



KINGDOM OF CAMBODIA  
NATION RELIGION KING

# Financial Sector Development Strategy



**2025 - 2030**

Royal Government of Cambodia



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## Foreword

Following nearly three decades of civil war, Cambodia achieved full peace in late 1998 under the Win-Win Policy led by Samdech Akka Moha Sena Padei Techo Hun Sen, President of the Senate and former Prime Minister. Since then, Cambodia has successfully implemented a series of National Development Strategies and deep structural reforms across all sectors. As a result, the country has achieved robust economic growth, stable inflation and exchange rate, and a steadily declining poverty rate over the past two decades.

These achievements also highlight the progress of the financial sector and its critical role in actively supporting the development of other sectors, especially since the Royal Government of Cambodia introduced in 2001 the “Financial Sector Blueprint for 2001–2010”, which served as a long-term roadmap for sectoral development. This strategic plan has been updated three times to keep pace with Cambodia’s evolving socio-economic landscape.

Amid the current growing global economic uncertainty, driven by rising protectionism, geopolitical fragmentation, climate change, rapid technological advancement, and lingering effects of the COVID-19 pandemic, Cambodia must strengthen its economic resilience and sustain growth. In this context, the Financial Sector Development Strategy 2025–2030 has been formulated to ensure financial stability, encourage innovation, and promote financial inclusion in support of sustainable and inclusive socio-economic development.

In this spirit, the Financial Sector Development Strategy 2025–2030 has focused on four key priorities: i/-enabling greater access to finance for individuals and businesses (especially small businesses), ii/-maintaining financial sector stability, iii/-strengthening financial market infrastructure, and iv/-harnessing emerging technologies to broaden the use of financial services, which are fully aligned with the Royal Government of Cambodia’s Pentagonal Strategy – Phase 1 and the National Strategic Development Plan.

The preparation of the Financial Sector Development Strategy 2025–2030 has been the result of the relentless work of several stakeholders. I would like to extend my sincere appreciation to the National Bank of Cambodia, the Ministry of Economy and Finance, and the Non-Bank Financial Services Authority for their leadership and coordination, as well as to all ministries, government agencies, and institutions that contributed significantly to the preparation of this strategy. My thanks also go to the Asian Development Bank (ADB) for its valuable technical assistance.

I am confident the Financial Sector Development Strategy 2025–2030 will provide a solid foundation for continued efforts to build a resilient and efficient financial sector long term. I encourage all stakeholders to remain engaged in implementing this Strategy and its action plan, ensuring the financial sector remains a key driver of our economic and social advancement.

Phnom Penh, , 2025

**Prime Minister**

**Samdech Moha Borvor Thipadei HUN Manet**



## Abbreviations

<b>No.</b>	<b>Abbreviation</b>	<b>Expansion</b>
1.	ABC	Association of Banks in Cambodia
2.	ACAR	Accounting and Auditing Regulator
3.	ADB	Asian Development Bank
4.	AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
5.	APG	Asia/Pacific Group on Money Laundering
6.	API	Application Program Interface
7.	CAFIU	Cambodia Financial Intelligence Unit
8.	CBC	Credit Bureau Cambodia
9.	CIFRS	Cambodian International Financial Reporting Standards
10.	CSX	Cambodia Securities Exchange
11.	ESG	Environmental, Social, and Governance
12.	FATF	Financial Action Task Force
13.	FSA	Non-Bank Financial Services Authority
14.	FSDS	Financial Sector Development Strategy
15.	GDP	Gross Domestic Product
16.	IFRS	International Financial Reporting Standards
17.	IOSCO	International Organisation of Securities Commissions
18.	IRC	Insurance Regulator of Cambodia
19.	KHR	Khmer riel
20.	KICPAA	Kampuchea Institute of Certified Public Accountants and Auditors
21.	MOU	Memorandum of Understanding
22.	NBC	National Bank of Cambodia
23.	NRA	National Risk Assessment
24.	NSSF	National Social Security Fund
25.	SERC	Securities and Exchange Regulator of Cambodia
26.	SMEs	Small and Medium Enterprises
27.	SSR	Social Security Regulator
28.	USD	United States dollar



## Executive Summary

Cambodia achieved steady economic growth, averaging around 7% in the last two decades, with active support from the growing financial sector. This strong trajectory raised demand for financial products and services across different consumers and enterprises as reflected in steady growth in the number of savings accounts and borrowers in the banking system. However, the COVID-19 pandemic introduced a major setback, significantly slowing the economy, which contracted 3.6% in 2020, as the pandemic hit several sectors hard, especially the tourism, construction, garments, textile and footwear sectors, etc. The Royal Government of Cambodia's timely implementation of short-term support measures to provide relief to vulnerable people and support economic activities, and economic growth steadily recovered to 6% in 2024.

The Royal Government makes constant effort to foster economic development by building a resilient, diverse, accessible and innovative financial system. In line with the vision, the Financial Sector Development Strategy 2021–2030 promotes financial inclusion, financial stability, better financial market infrastructure, and usage of emerging technologies across the financial sector.

With this in mind, the strategy has been updated to the next phase of growth, considering development priorities and leveraging major global trends in the financial sector, particularly digital technologies and sustainable economic development.

The banking sector continues to dominate the Cambodian financial sector and has expanded rapidly in size and scope. Since the launch of the long-term development strategy in 2001, the legal framework and regulations of the banking sector have been gradually strengthened through prudential regulations in line with international best practice and standards to ensure financial stability and sustainable and inclusive development. At the same time, supervision of banks and financial institutions has been strengthened in accordance with new norms of risk-based supervision and Supervisory Review and Evaluations Process approaches to ensure the strength of capital, liquidity, and business model, as well as risk management of banks and financial institutions.

Meanwhile, as financial sectors have become more interconnected, the National Bank of Cambodia has strengthened institutional capacity, enhancing cooperation with regulatory authorities in the Cambodian financial sector to comprehensively monitor and assess risks to financial stability in a timely fashion.

The microfinance sector has successfully catered to a significant segment of the population in rural areas, and this sector has increased steadily over the years. The NBC, which is also the regulator and supervisor of the microfinance sector, has played a crucial role in the growth of the sector by ensuring a strong legal and regulatory framework, supervision and reporting system, development of financial infrastructure and capacity building. The NBC has also taken steps to ensure financial literacy and consumer protection using regulatory, campaign and other.

Leasing is another key subsector within the banking sector, supporting individual and enterprises. The priority agenda of the leasing sector would be to strengthen the legal framework for leasing, resolve the accounting and taxation bottlenecks, prioritise efficient resolution of business disputes, promote trust and awareness among customers, and bolster supervisory infrastructure for leasing.

Payment system infrastructure has also been steadily modernized, supporting the development of financial markets, business activities, financial inclusion, the digital economy, and riel promotion. As financial technologies have advanced, NBC has seized the opportunity to develop payment systems, both retail and large-value payments. Moreover, payment system connectivity has been expanded in many countries in the region, including Thailand, Vietnam, Laos, Malaysia, Korea, and other international payment gateways, such as UnionPay International and Alipay Connect, etc., to facilitate cross-border payments and transfer transactions. The challenges are new risks related to the payment system and payment services, the lack of regulations related to Crypto Assets, the need for payment system updates and the digital lending platform. There are 21 measures introduced in this sub-sector in which the Royal Government will build payment system infrastructure, payment services, and cross-border payment connectivity and financial innovation.

In 2021, with the passing of the Law on the Organization and Functioning of Non-Bank Financial Services Authority (the FSA Law), the FSA was established as an independent institution responsible for overseeing and supervising the non-bank financial services sector and the promotion of the development and innovation of fintech in the non-bank financial sector in Cambodia. In addition, the FSA is responsible for formulating, supervising, and monitoring strategic and action plans, and executing development policies and strategies of the non-bank financial sector.

The Insurance Regulator of Cambodia (IRC) is responsible for licensing, adopting regulations, supervising, and promoting development of the insurance and private pensions sector. The IRC has taken several proactive measures to strengthen the insurance sector, including development and implementation of the Cambodia Strategic Development Plan for Insurance Sector 2021–2030 to foster diversification of product offerings, development of supporting regulations and guidelines, strengthening of financial supervision and overall market conduct, and enhancing insurance awareness of these products and insurance literacy among Cambodians. To meet the prioritized needs in building the capacity of the insurance operators, the IRC has also studied and is preparing to establish the Insurance Institute of Cambodia, which needs to be established soon to address the lack of professional resources in the insurance sector.

Meanwhile, the Social Security Regulator (SSR), is in charge of regulating and supervising social security operators, which are administered and managed by the National Social Security Fund (NSSF) and the National Social Assistance Fund (NSAF) and has published a series of regulations on pension scheme. The challenges for this sector include the lack of legal frameworks to ensure the financial stability of the pension scheme, the management and administration of pension fund, the supervisory and dispute resolution framework, and limited public awareness regarding pension systems. The Royal Government has introduced a total of 53 measures, including formulating key regulatory frameworks in accordance with practical needs, integrating fragmented pension funds, and reforming the social security pension scheme for persons in public sector. The measures also involve the establishment of social security inspectorate, the development of internal technology systems, the development of digital dispute resolution platform, the implementation of real-time data synchronization from operators, and the promotion of public awareness within this sector.

Securities markets and exchanges in Cambodia are still developing but have shown noticeable progress. The Securities and Exchange Regulator of Cambodia is responsible for regulating, supervising, and developing the securities sector. Moreover, the Ministry of Economy and Finance issued the first-ever sovereign bond in September 2022. The Cambodia Securities Exchange has

officially launched the second generation of the Online Trading Account Opening Platform with Application Program Interface (API) linkage to Cambodia Data Exchange and Investor ID Online of the Securities and Exchange Regulator. Many challenges still need to be addressed, including diversifying products and promoting market liquidity.

The real estate business and pawnshop sector in Cambodia has grown significantly since publication of the Financial Sector Development Strategy 2016–2025. The Real Estate Business and Pawnshop Regulator has established numerous laws and regulations to manage and supervise the activities of the real estate business and pawnshop and protect the legal businesses in this sector while raising awareness and understanding of the public and business operators has been enhanced to fully comply with the business regulations. The regulator has also digitized its operations by integrating its registration process with the Cambodia Data Exchange.

The trust sector in Cambodia, meanwhile, is regulated, supervised, and developed by the Trust Regulator (TR). Trusts play a significant role in enabling the flow of foreign investment and help investors to manage their assets. To address limited public awareness in the sector and capacity constraints within the regulator, it has been promoting development and research and public awareness through workshops, seminars and training sessions among potential investors, market participants, and the public. Moreover, the Trust Regulator plans to strengthen institutional functions including supervision of the sector, promoting and strengthening law enforcement, and regulation and investor protection related activities.

The Accounting and Auditing Regulator (ACAR) is a regulatory body for managing and developing the accounting and auditing sector, which are crucial in the preparation of transparent financial information and financial reporting for private and public entities. ACAR has collaborated with the Kampuchea Institute of Certified Public Accountants and Auditors to conduct onsite and online workshops. Additionally, ACAR has developed and implemented several IT systems to strengthen management processes and enhance compliance, such as the E-Filing System for Enterprises and for Not-for-Profit Entities, the E-License System for Accounting and Audit Firms, and the Application Management System for the Cambodian CPA Program. Furthermore, ACAR plans to develop a Financial Statement Preparation Platform for SMEs and Not-for-Profit Entities, which will smoothen the reporting process and improve consistency and transparency in financial reporting.

To embrace technological opportunity, Cambodia has adopted the Cambodia Financial Technology Development Policy 2023–2028 to further leverage the betterment of financial inclusion. Savings, insurance, securities and related financial products are to be the significant areas with great financial technology (fintech) potential in the future. In addition, fintech has enabled growth in other sectors, particularly e-commerce and tech startups. In this context, the Ministry of Economy and Finance, the NBC, and the FSA have collaborated to address some important shortcomings in the current fintech environment, including establishing important regulations such as peer-to-peer lending and the insurance technology regulatory framework, strategy on use of emerging technology, open banking measures, and data sharing and privacy related laws.

At the same time, the country has recognized the importance of sustainable finance by implementing the Cambodia Sustainable Finance Initiative since September 2016. Within this context, sustainable finance is a powerful instrument to mobilise investments for overall sustainable development. The Royal Government will cooperate with multiple stakeholders to integrate

sustainable finance into mainstream decision-making policy processes across all sectors as well as classify assets of the banking and non-bank systems.

Cambodia promulgated the Law on Anti-Money Laundering and Combating Financing of Terrorism in 2020 and issued Directive on Customer Due Diligence Measures, the Directive on Correspondent Banking and Other Similar Relationships, the Directive on Remittance and Wire Transfer, and the Directive on Internal Controls for Reporting Entity and so on. With the strong commitment of the Royal Government to continuously this system, Cambodia in February 2023 was delisted from the Financial Action Task Force's grey list. Nonetheless, the formulation of the legal framework and the strengthening of the institutional frameworks among relevant public and private stakeholders needs to be done sustainably with continuous changes in money laundering and terrorism financing methods.

## Chapter 1 Background

### I. Introduction

The Royal Government of Cambodia over the past years has aimed to ensure sustainable economic growth while maintaining economic stability, improve employment in quality and quantity, promote equity through poverty reduction and social protection, and strengthen public institutions. To achieve its goals, the Royal Government of Cambodia has updated its Financial Sector Development Strategy (FSDS) 2016–2025 to the FSDS 2025–2030 to establish a strong, dynamic, resilient, and diversified financial system able to meet domestic demand for financial services and to ensure sustainable economic growth. The updated strategy has three main factors: (i) developing Cambodia’s economy during the last 2 decades under a peaceful and stable political environment and during the country’s transition from least-developed country status, (ii) economic impacts of the COVID-19 pandemic and regional and global geopolitical tensions, and (iii) committing to find new ways to promote inclusive economic growth in all sectors

### II. Macroeconomic Scenario

Before the pandemic, Cambodia was one of the fastest-growing economies in the world, with annual average economic growth of 7%, supported by some major sectors and the launch and implementation of key strategies. These include the four phases of the Rectangular Strategy, the National Strategic Development Plan, the Cambodia Industrial Development Policy, and other major reform programs of the government. However, COVID slowed economic growth, especially in 2020, when it contracted 3.6%. Meanwhile, inflation since 2012 had been manageable and hovered around only 1.2%. However, in 2022, inflation increased notably to 5.4% due to a sharp rise in global oil and food prices, later subsiding to 2.1% in 2023 as these two-commodity prices declined. Maintaining the stability of the US dollar exchange rate has helped keep inflation low and stable. In the future, however, expanded flexibility in exchange rates will promote the use of the national currency and enhance the capabilities of monetary policy.

The government did nonetheless control the spread of COVID-19 and supported recovery and continuation of business in the private sector, boosting economic activity while maintaining the job stability and livelihoods among the poor and vulnerable. As a result, socioeconomic activity has normalized and recovery has continued since the full reopening of the country at the end of 2021. Moreover, financial technologies are continuously advancing, with the use of new innovations in the banking sector. Banking and financial institutions have introduced banking services through their digital platforms, including internet banking, mobile banking, and QR payments and new financial technology is boosting digital payment services as their convenience, affordability, and security attract customers.

Yet, several risks loom over growth: (i) tensions in geopolitics and in global economies, (ii) the delay of monetary policy normalization, and (iii) climate change and natural disasters.

In this context, rapid technological advancement, digital systems, and financial sector innovations are considered the key contributors to future economic growth. Industry 4.0 is expected to bring transformative processes into the production system, while digital infrastructure is envisioned to provide high efficiency and effectiveness in improving revenue generation, cost reduction, transparency, security, safety, and quality in financial services and products

### III. Financial Sector Development Planning in Cambodia

The financial sector has grown rapidly but remains dominated by the banking and microfinance sectors. To improve access to financial services, strengthen financial stability, and support newer trends in the development of financial products and services, the government has therefore established the Non-Bank Financial Services Authority to regulate, supervise, and develop the non-bank financial sector.

Over the decades, it has introduced a number of strategic and policy documents, including strategies based on government mandates, the National Strategic Development Plan, the Financial Sector Development Strategy,

the National Financial Inclusion Strategy, the Cambodia Digital Economy and Society Policy Framework, and the Cambodia Financial Technology Development Policy. In addition, a number of sector-focused development frameworks and plans have been introduced, including the National Social Protection Framework 2016–2025 and the Cambodian Strategic Development Plan for Insurance Sector 2021–2030

#### **IV. Financial Ecosystem**

The financial sector can be divided into 2 main parts based on their supervisory authorities:

- Part 1: Supervised by the central bank, the National Bank of Cambodia, the banking and financial sectors constitute commercial and specialized banks, microfinance deposit-taking institutions, microfinance non-deposit-taking institutions, rural credit institutions, financial leasing institutions, payment service providers and money changers.
- Part 2: And grouped under the newly formed Non-Bank Financial Services Authority (FSA), the non-bank financial sector includes but is not limited to insurance and private pension, securities markets and exchanges, social security, real estate, pawnshops, trusts, and accounting and audit regulators . However, the various sectors are at different stages of development. The insurance sector has grown considerably, especially since 2012, and the securities market is in a late development phase, but the pension system is nascent.

#### **V. Structure and Strategic Preparation**

The development of the FSDS 2025–2030 involved active participation from many stakeholders: the National Bank of Cambodia; the Ministry of Economy and Finance; the Ministry of Commerce; the Ministry of Land Management, Urban Planning and Construction; the FSA; commercial banks, specialized banks, and microfinance institutions; leasing institutions; insurance companies; security firms; private financial institutions; industrial companies; and nongovernmental organizations. Key development partners such as the Asian Development Bank (ADB), the World Bank, the United Nations, the International Labor Organization, and International Monetary Fund were also consulted during drafting of this strategy. The overall strategy and the action plan were developed based on inputs and feedback from the stakeholder groups and international best practice, tailored to the Cambodian context.

## Chapter 2 Banking Sector

### I. Background

Cambodia’s banking sector has grown rapidly in the last decade in assets, loans, deposits, and the number of banks and financial institutions. From 2012 to 2024, banking sector assets increased from Cambodian riel (KHR) 43.6 trillion to KHR 344.7 trillion. Loans increased from KHR 23.4 trillion to KHR 219.7 trillion, and deposits from KHR 26.9 trillion to KHR 219.3 trillion. The number of borrowers increased from 353,606 to 2.39 million accounts, and the number of deposits increased from 1.49 million to 21.69 million accounts. Non-performing loans are at a manageable level, at an average of 7.3%. However, profitability has declined, with an average return on assets of 0.9% and return on equity of 4.7%.

The NBC has encouraged and supported technology in digital financial services to help expand financial inclusion. The government targets an increase in use of formal financial services to 70% of xxxx by 2025 and reduce the financial exclusion of women from 27% to 13%. Financial technology (FinTech) adoption in the financial sector has become increasingly crucial for improving intermediation and diversifying financial services in a competitive market. Fintech has primarily been used in payment and remittance services and is gradually expanding into savings and credit services. Its accelerated adoption can leverage the benefits of technology, especially in improving financial inclusion and supporting the digital economy.

### II. Reforms and Achievements

With the issuance of FSDS 2016–2025, several action plans have been implemented and have yielded remarkable results. The key action plans that have been achieved for the banking sector are as follows:

#### A. Law and Regulation

Some laws and regulations applicable to the banking sector have been issued and revised, in alignment with international best practices and the Basel framework. These include prudential regulations that support the NBC’s supervisory framework and strengthen financial stability, including *Prakas* on:<sup>1</sup> (i) Credit Risk Grading and Impairment Provisioning, (ii) Liquidity Risk Management Framework for Banking and Financial Institutions, (iii) Maintenance of Reserve Requirement on Deposits and Borrowings, and (iv) *Prakas* and Guideline on Capital Adequacy Framework in Deposit-Taking Banks and Financial Institutions. Currently, the central bank is reviewing and revising other regulations related to (i) standard procedures for prompt corrective actions, (ii) capital buffers, and (iii) emergency liquidity assistance.

#### B. Financial Stability

The NBC strengthened its staff capacity in systemic risk assessments and policy formulation related to financial stability, leading to the development of a standard Financial Stability Review and its first publication in 2019. The report assesses potential risks to financial stability, including macroeconomic risks, systemic risks, and macro-financial linkage issues and proposes policies that could help mitigate systemic risks. At the end of 2023, the Financial Stability Department was established to enhance the quality of financial stability assessment.

In addition, the National Committee on Financial Stability, chaired by the Prime Minister, was established in 2019 to monitor and oversee the overall financial sector and formulate key policies and interventions. For crisis preparedness and management, the NBC has set up an early warning system in which supervisors analyze data and monitor conditions at institutions level to ensure compliance with applicable laws and regulations, while also conducting stress tests to assess banking system soundness against risks to financial stability.

The NBC has taken a number of steps for developing a deposit protection scheme including (i) establishment of a working group on a deposit protection scheme led by the NBC with participation from the Ministry of

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<sup>1</sup> A ‘prakas’ is a proclamation or declaration.

Economy and Finance on 12 March 2020 and (ii) establishment of a Deposit Protection Department on 18 November 2024 under the structure of the General Department of Regulation and Financial Inclusion of the NBC.

