



SERC VISION 2024-2028 AND BEYOND

Rosewood Phnom Penh, June 26, 2024



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I. Background of Securities Sector in Cambodia



I. Background of Securities Sector in Cambodia

2001

- 24 August Approved Financial Sector Vision and Development Plan 2001-2010

2006

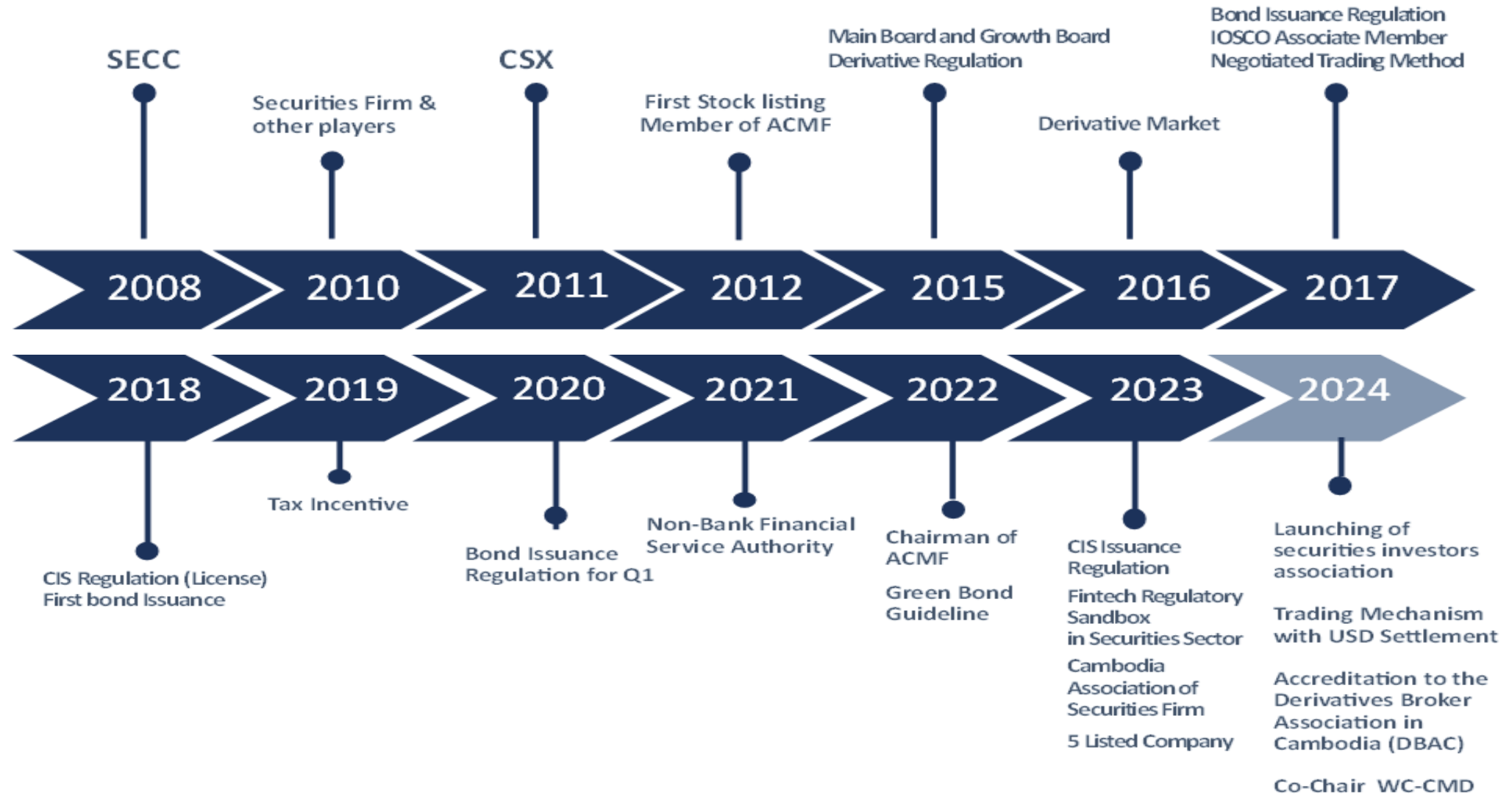
- 20 November - MoU was signed between the Minister of Economy and Finance of Cambodia and the Korea Exchange (KRX) "The establishment of a Cambodia Securities Exchange in the Kingdom of Cambodia".

2007

- September 6 - Official announcement of launching of the securities market in Cambodia
- October 19 Enactment of the Law on the Issuance and Trading of Non-government Securities



I. Background of Securities Sector in Cambodia



I. Background of Securities Sector in Cambodia

January 2021

Law on the Organization and
Functioning of the Non-Bank
Financial Services Authority

Securities and Exchange Commission
of Cambodia (SECC)



Securities and Exchange Regulator of
Cambodia (SERC)





II. Vision and Mission



II. Vision and Mission of SERC

Vision

SERC has the roles to regulate, supervise, and develop the securities sector in Cambodia professionally and sustainably. We regulates the securities industry in Cambodia to contribute to socio-economic development through capital mobilization from public/ securities investors to meet the financing or investment demand for Cambodia.



II. Vision and Mission of SERC

Mission

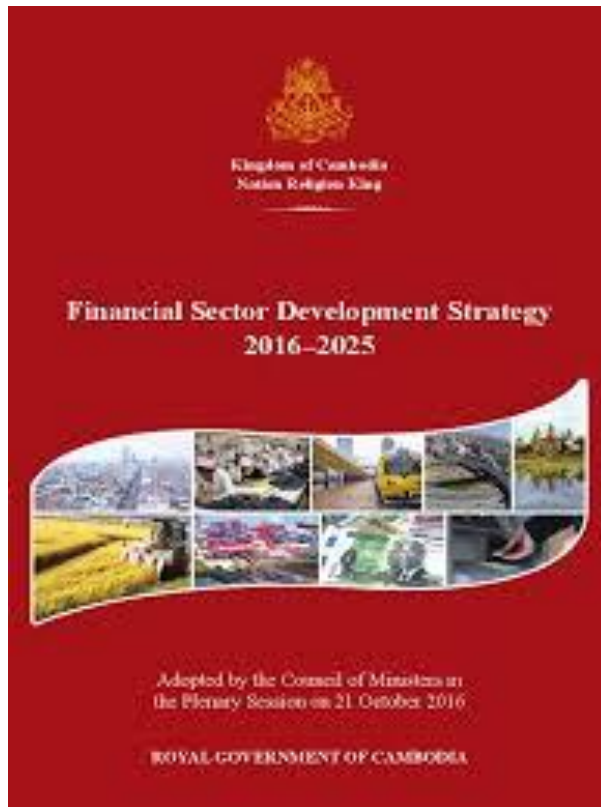
- 1 Develop and maintain the confidence of public investors in the Kingdom of Cambodia by protecting their lawful rights and ensuring that the offer, issue, purchase and sale of securities are carried out in a fair and orderly manner.
- 2 Promote the effective regulation, efficiency and orderly development of the securities markets.
- 3 Encourage the varieties of saving tools through buying of securities and other financial instruments.
- 4 Encourage foreign investment and participation in the securities markets in the Kingdom of Cambodia.
- 5 Assist in facilitating the privatization of state-owned enterprises in the Kingdom of Cambodia.



