- **Annex of the Prakas No. 017/17 SECC PrK Dated on December 26, 2017 on the Implementation of the Operating Rules of Securities Market of the Cambodia Securities Exchange.**
- **Annex of the Prakas No. 003/19 SECC PrK Dated on August 06, 2019 on the Implementation of the Amendment of Operating Rules of Securities Market of the Cambodia Securities Exchange.**
- **Annex of the Prakas No. 002/20 SECC PrK Dated on February 10, 2020 on the Implementation of the Amendment of Operating Rules of Securities Market of the Cambodia Securities Exchange.**

Operating Rules of Securities Market
of the Cambodia Securities Exchange

Chapter I
General Provisions

Article 1.- Purpose

The purpose of the Operating Rules of Securities Market is to prescribe the method, mechanism, procedure and management of the trading of securities at the Cambodia Securities Exchange (hereinafter written as "the CSX") in accordance with the Law on the Issuance and Trading of Non-Government Securities and relevant regulations.

Article 2.-Definitions

The terms used in these rules are defined in this article and in the glossary of the annex of the Law on the Issuance and Trading of Non-Government Securities, the Anukret on the Implementation of Law on the Issuance and Trading of Non-Government Securities and relevant regulations:

-**"Member"** shall refer to the securities firm which has obtained license from the Securities and Exchange Commission of Cambodia (hereinafter written as "the SECC") and which is the member of the Operator of Securities Market of the CSX, and has the rights to use the trading system and other computer system of the CSX.

-**"Order"** shall refer to bid or ask order of securities by a member for trading at the Operator of Securities Market of the CSX.

-"**Trading Price**" shall refer to the price resulting from order matching in the trading system of the Operator of Securities Market of the CSX.

-"**Last Price**" shall refer to the last traded price or base price in the case of no trading price in each trading day.

-"**Base Price**" shall refer to the basic price used for calculating price limit for daily securities trading.

-"**Dirty Price**" shall refer to the price of debt securities which includes accrued interest.

-**"Opening price"** shall refer to the first traded price of securities on each trading day.

-**"Closing price"** shall refer to the price determined when market closes on each trading day as follow:

1. Last traded price or;

2. Special quotation or;

3. Initial Public Offering (IPO) price in the case of no trading until market closing and no special quotation on the first trading day or;

4. Base price in the case of no trading until market closing and no special quotation.

-**"Special quotation"** shall refer to the below price, in the cases of an equity security that is not executed until the market closing time

1. The "best ask" in case where ask price is lower than the base price or IPO Price in the case of trading initially listed securities, or

2. The "best bid" in case where bid price is higher than the base price or IPO Price in the case of trading initially listed securities.

-**"IPO Price"** shall refer to the equity securities price as determined in the disclosure document registered at the SECC.

-**"Initially Listed Securities"** shall refer to the securities which are officially listed for trading at the CSX after initial public offering.

-**"Expected Price"** shall refer to the expected traded price resulting from the continuous matching of orders during opening and closing session through single price auction method.

-**"Expected Volume"** shall refer to the quantity of securities that can be matched based on the expected price.

-**"Customer account transaction"** shall refer to the buying or selling transaction of securities upon receiving a trade entrustment from a customer.

-**"Proprietary account transaction"** shall refer to the buying or selling transaction of securities for the member's own account.

-**"CSX computer system"** shall refer to the computer system operated by the Operator of the Securities Market of the CSX for the purpose of intermediating securities transaction.

-**"Member computer system"** shall refer to the computer system of a member, which is permitted to transmit orders to the CSX computer system.

-**"Abnormal trading"** shall refer to the trading in which the price or trading volume of securities fluctuates abnormally in the Market.

-**"Unfair trading"** shall refer to the trading that changes market prices artificially by unfair means such as using insider information, market manipulation, or using false or misleading information.

-**"Market watch"** shall refer to the monitoring of market situation through analyzing the transactions of securities trading in the market, the status of orders, the announcements related to disclosure document, rumors, and information obtained from other sources, etc.

