

Law on the Organization and Functioning of the Non-Bank Financial Services Authority

Chapter 1 General Provision

Article 1.

Shall establish non-bank financial services authority, abbreviated as NBFSA, which is independent in fulfilling its function by integration mechanism of management and supervision on non-bank financial sector such as insurance and private pension, securities and exchange, social securities, trust, accounting and auditing, real estate, pawnshop, and and security as tranfer sectors; in order to stregthen and guarantee the effectiveness of scrutiny and development of non-bank financial sectors as well as the advancement and utility of financial technology in non-bank financial sectors in Cambodia.

Article 2.

This law is applicable to all transaction in non-bank financial sectors in Cambodia.

Chapter 2 Mission, Role and Duty

Article 3.

Competent authority as regulator of Ministry of Economy and Finance relating to non-bank financial sectors in Cambodia and competent authority as regulator of Securities and Exchange Comission of Cambodia and National Accounting Council, as stated in relevant law and regulations, shall be transferred to NBFSA's responsibilities.

Article 4.

NBFSA has roles and duties as follows:

- Act as regulator of insurance and private pension, securities and exchange, social securities, trust, accounting and auditing, real estate, pawnshop, and security as tranfer sectors which set forth under section 3, 4, 5, 6, 7, and 8 of Chapter 3;
- Initiates non-bank financial sector development policies and strategies as well as non-bank financial technology to the government;
- Determines, monitors, and observes the implementation of the action plan and strategic plan for implementing non-bank financial sector development policies and strategies;
- Enhances market confidence, supports investors, and prevents financial crime within the non-bank financial sector by initiating investigations, collecting information from relevant persons, and taking action on freezing of assets or bank account balances of relevant persons in the event of suspicion of non-bank financial crime in accordance with the law in force;
- Contributes in the maintenance of and strengthening the stability of the financial sector; and
- Encourages development of financial innovation.

Chapter 3 Management and Structure

Section 1

The Council of Non-Bank Financial Services Authority

Article 5.

The Authority shall be governed by the Non-Bank Financial Authority Council (“**the Council**”).

Article 6.

The Council has the following composition:

- the Minister of Economy and Finance (Chairman);
- a Representative from MEF (Vice-Chairman);v

- a Representative from MEF (member);
- a Representative from the National Bank of Cambodia (member);
- a Representative from the Council of Ministers (member);
- a Representative from the Ministry of Commerce (member);
- a Representative from the Ministry of Justice (member);
- the Secretary General of the Authority (member);
- the Director General of the Insurance Regulator of Cambodia(member);
- the Director General of the Securities Regulator of Cambodia (member);
- the Director General of the Social Security Regulator (member);
- the Director General of the Trust Regulator (member);
- the Director General of the Accounting and Auditing Regulator (member);
- the Director General of the Real Estate and Pawnshop Business Regulator (member); and
- three Independent experts nominated by MEF (members).

Article 7.

The determination of the actual composition of the council shall be made by sub-decree at the request of the Minister of Ministry of Economy and Finance and Chairman of the Council. The Vice-Chairman and the members of the Council representing the Ministries and Institutions as defined in Article 6 above shall have the rank and role as the Secretary of State or the Under-Secretary of State or the Vice-Chairman of the institution or higher.

The Vice-Chairman and members of the Council have a mandate of 5 years. During the term of office, the Vice President and members may be removed or replaced. The Vice-Chairman and the members of the Council may be re-appointed at the request of the Minister of Economy and Finance and Chairman of the Council at the end of their mandate.

The Council may establish various commissions as may be necessary via the decision of the Chairman of the Council.

Article 8.

Roles and Duties of the Council

- Examines and initiates the non-bank financial sector development policies and strategies as well as non-bank financial sector technology;
- Puts forth strategic plans and action plans to implement non-bank financial sector development policies and strategies;
- Examines and monitors the implementation of strategic plans and action plans of the Authority;
- Examines and decides on the preparation of Prakas(s), Sarachor(s) and Instructions in order to manage the non-bank financial sector;
- Examines and decides on conditions, procedures, and rules to issue, suspend and terminate licenses and/or certificates, approvals, accreditations, and registrations in the non-bank financial sector;
- Promotes and enhances the implementation of and compliance with the provisions of the Law;
- Monitors the fulfilment of roles and duties of subordinated regulators;
- Examines and approves budget plan for the operation of the Authority and the regulators and subordinated entities of the Authority; and
- Examines and decides the internal rules of the Authority.

Article 9.

Minister of Ministry of Economy and Finance and Chairman of the Council shall report regularly on the progress of the work, focusing on policies and strategies, as well as the challenges, including strengthen the financial stability to the head of Royal Government.

Article 10.

NBFSA shall have a logo and seal to carry out its duties.

Article 11.

NBFSA has subordinated entities as follows:

- General Secretariat
- Insurance Regulator of Cambodia
- Securities and Exchange Regulator
- Social Security Regulator
- Trust Regulator
- Accounting and Auditing Regulator
- Real Estate Business and Pawn Shop Regulator
- Internal Audit Entity.

Article 12.

Each regulator of NBFSA shall fulfill its regulatory functions in accordance with the relevant laws and regulations in force.

