

- **Annex of the Prakas No. 005/11 SECC Prk dated on May 03, 2011 on the Implementation of the Implementation of the Operating Rules of Securities Clearing and Settlement.**
- **Annex of the Prakas No. 001/12 Duplicate 2 SECC Prk date on April 17, 2012 on the Implementation of Amendment of Transaction Fee in the Operating Rule of Securities Clearing and Settlement of the Cambodia Securities Exchange.**
- **Annex of the Prakas No. 001/13 SECC Prk Dated on February 08, 2013 on the Implementation of the Amendment of the Operating Rules of Securities Clearing and Settlement of the Cambodia Securities Exchange.**
- **Annex of the Prakas No. 001/14 SECC Prk Dated on January 22, 2014 on the Implementation of the Amendment of the Operating Rules of Securities Clearing and Settlement of the Cambodia Securities Exchange.**
- **Annex of the Prakas No. 005/14 SECC Prk Dated on November 24, 2014 on the Implementation of the Amendment of the Operating Rules of Securities Clearing and Settlement of the Cambodia Securities Exchange.**

## **Operating Rules of Securities Clearing and Settlement of the Cambodia Securities Exchange**

### **Chapter I General Provisions**

#### **Article 1.-Purpose**

The purpose of the Operating Rules of Securities Clearing and Settlement is to prescribe the matters necessary for securities clearing and settlement at the Operator of Securities Clearing and Settlement Facility of the Cambodia Securities Exchange (hereinafter written as “the CSX”) granted the approval in accordance with the Law on the Issuance and Trading of Non-Government Securities and related regulations.

#### **Article 2.-Definitions**

The terms used in these Rules are defined in this article and in glossary of the annex of the Law on the 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 related regulations.

- **“Member”** shall refer to securities firms licensed by the Securities and Exchange Commission of Cambodia (hereinafter written as “the SECC”) and allowed to use the whole Securities Clearing and Settlement Facility of the CSX.

- **“Participant”** shall refer to Cash Settlement Agent, Securities Registrar, Securities

Transfer Agent, the listed company etc. which have been allowed to use in part the Securities Clearing and Settlement Facility of the CSX.

- “**Cash Settlement Agent**” shall refer to the commercial Banks accredited by the SECC as prescribed in the Prakas on the Accreditation of the Cash Settlement Agent.

### **Article 3.-Clearing and Settlement Operations**

The trading of listed securities shall be settled through the regular settlement. The regular settlement is the settlement which shall be done 02 (two) business days after the trading day (T+2).

## **Chapter II**

### **Settlement between the Operator of Securities Clearing and Settlement Facility and Members**

#### **Article 4.-Settlement Obligations of Members**

The members of the Operator of Securities Clearing and Settlement Facility shall settle the traded transactions on the settlement date.

The members of the Operator of Securities Clearing and Settlement Facility shall not transfer its settlement obligations to other members.

#### **Article 5.-Date of Clearing and Settlement between Members**

Unless otherwise determined by the SECC, the settlement shall be conducted 02 (two) trading days after the traded day (T+2). The closing day shall not be included in the trading day.

#### **Article 6.-Designation of Cash Settlement Agent**

The members shall designate a Cash Settlement Agent accredited by the SECC to carry out the cash settlement obligations.

#### **Article 7.-Settlement Account Opening for Cash Settlement**

A member of the Operator of Securities Clearing and Settlement Facility shall open the cash account in its own name at a Cash Settlement Agent, as prescribed in the Article 6 of these Rules to carry out the cash settlement obligations.

After opening the cash account or changing the cash account, the member shall report the name of its Cash Settlement Agent and its account number to the Operator of Securities Clearing and Settlement Facility at least five 05 (Five) business days before its expected trading day.

The Operator of Securities Clearing and Settlement Facility shall open the cash settlement account at the Cash Settlement Agent to carry out the cash settlement obligations.

The cash settlement shall be conducted by cash transfer from the members' cash account to the Operator of Securities Clearing and Settlement Facility's cash settlement account. The Operator of Securities Clearing and Settlement Facility shall transfer the received cash to the members who shall receive the settled cash.

#### **Article 8. Securities Account Opening for Securities Settlement**

A member shall open a securities account in accordance with the Operating Rules of Securities Depository of the CSX to carry out the securities settlement obligations.

The Operator of Securities Clearing and Settlement Facility shall open the securities settlement account at the Operator of Securities Depository to carry out the securities settlement obligations.

