



ROYAL KRAM

NS/RKM/0121/003

WE

Preah Karuna Preah Bat Samdech Preah Borom Neath Norodom Sihamoni,

The faithful and devoted servant of the country, religion, nation and the Khmer people; the protégé of Buddha and Indra; the unifier of all Khmers; and the defender of independence, territorial integrity and peace of Kampuchea; and the happiness, liberty and prosperity of the Khmer people, Preah Chau Krong Kampuchea Thipadei;

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen the Royal Decree No. NS/RKT/0918/925, dated 6 September 2018, on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen the Royal Decree No. NS/RKT/0320/421, dated 30 March 2020, on the Appointment and Modification to the Components of the Royal Government of the Kingdom of Cambodia;
- Having seen the Royal Kram No. NS/RKM/0618/012, dated 28 June 2018, Promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen the Royal Kram No. JS/RKM/ 0498/06, dated 8 April 1998, Promulgating the Law on the Organization and Functioning of the Constitutional Council;
- Having seen the Royal Kram No. NS/RKM/0107/005, dated 31 January 2007, Promulgating the Law on Amendment to the Law on the Organization and Functioning of the Constitutional Council;
- Having seen the Royal Kram No. NS/RKM/0318/005, dated 10 March 2018, Promulgating the Law on Amendment to Article 26, Article 27 (new), Article 28, Article 31 and Article 32 of the Law on the Organization and Functioning of the Constitutional Council
- Having seen the Royal Kram No. NS/RKM/0196/18, dated 24 January 1996, Promulgating the Law on the Establishment of the Ministry of Economy and Finance
- Having seen the request from Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia.

Hereby promulgates

The Law on the Organization and Functioning of the Non-Bank Financial Services Authority, which was adopted by the National Assembly on 25 November 2020 in the 5th session of its 6th legislature, and which was reviewed and entirely approved by the Senate on the legal form and substance on 21 December 2020 in the 6th plenary session of its 4th legislature, and which was also declared by the Constitutional Council on the conformity to the Constitution in the Decision No. 213/013/2020 dated 30 December 2020, has the details as follows:

Chapter 1

General Provision

Article 1 ..

To be established a Non-Bank Financial Services Authority, in abbreviation as FSA, that is of independence in performing its functions by integrating the mechanism of regulating and supervising the non-bank financial services covering insurance and private pension sectors; securities sector; social security sector; trust sector; accounting and auditing sector and real estate and pawnshop sector in order to strengthen and ensure effectiveness of regulating, supervising, and developing the non-bank financial sector including enhancing the development and utilization of financial technology in the non-bank financial sector in the Kingdom of Cambodia.

Article 2 ..

This law shall apply to all transactions in the non-bank financial sector in the Kingdom of Cambodia.

Chapter 2

Missions, Roles and Duties

Article 3 ..

The Ministry of Economy and Finance's competency as regulators in relation with the non-bank financial sector, competency as regulator of the Securities and Exchange Commission of Cambodia, and competency as regulator of the National Accounting Council as stipulated in related laws and regulations shall be transferred to be under the responsibilities of the FSA.

Article 4 ..

The FSA shall have roles and duties as follows:

- to be a regulator for the sectors of insurance and private pension; securities; social security; trust; accounting and auditing; and real estate and pawnshop in which the

roles of FSA in each sector are set out in the Chapter 3 Section 3, 4, 5, 6, 7 and 8 of this law;

- to propose policy and development strategy for non-bank financial sector including technology for non-bank financial sector to the Royal Government;
- to determine, supervise and monitor the implementation of strategic and action plans for executing the non-bank financial sector development policy and strategy;
- to strengthen market confidence, protect investors, and prevent financial crime in the non-bank financial sector by having investigation conducted and information collected from all relevant persons/entities; and take measures in freezing properties or cash in bank accounts of the related persons in case of suspicious infringement committed in non-bank financial sector in accordance with the law in effect;
- to contribute to maintaining and strengthening financial stability;
- to promote the development of financial innovation.

Chapter 3

Management and Structure

Section 1

Council of the Non-Bank Financial Services Authority

Article5 ..

FSA shall be managed by a Council of the Non-Bank Financial Services Authority, hereinafter referred to as the Council.

Article6 ..

