

- **Annex of Prakas No. 003/11 dated 03 May 2011 on Membership Rules of the Cambodia Securities Exchange**
- **Annex of Prakas No. 001/19 dated 02 May 2019 on Revision of Membership Rules of the Cambodia Securities Exchange**

Membership Rules of the Cambodia Securities Exchange

Chapter 1 General Provisions

Article 1.- Purpose

The purpose of these Membership Rules is to prescribe the matters necessary for governing the membership of and participation in the securities market of the Cambodia Securities Exchange (hereinafter written as "the CSX"), including the membership and participation qualifications, the admission and withdrawal of membership and participation, and the rights and obligations of the members and participants in accordance with the Law on the Issuance and Trading of Non-Government Securities and the Anukret on the Implementation of the Law on the Issuance and Trading of Non-Government Securities and relevant regulations.

Article 2 New.- Definitions

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

- **“Member and participant”** shall refer to a member or a participant who is allowed to use the CSX’s market facility wholly or partly in accordance with the categories of member and participant.

- **“Member”** shall refer to a securities firm that has obtained the license from the Securities and Exchange Commission of Cambodia (hereinafter written as “the SECC”) and shall be a member of the Securities Market Operator, the Securities Clearing and Settlement Facility Operator, and the Securities Depository Operator, and which is allowed to use wholly the trading system, securities clearing and settlement system, and securities depository system of the CSX.

- **“Participant”** shall refer to a Custodian Agent of Securities, Cash Settlement Agent, Depository operator of Foreign Securities, Issuer of Securities, a Securities Registrar, a Securities Transfer Agent, Bondholder Representative, Institutional Investor and Listed Companies etc. that are authorized to use partly the CSX’s market facility or services.

Chapter 2

Member or Participant Admission

Article 3.- Admission Procedure for a Member or a Participant

Any securities firm licensed by or person registered with the SECC, who wishes to become a member or a participant of the CSX, shall file an application form and fulfill the eligibility requirements as defined in these rules.

Article 4.- Qualification Requirements

Qualification requirements are as the following:

1- Shall have, or have an evidence to be possessing, adequate facilities and information system which can be connected to the CSX's information system;

2- Shall have, or have an evidence to be possessing, adequate human resource to use the information system connected to the CSX's information system, in compliance with requirements as defined by the Law and relevant regulations.

Article 5 New.-Member and Participant Admission Fees

An applicant for membership or participation shall pay the following admission fees to the CSX:

1- Member shall pay 20,000,000 (twenty million) Riels for the membership of Securities Market Operator, Securities Clearing and Settlement Facility Operator, and Securities Depository Operator.

2- Participant shall pay admission fees as the following:

a- Custodian Agent of Securities: 10,000,000 (ten million) Riels;

b- Cash Settlement Agent: 5,000,000 (five million) Riels;

c- Depository Operator of Foreign Securities: 5,000,000 (five million) Riels

d- Securities Issuer: 5,000,000 (five million) Riels;

e- Securities Registrar: 2,000,000 (two million) Riels;

f- Securities Transfer Agent: 2,000,000 (two million) Riels

g- Paying Agent: 2,000,000 (two million) Riels

h- Bondholder Representative Agent: 2,000,000 (two million) Riels

i- Institutional Investor: 2,000,000 (two million) Riels

j- Listed Company of Securities Selling shall be exempted of admission fee payment as participant.

Chapter 3

Withdrawal of Membership or Participation

Article 6.-Voluntary Withdrawal of Membership or Participation

In case that the member or participant intends to withdraw its membership or participation, the person shall file an application for membership or participation withdrawal to the CSX.

The membership or participation withdrawal, including the effective withdrawal date,

shall be decided by the CSX.

Article 7.-Withdrawal of Membership or Participation

The CSX will implement procedures to withdraw any membership or participation in case a member or a participant comes under any of the following situations:

- 1- Revocation of the license or of the registration for conducting securities business, or closure, or transfer of the business;
- 2- Dissolution; or
- 3- Withdrawal of membership or cessation of participation.

Article 8.- Membership or Participation Transfer

Person intending to transfer membership or participation as a result of business transfer or merger shall file an application for membership or participation transfer to the CSX.

The membership or participation transferred pursuant to Para.1 may be succeeded to the surviving company or newly incorporated company with the approval of the CSX.

In case of the membership transfer pursuant to Para.1, any unsettled securities trades of the member shall be construed as the trades carried out by the surviving company or newly incorporated company.

Article 9.-Termination and Re-admission of Membership or Participation

The membership and participation shall be valid for 2 (two) years, starting from the date that the membership and participation are approved by the CSX. The renewed membership or participation shall be valid for a period of 03 (three) years starting from the date that the previous membership or participation has been expired.