The securities settlement shall be conducted by book-entry transfer from the members' securities account to the Operator of Securities Clearing and Settlement Facility's securities settlement account. The Operator of Securities Clearing and Settlement Facility shall transfer the received securities to the members who shall receive the settled securities.

#### **Article 9 New.-Good Faith Deposit**

Before placing orders for clients' accounts or own accounts, the member shall ensure the sufficient good faith deposits as the following:

1. For bid order, there must be at least 100% of the amount of cash and/or cash receiving from the bid order after successfully executed;
2. For ask order, there must be at least 100% of the quantity of securities and/or quantity of securities receiving from the ask order after successfully executed.

The members shall ensure that the amount of cash and the quantity of securities required as the good faith deposits shall be kept or frozen for the settlement or until the orders become invalid.

#### **Article 10.-Procedures for Clearing and Settlement Operations**

The Operator of Securities Clearing and Settlement Facility shall calculate the quantity of securities and the amount of cash to be settled by member by netting the securities and cash of each member to be settled in the same day.

The Operator of Securities Clearing and Settlement Facility shall notify the following matters to the members on the clearing and settlement dates:

1. The dates of clearing and settlement;
2. The quantity of each securities to be settled by members or on behalf of their clients;
3. The amount of cash to be settled by members or on behalf of their clients.

The quantity of securities and the amount of cash to be settled shall be calculated by the following methods:

1. In case of securities: obtained by clearing the total sold quantity and total purchased quantity per issue for the concerned member; and
2. In case of cash: obtained by clearing the total purchased value and the total sold value of concerned member.

The member shall transfer the securities and cash to be settled to the accounts of the Operator of Securities Clearing and Settlement Facility before 8:30 AM on the settlement date and the Operator of a Securities Clearing and Settlement Facility shall transfer those securities and cash to the beneficial members after 8:30 AM on the same settlement date.

#### **Article 11.-Submitting Settlement Documents**

The Operator of Securities Clearing and Settlement Facility shall provide settlement

instructions including the details of the securities and cash to be settled to members after the market closed through computerized system.

Member shall verify the securities and cash to be settled in the settlement instructions, and shall settle in compliance with the determined schedules.

Member shall submit the settlement documents which include the settlement details and settlement schedule, etc. to the Operator of Securities Clearing and Settlement Facility after settlement.

#### **Article 12.-Disciplinary Measures against Settlement Failure**

In case any member has failed to settle a trade, the Operator of Securities Clearing and Settlement Facility may cancel the trade in whole or in part at the CSX or/and suspend trade of that member for a determined period of time.

In case of shortage of cash to settle, the Operator of Securities Clearing and Settlement Facility may use any means to guarantee the settlement unless otherwise defined.

In case of shortage of securities to settle, the Operator of Securities Clearing and Settlement Facility shall settle securities by borrowing the same securities from other member. If securities lending and borrowing is impossible, the settlement shall be cancelled.

In case that the Operator of Securities Clearing and Settlement Facility cannot find any means to complete the settlement, as prescribed in the paragraphs 2 and 3 above, the Operator of Securities Clearing and Settlement Facility may take action as prescribed in the paragraph 1 of this Article.

#### **Article 13.-Settlement Representative**

Each member shall appoint and register at least 01 (one) settlement representative who shall be trained by the CSX, and has rights to carry out its settlement operations on behalf of its member with the CSX.

The settlement representative appointed by member may be the market representative in accordance with the operating rules of Securities Market of the CSX.

### **Chapter III Clearing and Settlement Service Fees**

#### **Article 14 New (2) .-Clearing and Settlement Service Fees**

The members shall pay clearing and settlement service fees to the Operator of Securities Clearing and Settlement Facility in accordance with the following rates and schedules:

1. The fee of clearing and settlement services shall be levied on the value of traded securities (the clearing and settlement service fee shall be rounded to the first decimal) at the rate of 5/10,000 (ten- ten thousands) or 0.05% (zero point zero five percent);
2. The payer is the securities firm which is the member of the Operator of Securities Clearing and Settlement Facility;
3. Payment schedule of the service fee is at 8:30 AM on the settlement date.

For 2014, the fee of clearing and settlement service pursuant to above Para.1 Point 1 shall be reduced by 50% to 2.5/10,000 (two point five-ten thousands) or 0.025% (zero point zero twenty five percent).

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