III. SERC Vision 2024-2028 and Beyond



III. SERC Vision 2024-2028 and Beyond

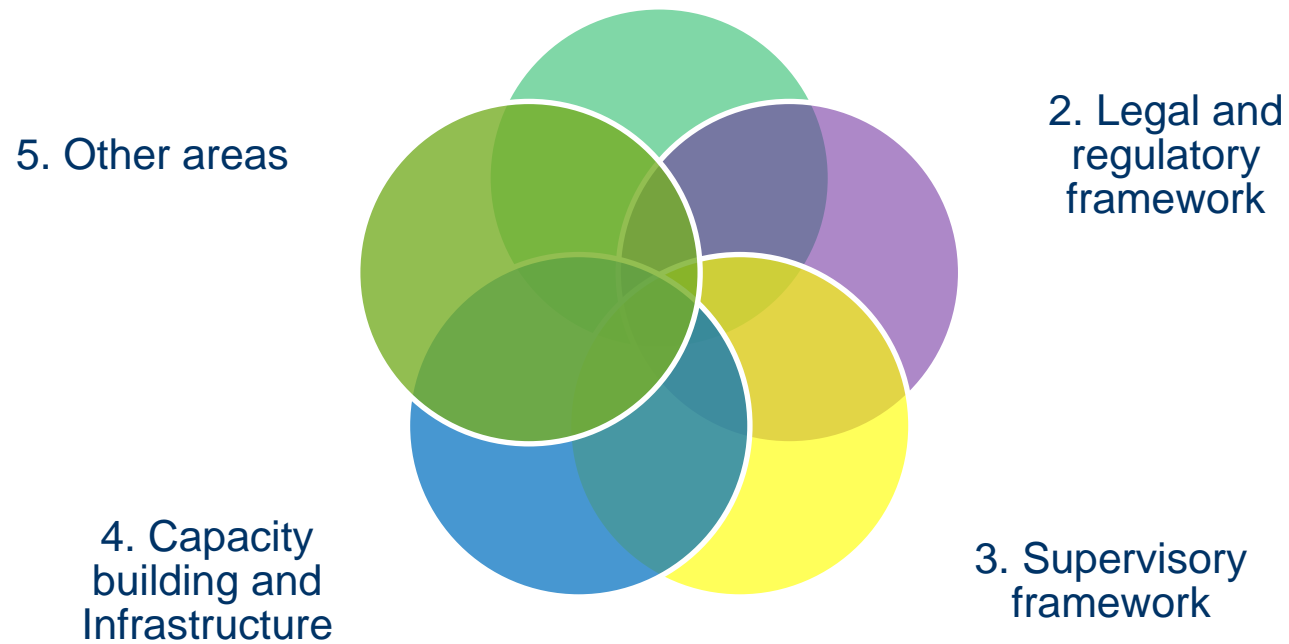


Financial Sector Development Strategy (FSDS) 2016-2025 is a government strategy that stated the achievement and the plan in specific timeframe. FSDS aims to develop banking and non-banking sector and is updating in every 5 Years. **Now, this strategy is on the progress of updating to FSDS 2021-2030. In the updating policy document, securities contribute more achievement comparing to the old document. This describe the role and the growth of Securities market as of 2023. and the action plan to develop the market.**

