHER RULES

Article 50.-Changes in the ownership of licenses

A licensed firm must not change in the management structure, physical person structure or ownership structure of the firm including the issue, or transfer of shares or ownership in the Firm, without approved by SECC.

Article 51.- Employee Trading

Employees of a licensed firm who wish to trade in any securities for their own personal account, a related party account or on behalf of an account in which they have a beneficial interest, must obtain written authority to do so from the Compliance Officer.

A licensed firm must obtain from their employees an annual written undertaking that they have at all times complied with their obligations under paragraph (1) of this article.

A licensed firm must perform a daily reconciliation check on the approvals sought under paragraph (1) and the trading by its employees for their own personal account, a related party account or on behalf of an account in which they have a beneficial interest.

A licensed firm must keep adequate records of:

- 1- applications and written authorities under paragraph (1);
- 2- undertakings under paragraph (2), and daily reconciliations under paragraph (3).

Article 52.- Limitation on Advice Securities Issued by a licensed firm

A licensed firm must not advice its clients to buy securities which it has already issued or is expected to issue.

Article 53.– Restriction on Off-Market Trading

A Securities firm and its securities representatives shall not arrange for securities listed on the Securities Exchange Permitted to be traded off-market.

CHAPTER 16

PENALTIES

Article 54.- Sanction for contravention any provisions of this Prakas

Without considering on the sanction defined in the Law and regulations in used in the Kingdom of Cambodia, any person contravenes any provisions of this Prakas shall be liable for administrative sanction which prescribed under Article 55 of this Prakas and/or be liable for a cash penalty :

- from 5.000.000 (five millions) Riels to 50.000.000 (fifty millions) Riels in case of an individual.
- from 20.000.000 (twenty millions) Riels to 200.000.000 (two hundred millions) Riels in case of a legal entity.

Article 55.- Administrative Sanction

Any person who contravenes any provisions of this Prakas, the Director General of SECC is authorized to apply the following administrative sanction:

- A warning.
- A correction order.
- A suspension or dismissal of directors and/or senior officers.
- Imposing restrictions on the license.
- A suspension or revoke the license.

CHAPTER 17

FINAL PROVISION

Article 56.- Other guidelines

The SECC may release guidelines to facilitate the understanding and enforcement of the compliance with this Prakas to relevant persons, securities market participants and the public.

Article 57.- Contravention

All provisions contrary to this Prakas are hereby abrogated.

Article 58.- Implementation

The Director General of the SECC, Department of Securities Intermediaries Supervision, other Departments and Unit of the SECC, securities firms, securities representatives, investment

advisory firms, investment advisory representatives and relevant persons shall implement this Prakas as from the signing date.

Phnom Penh, June 27, 2011

(Signature and Seal)

KEAT CHHON

Copy to:

- Ministry of Royal Palace
- Secretariat of Constitutional Council
- Secretariat of Senate
- Secretariat of National Assembly
- Secretariat of Royal Government
- Cabinet of Samdech Akak Moha Sena Padei Techo **HUN SEN**
Prime Minister of the Kingdom of Cambodia
- Cabinet of His/Her Excellency, Deputy Prime Ministers
- Ministers Council
- National bank of Cambodia
- Securities and Exchange Commission of Cambodia
- All relevant ministries and institutions
“for information”
- As prescribed in Article 58
“for implementation”
- Royal Gazette
- Archives-records

Appendix on Application Form for Opening Account

Prakas No 008/11 SECC.PrK

Dated on June 27, 2011

Name of securities firm:	Date :	Account No:
Name of Securities Representative:		
Type of account: Individual..... Organization.....		
Client's full name:Investor's ID Date of birth: Nationality:I.D. Card..... No./Passport:.....Expiry Date...../...../.....Issued by..... Tel: Fax: E-mail: Contact Address: Marital Status: ☐ Single ☐ Married !! ☐ Divorced Occupation:..... Position: Place of Work: Telephone: Type of Business..... Working years.....		
Spouse's Name: Occupation..... Position: Place of Work: Telephone: Type of Business..... Working years.....		
INVESTMENT KNOWLEDGE ☐ Very Good ☐ Good ☐ Limited ☐ Nothing EXPERIENCE IN INVESTMENT ACTIVITIES ☐ Treasury Bill ☐ Stock ☐ Bond ☐ Others securities ☐ Nothing		

