

KINGDOM OF CAMBODIA
NATION RELIGION KING



SECURITIES SECTOR DEVELOPMENT STRATEGY 2025 - 2035

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Prepared by:
Securities and Exchange Regulator of Cambodia

Promote the development of the securities sector in an orderly, transparent, dynamic, resilient, inclusive, sustainable and innovative manner; aiming to contribute to enhancing Cambodia's economic development in the context of the new normal era.

Preface



In the uncertain situation of geopolitical issues, pandemics, and disasters in the new normal era, Cambodia, under the visionary and sharp leadership of **Samdech Akka Moha Sena Padei Techo HUN Sen**, former Prime Minister and President of the Senate of the Kingdom of Cambodia and **Samdech Moha Borvor Thipadei HUN Manet**, Prime Minister of the Kingdom of Cambodia, has managed to maintain political stability, community development, and economic growth comparing to some countries in the region. These valuable achievements come from skilful leadership and thorough preparation through the adoption and successful implementation of key national development policies, such as the Triangle Strategy, the Rectangular Strategy, the National Strategic Development Plan 2019-2023 which has been updated to the National Strategic Development Plan of the Royal Government in the 7th mandate of the National Assembly, and the Financial Sector Development Plan 2001-2010 which was subsequently updated and eventually became the Financial Sector Development Strategy 2025-2030. With the strong political and economic foundation, the Royal Government has set a goal to ship Cambodia through the upper middle-income country toward becoming a high-income country by 2050, and committed to achieve carbon neutrality by 2050. To support this vision, the Royal Government of Cambodia for the 7th mandate has launched the Pentagonal Strategy-Phase I; for growth, employment, equity, efficiency, and sustainability. The main goal of this strategy is to ensure average economic growth of approximately 7% per year.

Cambodia's economic activity is driven by the recovery and strengthening of key sectors such as garment sector, export-oriented manufacturing, and tourism, as well as the expansion into new sectors such as renewable energy and high value-added agricultural businesses. In the medium to long term, significant investments are required to achieve the 2030 and 2050 visions. According to the Comprehensive Master Plan on the Cambodian Intermodal Transport and Logistics System 2023-2033, it is estimated that the total investment on infrastructure development that focus mainly on transportation projects and logistics needs approximately USD 37 billion. In addition, to achieve carbon neutrality by 2050, Cambodia needs approximately USD 1.4 billion from private sector investment.

The securities sector, which functions to facilitate capital mobilization, has been playing an integral role in contributing to national economic development and supporting the Royal Government of Cambodia to achieve its strategic vision. Therefore, it is essential to ensure the development of the securities sector in an orderly, transparent, resilient, dynamic, inclusive, sustainable and innovative manner by introducing a comprehensive **Securities Sector Development Strategy 2025-2035**.

This Securities Sector Development Strategy will outline strategic frameworks to strengthen and expand the securities market, which includes financial technology and sustainable finance, and support the development of the securities market. Financial technology and sustainable finance are fundamental elements that directly support the Royal Government of Cambodia's policies in promoting sustainable, inclusive and innovative development as defined in the Cambodia Sustainable Development Goals

Framework 2016-2030, Long-Term Strategy for Carbon-Neutrality, Cambodia Digital Economy and Society Policy Framework 2021-2035, Cambodia Financial Technology Development Policy 2023-2028, Financial Sector Development Strategy 2025-2030 and Pentagonal Strategy-Phase I. The Securities Sector Development Strategy also includes activities to promote the development of small and medium-sized enterprises, which contribute to approximately 70% of job creation and approximately 60% of Gross Domestic Product (GDP), by taking into account the financial needs of the enterprises and providing various financing options that can meet the different conditions and situations of those enterprises.

Given the interconnectedness of the economy, business and financial sectors, it is essential to have a collaborative approach with all stakeholders to develop the securities sector. All stakeholders, both public and private sector, have to understand the importance of the securities sector as a vibrant and resilient sector for Cambodia because this sector does not only support business and economic activities, it also creates a positive impact on citizens. Therefore, to ensure the effectiveness of the implementation of the Securities Sector Development Strategy, strong and active collaboration is required at all levels.

Overall, the **Securities Sector Development Strategy 2025-2035** is an important strategic document that will support the achievement of Cambodia Vision 2030 and 2050.

Taking this opportunity, on behalf of the Non-Bank Financial Services Authority (**FSA**) Council and myself, I would like to express my deep gratitude and appreciation to ministries-institutions, private sector, development partners, especially the Asian Development Bank and all stakeholders that contributed to the development of this Securities Sector Development Strategy by sharing ideas, suggestions and recommendations. The diversity of perspectives and experiences from all stakeholders has made this strategy sharper and more responsive to the challenges of the markets and the sector as a whole. I also would like to convey my acknowledgement and appreciation to all technical leaders of the **FSA**, especially His Excellency **Sou Socheat**, Delegate of the Royal Government in charge as Director General of the Securities and Exchange Regulator of Cambodia (**SERC**), and the technical team of SERC for working on drafting, refining, and developing the Securities Sector Development Strategy.

In conclusion, I call upon all relevant stakeholders to actively support and participate in the implementation of this strategy according to their respective jurisdictions to ensure that the strategic measures are not only fully implemented, but also deliver results that are satisfactory and worthy of praise.

Phnom Penh, July 16, 2025

Deputy Prime Minister

**Minister of Ministry of Economy and Finance
And Chairman of Non-Bank Financial Services Authority**

[Signed and stamped]

Akka Pundit Sopheacha Aun Pornmoniroth

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List of Abbreviations

No.	Abbreviation	Full Text
1	CSDGs	Cambodian Sustainable Development Goals
2	CSX	Cambodia Securities Exchange
3	GDP	Gross Domestic Product
4	SERC	Securities and Exchange Regulator of Cambodia
5	FSA	Non-Bank Financial Services Authority
6	ABMF	ASEAN+3 Bond Market Forum
7	ABMI	ASEAN Bond Markets Initiative
8	ACMF	ASEAN Capital Markets Forum
9	CIS	Collective Investment Scheme
10	DeFi	Decentralized Finance
11	ETF	Exchange-Traded Fund
12	FinTech	Financial Technology
13	IOSCO	International Organization of Securities Commissions
14	IPO	Initial Public Offering
15	MDB	Multilateral Development Bank
16	ODA	Official Development Assistance
17	RegTech	Regulatory Technology
18	REIT	Real Estate Investment Trusts
19	SLC	Senior Level Committee
20	SoE	State-Owned Enterprise
21	SupTech	Supervisory Technology
22	SWOT	Strengths, Weaknesses, Opportunities and Threats
23	WC-CAL	Working Committee on Capital Account Liberalisation
24	WC-CMD	Working Committee on Capital Market Development
25	WC-FSL	Working Committee on Financial Services Liberalisation

Executive Summary



The past few years have been marked by very significant events across the world including geo-political conflicts and tensions, trade war, worsening impact of climate change, and the Covid-19 pandemic etc. These events have caused prolonged economic uncertainties arising from disruptions in the supply chain, business activities, employment, and other factors. While some of these factors are showing emerging signs of recovery, a few others remain ongoing or even escalating concerns which directly or indirectly affect the global economic outlook. At the same time, opportunities have emerged including sustainability-based transition and digitalization.

Meanwhile, domestic developments, notably the launch of Cambodia Vision 2030 and related strategic plans, are creating ample opportunities for domestic productive activities that can drive the long-term growth of the Cambodian economy. This development augurs well for the economy as a whole and the financial sector in particular in view of the need for substantial investments and financing to fund various activities, such as business expansion and infrastructure development. As such, the Securities Sector Development Strategy 2025-2035 is developed at the right time. The development of this strategic document was conducted through comprehensive analysis of the Cambodia securities sector strengths, weaknesses, opportunities and threats. In consideration of these factors, the Securities Sector Development Strategy aims to provide potential solutions to both current and future challenges, as well as taking advantage from the opportunities for new growth areas. Meanwhile, it also seeks to mitigate risks and challenges that may arise when the securities sector achieves certain level of development in future.

Overall, this Securities Sector Development Strategy focuses on the following three key strategic frameworks:

1. Securities Market Enhancement Strategy: creates various activities through products and services diversification, investor base and investing ecosystem enhancement, market orderliness and market integrity enhancement to ensure the orderly, transparent, effective, and fair development and regulation of the securities sector.
2. Securities Market Expansion Strategy: further develops the emerging developments, such as sustainable finance, financial technology and usage of digital technologies.
3. Securities Market Development Enabler Strategy: builds the capacity and strengthens the knowledge, skills, and resources of SERC and relevant stakeholders, while also putting in place appropriate processes, mechanisms, and tools to achieve effective and efficient market development.

The formulation of these strategic frameworks is based on the experience and efforts of the SERC in establishing and developing the securities sector over the past 15

years. This Securities Sector Development Strategy also takes into account potential cross-sectoral impacts that may arise within the financial sector, such as banking and insurance industries.

This Securities Sector Development Strategy serves as a dynamic strategic plan that will be regularly reviewed to ensure effective implementation and responsiveness to the evolution during the 10-year development period.

Chapter One: Introduction

1.1. Economic Overview

Cambodia recorded an annualized GDP growth of about 7% over the past 10 years. Notably, the growth rate has been on an uptrend over the past three years since the peak of the COVID-19 pandemic in 2020, albeit lower than pre-COVID levels. The growth was driven mainly by strong performance of the tourism and non-garment manufacturing sectors. Looking ahead, these sectors are expected to continue driving the economic performance of Cambodia. Furthermore, a recovery in the garments, footwear and travel goods sector will provide added impetus to the economy. Cambodia achieved 6% GDP growth in 2024. Even in an uncertain situation due to the global geo-political conflicts and tensions, Cambodia's GDP growth forecast for 2025 and 2026 are 5% and 6% respectively. Cambodia has set the target to cross the upper middle-income level toward higher-income status by 2050. To support the long-term economic growth, a total of USD 36.6 billion has been projected to be required for infrastructure development over 2023-2033. Such a large amount will require multiple sources of financing, where the securities market is a very appropriate source for such projects.

1.2. Securities Sector

The securities sector in Cambodia has demonstrated significant development over the past 15 years, particularly in terms of developing regulations, market infrastructures and market intermediaries. The Securities and Exchange Regulator of Cambodia (SERC), established in 2008 after the adoption of the Law on the Issuance and Trading of non-government securities, has undertaken various initiatives in performing its role in regulating, supervising and developing the securities sector in Cambodia, including the formulation and adoption of regulatory frameworks, the licensing of market intermediaries, the supervision and surveillance of the securities market and its participants, investor awareness and education enhancement, etc. As of 2024, the SERC has issued 82 Prakas and regulations to regulate, supervise and develop the securities sector to address the different segments and aspects of this sector.

Market infrastructures, most notably the Cambodia Securities Exchange (CSX), have also been set up to facilitate the orderly operations of the securities market, while a wide range of market intermediaries are present to offer various products and services. The derivatives market was established in 2016 after the adoption of the Prakas on Licensing and Supervision of Derivatives Trading, with a central counterparty providing a derivatives trading platform. The Prakas on Licensing and Supervision of Collective Investment Scheme Business and the Prakas on the Issuance of Fund Units of Collective Investment Scheme were adopted in 2018 and 2023 respectively. As of 2024, the SERC has granted authorization to two fund management companies to issue fund units of collective investment scheme.

In addition, SERC has granted license, approval and accreditation to securities intermediaries including: Securities Underwriter, Securities Dealer, Securities Broker, Financial Advisory Firm, Investment Advisory Firm, Securities Selling Firm, Central Counterparty, Derivative Broker, Fund Management Company, Trustee, Fund Distributor, Fund Administrator, etc. Meanwhile, initiatives such as Excellence Program (EP) and the Cambodia Sustainable Bond Accelerator (CSBA) have been launched to promote capacity building of potential issuers and promote securities issuance.