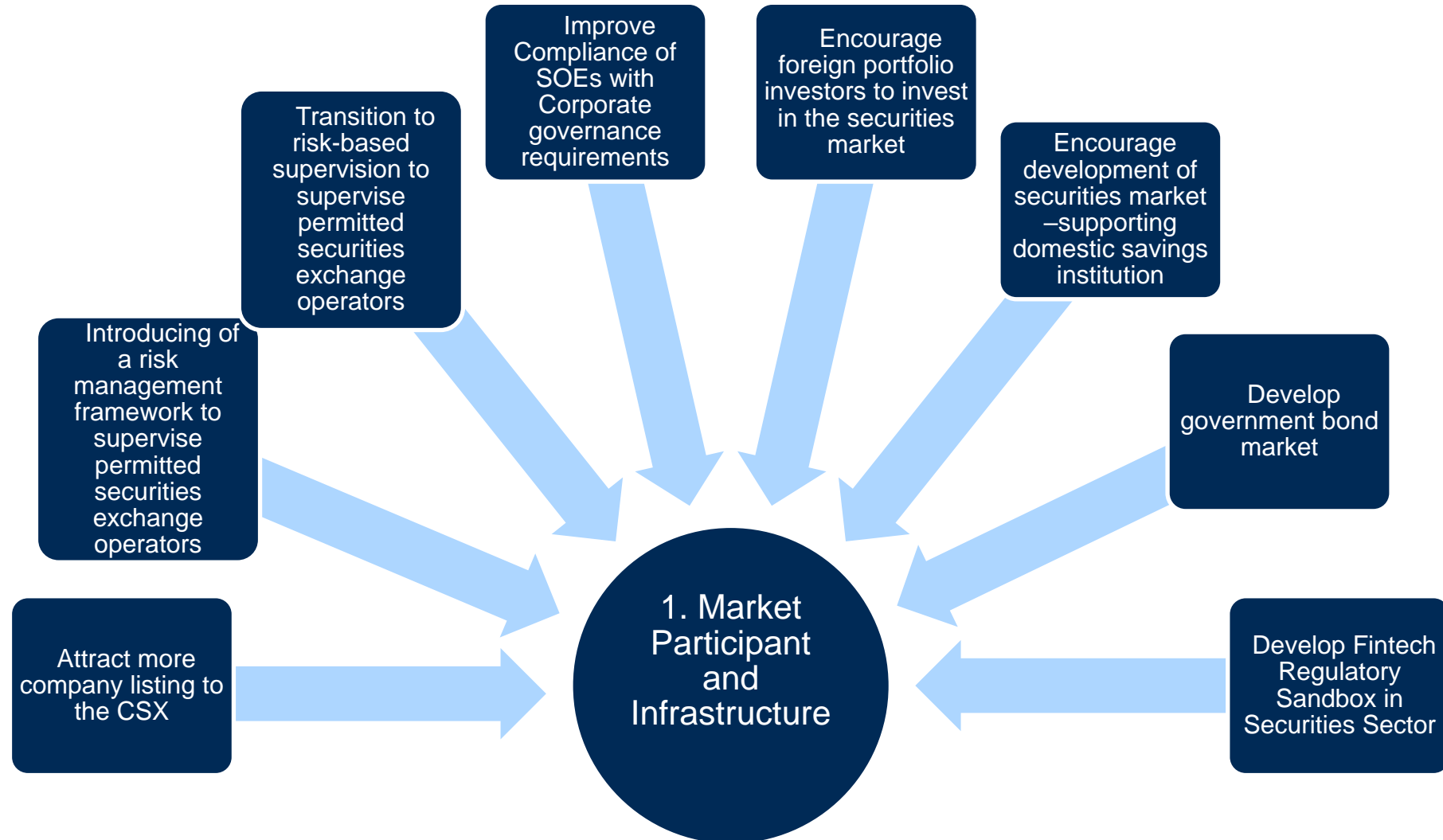
III. SERC Vision 2024-2028 and Beyond

SERC Development Area

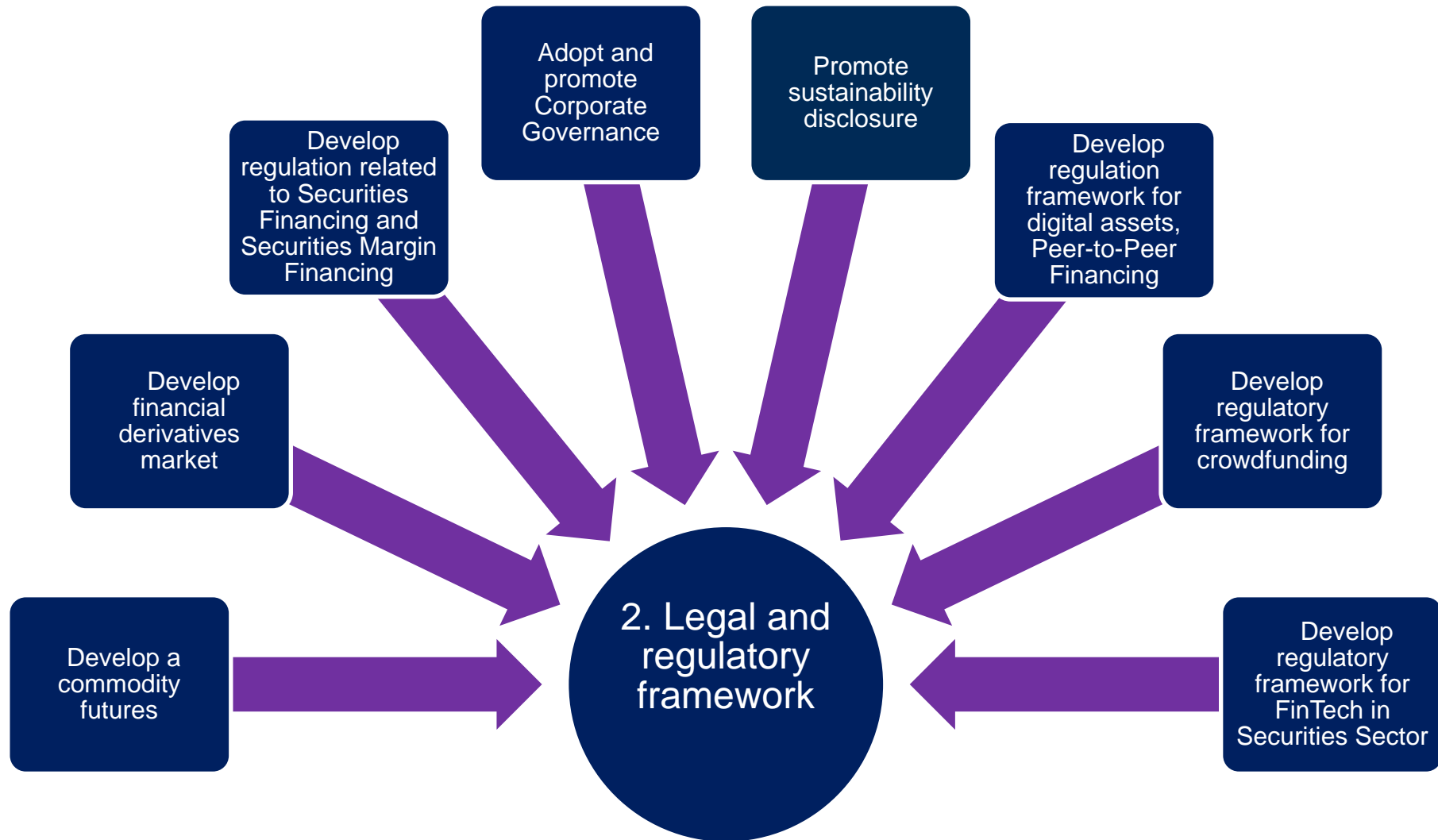
1. Market Participants and Infrastructure



