

(Unofficial Translation)



**Securities and Exchange
Commission of Cambodia**



**KINGDOM OF CAMBODIA
NATIONAL RELIGION KING**

**PRAKAS
ON
PUBLIC OFFERING OF DEBT SECURITIES**

2017

PRAKAS
on
PUBLIC OFFERING OF DEBT SECURITIES



Minister of Economy and Finance
and the Chairman of the Securities and Exchange Commission of Cambodia

- Having seen the constitution of the Kingdom of Cambodia;
- Having seen the Preah Reach Kret No. NS/RKT/0913/903 on 24 September 2013 on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen the Preah Reach Kram No. 02/NS/94 on 20 July 1994 promulgating the Law on the Organizing and Functioning of the Council of Ministers;
- Having seen the Preah Reach Kram No. NS/RKM/0196/18 on 24 January 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen the Preah Reach Kram No. NS/RKM/0702/011 on 08 July 2002 promulgating the Law on Corporate Account, Their Audit and the Accounting Profession;
- Having seen the Preah Reach Kram No. NS/RKM/0605/019 on 19 June 2005 promulgating the Law on Commercial Enterprise;
- Having seen the Preah Reach Kram No. NS/RKM/1007/028 on 19 October 2007 promulgating the Law on the Issuance and Trading of Non-Government Securities;
- Having seen the Anukret No. 97/ANKR/BK on 23 July 2008 on the Conduct and Organization of the Securities and Exchange Commission of Cambodia;
- Having seen the Anukret No. 54/ANKR/BK on 08 April 2009 on the Implementation of the Law on the Issuance and Trading of Non-Government Securities;
- Having seen the approval by the Securities and Exchange Commission of Cambodia in plenary meeting on 01 August 2017

HEREBY DECIDE
CHAPTER I
GENERAL PROVISION

Article 1– Purpose

The purpose of this Prakas is to prescribe the requirements, mechanism, process, procedure, and the approval for public offering of debt securities in the Kingdom of Cambodia pursuant to the Law on Issuance and Trading of Non-government Securities and the ANUKRET on the Implementation of the Law on Issuance and Trading of Non-Government Securities and other related regulations.

Article 2– Definition

Unless the context requires otherwise, the technical terms used in this Prakas have the meaning defined in this article and the glossary annexed to the Law on the Issuance and Trading of Non-Government Securities, and that of the ANUKRET on the Implementation of the Law on the Issuance and Trading of Non-government securities:

- 1- Off-Balance Sheet Items refer to all items not shown on the balance sheet which constitute future cash flow risk.
- 2- Coupon refers to the interest that the issuer promises to pay according to the terms and conditions of the debt securities.
- 3- Law refers to the Law on the Issuance and Trading of Non-Government Securities.
- 4- Issuer refers to an applicant for public offering of debt securities or entity having issued debt securities in public.
- 5- Guarantor refers to the legal entity or institution providing guarantee on the debt securities in accordance with the terms of the guarantee.
- 6- Bondholders Representative refers to an entity accredited by the SECC to be the bondholder representative in accordance with the adopted regulations.
- 7- Credit Rating Agency refers to an entity that is accredited by the SECC to provide rating service to a credit rated entity or debt securities issued.
- 8- Plain Bond refers to bond that has fixed coupon rate and will mature on a date fixed at the time of issue. Such bond does not have enhancement and/or additional call or put option and are not secured or guaranteed.
- 9- Guaranteed bond refers to bond that guarantee interest and principal payment by a third party in case the issuer defaults for the reason such as insolvency or bankruptcy.

10- Secured Bond refers to bond that are secured with asset except asset-backed securities which are stipulated in other related regulations.

11- Corporate Bond refers to a type of debt securities issued by the public limited company or permitted entity that have the obligation to pay principal, interest, and other obligations to bondholders.

12- Coupon Rate refers to the interest rate that the issuer promises to pay according to the term of the debt securities.