### **C. Interbank Market and Monetary**

The interbank and money markets are still in the early stages of development. Additionally, since the publication of the FSIDS 2016–2025, the NBC has introduced the following market-based monetary instruments and platforms:

- National Bank of Cambodia Platform is an electronic trading platform that allows banks and financial institutions to conduct online transactions with each other or with the NBC. Currently, platform facilitates bidding, securities registration, trading of government bonds/currencies among members, securities custody, cash settlement for trades, and information sharing. Functions such as liquidity-providing collateralized operations auctions, negotiable certificate of deposit auctions, government bond auctions, foreign exchange operations, short-term liquidity provision via the marginal lending facility, and interbank transactions implemented by the NBC are available for all members.
- Negotiable certificates of deposit (in riel and US dollar) are short-term debt instruments that have been issued since 2013, which serve as monetary instruments for absorbing liquidity from the banking system and are used as collateral in interbank operations.
- A liquidity-providing collateralized operation is a repo transaction launched to provide KHR liquidity to banks and financial institutions through competitive bidding. Participants must pledge negotiable certificates of deposit and/or government bonds as collateral to the NBC after winning bids.
- Marginal lending facility provides overnight riel liquidity to banks and financial institutions, using negotiable certificates of deposit and/or government bonds as collateral. This instrument supports the implementation of the interest rate corridor.

Interbank operations, including secured and unsecured lending, have been integrated into the NBC platform and a feasibility study is underway to explore incorporating other financial instruments.

For the government bond market, the 2020 Law on Government Bonds, along with the 2021 Preliminary Policy Framework for Government Securities Development, the Policy Framework for the NBC platform, and the Government Bonds Development 2023–2028 laid the foundation. The first bond issuance took place in September 2022 and has continued since. A functional government bond market will enable the NBC to conduct open market operations to manage KHR liquidity in the banking system, raise funds, promote KHR usage, and provide a secure financial instrument for the interbank market.

### **D. Financial Inclusion**

Financial inclusion widening steadily Cambodia, with the number of people receiving financial services reaching 67% of the adult population in 2021. For this, the Royal Government launched the National Strategy on Financial Inclusion 2019–2025, which aims to increase access to quality formal financial services, reduce the financial exclusion of women by half from 27% to 13%, and increase use of formal financial services from 59% of the adult population to 70% by 2025.

To promote financial inclusion, the central bank has been collaborating with relevant partners domestically and internationally, including collaboration with the following:

- (i) The Ministry of Women's Affairs in promoting financial literacy for women and female entrepreneurs under the project “Promoting Financial Literacy for Women and Female Entrepreneurs”.
- (ii) The United Nations Economic and Social Commission for Asia and the Pacific in initiating project implementation for the “Promoting Women’s Entrepreneurship” project and training courses for female entrepreneurs.

- (iii) The Ministry of Education, Youth and Sports to include financial subjects in the general education curriculum from grades 1 to 12 to enhance understanding and use of financial services. Financial education has been implemented, and the ministry has prepared textbooks and provided training to teachers in target schools in three provinces (Kampong Cham, Kampot, and Siem Reap),
- (iv) With Good Return and ADB to launch the “Let’s Talk Money: Little by Little’ campaign, which focuses on the importance of sound financial decisions and helping customers access financial services; some financial education books are also distributed into target provinces.
- (v) Workshops on “Microfinance Sector in Cambodia” have also been organized to share information with local authorities, the public, and banking and financial institutions on the importance of the microfinance sector and the role of the National Bank of Cambodia in implementing regulations and supervision, as well as the duties and responsibilities of local authorities and knowledge in using financial services to protect the public from excessive indebtedness.

### **E. Access to Finance for Small and Medium-Sized Enterprises**

The Credit Guarantee Corporation of Cambodia was established in 2020 as a state-owned enterprise to promote the financial inclusion and the growth of small and medium-sized enterprises (SMEs); it operates under the technical and financial guidance of the Ministry of Economy and Finance. As of December 31, 2024, the Credit Guarantee Corporation of Cambodia has launched credit guarantee projects including, (i) the Business Recovery Credit Guarantee Scheme, (ii) the Co-Financing Guarantee Scheme for Tourism, (iii) the Women Entrepreneurs Guarantee Scheme, (iv) the Post-Harvest Fisheries Guarantee Scheme, (v) the Agriculture Value Chain Competitiveness and Safety Enhancement Guarantee Scheme, (vi) the Rice Export Guarantee Scheme, (vii) the Sustainable Green Financing Facility and (viii) the Portfolio Guarantee Scheme to guarantee loans issued by financial institutions. The Credit Guarantee Corporation of Cambodia has 3,139 guaranteed accounts totaling \$256.58 million (about KHR 1,026.32 billion). Outstanding guaranteed loans total \$149.58 million (about KHR 598.32 billion) and the total outstanding guaranteed amount has accumulated to \$109.61 million (approximately KHR 438.44 billion riels).

The Small and Medium Enterprise Bank was established in 2020 as a state-owned policy bank to support local SMEs with financial services. The SME Bank also provides direct financing to target customers and mobilize deposits from the public to promote economic diversification, increase exports, and promote access to SME financial services by reducing collateral requirements. The SME Bank also helps SMEs obtain funds through the Agriculture and Rural Development Bank and other participating financial institutions. And it provides financial services such as the SME co-financing scheme, the Cambodia SME Project, savings and pension account services.

## **III. Constraints, Challenges and Gaps**

### **A. Law and Regulation**

The deposit protection system has not yet been implemented. However, after the NBC decides to establish the Deposit Protection Department, quantitative analysis will be conducted to determine the scope of protected deposits and identify the types of protected depositors under the system.

### **B. Financial Stability**

In response to COVID-19, the NBC introduced a policy to facilitate loan restructuring in May 2020. As COVID-19 waned, the NBC issued a guideline on the Provision Requirements for Restructured Loans, while some prudential regulations are yet to revert to pre-pandemic levels. As of June 2022, 10% of the restructured loans had been classified as non-performing. The non-performing loan ratio increased to 7.3% in 2024 from 5.4% in 2023, reducing profitability through the increase of provision expenses—returns on assets and on equities of 0.9% and 4.7% respectively, lower than in 2023 (1.1% and 5.7%).

A resolution framework for insolvent banks is not yet in place; it will incorporate international best practices and provide authority and guidance to supervisory authorities for implementation procedures in the case of insolvent institutions in the future.

While the banking sector in Cambodia has not yet seen systemic disruptions arising out of bank failures, such a framework based on international best practices will provide regulator the power and guidance for processes to be followed should an event occur. The banking sector is highly connected with the real estate sector; if that sector weakens, it could impact bank and financial institution balance sheets, increasing non-performing assets

### **C. Supervisory Reporting and Compliance**

The NBC continuously upgrades the Supervisory Reporting System, used to supervise banks and financial institutions, to enhance efficiency in determining forward-looking indicators and assessing the financial health of banks and financial institutions.

### **D. Access to Finance**

Awareness and understanding of the process for applying for formal credit remains limited, and inadequate access to formal financial services leads to dependency on informal lending sources, which charge very high interest rates.

### **E. Credit Information Sharing**

A credit bureau provides a credit information sharing system for assessing customers' repayment ability; accordingly, to assess a customer's repayment ability, an institution will have full access to the borrower's credit history. Other non-bank financial institutions not under NBC supervisory authority are not required to share information with the credit bureau.

### **F. Development of Financial Market**

#### **1. Money Market**

The interbank money market, though present, has yet to attain depth or breadth in volumes transacted or participants/instruments. Ubiquitous money market instruments are absent, such as treasury bills, commercial paper, term lending, or borrowing between the banks. The corporate sector thus depends on banks for external financial needs and the banks in turn depend upon the NBC for liquidity management. At present, the successful bidding interest rate in liquidity-providing collateralized operations is used as the benchmark rate for determining lending rates. The NBC has also been using the marginal lending facility, negotiable certificates of deposit, and other monetary policy tools for establishing a benchmark rate and monetary policy transmission. The predominance of US dollar in the financial system remains a major constraint in the wider use of market-based instruments for implementing monetary policy. Use of open market operations and foreign currency interventions in implementing the monetary policy remains a challenge.

#### **2. Government Bonds Market**

The government bond market is still in its early stages. Currently, liquidity management is conducted through negotiable certificates of deposit, reserve requirements, and liquidity providing collateralized operations. However, as the country moves toward greater use of the national currency (the riel), the need for managing KHR liquidity will increase. Although government bonds are permitted to be traded in the interbank market via the NBC Platform, no actual trading has taken place in the market yet.

#### **3. Financial Market**

Since most funding sources are denominated in US dollars, to support and encourage investment in KHR-denominated financial instruments, the National Bank of Cambodia will develop two additional financial instruments: forward contracts and swap contracts for currency risk hedging. The availability of these instruments will provide dollar-funded investors with options and greater confidence in managing exchange rate risks when investing in KHR-denominated financial products.

## G. Others Sections

Informal lending still has a notable share of total lending in Cambodia, and charges high interest rates and requires little documentation and collateral. This has an adverse impact on borrowers, who are unable to repay and puts a constraint on access to formal lending by banks and financial institutions.

## IV. Strategic Roadmap for the Banking Sector

### A. Financial Stability

**Increasing the frequency of the Financial Stability Review:** The NBC, recognizing the significance of regularly assessing financial stability, annually publishes the Financial Stability Review. The review details Cambodia's macroeconomic position evaluates performance of its financial institutions. It highlights the key insights into the performance and stability of banking institutions, non-bank financial institutions, micro finance institutions, and the insurance sector. It also outlines evolving trends in payment and settlement systems. Given dynamic global macroeconomics and evolving linkages between countries, it is critical that these events are regularly identified and their potential impact on the financial sector gauged. The NBC thus plans to publish the Financial Stability Review more frequently.

**Banking resolution:** The National Bank of Cambodia is drafting a resolution framework and regulations as part of its regulatory response to financial institutions at risk of failure.

**Deposit protection system:** A deposit protection system will be implemented gradually. As a first step, the National Bank of Cambodia has established the Deposit Protection Department to (i) prepare the regulations on deposit protection; and (ii) draft separate Prakas related to the implementation of deposit protection mechanisms, including membership procedures, premium determination, coverage, reimbursement procedures, sources and use of deposit protection funds, and investment of deposit protection funds, etc.

### B. Supervisory and Compliance Reports

The National Bank of Cambodia is updating existing IT infrastructure for supervision by integrating the capabilities of supervisory technology and improving the efficiency and effectiveness of the overall supervisory system.

### C. Supervisory and Compliance Reports

#### 1. Monitor and Implementation of the National Financial Inclusion Strategy

The National Bank of Cambodia, as the leading institution, has continued to work closely with relevant stakeholders to finish implementing the National Financial Inclusion Strategy. The implementation of the strategy also requires monitoring and evaluation, which will provide inputs to develop the next phase of the strategy.

#### 2. Increasing Accessibility and Provision of Targeted Credit Services

**Promote the development of a platform for financing collateralized by movable assets to expand access to business capital for SMEs:** The National Bank of Cambodia has signed a memorandum of understanding (MOU) with the International Finance Corporation to implement the Supply Chain Finance Project, which aims to develop the supply chain finance market and strengthen the supply chain in Cambodia. Based on the MOU, training sessions have been organized for central bank officials. Meanwhile, the establishment of the first Account Receivable and Supply Chain Financings Platform in Cambodia is an important step to address the shortage of working capital for businesses. Some of the approaches for developing an ecosystem of accounts receivable and supply chain financing platform include:

- **Encourage the establishment of accounts receivable and supply chain financing platform:** The International Finance Corporation has supported the company “Banji” in preparing to establish the first accounts receivable and supply chain financing platform in Cambodia. The Ministry of Economy and Finance will use various incentive measures (including financing, consulting, and technical support) to encourage enterprises/organizations to develop the platform.
- **Participation of the Credit Guarantee Corporation of Cambodia in the accounts receivable and supply chain financing platform:** Participation is to provide a guarantee to financial institutions against credit risks arising from the default of sellers (in the case of accounts receivable sales financing) and the buyer company (in the case of reversed accounts receivable sales financing), which will enhance the participation of financial institutions in these platforms. The scope and size of the credit guarantee (to be provided) will be determined in consultation between the Credit Guarantee Corporation of Cambodia, the Ministry of Economy and Finance, and the NBC.
- **Increase the guarantee provided by the Credit Guarantee Corporation of Cambodia:** The size of the guarantee will be determined to a certain extent based on the credit quality of the enterprises. The possibility of increasing the size of the guarantee, with the participation of insurance companies and other necessary support from the Royal Government, will also be studied.
- **Encourage banking and microfinance institutions to participate in the platform as providers of financing services for the sale of accounts receivable:** Banking institutions will be encouraged to participate in the platform as providers of financing services for the sale of accounts receivable, while microfinance institutions will receive information about the benefits and encouraged to participate.
- **Define the use of these platform for ministries-institutions and subnational administrations:** Ministries and institutions play a key role in helping to promote and support the use of these platforms, as well as demonstrating the benefits of financing services on accounts receivable sales that can ensure that payments to SMEs are made on time. Ministries and institutions must be responsible for promoting the use of these platforms. The next step will require the participation of subnational administrations to enhance the promotion and use of the above platforms.
- **Encourage participation of state-owned enterprises and other private sector enterprises in the platform:** A roadmap for the process of state-owned enterprises’ participation in the platform is being gradually prepared. Awareness-raising programs will be organized to highlight the benefits of the platform to state-owned enterprises and other private sector enterprises to encourage them to participate.
- **Issuance of prepaid invoices by corporate companies to facilitate the receipt of secured financing by accounts receivable for SME owners:** Corporate companies with excess cash balances and convenient accessibility to financing services from banking institutions can pay invoices in advance to business owners at a discounted price upon mutual agreement, which will help address business capital needs for SME owners help corporate companies manage cash more efficiently. Such actions can be done on existing platforms for invoices with a discounted price or platforms that are custom-created for specific purposes.

**Warehouse inventory-based financing:** Another important method for the implementation of financing collateralized by movable assets, which helps enterprises strengthen their inventory management processes and increase their accessibility to cash flow. The Royal Government of Cambodia supports the establishment of an effective inventory-based financing ecosystem and has studied the possibility in this task. Eighteen modern warehouses have been set up to manage agricultural commodities at different locations in the country and will also improve the implementation of financing based on agricultural stocks in warehouses. Approaches planned for strengthening inventory-based financing are outlined below:

- **Prepare guidelines for inventory-based financing:** Guidelines for inventory-based financing will be prepared through insights from this feasibility study. The guidelines will serve as a principle for ensuring the integrity, efficiency, and stability of financing. They will indicate collateral management standards (applicable to inventory-based financing), requirements for verification and insurance for goods in storage, financing conditions, monitoring and evaluation, and reporting.
- **Create a form for a stock monitoring agreement and a collateral management agreement:** A common format for both agreements will be prepared and made available to the public; both are a type of tripartite arrangement (including lenders, buyers, and collateral management companies) for implementing an inventory-based financing mechanism.
- **Organize awareness training in the methods and benefits of warehouse inventory-based financing:** Activities in the next step will aim to raise awareness of the mechanism of warehouse inventory-based financing and to promote the engagement of relevant stakeholders. NBC, Association of Banks in Cambodia (ABC), and the Cambodia Microfinance Association will collaborate to disseminate the regulations and benefits of warehouse inventory-based financing among potential stakeholders. In addition, the list of registered collateral management companies will be publicly announced, and detailed information of those registered companies shared in the awareness training.
- **Support the development of electronic platforms to facilitate warehouse inventory-based financing:** The establishment of electronic platforms for warehouse inventory-based financing will lead to easier usage and greater accessibility for stakeholders, and improve transparency. Companies or enterprises that develop these platforms will be encouraged and receive appropriate support. In addition, account receivable financing and supply chain financing providers will be encouraged to expand their portfolio of services to include warehouse inventory-based financing.

### 3. Develop a Strategy to Disseminate Knowledge and Awareness for the Banking Sector

This strategy will be developed for the medium and long-term including current challenges, key objectives, and expected measures to promote financial literacy and awareness in the banking sector; in which this strategy will be accompanied by a roadmap and stakeholder coordination mechanisms to ensure relevant stakeholders understand their responsibilities and fulfill their respective obligations.

### 4. Develop a Platform to Promote Financial Literacy

This mechanism to connect digitally and directly can enhance the effectiveness of approaches to promote financial literacy. The development of a “one-window” platform will be studied to ensure all educational resources, training programs, and digital innovations are widely accessible publicly.

#### D. Financial Infrastructure

To make Credit Bureau Cambodia’s credit scoring more effective, data was collected from non-bank financial sectors not regulated by the NBC to reflect customers’ repayment abilities. NBC will collaborate with the FSA to ensure relevant data from other sectors regulated by FSA is shared with the credit bureau.

#### E. Development of the Financial Market

Although the financial market has been established, its scope (participating institutions and financial instruments) and market depth (transaction volumes) remain limited. As the use of US dollars declines and of the Khmer riel increases, need will grow to develop the financial market by attracting more participants and expand the range of tradable instruments.

**Foreign exchange market:** The NBC is developing an interest rate corridor, which will allow banks and financial institutions to place excess liquidity and obtain short-term loans from one another at appropriate interest rates. As the economy moves toward greater use of the riel in financial transactions, the foreign

exchange market will become essential for implementing monetary policy. The transition to an active foreign exchange market is crucial, especially as riel usage surges. Several key measures should be implemented:

- The NBC will establish regulations for issuing commercial paper (with maturities of 3 months, 6 months, and 1 year).
- The NBC may create an anonymous platform for trading and settlement in the interbank money market to improve price discovery.

**Government bond market:** Government bonds have been issued in the primary market, but they are not yet traded in the secondary market, requiring further development of the government bond market. To facilitate trading of this debt instrument, a secondary market platform will be established to support open market operations. Government bonds and their secondary market will serve as a benchmark for the corporate bond market, enhancing its development.

## F. Other Sectors

Informal lending remains attractive due to limited access to formal lending. This issue may be addressed to a large extent if the formal financial sector adopts the use of technology in credit evaluation and delivery.

Meanwhile, the central bank is actively cooperating with related stakeholders to reduce use of informal loans, through various initiatives to improve the financial literacy of the general public and targeted groups. These include collaboration (i) with the Ministry of Education, Youth and Sports to integrate financial literacy into the national education curriculum; (ii) with the Ministry of Women's Affairs to promote financial literacy for women and women entrepreneurs; (iii) with Good Return to promote knowledge in using financial services; and (iv) with the CMA, the ABC, Cerise+SPTF, Appui au développement autonome (ADA), and the Credit Bureau (Cambodia) Co. to implement the project on "Enhancing Community Safe Finance" to promote financial literacy, empower consumers, and strengthen consumer protection.

In addition, the NBC has been working closely with the General Commissariat of National Police to prevent informal lending activities, including illegal and/or banking operations unauthorized by NBC. They have issued a joint statement on illegal lending and advertising suppression aimed at timely prevention of criminal offenses that could pose risks to banks and financial institutions, consumers, and the banking sector as a whole.

At the same time, the NBC has been collaborating with the United Nations in Cambodia to facilitate a high-level multi-stakeholder dialogue on microfinance in Cambodia, involving representatives of the Royal Government, regulators, professional banking and financial institutions and associations, investors, civil society, non-governmental organizations, development partners, as well as United Nations agencies and international financial institutions, to promote responsible lending and reduce over-indebtedness, which is partly due to the use of informal loans.

*The implementation plan is provided in the Appendix in Table 1.*

## Chapter 3 Microfinance Sector

### I. Background

The microfinance sector in Cambodia has developed rapidly in the last decade in assets, loans, deposits, and number of institutions. From 2012 to 2024, the assets of the microfinance sector increased from KHR 4.3 trillion to KHR 25.5 trillion; loans increased from KHR 3.5 trillion to KHR 21.4 trillion, and deposits increased from KHR 1.1 trillion to KHR 9.9 trillion.

### II. Reforms and Achievements

Since the inception of FSDDS 2016–2025, action plans implemented in the microfinance sector have yielded remarkable progress in this reform, as follows:

#### A. Law and Regulation

Some laws and regulations applicable to the banking sector have been reviewed and revised, in alignment with the implementation of FSDDS 2016–2025. These include prudential regulations that support NBC’s supervisory framework and strengthen financial stability, including: (i) Regulation on Certificate Granting for Rural Credit Institutions, (ii) Prudential regulations to Strengthen the Effectiveness of Supervision and Financial Stability, and (iii) Prakas on Interest Rate Ceiling (aimed at promoting consumer protection). These regulations apply to both deposit-taking and non-deposit-taking microfinance institutions, especially those that charge very high interest rates. The NBC has capped the interest rate ceiling at 18%.

#### B. Supervision of Microfinance Institutions and Other Financial Institutions

Supervision of microfinance deposit-taking institutions follows the risk-based and forward-looking approach, while the supervision of microfinance non-deposit-taking institutions, specialized banks, financial lease institutions, and rural credit institutions follows the CAMELS approach.<sup>2</sup>

#### C. Financial Inclusion

In addition to the priority activities for the banking sector outlined in the National Strategy on Financial Inclusion, the NBC has been organizing workshops on the “Microfinance Sector in Cambodia” and sharing information with local authorities, the public, and banking and financial institutions on a number of issues, including: (i) the importance of the microfinance sector and the role of the National Bank of Cambodia in regulating and supervising this sector, (ii) duties and responsibilities of local authorities, and (iii) knowledge in using financial services to protect the public from excessive indebtedness. This workshop also provides an opportunity for participants to ask questions and raise issues and comments on aspects of financial services, in addition to raising awareness about the microfinance sector among local citizens and relevant authorities.