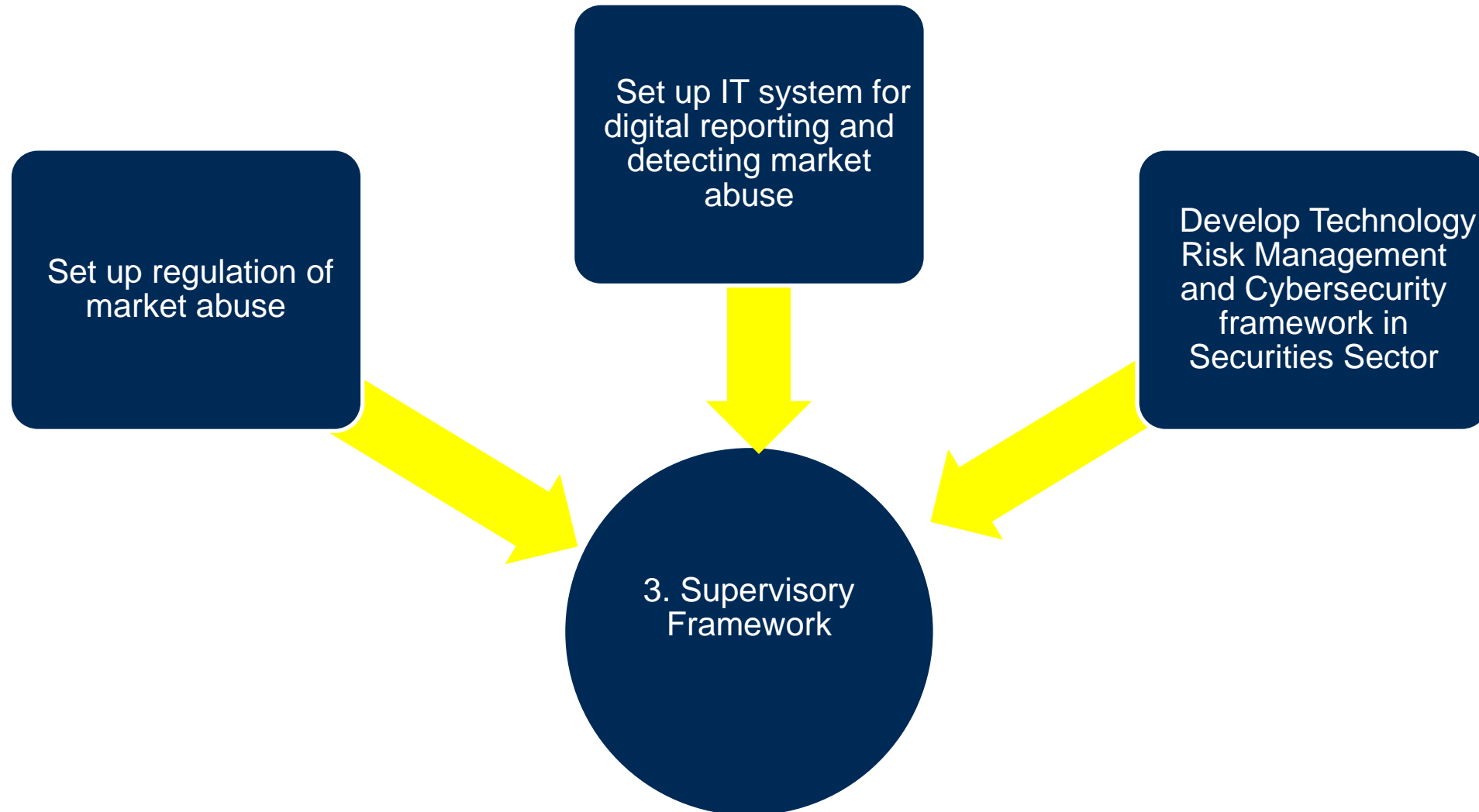
III. SERC Vision 2024-2028 and Beyond



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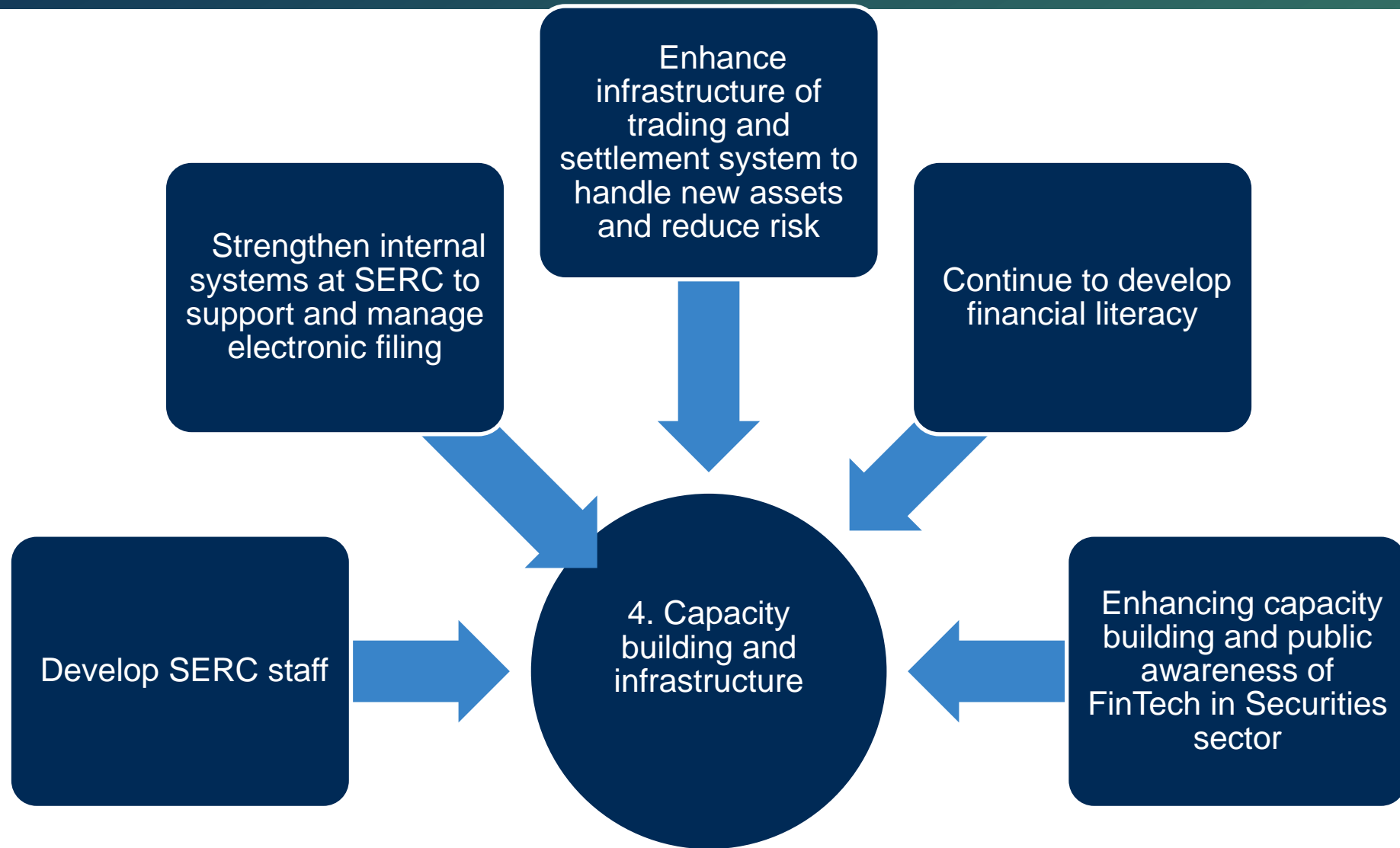


III. SERC Vision 2024-2028 and Beyond



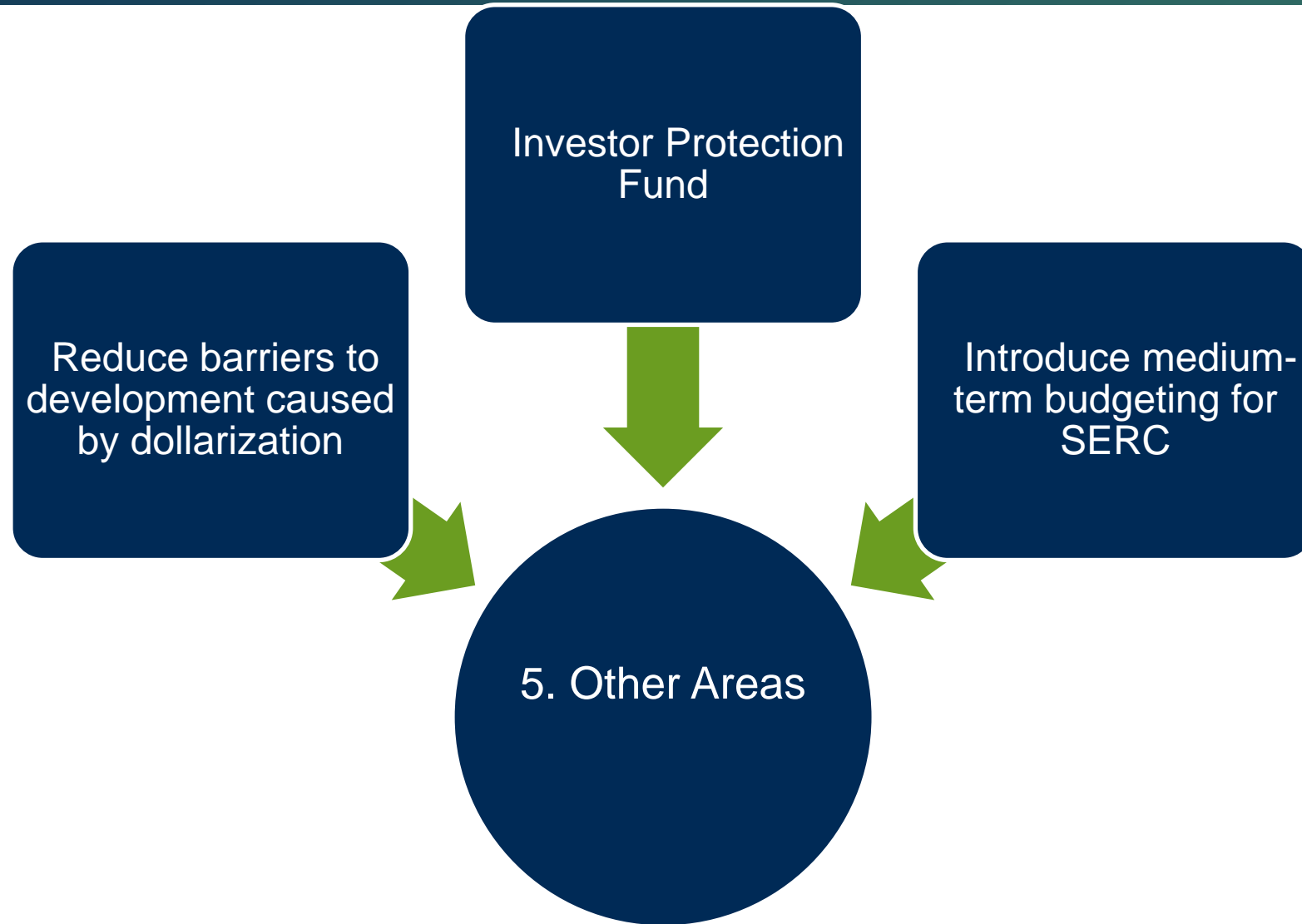


III. SERC Vision 2024-2028 and Beyond





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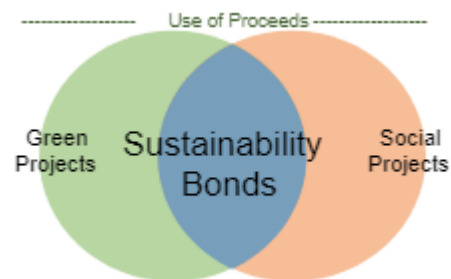
III. SERC Vision 2024-2028 and Beyond

Promoting Sustainable Securities Market

Promoting Green, Social and Sustainability Bond Listing

Promote Sustainability Disclosure

Adopt related regulation to launch new sustainable product including: SLB, Sustainable Responsible Investment





III. SERC Vision 2024-2028 and Beyond

Digitalization

- SERC has established the **Digital Securities Sandbox**, which is the environment for firms to experiment with innovative financial products or services, that are or are likely to be regulated by the **Securities and Exchange Regulator of Cambodia**, with real customers in a production environment but within a well-defined space and duration before launching and promoting the products or services in the broader scale.
- Key innovative areas include **Decentralized Finance (DeFi), Digital Assets, and Blockchain-based trading platforms.**
- These innovative financial products or services have the potential to make the securities markets **more liquid and attractive** and to **increase efficiency, manage risks better, create new opportunities, and improve people's lives.**



III. SERC Vision 2024-2028 and Beyond

Digitalization

- **SERC** will target to strengthen Regulatory Technology (RegTech) and Supervisory Technology (SupTech) to aid in functions such as digital reporting management, digital filings, licensing applications, corporate disclosures, etc.
- The desired FinTech level for the securities market would involve achieving maturity across the following thematic areas:
 - a) Core Market infrastructure: Exploring technology promoting decentralization such as blockchain and DLT (Use in settlement systems and payments);
 - b) Optimizing post-trade operations using RegTech, Compliance Management, etc.;
 - c) Emerging technology such as Big Data, AI, and ML to manage myriad data sources;
 - d) Alternative funding platforms such as Crowdfunding and P2P financing platforms.