BANK REFERENCE: Name..... Account No..... Type of account.....		
CONTACT PERSON IN CASE OF EMERGENCY Name & Surname..... Relationship..... Address..... Telephone..... Fax..... E-Mail.....		
Relationship between client and Securities Representative ☐ Relative ☐ Friend ☐ Introducing (Name of introducer :.....) ☐ Don't know each other ☐ Other		
Document for Account Opening Application ☐ Copy of I.D. Card ☐ Copy of House Registration ☐ Copy of passport or visa ☐ Copy of Book Bank (last 6 months) with first page which account no. fully		
Comment of Securities Representative:		
Signature of Securities Representative Date	Signature of Head of securities representative, Brand manager, CEO Date	Signature of client Date
Attach Agreement and delegation power document Client Company		

Appendix Application Form for Advice

Prakas No 008/11 SECC.PrK

Dated on June 27, 2011

Name of Investment Advisory Firm: Name of Investment Advisory Representative:	Date :
--	-----------------

Client's full name:	
Date of birth:	Nationality:
I.D. Card No./Passport:.....Expiry Date...../...../.....Issued by.....	
Tel: Fax: E-mail:	
Contact Address:	
Marital Status: ☐ Single ☐ Married ☐ Divorced	
Occupation:..... Position:	
Place of Work:	
..... Telephone:	
Type of Business..... Working years.....	

Spouse's Name:	
Occupation..... Position:	
Place of Work:	
..... Telephone:	
Type of Business..... Working years.....	

INVESTMENT KNOWLEDGE	
☐ Very Good ☐ Good ☐ Limited ☐ Nothing	
EXPERIENCE IN INVESTMENT ACTIVITIES	
☐ Treasury Bill ☐ Stock ☐ Bond ☐ Others securities ☐ Nothing	

BANK REFERENCE:	
Name.....	
Account No.....	

Type of account.....		
CONTACT PERSON IN CASE OF EMERGENCY Name & Surname..... Relationship..... Address..... Telephone..... Fax..... E-Mail.....		
Relationship between Client and Investment Advisory Representative ☐ Relative ☐ Friend ☐ Introducing (Name of introducer :.....) ☐ Don't know each other ☐ Other		
Document for Advice ☐ Copy of I.D. Card ☐ Copy of House Registration ☐ Copy of passport or visa ☐ Copy of Book Bank (last 6 months) with first page which account no. fully		
Comment of Investment Advisory Representative:..... 		
Signature of Investment Advisory Representative Date	Signature of Head of investment advisory representative or Branch manager or CEO Date	Signature of client Date
Attach Agreement and delegation power document Client _____ Company _____		

APPENDIX ON THE FORM OF CLIENT AGREEMENT

Prakas No 008/11 SECC.PrK

Dated on June 27, 2011

Place and date of this Agreement:

The agreement between:

-The Firm:

Name.....Address..... a licensed firm which has
registered at..... Cambodia;
its licensed representative.....
and

-The Client:

Name.....Address.....ID/Passport.....
Registered number (In case as Institution).....Date.....

The Parties agree together the following :

BACKGROUND

- 1- The Firm is a licensed firm carrying on business in the Kingdom of Cambodia and holding a
..... issued by the SECC.
- 2- The Client wishes to appoint the Firm as its agent to provide it with certain advice and trading
services in relation to Securities.
- 3- Under Article 54 of the Sub-decree and Article 6 of Prakas on the Code of Conduct of
securities firms and securities representatives, a licensed firm shall enter into an agreement with
a prospective client.
- 4- The Parties have set out in this Agreement the terms and conditions that, subject to Securities
Laws and relevant regulations, shall apply to the provision of the Services.

DEFINITIONS

5-Terms used in this Agreement shall have the meanings given in the Law on the Issuance and Trading of Non-Government Securities and the relevant regulations set by SECC, and the relevant laws of the Kingdom of Cambodia. The following further definitions shall apply in respect of the Agreement:

Agreement: means this client agreement.