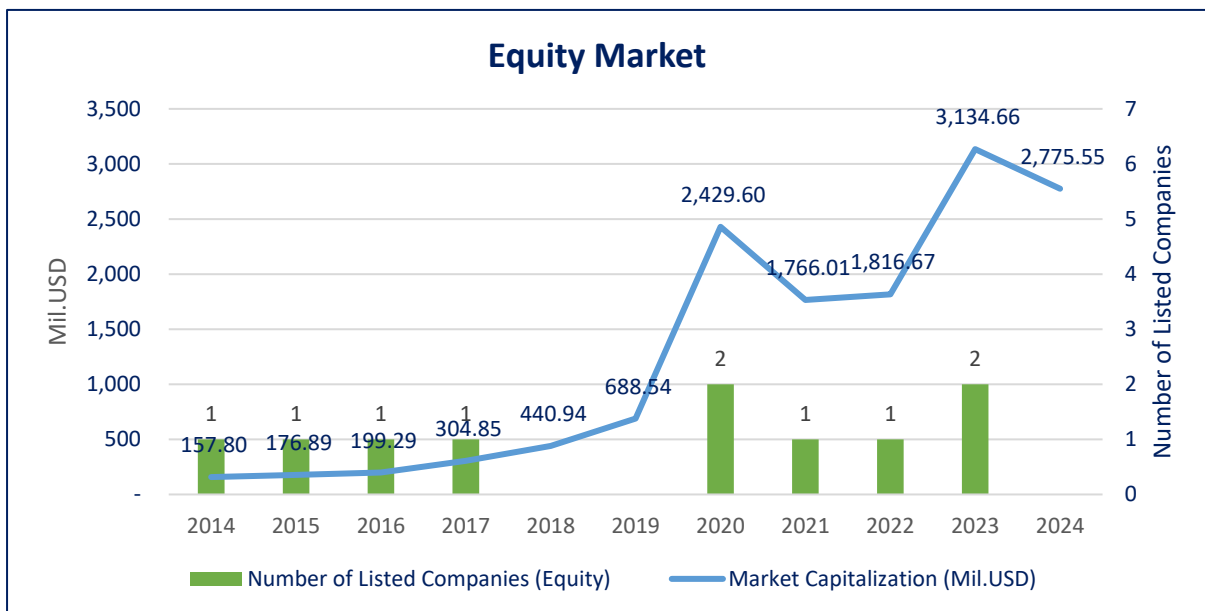
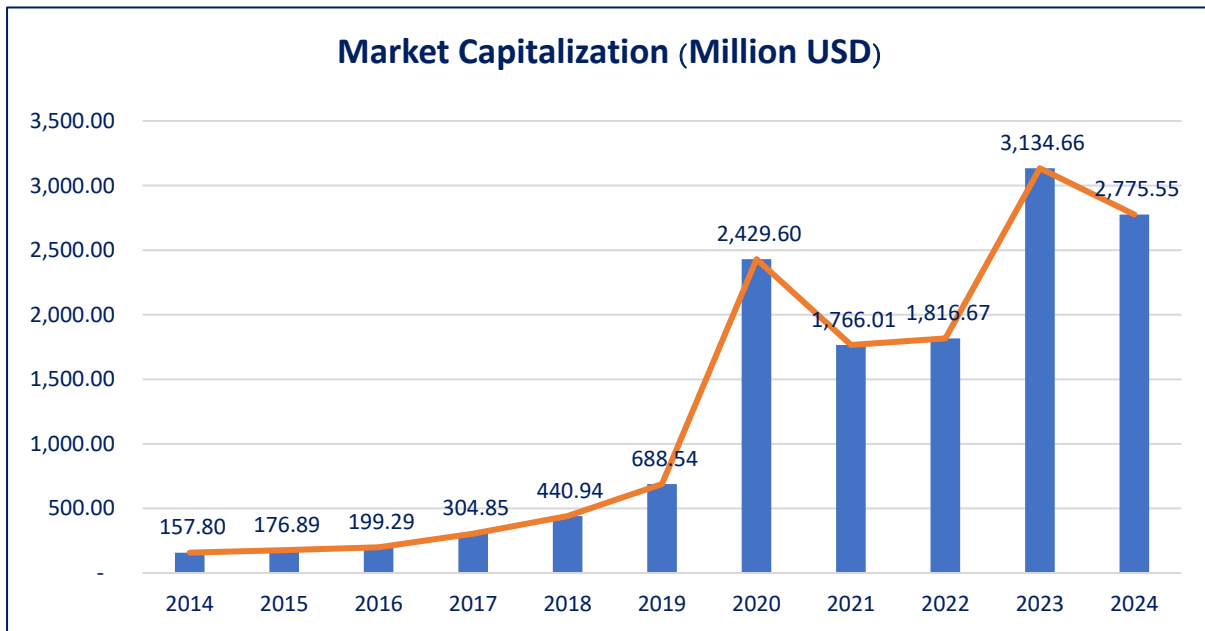
At the regional level, the SERC has been an active member of the ASEAN Capital Markets Forum (ACMF) and the ASEAN Working Committee on Capital Market Development (WC-CMD). The SERC is also a member of the ASEAN+3 Bond Market Forum (ABMF), the ASEAN Working Committee on Financial Services Liberalization (WC-FSL) and the ASEAN Working Committee on Capital Account Liberalization (WC-CAL). During the SERC's chairmanship of the ACMF in 2022, several important initiatives were launched including the ASEAN Sustainability-Linked Bond Standards, the ASEAN Sustainable and Responsible Fund Standards, and the ASEAN SDG Bond Toolkit Supplement.

The SERC became an Associate Member of the International Organization of Securities Commissions (IOSCO) in 2017 and is currently in the process of becoming an Ordinary Member of the organization. In order to promote sustainable development, the SERC joined the Sustainable Banking and Finance Network (SBFN) in 2024.

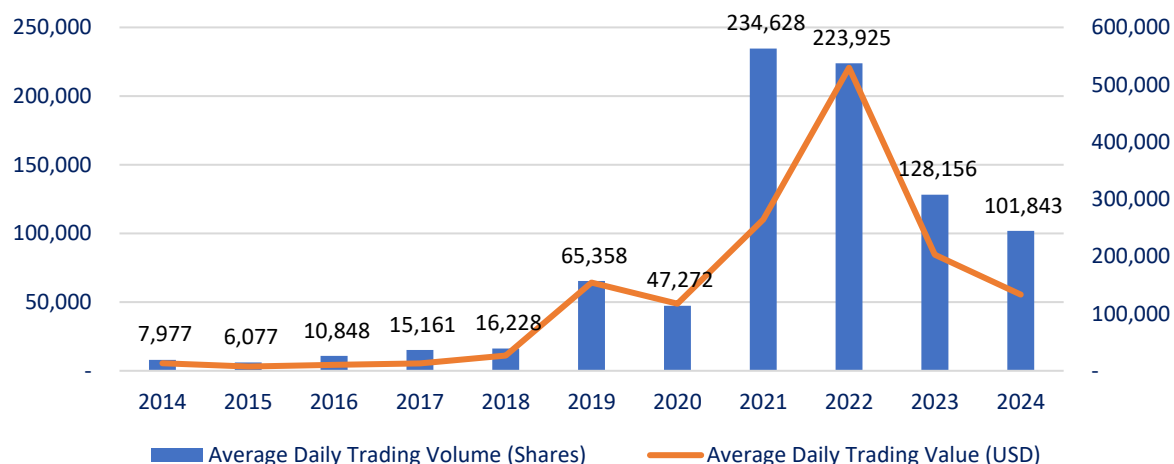
The following table provides a summary of selected statistics reflecting the growth of the securities sector over the past ten years:

Description	As of 2014	As of 2024
<i>Number of Companies</i>		
Securities Market Operator	1	1
Clearing and Settlement Facility Operator	1	1
Securities Depository Operator	1	1
Equity-listed Entity	2	11
Bond-listed Entity	-	12
Securities Underwriter	6	7
Securities Dealer	6	7
Securities Broker	8	11
Financial Advisory Firm	-	3
Investment Advisory Firm	1	1
Central Counterparty	-	5
Derivative Broker	-	20
Fund Management Company	-	12
Trustee	-	8
Fund Distributor	-	6
Fund Administrator	-	6
Audit Firm	6	11
Valuation Company	3	2
Law Firm	10	22

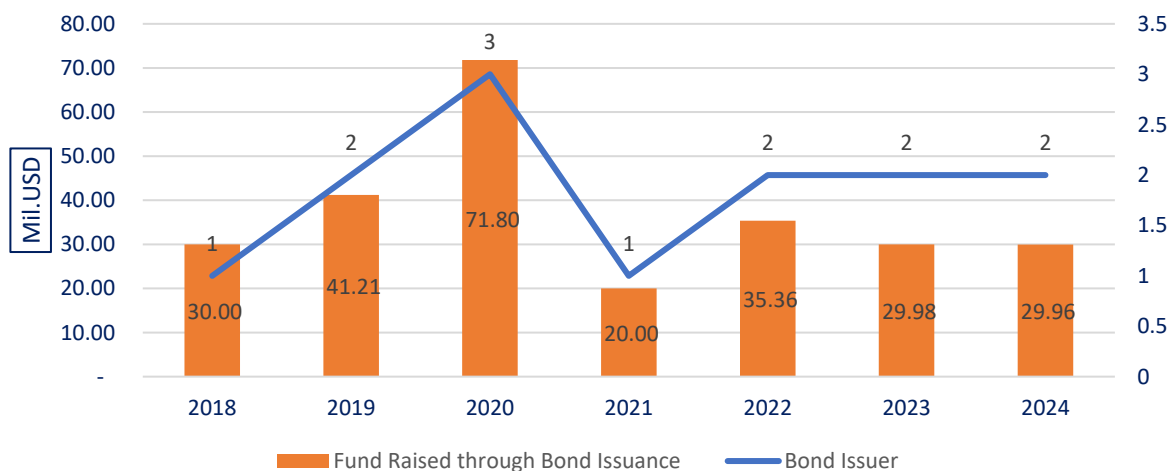
Custodian Agent		-	1
Bondholder Representative		-	3
Credit Rating Agency		-	1
Cash Settlement Agent		3	7
Securities Registrar Agent, Transfer Agent and Paying Agent		2	4
Equity Market			
Total Funds Raised	KHR (Mil)	159,309.64	516,657.57
	USD (Mil)	39.83	128.92
Market Capitalisation	KHR (Mil)	643,027	11, 171,593
	USD (Mil)	157.80	2,775.55
Trading Volume (Share)		10,936,926	219,066,935
Trading Value	KHR (Mil)	79,356.12	1,540,983.31
	USD (Mil)	19.47	382.85
Average Daily Trading Volume		17,76	72,35
Average Daily Trading Value	KHR (Mil)	128.60	508.91
	USD (Mil)	0.03	0.13
CSX Index (Closing)		432.38	412.75
Bond Market			
Total Funds Raised	KHR (Mil)	-	1,044,213.1
	USD (Mil)	-	258.3
Number of Listed Bonds		-	10,442,131
Number of Matured Bonds		-	4,920,210
Trading Volume		-	460,752
Trading Value	KHR (Mil)	-	46,386.66
	USD (Mil)	-	11.52
Investors of Equity and Bond Markets			
Number of Investors		6,191	57,566
• Cambodian Investors		3,986	51,658
• Foreign Investors		2,205	5,908
Number of Trading Accounts		6,363	57,646
Derivatives Market			
Number of Approved Derivatives		-	249
Trading Volume (trading unit)		-	2,066,799.18
Trading Value in USD (Mil)		-	2,286.58
Number of Trading Accounts		-	11,652