#### D. Capacity Building

In addition to capacity building for officials and staff, the National Bank of Cambodia has also organized training courses for rural credit institutions on reporting templates and various challenges in the credit provision process to enhance the accuracy and quality of data reporting. Furthermore, microfinance institutions have encouraged staff to develop skills through participation in relevant training programs.

### III. Constraints, Challenges and Gaps

**Even though microfinance sector progress is significant over the past 10 years, it still faces challenges, some traditional and some evolved in line with today’s ecosystem. Major challenges and gaps facing the microfinance sector are outlined below.**

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<sup>2</sup> Capital adequacy, asset quality, management efficiency, earnings quality, liquidity framework and sensitivity to market risk.

- Customers who seek credit from microfinance institutions (MFIs) need to present their financial statements and collateral as part of the lending procedures. A major challenge to this is that most businesses do not have previous financial data and statements. This makes it difficult for MFIs to carry out credit assessment, hindering them from providing loans to customers.
- MFIs depend on credit officers for screening and assessing customers in need of loans. The entire procedure is conducted manually, which may lead to delays, inefficiencies, and errors.

#### **IV. Strategic Roadmap for the Microfinance Sector**

**Digitizing customer screening process:** Favorable conditions in law and regulation, as well as a data management system, are necessary to facilitate customer screening online, benefiting both MFIs and customers. This promotes the usage of digital systems in large MFIs to assess customer repayment ability, reducing operating expense, speeding up loan approval, and maximizing profit.

## **Chapter 4**

### **Leasing and Hire Purchase Sector**

#### **I. Background**

The financial leasing sector has developed continuously since promulgation of the Law on Financial Leasing. Total financial leases, provided by financial lease institutions, increased from KHR 0.71 trillion in 2018 to KHR 1.26 trillion in 2024. In addition, commercial banks and microfinance institutions provide financial leases.

#### **II. Reforms and Achievements**

Since the release of FSDDS 2016–2025, action plans in the financial leasing sector have shown remarkable progress, with major reforms under the legal and regulatory framework. The Royal Government was proactive in enacting prudential regulation for financial leases. The action plans for financial leasing implemented in line with the strategy include (i) prudential regulations related to minimum capital requirements for financial lease institutions, as determined in Prakas on Licensing of Financial Lease Institutions; and (ii) requiring financial lease institutions to make provisions as determined in the Prakas on Credit Risk Grading, and Impairment Provisioning (2017), as a part of implementation of the credit risk management framework.

#### **III. Constraints, Challenges and Gaps**

##### **A. Legal Framework**

Rising demand for consumer products requires an increase in financing options to meet customer needs. Among these options, hire purchase contracts have emerged as a hybrid financing mechanism and are gaining prominence. However, the implementation of such contracts necessitates a robust legal framework to govern the operations, ensuring clarity, fairness, and regulatory compliance.

##### **B. Taxation and Accounting**

In accordance with tax laws and regulations, the financial statements of financial lease institutions are used as the basis for tax declarations, with provisions to be adjusted for income tax purposes. Besides local banks, other institutions' provision expenses or unrealized losses are not regarded as expenses. However, the business operations of financial lease institutions are similar and face the same risks as banking institutions. To tackle these challenges, therefore, comprehensive study should examine the policy feasibility of allowing financial lease institutions to deduct a certain level of provisions for income tax purposes.

##### **C. Dispute Resolution**

Although the Law on Financial Lease allows financial lease institutions to engage in self-help repossession, the practice is limited. Repossession of leased assets often requires court intervention, while international best practices allow self-help repossession. Following international best practices allows financial lease institutions to save time and money.

Some financial lease institutions encounter challenges in which their customers resell the leased asset without fulfilling their full payments. In this regard, a secured transaction registry at Ministry of Commerce is crucial to enhancing the security of the lessors.

##### **D. Promotion and Awareness**

Customers perceive lease products as almost the same as loan products, due to their similar nature and structure to existing products in the country.

##### **E. Consumer Risk Assessment Framework**

Currently, risk profiling and monitoring are undertaken manually, which time-consuming process and less efficient.

## IV. Strategic Roadmap for the Leasing and Hire Purchase Sector

### A. Strengthening the Regulatory Framework

#### 1. Hire Purchase Agreement

The NBC will issue a regulation governing hire purchase contracts after assessing feasibility to create a foundation for their use in financing growth. This will permit financial lease institutions to engage in hire purchase contracts. Like a lease product, the hire purchase contracts will help improve access to finance for SMEs in Cambodia

#### 2. Examining the Feasibility of Integrating Financial Leases Into the Secured Transaction Registration System

The NBC and Ministry of Commerce will study the feasibility of incorporating financial leasing transactions in the secured transaction filing system. This would aim to address challenges related to asset verification, ownership validation, and transferring processes, setting the conditions for expanding financing products for moveable assets.

### B. Challenges in Implementing Accounting Standards

**Providing full and adequate support to encourage adherence to accounting standards:** The NBC will review the preparedness of financial lease institutions for adoption of the latest international accounting standards (IFRS 16) and application of Cambodian International Financial Reporting Standards (CIFRS) for SMEs. The Accounting and Auditing Regulator (ACAR) will support financial lease institutions with training workshops on alignment with the accounting standards for SMEs.

### C. Swift Resolution of Business Disputes in a Transparent Manner

#### 1. Establishment of a Commercial Court for Resolving Commercial Disputes

The growth of financial services, which are diverse, technical, and complex, requires specialized courts to handle them. The legal system in Cambodia consists of civil and criminal courts, and all cases involving commercial and labor disputes are referred to the civil court. The Royal Government is establishing a commercial court system to ensure an accessible judicial system for commercial cases. The commercial court will play a significant role in resolving commercial disputes and creating a favorable business environment. The Ministry of Justice is reviewing the legal framework to operationalize the commercial court.

The establishment of the commercial court requires judicial training for judges in business disputes, accounting standards, and bankruptcy law enforcement, etc. Representatives from the NBC, the ABC, the Cambodia Microfinance Association, and international business associations will participate in consultations for training led by the Ministry of Justice.

#### 2. Assessment of the Feasibility of Repossession of Movable Assets for Financial Lease Institutions without Going through the Court Process, As Provided in the Law on Financial Leasing

As per the Law on Financial Leasing, lessors can repossess the leased movable assets without going through the court process. However, financial lease institutions still go through the process for repossession of movable assets in operational leases.

NBC and the Ministry of Justice will jointly assess the feasibility of repossession of movable assets for financial lease institutions without going through the court process. If there is a breach of agreement, the judicial authorities will take action to enhance the implementation of repossession of movable assets without going through the court process by establishing a mechanism to support or handle repossession claims without going through the court system for lessors.

#### **D. Knowledge Building for Financial Leasing Transactions**

Assessment of the feasibility of setting up a financial leasing association: Financial lease institutions can benefit from an industry association through knowledge sharing, dissemination, and strengthening communication with authorities, donors, and investors. The ABC will explore the feasibility and gauge industry interest in setting up a financial leasing association in Cambodia. The establishment of this association will help facilitate in running seminars and workshops, covering essential topics such as financial reporting quality, credit risk assessment and modelling, portfolio evaluation, and innovative financing products for movable assets. The association will help members be aware of good practices in financial leasing and global financial leasing trends, and provide feedback on behalf of financial lease institutions to relevant parties.

*The implementation plan is provided in the Appendix in Table 2.*



## **Chapter 5**

### **Payment System and Innovation**

#### **I. Background**

Development of a modern payment system has supported the growth of the banking sector. The safe and innovative payment system will help circulate money electronically that will enhance the efficiency of money supply and liquidity usage in the economy. Payment systems also promote financial inclusion by enhancing interoperability, accessibility, affordability efficiency, and innovation. In this regard, the NBC has introduced and operated numerous payment systems, including retail and large value payment and fund transfer between financial institutions. To keep pace with technology advancement, the Bakong system, a next generation payment system, together with KHQR code, the standardized QR code for payments, has been introduced to modernize the payment ecosystem and revolutionize the payment industry. Financial innovation in the banking sector has shown signs of improvement despite major activities being centered around digital payments and remittances. Financial innovation has the potential to lower the cost of financial services and promote financial access for Cambodians from lower-income groups who are under-qualified for traditional financial services.

#### **II. Reforms and Achievements**

##### **A. Regulatory Framework**

The NBC as the supervisory authority for the payment system—as outlined in the Law on the Organization and Conduct of the NBC, the Law on Banking and Financial Institutions, and the Law on Negotiable Instruments and Payment Transactions—plays an important role in supervising, developing, and implementing regulations to manage the payment system, ensure the stability and sustainability of the system, mitigate systemic risk, protect customer interests, promote competition and the adoption of electronic payments, combat money laundering and the financing of terrorism, and enhance financial inclusion. Various regulations regarding the payment system have been introduced such as Prakas on the Clearing System of Settlement Payment, on Systemic Risk Management of Payment Systems, on Third-Party Processors, and on the Management of Payment Service Institutions, standardizations of checks, payment orders, the KHQR code, and Europay, Mastercard, Visa (EMV) for card payments, Guidelines on Technology Risk Management, and the Financial Technology Development Roadmap for 2020–2025. Further, a range of system rules and procedures has been established to support NBC operation of payment system infrastructure NBC.

##### **B. Payment System Infrastructure**

The infrastructure has been continuously developed in line with technological advancements and payment operations while rules and procedures have also been gradually strengthened. The Online Banking System was introduced to facilitate large-value payment transactions of banking and financial institutions that maintain accounts at the NBC. The Bakong System was also developed and launched in 2020 to ensure interoperability, convenience, and security of real-time fund transfers and payment transactions across different platforms. In line with the development of the Bakong system, the standardized KHQR code was introduced in 2022 to promote retail payments and cross-border payment transactions. To facilitate customers in fund transfers and inter-bank payments, the NBC piloted an Integrated Payment System in May 2024 as fundamental infrastructure to unify existing payment systems into one integrated system; this system comprises the Bakong Module and the Deferred Net Settlement Module. The Bakong module covers services for retail and large value payments and remittances, while the Deferred Net Settlement Module includes card and Check Payment Services. The rule and procedure of Integrated Payment System are being drafted for participating institutions to abide by to ensure system security and efficiency. In terms of transactions in 2024, approximately 600 million transactions were processed through payment systems operated by the NBC which was equivalent to about six times gross domestic product (GDP).

##### **C. Payment Services**

Payment services in Cambodia have grown significantly in recent years, with the introduction of innovative digital payment products or services. As of 2024, payment service providers process 2.6 billion transactions

reaching KHR 1,550 trillion in value, equivalent to about eight times GDP and the number of merchant acceptances increasing to 4.5 million.

Despite the growth of digital transactions, agent banking remains important in payments for over-the-counter transactions such as cash-in and cash-out and bill payments, etc. These agent networks support the unbanked population in digital transactions and to access formal financial services.

#### **D. Cross-Border Payments and Remittances**

Cross-border payment and remittance connectivity is a major priority for NBC, which has officially launched a series of cross-border payment initiatives regionally and internationally. Since 2020, the NBC has established bilateral agreements with countries including Thailand, Vietnam, Laos, Malaysia, South Korea, and China, as well as partnerships with international schemes such as UPI International and Alipay Connect. Next, the NBC aims to launch cross-border payment projects with Singapore, Japan, India, the Philippines, and Indonesia. Additionally, the NBC signed MOUs with Timor-Leste, Rwanda, Solomon Islands, Fiji, and Madagascar to establish cooperation frameworks and has shared experiences and exchanged insights on payment system development in Cambodia with Bhutan, Lesotho, and Pakistan.

More broadly, the NBC participated in the Regional Payment Connectivity initiative to promote efficient and inclusive cross-border payments within the Association of Southeast Asian Nations (ASEAN) region. The central bank is also involved as an observer in the mBridge and NEXUS projects initiated by the Bank for International Settlements to facilitate and enhance cross-border payment efficiency and explore multilateral payment systems, multiple currencies, and central bank digital currencies.

#### **E. Financial Innovations**

Financial innovation is a crucial driver of economic growth and fosters financial inclusion by leveraging digital infrastructure, advanced technologies, and innovative business models. The NBC has been playing supportive and enabling roles, resulting in significant progress so far through the development of the Bakong ecosystem, an important digital public infrastructure. Recent payment system innovations include Bakong e-know-your-customer, the Bakong Linking Account feature, Bakong customer complaint handling, the Bakong Tourists App, and public service payments. These innovations are designed to enhance security, reduce costs, and promote greater financial inclusion. In addition, the NBC has been participating in Financial Transparency Corridor and Universal Trusted Credentials projects. Both projects aim to facilitate cross-border trade and finance activities for micro, small and medium-sized enterprises (MSMEs) through transparent and secured data exchange between member institutions. Meanwhile, the NBC has issued a Circular on Transactions Involving Crypto Assets, which will impose further regulations on crypto asset service providers. Additionally, part of this Prakas supports distributed ledger technology innovations by allowing commercial banks interested in conducting crypto-asset exposure under group 1 to apply for NBC approval. At the same time, the NBC plans to issue prudential regulations for crypto-asset exposures to support this innovation.

### **III. Constraints, Challenges and Gaps**

Along with the achievements in payment systems, issues and challenges have emerged, mainly driven by technological innovation, and need to be addressed in a timely manner.

- New risk related to payment system and payment services remain challenges while the number of digital transactions and new business models are on the rise. The introduction of enabling technologies such as distributed ledger technology, artificial intelligence and big data in financial offerings remains limited. Therefore, a review of current regulatory frameworks, enabling policies, and digital infrastructure development such as digital identity, cybersecurity, data protection and customer protection are necessary to maintain the stability of payment systems and payment services to support digital transformation, enhance productivity, safety, and innovation.
- The National Bank of Cambodia has issued Prakas related to crypto assets for banking institutions and payment service providers to implement to ensure the development of this sector in a safe, efficient,

trustworthy, and innovative manner. However, to support growth of this sector further studies and additional relevant regulatory frameworks are needed to manage and mitigate risks.

- Currently, various payment system infrastructures and innovative payment services and instruments have been introduced to support development of the payment ecosystem. Given this, the NBC leveraged recent technologies to modernize the payment system by introducing several retail payment systems and large value payment systems. However, the systems are fragmented with different business flows and functions, requiring further enhancement to improve efficiency and user friendliness.
- Agents of payment service institutions, such as small grocery stores and convenience stores, play a crucial role in enhancing financial inclusion in Cambodia by providing formal financial services to customers. In addition, payment service providers have cooperated with banking and financial institutions to facilitate collection of loan repayments from customers, which makes financial services more expandable, trustworthy, and easily accessible. However, the regulatory framework for agent management in the banking sector is still absent. Such a framework is needed to mitigate risks and identify permissible activity under the agent banking framework.
- Digital lending platform management is still insufficient, while online lending transactions have grown significantly. Currently, online lending operations that lack clear regulation have posed threats to the general public as well as to the overall banking system. Most of those activities have unofficial loan representations, where the loan agreements are exploitative, charge high interest rates, and do not require collateral from borrowers. This has undermined official credit services in Cambodia and customers are not protected by regulations. Introduction of a proper regulatory framework to regulate digital lending platforms is necessary to enhance competition and enable transparency among service providers and protect customer interests, bolster public confidence in the banking system, and promote financial inclusion in financial technology.
- Given the diverse regulatory frameworks and technical standards of each country, strengthening the multilateral cross-border cooperation has become essential for seamless cross-border transactions

#### **IV. Strategic Roadmap for Payment System and Innovation**

##### **A. Payment Infrastructure**

- **Introducing an Integrated Payment System:** Enhancement of the current payment system through the development of an Integrated Payment System would reduce systemic risk, improve user experience, and contribute to the efficiency of digital payments in Cambodia.
- **Issuing rules and procedures for Integrated Payment System:** This would ensure a legal basis and provide the requirements to use the system securely and effectively. The rules and procedures will determine the rights and obligations of stakeholders, as well as relevant guidelines to mitigate risks in the system and attain public confidence.

##### **B. Payment Service**

- **Fintech financing platform in the banking sector:** Introducing sufficient regulations to govern online lending transactions will bolster public confidence, alleviate complexity in credit risk assessment, improve operational security, and promote financial inclusion as well as anti-money laundering and counter terrorism financing.
- **Agent banking regulation:** This establishes robust regulatory frameworks to enable agents to represent banking and financial institutions in conducting selected permissible activity on their behalf.

##### **C. Cross-Border Connectivity**

- Finalize and launch existing corridors for bilateral cross-border payment
- Explore multilateral connectivity for cross border payment.

#### **D. Financial Innovations**

- Support an enabling environment for digital adoption and digital infrastructure development and introduce an enabling policy to support financial innovation in the banking sector.
- Study and draft Prakas on licensing and authorization for crypto asset service providers.
- Study and draft Prakas on prudential regulations for crypto-asset exposure.

*The implementation plan is provided in the Appendix in Table 3.*

## **Chapter 6**

### **Non-bank Financial Sector**

#### **I. Background**

The non-bank financial sector has evolved rapidly over the last two decades in growth and diversification and the sector is helping to drive national economic growth. For instance, as of 2023, the insurance sector contributed 1.16% to the national economy, with an insurance density of USD 21.02 per capita, which also includes contributions from insurance technology. In addition, in 2023, Cambodia’s insurance market maintained remarkable momentum, with total insurance premiums reaching about USD 344 million, up about 3.6% over 2022, total assets exceeding USD 1 billion, and total shareholders’ equity of about USD 453 million. In the securities sector, market capitalization was USD 3.13 billion with market capitalization about 9.79% of GDP; total funds raised from stock exchanges was USD 357.26 million and total trading volume in the derivative market was USD 283.5 million in 2023. In 2023, Cambodia also launched a fully operational trust market, in which the number of listed trusts increased to from 17 cases in 2021 to 788 cases, with total issuance of USD 1,271 million.

In response to developments in regional financial integration, the insurance and private pensions, securities, social securities, trust, accounting and audit, and the real-estate and pawnshop subsector were regulated by the Law on the Organization and Functioning of the Non-Bank Financial Services Authority to fall under the Non-Bank Financial Services Authority. The integration of these sub-sectors ensures the management, supervision, and development of the non-bank financial sector. It enhances the development and use of financial technology in the non-bank financial sector and encourages efficiency and effectiveness by implementing the monitoring and evaluation mechanism on development strategies and policies of the sector.

With the establishment of the six regulators, there are two supporting entities under the FSA: the General Secretariat and the Internal Audit Unit. The General Secretariat supports the FSA in monitoring and evaluating the effectiveness of implementing non-bank financial development strategies and policies and monitors the evolution of the non-bank financial market, which helps ensure financial stability. The development of financial technology in the non-bank financial sector paid special attention to innovation and inclusion. The General Secretariat is also essential in supporting the operation of the FSA and the Board of the FSA in administration, financial, information technology, and legal affairs, as well as enhancing public awareness. The Internal Audit Unit of the FSA serves as an executive body of the Board of FSA and the Chair of the Board through monitoring and control of the accuracy, appropriateness, and adequacy of compliance, performance, finance, human resources, fixed assets, and information technology systems of units under the FSA.

#### **II. Overall Achievement Under Non-Bank Financial Sector**

These achievements are reflected in the FSA’s subsequent consideration of the preparation of four main programs. These are (i) the preparation of non-bank financial sector development policy and strategic framework as well as the framework of preparing institutional development plan; (ii) the development of the non-bank financial market in issues such as regulating, promoting market growth, leveraging financial inclusion, and financial literacy, and ensuring market integrity; (iii) preparing the non-bank financial stability mechanism to ensure the stability of national financial system; and (iv) ensuring the effective FSA operation. The FSA’s achievements under these four programs include the following:

##### **1. Development of Policy and Strategy Framework and Institutional Development**

The development of a policy framework, strategies, and institutional development is an FSA priority as it aims to define the direction of the non-bank financial sector and help strengthen its institutional capacities. Several strategic and visional documents for the short, medium, and long term were thus prepared and endorsed: the Cambodia Insurance Sector Development Strategy for 10 years (2021–2030), the Financial Technology Strategic Development Plan in Non-Bank Financial Sector (2024–2028), Accounting and Audit Sector Development Strategy in Cambodia (2021–2030). The Institutional Development Plan will be prepared as an

FSA framework as a whole and for each unit, as well as a 3-year rolling plan for implementation of this plan for units under the FSA.