III. SERC Vision 2024-2028 and Beyond

In addition to the main policy document above, SERC also adopt couple of policy documents to sharpen the activities to develop securities market such as:

1. 5 Years Institutional Development Plan of SERC (this document will be updated to 10Y Institutional Development Plan of SERC)
 2. 3 Years Rolling Action Plan of SERC. (Updating every year)
- Currently, we also working on drafting the 10 Years Securities Market Development Master Plan.



III. SERC Vision 2024-2028 and Beyond

Other Government Relevant Policies



Vision of Ministry of Economy and Finance 2030



Cambodia Digital Economy and Society Policy Framework



Cambodia FinTech Development Policy



Pentagonal Strategy-Phase I
Pentagon 5-Development of Digital Economy and Society

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THANKS FOR YOUR ATTENTION



និយ័តករមូលបត្រកម្ពុជា
SECURITIES AND EXCHANGE
REGULATOR OF CAMBODIA

"ចូលរួមអភិវឌ្ឍវិស័យមូលបត្រ

ក្នុងបំណែកជល់ការអភិវឌ្ឍសេដ្ឋកិច្ចជាតិ និងសង្គម"

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 អគារលេខ ១៦៨F ផ្លូវលេខ ៥៩៨ សង្កាត់បឹងកក់ ខណ្ឌបឹងកក់ រាជធានីភ្នំពេញ



Market Update

Broker-Dealer Licensing Requirements

Disclosure Requirements

Insider Trading

DISCLAIMER

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Contents



01 Market Update

02 Licensing Requirements for Broker-Dealer

03 Disclosure Document Requirements

04 Insider Trading

01 Market Update

Market Infrastructure

Stock

11 corporations listed on the Cambodia Securities Exchange (CSX).

CIS

Issuance regulation has been adopted and market participants have been provided a license.



Bond

11 corporations (16 Bonds, 7 bonds matured) listed on the CSX.

Derivative

The trading is based on the contract for differences (CFD) in the international market.

Stock
128

Fund Raised
(Mil. USD)