13- Anukret refers to the Sub-degree on the Implementation of the Law on the Issuance and Trading of Non-Government Securities.

Article 3- Types of Debt Securities to be Offered

The Debt Securities to be offered pursuant to this Prakas shall be plain bond, secured bond and guaranteed bond.

Any other types of corporate bonds to be offered such as: convertible bond and other types of bond shall comply with other requirements in separated regulation and shall obtain prior approval from the Director General of the SECC.

Other types of debt securities shall be specified by separated regulations.

Article 4– Features of Debt Securities

Debt Securities to be offered under this Prakas shall have the following features:

- 1- Identity of the Issuer;
- 2- Face value;
- 3- Coupon rate or zero coupon rate in case debt securities are sold in discounted price;
- 4- Issue date;
- 5- Maturity date.

Article 5- Private Placement of Debt Securities

The offering of debt securities which meets the following conditions is considered as private placement:

- 1- The total number of people to whom the offering is made shall be no more than 30; within any 12 (twelve) month period; and
- 2- The offering shall not be publicly announced in any forms or by any means including the announcement intended for information inquiry or any advices on the securities investment.

A person or issuer who proposes to make private placement of debt securities shall file the related documents to the SECC. When the private placement is completed, those persons shall report the result without delay to the SECC.

Any other offering that is different from the above requirements shall be public offering which shall comply with the procedure as prescribed in the Law, Anukret and this Prakas.

CHAPTER II

REQUIREMENTS FOR PUBLIC OFFERING OF DEBT SECURITIES

Article 6- Requirements for Public Offering of Debt Securities

An applicant for public offering of debt securities shall fulfill the following requirements:

- 1- Being a public limited company or permitted entity;
- 2- Having obtained the board of directors' resolution on the public offering of debt securities in accordance with the resolution of general shareholders' meeting;
- 3- Having historical financial statements and/or consolidated historical financial statement for the latest 2 (two) financial years which are audited in accordance with the existing law and regulations enacted in the Kingdom of Cambodia. In case a person who proposes to make public offering filling the application later than 45 (forty five) days after the end of the quarter, the applicant shall submit interim financial statements;
- 4- Having strong corporate governance with a clear management structure;
- 5- Having obtained credit rating from credit rating agency accredited by the SECC;
- 6- Having obtained prior verification on listing eligibility debt securities and the securities pricing from permitted securities market pursuant to article 7 of Anukret.

Article 7- Requirements for Public Offering of Secured Bond

In case of issuing secured bond, the applicant shall fulfill the following requirements:

- 1- Having fulfilled the requirements as prescribed in Article 6 of this Prakas;
- 2- Having collateral that complied with the following requirements:
 - Have the certification issued by relevant competent authorities that the collateral is free from any lien;
 - In case the collateral is real estate or long-term lease agreement, the value of such collateral shall be determined by asset valuation company accredited by the SECC;
- 3- The amount of proceeds received from the debt securities issuance shall not exceed 70 (seventy) per cent of the value of the collateral as at the date of application.

Article 8- Requirements for Public Offering of Guaranteed Bond

In case of issuing guaranteed bond, the applicant shall fulfill the following requirements:

- 1- Having complied with the requirement as prescribed in Article 6 of this Prakas excluding point 5.
- 2- Having guarantor who is accredited by the SECC. And the guarantor shall be rated by the credit rating agency accredited by the SECC.

Article 9- Debt Securities Offering by Listed Companies having Issued Equity Securities in Public

The listed companies having issued equity securities in public and intending to apply for the public offering of debt securities shall comply with the requirements prescribed in Article 6 or Article 7 or Article 8 of this Prakas. However, the requirements on financial statement prescribed in point 3 in Article 6 of this Prakas shall be for only the latest 1 (one) financial year which shall be audited in accordance with existing law and regulations and interim financial statement (if any).