## 2. Developing the Non-bank Financial Market

Along with the continuous growth of the non-bank financial sector, strengthening and expanding the scope of regulatory and legal frameworks will also become a strategic priority. This will aim to regulate the market in alignment with international best practices and establish new financial instruments, promoting market diversification and fostering growth with inclusion and integrity. Achievements include:

- **Insurance sector:** Sub-decree on Insurance, Prakas on Approval on Investment for Insurance Companies, Prakas on Conditions and Procedures of the Registration in Individual Insurance Agent Register via Automation System, Prakas on Procedures and Measurement of Technical Reserves Calculation, Prakas on Accreditation of Auditor in the Insurance Sector, and Sub-Decree on Microinsurance.
- **Securities sector:** Granted approval to four companies to publicly offer equity securities and two companies to issue corporate bonds. Meanwhile, three Prakas were approved, including a Prakas on the Offering of Fund Units of Collective Investment Scheme, Prakas on the Fintech Regulatory Sandbox in Non-bank Financial Sector, and the Prakas on Public Offering of Equity Securities of Holding Company.
- **Pension sector of social security system:** Sub-decree on the Social Security Regulation, sub-decree on the Guideline for Investment of Social Security Funds, the Decisions on Criteria for Selection of Audit Firm in Social Security System, and the Guideline on Formats and Types of Reporting Templates for Social Security Operators and Relevant Stakeholders.
- **Trust sector:** Prakas on Rules for Supervision, Organization and Functioning of Trust, the Prakas on the Accreditation of the Valuation Companies in the Trust Sector, the Prakas on Modalities and Procedures of Trust Inspection, the Sub-Decree on Uniforms, Marks and Insignia of Trust Inspectors, the Prakas on the Accreditation of the Auditing Companies in the Trust Sector, and the Prakas on Modalities and Procedures for Administrative Sanctions and Transitional Penalties in the Trust Sector.
- **Accounting and audit sector:** Prakas on Professional Accounting and Audit License Management and Prakas on Application for the use of Special Accounting Period.
- **Real estate business and pawnshop sector:** Sub-decree on the Management of Real Estate Development Business, sub-decree on the Management of Pawn and Transfer of Title Business, Prakas on the Rules and Procedures for Real Estate Development Business License and Permit, Prakas on the Rules and Procedures for Pawn and Transfer of Title Business, Prakas on the Management of Valuation and Real Estate Service Provider.

## 3. Participate in Ensuring the Stability of the National Financial System

Align with the mechanism on collecting, analyzing, and developing data management systems and surveillance of each subsector, the FSA, with its General Secretariat as the subordinate, has facilitated 6 regulators with achievements such as: (i) database in the non-banking financial sector on daily basis, (ii) Quarterly and annual report on the status of the non-banking sector, and (iii) report on the analysis of the status of the non-banking sector. Meanwhile, the law and regulation on establishment of the National Committee for Financial Stability and the Financial Stability Working Group of the FSA has been reviewed. Several regulatory documents were also issued, including the Prakas on Reinsurance, the Prakas on Sustainability Reporting, the Prakas on Requirements for Financial Soundness of Companies Conducting Collective Investment Scheme Business, and the Decision on the Procedure and Mechanism on Conflict Resolution.

#### 4. FSA Operational Effectiveness

Laws and regulations, and other documents, supporting effective FSA operation were prepared and implemented: the Internal Regulation of FSA Council, the Sub-Decree on the Organization and Functioning of Entities under FSA, Prakas on the Statute of Statute Officials of FSA, Prakas on the Organization and Functioning of Departments Under Regulators and Entities of FSA, and the annual performance report and strategic direction for the next year of the FSA, which align with the review and approval of the annual budget of FSA.

To ensure the effectiveness, efficiency, transparency, and accountability of the units under the FSA's operation by setting out (i) the conduct of regulations and important documents as the standard operating procedure for internal work and audit work, (ii) development of information technology programs for administrative management and audit, (iii) strengthening and expanding awareness and dissemination of audit functions to units under the FSA and stakeholders, (iv) monitoring and control of units under the FSA through auditing and review of implementation of revenue collection, the implementation of expenditures, the payment of contributions, and the use of contributions, and (v) strengthening and expanding national and international cooperation.

#### III. Constraints, Challenges and Gaps

The FSA also encounters challenges:

- Law and regulation has not responded to market and operator needs.
- The consumer protection framework in the non-bank financial sector is insufficient, as it is prepared separately within each sector.
- The monitoring and evaluation framework is not yet fully scaled and comprehensive enough to measure achievements in implementing the non-bank financial sector development strategy and policy.

#### IV. Strategic Roadmap for Non-bank Financial Sector

To address the challenges and prepare a long-term strategic plan for the non-bank financial sector, the FSA has a strategic direction for each subsector, as detailed in chapters 6, 7, 8, 9, 10, 11, and 12.

For strategic direction, the General Secretariat of FSA has been prepared based on the 4 programs of the FSA. The strategic direction will illustrate the key plans for implementation in the short and medium terms.

##### A. Development of Policy and Strategy Framework and Institutional Development

- Continue preparing the guidelines on monitoring and evaluation of the effectiveness of implementing non-bank sector development policy and strategy and guidelines on determining the key performance indicators for measuring development of the non-bank financial services sector.
- Participate with relevant stakeholders to update the financial sector development strategy based on a determined timeframe.
- Continuous signing of memorandum of understandings on cooperation with international institutions with similar features to benefit from cooperation on human resources training and technical assistance.
- Examine the possibility of establishing an entity in charge of organizing the environmental, social, and governance framework in response to global trends on green development.

##### B. Development of the Non-bank Financial Market

- Cooperate to develop guidelines on monitoring the development of financial product services and new financial instruments in non-bank financial services.
- Contribute to the development of the regulatory frameworks and guidelines to establish and manage international financial centers.
- Develop a consumer protection system and investigate a complaint resolution mechanism by studying laws and regulations in ASEAN countries, ASEAN partners, and international institutions to prepare

laws and/or regulations in the non-banking financial sector for sustainably developing the financial sector.

- Set up a working group for regulating credit guarantee schemes to develop a working mechanism, action plan, and roadmap to develop new laws and regulations for management of future credit guarantee schemes.
- Conduct a feasibility study on the development of a movable asset financing and consumer financing strategies, and then develop, implement, monitor, and evaluate their implementation in alignment with the findings.
- Develop a tax incentive framework for the financial sector, including both banking and non-banking, to develop financial market sustainably.

### **C. Ensuring the Stability of the Non-bank Financial System**

- Facilitating risk management and mitigation mechanism in the non-banking financial sector, the early warning system for the FSA framework will be established and expand the scope of work to participate in preparation of regulations related to ensuring financial stability.
- Prepare the report on the macroeconomic and non-bank financial sector: Annual outlook will be prepared to assess the impact of macroeconomic developments on the non-bank financial sector and its economic contribution.
- Enhance the compliance with and effectiveness of efforts in anti-money laundering and combating the financing of terrorism ((AML/CFT) and counter proliferation financing (of weapons of mass destruction). The FSA focuses on tasks such as:
  - participating in the preparation and implementation of the National Strategy for Combating Money Laundering and the Financing of Terrorism,
  - participating in preparation of the National Risk Assessment for Money laundering and Terrorist Financing,
  - monitoring and enhancing compliance of subordinating entities with the Non-bank Financial Services Authority in accordance with Financial Action Task Force recommendations and strengthening the implementation effectively,
  - raising awareness for the focal officers and reporting entities of subordinating entities of the Non-bank Financial Services Authority regarding AML/CFT and counter proliferation financing provisions.

### **D. Foster the Effectiveness of FSA Operations**

- Strengthen the effectiveness of operations and periodically prepare progress and achievement reports for FSA Council review and guidance, using the FSA monitoring and evaluation mechanism as a basis.
- Continue monitoring the effectiveness of the Non-Bank Financial Services Authority's one-window service management to enhance the efficiency and effectiveness of public service delivery, and consider developing regulations for human resource management and development of the FSA.
- To ensure the effectiveness, efficiency, transparency, and accountability of the units under FSA's operation, maintain 2 main missions: (i) the elimination of passivity in the operation of units under the FSA through the effectiveness and efficiency of monitoring units under FSA and (ii) the prevention of passivity in the operation of units under the FSA through development of knowledge of the audit function and by strengthening and expanding awareness and dissemination of it to subordinates.

*The implementation plan is provided in the Appendix in Table 4.*

## Chapter 7 Insurance Sector

### I. Background

The insurance sector began to emerge in Cambodia in the late 1980s with the state-owned Cambodia National Insurance Company, functioning as an insurance operator and regulator. After the Law on Insurance was adopted in 2000, investments establishing general insurance companies took place. In 2011, the government decided to issue provisional microinsurance business licenses to serve low-income populations in rural areas,<sup>3</sup> and permitted life insurance companies in 2012.

Based on unaudited data, the insurance gross premium is projected to increase to about USD 370 million. Since 2014, the insurance market has grown remarkably, at 22% average annually. Simultaneously, amid the COVID-19 pandemic, the Cambodian insurance market maintained positive growth, around 10% in 2021 and 11% in 2022. Insurance density increased from USD 3.97<sup>4</sup> per capita in 2014 to USD 22.33 per capita in 2024. Here, the penetration rate of life insurance is higher than that of general insurance, a crucial factor that fosters growth of the insurance sector as a whole. Notably, Cambodia's insurance penetration rose from 0.37%<sup>5</sup> in 2014 to 1.17%<sup>6</sup> in 2024; however, this rate is among the lowest in ASEAN and lower than the world average of 7.3%.

### II. Reforms and Achievements

To foster sustainable growth, the government has undertaken reforms and formulated strategic framework:

#### A. Establishment of Insurance Regulator of Cambodia as an Independent Body with the Roles and Duties to Regulate and Supervise Insurance Business in Cambodia

The Insurance Regulator of Cambodia (IRC) was established under the Law on the Organization and Functioning of Non-Bank Financial Services Authority. The Sub-Decree on the Organization and Functioning of Non-Bank Financial Services Authority highlights the roles and responsibilities of the regulator and its 5 departments.

#### B. Cambodia Strategic Development Plan for Insurance Sector 2021–2030

In September 2021, the FSA adopted the Cambodia Strategic Development Plan for the Insurance Sector 2021–2030, outlining the short-term action plan (2021–2023), the medium-term plan (2024–2028), and the long-term (2029–2030).

#### C. Enhancement of Public Awareness and Education

To raise public awareness about the benefits of insurance, the Cambodia Insurance Day is held annually, dissemination seminars take place in provinces across the country, and promotions appear through multiple media channels including news outlet and social media platforms. Insurance education also appears in school curriculums.

#### D. Establishment of an Insurance Institute of Cambodia

The establishment of the Insurance Institute of Cambodia has also been studied, as outlined in the Cambodia Strategic Development Plan for Insurance Sector 2021–2030. The institute will provide insurance professional training programs, including training courses for insurance intermediaries, such as insurance brokers and agents, and specialized courses on actuarial and insurance loss adjuster.

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<sup>3</sup> Source: Cambodia Strategic Development Plan for Insurance Sector 2021–2030.

<sup>4</sup> Source: Insurance Regulator of Cambodia.

<sup>5</sup> Source: Insurance Regulator of Cambodia.

<sup>6</sup> Source: Insurance Regulator of Cambodia.

### **E. Regulatory Framework**

To ensure effective management and supervision of Cambodia’s insurance market, more regulations need to be formulated; consequently, the Sub-Decree on Microinsurance, and several Prakas were adopted. Additionally, the Sub-Decree on Compulsory Motor Third-Party Liability Insurance and other supporting regulations are being drafted to progressively enforce compulsory motor third-party liability insurance applicable to all types of vehicles on public roads in Cambodia.

### **F. Financial and Market Conduct Supervision**

To enforce financial and market conduct supervision, Risk-Based Supervision is required for implementation with required capital based on the risk level of each company (Solvency I). In addition, supervisory tools for financial supervision and market conduct for off-site and on-site inspections have also been implemented. In addition, the Standard Operating Procedure on Anti-Money Laundering (AML) and Combating the Financing of Terrorism has also been prepared and implemented.

### **G. Insurance Technology and Digital**

To foster digitalization and technology, the Guideline on InsurTech Regulatory Sandbox was put in place, and many information technology systems for the IRC have been developed and implemented.

### **H. Human Resources and Professional Development**

Professional training programs for insurance agents were prepared and implemented; as of 2024, 25,411 insurance agents had been registered and recognized by the IRC. Moreover, codes of conduct for insurance agents and for insurance brokers were prepared and implemented.

## **III. Constraints, Challenges, and Gaps**

However, because of Cambodia’s relatively low insurance penetration and density, use is lower than in many countries in the region, due to the following challenges:

### **A. Insurance Awareness and Literacy**

A key challenge is the lack of information on insurance services and insurance literacy, coupled with the lack of trust in insurance companies. Insurance is considered a savings product that provides small profit, in which the policyholder has to wait a certain amount of time to receive the profits.

### **B. Market Development**

#### **B.1. Compulsory Insurance**

In many countries, liability insurance contributes significantly to the general insurance sector, while in Cambodia, Motor Third-Party Liability Insurance or Third-Party Liability Insurance (for commercial vehicles), Liability Insurance for Passenger Transport and Construction Sites, were made compulsory under the Law on Insurance (2014). However, implementation is still limited, and liability insurance for family-use vehicles has yet to be made compulsory.

#### **B.2. Microinsurance**

The total gross premium in the microinsurance market (including the gross premium of microinsurance companies and microinsurance products sold by general insurance companies and life insurance companies) increased from USD 54.87 million in 2020 to USD 60.76<sup>7</sup> million in 2024. However, this represents only 16% compared to the total insurance market.

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<sup>7</sup> Source: Insurance Regulator of Cambodia.

### **B.3. Agricultural and Disaster Insurance**

Insurance has played a significant role in climate financing by addressing the impacts of climate change on the agricultural sector. Noticeably, private sector participation in agricultural insurance remains very limited. As the result, companies had insured approximately 160,000 hectares, of an estimated total rice cultivation area of about 3 million hectares. Notably, even though the government provides 50% premium subsidy for agricultural insurance in rural areas, premium subsidy for insurance companies remains uncertain and long-lasting. At the same time, insurance companies are hesitant to expand coverage due to the inherently challenging nature of the sector, with its high operational costs (including the establishment and maintenance of soil-moisture and weather stations), elevated claims ratios, and low profitability.

In addition, climate change has had significant impact on public infrastructure, including roads, bridges, and other critical assets. At present, there is no adequate risk transfer mechanism in place for the government to address these challenges. It is thus imperative for the government to establish a robust and sustainable mechanism to insure against climate risks affecting both the agricultural sector and public infrastructure over the long term.

### **B.4. Mortality and Morbidity Table**

Currently, Cambodia does not have mortality and morbidity tables, and insurance companies use their own. The lack of data makes calculation of insurance premiums inaccurate and unclear, causing high volatility.

## **C. Supervision Framework**

### **C.1. Corporate Governance for Insurance Companies**

Corporate governance for insurance companies is mentioned in the Prakas on Corporate Governance for Insurance Companies adopted in March 2007 and revised and adopted in January 2024. It is important to strengthen the corporate governance framework in accordance with insurance core principles (ICPs) of International Association of Insurance Supervisors (IAIS) especially on the role of the company's board of directors to manage risk and internal control.

### **C.2. Risk-Based Supervision**

Based on the Cambodia Strategic Development Plan for Insurance Sector 2021–2030 has set the goal to move from rule-based supervision to risk-based supervision. Specifically, risk-based supervision was implemented since 2022 through the Prakas on Solvency Margin for Insurance Company and Standard Operating Procedure, which identify key risk indicators (KRIs) and insurers' risk level analysis.

However, the development of an enterprise risk management (ERM) framework for solvency purposes requires updating to reporting formats or re-designing key risk indicators for the insurance sector which is an important factor for IRC to prepare to comply with ICP 16.

### **C.3. Reporting**

Cambodia Strategic Development Plan for Insurance Sector 2021–2030 has placed strong emphasis on the supervision which is the core to ensure the sector stability. To increase reporting efficiency, the IRC has organized and implemented regulations to define the monthly, quarterly, and annual reporting requirements for insurance companies, including statements of financial position, of comprehensive income, of changes in equity, and of cash flows, and notes to the financial statements. However, insurance companies are not yet required to prepare a financial condition report. ICP has mentioned reporting requirements including the risks insurance companies face for the actuaries, including the insurance premium rate, analysis of surplus, product maturity, and analysis of investment and expenditure.

### **C.4. Insurance Core Principles Compliance**

The IRC became a member of the International Association of Insurance Supervisors on November 9, 2023 and has prepared a self-assessment of ICP compliance in 2023, resulting in 3 ICPs observed, 9 ICPs largely

observed, 10 ICPs are partly observed and 2 ICPs are not observed. However, the principles which requires close attention and highly prioritize includes: ICP16, ICP24, ICP7, ICP17, ICP8 and ICP13.

## **D. Legal and Regulatory Framework**

### **D.1. Regulatory Framework**

So far, various regulations for the management and supervision of insurance companies for financial and market conduct have been formulated, updated, and adopted. However, many regulations have not been adopted yet, including regulations related to compulsory motor third-party liability insurance, business licensing by product (private pension), enterprise risk management for solvency purposes, and settlement of micro insurance claims.

### **D.2. Anti-Money Laundering and Combating the Financing of Terrorism Framework**

To remove Cambodia from the “grey list” in anti-money laundering, reporting procedures were implemented in November 2022 for insurance companies for inspecting reporting entities within the insurance sector. This operating procedure defines requirements, expectations, and procedures for the IRC to conduct on-site and off-site supervision on reporting entities in the insurance sector. Nevertheless, the regulator has not yet promulgated regulations pertaining to disciplinary sanctions on reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Financing of Proliferation of Weapons of Mass Destruction.

## **E. Insurance Technology**

As demonstrated in the “Cambodia Strategic Development Plan for Insurance Sector 2021–2030” and “Cambodia FinTech Development Policy 2023–2028”, two important technological systems include (i) supervisory system technology (suptech) comprising early warning systems and (ii) regulatory technology (regtech) was prepared, includes an individual insurance agent registration system and an auditing company accreditation system. The many challenges include the following:

- The Financial Data Collection and Management System, the Early Warning System, and the Insurance Data Management System have not been integrated into one single system.
- The absence of an insurance data center plays roles in developing, managing, maintaining, and upgrading technology systems to regulate the insurance sector.
- The insurtech framework has not been prepared or implementation.
- Human capital specialized in insurance sector technology is lacking.
- Insurtech literacy is limited.

## **F. Capacity Building**

The IRC has been strengthening institutional and professional capacity, but many challenges remain:

- Lack of human resources in the insurance sector as the insurance curriculum for higher education has not been clearly designed.
- Lack of a center that provides insurance professional training, such as professional insurance agents, brokers, actuaries, and loss adjusters.

Currently, two fully qualified actuaries exist (Fellow of the Society of Actuaries and the Fellow of the Institute of Actuaries) working for insurance companies.

## **IV. Strategic Roadmap for Insurance Sector**

### **A. Raising Insurance Awareness**

#### **A.1. Conducting Survey on Public Awareness and Trust on Insurance Service**

A survey will be undertaken to assess the current level of public awareness and trust in insurance across the country. The findings will serve as a key input for developing targeted outreach content tailored to specific

demographic segments, and for designing insurance products that respond to the actual needs of policyholder. Ultimately, it will contribute to enhancing the overall customer experience across the insurance sector.

The survey will help (i) enhance in-depth understanding of the current level of public awareness and perception regarding insurance; (ii) Define contextual framework for existing initiatives toward insurance; and (iii) Allow the understanding on actual demands for insurance services, which will lead to better product diversification.

### **A.2. Encourage the dissemination on the benefits of insurance**

Dissemination seminar on types and benefits of insurance products should be widely organized across the country; especially, compulsory products, microinsurance, agricultural insurance, and disaster-risk insurance.

## **B. Market Development**

### **B.1. The implementation of Compulsory Insurance**

To further foster the broad and effective implementation of the compulsory insurance, especially to provide social safety net to the citizen, Motor Third-Party Liability Insurance, including family vehicle should be prepared and implemented.

### **B.2. Microinsurance**

To bring microinsurance services closer to the people, dissemination seminars on microinsurance, especially in rural and underserved areas, and regulations to enhance effective claim settlements, should be continued to prepare.

### **B.3. Agriculture and Disaster Risk Insurance**

In support of the effective implementation of the Disaster Financing Strategy 2023–2028, and strengthening agricultural and disaster risk management, long-term and sustainable risk-transfer mechanism to address adverse impacts caused by climate change on agricultural sector and important infrastructures must be studied and put in place.

### **B.4. Mortality and Morbidity Table**

Mortality and morbidity tables should be developed and made accessible to all insurance companies to support the accurate and consistent determination of premiums for life and health insurance products, ensuring greater transparency.

## **C. Supervision Framework**

### **C.1. Corporate Governance of Insurance Companies**

The Prakas on Corporate Governance of Insurance Companies was updated since 2024, with certain revisions to align with ICP 7. However, the Prakas should be further updated align with the evolution of Cambodia's insurance market, including the establishment and defining of risk committee and nomination committee.

### **C.2. Risk-Based Supervision**

To strengthen the financial stability management of insurance companies, an Enterprise Risk Management (ERM) framework for solvency purpose will be implemented in the long term, following comprehensive study and the implementation of risk framework for insurance market. At the same time, the IRC will have to shift toward risk-based capital regime (Solvency II or RBC II) in the long term.

### **C.3. Reporting**

To enhance the effectiveness of supervision and in line with the ICP, insurance companies are required to prepare and submit a financial condition report to the Insurance Regulator of Cambodia, which is to be prepared by actuaries.