-**"Single price auction method"** shall refer to an auction method which all bid and ask orders will be matched at a specific time and executed at a specific price.

-**"Multiple price auction method"** shall refer to an auction method which a bid or ask order will be matched and can be executed at multiple different prices.

Article 3.-TradableSecurities

Securities listed in the CSX shall be traded at the Operator of the Securities Market of the CSX by complying with these Operating Rules.

The securities transactions among the members shall be intermediate by the Operator of the Securities Market of the CSX.

Article 4.-Type of Orders

CSX shall allow the following types of order:

1. Limit Order: The order with a specific price to buy or sell a security at that specific price or at a better price of such specific price. Better price of specific price is the price lower than the specific price in the case of buy order or higher than the specific price in the case of sell order.

2. Market Order: The order to buy or sell an equity security at the best price available in the market pursuant to the articles 10, 11 and 12. Market order is not allowed for securities liquidity providing transaction and the first trade of initially listed securities. In continuous session, market order may have one of below conditions affixed to it:

   i. Fill or kill (FOK) condition: Condition specifying to cancel the order right after entering into the trading system if the order quantity is not fully executed immediately.

   ii. Fill and kill (FAK) condition: Condition specifying to cancel the order right after entering into the trading system if the order quantity is not fully or partially executed immediately. In case the order quantity is partially executed, the order with the remaining quantity shall be immediately cancelled.

3. Negotiated Order: The order to buy or sell a security through Negotiated Trading Method.

Article 5.- Validity of Orders

An order shall be valid from the time it is received by the trading system of the Operator of the Securities Market of the CSX to the time it is executed during the trading session of the same day.

Notwithstanding Paragraph1, the validity of an order of a security shall be suspended when the trading of such security is suspended during the trading hours.

Article 6.-Correction or Cancellation of a Submitted Order

If an order is not executed yet, the member may;

1. Correct or cancel the price or quantity of the order in the case of limit order.

2. Cancel the order in the case of market order and negotiated order.

Article 7.- Order Procedures

In case where a member places an order to the Operator of the Securities Market of the CSX, the member shall conduct the following procedures:

1- Check the available cash or securities in order to ensure the settlement or trading related to the concerned order;

2- Identify the detailed order information as prescribed in the article 8; and

3- Place the order through the Operator of the Securities Market of the CSX system.

Article 8.- Detailed Order Information

The orders placed into the Operator of the Securities Market of the CSX trading system by the member, shall include the following details:

1- Security name;

2- Quantity;

3- Price (except for market order);

4- Negotiated trading code for negotiated order;

5- Classification of order: bid or ask order;

6- Classification of transaction: customer account transaction or proprietary account transaction;

7- Member's ID number;

8- Investor's ID number;

9- Order number;

10- Trading account number;

11- In the case of cancellation or correction of order, the classification thereof and original order number;

12- Investor classification code: Individual or Institutional investor

13- Investor country code.

Article 9-. Trading Methods

All trades shall be done through the following methods:

1. Auction Trading Method (ATM).
2. Negotiated Trading Method (NTM).

Article 10 Auction Trading Method (ATM)

ATM is a method of automatically matching bid and ask orders using single or multiple price auction.

Priority of orders in a single price auction and multiple price auction shall be determined in accordance with the following guidelines:

1- The lower asks shall have priority over higher ask, and higher bids shall have priority over lower bids; and

2- In the case of the same price orders, the orders received earlier shall have priority over the orders received later.

Notwithstanding Paragraph 2 of this article, in the case of simultaneous orders, the priority of bid and ask orders through single price auction shall be determined as the following:

1- The following orders shall be treated as simultaneous orders:

a. Bid orders having its price matched at the upper limit (base price + 10%); and

b. Ask orders having its price matched at the lower limit (base price -10%).

2- Among the simultaneous orders pursuant to point 1 of this paragraph, the orders for customer accounts shall have priority over the orders for members' proprietary accounts. In this case, the order with larger quantity has priority over the orders with smaller quantities. In case of the same quantity orders, the order received earlier by the trading system of the CSX has priority.