Article 10- Documents for Public Offering of Debt Securities Application

An applicant shall have:

- 1- Application in the form determined by the SECC;
- 2- Disclosure document in the form determined by the SECC;
- 3- Attached documents as follows:
 - a- A certified copy of certificate of incorporation;
 - b- A certificated copy of article of association;
 - c- The board of directors' resolution on the public offering of debt securities;
 - d- Power of attorney which transfers right to director or CEO of the issuer which is signed by chairman of the board of director and all directors;
 - e- Letter from commercial bank which is a cash settlement agent certifying the opening a separate account for the public debt securities issuance purpose;
 - f- Accountant's report issued by firm providing audit service accredited by the SECC in case of the financial statement specified in point 3 of Article 6 above have not audited by firm providing audit service accredited by the SECC.
 - g- Due diligence report issued by underwriter licensed by the SECC;
 - h- Due diligence report issued by lawyer accredited by the SECC;
 - i- Credit rating report issued by credit rating agency accredited by the SECC;

- j- Loan agreements (if any);
- k- Material agreements (if any);
- l- A certified copy of underwriting contract or plan for entering the underwriting contract with the underwriter;
- m- A certified copy of agreement with credit rating agency;
- n- A certified copy of agreement with bondholders representative;
- o- A certified copy of agreement with securities registrar, securities transfer agent, and paying agent;
- p- VAT certificate, which shall have a tax identification number and documents confirm tax duty compliance.
- q- In case the applicant wish to issue secured bonds, the applicant shall have the following additional documents:
 - a- Evidence of the collateral;
 - b- Certificate from the related authority, which states that the collateral is free from any lien;
 - c- Report on the asset valuation issued by valuation company accredited by the SECC.
- r- In case the applicant wish to issue guaranteed bond, the applicant shall have the following additional documents:
 - a- Credit rating report on guarantor issued by the credit rating agency accredited by the SECC;
 - b- Guarantor agreement.
 - s- Other documents as required by the Director General of the SECC.

CHAPTER III

APPROVAL ON PUBLIC OFFERING OF DEBT SECURITIES

Article 11- Application for Public Offering of Debt Securities

An entity who intends to make public offering of debt securities shall submit application as stipulated in article 10 of this Prakas to seek approval for public offering of debt securities and get disclosure document registered pursuant to Article 12 and 17 of the Law and Article 9, Article 10, Article 11, and Article 13 of the Anukret and this Prakas.

Disclosure document shall contain the information as stipulated from Article 12 to 22 of this Prakas. Disclosure document shall have signature of chairmen of board of directors, directors, CEO and CFO of the applicant.

Article 12– Disclosure Document

Disclosure document shall have the minimum contents as follow:

- 1- Note to investors;
- 2- Tentative timetable for the offering;
- 3- Identity of related entities who prepare disclosure document;
- 4- Definitions, abbreviations and technical terms;
- 5- Summary of disclosure document;
- 6- Information about the public offering of debt securities;
- 7- Information about the use of proceeds;
- 8- General information about the applicant;
- 9- Information about operation including business strategies and business plan;
- 10- Information about risk factors;
- 11- Information about corporate governance;
- 12- Information about relationships and transactions with related parties;
- 13- Financial information and/or consolidate financial information;
- 14- Operational and financial review and forecasting;
- 15- Other information;
- 16- Appendix.

Disclosure document shall contain the statement saying “*All information in the disclosure document is under the responsibility of the issuer and the entities related to the preparation of this disclosure document*”.

Article 13– Summary of Disclosure Document

Disclosure document shall have summary of the following information:

- 1- Overview of the applicant;
- 2- Information about business strategies and business plan;
- 3- Information about directors and shareholders;
- 4- Key financial information;
- 5- Material information related to the public offering of debt securities;
- 6- Information about the use of proceeds;
- 7- Information about risk factors.

