

Cambodian government paving the way for the issuance of government bonds on the CSX

January 2021 Publication

“ Local expertise with international
experience makes us the advisor for choice ”

ស្ថាប័នប្រកាសសុខាភិបាល

CSX



On 26 December 2020, the Law on Government Securities was promulgated in order to replace the Law on Government Securities, issued by Royal Code No NS/RKM/0107/001 on January 12, 2007.

Both the newly promulgated law and the repealed law allow the government to prepare bonds to issue on the local securities market Cambodia Securities Exchange (“**CSX**”) to collect funds from the public investment. However, the current one aims to enhance the common framework for the management of issuance, trading, and the efficient, accountable and transparent management of government securities.

Furthermore, the intention is to ensure the sustainability of the public debt management including the enhancement of the cash need of the government, and the response to the financial need for the development of economy and society, the development of the capital and financial market and the support of the necessary and priority projects resulting in the reduction of the reliance on existing sources, such as foreign borrowings.

Government securities come with lower risk compared to the other debt instruments, since they are backed by the government and represent the national economy.

There are currently 13 listed firms in the Kingdom of Cambodia — seven stock-listed and six corporate bond-listed. Recently, the listed companies have raised a combined total of \$253 million. In addition, as of last year, there were five central counterparties in the derivatives market, 27 derivatives brokers, five fund management companies and five trustees licensed by the Securities and Exchange Commission of Cambodia.

AUTHOR'S PROFILE



Mustafa Kocadag
Partner/Head of
M&A and Securities Market



Ly Socheata
Legal Assistant/Practice Group
M&A and Securities Market

Phone : +855 (0) 23 224 337
Fax : +855 (0) 23 224 136
Website : www.hbslaw.asia
Email : info@hbslaw.asia

HBS Law
SOMA Tower (4th & 5th floors)
#2C, St. 120, Phsar Thmey 2 (120202)
Khan Daun Penh ,Phnom Penh, Cambodia.