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Kingdom of Cambodia  
Nation Religion King

No. NBC/B700/05  
January 1, 2000

Prakas  
on Licensing of Rural Credit Specialized Banks

The Governor of the National Bank of Cambodia

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- (f) Indicate whether, over the preceding ten years the capital contributor has been the subject of an investigation or of a professional, administrative, or judicial proceeding of a material nature.
- (g) State the capital contributor's objectives for the acquisition of an equity holding in the institution. Give all relevant information.
- (h) Indicate whether there is significant business between the capital contributor and the institution and how these relations are likely to develop in the future.
- (i) Indicate the main banking relations of the capital contributor in Cambodia and how long these relations have existed.

Article 7: A capital contributor which will directly or indirectly hold at least 20 percent of the capital or the voting rights shall be considered as an influential shareholder in accordance with the provisions of Article 26 of the Law on Banking and Financial Institutions. Influential shareholders might be enjoined by the NBC to increase the net worth of the institution under the conditions described in Article 27 of the Law on Banking and Financial Institutions. For that purpose, a letter in accordance with the model set forth in annex I must be sent to the Governor of the NBC.

Such a provision will only be removed once a deposit insurance scheme (or other customer deposit guarantee) is set up in Cambodia.

Moreover, in accordance with the provisions of article 40 of the Law on Banking and Financial Institutions, the NBC will be able to grant a written waiver from the provisions of Article 7 at the time of the license approval.

### Chapter 3 License Approval and Related Fee

Article 8 : The NBC shall provide written notification of its decision within 3 months from the receipt of application. Where appropriate, the approval shall set out the specific conditions laid down by the NBC for its entry into force and the timetable for the project. If the project has not been completed upon expiry of the deadline and if no extension has been requested, the approval becomes void.

Article 9: A specialized bank's License is valid for a period of 3 years, from the approval date. Said license may be renewed only if all possible infractions of relevant laws and regulations have been remedied. An application for renewal of a license shall be submitted to the NBC at least two months prior to the expiration of the existing license. In the event this deadline is not met, a fine of Riels 100,000 per day of delay up to the submission date shall be imposed.

Article 10: The institutions shall pay a fee of Riels 500,000 upon submission of the application for a license.

Article 11: The annual license fee shall be paid before January 5 as follows:

- Riels 10 million for the bank headquarters.
- Riels 8 million for each branch of a bank

For institutions established during the year, the license fee shall be calculated on a pro rata basis for the remaining period to the year's end. In the event of late payment of license fee, the institutions concerned shall be fined by paying interest on the overdue payment at the existing refinancing interest rate for a period up to 30 days. If they are not in order after this period, their license shall be revoked.

### Chapter 4 Prudential Rules

Article 12: Applicants with no operating history must pay up 100 percent of registered capital into an account open with the NBC prior to commencement of operations.

Article 13: Each licensed specialized bank shall maintain an amount, bearing no interest equal to 5 percent of its registered capital in a permanent account with the NBC.

The NBC will only reimburse the capital deposit to a licensed specialized bank if it is voluntarily liquidated and has no deposit liabilities.

Article 14: A licensed specialized bank shall deposit 5 percent of its deposits into its account maintained with the prior to commencement of operations. This reserve requirement shall be maintained under the conditions set forth in the Prakas on reserve requirement.

Article 15: A licensed specialized bank shall observe all the regulatory requirements to which banks are subject, particularly the reporting requirements.

#### Chapter 5 Other Provisions

Article 16: Notifications relating to acquisitions or disposals of shareholdings in the context of Article 23 of the Law on Banking and Financial Institutions must include a description of the

- Change in business name; draft amendment to Articles of Association.

All these changes must be submitted to the NBC at least three months before their enforcement.

Banks shall pay a fee of KHR 1 million for a change of one page of the Articles of Association.

Article 20: This Prakas shall enter into force from the date of its signature.

Article 21: The General Director, the General Secretariat, the General Cashier, the General Inspection, all NBC departments, and all specialized banks under the NBC supervisory authority shall be responsible for the enforcement of this Prakas.

Phnom Penh January 1, 2000  
The Governor  
CHEA CHANTO

cc:

- Members of the Board of Directors
- Parties concerned as stated in Article 20
- to File
- Council of Ministers "for info"

Annex

Model Letter

To be sent to the Governor of the National Bank of Cambodia by capital contributors who directly or indirectly hold 20 percent or more of the capital or the voting rights of a specialized bank.

Dear Sir,

In my capacity as (give the title of the signatory), please find herewith the information requested

Annex II

CURRICULUM VITAE  
and

Questionnaire for individuals who are, or who propose to become,  
Managers of a specialized bank

1. Family name: .....
  2. Given name(s): .....
  3. Other name(s) by which you are or have been known: .....  
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  - 4-1. Please describe the particular duties and responsibilities attaching to your position.  
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  - 4-2. Indicate if you are a capital contributor to the applicant and if you intend to carry out, directly or through an intermediary, personal or professional transactions with the applicant.  
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  5. Your private address:  
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  6. Your previous private address (es) during the last 5 years:  
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  7. Your date (day/ month /year) and place of birth (including district, town or city).  
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7. Your date (day/ month /year).....  
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10. Your academic degrees and/or professional qualifications and the place and year they were obtained.

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11-1. Your current occupation and employment and over the past 10 years, including the name and address of the employer in each case, the nature of the business, the position held and relevant dates.

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11-2. Indicate whether you are or in the past ten years have been a significant shareholder (namely holding directly or indirectly at least 10 percent of the share capital or voting rights) of a company other than the applicant. If so, state the name and activities of such companies and the amount of your shareholding or interest in them.

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11-3. Indicate, to the best of your knowledge, which of the companies in which you have held or hold a position of responsibility, or in which you have been or are a significant shareholder, has or might soon have significant business relations with the applicant.

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12. Have you or any entity with which you are associated as a director, shareholder, or manager ever held or applied for a license or to carry on any business activity in any country? If so, if any such application was refused or withdrawn, after it was made or if any authorization was revoked, give particulars.

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13. Have you, or any entity with which you have been involved in the conduct of its affairs, been disciplined, warned as to future conduct, publicly criticized, or the subject of an investigation by any regulatory authority or any professional body? If so, give particulars.

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14. Have you, in any country, been dismissed from any office or employment by your employer or barred from entry to any professional or occupation? If so, give particulars.

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15. Have you failed to satisfy any debt adjudged due and payable by you under an order of a court, or have you been declared bankrupt by a court in any country or has a bankruptcy petition ever been served on you? If so, give particulars.

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DECLARATION

I am aware that it is an offense to knowingly or recklessly provide any false or misleading information in connection with an application for a banking license or a renewal of a banking license.

I certify that the information provided in response to the above questions is complete and accurate to the best of my knowledge, and that there are no other facts relevant to this application of which the supervisory authority should be aware.

I undertake to inform the supervisory authority of any changes material to the application which arise while the supervisory authority is considering the application.

Name:

Position held:

Signed:

Date / /