

## CHAPTER 9: BANKING, FINANCE, AND SECURITIES

### Relevant Laws:

- Law on Financial Management (Annual Budget)
- Law on Anti-Money Laundering and Terrorist Financing 2020
- Law on Financial Leasing 2009
- Civil Code 2007
- Law on Government Securities 2007
- Law on the Issuance and Trading of Non-government Securities 2007
- Law on Commercial Enterprise 2005
- Law on Negotiable Instrument and Payment Transactions 2005
- Law on Banking and Financial Institutions 1999
- Law on Foreign Exchange 1997
- Law on the Organization and Functioning of the National Bank of Cambodia 1996
- Various sectoral laws and many regulations for implementing the above laws

Name of Institution	Key Functions and Services
MEF	<ul style="list-style-type: none"><li>• Prepare national budget and annual financial management plan;</li><li>• Prepare policies and regulations and manage work related to taxation, trade, revenue, resettlement, procurement and national expenses;</li><li>• Prepare policies and procedures for auditing; and</li><li>• Prepare policies for licensing.</li></ul>
NBC	<ul style="list-style-type: none"><li>• Determine financial policy;</li><li>• Formulate, implement and monitor monetary and exchange policies;</li><li>• Conduct regular economic and monetary analysis, make public the results, and submit proposals and measures to the RGC;</li><li>• License, de-license, regulate and supervise banks and financial institutions;</li></ul>

	<ul style="list-style-type: none"> <li>• Oversee payment systems and to enhance interbank payments;</li> <li>• Act as the sole issuer of national currency;</li> <li>• Undertake and perform, in the name of the Kingdom, transactions resulting from the participation of the Kingdom in public international institutions in banking, credit, and monetary spheres;</li> <li>• Establish the balance of payments;</li> <li>• Participate in the management of external debts and claims;</li> <li>• Participate in the formation and supervision of the money and financial markets; and</li> <li>• License, de-licence, regulate and supervise all those operating in the market for precious stones and precious metals; and</li> <li>• Set interest rates.</li> </ul>
SERC	<ul style="list-style-type: none"> <li>• Enforce policy with respect to securities market;</li> <li>• Formulate conditions for granting approvals to the operators of a securities market, clearance and settlement facilities, and securities depository;</li> <li>• Formulate conditions for granting license to securities companies and securities representatives;</li> <li>• Promote and encourage compliance with the requirements of this law;</li> <li>• Play a role as an institution to examine and solve complaints against licensed legal entities' decision affecting the benefits of participants or investors;</li> <li>• Consult with any qualified person to develop policies for the purpose of developing securities market in Cambodia;</li> <li>• Fulfil other duties prescribed by government regulations; and</li> <li>• Issue operating rules of the market operator for supporting the services of the CSX and also operating rules for other operators and members of the securities market.</li> </ul>

## I. BANKING AND FINANCE

### A. The Development of Cambodian Banking System

The banking system in Cambodia has undergone a series of stages, which date back to as early as the 1860s during the French Protectorate. The French administration established Banque de l'Indochine on 21 January 1875 in order to manage banking operations in Asia and the Pacific.