#### **C.4. Compliance with the Insurance Core Principles (ICPs)**

In the short term, compliance with Risk Management and Internal Control (ICP 8) should be strengthened, moving from “Partially Observed” to “Likely Observed”. In the medium term, compliance with Capital Adequacy (ICP 17) and Corporate Governance (ICP 7) is expected to reach the “Likely Observed” level. Over the long term, compliance with Enterprise Risk Management for Solvency Purposes (ICP 16), as well as Macroprudential Supervision (ICP 24), is anticipated to achieve a “Likely Observed” status, reflecting progressive enhancement of supervisory effectiveness and industry standards.

#### **D. Legal and Regulatory Framework**

##### **D.1. Insurance Regulatory Framework**

The IRC will assess regulations in the insurance sector and prepare necessary regulations related to the enforcement of compulsory motor third-party liability insurance and business licensing by product (private pension).

##### **D.2. Anti-Money Laundering and Combating the Financing of Terrorism Framework**

The IRC will prepare Prakas on imposition of disciplinary sanctions on reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism to strengthen the effective implementation of the reporting entities in the short term.

#### **E. Insurance Technology**

To leverage advantages from insurtech, the IRC will:

- develop the Supervisory Information System by integrating the Financial Data Collection and Management System, Early Warning System, and Insurance Data Management System. This single system will be a centralized repository for receiving all data from insurance companies (including monthly, quarterly, and annual electronic submissions), and provide early warning signals
- Establish an “Insurance Data Center” and “Motor Third-Party Liability Data Management System”.
- Develop the Strategic Framework for Insurance Technology Development.

#### **F. Capacity Building**

The IRC will continue to foster the development of education program on insurance in higher education institutions and establish the Insurance Institute of Cambodia to enhance human capital in the insurance sector as a whole.

#### **V. Considerations**

Effective implementation of this strategy requires sufficient financial resources to develop the Supervisory Information System, Motor Third-Party Liability Data Management System, and to broadly promote insurance literacy across the country.

*The implementation plan is provided in the Appendix in Table 5.*

## **Chapter 8 Pension Sector**

### **I. Background**

Presently, Cambodia’s Social Security Scheme on Pension for Persons Defined by the Provisions of the Labour Law. For persons in the public sector, the Royal Government established the National Social Security Fund for Civil Servants (NSSF-C) in 2008 and the National Veterans Fund (N.F.V) in 2010 to manage and administer the provision of benefits to retired civil servants and veterans. In 2022, the two operators were integrated into the National Social Assistance Fund, pursuant to the Sub-Decree on the Establishment of the National Social Assistance Fund as a Public Entity. This scheme is wholly financed by the state budget as “pay-as-you-go, which means the state will reimburse pension benefits to civil servants when they reach retirement age based on the defined benefits pension scheme. In 2024, the Royal Government spent around 1,502,095 million riels to finance the scheme. On the other hand, the Social Security Scheme on Pension for persons defined by the provisions of the Labour Law was officially implanted on July 2022 and contribution collection commenced on October 2022 with 1.7 million members and total contributions of 1,530,819.6 million riels as of 2024. It is a defined benefits scheme obliging employers and employees to contribute to the National Social Security Fund (NSSF).

As of 2024, the scheme had covered active members including persons in the public sector and person defined by the provisions of the Labour Law, around 2.05 million people and retirees of around 123,000 people, for whom coverage is quite limited compared to the labor force participation rate among 15–59 year olds, while the pension benefits are not consistent between each target group. Based on long-term projections (2 to 3 decades), Cambodia may face challenges as its population ages and fertility gradually declines. This could cause severe social burdens, including public health financing and social protection, in addition to financial sustainability.

The Royal Government has introduced pension reform policies through sequential implementation pension scheme. This includes the establishment of the Social Security Regulator (SSR), which serve as the auspices of FSA in charge of regulating and supervising social security operations to ensure transparency, accountability, and financial sustainability of the social security system. The SSR uses the resources and structure of the General Secretariat for the National Social Protection Council to perform the role as stipulated in the Law on the Organization and Functioning of the Non-bank Financial Service Authority.

### **II. Reforms and Achievements**

With the reform and the operation of the Social Security Scheme on Pension to cover citizens, Royal Government achievements are significant since the adoption of the Financial Sector Development Strategy 2016–2025:

#### **A. Policy Framework and Regulations governing the Social Security Scheme on Pension**

The Royal Government has implemented the National Social Protection Policy Framework 2016–2025, which plays a significant role in building and developing the social protection system, especially the pension sector of the social security ensuring harmonization, consistency, effectiveness, sustainability and inclusiveness. Since the publishment of this framework, crucial regulations have been issued, including: the Law on Social Security Scheme, the Law on the Organization and Functioning of the Non-Bank Financial Services Authority, the Sub-Decree on the Supervision of Social Security System, the Sub-Decree on the Guidelines for Investment of the Social Security Fund, and the Sub-Decree on the Social Security Scheme on Pensions for Persons under Provision of the Labour Law, and other relevant regulations.

#### **B. Development, Management, and Administration of the Social Security Scheme on Pensions**

Presently, the investment of social security funds from the pension scheme for the private sector primarily focuses on bank deposits. Pursuant to the Law on Social Security Scheme, the Royal Government has established the Social Security Trustee Council of the NSSF to manage the investment fund of each scheme,

which includes the social security scheme on pension and to prepare investment policy annual Investment Plan, Risk Budgeting and to do actuarial valuation. Meanwhile, the Royal Government also integrated the National Social Security Fund for Civil Servants and the National Veterans Fund to reduce administrative expenses and strengthen institutional capacity.

### **C. Promoting Public Awareness**

In 2022, Communication Strategy for Social Protection in Cambodia has been implemented to promote public and member awareness of the benefits and entitlements in the social security scheme. Based on this strategy, the operators also actively disseminate and promote awareness to the public and members.

## **III. Constraints, Challenges and Gaps**

While achievements have been realized and reform programs initiated, significant challenges remain to be addressed, as follows;

### **A. Law and Regulatory Framework**

Along with the issuance of the fundamental legal frameworks for implementing the social security pension system for the private sector, additional legal frameworks are needed to ensure the financial sustainability of the system. The social security scheme on pension for persons in the public sector, which is currently being fully financed by the national budget and is gradually becoming a financial burden for it. To address this issue, the Royal Government has decided in principle to reform the pension system for persons in the public sector to align with the pension system for the private sector on benefits and contributions; this will necessitate the development of legal frameworks in the near future.

### **B. Investment and Financial Framework**

Several factors influence the management and allocation of pension funds:

- Limited investment instruments: Surplus of Pension fund return on investments are to be invested in financial instruments to generate incomes. However, currently, the NSSF places its surplus in commercial bank deposits primarily to earn interest, thus concentrating the investment in a single asset class and exposing the NSSF to risks and low returns. This lack of investment diversification is not sustainable in the long run.
- Non-implementation of contribution rates for the public sector: Currently, the Royal Government continues to fully cover pension expenses for retirees based on actual annual budget allocations, as contribution rates for civil servants have not yet been implemented.
- Demographic changes: As life expectancy increase and birth rates decline, Cambodia is transitioning into an aging society. These factors could undermine the long-term sustainability of pension funds, particularly the public pension, entirely financed by the national budget.
- Fragmentation in pension fund management: Currently, the NSSF manages and administers the pension for private sector and the National Social Assistance manages pension for public sector, while some public institutions and enterprises manage and administer their own pension systems. This has led to inconsistencies and the inability to pool funds for investment.
- Limited coverage: According to the labour force survey in 2019, Cambodia has a total employed population of 7.9 million, of which 1.7 million people (21.55) work in the formal sector. This leaves 6.2 million people in the informal sector, where they lack benefits, especially pensions, and leaves the pension system with limited financial resources for investment.

### **C. Supervisory and Dispute Resolution Frameworks**

Existing legal frameworks grant the SSR the authority to regulate and supervise social security operations. However, as of 2024, the supervision of the operations of social operators had not yet commenced to ensure the efficiency, transparency, accountability, and financial sustainability of the social security system, especially pensions, which require legal standards to support monitoring and lack of precise analytical data,

as reporting is frequently submitted in hard copy (paper-based), leading to incomplete and non-comprehensive information..

#### **D. Limited Public Awareness**

Public understanding of the social security scheme on pension is still limited, especially among employees who are defined by the provisions of the Labour Law, some of whom have not yet become the members of the NSSF due to the negligence or evasion of registration by some enterprises. This hinders participation or access to system benefits and thus remains a challenge.

### **IV. Strategic Roadmap for the Pension Sector**

#### **A. Law and Regulatory Framework**

To ensure the accountability, transparency, and sustainability in the management of the Social Security Scheme on Pension, crucial regulations are being established, such as: Baseline for financial soundness of the social security funds, financial soundness indicators of the social security fund, guidelines on the use and allocation of investment package of the social security funds, ceiling on the operating expenses of the NSSF, prudential Measures on the asset allocation in investment package of the Social Security Funds, , and a risk management framework in the social security system.

At the same time, the Royal Government is drafting a Royal Decree on Conditions, Formalities, and Procedures for the implementation of Social Security Scheme on Pension for persons in public sector, which will serve as a key regulatory framework for the implementation of pension reforms for civil servants and veterans, aimed to ensure long-term sustainability and harmonization of the pension systems in Cambodia.

#### **B. Investment and Financial Framework**

Upon the establishment of the Social Security Trustee Council of NSSF, the NSSF may start the investment of the social security fund, as stipulated in the Sub-Decree on Guidelines for Investment of Social Security Fund. Pursuant to this sub-decree, the NSSF is obligated to prepare, the fund management policies for investment, an annual investment plan, risk budgeting and valuation of investment performance.

At the same time, in response to the fragmentation of the management of pension funds, the National Social Protection Council will conduct feasibility studies to initiate policy and relevant regulations, as foundations for the harmonization of pension funds currently being managed separately. The Royal Government would reform the Social Security Scheme on Pensions for persons in public sector to ensure the sustainability of the pension system as a whole and the fiscal viability, by transitioning from a system entirely supported by the national budget to a contributory system, establishing consistency with the Social Security Scheme on Pension for persons defined by the provisions of the labour law and others.

Additionally, the Royal Government would consider the ability to implement the Social Security Scheme on Pensions for the self-employed persons conforming to the actual context. The government would also consider implementing the multitiered pension system to increase pension scheme coverage to citizens who are not covered.

#### **C. Supervisory Framework**

The SSR will establish a performance evaluation system of the NSSF, referencing core principles, including: (i) independent governance, (ii) good governance, (iii) favorable investment strategy, and (iv) risk management mechanisms. Supervision of the NSSF will be conducted in accordance with the annual supervision plan and manual for supervision of social security operations.

Likewise, to strengthen the contribution collections and registrations of the SSR, the NSSF will establish the social security inspectorate to strengthen the effectiveness of the law implementation.

#### **D. Institutional Framework**

Digitalization is necessary to support the functioning, including development of an internal information management system and digital complaint resolution platform and real time data synchronization. Likewise, recruiting qualified human resources in line with the workload and need skills is important for the SSR supervisory function. The SSR has also developed a competency framework, updated annually, to strengthen staff capacity through relevant training.

#### **E. Promoting of Public Awareness**

The SSR will prepare action plans for more extensive dissemination to beneficiaries, particularly regarding the pension scheme. Additionally, the Royal Government will explore the possibility of expanding the scope of social protection system outreach mechanism by engaging with beneficiaries through influential figures. A “Social Protection Week” will also be extended for regional and global discussion. The Ministry of Education Youth and Sport and the Ministry of Cults and Religion and other relevant ministries and institutions will cooperate with the General Secretariat for the National Social Protection Council to consider integration of social protection education in the national school program in general and advance education.

*The implementation plan is provided in the Appendix in Table 6.*

## **Chapter 9 Securities Sector**

### **I. Background**

The securities sector in Cambodia has witnessed two major developments: (i) the establishment of the Securities and Exchange Commission of Cambodia as the authority for the securities sector in July 2008, which was later renamed the Securities and Exchange Regulator of Cambodia (SERC) after the adoption of the Law on the Organization and Functioning of Non-Bank Financial Services Authority; and (ii) the official launch of the Cambodia Securities Exchange (CSX) in 2011 as a securities market operator, securities clearing and settlement facility operator and securities depository operator. SERC granted licenses to the first set of market participants in October 2010, which consists of 15 securities firms authorized to conduct across multiple businesses, including—7 securities underwriters, 9 securities dealers—13 securities brokers, and 2 investment advisory firms. Remarkably, the first company listed on the CSX was a state-owned enterprise, the Phnom Penh Water Supply Authority, in April 2012, while the first corporate bond was issued by Hattha Kaksekar Limited in 2018. To promote development of the sector in an efficient, transparent, inclusive, innovative and sustainable manner, a number of reforms and developmental activities have been undertaken.

### **II. Reforms and Achievements**

#### **A. Regulatory Reform**

As of 2024, 2 laws, 5 sub-decrees, 82 Prakas, 37 guidelines and decisions, and numerous official letters have been adopted and implemented to ensure efficient, transparent, accountable and orderly development of the securities sector. It also ensures and the securities market ecosystem includes players and products such as stock, bonds (including sustainable bonds), derivatives, and collective investment schemes. In addition, the regulatory frameworks define the requirements, obligations, and codes of conduct for players and requirements for issuance and trading of securities instruments. To strengthen investor protection, the Prakas on Dispute Resolution in Securities Sector and the Prakas on Investigation in the Securities Sector have been adopted.

In response to the rapid growth of technology, the regulatory framework related to the financial technology (fintech) regulatory sandbox was also put in place to ensure effective monitoring, supervision, and development of the market and new fintech services and products, such as digital assets, etc.

#### **B. Equity Listing**

As of 2024, 11 companies listed equity securities on the CSX, with 9 companies listed on the Main Board and 2 companies listed on the Growth Board, with KHR 516.7 billion raised (about USD 129 million). Among the 15 state-owned enterprises (SOEs) in Cambodia, only 3 listed their equity securities on the CSX.

#### **C. Bond Issuance**

As of 2024, 12 companies listed corporate bonds on the CSX (5 have reached maturity), with KHR 1,044.2 billion (about USD 258.3 million) total funds raised. The issuance includes green and sustainability bonds that comply with international standards and has received technical support from the ADB and the Global Green Growth Institute in Cambodia and the Economic and Social Commission for Asia and the Pacific, in collaboration with the Credit Guarantee Corporation for Investment and GuarantCo, under the Cambodia Green Bond Accelerator Program.

In 2022, the Ministry of Economy and Finance announced a program to issue government bonds denominated in KHR. As of 2024, the government issued bonds 32 times, raising a total of KHR 606 billion (about USD 151 million). Issuance was conducted through auctions using the NBC Platform.

#### **D. Initiatives to increase listings**

Several programs have been undertaken to increase the number of listings on the CSX and improve market liquidity. The SERC established an Excellence Program to help ready SMEs for listing with support for

meeting minimum listing requirements. Through it, two companies listed equity securities on the CSX, one on the Growth Board and another on the Main Board. Various initiatives, such as direct listing and listing of holding companies, will be launched to promote listings.

In addition, tax incentives aim to encourage companies to list, including lowering corporate income tax rates for 3 years and, more importantly, a moratorium on undeclared tax liabilities from the period before listing. Investors also receive a 50% reduction in withholding tax on interest earned and/or dividends, as well as an exemption from capital gains tax for 3 years.

### **E. Initiatives to Promote Trading**

In 2023, the second generation of the Online Trading Account Opening Platform, with an API link to the Cambodia Data Exchange and Investor ID Online of the SERC, was put in place, where investors can automatically obtain a trading account and investor ID. The second generation is more convenient to trade stocks on the CSX as investors can buy and sell through the mobile app.

### **F. Collective Investment Schemes and Funds**

The establishment and listing of fund units of collective investment schemes have been promoted through the adoption of the Prakas on Licensing and Supervision of Collective Investment Schemes Business, which outlines the conditions and procedures of granting and renewing licenses and obligations of companies conducting collective investment scheme business, such as fund management companies, trustees, fund distributors, and fund administrators and the Prakas on Offering of Fund Units of Collective Investment Schemes. So far, two companies have obtained approval to issue fund units of collective investment schemes.

### **G. Market Participants**

As of 2024, the SERC has granted licenses to number of intermediaries, allowing some firms to hold multiple licenses and participate in various market activities. The SERC granted licenses/ approvals/ accreditation to 127 firms including CSX, companies doing securities business, companies doing derivative business, companies doing collective investment scheme business, law firms, audit firms, valuation companies, bondholders' representatives, credit rating agency and other agencies. Cambodia Association of Securities Firms and Derivatives Brokers Association in Cambodia were recognized in 2023 and 2024 respectively.

### **H. Corporate Governance**

The Prakas on Corporate Governance for the Listed Companies was updated in December 2018, and applies to all public limited companies and permitted entities that publicly offer securities while non-listed companies will comply with requirements set out in the Law on Commercial Enterprises. Taking into account the needs and regional best practices on raising the standards of corporate governance practices in listed companies in Cambodia, the Corporate Governance Code for Listed Companies in Cambodia is being drafted.

### **I. Regional Financial Integration**

With the aim of strengthening cooperation, sharing information and mutual assistance, extending regional financial integration remains a strategic priority, reflected through signing of memorandums of understanding between SERC and foreign securities regulators, namely the development of extensive ties and closed cooperation under the framework of the Great Mekong Subregion and ASEAN+3 Regulators, creating opportunities for SERC officials to conduct on-the-job training and study visits in many countries. Noticeably, in 2017, SERC became an Associate Member of International Organisation of Securities Commissions (IOSCO) and has been applying to be an “Ordinary Member” of IOSCO. Meanwhile, SERC has been very active in contributing to the ASEAN Capital Market Forum (ACMF), the ASEAN Taxonomy Board, the ASEAN Working Committee on Capital Market Development, and other working groups under the ASEAN Finance Ministers Meeting as well as the ASEAN+3 Bond Market Forum (ABMF) to achieve Liberalization ASEAN Financial Services. In 2022, SERC was ACMF Chair and is currently Co-Chair of the ACMF's Market Development Program with the Securities Commission of Vietnam. In addition, SERC is Co-chair of the

ASEAN Working Committee on Capital Market Development with the Monetary Authority of Singapore from 2024–2026.

## **J. Financial Literacy**

Various workshops and trainings have been organized physically and virtually every year for high school and university students and the general public in cities and provinces to widely raise awareness. Meanwhile, incorporating financial literacy in securities in the education curriculum has been working with the support of Ministry of Education, Youth and Sport. In addition, SERC continues to expand cooperation to promote training and dissemination, working especially closely with educational institutions and media companies.

## **K. Capacity Building**

SERC has been conducting training for firms doing business and providing services in the securities sector, which mainly focuses on technical issues and relevant regulations to enhance professionalism. Also, SERC has provided training to media staff at least once a year to continue raising awareness and promoting the effectiveness of securities market dissemination. Meanwhile, strengthening the capacity of SERC's officials has been conducted through study visits, on-the-job-training at regulators in ASEAN+3, and other institutions in the United States, and participation in seminars and workshops.

## **III. Constraints, Challenges, and Gaps**

The securities sector faces challenges in the small size of its markets and market development, i.e., limited securities instruments, listed companies, and active investors, while participation of domestic and foreign institutional investors remains less active.

- Foreign investors are often the main, important non-retail investors in emerging markets, but they need certain prerequisites to be met before investing: (i) big companies to invest in, as they offer guarantees of permanency and liquidity; (ii) custodians to look after their assets and trading (currently, one custodian has been provided accreditation by the SERC); (iii) reliable trading and settlement systems; (iv) international brokers with local presence or substantial local brokers with links to international brokers to manage their order flows through reliable securities firms; (v) assurance of equal treatment for local and international investors; and (vi) clarity on getting funds in and out of the country.
- Domestic investors, direct retail investors are unlikely to become the driving force in a developing market. Generally, the demand side of the market is likely to be driven by indirect retail investors, that is, investors of funds of collective investment schemes. Domestic institutional investors like insurance companies and pension funds rely wholly on investing in bank deposits, which are not a long-term savings solution.
- The limited number of listings of major companies, banks, financial institutions, and larger state-owned enterprises has limited foreign investor interest and ability to diversify products and risks. Despite efforts by SERC and the CSX through the Excellence Program to increase and attract more companies to list and to raise funds in the securities market, it still does not draw their attention.
- The currency of listed securities on the CSX remains a key issue for the securities markets as most financial deposits and transactions are in USD, and thus raising funds through the securities market in KHR could face exchange rate risks. With the national policy aligned towards de-dollarization, pricing securities market assets in USD has not been possible, creating a barrier to market development.
- Monitoring and investigation of market abuse in the securities sector is a core task requiring close attention to ensure it is correct, fair, and orderly and to maintain investor confidence locally and internationally. However, with the rapid advancement of technology, crime has increased, which has affected market confidence.
- For infrastructure, the current trading system appears to have limitations and requires new products and services such as stock-lending and borrowing.
- Capacity building remains a challenge, especially IT capacities among SERC officials. Enhancing their technical and soft skills are thus a priority for work efficiency.

## **IV. Strategic Roadmap for the Securities Sector**

### **A. Market Participants and Infrastructure**

#### **A.1. Attract more companies to list on the CSX and attract investors**

Listings of banks, financial institutions, and large state-owned enterprises have been catalysts for the development of the securities market in emerging markets and have always been encouraged. Listing of SMEs will also be encouraged, as these will attract local and foreign investment funds. Inter-agency cooperation and continuous support to companies with potential to list on the CSX are also important.

