

Economy and Finance may address meetings of the Board of Directors of the Central Bank at the invitation of the Board.

The Governor or members of the Board shall appear before the National Assembly or standing committee thereof to explain the policies of the Central Bank or to comment on proposed legislation, at the request of the National Assembly.

ARTICLE 10:

At the end of each half year period the Central Bank shall deliver to the National Assembly and to the Government:

- x an assessment in general terms of the economic and financial condition of the Kingdom and a description of the monetary and exchange policies that the Central Bank proposes to follow during the next semester and for such longer period of time as the Central Bank may decide;
- x a review and assessment of the implementation of monetary and exchange policy during the period to which the last preceding semester statement relates.

ARTICLE 11:

In addition to the above reports the Central Bank shall reports to the National Assembly and to the Royal Government on request.

TITLE IV : MANAGEMENT OF THE CENTRAL BANK

ARTICLE 12:

1. The management organ of the Central Bank is the Board of Directors (hereinafter referred to as the Board). The Governor shall be Chairman of the Board. The Board shall consist of 7 members, including the Governor, the Deputy Governor and 5 other members, one being a representative of the head of the Royal Government, one a representative of Ministry of Economy and Finance, one a member from the private sector, one an academician and one a representative of the National Bank staff.

The Governor and the Deputy Governor shall be a public servant, a person serving as adviser of a public entity, or a member of the Royal Government, or a member of the National Assembly during their term of office. The above restrictions also apply to all other members except the representative of the head of the Royal Government, the Ministry of Economy and Finance, and the academician who may maintain their civil service status.

2. The Board shall be responsible for:
 - x establishing the policies for the operation of the Central Bank;
 - x issuing decisions, regulations, circulars and other directives to govern the business of the Central Bank;
 - x establishing internal rules and regulations;
 - x establishing staff statute;
 - x establishing departments of the Central Bank;

4. Board members shall receive an attendance allowance the amount of which shall be fixed by the Board.
5. The Governor and the Deputy Governors shall receive base remuneration from the Central Bank in the same amount as a member of the Royal Government.

ARTICLE 15:

1. Risks, depreciation, and amortization of assets;
2. a contribution to a pension fund, the amount of which to be fixed by the Board;
3. a General Reserve equal to 20% (twenty percent) of net profit after deduction of the amounts in 1 and 2 above;
4. the redemption of government securities held by the Central Bank;
5. investment of a collective fund for the Central Bank to be determined by the Board.

ARTICLE 19:

Any balance of net income shall then be transferred to the National Budget after deduction of:

- x 5 % (five percent) for the personnel, excluding the Board;
- x 0.5 % (zero point five percent) for the board members.

ARTICLE 20:

All proposed expenditure of the Central Bank shall be reported in an annual budget to be approved by the Board of the Central Bank and submitted for information to the Royal Government and the National Assembly.

TITLE VI : FINANCIAL RELATIONS WITH PUBLIC ENTITY

ARTICLE 21:

1. The Central Bank shall be the sole depository, in the national currency, for the National Treasury. The Central Bank shall receive from the National Treasury and disburse on its behalf, money and keep account thereof.

Any charges to be levied by the Central Bank for these services shall be agreed by both parties.

2. The foreign exchange receipts of the Treasury shall be sold to the Central Bank and the counter value shall be credited to the central account of the National Treasury in national currency at the prevailing exchange rate.

ARTICLE 22:

The Central Bank shall be the advisor on monetary and financial matters to the Royal Government.

It is the duty of the Central Bank to inform and advise the Royal Government concerning any matter which in its opinion is likely to affect the achievement of its objectives.

ARTICLE 23:

1. The Central Bank shall assist in the management of the Royal Government or public entities by conducting securities operations, including advising on the timing of securities issues and promoting the development of money and capital markets.
2. The Central Bank may agree to act as agent of the Royal Government or public entities for the following transactions:

x marketing of securities issued by the Royal Government or by public entities, and

of other institutions as stated in Article 7 of this law. To that end, the Central Bank shall be empowered:

1. to issue such decisions, regulations, and other directives and to take such other actions as it shall deem necessary in order to execute its powers and responsibilities under Title II of this law, through proper licensing thereof and supervisory standards and enforcement procedures;
2. to appoint at its discretion, its officers or any other qualified person to regularly inspect any bank or financial institution and to examine its books, records, documents and accounts;

2. the aggregate amount of notes or coins called but not presented for exchange shall be deducted from the amount of currency in circulation on the books of the Central Bank and shall be treated as revenue of the Central Bank.

