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Kingdom of Cambodia
Nation Religion King

National Bank of Cambodia
No. NBC/B700/06
January 11, 2000

Prakas
on the Licensing of Micro-Financing Institutions

The Governor of the National Bank of Cambodia

Referring to the 1993 Constitution of the Kingdom of Cambodia;

Referring to Kram No. NS/RKM/0196/27 of January 26, 1996 promulgating the Law on the Organization and Functioning of the National Bank of Cambodia;

Referring to Kram No. NS/RKM/1199/13 of November 18, 1999 promulgating the Law on Banking and Financial Institutions;

Referring to Kret No. CS/RKM/0398/85 of March 10, 1998 on the appointment of H.E. Chea Chanto as Governor of the National Bank of Cambodia;

Pursuant to the request of the Banking Supervision Department of the National Bank of Cambodia.

IT IS HEREBY DECIDED

Chapter 1
General Provisions

Article 1: The National Bank of Cambodia (NBC) shall issue a license to carry out micro-financing operations (MFI license) to any micro-financing institution (MFI) that satisfies the requirements of this Prakas. All other non governmental organization, associations, entities or MFIs which cannot satisfy the license requirements, and are involved in credit services, for individuals or solidarity groups, shall register with the NBC.

Article 2: A licensed MFI shall only conduct banking operations as defined in Article 2 of the Law on Banking and Financial Institutions. Credit services and savings shall be deemed to be permitted thereunder, unless prohibited by this Prakas or the terms of the decision granting the MFI license.

Article 5: The application for a license shall be drawn up by a duly authorized person (manager or person expressly empowered to such effect) and shall indicate the following:

- (a) Name or business name of the institution.
- (b) Registered address of the headquarters.
- (c) Legal form and the Articles of Association or other founding instrument.
- (d) Type of securities representing the capital, and connection between the holding of such securities

capital contributor has significant equity holdings in other credit institutions. Indicate whether the group to which the capital contributor itself belongs has significant equity holdings in credit institutions. If so, list such interests.

- (d) State whether the capital contributor and the companies possibly associated with it carry on a financial activity. If so, indicate the regulations and the authorities to which they are subject in this respect.
- (e) Indicate the internal and external audit procedures of the capital contributor.
- (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.

- Parties stipulated under Article 20
- Archives
- Council of Ministers "for info"
- Council of Ministers Administration Department
"for publication in the Official Gazette"

Annex I
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 an Institution.

Dear Sir;

In my capacity as (indicate the status of the signatory), please find herewith the information requested by the National Bank of Cambodia (Prakas No) with regard to the equity holding that (contributor's name) intends to take in (name of institution).

I hereby certify that this information is complete and accurate and that, to the best of my knowledge there are no other material facts of which the National Bank of Cambodia should be informed.

I undertake to inform the National Bank of Cambodia immediately of any change which would significantly alter the information provided.

I have taken note of the provisions of Article 7 of the Prakas on licensing of micro-financing institutions, pursuant to which the National Bank of Cambodia may, where the situation requires, enjoin the influential shareholders of an institution to provide such institution with the support it needs.

CURRICULUM VITAE
and
Questionnaire for individuals who are, or who propose to become,
Managers of a Micro-Financing Institution

- 11- Family name
2. Given name(s)
3. Other name(s) by which you are or have been known
- 4-1. Please describe the particular duties and responsibilities attaching to your position.
- 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.
5. Your private address.
6. Your previous private address(es) during the last 5 years:
7. Your date (day/month/year) and place of birth (including, district, town or city).
8. Your nationality and how it was acquired (birth, naturalization, marriage).

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.
 16. Have you, in connection with the management of any entity been adjudged by a court, in any county, to be legally liable for any fraud or other misconduct by you toward such an entity or any of its members? If so, give particulars.
 17. Are you, now, or do you, other than in a professional capacity, expect to be, engaged in any litigation in any country? If so, give particulars.
 18. Please supply an audited statement of personal net worth providing a breakdown of your assets and liabilities.
 19. Indicate the names, addresses, telephone numbers and positions of three individuals of good standing who would be able to provide a reference on your personal and professional integrity. The referees must not be related to you, and should have known you for at least five years.
 20. Is there any additional information which you consider to be relevant for the consideration of your suitability for the position(s) listed in Question 4.1? The omission of material facts may constitute the provision of misleading information (see declaration below).
- N.B.** The information provided in response to this questionnaire shall be kept fullyy supervisory authority, the National Bank of Cambodia, except in cases provided for by law.

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 bank 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:

Signature:

Date: / /