Foreign investors will play a crucial role in developing the markets until domestic institutional investors have a significant presence. This will require raising awareness of Cambodian securities market and encouraging foreign interest.

#### **A.2. Encourage development of the securities and government bond markets**

Collective investment schemes (especially mutual funds) are a way for moderately well-off citizens to enter the securities market. Open-ended funds are generally more attractive to less-sophisticated investors and simpler to understand, but they require a liquid market to support redemptions. Therefore, authorities have been developing additional regulations to regulate and develop collective investment scheme ; these will also focus on fund distribution channels, especially distribution through the branch banking network. Meanwhile, to promote government bond market development, authorities are exploring the appointment of primary dealers under the leadership of the Ministry of Economy and Finance and in cooperation with the NBC and SERC.

### **B. Legal and Regulatory Framework**

#### **B.1. Develop a commodity futures and derivatives market**

The development of a futures commodities market will be prioritized to examine the feasibility of development down the road. Although this market has not yet emerged, a cash commodity market can offer various benefits to producers by maintaining stable prices, encouraging establishment of standards, and improving product quality. However, establishing this market is complex and costly. Setting up a commodity futures market without a centralized cash market could be an option, but precise definitions of underlying assets and underlying prices are needed, as well as careful study of products to be covered to ensure sustainable growth.

The regulatory infrastructure for trading derivatives is used and implemented by licensed/approved companies in the Kingdom of Cambodia to trade foreign derivatives on behalf of clients. One of the few financial assets in Cambodia with high liquidity is the USD/KHR, which serves as a hedging tool for the USD/KHR rate. SERC is undertaking a feasibility study for developing more financial derivatives products.

#### **B.2. Review Regulation and Develop Capacity for Corporate Governance of Listed and Unlisted Companies**

To develop capacity for implementing corporate governance reforms, Cambodia has planned to establish an Institute of Directors in the coming years. The country could also take advantage of the ASEAN Corporate Governance Scorecard framework to publish assessments and demonstrate progress against the framework.

#### **B.3. Develop Regulatory Framework for Digital Assets and Crowdfunding**

In line with the rapid development of digital technology, the draft regulation on Licensing and Supervision of Digital Assets Business and the draft regulation on Offering of Digital Asset is being developed. The Cambodian Financial Technology Development Policy 2023–2028 and draft regulations define digital assets as a type of security in accordance with the Law on the Issuance and Trading of Non-government Securities. Meanwhile, an additional regulatory framework for monitoring and supervising crowdfunding, crowdfunding intermediaries, and crowdfunding platforms will be put in place in the upcoming year to allow these types of businesses, which have been licensed by the SERC.

### **C. Supervisory Framework: Strengthen the Effectiveness of Detecting Market Abuse in the Securities Sector**

- Strengthen monitoring and prosecution of market abuse in the securities sector and collaborate with the Ministry of Justice for the most egregious cases, subject to adopted laws and regulations in the securities sector, which stipulate prohibited behavior and market abuse in the securities sector.
- Draft regulations and amend regulation and/or sign MOUs with other regulatory agencies by clearly identifying the market abuser and cooperating with the Ministry of Justice to prepare a mechanism for referring violations.
- Expand information technology capacity to ensure the sustainability of trading data analysis, which is fundamental to detecting market abuse and building strong cases against abusers.
- Set up IT systems in line with international best practices to detect market abuse and provide evidence to prosecuted offenders.

### **D. Capacity Building and Infrastructure**

#### **D.1. Develop Capacity of SERC Officials and Market Participants**

- Continue to improve the capabilities of SERC officials by expanding networking channels to allow officials to broaden business perspectives and knowledge.
- Continue to promote financial literacy and financial technology in the securities sector through training and dissemination and examine establishing a National Securities Institute.

#### **D.2. Strengthen Internal Systems at SERC to Support and Manage Electronic Filing**

- Strengthen regulatory technology systems to aid in filings, licensing applications, corporate disclosures, and other functions.
- Study and produce a procurement plan to acquire appropriate IT systems.

#### **D.3. Enhance Trading and Settlement System Infrastructure to Handle New Assets and Mitigate Risk**

- New instruments such as securities financing, margin trading, etc., are planned to enhance trading and settlement mechanism.
- Allow investors to trade before settlement while strengthening risk management frameworks.

### **E. Other Areas**

#### **E.1. Reduce Barriers to Development Caused by Dollarisation**

Develop a flexible and innovative approach to resolve that listed securities are denominated and priced in KHR based on the national policy on de-dollarisation. However, most financial transactions are in USD, which imposes costs and currency risks for market participants.

#### **E.2. Investor Protection**

Explore the feasibility of an Investor Protection Fund with the aim of compensating investors in case defaulters' assets are insufficient to meet admitted claims of investors. In addition, the fund could support investor education, awareness, and research.

#### **E.3. Improve Coordination to Promote Securities Sector Development**

Strengthen effective implementation structure and robust and an accountable inter-agency coordination framework by establishing a working committee with representation from related regulatory agencies and senior politicians, supported by a secretariat, which would manage agendas, report on progress, and produce other supporting materials.

#### **E.4. Introduce Medium-Term Budgeting for SERC**

SERC is entirely funded by the government budget and aims to become self-funding institution for operations through fees paid by market participants, but that is not adequate. The Ministry of Economy and Finance could consider granting budget enhancements to SERC by (i) allowing one-off expenditures and (ii) extending the budget period framework on budget plans for SERC’s longer-term expenditure plans.

*The implementation plan is provided in the Appendix in Table 7.*

## **Chapter 10**

### **Real Estate and Pawnshop and Transfer of Title for Security Sectors**

#### **I. Background**

The Ministry of Economy and Finance is authorized to supervise and manage real estate activities, property valuation and real estate services, pawnshops, and transfer of title for security businesses, as per Article 5 of the Law on Financial Management 2007, promulgated by the Royal Kram No. NS/RKM/1206/035 dated 29 December 2006, and regulations related to real estate, pawnshops, and transfer of title for security sectors.

On 16 January 2021, the Law on the Organization and Functioning of Non-Bank Financial Services Authority was promulgated to establish a Non-Bank Financial Services Authority (FSA) to independently regulate and supervise all non-bank financial services, including real estate, pawnshops, and transfers of titles for the securities sector. The competency of the Ministry of Economy and Finance as the regulator in this sector was subsequently transferred to the responsibility of the Real Estate Business and Pawnshop Regulator (RPR), a subordinate unit acting as one of the executive bodies of the FSA.

From 2018 to 2024, licensed projects in the real estate sector totaled 365. Among all project types, the number of Borey and condominium projects accounted for most of licenses granted. By the end of 2024, the total number of licensed Borey projects has taken 59% of all granted license projects. Total capital investment in the real estate sector amounted to USD 7.2 billion, with local investment accounting for about 83% (USD 6 billion), and foreign investment for about 17% (USD 1.2 billion). Meanwhile, from 2018 to 2024, the number of pawnshops and transfers of title for security companies/enterprises licensed reached 422. Total capital investment in the sector was USD 32.6 million and in the pawnshop sector USD 1,027.4 million, with loans on immovable assets totaling USD 148 million (14% of the total); loans with movable assets totaled USD 879.4 million (86% of the total).

#### **II. Reforms and Achievements**

##### **A. Legal and Regulatory Framework**

The Law on Real Estate Business, the Law on Pawnshop, and the Law on Transfer of Title for Security are being drafted and discussed with relevant ministries and institutions. Meanwhile, several other regulatory documents such as sub-decrees related to both sectors have already been enacted, and some proclamations have been newly drafted or revised and implemented in accordance with the current context.

##### **B. Business Registration**

In late 2021, the RPR integrated its registration process with the Cambodia Data Exchange, allowing applicants to apply for a new business license through an online portal, making the process more transparent and reducing costs. The RPR will continue to expand online registration to cover branch licenses, renewal of existing licenses, and changing company profiles. In addition, leveraging success, the RPR will expand this online registration with the Cambodia Data Exchange to license real estate service providers.

##### **C. Capacity Building**

Capacity building for stakeholders is essential in sector development. To encourage stakeholder participation in capacity building, the RPR has:

- i. Signed memorandums of understanding with relevant institutions or ministries.
- ii. Trained RPR technical officers and relevant officials from the Departments of Economy and Finance across all 25 capital and provincial administrations.
- iii. Disseminated relevant regulations to companies/enterprises that have recently obtained their business licenses.

### **III. Constraints, Challenges and Gaps**

Currently, the Law on the Management of Real Estate Development and Real Estate Service and the Law on the Management of Pawn and Transfer of Title for Security Business have not yet been issued and adopted; only the sub-decrees and Prakas are in place. As these two laws, fundamental to the RPR, have not yet been issued, it is difficult for the RPR to impose criminal sanctions on companies/enterprises that have been licensed but have violated laws and regulations, and companies/enterprises that operate without a license.

#### **A. Supervisory Report and Compliance**

As existing regulations stipulate, all licensed companies/enterprises in the real estate, pawnshop, and transfer of title sectors are required to submit their business reports, annual reports, and audited reports to the RPR. However, the regulator finds it challenging and time-consuming to collect the reports, because companies/enterprises still lack of human resources and skills to properly complete them. In addition, the reporting template designed by the RPR still has room for improvement, with important indicators missing. As such, the RPR lack the data to effectively monitor and evaluate the business and financial situation of each company/enterprise and to address the outlook of the sectors as a whole.

#### **B. Human Resources**

The RPR is still a relatively new institution, established in 2021, and has not yet been able to fully perform the work according to the roles and responsibilities stipulated in the existing regulations. It thus lacks the human resources to perform the full scope of work to effectively manage business activities in the sectors.

#### **C. Lack of Public Awareness**

Regulatory compliance is challenging for operating businesses and licensees in the real estate, pawnshop, and transfer of title sectors, as awareness and understanding of the laws and regulations is limited.

#### **D. Information Technology System**

Resources, capacity, and IT infrastructure remain limited in the real estate, pawnshop, and transfer of title sectors. The sector lack an integrated and automated data management system for monitoring, analysis, and inspection of licensees' business performance. Data monitoring, analysis, and inspection are conducted and performed manually using data/reports submitted in hard copy by licensees and relying on manual data entry.

### **IV. Strategic Roadmap for Real Estate and Pawnshop and Transfer of Title for Security Sectors**

#### **A. Institutional Development**

Institutional development, including I/. Streamlining administrative processes, II/. Strengthening the capacity of officers to provide public services, III/. Monitoring and analyzing the situation in the sector, IV/. Increasing work transparency and V/. Strengthening the implementation of regulations. The institutional development plays an important role in reducing time and other costs related to obtaining licenses and filing documents private sector and improving productivity, quality, efficiency, and effectiveness in managing the sectors.

#### **B. Regulatory and Policy Development**

The development of relevant regulations and policies in the real estate, pawnshop and transfer of title sectors is important to ensuring effective management and monitoring, equal protection of the companies and consumer interests, participation in risk mitigation, increase consumer confidence, and to promote economic growth. It is also important to contributing to the prevention of money laundering and terrorist financing and the financing of the proliferation of weapons of mass destruction.

#### **C. Training and dissemination**

Training and disseminating relevant regulations and information to companies, agents, customers, and the general public in the real estate, pawnshop, and transfer of title sectors will raise awareness of regulations,

transaction processes, obligations and responsibilities, and the sector’s development and relevant risk reductions.

**D. Modernisation and comprehensive database development**

Such development is important to operational process, monitoring, and allowing ministries, institutions, and stakeholders to download data for decision-making, risk management, and proposing intervention mechanisms to better meet the needs of customers and businesses.

**E. Cooperation**

Cooperation is essential between the RPR and ministries, government institutions, development partners, and the private sector, and related associations for effective and sustainable development of the real estate and pawnshop sectors, allowing for a combination of resources, knowledge sharing, and the rollout of policy measures that are consistent and complementary to address emerging challenges.

*The implementation plan is provided in the Appendix in Table 8.*



## **Chapter 11**

### **Accounting and Auditing Sector**

#### **I. Background**

##### **A. Accounting and Auditing Regulator**

In 2003, the National Accounting Council was first established as a regulatory body in the accounting and auditing sector through the Law on Enterprise Accounting and Auditing, and Accounting Professions. Since FSA was established through the Law on the Organization and Functioning of the Non-Banking Financial Services Authority dated 16 January 2021, the council was transformed into the Accounting and Auditing Regulator (ACAR) under the organizational structure of the FSA. ACAR continues to perform the functions and duties of the National Accounting Council in managing and developing the accounting and auditing sector and profession to help build economic foundations and develop the general business and the bank and non-bank financial sectors. ACAR sets accounting and auditing standards for the private sector, not-for-profit entities, and the public sector, and ensures enforcement and implementation of accounting and auditing laws and standards to promote transparency, accountability, and good governance.

##### **B. Reporting requirements in Cambodia**

All enterprises and not-for-profit entities, except for small taxpayers, are required to submit their annual financial statements to ACAR using the E-Filing system on its website. They must enter information directly into the system using the financial statements format set by ACAR and upload the scanned annual financial statements into the system as a reference. Currently, no unified Chart of Accounts (CoA) exists determined for reporting entities in each sector (except for bank and financial institutions). ACAR has categorized the financial accounts in the E-Filing system for the reporting entities by sector. Enterprises that fail to submit their annual financial statements in time are subject to penalties as provided in Sub-Decree 79, 1 June 2020 on transitional penalties for offenses to the law on accounting and auditing.

#### **II. Reforms and Achievements**

##### **A. Legal and Regulatory Framework**

Currently, there are law and regulations for the management of the accounting and auditing sector and profession that have been approved and implemented in Cambodia, such as: Law on Accounting and Auditing, Law on Organization and Functioning of Non-Bank Financial Services Authority, Sub-decree No. 79 dated 1 June 2020 on Transitional Penalties for the Violation of the Law on Accounting and Auditing, Sub-Decree No. 113 ANKr.BK dated 14 July 2021 on Organization and Functioning of Units under the Supervision of the Non-Banking Financial Services Authority as well as other Prakas and Circular.

##### **B. Accounting and Auditing Profession Management**

###### **B.1. Accounting and Audit License**

According to Prakas No. 019 NBFSA.Prk dated 20 April 2023 on the Professional Accounting and Audit License Management, there are 3 types of licenses that accounting, and audit firms can request from ACAR: i. Tier 1 Professional License of Accounting, ii. Tier 2 Professional License of Accounting, and iii. Professional License of Auditing.

To participate in the implementation of the sub-decree on "preparation of business registration through information technology", ACAR has launched the online accounting and auditing license management system (e-license) in September 2023. Additionally, ACAR incorporated applications for professional accounting and auditing licenses in the Cambodia Data Exchange platform.

###### **B.2. Member of the Kampuchea Institute of Certified Public Accountants and Auditors**

As of December 2024, there are 434 natural persons who are registered as members of the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) including foreigners. Of those, 24 individuals are

Active Accountants, 177 are Active Auditors, 208 are Affiliate members, 25 are Associate members. There are also 985 student members.

### **B.3. Professional Program**

**1. Cambodia Certified Public Accountants Program (Cambodia CPA):** The National Certified Public Accountants Program was first introduced in 2020 by Prakas No. 318 MEF.Prk dated 24 March 2020 on the Implementation of Cambodian Certified Public Accountants Program. This program consists of 14 courses divided into 3 levels, wherein individuals must pass 12 out of the 14 courses. The program is administered by the Cambodia Certified Public Accountant Program Management Committee, which has a mixed inter-ministerial-institutional composition. The committee has three sub-committees: the Curriculum Development Sub-Committee, the Examination Management Sub-Committee, and the Education and Training Sub-Committee.

**2. Accounting Technician Qualification:** The Accounting Technician Qualification comprises of 8 courses covering topics from bookkeeping to the preparation of the financial statements and is officially launched under the auspices of the United Nations Development Program and technical assistance from the Institute of Chartered Accountants in England and Wales and is administered by the KICPAA.

### **3. Monitoring the implementation of the accounting and auditing law**

**Strengthening Legal Compliance Inspection:** To strengthened legal compliance by emphasizing on the obligation of proper bookkeeping, preparation of financial statements complying with applicable accounting standard, and, if criteria are met, the obligation to have financial statements audited by an independent auditor. ACAR has performed on-site inspection on the implementation of accounting and auditing obligations of enterprises and not-for-profit entities starting from 2021. However, by 2024, ACAR has strengthened legal compliance and has not yet strengthened technical compliance. The initial consideration is focused on the implementation of obligations of enterprises and not-for-profit entities, such as the obligation of proper bookkeeping, the obligation to prepare financial statements, the obligation to have financial statements audited by independent auditor, and the obligation to submit financial statements to ACAR via online system (E-Filing). Likewise, to strengthen the level of compliance, ACAR proposed the implementation of “Accounting and Auditing Glossary” which was approved in the 20th meeting of 1st mandate of the FSA Council on November 4, 2024.

**ACAR E-FILING System:** ACAR has launched the online filing system in 2021 for enterprises subject to independent audits. This online platform allows the management information system to collect the financial data for the various studies, market research, analysis and financial projections. The second version of the ACAR E-FILING system for enterprises was introduced in February 2022. With improvements to existing features and the addition of a new feature for filing notice letters for the language use in accounting systems and other related computer systems, this system was launched for enterprises that are both subject and not subject to independent audits. ACAR updated E-FILING system for not-for-profit entities in June 2022. This system has three main functions including (i) requesting financial reporting identification number, (ii) filing financial statements and (iii) submitting notice letter for the language use in accounting systems and other related computer systems.

**Assurance Quality Review:** Cambodia started a pilot assurance quality review project in 2017 through the establishment and commissioning of the Audit Quality Control Committee to ensure the effective implementation of standards on auditing, standard on quality management and professional code of ethics for professional accountants and auditors, with the participation of relevant stakeholders from the NBC, SERC, General Department of Industry and Finance, and General Department of Taxation to participate in the assurance quality review. The pilot assurance quality review project performed on 79 audit firms from 2017 to 2024 was conducted under the technical assistance of the Institute of Chartered Accountants in England and Wales and Lead Reviewers from Programma Uitzending Managers. As a result of the inspection, about 23.73% of the audit firms reviewed were satisfactory, while 16.95% needed to be improved and another 59.32% were unsatisfactory. Until 2024, there are not sufficient regulations governing the audit quality and sanctions to the

audit firms having unsatisfactory results. In addition, ACAR’s officers still have limited technical capacity and cannot become independent reviewers without additional capacity building. This task will take a long time and ACAR still needs to outsource reviewers.

**Implementation of IT systems in the field of accounting and auditing:** In response to the Cambodia Digital Government Policy 2022–2035, Cambodia Digital Economy and Society Policy Framework 2021–2035, and Cambodia Financial Technology Development Policy 2023–2028, the preparation of a management system for the accounting and auditing sector must be carried out in the Information Technology and Financial Technology (FinTech). In this context, ACAR has developed various IT systems to strengthen the management and heighten compliance levels, including introduction of:

- E-Filing System for Enterprises
- E-Filing System for Not-For-Profit Entities
- E-License System for Accounting and Audit Firms
- Digital Financial Reporting Platform
- Application Management System for Cambodia CPA Program
- Accounting and Auditing Glossary App

**Establishment of the Kampuchea Institute of Certified Public Accountants and Auditors:** As noted, KICPAA is a Cambodian professional accounting institution established by the Law on Enterprise Accounting and Auditing, and Accounting Professions in 2003 and later replaced by Law on Accounting and Auditing in 2016. KICPAA was established to act as an independent professional Institution and nonprofit body to develop the accounting and auditing profession in Cambodia.

#### 4. Capacity building and training programmes

**Annual training needs assessment:** KICPAA has also initiated an annual training needs assessment by identifying specific needs of the members through industry needs assessment.

**Progress of CIFRS adoption in the financial sector:** In accordance with IFRS and IFRS for SMEs and the related interpretations and amendments approved by the International Accounting Standards Board, Cambodia has set two accounting standards such as CIFRS and CIFRS for SMEs. All public-interest entities, including listed companies, commercial banks, microfinance deposit-taking institutions, and insurance companies are required to adopt the CIFRS. Other entities and non-public interest entities are allowed to use CIFRS for SMEs or CIFRS at their discretion. Banks and other financial institutions started to adopt the CIFRS or CIFRS for SMEs from 1 January 2019 after deferring the implementation in 2012 and 2016.

**Compliance with CIFRS:** All banks (commercial and specialised) and deposit-taking microfinance institutions successfully transitioned to comply with the CIFRS by the set deadline - reporting date of 31 December 2019. In addition, insurance companies have also transitioned and comply with CIFRS.

#### 5. Dissemination, Training and Capacity Building

**Dissemination, Training and Capacity Building for Private Sector:** Up until 2024, ACAR and KICPAA have organized several workshops and trainings on technical standards, standard on audit quality, and code of ethics for professional accountants, both in person and online, for public officials, investors, businessowners, representatives of enterprises and not-for-profit entities, accountants, auditors, professors, students, and the public, with the aim of improving the understanding and technical skills of the public sector, private sector, and other relevant individuals in the accounting and auditing profession.