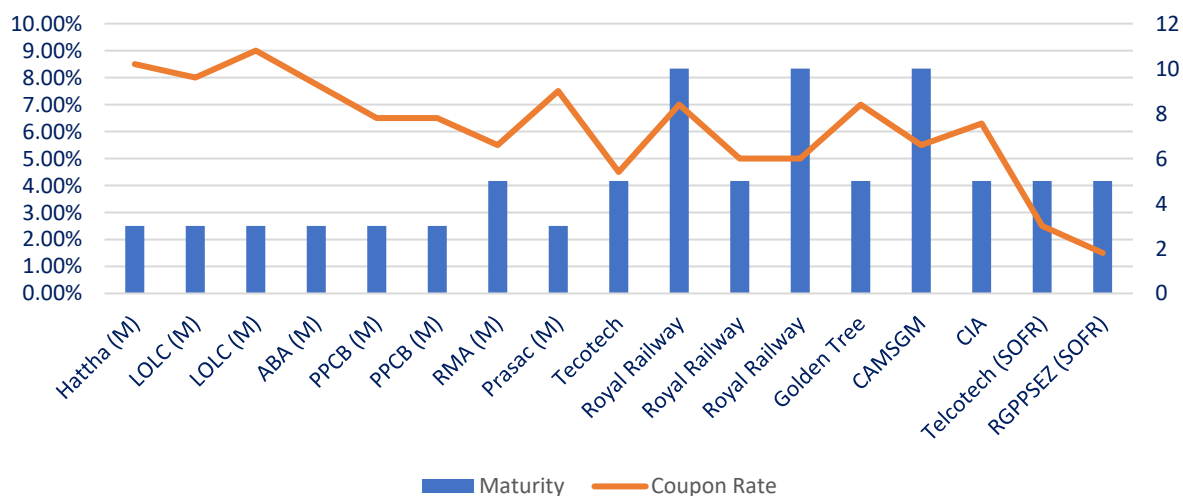
Equity Market Average Trading 2014-2024



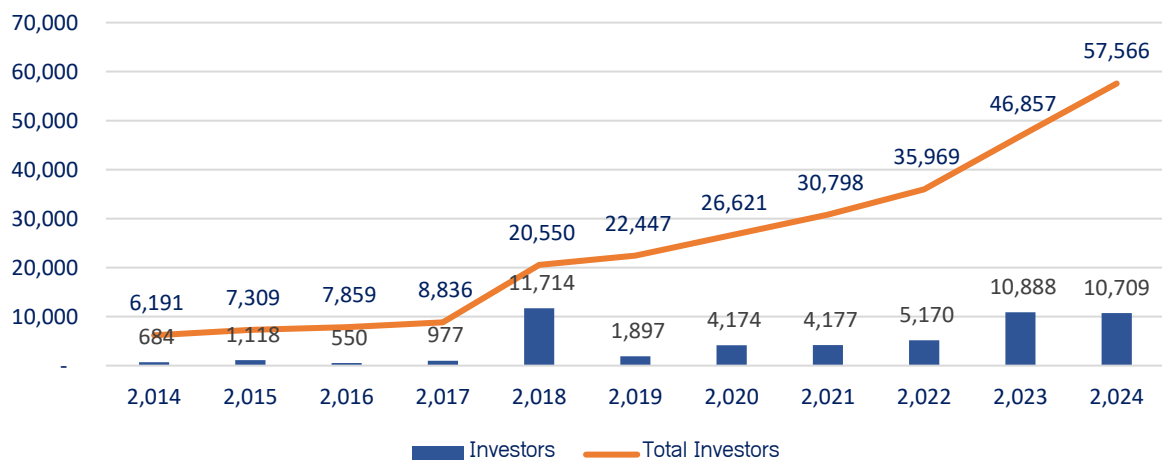
Bond Market



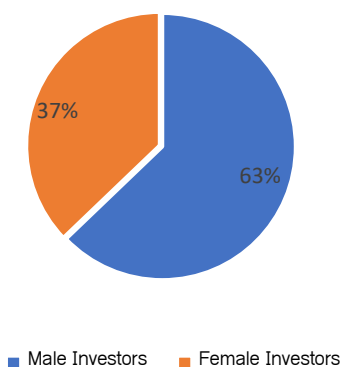
Coupon Rate and Maturity of Bonds



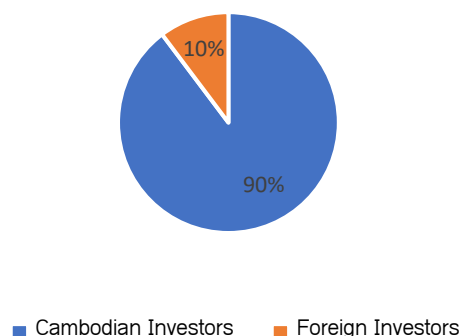
Investors in Equity and Bond Market



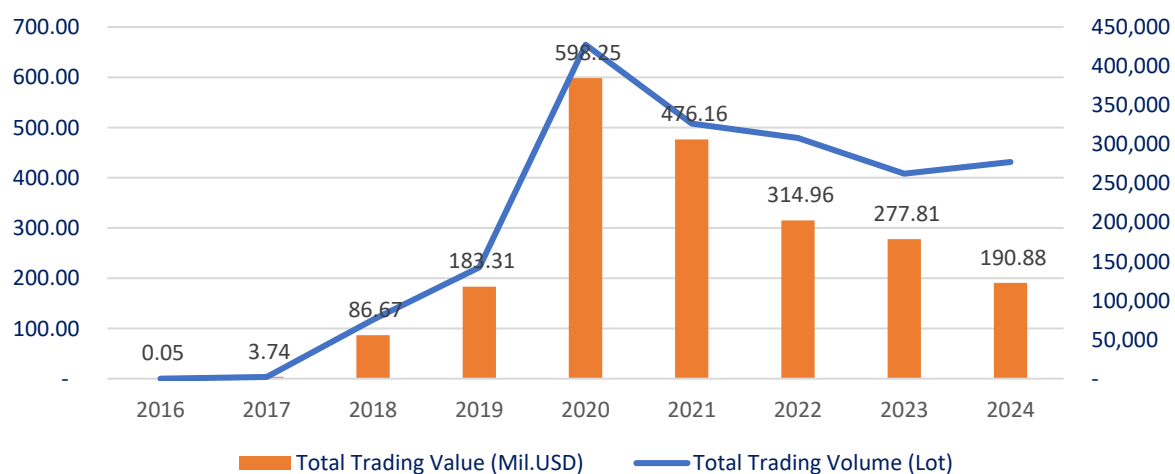
Investors in Equity and Bond Market

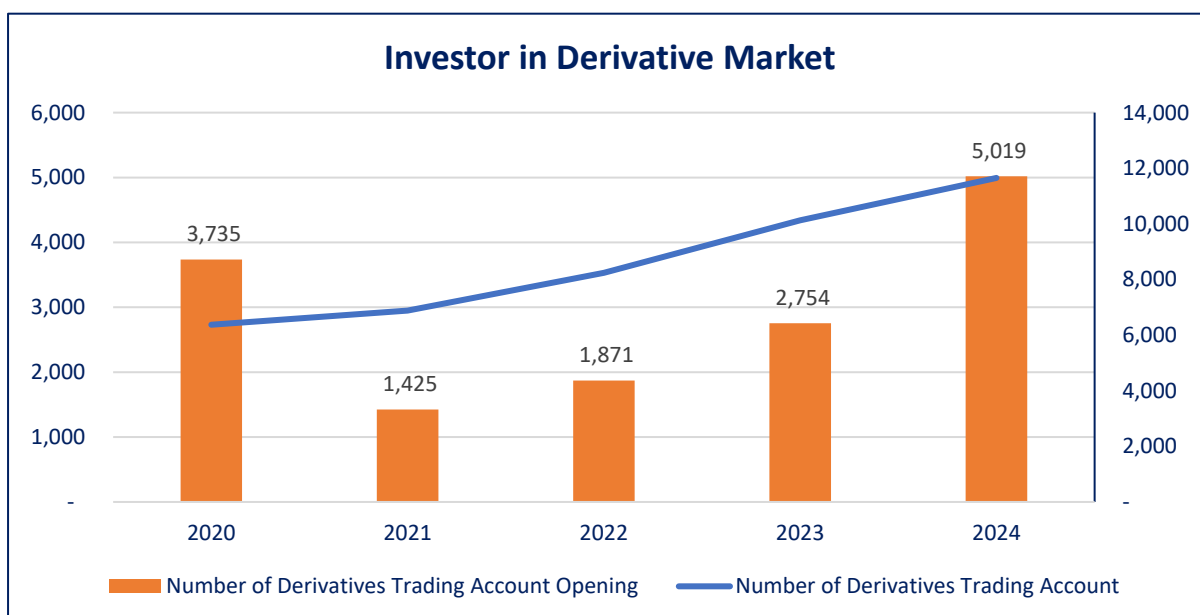


Investors in Equity and Bond Market



Trading in Derivatives Market





1.3. National Plans and Strategies

In planning for the long-term economic development, the Royal Government of Cambodia has formulated a number of policy and strategy documents to chart the path for an orderly and sustainable growth, which include:

❖ **Pentagonal Strategy – Phase I**

The Pentagonal Strategy – Phase I sets clear and long-term goals for future economic and social development in building the foundation towards realizing the Cambodia Vision 2050, focusing on five key priorities — people, road, water, electricity and technology.

❖ **National Strategic Development Plan of the 7th mandate of the Royal Government of the National Assembly**

This strategic plan is a roadmap and tool to implement the Pentagonal Strategy - Phase I and its five key measures to promote economic growth and maintain the sustainability of economic and social development.

❖ **Financial Sector Development Strategy (FSDS) 2025-2030**

The FSDS is a roadmap outlining the strategically relevant actions for each of the financial sub-sectors which is well-aligned to the socio-economic needs of the country.

❖ **Strategy for the Development of E-Services for Business 2025-2028**

The Strategy for the Development of E-Services for Business aims to create a vibrant, resilient, interconnected, and complementary digital ecosystem for business to strengthen the effectiveness of public service delivery mechanisms for business and to promote compliance.

❖ **Cambodia Digital Economy and Society Policy Framework 2021-2035**

The Framework aims to build a vibrant digital economy and society by laying the foundations to promote digital adoption and transformation in all social actors including the government, citizens, and businesses, to accelerate new economic growth and promote social welfare in the new normal.

❖ **Cambodia Financial Technology Development Policy 2023-2028**

The Policy aims to develop FinTech based on the enhancement of financial inclusion, the maintenance of financial sector stability, and the promotion of financial innovation to take maximum advantage of digital transformation in the financial sector and to provide opportunities for all actors, aiming to contribute to the acceleration of the development of Cambodia's vibrant digital economy and society.

❖ **Cambodian Sustainable Development Goals (CSDGs) Framework (2016-2030)**

The CSDGs Framework seeks to lay out the groundwork for integrating the CSDGs into the national planning process and monitoring achievements via the efforts and actions of the Royal Government, the private sector, citizens, development partners and other stakeholders.

Chapter Two: The Cambodia Securities Sector Analysis

To effectively play its role in supporting the inclusive, sustainable, resilient and long-term growth of the Cambodian economy, the securities sector needs to expand its scope and have a complete ecosystem to support various productive activities by launching a comprehensive strategic plan in response to strengths, weaknesses, opportunities and threats (SWOT) to the securities sector. The securities sector in Cambodia is thoroughly and comprehensively analyzed, highlighting the following strengths, weaknesses, opportunities and threats:

STRENGTHS	WEAKNESSES
- Stable political situation - Strong commitment of financial regulators to develop the financial sector - High mobile phone penetration rate - Young median population age (approximately 27 years), lower than the global median (around 31 years) - Robust legal and regulatory framework - Ongoing development of government securities is a critical step toward deepening the debt securities market in Cambodia	- Limited investable surplus capital - Small market size, particularly in the context of globalization - Shortage of financial professionals and experienced experts - High level of US Dollar transactions
OPPORTUNITIES	THREATS
- Increasing the usage of digital systems/digitalization - Development in growth areas such as sustainable finance and financial technology - Issuance of Government bond will provide a benchmark yield curve for securities market, promote market liquidity, improve accessibility and attract both domestic and international investors wisely. - Implementation of national policies and strategic plans - Active participation in ASEAN initiatives - Major investments in infrastructure development	- Limited choices for market participants - Supply and demand for financial resources do not match - Low financial literacy among the population - Slow mobilization of private investment capital - High cost of capital acquisition

2.1. Strengths

The political situation in Cambodia has been stable for more than two decades, stabilizing Cambodia's economic policy and allowing companies to make long-term plans and expand their business, which has yielded good results for the growth of the financial sector, especially the securities sector.

The authorities of the financial sector in Cambodia are highly committed to ensuring the development of a fair and orderly financial market. This commitment not only promotes sector development initiatives but also boosts confidence in the financial markets, including the securities market, especially in terms of inter-linkages in all areas of the financial market, as well as the growth of many more complex financial products.

Cambodia has a high rate of mobile phone usage, which is a favorable factor with the rapid growth of technology adoption. For the securities sector, the high rate of mobile phone use shows that people have good understanding of the technology in the general mobile application, which enables faster and more comprehensive use of technology and makes it easier to access information related to issuers, innovative products and services related to securities and securities investment.

Cambodia has a middle-aged population with median age (about 27 years) lower than the global median age (about 31 years), which will be a resource that benefits the securities sector. Young people are a large source of highly trained labor that reflects the number of prospective users or investors with high potential to support activities in the securities market. In addition, the younger generation is more aware of technology, which helps to adapt to technology more easily and use technology to contribute to the development of the securities sector.

The regulatory framework in the securities sector is complete and robust, in line with IOSCO principles and international practices, as well as reviewed and amended to respond to market and global trends.

The development of the government securities market is a key part in supporting the deepening of Cambodia corporate bond market development.

2.2. Weaknesses

Cambodia's low GDP per capita poses significant limitations on the amount of available savings and wealth in the financial system, which is an obstacle to create demand for products and services in the securities market. In addition, the generally wide income disparity between the urban and the rural population presents developmental challenges in implementing initiatives for the securities sector as different strategies and approaches are required, thus affecting scale, efficiency and expenditure.