Bond
250

 **ISSUER**

22

 **MARKET PARTICIPANT**

120+

 **INVESTOR**

51,017

Domestic
89%



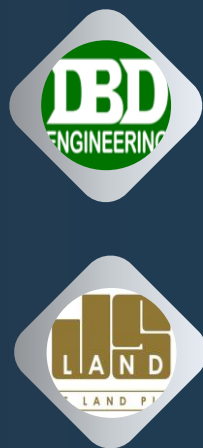
Foreign
11%

Listed Companies

Equity

Main Board

Growth Board



Corporate Bond



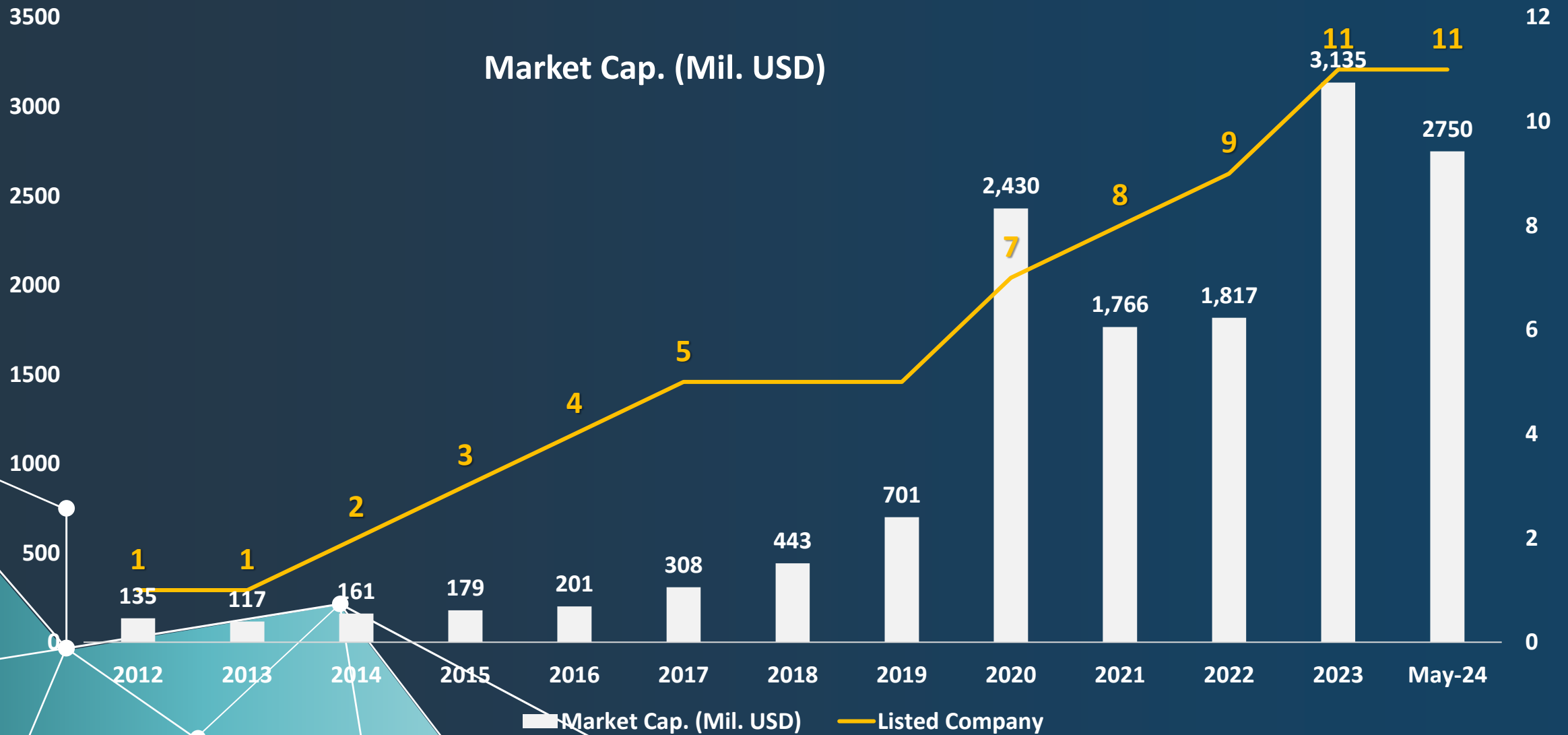
Green Bond



Matured Bond



Market Highlight

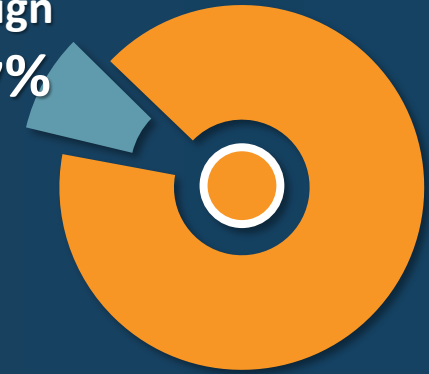


Market Highlight

CSX Index



Foreign
2.47%



Domestic
97.53%

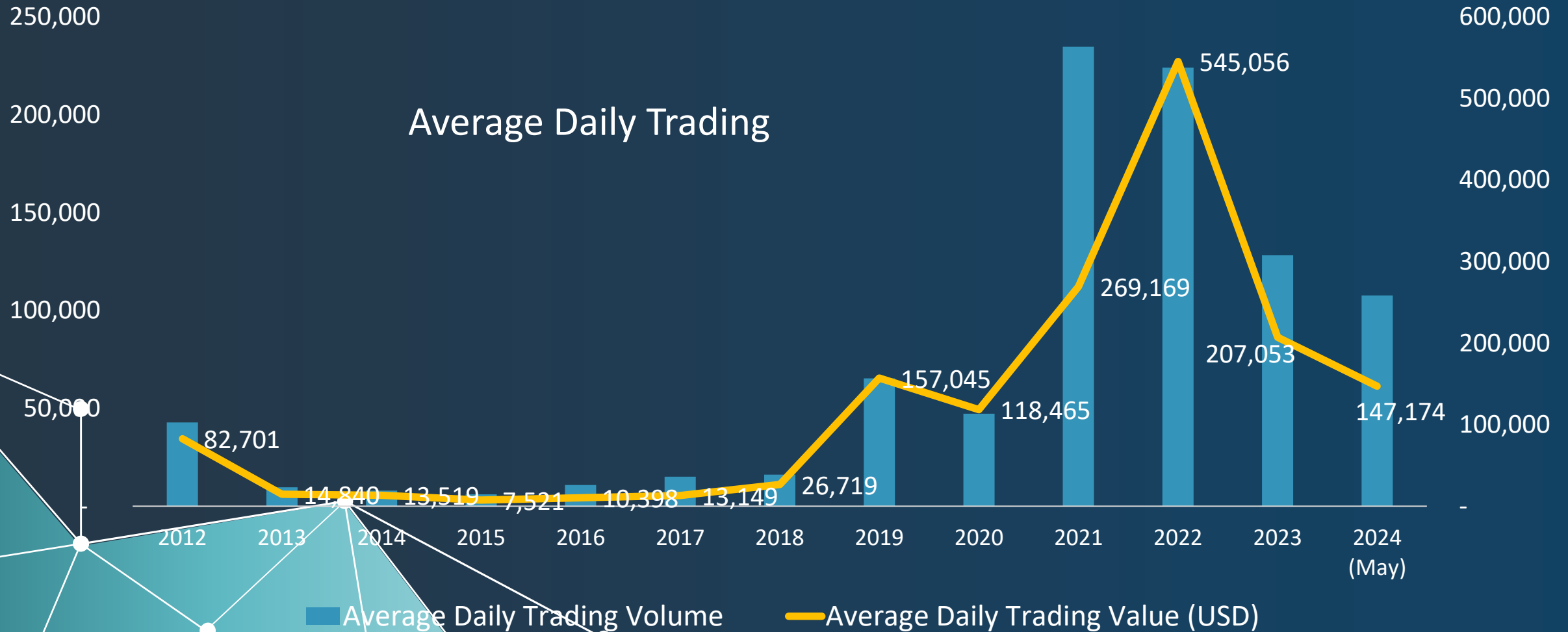
Individual
99.90%

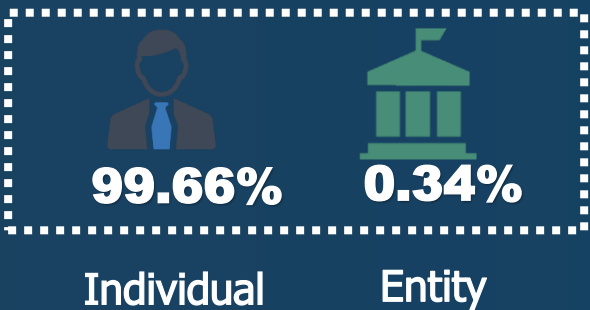
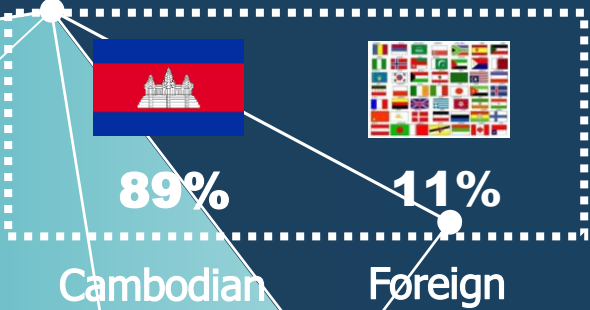
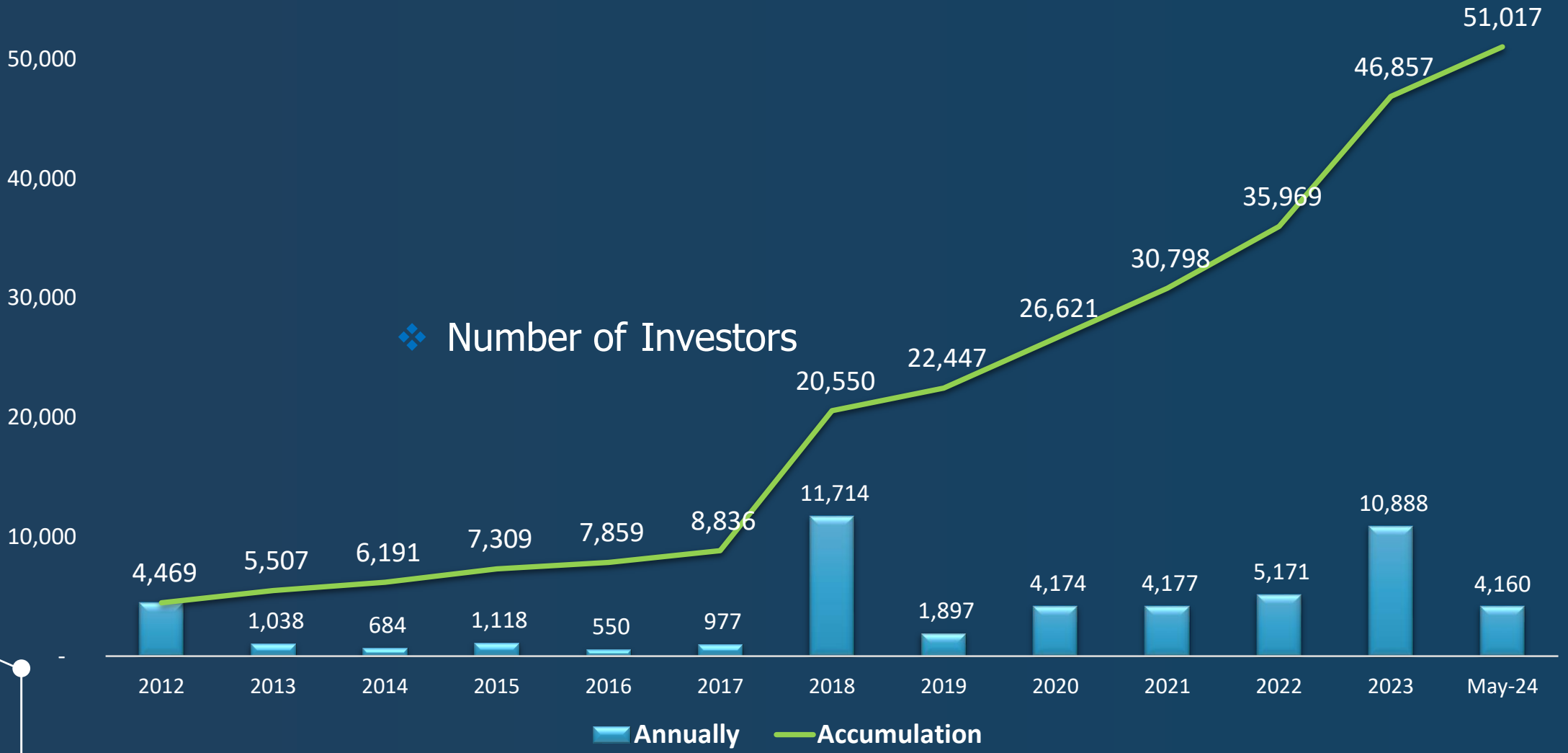