The Council shall have compositions as follows:

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|--|---------------|
| 1. Minister of the Ministry of Economy and Finance | Chairman |
| 2. A representative of the Ministry of Economy and Finance | Vice-Chairman |
| 3. A representative of the Ministry of Economy and Finance | Member |
| 4. A representative of the National Bank of Cambodia | Member |
| 5. A representative of the Council of Ministers | Member |
| 6. A representative of the Ministry of Commerce | Member |
| 7. A representative of the Ministry of Justice | Member |
| 8. Secretary General of the NBFSA's General Secretariat | Member |
| 9. Director General of the Insurance Regulator of Cambodia | Member |
| 10. Director General of the Securities Regulator of Cambodia | Member |
| 11. Director General of the Social Security Regulator | Member |
| 12. Director General of the Trust Regulator | Member |

- | | |
|--|---------|
| 13. Director General of the Accounting and Audit Regulator | Member |
| 14. Director General of the Real Estate Business and Pawnshop Regulator | Member |
| 15. Three Independent Experts proposed by Minister of Ministry
of Economy and Finance | Members |

Article7 ..

The actual composition of the Council, shall be proposed by the Minister of Ministry of Economy and Finance and as the Chairman of the Council, via a sub-decree. Vice-chairman and Members of the council, representing ministries and institutions stipulated in Article 6 above shall have, at least, rank and position as Secretary of State or Undersecretary of State or institution's Deputy Chief.

The Council's Vice-chairman and Members shall be appointed with 5-year mandate. During the tenure, the Vice-chairman and members may be withdrawn from the appointment or replaced. The Vice-chairman and members are subjected to be reappointed by the proposal of the Minister of Ministry of Economy and Finance and as the Chairman of the Council once the mandate has expired.

The Council may establish expert committees, if necessary, by the decision of the Chairman of the Council.

Article8 ..

The Council shall have roles and responsibilities as follows:

- to review and propose a development strategy and policy for the non-bank financial sector including financial technology for the non-bank financial sector;
- to impose strategic plan and action plan to implement the non-bank financial sector development strategy and policy;
- to review and monitor the implementation of the NBFSA's strategic plan and action plan;
- to review and issue Prakas, Circular, and Instructions for the regulation and supervision of the non-bank financial sector;
- to review and set conditions, procedures and rules for granting, suspending and revoking license and/or certificate, permit, recognition, registration in the non-bank financial sector;
- to strengthen the enforcement and the compliance of provisions in this law;
- to review the performance of regulators' roles and duties
- to review and approve budget plan for the operation of the FSA, the regulators and units under the FSA.

- to review and issue the FSA's internal regulations.

Article9 ..

Minister of Economy and Finance and as the Chairman of the Council shall continuously report on the work progress focusing on policies and strategies as well as any challenges including financial situation to the head of the Royal Government.

Article10 ..

FSA shall have its logo and seal for executing its duties.

Article11 ..

FSA has subordinate units acting as its executive bodies as follows:

- General Secretariat
- Insurance Regulator of Cambodia
- Securities Regulator of Cambodia
- Social Security Regulator
- Trust Regulator
- Accounting and Auditing Regulator
- Real Estate Business and Pawnshop Regulator
- Internal Audit Unit.

Article12 ..

Each regulator of the FSA shall perform its regulatory functions in accordance with related laws and regulations in effect.

Each regulator of the FSA shall have separate budget and seal for executing its duties.

The Social Security Regulator uses the budget package of the General Secretariat of the National Social Protection Council for fulfilling its daily duties.

The General Secretariat and each regulator of the FSA shall request the Ministry of Economy and Finance, through the Council, for review and approval of their annual budget. The annual budget of the FSA and its subordinate units is a separate budget package under the program budgeting of the Ministry of Economy and Finance.

The organization and functioning of the General Secretariat, each regulator, and internal audit unit of the FSA shall be set out by a Sub-decree.

Article13 ..

The General Secretariat of the **FSA** shall be led by a Secretary General, supported by a number of Deputy Secretary Generals as necessary.

Each regulator of the **FSA** shall be led by a Director General, supported by a number of Deputy Director Generals as necessary.

The internal audit unit of the **FSA** shall be led by a Chief and a number of Deputy Chiefs as necessary.

Candidates for Secretary General, Director General, Deputy Secretary General, Deputy Director General, and Chief and Deputy Chief of the internal audit unit of the **FSA** shall be selected and proposed by the Minister of Ministry of Economy and Finance to the head of the Royal Government.