As the economic and business landscape becomes more globalized, Cambodia will need to decide on its strategic positioning to remain competitive. While it may have advantages in certain sectors, its relatively small size in terms of population, economy, etc. may limit its ability to compete or stand out in some sectors.

The lack of financial experts or experienced people to work in the securities sector also affects the development pace of this sector.

In addition, the high level of US dollar transactions in Cambodia imposes obstacle to the issuance and investment in securities in Cambodia as the securities issuance is denominated in Khmer Riel.

2.3. Opportunities

Technology is an important element in promoting and supporting the development of various sectors in the economy. For the securities sector, the application of technology is equally important in both developmental and regulatory areas. Greater adoption of technology and increased digitalization can enhance process efficiency, facilitate cost-effectiveness and promote financial inclusion, among others. All these will spur further growth of the securities sector.

While the securities sector is approaching frontier market status, it can capitalize on new global trends by incorporating strategies that facilitate the development of these new segments as part of the overall development of the sector's ecosystem. In this regard, sustainable finance and financial technology are two key elements that drive the securities sector to attract more market participation as well as promote positive impact.

The issuance of government securities will provide a benchmark yield curve for the securities market, promote market liquidity, improve accessibility and attract both domestic and international investors.

As outlined above, Cambodia has put in place key national policies and strategic development plans. When successfully implemented, these policies and strategic plans will benefit the defined sectors and the economy as a whole, providing opportunities for the securities sector for both financing and investment sources.

SERC is an active member of **ASEAN**, reflected through the achievements made during its chairmanship of **ACMF** in 2022. **SERC** has been actively participating in many **ASEAN** initiatives under the securities sector framework such as **ACMF**, **WC-CMD**, the Asian Bond Markets Initiative (ABMI), and the ASEAN Senior Level Committee (SLC). The active participation in these working groups has expanded the opportunities and potential for Cambodia to promote and strengthen regional cooperation and establish greater securities sector development alignment with the other member countries.

Significant investments into infrastructure development have been identified as supporting and facilitating Cambodia's economic development, as outlined in the Comprehensive Master Plan on Cambodia Intermodal Transport and Logistics System 2023-2033. The implementation of initiatives in this master plan will require substantial fund raising from the public and private sectors, so the securities sector is typically an appropriate platform to raise capital that matches the profile of those projects.

2.4. Threats

The current level of market size, products and services in the securities sector make

this sector less attractive, hindering the expansion of new products or services in the sector.

At the same time, the limited range of products has contributed to a critical mismatch between the supply of and demand for capital. While most infrastructure projects and business expansions require long-term financing, funds are generally placed on short-term fixed deposits. Thus, the inactive bond market poses a challenge for long-term project financing.

The relatively low financial literacy rate among the Cambodian population makes them reluctant to invest, more susceptible to scams, and more likely to make unsuitable financial decisions. Such situation imposes challenges for the securities sector to attract public participation or and causes higher risk to the financial system.

The development of the country's infrastructure and the implementation of development initiatives require huge funds which need to be mobilized from the public and private sectors. However, the mobilization of funds is slow, hence affecting the economic growth rate.

In addition, high cost of capital poses a major obstacle to investment and business expansion. The challenges in accessing financing and the need to generate sufficiently high returns from investments are limiting companies' ability to develop and grow their business. As a result, it will be difficult to maintain economic growth momentum.

❖ **Conclusions on SWOT analysis, Assessment, and Focused Areas Identification**

Over the past decade, the securities sector in Cambodia has implemented several initiatives and programs to develop the securities sector ecosystem through enhancing capacity and ability, catalyzing higher supply and demand for its products and services, and reinforcing market orderliness and integrity. Based on these initiatives, the projection on future direction of the economy and securities market and the meticulous considerations drawn from the SWOT analysis, a number of actions have been identified to be put in place to solve the challenges and seize the opportunities in the future.

Those defined activities are classified as follows:

- Issues that require immediate or short-term solutions because they are important elements of the entire ecosystem.
 - Opportunities in new or nascent growth areas that can become key developmental drivers or enablers.
 - Potential challenges as the securities sector develops to a certain level.
- ***Issues that require immediate or short-term solutions because they are important elements of the entire ecosystem***
 - The **CSX**, established in 2011, represents an important element of the securities sector ecosystem. However, in the past 13 years (as of 2024), there are only 23 listed companies, of which 12 are companies listed corporate bonds. Therefore, more efforts are needed to attract more companies listing on the **CSX** in order to provide more sources of financing and investment options, provide opportunities

for fund management companies to establish local investment funds and portfolios, and increase trading activities in the market. In addition, the range of other products and services in the securities sector needs to be expanded to cater to the needs of individuals and corporates that participate in the market. In connection with this matter, currently, the services provided by the securities intermediaries licensed or authorized by the **SERC** are also limited.

- As of 2024, a significant number of investors (about 57,566) have opened trading accounts, but only a small percentage are active. The SERC should put in place the measures to encourage and incentivise individual and institutional investors to promote trading and build a more vibrant market. The participation of foreign institutions should also be taken into account to expand and diversify the investor base. Access to information that can help investors make more informed decisions is also important, so an innovative information network that is convenient to access should be developed.
- Regulators and market participants have undertaken a number of initiatives to increase financial awareness and financial literacy among public. Efforts to integrate securities knowledge into educational curriculum have also been taken. As the securities sector becomes more developed, there is greater need for more diverse programs and methods of delivery to cater to different levels of knowledge as well as the increased complexity of the sector. While the industry players are indicating that there is already a shortage in the current environment, capacity building and talent development will become even more critical to ensure adequate supply of suitably skilled professionals to serve in the sector as it grows over time.
- As some of the current supervisory processes are done manually, there is a need to develop RegTech and SupTech frameworks to achieve greater efficiency and convenience. Relevant supervisory framework to manage new risk areas particularly technology and cybersecurity risks should also be developed. A risk management framework for the supervision of exchange operators is also important. In addition, the increase in cases of market abuse or online financial fraud has seriously affected investor confidence, therefore an appropriate framework to effectively manage these cases is essential. Furthermore, to manage resources and enhance effectiveness, a transition to risk-based supervision approach should be considered.
- Many securities development initiatives require the participation of stakeholders, from both the public and private sectors. Initiatives that involve relevant ministries or their agencies must prioritize the national interest and require them to provide high level of cooperation. Sharing of resources between the public and private sectors leads to more effective results.
- ***Opportunities in new or nascent growth areas that can become key developmental drivers or enablers.***
- Sustainability is an important national agenda. In this sense, sustainable finance is one of the fastest-growing areas and opportunities for promoting the development of the securities sector. Therefore, the ecosystem needs to be developed, including regulatory frameworks for products and services, data and information

repositories, awareness and capacity-building programs, and so on.

- The formulation of the Royal Government of Cambodia's Financial Technology Development Policy 2023-2028 reflects the importance of financial technology. Therefore, measures under this policy should be implemented effectively. Capturing and application of technology and innovation in the securities sector should be prioritized and in line with the readiness of market participants. Therefore, there should be consideration to encourage and support the use of technology.
- Data is a critical input for decision-making. While the securities sector in Cambodia keeps growing, the development and implementation of data management strategies and capacity building of data analysis has become one of the top priorities, as the result of data analysis being used as a fundamental element for key initiatives.

- ***Potential challenges as the securities sector develops to a certain level***

- As the number and complexity of products and services and the participation of investors in the securities sector increases, there will be a need to enhance and broaden investor protection mechanisms in order to preserve the integrity of the securities market. Also, adequate enforcement capacity and effective coordination should be prioritized. In addition, the development of market infrastructure should also keep pace with the expansion and complexity of products. To develop an orderly market, regulatory requirement for licensing or authorization to supervise securities intermediaries should be reviewed periodically to ensure they have businesses that can operate on an ongoing basis. Furthermore, the risk profile of the securities sector will also evolve as it grows over time, thus requiring supervisory approaches that take into account the different and changing risk elements.
- As the range of financial products and services expands across the financial sector, cost competitiveness becomes an important consideration in attracting greater participation in the securities market, especially, when cross-border activities become more prevalent in the future and international participants compare the various options. Furthermore, for certain segments where Cambodia intends to fast-track their development or potentially compete with other jurisdictions, effective financial and non-financial incentives should be considered. Market participants are also partial to greater efficiency, therefore the regulators and market operators should strive to automate as many processes as possible.

Chapter Three: Securities Sector Development Strategy



3.1. Vision, Objective and Goal

3.1.1. Vision

In implementing this strategy, the Cambodia securities market will become a vibrant, diverse and highly professional market with an increase in listed companies, various products and services, fully operational and flexible to meet market needs, and an important financing source in the region to contribute to national economic development.

3.1.2. Objective

To support the Royal Government to achieve the Vision 2050 and the Sustainable Development Goals, the “**Securities Sector Development Strategy 2025-2035**” aims to prepare a comprehensive roadmap for the ongoing development of the securities market over the next 10 years to ensure that the Cambodian securities market will operate in an orderly, transparent, dynamic, resilient, sustainable, and innovative manner, aligned with regional and global trends and best practices.

3.1.3. Goal

To achieve the above vision and objective, this Securities Sector Development Strategy aims to promote the development of the securities sector in an orderly, transparent, dynamic, resilient, inclusive, sustainable and innovative manner through enhancing the implementation of the following three key strategic frameworks:

- **Strategic Framework for Securities Market Enhancement:** consists of four strategic measures including Securities Issuance, Products and Services Diversification Enhancement, Investor Base and Investing Ecosystem Enhancement, Market Orderliness and Infrastructure Enhancement and Market Efficiency Enhancement.
- **Strategic Framework for Securities Market Expansion:** consists of four strategic measures including Sustainable Finance Development, Fintech and Digital Technology Development, Regulatory Framework Development and Supervisory Framework Development.
- **Strategic Framework for Securities Market Development Enablers:** consists of five strategic measures including Capacity Building, Knowledge Enhancement and Skill Development, Management and Analytic of Data, Stakeholder Coordination and Resource Sharing, Strengthening and Expansion of International Cooperation and Strengthening and Expansion of Implementation Capacity.

3.2. Key Strategic Framework

3.2.1. Strategic Framework for Securities Market Enhancement

3.2.1.1. Strategic Measures to Enhance Securities Issuance and Products and Services Diversification

Given the current status, increasing the breadth and depth of products and services diversification is key to the sustained development of the securities sector as it will

provide more choices to meet the diverse and changing needs and preference of market participants, thereby generating more activities and enhancing market liquidity. Towards achieving this outcome, increasing the number of issuances and listings of companies will be pursued through:

- Making the market ecosystem for issuance and listing of securities more conducive to attract good quality companies. In this regard, the listing process and requirements will be periodically reviewed to ensure that they are applicable and responsive to market evolutions.
- Supporting SMEs based on their growth stages in preparation for potential listing in the future through expanding a variety of financing options to suit their different needs in line with their growth stages. These initiatives are critical as the SME segment collectively is a key contributor to economic activities and represents an important pool for the future pipeline of corporate Cambodia.
- Conducting seminars and workshops covering technical aspects of listing matters for potential listed companies.

Apart from the small number of listings on the CSX, there are also limited activities in the securities market presently that need to be addressed through:

- Implementing initiatives that enhance a more facilitative environment to attract more fundraising activities by more entities and broaden the range of products available for investment.
- Encouraging more issuance and listing of corporate bonds.
- Enabling new areas to accelerate development, such as product development, fund management and investment advisory to create a holistic ecosystem.

Overall, the introduction of new products and services will be phased to provide sufficient time to develop the respective regulatory frameworks, align with market readiness, and enable adequate awareness and education campaigns for better familiarity. Broadly, new products of the funds market will be introduced in the short term, while the more complex segments such as commodity futures and financial derivatives markets will be developed in the medium term.

3.2.1.2. Strategic Measures to Enhance Investor Base and Investing Ecosystem

Having a wide investor base is another critical element for the long-term development of the securities sector, however current investor participation is rather limited which needs to be addressed through:

- Intensive efforts to cater to the need of all segments of individual investors, including the high-net-worth and general individual investors.
- Implementation of the following initiatives to attract greater institutional investor participation:
 - Put in place measures that strengthen foreign institutions' confidence to actively participate in the Cambodian securities market in the short, medium and long term, organize roadshows in international financial

centres to promote the potential and investment opportunities in Cambodia's securities sector, and undertake feasibility study on the potential to include Cambodia securities market's indices into relevant international indices.

