

THE LAW ON THE ORGANIZATION AND FUNCTIONING OF THE NON-BANKING FINANCIAL SERVICES AUTHORITY OFFICIALLY PROMULGATED

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On 25 November 2020, the Law on the Organization and Functioning of the Non-Banking Financial Services Authority (“NBFA Law”) was approved at the meeting of the 5th session of the 6th National Assembly, which in turn was reviewed and approved by the Senate on 21 December 2020 in accordance with the Constitution of Cambodia.

On 20 January 2021, the NBFA Law was officially promulgated by the Royal Code No. NS/RKM/0121/003, dated 16 January 2021.

This law aims to respond to the development of non-banking financial activities by ensuring the effective management and development of the non-banking financial sector. The NBFA Law covers every non-banking financial activity in Cambodia.

The Non-Banking Financial Services Authority (NBFA), as the responsible authority, is independently performing its functions by integrating the management and control mechanisms of the non-banking financial sector, including the regulators in the field of insurance and private pension, securities, social security, trust, accounting and auditing, and real estate and mortgage.

By integrating the above-mentioned regulators into a single management and control mechanism, it will enable NBFA to see the development of the financial sector in a broader perspective and react accordingly with regulatory measures when financial institutions decide to diversify their financial services to other financial-related activities. This will lead to an increase in the effectiveness of inter-sectoral cooperation by way of sharing information and the facilitation of cross-sectoral regulations. Another advantage will be the reductions in costs (staff, time and materials) by placing the separate regulators under a single umbrella.

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