**Dissemination, Training and Capacity Building for Public Officials:** Likewise, ACAR and KICPAA have implemented capacity building programs for public sector officials (General Department of Taxation officials) and their institutions related to leadership and management, technical standards, financial statements review, audit quality control review, and information technology systems.

### **III. Constraints, Challenges and Gaps**

#### **A. Human resources**

Demand side: Many SMEs have limited knowledge and capacity to understand and implement proper accounting standards and to fulfill financial reporting obligations set by applicable laws and regulations. Therefore, the market needs qualified low- and mid-level accountants (accountants working for enterprises and not-for-profit entities).

Supply side: There's a lack of low- and mid-level accountants, accounting and auditing professionals who are experienced and knowledgeable in accounting standards. The shortage of the accounting professionals to guide and implement the accounting and auditing standards to the SMEs has negative impacts on the implementation of accounting and auditing obligations as well as the submission of financial statement of the reporting entities to ACAR.

Likewise, the shortage of auditors for independent audit services is also a challenge as ACAR further strengthens compliance and audit quality and as foreign auditors are no longer qualified to provide professional accounting and auditing services in Cambodia.

#### **B. Implementation of E-filing System**

Using the E-filing system for the financial information submission is still a challenging and time-consuming task for new users. Despite that, ACAR has been taking measures to simplify the process by making the system more user-friendly, establishing user guide and develop Digital Financial Reporting Platform as well as dissemination and training users through in person and online workshops.

#### **C. Implementation of CIFRS and CIFRS for SMEs**

##### **C.1. ACAR capacity**

The number of ACAR officers is still small and their technical capabilities and work experience are still limited.

##### **C.2. Human Resource in the Sector Capacity**

The competence of accounting staff of enterprises and not-for-profit organizations to maintain records and prepare financial statements in accordance with approved accounting standards is still limited. The curricula of higher education institutions that train students in accounting skills have not been prepared, adjusted and modernized in line with market demands and developments in this field and profession in the world and in the region.

##### **C.3. Reporting of Financial Information**

ACAR began offering E-filing for enterprises who are obligated to submit audited financial statements in 2021, and for enterprises who aren't obligated to submit audited financial statements and for not-for-profits entities (NFPEs) in 2022. The pre-categorised financial statement line items may not fit all enterprises in different industries.

#### **D. Unified Chart of Accounts for ACAR Reporting**

Reiterate that a unified chart of accounts for all industries has not yet been developed or established, but only the annual financial statements e-filing system has been introduced for the reporting entities categorised by type. Having a standardised uniform chart of accounts would make smooth reporting and improve the consistency of reported financial information, ensuring compliance and transparency across the sector. This would help regulators monitor, evaluate, and uniformly compare financial information of similar reporting entities, and users of financial statements would have confidence in the reports and make informed investment decisions.

#### **IV. Strategic Roadmap for the Accounting and Auditing Sector**

In developing the accounting and auditing sector in Cambodia, the Accounting and Auditing Sector Development Strategy in Cambodia 2025–2035 (proposed by ACAR) was approved by the FSA Council in the 20th meeting of the first mandate on November 4, 2024.

As highlighted in the strategy, it aims for “a robust, transparent and credible accounting and auditing system” through 6 pillars:

- Strengthening and expanding institutional capacity.
- Building accounting and auditing human capital for the market.
- Implementing technical standards.
- Improving compliance.
- Improving audit and assurance quality.
- Developing financial technology in the accounting and auditing sector.

*The implementation plan is provided in the Appendix in Table 9.*



## **Chapter 12**

### **Trust Sector**

#### **I. Background**

The regulatory framework for monitoring and developing the trust sector has been expanded to cover general trusts institutions in the economic, financial, and social sectors through the Law on Trust, promulgated on 2 January 2019. However, during interim implementation, the Ministry of Economy and Finance officially recognized nine registration financial trust cases with a trust fund or financial resources volume of about USD 114,808,123.

Pursuant to the Law on the Organization and Functioning of the Non-Bank Financial Services Authority, promulgated in 2021, the Trust Regulator is responsible for regulating, supervising, and developing the trust sector in Cambodia and implements the competencies of the Ministry of Economy and Finance as stated in the Law on Trusts and other relevant regulations in the trust sector. Since the establishment of the Trust Regulator in 2021 and the launch of a fully operational trust market in early 2023, registration of trusts has been rapid, with the number of trusts registered according to law up to 1,115 (about USD 1.741 billion) by 2024, from 17 cases in 2021 (USD 156 million).

With the fast growth in registrations from 2021 to 2024, the trust market in Cambodia is largely covered by commercial trusts, totaling 1,094 cases with a trust fund volume of about USD 1,252 million (98% of the total market). Most of these are real estate trusts, with 776 cases and a volume of approximately of USD 757 million (71% of total volume of commercial trusts). Additionally, trustee companies and trust operators are providing retention or escrow services, with 776 cases (22.32% of the total volume of commercial trusts) with a total cash value of approximately USD 757 million. This trend is expected to continue to grow. Additionally, commercial trusts have been invested in related sectors, through still relatively few, including: (i) money market trusts (3.11%), (ii) private pension funds (2.93%), (iii) shareholding (0.09%), and (iv) green bonds (0.55%).

#### **II. Reforms and Achievements**

With the backing and focus of the Royal Government and involvement of all relevant stakeholders, the Trust Regulator has made numerous achievements, starting with the institutionalization of the regulatory framework and organization and operation of the institution. This includes resources, institutional development plans for the short, medium, and long terms, and in the operational framework and infrastructure development of the institution. This groundwork led to the successful launch of a fully operational trust market in early 2023, which serves the policies of the Royal Government more effectively. With the establishment of the Trust Regulator, had also achieved several other significant milestones (by 2024):

- Establishing legal standards to regulate the trust sector in an efficient, transparent, fair, and orderly manner, which include 2 laws, 4 Anukret, 13 Prakas, 16 decisions and guidelines.
- Strengthening and developing the human resources of the institution by institutionalization within the regulatory framework and organization and operation of the institution. This includes resources, institutional development plans for the short, medium, and long terms, and both in the operational framework and infrastructure development of the institution and responsibilities as a regulator to monitor and develop the trust sector.
- Granting licenses, authorization, and accreditations to trust operators and service providers in the trust sector, as well as authorization to register trusts, which include: 14 trustee companies, 69 trust operators (31 independent individual trustee and 38 individuals' trustee of trustee companies), 25 commercial banks as retention/escrow services operators in the trust sector, 17 valuation companies, and 15 audit companies in the trust sector.
- Monitoring and reviewing the obligations to provide reports, notifications, and requests for authorization for trustees related to trust operations.
- Promoting and strengthening law enforcement.
- Conducting inspections in the trust sector.

- Researching the development and innovation processes in the trust sector.
- Organizing training courses and disseminating about the trust sector to the public and relevant parties.
- Strengthening and expanding cooperation both domestically and internationally.

### **III. Constraints, Challenges and Gaps**

Analysis of the market and development trends shows that the trust sector faces certain constraints, challenges, and gaps:

- The trust sector is still a new concept.
- Human resources, although skilled and capable, are still limited and unable to fully respond to the market's evolution.
- Support infrastructure is not yet adequate to keep pace with the development of the trust sector.
- Knowledge and awareness about the trust sector, including coordination and cooperation between the public and private sectors, are still developing.
- Public understanding of the trust sector and relevant laws and regulations still lack widespread awareness.
- Financial instability leading to capital outflows and various global crises, including pandemics, remain a challenge.
- Proliferation of weapons of mass destruction still threaten development of the trust sector.
- Additional infrastructure and supportive legal frameworks are required.
- The pace of technological innovation has created challenges for the trust sector, including low readiness for digital adoption, insufficient digital infrastructure, incomplete trust in technology, and human resources, knowledge, and skills not yet meeting specific demands.

### **IV. Strategic Roadmap for Trust Sector**

Based on the achievements of the past three years, along with an analysis of market conditions, a strategic framework for the development of the trust sector has been established, outlining four priority strategies: (i) developing new markets, operators, and products; (ii) raising public awareness and promoting participation; (iii) establishing mechanisms for supervision and operations based on technological innovation; and (iv) promotion and strengthening law enforcement.

Strategic Priority 1: Developing new markets, operators, and products. Five strategic measures have been proposed, including: (i) researching strategies to develop the trust sector; (ii) preparing a plan to develop new markets, operators, and products for trusts; (iii) evaluating trust innovations, their impacts, and benefits for participants in the trust sector; (iv) participating in the harmonization of regional legal and regulatory frameworks; and (v) preparing a dictionary for the trust sector.

Strategic Priority 2: Enhancing public understanding and encouraging participation. Seven strategic measures have been proposed, including: (i) Strengthening the promotion and enhancing awareness of the trust sector among the general public and stakeholders, both directly and online; (ii) implementing training and education to build capacity and promote the trust sector; (iii) encouraging broader participation in the trust sector; (iv) organizing training courses and qualification exams for approved persons in the market, for related operators, companies, and general public; (v) preparing forums and discussions on the progress, challenges, and future of the trust sector; (vi) creating partnerships with educational institutions to integrate trust sector studies into various academic programs and national education programs; and (vii) launching the Trust Regulator App to facilitate easy access for stakeholders and the general public to information about the trust sector and to enhance market participation.

Strategic Priority 3: Establishing mechanisms for supervision and operations based on technological innovation. Five strategic measures have been proposed, including: (i) promoting and developing a registration system for the trust sector using information technology; (ii) building digital infrastructure to facilitate and enhance the quality of work, allowing trust operations to be conducted efficiently, transparently, and securely;

(iii) utilizing information technology systems to improve and enhance the efficiency and safety of operations, reducing operational time; (iv) establishing mechanisms or legal bases to ensure security and protect against risks in online activities within the trust sector using information technology; and (v) creating cooperative agreements with ministries, institutions, and related parties to enhance the effectiveness of mechanisms for management and operations using technological advancements.

Strategic Priority 4: Promoting and strengthening the law enforcement. Six strategic measures have been proposed, including: (i) Organizing seminars and/or training sessions to enhance legal and regulatory understanding among stakeholders in the trust sector; (ii) enhancing efforts to combat money laundering, financial terrorism, and proliferation financing in the trust sector (AML/CFT and counter proliferation financing); (iii) preparing and proposing legal and regulatory amendments to support the development of the trust sector; (iv) signing agreements with relevant ministries and institutions to collaborate on setting policies and legal frameworks that involve inter-ministerial and inter-institutional relevance; (v) cooperating to establish legal frameworks to manage tax matters within the trust sector; and (vi) implementing governance to monitor, research, inspect, and strengthen the application of laws and regulations by licensed operators and other participants in the trust sector.

To ensure the effectiveness of this strategy, it mandates continuous involvement from ministries, agencies, the private sector, and particularly stakeholders in the trust sector to diligently fulfill their roles and responsibilities with high accountability and ethical standards, aligning with the swift technological advancements of the digital era.

***The implementation plan is provided in the Appendix in Table 10.***



## **Chapter 13**

### **Fintech in the Non-bank Financial Sector**

#### **I. Background**

The non-bank financial sector has grown significantly in the past few years, especially during and after the COVID-19 crisis, significantly enhancing national economic growth. Technology was set by the Royal Government as the fifth key priority in the Pentagonal Strategy-Phase I, preceded by “people, road, water and electricity” so as to address the 4th industrial revolution and the digital transformation of Cambodia’s digital economy and society and enhance economic productivity. Fintech development in the non-bank financial sector is in an early stage, because development of the ecosystem in this sector is not yet vibrant and thus cannot make all social actors take maximum advantage of digitalization and digital transformation. To enhance development and use of fintech in the non-bank financial sector, the Non-Bank Financial Services Authority (FSA) was established in 2021 by law, as noted, which ensures its independence in fulfilling its functions by integrating the management and supervision mechanisms in the non-bank financial sector. Furthermore, the Financial Technology Centre (FinTech Centre), an institutional mechanism conducive to the development of fintech in the market, was established by sub-decree and placed under the structure of the General Secretariat of the FSA to enhance development and innovation of fintech in the non-bank financial sector. The FinTech Centre of the General Secretariat of the FSA is in charge of developing, regulating, training and disseminating fintech in the non-bank financial sector; and other subordinated regulators under the FSA are responsible for enhancing the development and use of fintech, including promotion of digital transformation, under their mandates.

The FinTech Centre of the General Secretariat has proactively put effort into fulfilling its mission and duties in concert with relevant social actors, particularly the subordinated regulators and entities under FSA. This can promote digital transformation in the non-bank financial sector through whole-of-government and dynamics-of-stakeholder approaches to use fintech and apply digital technologies.

#### **II. Reforms and Achievements**

Within the seventh legislature of the National Assembly, the Royal Government has set “reforms and governance strengthening” as the core of the Pentagonal Strategy-Phase I. It is also a motto encouraging the goals of Cambodia Vision 2050. In line with this strategy, the Government has developed policy and digital enablers, and promoted use and development of enabling technologies as well as develop and innovative fintech in the non-bank financial sector. These represent the four parts of the Cambodia FinTech Tree to help build a vibrant fintech ecosystem.

##### **A. Development of Policy Enablers**

The Rectangular Strategy-Phase IV, meanwhile, strategically encourages “development and use of FinTech”. The Cambodia Digital Economy and Society Policy Framework 2021–2035 also sets out directions and policy actions to promote transformation in all sectors of the digital economy and society, including use of FinTech. Moreover, the Cambodia Digital Government Policy 2022–2035 introduces policy actions promoting digital government and public services transformation, while the Cambodia Financial Technology Development Policy 2023–2028 focuses on development of the fintech ecosystem based on the Cambodia FinTech Tree, in line with the Ministry of Economy and Finance Vision 2030. The vision promoted digital transformation in the economic and financial sectors.

To promote the new technologies in the non-bank financial sector, regulations have been developed, among others, the Prakas on FinTech Regulatory Sandbox in the Non-Bank Financial Sector (2023), the Guidelines on FinTech Regulatory Sandbox in the Securities and Exchange Sector (2023), the Guidelines on InsurTech Regulatory Sandbox (2023), and the Guidelines on FinTech Regulatory Sandbox in the Trust Sector (2023). In the meantime, the Real Estate Business and Pawnshop Regulator has been studying and preparing draft Guidelines on FinTech Regulatory Sandbox in the Pledge and Transfer as Security Sector. The Royal Government is also preparing major draft laws with implications for fintech development in the non-bank

financial sector. These include the draft Law on Real Estate Businesses and Services, the draft Law on Management of Pledge and Transfer as Security Businesses, the draft Law on Cyber Security, the draft Law on Cyber Crimes, the draft Law on Personal Data Protection, and the draft Law on Technology Transfer.

### **B. Development of Digital Enablers**

In addition, the Government has launched Cambodia Data eXchange, an information technology platform for exchanging data securely through Application Programming Interfaces among public and private information technology systems, and members of the Cambodia Data Exchange.

The Government also introduced the Cambodia Digital Key, a know-your-customer system operated by Cambodia Data Exchange; the Cambodia Distributed Ledger, a blockchain network to test Web 3 applications (Web3) and promote technology innovation; a document verification platform, “verify.gov.kh”, a Royal Government platform developed by the Ministry of Post and Telecommunications using standard QR code; and other digital government platforms.

The subordinated regulators under the FSA have used or considered these platforms and are developing platforms and/or information technology systems to support digitalization of their services, particularly those under the development framework for registry and public services, accreditation, or business authorization.

SERC has been using and granting permission to use online registration and payment systems for training and examination and for continuing professional education programs in the securities and exchange sector; mobile trading system and CSX trade mobile application (CSX Trade); investor ID online system; derivatives trading mobile application; online securities trading account registration system; and online derivatives trading account registration system. It is developing systems for requesting or granting license/authorization/accreditation online and an online in-out document management system, the corporate data management system, and the financial report filing management system. Further, SERC has been developing technology for monitoring derivatives trading operations, that is, “supotech” and “regtech”. In addition, the Royal Government has launched the Cambodia E-Invoicing system and is developing the Data Lake and Analytics Platform for Economy and Finance, DG SuperApp, and the Digital Signature system.

To foster development of fintech, the Government has supported events such as the Reverse Innovation Acceleration Program, the Cambodia FinTech Forum, the Global FinTech Fest, and the FinTech Stage of Cambodia Tech Expo.

### **C. Promotion of the Use and Development of Enabling Technologies in the Non-bank Financial Sector**

The subordinated regulators and entities under FSA have organized and participated in training, workshops and study visits and have prepared and disseminated contents through social media on top of education and training activities organized at the educational and training institutions. These are in addition to the policies and strategies issued by the Royal Government, including the National Policy on Science, Technology and Innovation 2020–2030 and the Cambodia’s Science, Technology and Innovation Roadmap 2030. The FSA has also developed a fintech portal to share data, information, documents and other knowledge fintech. In addition, it has developed the FinTech Compendium and the FinTech Lexicon to promote and enhance awareness of laws and regulations and fintech terminology.

### **D. Promotion of the Development and Innovation of Fintech Activities in the Non-bank Financial Sector**

Although nascent, significant innovation has occurred in fintech products and services in the sector, including fintech products and services in the insurance sector (InsurTech) and in the securities and exchange sector.

## **III. Constraints, Challenges and Gaps**

In the last few years, development of the fintech ecosystem in the sector has not been vibrant in enabling all social actors to maximize digitalization, due to the lack of:

- a specific strategic plan framework for promoting digital transformation in the non-bank financial sector;
- laws and regulations that provide legal and regulatory frameworks relating to fintech and technology risk management in the non-bank financial sector;
- use of digital enablers developed by ministries and institutions and lack of new digital enablers, including integrated digital platforms and/or systems within FSA;
- human resources who have fintech capacity and skills in the non-bank financial sector;
- adoption, use and development of enabling technologies, in particular the state-of-the-art technologies in the non-bank financial sector; and
- use of available fintech products and services and diversification of new and innovative fintech products and services.

#### **IV. Strategic Roadmap for Fintech in the Non-bank Financial Sector**

In accordance with Side 5 “Development of Financial Technology” of Pentagon 5 “ Development of Digital Economy and Society” of the Pentagonal Strategy-Phase I and the Cambodia Financial Technology Development Policy 2023–2028, the strategic direction of the development of fintech in the non-bank financial sector focuses on 4 strategic goals. These are (i) development of policy enablers, (ii) development of digital enablers, (iii) promotion of the use and development of enabling technologies, and (iv) promotion of the development and innovation of fintech activities in the non-bank financial sector, which represent the four parts of the Cambodia FinTech Tree.

##### **A. Development of Policy Enablers**

- Develop and improve policy and strategy frameworks, develop and amend legal and regulatory frameworks, develop interoperability and interconnectedness frameworks, promote trustworthiness, strengthen collaboration and cooperation, and initiate innovations.
- Support development of digital enablers, promote use and development of enabling technologies and fintech activities in the non-bank financial sector.
- Introduce priority work relating to preparation of the Strategic Development Plan for Financial Technology in the Non-Bank Financial Sector as well as development of laws and regulations j fintech and technology risk management in the non-bank financial sector.

##### **B. Development of Digital Enablers**

- promote use of digital enablers developed by ministries and institutions and develop new and necessary digital enablers to support fintech development in the non-bank financial sector,
- develop digital enablers as an ecosystem and set priority work related to the preparation of regulation to entrust additional functions to the FinTech Centre of the General Secretariat of FSA as the Digital Transformation Unit of the FSA,
- develop digital transformation strategy plan in the non-bank financial sector, and research development of digital enablers, including integrated digital platforms and/or systems within the FSA and platforms and/or systems for collecting, managing, and sharing data.

##### **C. Promotion of the Use and Development of Enabling Technologies**

- promote and enhance the development of capacity and skills in technology and fintech so as to develop, adopt, and use technologies, in particular state-of-the-art technologies, in the public and private sectors;
- promote the use and development of enabling technologies through the priority work related to research and promotion of development and use of technologies in the non-bank financial sector; and
- promote and enhance development of fintech capacity and skills in the non-bank financial sector which support the development and innovation of fintech activities.

**D. Promotion of the Development and Innovation of Fintech Activities in the Non-bank Financial Sector**

- promote diversification of innovative fintech activities in the non-bank financial sector to keep pace with regional and global experience, best practice, and trends and to respond to market demand;
- improve access to non-bank financial services, trustworthiness, and consumer quality of life through fintech activities in the non-bank financial sector, including insurance and private pension sectors, securities and exchange, social security, trust, accounting and auditing, and real estate, pledge and transfer as security, and other fintech activities; and
- promote innovation in fintech activities in the non-bank financial sector through research on innovative fintech activities and development of programs in the non-bank financial sector, focusing on regulation, diversification, and promotion of innovation of fintech activities.

*The implementation plan is provided in the Appendix in Table 11.*

## Chapter 14

### Cross-Cutting Areas Supporting Development of the Financial Sector

#### I. Credit Information Sharing

##### A. Overview

The Credit Bureau Cambodia (CBC) provides credit information sharing, holding total assets of KHR 87.4 billion and 199 members, of which 61 commercial banks, 10 specialized banks, 4 microfinance deposit taking institutions, 86 microfinance institutions (MFIs), 15 financial lease institutions, and 23 rural credit institutions.