- Encourage domestic financial institutions to channel more funds into the securities market.
- Review requirements imposed on listed companies and issuers to ensure best practices in areas such as corporate governance, disclosure and financial reporting to provide greater confidence to institutional investors.
- Establishment of market development fund to promote market liquidity and enhance market development. Meanwhile, the SERC will also conduct study on mechanism for the participation of the sovereign wealth fund in securities market.

Therefore, these measures will be highly effective in increasing the attractiveness to new investors and the diversity of investor types, which show strong potential in promoting the development of the securities sector.

Strengthening and developing investment ecosystem will facilitate the securities trading process and create a convenient investment experience that will attract more investor participation through:

- Enhancement of greater use of technology.
- Providing incentives to encourage trading.
- Providing timely and extensive information to enable investors to make more informed decisions:
 - Utilize media channels to provide significant news and developments on the securities market.
 - Establish portal to provide information and data related to investment and finance.
 - Enhance investor relation functions of the listed companies to strengthen confidence and attract more investment participation.

With the dissemination of information widely, the accuracy of information will be closely monitored and appropriate actions (corrective and/or punitive) will be taken to ensure market integrity.

3.2.1.3. Strategic Measures to Enhance Market Orderliness and Market Infrastructure

The regulator has the primary responsibility of ensuring market orderliness and maintaining market integrity. Investors require assurances that their rights are protected when they participate in the Securities Sector. In this regard, investor protection mechanisms will be enhanced through:

- Reviewing the penalty mechanism that is in place to ensure its effectiveness.
- Reviewing the current mediation and dispute resolution function and enhancing the function as needed.
- Setting up an independent dispute resolution centre.

- Exploring feasibility to establish of an investor protection fund.
- Requiring the licensed or approved intermediaries to periodically review their procedures on handling customer complaints to ensure effectiveness.
- Requiring compliance officers of the respective intermediaries to implement adequate investor protection procedures.
- Enhancing regulatory and enforcement capacity and capability, including inter-agency coordination arrangements. In this regard, the relevant agencies will strive for timely, effective and consistent regulatory or enforcement actions against infringements to reinforce investors' confidence in the process.

Market intermediaries are also responsible for ensuring an orderly market. Intermediaries have to ensure the continuity and sustainability of their respective businesses, among others through compliance with pre-operating and ongoing regulatory requirements as well as adoption of financially prudent business models and adequate risk management policies and having sufficient compliance officers and resources to implement this mandate. SERC will adopt a risk-based supervision approach for these intermediaries.

To increase overall market efficiency, SERC will undertake a comprehensive analysis of the market operator, clearing and settlement operator, and depository operator value chain to identify opportunities for reorganization of market infrastructure in order to improve access to the market. Digital transformation and reduced clearing and settlement risk will position Cambodia securities market as one of the high liquidity markets.

3.2.1.4. Strategic Measures to Enhance Market Efficiency

Participating in the securities market always incurs costs, including fees and other expenses for issuers, investors and intermediaries. Therefore, a competitive cost structure will encourage greater participation and create a more efficient and vibrant market. This will be pursued through:

- Assessing the various cost items relating to participation in the securities market.
- Exploring measures that can contribute to lowering costs, including greater use of technology.
- Studying on setting a more competitive cost structure
- Assessing the suitable types of incentives, including financial or non-financial; permanent or finite; for issuers, intermediaries and/or investors.
- Exploring feasibility to provide long-term tax incentives for securities sector.
- Identifying targeted market segments to be incentivized and prioritizing those that have the strongest growth potential and/or the highest positive impact on the overall development of the securities sector.
- Resolving key issues related to tax obligations that may affect the interest of listed companies.

3.2.2. Strategic Framework for Securities Market Expansion

3.2.2.1. Strategic Measures to Develop Sustainable Finance

Sustainable finance is an increasingly important segment of the financial services industry, hence the need to facilitate its development within the securities sector. The development approach should be holistic to ensure that stakeholders can have convenient access to sustainable financing and investment that suit their respective needs or preferences. Therefore, sustainable securities market development has to be incorporated into both developmental and regulatory aspects:

- Formulate appropriate regulatory frameworks to facilitate the offering of sustainability-based products, primarily bonds and collective investment schemes.
- Develop common frameworks for transition finance which is critical in supporting transition activities that will enable businesses and industries to move progressively towards the country's sustainability targets, such as disclosure standards that align with regional or international benchmarks or best practices to attract foreign or institutional investors.
- Study feasibility to develop voluntary carbon market, nature-based finance and blended finance for further expansion of sustainable finance
- Participate in developing database for sustainability-related projects to create opportunities for market participants as well as develop sustainable capital market.
- Participate in the initiatives to create database to facilitate data collection and management and ESG disclosures.
- Develop sustainability disclosures framework that align with international standard; SERC will assess the need for a data platform to support sustainable reporting and disclosures.
- Organize capacity building and knowledge sharing programs to enhance the understanding about technical aspect of sustainable finance among market participants.
- Establish a comprehensive sustainable finance knowledge hub
- Establish cooperation among industry associations in securities sector across regional jurisdictions.
- Identify suitable financial and non-financial incentives to accelerate the development of sustainable finance, either generally or for specific segments.
- Study potential issuance of sovereign green bond.

The issuance of sovereign green bonds will reinforce the national agenda and also act as a market benchmark. Key stakeholders – mainly issuers, intermediaries, and investors – need to take on the primary responsibility of driving the growth of sustainable finance through supply of and demand for such products and services.

3.2.2.2. Strategic Measures to Develop Financial Technology and Digital Technology

Technology serves to connect the various sectors and functions of financial services which expands growth opportunities while on the other hand adds to regulatory complexity. Hence, measures related to Financial Technology (FinTech) and digitalization technology shall be put in place, including:

- Formulating a roadmap for the development of FinTech in the securities sector.
- Conducting a feasibility study to formulate the regulatory framework for FinTech in the securities sector and specific segments such as decentralized finance (DeFi).
- Setting up a FinTech regulatory sandbox in the securities sector and a multi-stakeholder FinTech Think Tank to promote innovation.
- Organizing capacity building and public awareness programs on FinTech in partnership with related stakeholders, both public and private sector.
- Establishing collaborations among regulators and jurisdictions across financial sectors to exchange insights and experiences.
- Developing and modernizing digital infrastructure and information technology systems to provide electronic services for businesses.
- Enhancing the automation process to increase efficiency as much as possible through:
 - Undertaking comprehensive assessment to identify potential for automation in order to reap optimal benefits.
 - Mapping the assessment results against the industry's readiness for adoption of the relevant technology to ensure alignment.
 - Providing incentives and support to facilitate the actual implementation.
 - Monitoring, tracking, and evaluating the progress and impact of automation to facilitate enhancements and revisions to the overall implementation strategy.

With the greater reliance on technology, intermediaries will be required to adopt adequate policies and procedures to manage technology risk. Frameworks including for RegTech and SupTech will be developed and gradually implemented to facilitate their adoption for the regulator and intermediaries. In achieving these initiatives, the relevant stakeholders are required to allocate sufficient budget over the medium- to long-term.

To manage technology and cybersecurity risks in the securities sector and related emerging risks, the SERC has to put in place a risk management framework based on findings that include data collected from relevant sources and a feasibility study assisted by technical experts. As this is a relatively new area, the SERC has to establish a specialist risk management team which focuses on supervision of this specific area, while coordination with the telecommunication regulator and related institutions will be enhanced.

3.2.2.3. Strategic Measures to Develop Regulatory Frameworks

Robust regulatory frameworks are critical in developing an orderly securities sector. Hence, in alignment with initiatives to diversify the range of products and services in the sector, the SERC has to:

- Develop frameworks and guidelines for specific products or services, that are fit-for-purpose and strike the appropriate balance between regulation and development, and determine whether the adoption is mandatory or encouraged for purpose of regulatory compliance.
 - Set out guidelines to encourage more participation and facilitate interoperability.
- While product and service expansion are being pursued, assessment on market readiness is an important factor in deciding on the appropriate timing to introduce a particular regulatory framework through:

- Holding regular dialogues and consultations between regulator and stakeholders to share views and anticipate market trends and needs.
- Preparing the plan to develop clear regulatory framework, as such, development of relatively more complex regulatory frameworks should be initiated earlier to allow for the longer time anticipated for their completion such as the frameworks for commodity futures market and financial derivatives market.
- Developing other frameworks to broaden the range of products and services (e.g. listed funds, digital assets) and enhancing existing products or services (e.g. securities margin financing, securities financing, distribution channel).
- Enhancing capacity and nimbleness to formulate unscheduled frameworks and guidelines to introduce new products or services in response to market needs and development.

3.2.2.4. Strategic Measures to Develop Supervisory Frameworks

Proper supervision of products, activities and market participants is a critical role of the SERC. Risk-based regulatory approach should be adopted to establish a balanced business environment and allow for more effective supervision and surveillance on regulatory compliance. Hence, an important supervisory tool for the regulator is to have in place a comprehensive risk management framework, including:

- Developing risk-based supervision on market operators.
- Developing risk-based supervision on securities intermediaries to ensure orderly market development and regulation.
- Developing appropriate framework and capability for the management and detection of market abuse, given the growing associated risks. In this regard, regulations will be introduced for prevention while a surveillance system will be put in place for more efficient identification and detection of market abuse activities. Given the serious adverse impact of market abuse, cooperation with relevant institutions is essential to mitigate risks and to effectively manage potential cases.

3.2.3. Strategic Framework for Securities Market Development Enablers

3.2.3.1. Strategic Measures to Build Capacity and Knowledge and

Develop Skills

The SERC and market intermediaries have undertaken a number of ongoing initiatives on financial awareness and literacy, however, more comprehensive efforts with broader participants are necessary in response to varied needs and development status of the securities sector. The measures include:

- Establishing a Financial Literacy Council that is represented by relevant stakeholders.
- Incorporating suitable content related to the securities sector in education curriculum for students and youths, which will also focus on girls and young women.
- Publishing documents about the securities sector and its various segments which are easy to read.
- Developing initiatives to make the learning more interesting, such as Securities Trading contests to develop greater understanding and provide practical experience.
- Developing programs to train-the-trainers to strengthen and enhance communication and broaden the delivery of securities knowledge, and effectively support the above initiatives.
- Setting out a variety of public awareness initiatives to cater to different needs or targeted groups.
- Developing programs of varying complexity and depth for different awareness levels.
- Conducting these initiatives and programs regularly, sustained over the long term to be effective. Content of the programs will be updated periodically to ensure that the stakeholders are kept abreast of new developments in the securities sector.
- Using social media and other media channels to implement and disseminate promotional campaigns to generate wider interest among the various stakeholders.
- Establishing a National Securities Institute.
- Harnessing technology to facilitate the delivery of the programs.

As the industry faces a shortage of skilled workforce, having a long-term steady supply of professionals with relevant skills and experience is critical in ensuring sustained development of the securities sector. Apart from financial knowledge, the talent pool also requires knowledge in other areas, such as legal, accounting, analytics, information technology and others. Hence, the SERC shall:

- Establish and enhance collaborations between relevant industry stakeholders and academic institutions, especially universities and technical colleges in order to provide individuals with the appropriate levels of skills and knowledge.

- Continue to strengthen and expand academic curricula to incorporate contents on the securities sector, to cultivate potential talents as they enter the workforce.
- Organize structured training and development programs to those already in the industry to enable them to acquire additional skillsets and updated knowledge to perform their work in the securities sector efficiently and professionally. The securities sector requires skills at various levels to cater to the different jobs and functions; therefore, the programs will be tailored to meet the needs and actual situations accordingly.
- Support women's financial inclusion by considering the setting up of a standard-setting program in the securities sector to collect and use gender-disaggregated data to strengthen gender analysis and expand opportunities for gender equality in the securities sector.
- Strengthen the participation and leadership capabilities of women professionals in the securities sector.
- Attract selected talents from other markets to serve to bridge the gaps in critical areas.
- Conduct feasibility study on offering incentives for professionals to join the securities sector.

These capacity building and talent development initiatives shall be jointly undertaken by all stakeholders in the securities sector as they will collectively reap the benefits in the medium-to long-term. Collaboration from curriculum providers will enhance the effectiveness and efficiency of the initiatives as efforts will be aligned, resources can be pooled and important messages will be reinforced.

At the same time, the service quality and professionalism of market intermediaries will be enhanced in serving both the issuers and investors. Beyond technical and soft skill training as well as sharing of best practices, market intermediaries' staffs will be equipped with suitable tools and technology to enable them to anticipate customer needs and provide holistic customer-centric solutions, rather than take a one-size-fits-all approach.