Available Client Money: means Client Money in the Client Money Account that is available at a given time for the Client's purchase of Securities, taking into the balance in the Client Money Account less any Client Liabilities and any previous Client Orders and Client requests for withdrawal of money or payment to third parties.

Bank: means a commercial bank regulated and supervised under the Law on Banking and Financial Institutions of the Kingdom of Cambodia.

Client Information: means the information in relation to the Client provided to the Firm at the time of opening of the Client's account with the Firm, as updated from time to time.

Client Liability: means any amount that the Client is liable to pay to another person pursuant to this Agreement or under any law, subject to the provisions of the Code of Conduct including but not limited to any commission, fee, other remuneration, taxes, stamp duties, any other expenses related to the sale or purchase of Securities, and any administration fees relating to the operation of the Client Money Account.

Client Order: means an order given to the Firm by the Client in relation to purchase or sale of Securities.

Code of Conduct: means Prakas on the Code of Conduct of Securities Firms and Securities Representatives.

License: means the license issued to the Firm by the Director General of the SECC.

Securities Trading: means trading in any Securities listed on the Securities Exchange Permitted.

Services: means investment advice in relation to Securities Trading, and arranging Securities Trading.

Universal Successor: means who succeeds to the general rights and obligations from another person.

Particular Successor: means who succeeds to the limit rights and obligations based on each specific reason.

OPERATING PROVISIONS

6-Appointment of the Firm

1- The Client appoints the Firm as the Client's agent to provide the Services to the Client on the terms of this Agreement. The Client agrees to be bound by the acts of the Firm carried out within the scope of the authority granted by the Client under this Agreement.

2- The Firm shall not act as principal in relation to the Client in relation to any Securities Transaction except with the prior written agreement of the Client.

3- The Firm warrants that it is authorised to provide the Services to the Client. The Firm shall provide any services in relation to Securities for which the terms of the License issued by the Director General of the SECC.

7- Updating Information

1- The Firm acknowledges and agrees that it has completed a New Customer Account form in respect of the Client, in the form set out in Appendix to the Code of Conduct.

2- The Client warrants that the Client Information provided as at the date of this Agreement is true and correct.

3- The Client acknowledges that the Firm shall provide the Services to the Client on the basis of the Client Information. The Client agrees to promptly notify the Firm of any material changes to such Client Information.

4- The Firm shall update the Client in writing from time to time in relation to any changes in the information relating to the Firm set out in this Agreement. The Firm acknowledges and agrees that it is required under the provisions of the Code of Conduct to provide the Client with certain information in writing prior to the execution of Securities Transactions on the Client's behalf. The point 7 of this agreement shall not apply for Investment Advisory Firms and Investment Advisory Representatives.

8-Securities Trading

1- The Firm shall engage in Securities Trading of on behalf of the Client only to carry out Client Orders given from time to time. The Firm shall not operate a discretionary account on behalf of the Client, and any instruction given by the Client to engage in Securities Trading on a discretionary basis shall be deemed for all purposes of this Agreement not to have been given, unless approved by SECC.

2- The Client authorises the Firm to do all things reasonably necessary on the Client's behalf, pursuant to a Client Order to:

- a- place the Client Order;

- b- transfer Securities sold by the Client or purchased by the Client; and
- c- ensure that each such transfer is correctly recorded at the Securities Depository.

3- The Firm agrees to arrange transfer of Securities on behalf of a Client, and any recording of such transfer, in accordance with the Code of Conduct and the rules, systems and procedures applicable to the Securities Depository and under existing regulations.

4- The Firm and the Client acknowledge and agree that:

- a- the Firm shall not purchase Securities on behalf of a Client unless the Client has provided the Firm with sufficient Available Client Money, and the Client agrees not to place a Client Order to buy Securities at a price exceeding the Available Client Money; and

- b- the Firm shall not short sell Securities on behalf of the Client, and the Client shall not place a Client Order to sell Securities unless the Securities are registered with the Securities Depository in the name of the Client and are available to be sold.