3- Quantity of each simultaneous order noted in point 2 of this paragraph shall be distributed sequentially as shown in the following:

a. 100 times the minimum trading unit;

b. 500 times the minimum trading unit;

c. 1,000 times the minimum trading unit;

d. 50% of the residual quantity. In this case, the quantity below the minimum trading unit should be rounded to the minimum trading unit; and

e. The total residual quantity.

Article 11 .-Single Price Auction

The following prices shall be determined by single price auction:

1- the opening price;

2- the first trading price of initially listed securities;

3- the opening price after reopening the market following temporary market closing or prolonged trading suspension;

4- the price after resuming trades from trading halt; and

5- the price at the market closing time.

The market order shall, in case of single price auction, be deemed to have been placed at any of the following prices:

1. In the case where there are only bid and ask market orders, the price shall be as follows:
   a. The last price if bid side quantity is equal to the ask side quantity;
   b. The last price plus one tick-size within the upper price limit if bid side quantity is greater than the ask side quantity.
   c. The last price minus one tick-size within the lower price limit if the bid side quantity is lower than the ask side quantity.

2. For other cases than mentioned in the point 1 of this paragraph, the bid market order shall be the highest of the prices specified below:
   a. The last price.
   b. The price at one tick-size higher than the highest bid limit order price within the upper price limit.
   c. The highest of the ask limit order price.

3. For other cases than mentioned in the point 1 of this paragraph, the ask market order shall be the lowest of the prices specified below:
   a. The last price.
   b. The price at one tick-size lower than the lowest ask limit order price within the lower price limit.
   c. The lowest of the bid limit order price.

Trades through single price auction shall be executed at a specific price, hereinafter referred to as "trading price", which is determined as below:

1- In the case where there is only one matching price, trading price shall be the matching price where the aggregated quantity of ask orders and aggregated quantity of bid orders match in accordance with the following priorities:

   a- First priority: The total quantity of ask orders whose prices are lower than the matched price and the total quantity of bid orders whose prices are higher than the matched price;

   b- Second priority: In the case of bid and ask orders that are submitted at the matched price, the quantity shall be matched as the following:

   -Total quantity of such either bid or ask order; and

   -At least 01 (one) unit of securities of the order at other side.

2- In the case where there are two or more matching prices, trading price shall be any of the following prices:

   a- The last price or IPO Price in case of trading initially listed securities, in case where there is a price that is equal to the last price or IPO Price; and

   b- The price that is closest to the last price or IPO Price in the case of trading initially listed securities, in case where there is no price that is equal to the last price or IPO Price.

Article 12 .-Multiple Price Auction

The other prices than those stipulated in Paragraph 1 of Article 11 shall be determined through the multiple price auction.

In the case where prices are determined pursuant to Paragraph 1, the market order shall be deemed to have been placed at each of the following prices until the total quantity of order is executed:

1. The highest of the below prices in the case of a bid market order:
   a. The last price when there is no bid limit order; or the highest price of bid limit order plus 01 (one) tick-size within the upper price limit when there are bid limit orders.
   b. The highest price of ask limit orders.
2. The lowest of the below prices in the case of an ask market order:
   a. The last price when there is no ask limit order; or the lowest price of ask limit order minus 01 (one) tick-size within the lower price limit when there are ask limit orders.
   b. The lowest price of bid limit orders.

Trades in multiple-price auction shall be executed according to the priority of orders prescribed in Paragraph 2 of Article 10, and when the highest bid price matches the lowest ask price, the matched price shall be the price of orders received first.

Article 13 .Negotiated Trading Method (NTM)

NTM is a method of executing a pair of bid and ask negotiated orders after a buyer and a seller have negotiated and agreed on the transaction conditions.

The agreed transaction mentioned in Paragraph 1 above shall be legally effective after the concerned negotiated orders are placed and matched at the Operator of the Securities Market of the CSX.

Both negotiated orders shall have exactly the same information of securities name, quantity, price, and negotiated trading code.

Article14.-Trading Days and Hours

Trading days shall be from Monday to Friday, except public holidays pursuant to the Labor Law.