3.2.3.2. Strategic Measures to Manage and Analyze Data

Data is one of the most important inputs for strategic planning in developing the securities sector. Hence, the SERC shall develop a data management strategy while a database will be formulated to develop the ability and capacity to gather, analyze, manage and utilize data, including gender-disaggregated data, through:

- A comprehensive study to identify the potential data that should be collected by evaluating the usefulness and impact of data as well as the accuracy and completeness of the data.
- Developing an effective methodology for data collection, warehousing and analysis.

- Reviewing periodically and updating where necessary the data collection and management strategy.
- Examining feasibility to assess the entire securities sector data, disaggregated by gender, and identify opportunities for implementation that align with global standards, such as the Women Entrepreneurs Finance Code, to ensure usability of the data to identify goals and effectively formulate policies related to women's financial inclusion.

The SERC shall develop methodology and capabilities for data analytics. Outputs from the data analytics will be utilized in formulating strategies and initiatives in the securities sector.

3.2.3.3. Strategic Measures to Coordinate with Relevant Stakeholders and Share Resources

The development of the securities sector requires the contributions and support of multiple stakeholders, from both the public and private sectors. Hence, coordination among the relevant stakeholders is important. Collaborative approach will be taken to address specific issues, including:

- Identifying areas for coordination and the stakeholders to be involved.
- Determining the conditions that focus on roles and responsibilities of each stakeholder.
- Establishing and putting in place mechanism for coordination and cooperation to ensure effective implementation.
- Establishing partnerships and collaborations between regulators and market stakeholders, especially in areas where market stakeholders' resources can be leveraged.
- Jointly developing initiatives including outreach and awareness programs, training, research and other developmental and regulatory programs.

These collaborative initiatives will address both general and specific industry needs of industry stakeholders and strengthen market confidence through joint programs that highlight the securities market's safeguards and the establishment of communication channels that facilitate the sharing of market-sensitive information.

3.2.3.4. Strategic Measures to Strengthen and Expand International Cooperation

In view of greater internationalization of economic and financial activities, the securities sector needs to enhance its collaborative arrangements with markets in other jurisdictions from both developmental and regulatory perspectives. The SERC shall strengthen and enhance its cooperation with relevant stakeholders in other jurisdictions to address new areas such as sustainable finance and fintech to enable the sharing of experience and knowledge through the establishment of cooperation mechanism to facilitate regulatory cooperation, including on law enforcement, implementation of best practices, and the harmonization of regulatory frameworks.

Broad regional cooperation will continue to be pursued to leverage on the benefits of being part of ASEAN. In addition, among other cooperations, regional capacity building initiatives will be proposed with the support of regional stakeholders, including programs to be organized through the IOSCO Asia Pacific Hub.

3.2.3.5. Strategic Measures to Strengthen and Expand

Implementation

Capacity

Implementation of the strategic measures of the Securities Sector Development Strategy will require significant resources. Therefore, the SERC shall enhance its capacity in various aspects including human resources, financial resources, technology systems and other areas such as expanding and enhancing official development programs, setting appropriate budget allocation and priorities for action, strengthening internal management systems and replacing manual processes with automated technology.

Chapter Four: Implementation, Monitoring and Evaluation Mechanisms

The key to having a successful strategic plan is an effective implementation framework that includes monitoring and evaluation of progress.

4.1. Implementation Mechanism

The **SERC** must lead, coordinate, implement, monitor, and evaluate to ensure the successful implementation of the Securities Sector Development Strategy 2025-2035 with the cooperation of ministries-institutions, and all stakeholders. Priority work within the appendixes of this Securities Sector Development Strategy must be included in the policy frameworks and related strategic plans such as the institutional development plan and the three-years rolling action plan. The Securities Sector Development Strategy 2025-2035 will be monitored and evaluated monthly, quarterly, annually, and at the mid-term period through the preparation of meetings and reports to ensure the effectiveness and consistency of the implementation of the strategy to meet the needs, situation, and trends of evolution of the securities market in Cambodia and in the region. The Director General of the **SERC** is the leader, monitor and evaluator of the work. He can establish a working group with relevant institutions as necessary to ensure the efficiency of the work with a proper secretariat.

❖ Duration of implementation

The timeline for implementing this Strategy is divided into three phases:

- Short term: from 2025 to 2027
- Medium term: from 2028 to 2030
- Long term: from 2031 to 2035

This allocation of the implementation timeline is based on the importance or urgency of the strategic measures, resources needed to implement, relevance, and compliance with other relevant strategic plans. The **SERC** may change the duration of implementation as necessary.

4.2. Monitoring and Evaluation Mechanisms

During implementation, monitoring and evaluation are very important in providing progress, timeliness, and effectiveness of implementation. In the process of monitoring and evaluating the implementation of the Securities Sector Development Strategy 2025-2035, the **SERC** uses the following monitoring and evaluation mechanisms:

- **Annual Review and Evaluation Report:** The **SERC** will prepare an annual executive plan at the beginning of the first quarter of each year. The monitoring of progress in implementing this Securities Sector Development Strategy will be conducted through regular review and evaluation using monthly, quarterly, semi-annual, and annual reports submitted to the Director General of the **SERC**, as well as an annual achievement report that will be prepared and submitted to the **FSA** Council.
- **Mid-term Monitoring and Evaluation Report:** The Securities Sector Development Strategy 2025-2035 will be reviewed and revised in the mid-term in order to assess the progress and challenges encountered during implementation, aimed at

updating to “**Securities Sector Development Strategy 2031-2040**”. The **SERC** will prepare the first to fifth annual achievement reports, which will be used for study and analysis aimed at finding key successes and shortcomings as a basis for improving and promoting further implementation in the mid-term to achieve success and respond to the set vision.

As this Securities Sector Development Strategy is a live document, its implementation will be regularly reviewed to ensure continued relevance. Accordingly, certain strategic measures may need to be adjusted or added in response to changes or emerging developments in the market.

Chapter Five: Conclusion



The Securities Sector Development Strategy 2025-2035 is a living document that has been prepared through a comprehensive SWOT analysis, the evolving trends of the securities sector and the Cambodian economy and regional and global development trends, as well as in line with key national strategies and policies such as Pentagonal Strategy - Phase I, Financial Sector Development Strategy 2025-2030, Strategy For the Development of E-Services for Business 2025-2028, Cambodia Digital Economy and Social Policy Framework 2021-2035, Cambodia Financial Technology Development Policy 2023-2028, CSDGs Framework 2016-2030 as well as strategic documents that will support the implementation of other relevant strategies, such as Comprehensive Master Plan on Intermodal Transport and Logistics System 2023-2033 and Long-Term Strategy for Carbon Neutrality and so on.

The Securities Sector Development Strategy 2025-2035 sets out a clear, coherent, and well-aligned vision, objectives and goals that follow the guiding principles “**learn gradually, act gradually, improve gradually,**” “**across the river, touch the rocks,**” and “**Adopt, adapt, and further innovate.**” At the same time, the Securities Sector Development Strategy also sets out monitoring and evaluation mechanisms, as well as the preparation of human capital and financial and non-financial resources for its successful and fruitful implementation.

Appendix: Securities Sector Development Strategy 2025-2035

Strategies		Short Term (2025 - 2027)	Medium Term (2028 - 2030)	Long Term (2031 - 2035)
I. Strategic Framework for Securities Market Enhancement				
❖ Strategic Measures to Enhance Securities Issuance and Products and Services Diversification				
1.	Attract more companies to issue and list	Establish a coordination mechanism to promote the participation of banks and financial institutions (FIs) to do listing, through signing MOUs or putting in place a joint guideline.	Collaborate with NBC and MEF to encourage banks and FIs to list on the CSX.	Continue to support the listing of banks and FIs.
		Deepen listing of SMEs by further supporting and expanding programs such as the Excellence Program and SME clinics establishment.	Review and revise, where appropriate, the programs and initiatives for SME development.	Ongoing.
		Establish the channel to access financing and fundraising at different stages of the SME lifecycle, enabling them to scale up their potential and move toward listing.	Review effectiveness of the various financing and fundraising channels and strengthen the implementation as necessary.	Ongoing.
		Consider enabling direct listing and listing of holding companies	Review and update, where necessary, regulations to facilitate such listings.	Review effectiveness of regulations to encourage more listings.

		Address 'level playing field' issues on transparency of listed vs. unlisted companies by engaging with general tax department to identify measures or mechanism to minimise / narrow differences in treatment between listed and unlisted companies.	Conduct periodic reviews to identify specific issues that may deter companies from going for listing.	Ongoing.
		- Encourage more listing of corporate bonds: ➤ Step up awareness programs for potential issuers and institutional investors. ➤ Facilitate issuance of thematic bonds (e.g., green bond, social bond, sustainability bond) to attract more investors. ➤ Consider providing suitable incentives. ➤ Conduct feasibility study on enabling multi-currency bond issuance. ➤ Endorse the draft Prakas on the Offering of Infrastructure Debt Securities.	Review corporate bond listing framework for potential enhancements.	Ongoing.
		Organise workshops on listing matters for corporates and potential issuers.	Ongoing.	Ongoing.

2.	Encourage more listing of SOEs	• Encourage more SOEs to list: ➢ Establish cross-agency task force to issue framework on requirements for listing of SOEs. ➢ Identify investable SOEs and carry out assessments on their suitability for listing.	• Enable task force to revise the requirement in supporting qualified SOEs for listing.	
3.	Develop secondary market for government bonds	• Review and evaluate the existing trading mechanism and infrastructure for government bonds secondary market trading. • Conduct consultations to seek feedback on proposed mechanism / infrastructure.	• Enhance the trading mechanism and infrastructure of government bonds secondary market.	• Review the effectiveness of the mechanism / infrastructure and revise as necessary.
4.	Develop a commodity futures market	• Develop a strategy for establishing a sustainable market for trading commodity futures. • Develop the legal and regulatory framework to support the establishment of a commodity futures market.	• Establish commodity futures exchange. • Conduct investor awareness programs on commodity futures trading.	• Encourage greater participation in the commodity futures exchange.
5.	Develop financial derivatives market	• Study feasibility of developing USD/KHR derivatives and trading mechanism.	• Conduct strategic plan for financial derivatives development based on the analytical outcomes.	• Initiate implementation of actions identified in the strategy.

		- Analyze the feasibility of developing other financial derivatives. - Further develop the financial derivatives.		
6.	Develop carbon credit exchange	- Conduct feasibility study on establishing carbon credit exchange (CCE). - Develop strategy for establishing a CCE. - Develop the legal and regulatory framework for a CCE.	Establish the CCE.	Review CCE's operations to identify potential enhancements.
7.	Establish regulations on funds	- Conduct stakeholder consultation on Collective Investment Scheme (CIS) regulations. - Develop and implement regulations on CIS. - Enhance widespread awareness on CIS.	Review CIS market development and revise regulations if necessary.	Ongoing.
		- Conduct stakeholder consultation on Exchange-Traded Fund (ETF) regulations. - Develop and implement regulations on ETF.	Review ETF market development and revise regulations if necessary.	Ongoing.
		Conduct stakeholder consultation on Depository Receipt (DR) regulations.	Review DR market development and revise regulations if necessary.	Ongoing.

		Develop and implement regulations on DR.		
		- Conduct stakeholder consultation on Real Estate Investment Trust (REIT) regulations. - Develop and implement regulations on REIT.	Review REIT market development and revise regulations if necessary.	Ongoing.
8.	Encourage expansion of securities firms' services	- Study eligibility and operational requirements on securities firms that wish to trade for their clients in securities markets abroad. - Establish regulatory framework and grant approval to securities firm that provide foreign securities trading services to domestic clients.	Review effectiveness of the requirements and revise as necessary.	Ongoing.
❖ Strategic Measures to Enhance Investor Base and Investing Ecosystem				
1.	Encourage foreign investors to invest in the securities market	Organise roadshows in major Asian financial centres to promote the attractive and potential investment opportunities in Cambodia.		
		Initiate discussions with a global index provider, e.g. FTSE or Dow Jones.	Conduct initial assessment and prepare towards requirements for Frontier markets.	Fulfil requirements for Frontier markets.