Institutional
0.10%

Trading by investor type

Market Highlight





Choose a securities firm



Open trading account and Investor ID



Deposit Money and place the order





broker/dealer

02 Licensing Requirements for Broker-Dealer

Licensing Requirements



Human Resources

- At least one Director or Share owner
- CEO
- Head of Operation
- Head of Securities Rep
- Compliance Officer
- Securities Representative



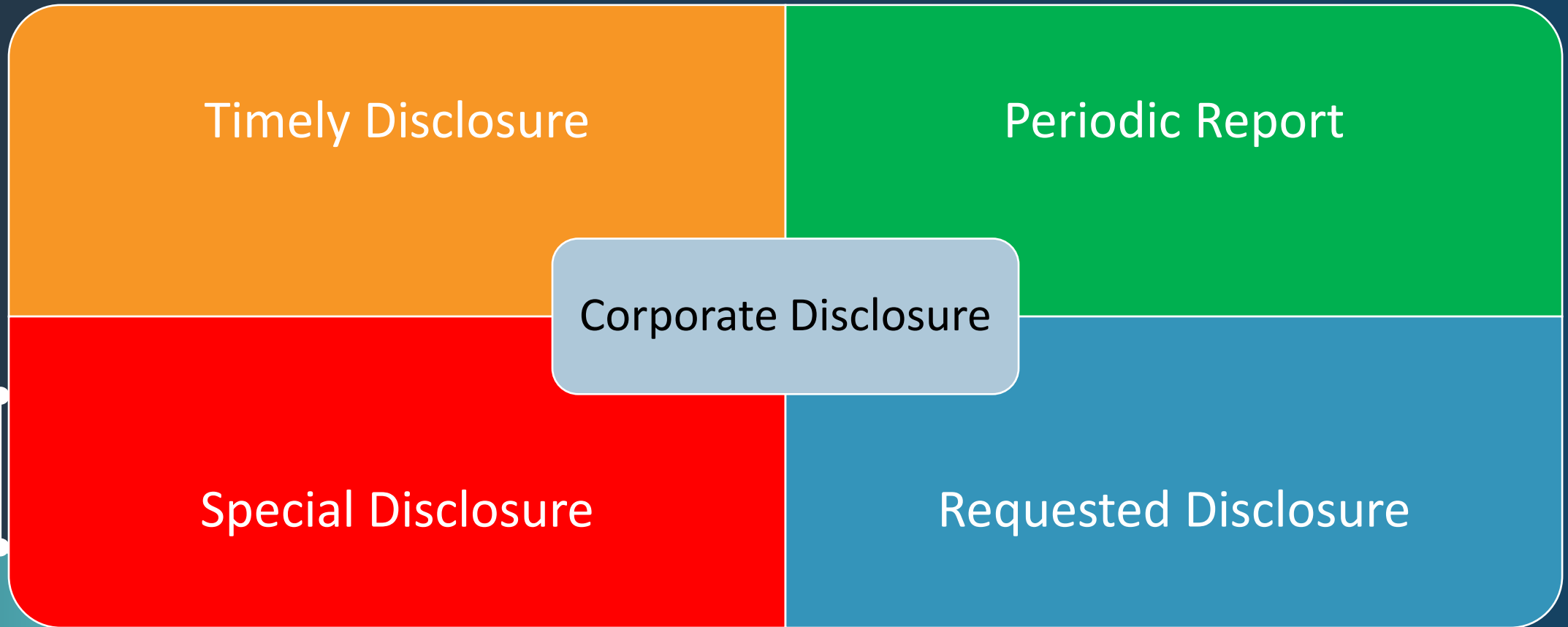
Capital Requirement

Business	Minimum Capital	Security Bond
Dealer	KHR 25 Billion/ USD 6.25 Million	KHR 2.5 Billion/ USD 0.625 Million
Broker	KHR 6 Billion/ USD 1.5 Million	KHR 1 Billion/ USD 0.25 Million