Article 14– Information about the Public Offering of Debt Securities

Disclosure document shall have the information about the public offering of the debt securities as follow:

- 1- Description of debt securities by stating the rights and requirements attached to the debt securities being issued;
- 2- Terms and conditions of the debt securities;
- 3- Price and coupon rate of the debt securities being offered;
- 4- Method of price determination of the debt securities;
- 5- Allotment plan of the debt securities;
- 6- All expenses related to the public offering of debt securities;
- 7- Appointment, power and obligation of bondholder representative;
- 8- Condition for the removal of bondholder representative;
- 9- Debt securities holders' meeting;
- 10- Procedure, date, and place for settlement of coupon and principle;
- 11- Event of default;
- 12- Material information related to underwriting contract or plan for entering the underwriting contract with the underwriter;
- 13- Credit rating;
- 14- Other information required by the Director General of the SECC.

In case of issuing secured bond, the disclosure document shall have additional information as follow:

- 1-The asset being used as collateral;
- 2-Information about the securing arrangement such as feature and conditions of such arrangement.

In case of issuing guaranteed bond, the disclosure document shall have additional information as follow:

1. Information about the guarantor;
2. Material information of the guarantor agreement;
3. Guarantor credit rating.

Article 15– Information about the Use of Proceeds

Disclosure document shall disclose how the net proceeds of the offering shall be used, indicating the amount to be used for each purpose.

The disclosure document shall disclose a schedule mentioning the stage of implementation and the utilization of the proceeds. If the proceeds are to be used for contracts covering, the disclosure document shall disclose the validity term of such contracts.

In case the public offering of debt securities is related to investment plan, the disclosure document shall disclose such investment plan. In case there are more than 1 (one) investment plan, such plans shall be disclosed separately in detail in the disclosure document.

Article 16– Information about the Applicant

Disclosure document shall disclose the following information about the applicant:

- 1- History and development;
- 2- Strategy and business plan;
- 3- Business description;
- 4- Industry overview;
- 5- Group structure;
- 6- Information related to the issuer's non-current assets;
- 7- Information about issuer's tax obligation.

Article 17– Information about Risk Factors

Disclosure document shall disclose all risk factors that are related to the applicant's business including the risk that occurs from its operation and the industry as well as their direct or indirect effect on the financial position and the result of the operation and investment of the applicant.

Disclosure document shall disclose the risk analysis and management view including risk mitigation for such risk factors.

Article 18– Information about Corporate Governance

Disclosure document shall disclose the following information about corporate governance:

- 1- Information about shareholders;
- 2- Information about directors, senior officers, company secretary and corporate disclosure officer;
- 3- Information about board of director and board's committee;
- 4- Information about the involvement of directors and senior officers in certain legal proceeding;
- 5- Information about remuneration or compensation of directors and senior officers;
- 6- Information about related parties of the applicant;
- 7- Information about the other corporate governance condition that is prescribed in the enacted Law, Anukret, and regulations.

Article 19- Information about Relationships and Transactions with Related Parties

Disclosure document shall disclose any material transaction with related parties that occurred during the latest 02 (two) years by providing the name, relationship, amount and nature of the interest in the transaction occurred between the applicant and any related parties as follow:

- 1- Any director or senior officer;
- 2- Shareholder holding at least 05 (five) percent;
- 3- Any member of the immediate family (including husband, wife, children, parents, brothers, and sisters) of any person as mentioned in point 1 and point 2 above;
- 4- A person who have relationship with the director of the applicant, subsidiaries or holding company of the applicant, where the relationship occurred during the operation of the applicant or in any arrangement made by the applicant;
- 5- A person who used to be director or any person connected with the director of the applicant where the relationship occurred during the business operation;
- 6- Director holding any position in an association or non-profit organization or in any entities other than the applicant;
- 7- Director receiving any interest from the applicant regardless of financial or non-financial one.

In case the applicant has transaction with its directors or shareholders, the disclosure document shall disclose the following information:

- 1- Names of the directors or shareholders;
- 2- Types and the value of assets, services, remuneration or compensation received or given to the applicant directly or indirectly;
- 3- Description of the operation specifying the size, nature and possible conflicts of interest;

If the applicant has acquired or is going to acquire moveable or/and immovable property from the directors or shareholders, the disclosure document shall specify the method used to determine the price and the amount paid for such assets.