ARTICLE 47:

Upon surrender by any person to the Central Bank any notes or coins which it has issued, the Central Bank shall exchange on demand without charge such notes or coins for other notes and coins of equivalent value.

ARTICLE 48:

Any reproduction of notes, coins, checks, set off up [3fneywholeym ARTICLE

The financial year of the Central Bank shall commence on January 1st and end on December 31 of the same year.

ARTICLE 56:

The Central Bank shall:

1. keep books of account and other books and records in which shall be recorded all its financial transactions, which reflect accurately its financial condition in accordance with generally accepted accounting principles to Central Bank;
2. prepare and publish a monthly summary statement of its activities;
3. within six months after the close of each financial year submit to the Government and the National Assembly a copy of its annual accounts together with a report on its operations and on monetary and economic conditions during the year.

ARTICLE 57:

The financial records of the Central Bank shall be verified by a special committee appointed by the Government.

TITLE XI: MISCELLANEOUS P

ARTICLE 62:

For the purpose of implementing the provisions of this law, the Central Bank may institute civil actions ancillary to criminal actions at any stage of the proceedings.

ARTICLE 63:

The limitation on credit in subparagraph 3 of Article 25 of this law shall apply to credit extended after the effective date of this law.

TITLE XII: PENALTIES

ARTICLE 64:

Any person who does not accept payment in legal tender in the Kingdom shall be liable for a fine of 100 times the amount of the payment.

ARTICLE 65:

Any person who counterfeits coins or bank notes which are legal tender in the Kingdom, or which are legal tender in a foreign State, shall be liable to imprisonment from 20 years to life.

Such materials or tools shall be confiscated and retained as state property or destroyed.

ARTICLE 66:

Any person who knowingly conveys, distributes or retains for distribution any counterfeit coins or bank notes shall be liable to imprisonment from 10 to 20 years.

ARTICLE 67:

Any person who uses or retains, without authorization granted by the Central Bank, materials or tools which are ordinarily used for printing coins or printing bank notes shall be liable to imprisonment from 5 to 10 years. Such materials or tools shall be confiscated and retained as state property or destroyed.

ARTICLE 68:

Any person who receives counterfeit bank notes or coins, believing they are legal tender, and who distributes such notes and coins after learning they are counterfeit, shall be liable for a fine of 100 times the amount involved.

ARTICLE 69:

For the purpose or the administration of this law and in the proper performance of its functions under this law, the Central Bank may call for such information as it may require from any person, including from any bank or financial institution and its affiliates.

Any person who fails to supply any information called for by the Central Bank under this article or who knowingly supplies any false or misleading information shall be guilty of an offense and liable for a fine from 1,000,000 riels (one million riels) to 10,000,000 riels (ten million riels) and /or imprisonment from 1 to 5 years.

ARTICLE 70:

Any person who manages a bank or financial institution, or engages in operations of banking nature including credit operations, brokering or payment, or dealing, trading in gold, precious metals, precious stones, without being granted a required authorization by the

Central Bank therefor, shall cease operations upon an injunction of the Central Bank, otherwise such person shall be liable for a fine from 1,000,000 riels (one million riels) to 10,000,000 riels (ten million riels) and/or imprisonment from 1 to 5 years.

ARTICLE 71:

Any person who violates Article 15 and Article 16 of this Law shall be liable to a fine from 1,000,000 riels (one million riels) to 10,000,000 riels (ten million riels) and/or to imprisonment from 1 to 5 years.

TITLE XIII: FINAL PROVISIONS

ARTICLE 72:

All provisions contrary to this Law shall be hereby repealed.

Made in Phnom Penh, January 26, 1996

Signature

NORODOM SIHANOUK

Submitted for the signature of H.M. the King

The First Prime Minister

The Second Prime Minister

NORODOM RANARIDDH

HUN SEN