		Identify and engage potential foreign banks acting as custodians, based on the banks' requirements.	- Follow up on the progress vis-a-vis the requirements of foreign banks as securities custodian agent and make changes where necessary. - Revise regulations if necessary.	Ongoing.
2.	Encourage domestic savings institutions' investment in securities sector	Liaise with Insurance Regulator of Cambodia and Social Security Regulator to revise investment mandates of long-term savings funds and set standards in managing premium for insurance companies, and managing of pension fund to ensure capacity is adequate to support more active investment strategies involving riskier assets in securities sector.	Review and monitor the investment of domestic savings institutions.	Ongoing.
3.	Develop initiatives to attract institutional investors, both domestic and foreign	- Review and update the implemented standards to ensure best practices by issuers and listed entities on: ➢ Corporate governance ➢ Disclosure standards ➢ Financial reporting	- Monitor compliance of issuers and listed entities with the standards. - Continue reviewing and updating the standards as necessary.	Ongoing.
4.	Conduct research on establishing a	Conduct feasibility study on establishing a mechanism for the	Review and coordinate with institutions in charge	Endorse and implement the regulation.

	mechanism for the participation of sovereign wealth fund in the securities market	participation of sovereign wealth fund in the securities market. • Conduct a study on framework and mechanism for participation.	of supervising the sovereign wealth fund. • Establish a draft framework and mechanism for participation.	
5.	Set up securities market development fund	• Study the feasibility of setting up securities market development fund to support trading activities in the stock market by operators and stakeholders in the securities market. • Set up and operationalize the securities market development fund.	• Manage and monitor the securities market development fund's operations.	• Ongoing.
6.	Implement initiatives to enhance the ease of investing and facilitate trading processes	• Review overall investing process and identify areas to enhance the investing experience. • Drive greater adoption of technology to enhance efficiency and customer experience for securities trading (trading account opening and securities investor ID, trading, clearing, settlement). • Ensure periodic upgrading of the Mobile Trading System.	• Implement the enhancements based on the investing experience review. • Extend the use of technology including trading simulators to raise awareness and encourage more participation.	• Ongoing.

7.	Make more timely and accurate information available and accessible to investors	• Raise public awareness on the available sources of investment-related information. • Publicize significant news or developments (e.g. IPOs) through multiple media channels. • Set up information portal on investment-related news and data. • Digitalize disclosure system for supervision purpose.	• Continue to raise awareness. • Continue to use multiple media channels to publicize. • Monitor effectiveness of portal and disclosure system.	• Ongoing.
❖ Strategic Measures to Enhance Market Orderliness and Infrastructure				
1.	Enhance investor protection mechanisms in securities sector	• Review current penalty mechanism, and revise where appropriate. • Raise public awareness regarding legal and regulatory protections for investors in the Securities Sector. • Develop market surveillance system for securities trading on CSX. • Explore feasibility of establishing an Investor Protection Fund.	• Strengthen the role of the securities mediation and dispute resolution division by: ➢ adopting digital means to receive and redress complaints. ➢ defining turn-around-time for complaint resolution. • Establish and operationalize Investor Protection Fund, along with the requisite regulations and operational guidelines.	• Conduct feasibility study on setting up independent Dispute Resolution Centre. • Assess the effectiveness of the Investor Protection Fund's operations.

2.	Enhance regulatory and enforcement capacity and capability, including inter-agency coordination arrangements	• Ensure supervision and enforcement teams are well-staffed and provided with sufficient systems, tools and training. • Review existing coordination arrangements among relevant law enforcement agencies to ensure effective and efficient processes. • Take timely, effective and consistent regulatory/enforcement actions against infringements.	• Ongoing.	• Ongoing.
3.	Strengthen the business of licensed securities intermediaries	• Establish and adopt the regulatory framework for licensing or approving and supervising independent brokerage, to ensure the broad availability of securities intermediary services. • Grant license or approval and conduct supervision of independent brokerage in securities sector.	• Continue to grant license or approval and conduct supervision of independent brokerage in securities sector. • Establish further regulatory framework for monitoring the professionalism and the reporting of independent brokerage in securities sector.	• Ongoing. • Review the effectiveness of regulation implementations.

4.	Undertake comprehensive analysis of the exchange value chain		- Identify opportunities for reorganization of market infrastructure. - Evaluate the restructuring needs of market infrastructure operator in trading, clearing and settlement and repository.	Develop and implement strategy for reorganization of market infrastructure.
5.	Ensure the sufficiency and operational continuity of market infrastructure	- Conduct feasibility study on enhancing market infrastructure of trading and settlement system to handle new products and reduce risk. - Review capacity of trading and settlement system to handle new products. - Review risks inherent in trading before settlement arrangements and identify enhancements/ regulatory changes.	Prepare enhancement plans for the trading and settlement system of market infrastructure, and implement plans.	Ongoing.
		- Have adequate back-up arrangements for market infrastructure to avoid / minimize market disruptions: ➤ Conduct impact assessment exercise on criticality of respective market infrastructure.	- Commit appropriate investments into market infrastructure to keep pace with market development: ➤ Estimate budget requirements over 10-year period. ➤ Progressively set aside the required budget.	

		➤ Put in place appropriate back-up arrangements.		
6.	Link the cross-border settlement in the securities sector	• Conduct feasibility study on linkage of the cross-border settlement in ASEAN and ASEAN+3	• Link the cross-border settlement in ASEAN and ASEAN+3	• Ongoing.
❖ Strategic Measures to Enhance Market Efficiency				
1.	Review the cost for participating in Securities Sector	• Gather relevant data on costs, fees and expenses relating to participation in the Securities Sector, for assessment and decision-making. • Conduct consultation forum with stakeholders on market participation fees to ensure that the design of the fee and cost structure is competitive. • Encourage innovation and use of technology to reduce cost of participation.	• Review the effectiveness of the fee structure • Continue to encourage innovation and use of technology to reduce cost of participation.	• Ongoing.
2.	Provide financial and non-financial incentives	• Provide long-term tax incentive for issuers, investors, intermediaries and other participants in securities sector. • Provide special incentives as follows: ➤ Identify the targeted segments to be incentivized.	• Ongoing.	• Measure impact of respective incentives and achievement of desired outcomes. • Review the implemented measures with the market participants and other

		➤ Prioritize segments that have the strongest growth potential and/or the highest positive impact on the overall development of the Securities Sector as well as the national agenda regarding sustainable finance framework. ➤ Determine the stakeholders to be incentivized within each segment – issuers, intermediaries and/or investors.		stakeholders, make changes as necessary.
3.	Reduce barriers to the development of the securities market caused by the mandatory use of the Khmer Riel in securities issuance	• Create a Working Group comprising members from MEF, SERC and NBC and chaired by the MEF to investigate barriers caused by the mandatory use of the Khmer Riel in securities issuance and recommend actions to address them. • Engage industry players to compile all issues affecting the Securities Sector.	• Ongoing.	• Ongoing.

4.	Drive process efficiency and integrity	- Review and revise, where appropriate, the process of licensing/approval/accrediting, securities issuance, listing and investment, etc. - Review and update the processes and mechanisms to ensure that trading, settlement, and other transactions are benchmarked with best practices.	Ongoing.	Ongoing.
II. Strategic Framework for Securities Market Expansion				
❖ Strategic Measures to Develop Sustainable Finance				
1.	Promote Sustainable Bonds Issuance	- Extend the Cambodia Sustainable Bond Accelerator program. - Provide technical assistance and support for sustainable bonds issuance.	Ongoing.	Ongoing.
		Develop and put in place the guidelines for issuance of sustainability-linked Bonds (SLB), aligned with the ASEAN SLB Standards.	Develop and put in place guidelines for offering of sustainable funds, aligned with the ASEAN Sustainable and	Review the guidelines for relevant updates, if necessary.

		• Develop transition finance framework, based on the ASEAN Transition Finance Guidance.	Responsible Fund Standards. • Conduct feasibility study on developing: ➢ Nature-based finance. ➢ Blended finance (government and private) for climate change adaptation.	
2.	Develop a database of sustainable projects and carbon emissions	• Aggregate sustainable projects in Cambodia. • Participate to explore the feasibility of data availability for carbon emissions. • Join and call for a national level taskforce or initiative on data collection, methodology and publication, compatible with regional efforts.	• Participate to create a database of sustainable projects in Cambodia. • Create data hub on carbon emission for promoting sustainability disclosure.	• Ongoing.
3.	Promote corporate sustainability disclosure standards	• Promote corporate sustainability practices.	• Develop a national framework or guidelines for corporate sustainability disclosures. • Undertake a phased and proportional approach for climate risk disclosures.	• Review the efficiency of implementation of the corporate sustainability disclosures guidelines and revise as necessary. • Develop framework for nature-based disclosures.

			Assess the need for data platform to support reporting and disclosures.	
4.	Provide capacity building and awareness on sustainable finance	- Organise workshops for regulators and stakeholders in collaboration with development partners. - Assess arrangements with development partners to ensure effective delivery of the workshops.	Ongoing.	Ongoing.
		Organise technical workshops for issuers, intermediaries and potential investors.	Ongoing.	Ongoing.
		Implement awareness and knowledge programs for the various stakeholders and the public.	- Develop sustainable finance outreach program and public education initiatives. - Conduct the feasibility on organising a sustainable finance summit in Cambodia.	Ongoing.
5.	Facilitate knowledge	Conduct feasibility study on the creation of knowledge hubs on	Create a comprehensive knowledge hub on	Organize workshops and conferences at ASEAN level.

	transfer and capacity building	sustainable finance among relevant stakeholders. - Establish bilateral and/or multilateral arrangements between industry associations of relevant jurisdictions. - Cooperate with Multilateral development banks (MDBs) and Official development assistance (ODAs) on capacity building programs.	sustainable finance in Cambodia. Strengthen and expand bilateral and/or multilateral arrangements between industry associations of relevant jurisdictions.	
6.	Issue sovereign green bond	Study ASEAN experiences in issuance of sovereign thematic bonds.	Issue sovereign green bond, if feasible.	Evaluate the interest from investors and public on sovereign green bond issuance.
❖ Strategic Measures to Develop Financial Technology and Digital Technology				
1.	Formulate roadmap on FinTech development for the Securities Sector	Develop and launch the roadmap.	- Implement recommendations of the roadmap. - Monitor and evaluate effectiveness of the implementation, and propose enhancements or revisions, where necessary.	Ongoing.
2.	Enhance capacity building and public awareness	Engage in public events to promote FinTech in Securities Sector.	Continue to promote capacity building and public	Ongoing.

	on FinTech in Securities Sector	- Promote educational contents on FinTech in Securities Sector. - Create or partner with relevant public and private institutions to introduce awareness initiatives. - Establish collaborative arrangement with Ministry of Post and Telecommunications to organise and deliver programs on digital literacy.	awareness of FinTech in Securities Sector. - Create supporting activities for FinTech entrepreneurship. - Collaborate with other regulators and experts to share insights and experience. - Partner with educational/ experienced institutions to build officials' capacity in FinTech in Securities Sector.	
3.	Develop FinTech Regulatory Sandbox in Securities Sector	Review applications requesting to join FinTech Regulatory Sandbox in Securities Sector.	Continue to review the applications and regulate the companies in FinTech Regulatory Sandbox in Securities Sector.	Ongoing.
4.	Develop regulatory framework for FinTech in Securities Sector	- Draft regulations and policies for FinTech in Securities Sector. - Conduct a feasibility study on the use-cases of DeFi in Securities Sector.	- Study the appropriate regulatory stance in relation to DeFi use-cases in Securities Sector. - Ensure implementation and compliance with the policies and regulations.	Ongoing.

5.	Promote development and innovation of FinTech activities in Securities Sector	• Conduct a feasibility study to establish multi-stakeholder FinTech Think Tank to promote development of innovative FinTech activities. • Research on the global evolvement of FinTech and its applications in promoting innovation in the securities sector. • Regulate and support innovation in FinTech activities.	• Ongoing.	• Ongoing.
6.	Support implementation of measures under the Cambodia Financial Technology Development Policy 2023-2028	• Participate in relevant working groups and/or Digital Economy and Business Committee. • Identify the appropriate timeline to implement the measures that are directly relating to the Securities Sector.	• Continue to implement the relevant measures. • Evaluate the effectiveness of the implementation of relevant measures under the Cambodia Financial Technology Development Policy 2023-2028, and identify areas for follow-up and continue to implement.	• Ongoing.

7.	Harness technology as critical enabler in the Securities Sector	• Undertake a comprehensive assessment to identify areas that should be prioritized for greater automation. • Align the assessment results against the market's readiness to adopt the relevant technology. • Develop and implement automation initiatives, based on priority list. • Provide incentives and support, where appropriate and practicable, to facilitate implementation. • Require securities market intermediaries to establish technology risk management policies and processes.	• Monitor and evaluate the progress and impact of the automation initiatives and revise as necessary. • Allocate a sufficient budget for medium to long-term period for technology development. • Develop RegTech and SupTech frameworks.	• Ongoing.
8.	Develop framework for Technology Risk Management and Cybersecurity in Securities Sector	• Gather inputs and draft the framework for Technology Risk Management and Cybersecurity in securities sector • Enact the framework for Technology Risk Management and Cybersecurity in securities sector.	• Organise capacity building and knowledge sharing workshops relating to cybersecurity risk. • Monitor the implementation framework of Technology Risk Management and Cybersecurity in securities sector.	• Ongoing.