Section 2

General Secretariat of the FSA

Article14 ..

General Secretariat performs the functions as executive body of the FSA.

Section 3

Insurance Regulator of Cambodia

Article15 ..

Insurance Regulator of Cambodia shall execute the competency of the Ministry of Economy and Finance as stipulated in the Law on Insurance promulgated by the Royal Kram No. NS/RKM/0814/021 dated 4 August 2014 and other related regulations in the insurance sector.

Section 4

Securities Regulator of Cambodia

Article16 ..

Securities and Exchange Commission of Cambodia is transformed to be Securities Regulator of Cambodia in accordance with this Law. Securities Regulator of Cambodia shall perform the functions of the Securities and Exchange Commission of Cambodia as stipulated in the Law on Issuance and Trading of Non-Government Securities promulgated by the Royal Kram No. NS/RKM/1007/028 dated 19 October 2007 and other related regulations in the securities sector.

Article17 ..

Director General of the Securities Regulator of Cambodia shall perform the functions of the Director General of Securities and Exchange Commission of Cambodia as stipulated in the Law on Issuance and Trading of Non-Government Securities promulgated by the Royal Kram No. NS/RKM/1007/028 dated 19 October 2007 and other related regulations in the securities sector.

Section 5

Social Security Regulator

Article18 ..

General Secretariat of the National Council for Social Protection shall perform additional duties as Social Security Regulator in accordance with the provisions of this Law. Social Security Regulator shall execute the roles and responsibilities as stipulated in the Law on Social Security Scheme promulgated by the Royal Kram No. NS/RKM/0902/018 dated 02 November 2019 and other related regulations in the social security sector.

Article19 ..

Secretary General of the National Council for Social Protection shall perform additional roles and duties as the Director General of the Social Security Regulator.

Section 6

Trust Regulator

Article20 ..

Trust Regulator shall execute the competency of the Ministry of Economy and Finance as stipulated in the Trust Law promulgated by Royal Kram No. NS/RKM/0119/002 dated 2 January 2019 and other related regulations in the trust sector.

Section 7

Accounting and Auditing Regulator

Article21 ..

National Accounting Council is transformed to be Accounting and Auditing Regulator in accordance with the provisions of this Law. Accounting and Auditing Regulator shall execute the functions and duties of the National Accounting Council as stipulated in the Royal Kram No. NS/RKM/0416/006 dated 11 April 2016 and other related regulations in the accounting and auditing sector.

Section 8

Real Estate Business and Pawnshop Regulator

Article22 ..

Real Estate Business and Pawnshop Regulator shall execute roles and duties as stipulated in the Article 5 of the Law on Financial Management 2007 promulgated by the Royal Kram No. NS/RKM/1206/035 dated 29 December 2006 and other related regulations in the real estate, pawn and title transfer for security sector.

Chapter 4

Transitional Provisions

Article 23 ..

Any regulation which has been in force in relation to insurance and pension sector, securities sector, social security sector, trust sector, accounting and auditing sector, real estate sector and pawnshop sector shall continue its effect until there is new regulation for replacement in accordance with this Law.

Article 24 ..

To ensure sustainability of the work relating to the competency of the Non-Bank Financial Services Authority, the Ministry of Economy and Finance and the National Accounting Council shall fulfill the functions, roles, duties and competency as stipulated in the laws and regulations in effect until each regulator of the NBFSA commences to perform its roles and responsibilities in accordance with sectoral regulations complying with this Law.

Securities and Exchange Commission of Cambodia shall continue its regular work until the composition of the Council has been in place as proposed by the Chairman of the Council.

Chapter 5

Final Provision

Article 25 ..

Any provision contradictory to this Law shall be abrogated.

Royal Palace, 16 January 2021

PLR.2101.055

Signed

Norodom Sihamoni

Have Proposed Signature to His Majesty

Prime Minister

Signed

Samdech Akka Moha Sena Padei Techo Hun Sen

Been Copied Correctly from the Original

Permanent Deputy Prime Minister

Minister in charge of Office of the Council of Ministers

Signed and Stamped

Kitti Niti Korsol Bandit Ben Chhin

Have Informed

Samdech Akka Moha Sena Padei Techo Prime Minister

Minister of Ministry Economy and Finance

Signed

Akka Bandit Sapheacha Aun Pornmoniroth