Article 20- Financial Information

Disclosure document shall contain historical financial information and /or consolidated historical financial information in the form as determined by the SECC and shall attach the financial report which have prepared and audited in accordance with the Law and enacted regulation in the Kingdom of Cambodia.

Article 21- Operational and Financial Review and Forecasting

The disclosure document shall have the operational and financial review and forecasting information as follow:

- 1- Operating result;
- 2- Liquidity and capital resources;
- 3- Trend information, profit and cash flow forecasting for 1 year period;
- 4- Off-balance sheet management (if any).

Article 22- Annex of Disclosure Document

The disclosure document shall attach the following documents:

- 1- Terms and conditions of the debt Securities;
- 2- Code of conduct for directors and senior officers;
- 3- Asset valuation report (if any);
- 4- Auditor report or accountant's report issued by firm providing audit service accredited by the SECC;
- 5- Auditor report issued by firm providing audit service which is not accredited by the SECC;
- 6- Interim financial statement reviewed by the independent auditor (if any);
- 7- Summary credit rating report issued by credit rating agency accredited by the SECC;
- 8- Summary credit rating report on guarantor issued by the credit rating agency accredited by the SECC in case of issuing guaranteed bond;
- 9- Declaration by the applicant to certify the accuracy and the compliance with the law and regulations of the documents and information submitted to the SECC;
- 10- Experts' consent letter (if any).

Article 23- Responsibility of Experts

Pursuance to article 9 and article 10 of the Anukret, experts and the related parties who gave the consent in writing for any statements, report or opinion used in the disclosure document shall be responsible for such statement, report or opinion.

Article 24- Responsibility of the Applicant and Related Parties

The applicant shall be fully responsible for accuracy, adequacy and reliability of the information contained in the disclosure document.

The securities firm and any other related entities providing opinion or information and having participated in preparing the disclosure document shall be responsible for such opinion or information and the participation.

Article 25- Supplement, Replacement, Confirmation or Clarification Information

The Director General of the SECC may require an applicant to provide supplementary, replacement, confirmation or clarification information. The applicant shall respond within 15 (fifteen) working days or any specific time period determined by the Director General of the SECC from the date of issuing the written notification. In case the applicant cannot satisfy the above request, the Director General of the SECC may take measures pursuant to the existing law and regulations.

Article 26- Approval in Principle of Disclosure Document

The Director General of the SECC shall inform the applicant in writing about the rejection or approval in principle of the disclosure document within 30 (thirty) working days after receiving the complete documents.

Article 27- Rejection of the Proposal for Public Offering of Debt Securities

The Director General of the SECC may reject the proposal for public offering of debt securities based on the following reasons:

- 1- The applicant doesn't satisfy the requirements as prescribed by the Law, Anukret and this Prakas;
- 2- The information or documents submitted to the SECC contain incomplete, false or misleading information or lack of any material information;
- 3- The applicant is in the situation leading to termination or bankruptcy;
- 4- The non-compliance or partial compliance with the court's decision which requires the applicant to pay any judgment sum;
- 5- The applicant or director, CEO, management or the controlling shareholder of the applicant:
 - a- Is not a person of good character as prescribed by Article 42 of the Anukret;
 - b- Has conducted or engaged in any other business in such a way as to cast doubt on its or his/her competence and soundness of judgment;
 - c- Has conducted any business appearing deceitful or oppressive or otherwise improper;

- d- Has shown the fact that it or he/she may not be able to act in the best interest of its clients because of its or his/her reputation, character, financial integrity and reliability;
 - e- Has shown the fact that it or he/she may not be able to carry out the businesses under the license condition efficiently, honestly or fairly.
- 6- Any of directors, CEO, managers or controlling shareholders of the applicant has work in such position in any bankrupt company, whether within or outside the Kingdom of Cambodia within the latest 05 (five) years as at the date of filing the application;
- 7- The financial position or business conduct of the applicant is not sufficient to ensure sustainability and reliability of the business operation;
- 8- Other circumstances, such as:
- a- Directors, CEO, managers or controlling shareholder of the applicant cannot operate business properly; or
 - b- The business conduct of the applicant is not trustworthy.
- 9- The approval to the applicant will affect public interests by considering the conditions as mentioned in Article 14 of the Law.