		• Conduct a feasibility study on integrating Data Protection and Data Sharing framework. • Set up SERC's specialist risk management working group. • Coordinate arrangements with Telecommunication Regulator of Cambodia and relevant institutions that specialize in technology sector to gain awareness and inputs to develop the frameworks for Technology Risk Management and Cybersecurity in securities sector.		
9.	Establish FinTech or Digital department in SERC	• Set up specific department responsible for the digitalization agenda for the Securities Sector. • Design the department structure and staffing in accordance with global trend, needs and indication from government strategic policies.	• Review the suitability and adequacy of the department in relation to market development and needs, and government policies. • Create experience-sharing channels with other regulators.	• Ongoing.
10.	Support the strategy implementation on the development of	• Participate in task implementation among the working group from various ministries that formulates the electronic services for business.	• Continue to implement the prioritised strategies and key measures that are relevant to securities sector.	• Ongoing.

	electronic services for business 2025-2028	Identify a timeline to implement the prioritised strategies and key measures that are relevant to securities sector.		
❖ Strategic Measures to Develop Regulatory Frameworks				
1.	Develop and review regulation frameworks for market operators and members	- Develop and implement regulations related to securities pledge and mortgage - Conduct a feasibility study to assess the potential benefits, costs, and challenges of centralizing the securities function.	- Accredit pledge and mortgage agents. - Review existing regulations to upgrade securities depository operator to become central securities repository.	- Monitor implementation of regulations related to securities pledge and mortgage. - Continue implementation and monitoring of the regulatory frameworks.
2.	Develop regulations related to Securities Financing and Securities Margin Trading	- Develop and put in place the regulations related to granting of license and supervision on securities financing business. - Develop and put in place the regulations related to granting of approval and supervision on securities margin trading. - Develop and put in place the regulations related to the joint compensation fund and the operational measures on	- Grant license/approval to securities financing business. - Monitor implementation compliance of the regulated entities.	Ongoing.

		securities margin trading of securities market operator.		
3.	Implement and promote corporate governance (CG) code	- Develop and implement CG code. - Promote awareness on CG code.	- Monitor the implementation of CG code. - Continue to promote awareness on CG code. - Establish Institute of Directors (IOD) and provide training to directors of listed companies.	- Continue to monitor implementation of CG code. - Support IOD of securities sector to attract directors from non-listed companies.
4.	Develop regulatory framework for digital assets	- Develop and put in place regulations related to digital assets. - Grant licence to individuals and intermediaries who provide services in digital asset.	- Monitor implementation of the regulatory framework and compliance by the regulated entities. - Develop more supporting regulatory frameworks.	Ongoing.
5.	Develop regulatory framework for Peer-to-Peer Financing in securities sector	- Develop and put in place the regulations for granting licenses and supervising peer-to-peer financing business in securities sector. - Grant peer-to-peer financing license in securities sector.	- Monitor implementation of the regulatory framework and compliance by the regulated entities. - Develop more supporting regulatory frameworks.	Ongoing.
6.	Develop regulatory	Develop and put in place the regulations related to securities	Monitor implementation of the regulatory framework	Ongoing.

	framework for crowdfunding	issuance through crowdfunding platform. • Develop and put in place the regulations to strengthen the supervision of crowdfunding intermediaries and crowdfunding platforms.	and compliance by the regulated entities. • Develop more supporting regulatory frameworks.	
7.	Develop regulatory framework for takeovers, mergers and acquisitions in securities sector	• Draft regulation related to takeovers, mergers and acquisitions in securities sector	• Consult with stakeholders and put the regulation in place.	
❖ Strategic Measures to Develop Supervisory Frameworks				
1.	Enact risk management framework to supervise permitted securities exchange operators (securities exchange, futures exchange, OTC)	• Develop and enact risk management framework.	• Monitor implementation and impact of the framework.	• Incorporate the risk management metrics in supervision.

2.	Transition to risk-based supervision to supervise: - permitted securities exchange operators (securities exchange, futures exchange, OTC) - market participants such as Cash settlement agent, Registrar agent, Transfer agent, Paying agent, and Custodian agent in securities sector	- Prepare a strategy for transition to risk-based supervision. - Prepare an offsite reporting tool based on Current Solvency I.	Conduct a supervisory assessment for transition to Solvency II.	Implement the appropriate solvency regime aligned with the prevailing conditions of the securities sector.

3.	Enhance supervision of market intermediaries	Develop and enact framework for risk-based supervision of market intermediaries.	Monitor the implementation and revise where necessary.	Review minimum eligibility requirements for licensing/ approval of market intermediaries.
4.	Set up regulation for management of market abuse	Prepare strategic plan for tackling market abuse with key stakeholders.	Implement the strategic plan.	
		Establish regulatory framework to control market access for insiders among SERC-regulated entities and those regulated by other agencies.	Ensure compliance with the framework through effective supervision.	
		Draft regulations and policies to provide a framework for market activities by special insiders – such as employees of regulatory agencies.	Implement the action plans in the policies and the regulations.	
		Collaborate with Ministry of Justice to develop integrated process for case management and hand-over of market abuse cases in securities sector.		

5.	Set up IT system for digital reporting and detecting market abuse in securities sector	• Develop phase 1 of supervisory IT System for derivatives operations and trading business. • Procure and install IT applications to monitor market abuse in securities sector and provide capacity building by the IT vendor. • Build SERC staff capacity to monitor and detect market abuse in securities sector and manage cases.	• Develop phase 2 of supervisory IT system for derivatives operations and trading business.	• Continue improving these IT systems.
III. Strategic Framework for Securities Market Development Enablers				
❖ Strategic Measures to Build Capacity, Enhance Knowledge and Develop Skills				
1.	Promote financial literacy	• Prepare and put in place the strategic plan to promote financial literacy as follows: ➤ Create a Financial Literacy Committee participated by stakeholders in the market. ➤ Incorporate content on Securities Sector into academic curricula. ➤ Publish easy-to-read booklets related to securities. ➤ Organise 'securities trading' contests.	• Continue to implement the strategic plan. • Encourage the stakeholders to create gamification and simulation-based applications to promote financial literacy.	• Ongoing. • Review effectiveness of the strategic plan and make adjustments where necessary.

		➤ Organise a range of programs (workshops, short courses) designed for different levels of knowledge and incorporate content related to women. ➤ Create the Train-the-trainer programs.		
2.	Raise public awareness on the securities sector	• Organise or participate in public events to promote the securities sector. • Create or partner with relevant public and private institutions for awareness campaigns. • Facilitate public access to effortless, relevant and timely information. • Encourage associations in the securities sector to organise awareness promoting events on investments (e.g. agency/securities brokers/derivatives).	• Ongoing.	• Ongoing.
3.	Develop skilled and experienced talents	• Establish collaborations between stakeholders (e.g. regulators and market participants) and academic institutions.	• Incorporate content on securities sector into academic curricula, especially in bachelor's degree programs.	• Ongoing.

		Review the current capacity building programs to ensure their responsiveness to market needs, and update as necessary.	- Conduct coaching sessions for lecturers. - Explore a feasibility study to undertake gender assessment of the sector to identify strategies for attracting, retaining and promoting skilled female staff in the securities sector.	
	Develop talent pool in significant areas, such as finance, legal, accounting, data analytics, information technology and other relevant skills	Collaborate with stakeholders to provide training and development programs to those who are working in the securities sector, including licensed/approved individuals, and tailor programs into various levels for different job terms and conditions.	Ongoing.	Ongoing.
		- Attract foreign talents to fill the areas with skills shortage. - Consider to provide incentives for skilled talents to join the securities sector.	Ongoing.	Ongoing.
4.	Promote securities knowledge and strengthen the	Conduct a feasibility study on establishing national securities institute.	Put in place the regulation and establish national securities institute.	

	capacity of professionals in securities sector	• Draft regulation to establish national securities institute.		
5.	Enhance securities intermediary services	• Raise level of professionalism through up-to-date knowledge and strong communication skills by: ➤ Providing appropriate training on technical and soft skills for employees in the market intermediaries. ➤ Providing suitable tools for employees to access to relevant news. ➤ Sharing experiences on international best practices via dialogues and workshops. • Implement customer-centric approach in providing recommendations and advice. • Encourage market intermediaries to provide additional services as needed.	• Ongoing.	• Ongoing.
❖ Strategic Measures to Manage and Analyze Data				
1.	Prepare strategies for data management and	• Identify categories of data to be collected.	• Review and update the data management strategy periodically.	• Ongoing.

	utilisation in planning and sustaining the long-term development of the securities sector	• Set up effective methodologies for data collection and storing by: ➢ Reviewing internal capability and the required skills. ➢ Establishing talent development programs for officials. ➢ Consulting with experts for advice.	• Update the capacity development programs for officials.	
		• Prepare and put in place the guidelines on the utilisation of the analytical outputs.	• Share the analytical outputs with the stakeholders in securities sector. • Create specific initiatives to develop other segments of the market.	• Ongoing.
2.	Establish securities statistical database	• Establish and launch the statistical database on securities sector.	• Update the statistical database on securities sector.	• Ongoing.
❖ Strategic Measures to Coordinate with Relevant Stakeholders and Share Resources				
1.	Put in place the coordination mechanism with relevant institutions	• Prepare and identify areas for coordination and the institutions to be involved. • Determine the nature of coordination, including: the roles and responsibilities.	• Review the coordination and collaborations periodically and re-arrange where necessary.	• Ongoing.

		• Prepare and put in place the coordination and collaboration mechanisms, through: ➤ Signing the MOU with significant relevant institutions or creating working groups. ➤ Putting in place the mechanism for MOU implementation and creating working groups as necessary. ➤ Prepare progress reports and the outcomes of the MOU implementation.		
2.	Establish partnerships and collaborations with regulators and relevant stakeholders	• Collaborate on initiatives including outreach and awareness programs, training, research and other developmental and regulatory programs in responding to the needs. • Create communication channel to facilitate information sharing on the issues that may affect market confidence.	• Ongoing.	• Ongoing.

❖ Strategic Measures to Strengthen and Expand International Cooperation				
1.	Strengthen and enhance collaboration with markets in other jurisdictions	- Strengthen and enhance collaboration with foreign institutions and regulators by: ➤ Identifying markets and jurisdictions as well as regulatory and developmental areas for cooperation. ➤ Prioritizing new areas for developmental cooperation, especially sustainable finance and fintech. ➤ Establishing mechanisms to operationalise the cooperation to ensure mutually beneficial outcomes.	Ongoing.	Ongoing.
2.	Promote ASEAN cooperation	- Strengthen the existing cooperation areas and identify new cooperation areas. - Expand capacity building initiatives and promote greater experience and knowledge sharing. - Become an active member of relevant ASEAN working groups and committees.	Ongoing.	Ongoing.

3.	Leverage on other international platforms	• Participate in programs organized by IOSCO, especially through its Asia Pacific Hub. • Develop and promote relationships and communication channels with multilateral institutions and other relevant international stakeholders. • Continue the process to apply for an ordinary member of IOSCO.	• Ongoing.	• Ongoing.
❖ Strategic Measures to Strengthen and Expand Implementation Capacity				
1.	Develop SERC officials' capacity	• Continue and expand official placements with regional and global regulators.	• Ongoing.	• Ongoing.
		• Encourage and participate in the establishment of market participant associations. • Arrange collaborative meetings, conferences or workshops between SERC and market participants.	• Ongoing.	• Ongoing.
2.	Enhance capability for	• Develop frameworks on mechanism for monitoring and evaluating the implementation of	• Review the effectiveness of frameworks and officials'	• Ongoing.

	monitoring and evaluation	policies, strategies, guidelines, strategic initiatives, etc. issued or implemented by SERC. • Provide training for relevant SERC officials.	capability for potential enhancements.	
3.	Strengthen internal systems of SERC to support and manage automation processes	• Analyse operational processes of SERC's activities. • Create priority list of internal processes to be automated. • Identify scope and requirements for a RegTech system and develop implementation plan.	• Develop and launch the automation system following the priority implementation plan and provide training for officials.	• Ongoing.



Promote the development of the Securities Sector in a well-structured, transparent, dynamic, resilient, inclusive, sustainable and innovative manner; aiming to contribute in promoting Cambodia's economic development in the context of the new normal era.



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