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SHAREHOLDING FACTORS (Identity and financial situation)

**ARTICLES 10:**

The list of shareholders whose shareholdings are not less than 5% shall be submitted to the National Bank of Cambodia.

**ARTICLES 11:**

From that limit up, the National Bank of Cambodia has from the outset considered that these shareholders only seek out to invest and not to be involved in the management of the bank. From that limit up, the regulatory authority shall collect all information pertaining to the financial situation of those shareholders.

**ARTICLES 12:**

Each shareholder of that name list shall declare in writing that the capital contribution is only for their own account.

**ARTICLES 13:**

In the event that shareholders of the newly formed banks or existing banks is a company, the following conditions shall be complied with:

1. shall be attached with the license application the name list of the major shareholders of that company if the capital contribution is equal or exceed 5% of the total capital of newly formed banks or existing banks.
2. the central office of the company which is the shareholder shall be in a financial location regulated and recognized by the National Treasury of Cambodia.
3. shareholding made “en cascade” shall not be permitted unless specifically authorized by the Central Bank.

**ARTICLES 14:**

For newly formed banks or existing banks, the following composition of shareholders is compulsory:

either one shareholder who has a majority shareholding, or a majority casting vote; or more shareholders each of whom controls a certain number of shares who can effectively influence the management of the bank.

**ARTICLES 15:**

The National Bank of Cambodia shall consider any shareholder to have automatic effective control if he has directly or indirectly at least 20% shares of the total capital or casting vote.

**ARTICLES 16:**

Any shareholder who has majority or effective shareholding shall unconditionally submit his financial situation report.

1. the minimum capital level and the permanent posting of this capital on the asset side shall be after deduction of bad debts higher than the liabilities to the depositors.
2. maintain the risk protection ratio as mentioned in the regulation No. 7.95-03, dated May 22, 1995 and Sarachor (Circular) No. 7.95-03, dated May 22, 1995.

**ARTICLES 17:**

During its operation provided the risk can not be reduced, any shareholder with majority or effective shareholding shall be under the obligation to inject additional funds or other permanent capital such as loans in order to avoid the threat of bankruptcy in the event of which the National Bank of Cambodia shall act as the bank temporary receivership according to Article 22 of the above referred Sub-Decree.

**ARTICLES 18:**

A shareholder shareholder with majority or effective shareholding shall acknowledge in writing that he has understood completely all their obligations as shareholder with majority or effective shareholding including local banks which are subsidiaries of banks with overseas





**ARTICLES 30:**

This Declaration shall enter into force from the date of its signature.

Phnom Penh, October 25, 1996

The Governor.

Seal of the National Bank of Cambodia

Signature of HE Thor Peng Leal

**cc:**

The Cabinet of the National Bank of Cambodia

The Supervision Department and concerned departments

All Commercial Banks under the regulation of the National Bank of Cambodia

**“For implementation”**

Archives