CHAPTER IV

PUBLIC OFFERING OF DEBT SECURITIES

Article 28- Approval and Registration of Disclosure Document

The applicant who obtained approval in principle of the disclosure document may obtain the approval and registration of disclosure document from the Director General of the SECC after:

- 1- Having prepared terms of offer including the debt securities pricing which have obtained confirmation from the permitted securities market; and
- 2- Having obtained approval on the terms of offer as mentioned in point 1 above from the Director General of the SECC pursuant to article 12 of the Anukret.

Article 29- Subscription

After obtaining approval and registration of the disclosure document, the subscription of debt securities can commence within the validity period of the disclosure document that is prescribed in point 3 of Article 7 of the Anukret. When the subscription is completed, the issuer shall submit the report of subscription result to the SECC without delay.

The subscription shall be conducted through securities firm licensed by the SECC as stipulated in Article 16 and Article 17 of the Anukret. The securities firm shall deposit the cash received from the subscription into a separate bank account opened with commercial bank as stipulated in Article 18 of the Anukret. The list of subscribers' names shall be kept with the securities registrar.

The subscription form shall be determined by the SECC. Each subscription shall be considered as completed when subscribers have correctly filled in the subscription form, fully paid and received receipt issued by the securities firm. The subscribers may not withdraw amounts paid for the subscription, except for the case stipulated in point 4 b of Article 7 and point 2 of Article 18 of the Anukret and Article 32, 33 and 34 of this Prakas.

Article 30- Subscription the Remaining Debt Securities

After the end of subscription date, in the case debt securities remain unsubscribed, the underwriter of the issuer shall subscribe to those remaining debt securities or those as stated in the underwriting agreement and pay fully the issuer in cash or with other financial instruments as prescribed by Article 8 of the Anukret, within 30 (thirty) days from the closing date of the subscription. The issuer shall submit the report on the subscription of the remaining debt securities to the SECC without delay.

Article 31- Distribution of Debt Securities

The securities firm shall distribute debt securities at the price set in the registered disclosure document.

The issuer, securities registrar or securities firm shall distribute and dispatch debt securities to successful subscribers within 15 (fifteen) working days from the closing date of subscription of the debt securities.

Article 32- Suspension of Registered Disclosure Document

The registered disclosure document may be suspended by the Director General of the SECC in accordance with Article 21 of the Law. In this case, the issuer and the securities firm shall stop receiving subscription application and shall inform the subscribers and the public immediately about the suspension. The issuer and the securities firm shall inform the subscribers that they are entitled to withdraw the agreement of public offering and get refund. The issuer and the securities firm may continue to receive the subscription application after the problems causing the suspension are resolved; and having re-obtained the approval from the Director General of the SECC.

Article 33- Public Announcement on Cancellation of Registered Disclosure Document

The issuer shall announce the cancellation of registered disclosure document to the subscribers and public immediately through the media recognized by the Director General of the SECC by specifying the following:

- 1- Reason of the cancellation of the registered disclosure document;
- 2- Date of the decision on the cancellation of the registered disclosure document;
- 3- Time, place and the method of refund to the subscribers who pay or deposit money for the subscription. The refund shall be made no longer than 15 (fifteen) working days after the cancellation date;
- 4- Other information required by the Director General of the SECC.

Article 34- Failed Subscription of Debt Securities

The registered disclosure document may be cancelled in case the subscription fails.

Article 35- Report on Result of Public Offering of the Debt Securities

The issuer shall submit the report on result of the public offering of debt securities to the SECC in accordance with the form determined by the Director General of the SECC, attached with written letter from the commercial bank which is a cash settlement agent on the amount contained in the separate account created for purpose of the public offering.