Where a member or participant intends to renew the membership or participation, such a member or participant shall file an application for membership or participation renewal at least 45 (forty-five) days prior to its expiry date.

The requirement for membership or participation renewal shall be the same as the initial membership or participation admission requirements pursuant to the Article 3.

The renewal of membership or participation pursuant to Para.2 and Para.3 shall be decided by the CSX and the membership or participation admission fee shall be paid in accordance with the article 5 of these rules.

A decision to renew membership or participation shall be done by the CSX upon such a member or participant has properly completed the renewal form and has paid fees as defined in these rules.

Article 10.-Trading Suspension and Settlement of Unsettled Trades

Where a member or participant has submitted an application for membership or participation withdrawal pursuant to the Article 6 or membership or participation has been withdrawn pursuant to the Article 7, such a member or participant shall be suspended the rights to use CSX's facilities from the effective date of membership or participation withdrawal decided by the CSX.

Chapter 4

Rights and Obligations of Members and Participants

Article 11.- Rights of Member and Participant

Member and participant have the right to use the CSX's facilities for securities trading, securities clearing and settlement and securities depository following the decision made by the CSX relating to the classification of members and participants and the disciplinary actions as defined in the CSX's rules approved by the SECC.

Article 12 New.- Fee Payment

A member or a participant obtained the admission approval from the CSX shall pay annual fees to the CSX as the following:

1- Member shall pay annual fee of 50,000,000 (fifty million) Riels before the end of each year;

2- For Participants:

a- Custodian Agent of Securities shall pay annual fee of 30,000,000 (thirty million) Riels,

b- Cash Settlement Agent shall pay annual fee of 10,000,000 (ten million) Riels,

c- Foreign Operator of Securities Depository shall pay annual fee of 10,000,000 (ten million) Riels,

d- Securities Issuer shall pay annual fee of 5,000,000 (five million) Riels,

e- Securities Registrar shall pay annual fee of 2,000,000 (two million) Riels,

f- Securities Transfer Agent shall pay annual fee of 4,000,000 (four million) Riels,

g- Paying Agent shall pay annual fee of 4,000,000 (four million) Riels;

h- Bondholder Representative shall pay annual fee of 4,000,000 (four million)

i- Institutional Investor shall pay annual fee of 2,000,000 (two million) Riels,

j- Institutional Investor shall pay annual fee of 2,000,000 (two million) Riels,

k- Listed Company is exempted from paying annual participation fee.

For the initial fiscal year, the payment of annual fee shall be made when obtaining the admission approval, calculated based on the outstanding days until the end of the fiscal year. For the following fiscal year, each member or participant should pay the fee not later than the 15th of December of the previous fiscal year.

Article 13.- Settlement of Securities Trading

A member shall be obligated to settle the securities trades executed in the CSX's trading system.

A member shall be prohibited to authorize a third party to settle the securities trades carried out under its own name.

Article 14.-Compliances with Laws and Regulations

All members and participants shall comply with the law and regulations on securities business and the CSX's rules, including the Operating Rules of Securities Market, of Securities

Clearing and Settlement, and of Securities Depository, as well as the measures or disciplinary actions taken pursuant to laws and relevant regulations.

Article 15.- Service Agreement

When opening an account, the member and participant shall sign a service agreement with the CSX following the forms approved by the SECC.

The member and participant shall also submit to the CSX its service agreement forms between member or participant and its clients which is established pursuant to relevant regulations of the SECC.

**Chapter 5
Member and Participant Supervision**

Article 16.- Report of Financial Position

The members shall submit to the CSX an audited annual financial statement and other information determined by the SECC. The participants shall submit to the CSX the report and information determined by the SECC.

Article 17.- Request for Information Submission

The CSX may request any concerned member or participant for submitting information in the below cases:

- 1- Where it is deemed necessary to ascertain that a member and a participant have complied with the directives pursuant to these rules or with its obligations; or
- 2- Where it is deemed necessary for orderly market operation.

Article 18.- Disciplinary Measures against Members and Participants

Where a member or participant does not follow the CSX's rules, the CSX may take any of the following measures:

- 1- Warning;
- 2- Suspension of membership or participation as a whole or a part for a particular period; or
- 3- Membership or participation withdrawal from the CSX.

Article 19.-Notification of the Measures Taken

Where a measure, such as the withdrawal or suspension of the membership or participation in whole or in part, or suspension of trading rights in whole or in part, has been taken against a member or a participant, or the measures taken have been terminated, the CSX shall immediately notify such facts to other members and participants.

**Chapter 6
Transitional Provision**

Article 20.- Validity of the Initial Membership and Participation

For the initial membership or participation, the validity of membership and

participation shall be equal to the remaining validity of the license or registration provided by the SECC, and admission fees shall be calculated on a pro-rata basis.