5- The Client agrees to be bound by its Client Orders and agrees and acknowledges that a Client Order may not be cancelled or varied after it is executed. A Client Order may not be cancelled or varied prior to execution of the Client Order unless the Client notifies the Firm in such manner as is reasonably required by the Firm. The point 8 of this agreement shall not apply for Investment Advisory Firms and Investment Advisory Representatives.

9.- Methods of Placing Orders

1- A client shall place orders using any of the following methods:

- a- In writing;

- b- Over telephone, facsimile and using other electronic communication methods prescribed by SECC.

2- The Client's order in relation to trading in that Securities, including the Security name, type, quantity, price and date. The Firm shall record such order in writing, tape-recording or other electronic to evidence of the placed order.

10.- Refusal of Receiving Orders

1- The Firm not comply with a Client Order if the Client Order would be contrary to any Securities Law and relevant regulations or the terms of this Agreement. The Firm shall not be liable for any loss, cost or expense suffered by the Client as a result of the Firm's refusal to carry out such a Client Order.

2- The Firm shall promptly notify the Client in writing if it at any time refuses in paragraph (1) or fails for any reason to carry out a Client Order or to carry out a Client Order in accordance with the terms of the Client Order.

11.- Securities Trading Notifications

The Firm shall provide the Client with a notification of each securities transaction effected on behalf of the Client, in compliance with Article 21 of the Code of Conduct. The Client agrees to carefully review each such notification and to notify the Firm promptly of any differences between the Client's records and the information shown in the notification.

12.- Client Money Account

1- The Client authorises the Firm to:

a- deposit any Client Money received from or on behalf of the Client into the Client Money Account relating to the Client;

b- accept payment for Securities sold on behalf of the Client pursuant to a Client Order into the Client Money Account;

c- make payment from the Client Money Account for Securities purchased on behalf of the Client pursuant to a Client Order;

d- pay for any Client Liability related to securities trading from the Client Money Account;

e- make any other payment from the Client Money Account as may be required by law; and

f- otherwise pay money into and out of Client Money Account in accordance with Client Orders or other written instructions of the Client from time to time.

2- The Client shall be entitled to receive any interest paid in respect of the Client Money Account.

13.- Reports

1- The Client acknowledges that it shall receive the following written reports from the Firm in relation to trading in Securities:

a- notifications of Securities trades in accordance with Article 21 of the Code of Conduct;

b- a monthly transactions report on the Client's account, in accordance with Article 22 of the Code of Conduct;

c- reports in relation to Client Money in accordance with Law and relevant regulations of securities.

2- The Client agrees to carefully check the contents of the reports provided by the Firm, to ensure that the contents of such reports are consistent with the Client's own records, and to promptly notify the Firm of any differences.

14.- Remuneration

1- The Parties acknowledge and agree that the remuneration payable to the Firm under this Agreement shall be set out in Schedule [1] and fixed from time to time by the SECC.

2- The Firm may update Schedule [1] from time to time to reflect any changes to remuneration, and shall notify the Client in writing of such changes. To be any increase of remuneration payable under this Agreement shall take effect until the Agreement has been updated and the Client notified to agree in writing.

3- The Firm agrees that where for any reason it at any time charges any amount to the Client exceeding the amounts set out in Schedule [1], it shall immediately upon becoming aware of such overcharging refund the excess to the Client Money Account and shall notify the Client in writing.

15.- Interests and Relationships

The Firm confirms that all of the interests or relationships between the Firm and other persons, that could influence the Firm or its Securities Representatives which are set out in Schedule [2] and in respect of the terms and conditions of the agreement and other relevant regulations.

16.- Complaints

1- If in any case the licensed firm or its representative shall not apply to the terms and conditions of the agreement, the Client may make a complaint in writing to confirm the name and contact details of person handling complaints at the Firm.

2- The Firm shall agree to solve of the Client's complaint within 07(seven) day of business days after reception of the complaint.

17.- Client's personal representatives

1- The Client may appoint a person other than the Securities Firm or any of its Related Entities as a "personal representative" in writing by power of attorney or other means permitted by law to give Client Orders or other instructions to the Firm on the Client's behalf in respect of Securities Trading through the securities firm. As at the date of this Agreement, the Client has appointed the persons specified in Schedule [3] as its personal representatives.