Article 36- Complying with the Procedure at Permitted Securities Market

The issuer shall comply with the procedure at the permitted securities market to list its debt securities for official trading on the permitted securities market in accordance with Law, Anukret and enacted regulations.

CHAPTER V

ADVERTISEMENT AND PUBLIC ANNOUNCEMENT

Article 37- Advertisement and Announcement

Any advertisement, announcement or statement related directly or indirectly to issuing and offering of debt securities shall be done in compliance with requirements as stipulated in Article 14 of Anukret and permitted in writing by the Director General of the SECC pursuant to Article 15 of Anukret.

Prior to obtaining the approval in principle of disclosure document, the issuer may make contact with potential investors, directly or through securities firms, about the public

offering of debt securities by requesting for prior approval in writing from the Director General of SECC and shall attach with a list of those investors, as well as related documents.

After obtaining the approval in principle of disclosure document, the issuer may advertise or publish any information including Road Show and the public announcement of the information on pricing by requesting for prior approval in writing from the Director General of the SECC, and attach with related documents.

The issuer shall readily prepared the disclosure document for public at the issuer, its securities firm, and securities market operator within 05 (five) working days after obtaining approval and registered disclosure document from the Director General of the SECC.

Article 38- Public Announcement

At least 05 (five) working days before starting the subscription, the issuer shall officially announce the invitation through media and other publication instruments recognized by the SECC by including the following information:

- 1- The name and country or other entity of the issuer;
- 2- The number and type of the debt securities to be offered;
- 3- The places where the public may obtain the disclosure document and subscription form of the debt securities;
- 4- The date of the subscription of the debt securities;
- 5- A statement to make the public know that the disclosure document has been approved and registered by the SECC;
- 6- A statement specifying that subscribers shall consider subscribing based on documents related to public offering of debt securities.
- 7- The statement to make the public know that the public announcement is to inform the public and does not invite for subscription;

The disclosure document and the subscription form of the debt securities to be announced shall be in printed format. In addition, the issuer may circulate the disclosure document and the subscription form of the debt securities in electronic format, but the issuer shall ensure that the content of the disclosure document and the subscription form in electronic format are identical with the content of the disclosure document and the subscription form in printed format.

**CHAPTER VI
POST-ISSUING OF DEBT SECURITIES REQUIREMENTS**

Article 39- Information to be Disclosed

The issuer shall fully comply with the obligations prescribed in the Prakas on Corporate Disclosure and shall disclose information to the SECC when the following events occur:

- 1- Board of director's resolution on bondholders' meeting arrangement, by indicating the place, time, agenda, and conditions for participation and participants;
- 2- Bondholders' meeting resolution after the bondholders' meeting;
- 3- Any change in the article of association of the issuer;
- 4- When the issuer is unable to pay interest and/or principal according to the debt payment period under the terms and conditions;
- 5- There is interest payment;
- 6- Planning to delay the interest payment;
- 7- When the issuer repurchases part or all of its debt securities in the secondary market;
- 8- Report to the SECC, after obtaining credit rating report, annually or within an appropriate time period determined by the Director General of the SECC on the credit rating as prescribed in point 5 of Article 6 of this Prakas, until the principal payment is finished. The Director General of the SECC may grant an exemption for reporting on credit rating by taking into consideration the necessity of credit rating information for the investors;
- 9- Changing the bondholders representative;
- 10- Any amendment to the terms and conditions or/and collateral of debt securities, the issuer shall submit the related documents to the SECC within 10 (ten) working days. Such amendment shall be done through bondholders' meeting by indicating the reason of such amendment and the effect which occurs or may occur to the bondholders for their decision-making;
- 11- An account of the issuer at a bank is frozen, or an account is permitted to be released after having been frozen;
- 12- Any material information which can affect the issuer and/or its credit worthiness.