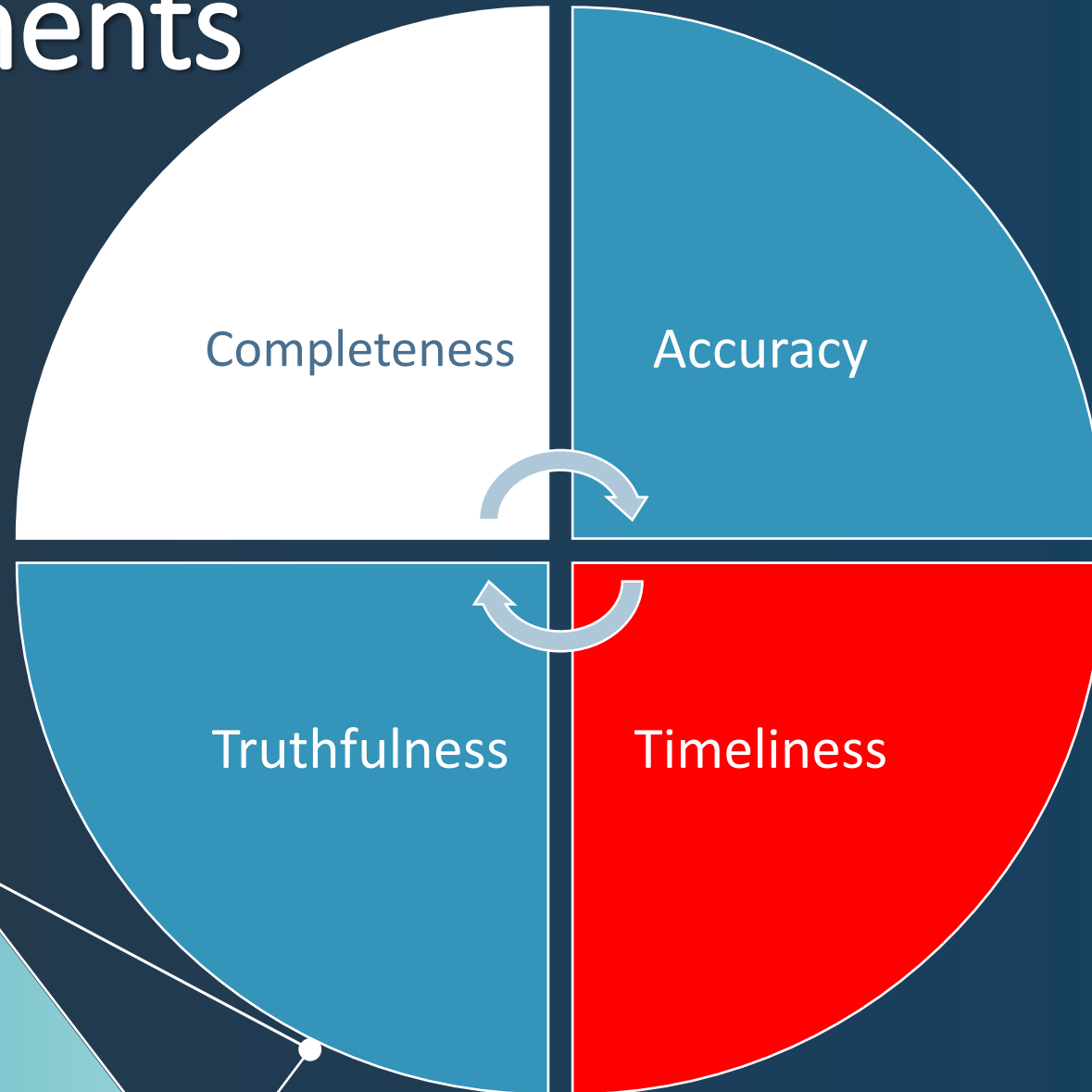
03 Disclosure Document Requirements



Types of Corporate Disclosure



Key Elements



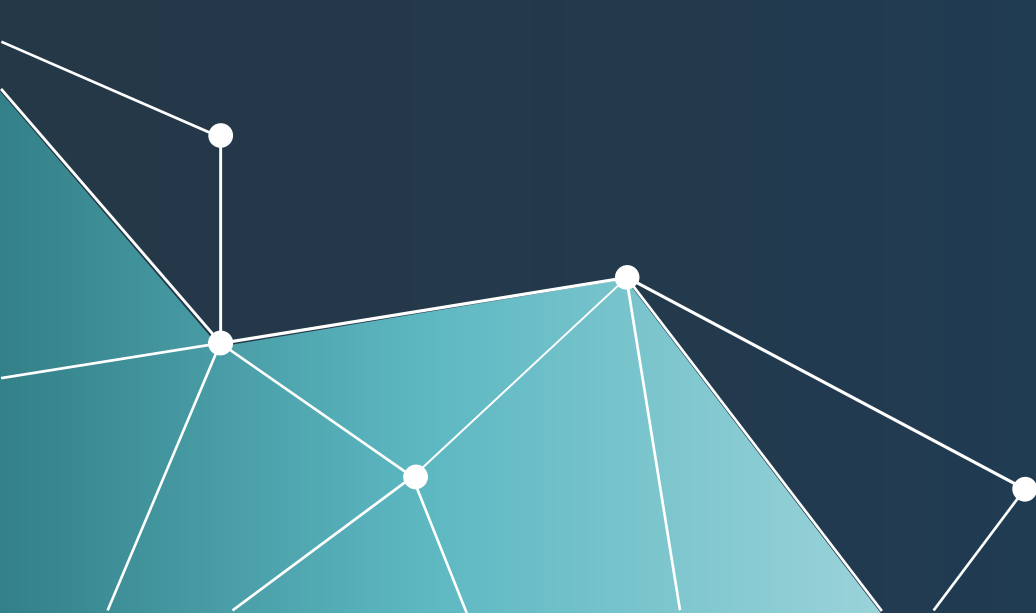
Timely Disclosure

- Events related to business operations or production
- Events related to capital , share, or debt
- Events related to management
- Events related to investment activities
- Events related to gain or loss
- Events related to court, auditor or others

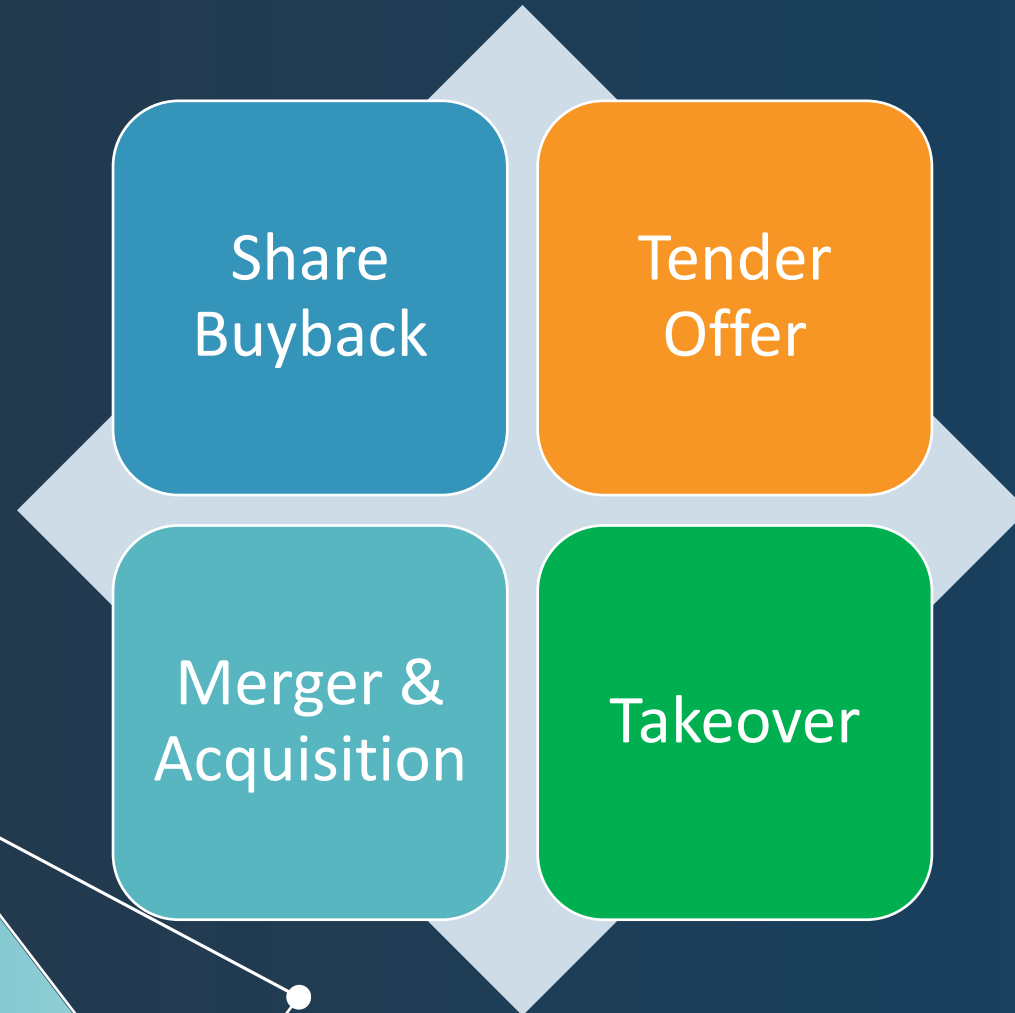


Periodic Report

- Annual report, within 90 days after the end of fiscal year.
- Quarterly report, within 45 days after the end of quarter.



Special Disclosure



Requested Disclosure

- Rumor, news or information
- Unusual trading volume



04 Insider Trading



An insider includes:

- the general managers, directors, management and staff of the company and shareholders that hold at least 5% of voting right of the company and any other individual whose relationship with the company gives them possession or access to confidential information regarding the activities of the company or entity; and
- the Chairman, members, director general, directors and officials of SERC and other related gov't official or staff of an entity approved or licensed by the SERC as intermediaries in the securities market who, due to their position, are in possession of or have access to confidential information regarding the activities of the company.

Insider information means any information in relation to securities that have been or and will be issued by a public limited company or permitted entity which has not yet been made generally available, but upon disclosure to the public, it would be likely to have a material effect on the price or other trading aspects.

An insider shall not:

- take advantage of insider information, either directly or indirectly in the purpose of making profit or to avoid loss.
- provide insider information to another individual or legal entity for the purpose of enabling that individual or legal entity to make a profit or avoid a loss.

Sanction:

- Individual: to imprisonment of 5 to 10 years and fine of 20,000,000 Riel to 100,000,000 Riel.
- Legal Entity: to fine of 50 Million Riel to 1,000 Million Riel.



Thank You!