The trading hours shall be from 8:00 am to 3:00 pm and shall be divided into three sessions based on auction method as follows:

Session	Ordering Time	Trading Time	Method
Opening	08:00 am – 09:00 am	09:00 am	Single Price Auction
Continuous	09:00 am – 02:50 pm		Multiple Price Auction
Closing	02:50 pm – 03:00 pm	03:00 pm	Single Price Auction

If there are no orders matched at 09:00 am, the opening session shall be extended until there is a matching during the same day.

For Negotiated Trading Method: trading hours shall be from 09:00 am to 03:00 pm.

Chapter II
Equity Securities Trading Conditions

Article 15.- Order Unit, Minimum Order, and Tick size

The order unit for equity securities shall be 01 (one) unit of securities.

For trading of equity securities through ATM, the tick size shall be determined as the following:

1- KHR 10: Securities with the price per share less than KHR 4,000;

2- KHR 20: Securities with the price per share equal to or higher than KHR 4,000; but less than KHR 20,000;

3- KHR 50: Securities with the price per share equal to or higher than KHR 20,000; but less than KHR 40,000;

4- KHR 100: Securities with the price per share equal to or higher than KHR 40,000; but less than KHR 100,000;

5- KHR 200: Securities with the price per share equal to or higher than KHR 100,000; but less than KHR 200,000;

6- KHR 500: Securities with the price per share equal to or higher than KHR 200,000; but less than KHR 400,000; and

7- KHR 1,000: Securities with the price per share equal to or higher than KHR 400,000.

For trading of equity securities through NTM, the minimum order shall be 50,000 (Fifty thousands) units of securities or KHR 200,000,000 (Two hundred millions) whichever is lower. The tick size for NTM shall be KHR 01 (One).

Article 16.- Base Price

The base price for the trading of initially listed securities shall be the first trading price situated between 90 % and 150 % of the IPO price.

The base price of equity securities, unless otherwise determined by the SECC, shall be determined as the following items:

1- In the case of base price of equity securities other than those mentioned in Items 2 through 4, the base price of equity securities of each trading day shall be the closing price of the previous trading day;

2- In the case of securities undergone ex-dividend (equity securities dividend), the price is obtained using the following formula:

> Total of market capitalization before dividend / Number of equity securities after dividend
> **N.B.**: Total of market capitalization before dividend = Closing price **x** Number of equity securities before dividend

3- In the case of the securities undergone ex-rights, the price is obtained using the following formula:

> [Total of market capitalization before capital increase + (Issuing price of equity securities x Number of equity securities additionally allocated to shareholders)] / Number of equity securities after capital increase

4- In the case of the securities undergone split off (Split, merge and capital reduction), the price is obtained using the following formula:

> Closing price of the previous day **x** Split ratio
> Split ratio = Number of equity securities before split / Number of equity securities after split

The price pursuant to Paragraph 1 shall, when they are less than the price unit, be rounded up to the price unit.

Article17.- Daily Price Limits

The daily price limits for equity securities shall be equal to the amount calculated by adding or subtracting 10% of the base price. The amounts of 10% of the base price shall be rounded down to the price unit before adding or subtracting from the base price. However, in cases where the base price is less than KHR 100, the daily price limits shall be KHR 10 (ten).

Notwithstanding Paragraph 1, no daily price limit shall be set for the securities scheduled to be delisted, which are permitted to be traded for a fixed period of time before delisting.

Notwithstanding Paragraph 1 and Paragraph 2, upon receiving an approval from the SECC's Director General, the CSX may apply different daily price limits to each of the following cases where:

1- an equity security has been approved to be relisted;

2- the trading of an equity security has been approved to resume after a prolonged trade suspension.

3- the CSX deems that the application of the price limit is obviously difficult.

Article 18.-Correction of Trading Transaction Errors

In the case where the CSX has made an error in the course of intermediating the equity securities transaction or where a member has made an error in the course of placing limit or market orders related to equity securities, the transaction details in such cases may be corrected.

Transaction errors shall be classified into either errors made by the CSX or errors made by the member.