2- The Firm may, prior to accepting any instructions provided by a personal representative, require that the Client provides the Securities Firm with an original or a certified true copy of the written authority under which the personal representative is appointed.

3- The Client shall notify immediately the Firm in writing of the revocation of any personal representative's authority. The Firm may act in accordance with Client Orders or other instructions received from a personal representative unless and until it is notified otherwise by the Client.

18.- Confidentiality

The Firm agrees not to disclose to any person any confidential Client Information, or any other confidential information in relation to the Client that the Firm obtains in carrying out the Services pursuant to this Agreement, provided that the Firm may disclose such confidential information:

- 1-with the written consent of the Client by confirm a authorised person to given;
- 2- to the SECC or court of the Kingdom of Cambodia; or
- 3- otherwise as provided by law and other relevant regulations.

19.- Risk Disclosure Statements

1-The Client acknowledges that it has been informed that the returns on, or value of, any Securities acquired pursuant to this Agreement are not guaranteed by the Firm or any other person, and the value of such Securities may go up or down.

2- The Firm to insert any additional relevant risk disclosure statements, depending on the Services provided, if any.

20.- Copy of Agreement

The agreement shall make into two documents with sign and seal or fingerprint of the parties, and the Firm shall provide the Client with such document of this Agreement immediately and keep another at the Firm.

21.- Laws Not Affected

The Parties agree that, in compliance with Article 6 of the Code of Conduct, the terms of this Agreement shall not in any way operate to remove, exclude, or restrict any rights of the Client or obligations of the Firm under the law. Any terms and conditions of this Agreement or/and any other agreement between the Parties which in any way operate to remove, exclude, or restrict any rights of the Client or obligations of the Firm under the law, shall be of no effect.

22.- Notice

1- Unless otherwise requested in writing by the Client all reports and notices required to be given to the Client pursuant to this Agreement or the Code of Conduct.

2-The Client agrees to promptly notify the Firm of any changes of address or any other contact details of the Client. If the Client fails to notify the Firm in accordance with the terms and conditions set out in this Agreement, any report or other notice sent to the Client's last address known to the Firm.

23.- Termination

1- Either Party shall be entitled to terminate this Agreement at any time by notifying the other party in writing 07 (seven) days in advance.

2- The parties agree that termination of this Agreement shall not affect the rights and duties of the Parties that have accrued before such termination.

24.- Entire Agreement

This Agreement is the entire agreement between the parties as to the appointment of the Securities Firm as the Client's agent and the provision of the Services. No other representation, statement or agreement whether written or oral between the Parties in relation to such matters shall be of any effect.

25.- Amendment

This Agreement may only be amended with the agreement of each Party, provided that where there is a change in any Securities Law and relevant regulations that is contrary to the provisions of this Agreement, the Securities Firm shall amend this Agreement so that it complies with such changed Securities Law and relevant regulations, without the Client's consent, and upon doing so shall notify the Client in writing of such amendment.

26.- Assignment

The Client agrees that any right and obligation in this Agreement shall be binding upon the Client's universal successor, particular successor and personal representatives in title and that in the case of any change of title to Securities that occurs by operation of law, by reason of the Client's death, bankruptcy, legal incompetence, court order or any other reason, the Firm may arrange any transfer of Securities and the registration of such transfer.

27.- Governing Law and Jurisdiction

1- This Agreement is governed by the laws of the Kingdom of Cambodia.

2- Any dispute under the terms of this agreement may be resolved pursuant to any dispute resolution procedure prescribed by the SECC.

To the agreement has validity, the parties agree to sign or fingerprint:

The firm [*Signature or fingerprint Block, full name and seal*]

The Client [*Signature or fingerprint Block, full name and seal (in case as Institution)*]

Schedule 1
Remuneration

Set out Commissions, fees and other remuneration

Nature of Benefit	Amount	Method of Calculation
Commissions		
Fees		
Other Remuneration		

Schedule 2
Interests and Relationships

Set out interests and relationships that may influence the Firm in providing the Services

Name	Relationship with Firm	Explanation of Influence

Schedule 3
Client's personal representatives

Personal representatives Name	Personal representatives Address and Contact Details	Scope of Authority