Article 40- Obligation to Maintain the Financial Ratios

The issuer shall maintain the level of financial ratios as prescribed in paragraph 1 in Article 48 of this Prakas.

Article 41- Obligation to Report on the Change of Bondholders Representative

The issuer shall get prior approval from the Director General of the SECC on the change of bondholders representative. And after obtaining approval, the issuer shall submit a copy of the new bondholders representative agreement to the SECC within 15 (fifteen) working days from the appointment date.

CHAPTER VII
FEES AND CHARGES

Article 42- Application Fee and Charges for Reviewing and Registering the Disclosure Document

The applicant shall pay the following application fees and charges for reviewing and registering the disclosure document when filing application to the SECC:

1- 12, 000, 000 (twelve million) Riels in cash, in the case of initial public offering of debt securities;

2- 8, 000, 000 (eight million) Riels in cash, in the case of additional public offering of debt securities.

Article 43- Reviewing Fees and Charges for Additional and/or Replacement Disclosure Document Registration

The applicant who proposes to review and register additional and/or replacement disclosure document shall pay the following fees for reviewing and registering additional and/or replacement disclosure document when making such proposal to the SECC:

1- 1, 200, 000 (one million two hundred thousand) Riels in cash, in the case of initial public offering of debt securities;

2- 800, 000 (eight hundred thousand) Riels in cash, in the case of additional public offering of debt securities.

Article 44- Fee for Re-registering the Expired Disclosure Document

The applicant who proposes to re-register the expired disclosure document shall pay the following fees for reviewing and registering the disclosure document to the SECC:

1- 6, 000, 000 (six million) Riels in cash, in the case of initial public offering of debt securities;

2- 4, 000, 000 (four million) Riels in cash, in the case of additional public offering of debt securities.

Article 45- Non-Refundable Fees

The fees as mentioned in Article 42, 43 and 44 of this Prakas shall not be refunded even if the disclosure document is not approved and registered.

CHAPTER VIII
PENALTIES

Article 46- Administrative Sanctions

Any person who contravenes any provisions of this Prakas shall receive the following administrative sanctions:

- 1- Warning or admonition;
- 2- Request for submission of an explanatory memorandum;
- 3- Public notice of such fact and order to redress;
- 4- Restriction on the public offering of debt securities;
- 5- Recommendation on dismissal of director(s) or senior officer(s);
- 6- Public announcement on the actions taken as a result of violation of the existing law and regulations;
- 7- Suspension or prohibition of the public offering or the secondary distribution of debt securities.

Article 47- Transactional Fine

Not including other sanctions defined in the existing law and regulations in use in the Kingdom of Cambodia, the issuer, underwriter, experts or related entities who violate this Prakas shall be fined by the SECC in cash ranging from 15,000,000 (fifteen million) Riels to 30,000,000 (thirty million) Riels.

CHAPTER IX

TRANSITIONAL PROVISIONS

Article 48- Exempt Conditions

In case credit rating agency accredited by the SECC does not exist, the issuer shall submit report on the level of ratios such as Profitability and Cash Flow Ratio, Leverage Ratio, Coverage Ratio and so on with certification of their appropriateness from its experts or underwriter.

In case the bondholders representative accredited by the SECC does not exist, the issuer may appoint a securities registrar, securities transfer agent and securities paying agent to provide service related to the securities registration, transfer, and payment for the bondholders.

CHAPTER X

FINAL PROVISIONS

Article 49- Adoption of Guidelines

The SECC may adopt guidelines to facilitate the understanding and compliance with the requirements of this Prakas to related parties, securities market participants, and the public.

Article 50- Abrogation

All provisions contrary to this Prakas are hereby abrogated.

Article 51- Application

The Director General of the SECC, the Department of Securities Issuance Supervision, Legal Affair Department, other Departments, other Units of the SECC and related parties shall effectively implement this Prakas from the signing date.

Phnom Penh, August 17, 2017

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- As prescribed in Article 51
“For implementation”
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