The CSX shall correct the transaction errors by the following methods:

1- In the case of transaction errors made by the CSX: the CSX shall make the correction according to the original order information, and have the concerned member took over the concerned securities as a proprietary account transaction. And in case there is a loss resulted from the errors correction, CSX shall compensate equivalent amount of the loss to the concerned member.

2- In the case of transaction errors made by a member: the errors shall be corrected after the concerned member takes over the concerned errors as proprietary transaction. In this case, the concerned member shall submit to the CSX an application for correcting the transaction errors, together with a statement of causes or documentary evidence, by 03:30 pm at noon of the next trading day.

Chapter III
Debt Securities Trading Conditions

Article 19. Method to Determine Trading Price of Debt Securities

The trading price of debt securities shall be determined through ATM and NTM as stipulated in the Chapter I of this rules, except when there are two or more matching prices in single price auction, the trading price shall be the arithmetic average of the highest and lowest matching prices. In case the calculated price falls short of the price unit, such price shall be rounded up to the price unit.

Article 20.- Order Unit, Maximum Order, Tick Size and Quoted Price

The order unit shall be 01 (one) unit of debt securities.

The maximum order shall be 10,000 (ten thousands) units of debt securities for the trading through ATM.

The tick size shall be KHR 1 (one).

For debt securities trading, quoted and trading price shall be in dirty price.

Article 21.- Daily Price Limit

Daily price limit shall not be applicable to debt securities trading.

Chapter IV
Market Management

Article 22.-Publication of Market Data

The CSX shall make public the following market data:

1- Opening prices and closing prices;

2- Total trading volume and value; and

3- Expected price and volume.

The CSX may make public the information that is useful for making investment decisions for the protection of investors.

Article 23.-Matters to be Notified to Members

The CSX shall notify each of the following matters to its members:

1- The CSX operating rules and the amendment thereof;

2- Initially listed securities, additional listing, delisting, and securities suspended from trading;

3- Temporary closing of market, suspension of market, and changes in trading hours;

4- Admitted Members, members that have withdrawn or been expelled from its membership;

5- Members suspended from trading and termination of such suspension;

6- Trading details (including the name of securities, trading quantity and value, buy/sell classification, indication of proprietary account transaction or customer account transaction)

The CSX shall maintain the records relating to orders, correction of transaction errors, and trading details for a period of ten (10) years.

Article 24.- Member Computer System

The members shall make their computer systems in compliance with the relevant Laws and regulation, and these rules.

Article 25.-Ex-Entitlement Date

The ex-dividends or ex-rights date shall be 01 (one) trading day prior to the record date on which a person who exercises the right is determined.

Article 26.- Market Representative

Each member shall appoint at least 01 (one) market representative, who will be trained by the CSX to use the trading system of the Operator of the Securities Market of the CSX prepared for members. CSX may require the market representative to work on the CSX's trading floor if necessary.

Each member shall submit an appropriate application to the CSX for registering the market representatives. Only the market representatives shall be allowed to use the member computer system located on the trading floor of the CSX.

Article 27.- Securities Transaction Fees

The members shall pay securities transaction fee in relation to services provided pursuant to these rules.

Calculation method for transaction fee, payers and time of payment are as follows:

1- Rate: The fee for securities trading service shall be levied on the value of trade settled (the amount of fee obtained shall be rounded up to the first decimal place) at the rate of 7.5/10,000 (seven point five-ten thousandths) or 0.075% for equity securities and at the rate of 2.5/10,000 (two point five-ten thousandths) or 0.025% for debt securities.

2- Payers: securities firms which are members of the CSX.

3- Time of Payment: 8:30 am on the settlement day.

Chapter V
Monitoring of Securities Trading

Article 28.-Preventative Actions of the CSX

To maintain a fair trade environment and to protect investors, the CSX may undertake preventative actions against unfair or abnormal trading.

Article 29.-Market Watch

The CSX conducts market watch to identify the securities suspicious of abnormal trading by taking into accounts such matters as trading manners, price fluctuation, securities trading volume, and relationship between the market price and trade, and the details of rumors.

****