Each regulator of NBFSA shall have a separate budget and seal to perform its duty.

The Social Security Regulator uses the budget together with the General Secretariat of the National Council for Social Protection to carry out its daily duty.

General Secretariat and other regulator of the NBFSA shall request the revision and approval of its annual budget from Ministry of Economy and Finance through the Council. Annual budget of NBFSA and its subordinated entities is a separate budget package within the framework of the Ministry of Economy and Finance.

Organization and Functioning of General Secretariat, Regulators and Internal Audit Entity of NBFSA shall determine by sub-decree.

Article 13.

General Secretariat of NBFSA shall lead by 1 (one) Secretary General accompany by number of Deputy Secretaries-General as necessary.

Each regulator shall lead by 1(one) Director General accompany by number of Deputy Directors-General as necessary.

Internal Audit Entity of NBFSA shall lead by 1(one) President and number of Vice-Presidents as necessary.

Candidates of Secretary General, Director General, Deputy Secretary-General, Deputy Director-General; and President and Vice-President of Internal Audit Entity of NBFSA must be appointed and requested by Minister of Ministry of Economy and Finance to head of Royal Government.

Section 2**General Secretariat of NBFSA****Article 14.**

General Secretariat shall act as the officer of NBFSA.

Section 3**Insurance Regulator of Cambodia****Article 15.**

Insurance Regulator of Cambodia shall carry out the duty of MEF as provided in the Law on Insurance promulgated by Royal Decree No. NS/RKM/0814/021 dated August 4, 2014 and other relevant laws and regulations applicable to the insurance sector.

Section 4**Securities and Exchange Regulator of Cambodia****Article 16.**

Securities and Exchange Commission of Cambodia (SECC) shall be transformed to Securities and Exchange Regulator of Cambodia pursuant to the provision of this Law. Securities and Exchange Regulator of Cambodia shall carry out the duties of the SECC as provided in the Law on the Issuance and Trading of Non-Government Securities promulgated by Royal Decree No. NS/RKM/1007/028 dated October 19, 2007 and other relevant laws and regulations applicable to the securities sector.

Article 17.

Director General of Securities and Exchange Regulator of Cambodia shall perform the function of Director General of SECC as provided in the Law on the Issuance and Trading of Non-Government Securities promulgated by Royal Decree No. NS/RKM/1007/028 dated October 19, 2007 and other relevant laws and regulations applicable to the securities sector.

Section 5
Social Security Regulator

Article 18.

General Secretariat of National Social Protection Council shall fulfill additional roles as Social Security Regulator in compliance with the provision of this law. Social Security Regulator shall execute its roles and duties as stated in the Law on Social Security Schemes which is promulgated through Royal Decree NS/RMK/1119/018 dated November 2, 2019 and other relevant regulations in social security sector.

Article 19.

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

Section 6
Trust Regulator

Article 20.

Trust Regulator shall execute Ministry of Economy and Finance's jurisdiction as stated in the Trust Law which is promulgated through Royal Decree NS/RMK/1119/002 dated January 2, 2019 and other relevant regulations in trust sector.

Section 7
Accounting and Auditing Regulator

Article 21.

National Accounting Council shall be transformed to Accounting and Auditing Regulator in compliance with the provision of this law. Accounting and Auditing Regulator shall execute the roles and duties of National Accounting Council as stated in the Law on Accounting and Auditing which is promulgated through Royal Decree NS/RMK/0416/006 dated April 11, 2016 and other relevant regulations in accounting and auditing sector.

Section 8
Real Estate and Pawnshop Business Regulator

Article 22.

Real Estate and Pawnshop Business Regulator shall execute the roles and duties as stated in Article 5 of the Law on Financial Management 2017 which is promulgated through Royal Decree NS/RMK/1206/035 dated November 29, 2006 and other relevant regulations in real estate, pawnshop, and security as transfer sectors.

Chapter 4
Transitional Provision

Article 23.

Every provision that implemented and is implementing relating to insurance and private pension sector, securities and exchange sector, social securities sector, trust sector, accounting and auditing sector, and real estate, pawnshop, and security as transfer sectors shall be enforceable until the new legal regulation is in place in compliance with this law.

Article 24.

To ensure the work sustainability relating to the jurisdiction of NBFS, Ministry of Economy and Finance and National Accounting Council shall fulfill functions, roles, duties,

and jurisdiction as stated in the Law and legal regulations in force until each regulator of NBFSA commences its roles and duties in compliance with its sectoral regulations and this Law.

Securities and Exchange Commission of Cambodia shall proceed its work until the composition of council is arranged through the proposal of Chairman.

Chapter 5
Final Provision

Article 25.

Every provision which is contrary to this law shall be abrogated.

Royal Palace, January 16, 2021

Norodom Sihamoni

PRL.2102.055

Have Proposed Signature to his Majesty

Prime Minister

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

Kitti Niti Korsol Bandit Ben Chhin

Have Informed
Samdech Akka Moha Sena Padei Techo Prime Minister
Deputy Prime Minister and Minister of Ministry of
Economy and Finance
Aum Pornmoniroth