CBC collects data or credit information from individuals and corporations via banks and financial institutions. Its members can use historical data to assess customers' repayment abilities, aimed at reducing credit risk and making it easier for customers with good credit histories to borrow. As of December 2024, the total loans that data providers had entered into the credit information sharing system totaled KHR 236.4 trillion, equivalent to 4,300,313 accounts. These consisted of (i) individual loans of KHR 205.5 trillion, equivalent to 4,294,068 accounts, and (ii) corporate loans of KHR 30.9 trillion, equivalent to 6,243 accounts. The data of the total loan portfolio entered by each data provider includes KHR 211.1 trillion by commercial banks, KHR 2.4 trillion by specialized banks, KHR 14.3 trillion by microfinance deposit taking institutions, KHR 7.1 trillion by MFIs, KHR 1.4 trillion by financial lease institutions, and KHR 84.5 billion by rural credit institutions.

##### B. Reforms and Achievements

CBC's operations have shown remarkable progress, with its members accessing a total of 6.7 million credit reports. Commercial banks accessed 4.2 million reports (62.7%) and specialized banks accessed 169,100 reports (2.5%). Microfinance deposit taking institutions accessed 1.3 million reports (19.7%) and MFIs accessed 874,300 reports (13.1%). Financial lease institutions accessed 74,000 reports (1.1%) and rural credit institutions accessed 56,500 reports (0.1%). Meanwhile, the total number of bounced cheques provided by data providers in the credit information sharing system is 7,725, equivalent to 4,629 accounts and a total balance of KHR 2.6 trillion.

The credit information sharing system has been continuously enhanced and expanded through key developments including: (i) a memorandum of understanding in May between the Credit Bureau (Cambodia), Credit Bureau (Korea), and JEONBUK Bank on cooperation in cross-border credit information sharing between Cambodia and the Republic of Korea in the Republic of Korea, and (ii) launch of the Financial Transparency Corridor project between Cambodia and Singapore in June 2024 in Singapore. In addition, the new property verification service on CBC's website launched in December and using the data exchange program system of the Ministry of Land Management, Urban Planning and Construction and CBC. Important information such as property condition, ownership, rental history, and encumbrance history will be shown in the property report. Banks and financial institutions can download the report, which can aid analyzing and evaluating credit without having to spend time searching for or verifying real estate information at departments or ministries. This results from collaboration between the Ministry of Land Management, Urban Planning and Construction, the National Bank of Cambodia (NBC), CBC, and Fungi Co. Moreover, CBC supports consumer protection through sharing credit information.

Additionally, the NBC shared experiences in establishing, implementing, and monitoring credit information, sharing providers to delegations from central banks in Papua New Guinea, Solomon Islands, and Vanuatu.

##### C. Constraints, Challenges, and Gaps

Complete credit information from all relevant financial service providers will help institutions obtain borrowers' credit histories and accurately assess customers' repayment abilities. Other non-bank financial institutions not under NBC supervisory authority are not required to share information with the credit bureau, meaning it does not yet have complete credit information, and incomplete credit information affects the ability to reduce over-indebtedness and manage systemic risk. CBC's credit scoring system for borrowers, also known

as “K-Score”, collects information from member institutions under NCB supervisory authority. Hence, the “K-Score” does not give a complete picture of borrower creditworthiness.

#### **D. Strategic Roadmap for Financial Literacy**

To strengthen the CBC’s credit data collection, data from the non-bank financial sector that is not regulated by the NBC will fill the gap, leading to customer repayment assessment effectiveness. The NBC will collaborate with the FSA to enhance data collection from other sectors under FSA supervisory authority, ensuring data is shared with service providers of credit information sharing.

*The implementation plan is provided in the Appendix in Table 12.*

## **II. Anti-Money Laundering and Combatting the Financing of Terrorism**

### **A. Overview**

Economies across the globe have been facing formidable challenges from financial crimes, terrorist financing, drug trafficking, human trafficking, wildlife crimes, cybercrimes, and others. The combination of these factors gives rise to the menace of money laundering. Money laundering becomes a significant concern as it facilitates the concealment of proceeds of crime and can distort markets and thereby the broader financial system.

Cambodia has made the fight against money laundering and terrorism financing a priority, bringing tectonic improvements to the anti-money laundering and combatting the financing of terrorism (AML/CFT) regulatory framework. The key elements of the AML/CFT framework illustrated in FSDDS 2016–2025 are the introduction of nongovernment organisations, non-profit organisations, real estate companies, notaries, lawyers, security dealers, and accountants into the AML/CFT framework. In addition it is providing more comprehensive guidance to monitor operations of casinos and real estate sectors; enhancing Cambodia Financial Intelligence Unit (CAFIU) official capacity on analysis and supervision, maintenance of a comprehensive database of statistical information on AML/CFT, and raising AML/CFT awareness and capacity among regulated entities.

### **B. Reforms and Achievements**

#### **B.1. Summary of the Reforms and Achievements made by Cambodia since September 2017 (Mutual Evaluation)**

In September 2017, the Asia Pacific Group on Money Laundering (APG), in its Mutual Evaluation Report, noted that while Cambodia has significantly improved the level of technical compliance with Financial Action Task Force (FATF) Standards since a 2007 mutual evaluation, the country still needs expand improvements to effectively mitigate threats and vulnerabilities in money laundering and terrorism financing.

Currently, among the 40 recommendations, Cambodia has received 2 ratings of compliant, 31 ratings of largely compliant, 6 ratings of partial compliance, and 1 rating of non-compliance, the result reflecting its commitment to strengthening the AML/CFT system. Progress has been made in the legal and regulatory framework, institutional framework, and operational effectiveness in compliance with FATF standards. The Law on Anti-Money Laundering and Combating the Financing of Terrorism was promulgated on June 27, 2020 to establish measures for monitoring, prevention, suppression, and elimination of money laundering and terrorist financing in Cambodia.

At the same time, several directives have been issued, including risk-based supervision methodology, customer due diligence measures, correspondent banking and similar relationships, remittance and wire transfers, internal controls, and penalties for non-compliance with anti-money laundering and counter-terrorism financing laws and regulations. Additionally, key laws and regulations have been implemented to enhance oversight of AML/CFT nationally, in line with global trends for increasing compliance requirements for regulated and unregulated entities. These include the Law on Combating the Financing of the Proliferation of Weapons of Mass Destruction, the Law on Mutual Legal Assistance in Criminal Matters, and other relevant directives.

#### **B.2. The National Risk Assessment**

The National Risk Assessment (NRA) that was carried out in 2016 provided significant insights and enabled the authorities to understand the key challenges and limitations consisting of understanding of money laundering/terrorism financing risk, establishing a risk mitigation measures, developing AML/CFT National Strategy, and strengthening domestic cooperation. Cambodia is carrying out such NRAs every 5 years. In the meantime, the World Bank continues to provide its tools and assistance to carry out the second NRA (NRA-II) while including entities such as virtual asset service providers, NGOs, and non-profit organisations, etc.

### **B.3. Capacity Building**

CAFIU supervises the reporting entities through off-site monitoring and on-site inspection based on AML/CFT law. The monitoring of reporting entities has been implemented and tracked through various measures, such as the preparation of onsite reports and offsite documents. CAFIU has organized awareness programs on AML/CFT to comply with FATF requirements and training sessions incorporating new legal, regulatory, and evolving trends in AML/CFT practices as well as guidelines and reports from FATF, APG, and the Egmont Group. CAFIU has also promoted awareness of international standards and possible changes to reporting entities, ensuring high-level AML/CFT governance in Cambodia.

Cambodia will closely cooperate with the FATF and APG to strengthen its AML/CFT governance and frameworks and maintain its efforts to achieve full compliance with assessment by the FATF and build a strong reputation for secure financial market operations. Through enhanced measures, Cambodia aims to mitigate money laundering/terrorism financing risks effectively.

### **B.4. Investigation capabilities for money laundering/terrorism financing cases**

Cambodia has strengthened law enforcement to combat money laundering/terrorism financing by increasing human resources for financial crime investigations and implementing standard operating procedures. This has led to a rise in financial investigations targeting high-risk offenses related to money laundering and terrorist financing. Investigations have also resulted in freezing, seizing, and confiscating assets linked to criminal activities and money laundering. These excellent results are largely due to the establishment of working groups by ministries and institutions that have effectively implemented the procedures, ensuring a strong institutional and operational framework for AML/CFT.

## **C. Constraints, Challenges and Gaps**

Despite significant efforts to combat money laundering crimes, money laundering and terrorist financing risks remain a major concern, requiring government attention, particularly in sectors with large cash transactions. Awareness remains limited of suspicious transaction reports and cash transaction reports in the designated non-financial business and profession sector. Additionally, businesses operating along border areas that primarily conduct cash payments are a growing concern for authorities. The government has instructed concerned authorities to make anti-money laundering their highest priority as necessary for the good of the nation. The country has strengthened its legal principles; however, implementation of the law is still limited as investigations, prosecutions, and convictions of suspects are not in line with FATF standards yet.

## **D. Strategic Roadmap for AML/CFT**

### **D.1. FATF Mutual Evaluation**

**Compliance with FATF’s recommendations:** In the last few years, Cambodia has shown immense progress in strengthening its AML/CFT framework. The country continues to collaborate with FATF-Style Regional Bodies, where it is a member, to implement recommendations identified in mutual evaluation reports. At the same time, timely progress monitoring and strong cooperation among stakeholders, and transparency in reports reflect Cambodia’s commitment to complying with international AML/CFT standards. This dedication has helped the country successfully exit the FATF grey list. Furthermore, to ensure sustained compliance with FATF recommendations, it must establish regular self-assessment mechanisms, continuously develop its regulatory frameworks, and adapt to evolving legal conditions, which will foster a culture of proactive compliance.

### **D.2. National Risk Assessment**

**NRAs on money laundering and terrorist financing:** The government has regularly assessed various sectors, focusing on those with high-risk exposure. The country’s strategic approach in strengthening its AML/CFT framework includes development of the NRA II, which incorporates additional sectors such as virtual asset service providers, NGOs, and non-profit organizations. This approach aims to expand oversight and address deficiencies identified in previous assessments. It also ensures rapid and effective implementation of measures

to mitigate vulnerabilities along with the preparation for NRA III, which demonstrates its commitment in aligning with FATF standards.

### **D.3. Fit and Proper Requirements for Fis**

A thorough review of fit and proper requirements will be conducted for financial institutions to identify gaps in compliance with international standards. This review will focus on promptly addressing deficiencies to ensure a robust legal framework. This strategy aims to achieve full compliance with proper obligations while promoting integrity and accountability within the financial sector.

### **D.4. Enhanced Role of CAFIU**

**Strong regulatory and supervisory framework:** CAFIU ensures that reporting entities comply with AML/CFT requirements and that any identified gaps and results are fed back to them to strengthen the system and governance efficiently. The intelligence unit will continue its collaboration with APG to enhance the AML/CFT framework, aligning with FATF requirements. Additionally, CAFIU will provide mandatory compliance certification courses to reporting entities by incorporating money laundering/terrorism financing risk factors identified in NRA I and NRA II, tailored to business operations. CAFIU will also release detailed guidance for risk assessments, covering money laundering/terrorism financing risk identification, risk parameter evaluations, and risk mitigation strategies. These measures will reinforce compliance and promote a resilient and secure financial sector.

**Awareness-raising programs:** CAFIU will ensure ongoing awareness programs for reporting entities align with FATF standards and other international AML/CFT regulations, which include training on new legal provisions, emerging trends, and best practices related to AML/CFT. Additionally, to enhance the quality of AML/CFT reports submitted by reporting entities, CAFIU will provide guidance to improve the accuracy and reliability of reported information, ensuring compliance with international AML/CFT standards. This initiative will also incorporate advanced technologies and data analysis tools to improve efficiency in identifying suspicious transactions. These combined efforts aim to strengthen the integrity of the financial system and effectively combat financial crimes with precision and vigilance.

### **D.5. Enhance Compliance for Cash-intensive Businesses**

**Assessment of high-risk businesses:** In 2023, the FATF group of experts completed their on-site inspection of Cambodia's progress on the plan with positive conclusions. However, assessment of all businesses possessing high money laundering/terrorism financing risks in the country will continue. In the future, the assessment programs will include experiences from the past and the results of the on-site examination and will be based on risk-based schemes.

### **D.6. Strengthen Investigation Support Capabilities**

**Strengthen international cooperation:** The government will establish and approve clear policies and strategies to pursue confiscation, including repatriation, sharing, and restitution of criminal proceeds and property of equivalent value. These policies will include prioritization and execution of international cooperation requests and define clear roles and responsibilities of the CAFIU with regards to sharing of intelligence and the expectation from other countries' financial intelligence units regarding international cooperation. Also, a case management system will be adopted for effective processing of incoming and outgoing international cooperation requests by the Ministry of Justice.

**Contribute to an increase in money laundering investigations and prosecutions:** Law enforcement agencies will play a proactive role in increasing the number of money laundering investigations and prosecutions. Keeping detailed records of these cases, emphasizing collaboration with CAFIU, and demonstrating a rise in successful prosecutions will highlight advancements in money laundering/terrorism financing offenses. Additionally, evidence of continuous training programs for investigators and the implementation of advanced technologies for financial intelligence analysis will support compliance with this objective.

### **D.7. Improve Money Laundering and Terrorist Financing Data Collection**

Enhance dissemination of financial intelligence and other related data to law enforcement agencies in connection with high-risk crimes: CAFIU will strengthen its capabilities to enhance high-quality investigations and share information with law enforcement agencies, including the submission of financial investigation reports and strategic analysis reports collected from various entities. In this regard, CAFIU will implement the following steps: (i) data collection protocols, (ii) standard operating procedures, (iii) analysis reports, (iv) dissemination records, (v) technology integration documentation, and (vi) a feedback mechanism.

*The implementation plan is provided in the Appendix in Table 13.*

### **III. Promotion of Riel**

#### **A. Overview**

Dollarization has been deeply rooted in Cambodia's economy since the early 1990s, with foreign currency deposits consistently accounting for over 80% of total deposits for more than a decade. While dollarization provided critical support during the country's initial phase of economic recovery, it has increasingly posed challenges as the economy has matured and become more regionally integrated. Chief among these challenges is the limited independence of monetary policy, which is essential for ensuring macroeconomic stability and fostering sustainable growth. The economic disruptions caused by the COVID-19 pandemic underscored the vulnerabilities of dollarization and reinforced the importance of promoting greater use of riel.

#### **B. Reforms and Achievements**

Over the past decade, the use of riel has grown steadily. The volume of riel in circulation has increased at an average annual rate of 10%, while riel-denominated deposits have expanded by 27% annually. At the same time, foreign currency deposits have risen, growing by 17.4%. Although this growth in riel circulation has not significantly reduced overall dollarization, the use of the riel in larger transactions has become increasingly common. This progress reflects the implementation of several key policies and reforms, including:

- Requiring all tax payments to be made in riel, along with the general practice of paying utility bills, such as for water and electricity, in riel.
- Modernizing the electronic payment systems, most notably through the introduction of the Bakong payment system, which has made transactions more efficient and has accelerated the adoption of the riel, whose usage has outpaced that of the US dollar.
- Mandating that all banks and financial institutions regulated by the NBC provide at least 10% of their loan portfolio in riel. As of 2024, loans in riel accounted for approximately 13.3% of total loans.
- Supporting the growth of loans in riel through the introduction of monetary policy instruments aimed at improving the efficiency of riel liquidity management.
- Government securities are priced, bought, and sold in riel, a policy that has been in place since September 2022.
- The promulgation of the Public Procurement Law in May 2023, which requires all payments under public procurement contracts to be made in riel, except for contracts for procurement abroad, where payments can be made in foreign currencies; and
- Requiring all businesses and service providers to display prices in riel, a regulation introduced by the Ministry of Commerce in 2017 and reaffirmed with a reminder notice in 2023.

#### **C. Constraints, Challenges and Gaps**

Efforts to promote the use of riel face several key challenges, including:

- The widespread use and convenience of the US dollar for large transactions. Prices are still commonly set in dollars, and paying in riel often results in a loss due to merchants applying unfavorable exchange rates compared to the market.
- The majority of savings and loans are denominated in US dollars, reflecting the fact that most salaries are paid in dollars and high-value goods and services are typically priced in dollars.
- Minimum wages in sectors like garments, textiles, and footwear, as well as salary paid in many other industries, are still set in US dollars.
- Some government revenues are still collected in foreign currencies, such as income from tourism sites, airport taxes, visa and passport fees, and others, and
- Certain government expenditures, including public investment projects, are still paid in US dollars. Additionally, state-owned enterprises in sectors (such as agro-industry, water, electricity, and waste management) often charge in mixed currencies.

#### **D. Strategic Roadmap for Promotion of Riel**

Even with sound macroeconomic stability, international and domestic experience over the past three decades shows that dollarization does not subside easily without consistent and coordinated efforts from all stakeholders, including government ministries and agencies, the private sector, and the general public, to promote the use of riel.

To gradually increase the use of riel in the economy, several key actions are necessary:

- Develop a national strategy for promoting riel, ensuring comprehensive and coordinated participation across all stakeholders to support the sustainable use of riel.
- Set minimum wages in riel and continue promoting its use in public sector payments, as well as expand riel-based transactions to include more public services, such as education and healthcare fees, passport services, and spending on public development projects, human capital development, and social assistance programs etc.
- Raise public awareness and encourage both the private sector and the public to use riel more regularly, for example, by paying salaries and making high-value transactions in riel, and promote the opening of riel-denominated bank accounts.
- Enhance the accessibility and ease of using riel by lowering transaction fees and ensuring that ATMs are stocked with both small and large denomination riel banknotes.
- Launch public education campaigns to highlight the benefits of using riel, particularly targeting youth and businesses, using platforms such as social media, educational programs, and public forums.

*The implementation plan is provided in the Appendix in Table 14.*

## **IV. Sustainable Finance**

### **A. Overview**

Cambodia has begun to focus on sustainable finance in recent years due to the needs and opportunities associated with sustainable development. Under a business-as-usual scenario, the financing required to achieve Cambodia's Nationally Determined Contribution to reduce greenhouse gas emissions by 42% by 2030 is approximately USD 8 billion, of which about USD 5.8 billion will be required for climate change mitigation and about USD 2 billion for climate change adaptation. Sustainable financial instruments such as green bonds, sustainability bonds, sustainability-linked bonds, and green loans serve as effective debt instruments to mobilise funds to support sustainable development.

### **B. Reforms and Achievements**

Sustainable finance is an emerging priority for Cambodia's banking and financial sector. The NBC and the SERC have played an active role in formulating policies, providing supports and creating initiatives necessary to mobilise sustainable finance. Key achievements in sustainable finance-related work in recent years are as follows:

- The Association of Banks in Cambodia (ABC) has published the principles and guidelines on sustainable finance in Cambodia. This was completed by the Sustainable Financial Initiative working group, established in 2016 to develop and strengthen financial sector safeguards and risk management standards relating to environmental and social impact. In 2019, with NBC support, the ABC published the Cambodia Sustainable Finance Principles for its members in the banking sector to implement.
- In 2019, NBC, ABC, and the Ministry of Environment signed a memorandum of understanding to cooperate in the development and implementation of sustainable finance principles across the banking and financial sector.
- Since 2016, the ABC has become a member of the Sustainable Banking Network and conducted various workshops on sustainable finance related topics.
- The NBC has collaborated with several development partners for sustainable finance market assessment such as: (i) the International Finance Corporation on a research project on Market Scoping and Sustainable Finance Market Research in Cambodia and (ii) the United Nations Economic and Social Commission for Asia and the Pacific on Green and Sustainable Financial Market Analysis: Financing Cambodia's Future. At the same time, the NBC has started to assess risks posed by climate change in the banking sector in collaboration with the World Bank.
- The NBC has cooperated with United Nations Economic and Social Commission for Asia and the Pacific to develop Sustainable Finance Roadmap for Cambodia.
- The NBC has collaborated with the International Finance Corporation to develop a Sustainable Finance Taxonomy that set sustainability criteria for economic activities and investment.
- The NBC has incorporated environmental, social and governance (ESG) principles into the investment guidelines for international reserves and has invested in sustainability bonds.
- SERC, in collaboration with the ADB, adopted Detailed Guidance for Green Bond Issuance in the Kingdom of Cambodia and Guideline on the Issuance of Green, Social and Sustainability Bonds. SERC has also been collaborating with the ASEAN Secretariat to develop Guideline on the Issuance of Sustainability-linked Bonds in Cambodia. The adoption of these regulations will facilitate the offering of sustainable bonds in the Cambodia's bond market. As of 2024, 3 sustainable bonds were listed on the CSX, including Green Bond which was issued in early 2023 that complies with the ASEAN Standard, and Sustainability and Green Bond, which comply with ICMA Principles and issued in late 2023 and 2024 respectively.

- To promote the issuance of sustainable bond and ESG disclosure mechanism, SERC has been working closely with development partners including ADB, World Bank, United Nations Economic and Social Commission for Asia and the Pacific and Global Green Growth Institute. Meanwhile, tax incentives for green bond issuance is provided under the Sub-decree on Tax Incentives in the Securities Sector (2022). It offers issuers a 50% on income tax reduction with favorable tax conditions for three years. Meanwhile, sustainable bonds are eligible to receive special tax incentives.
- SERC became a member of the Sustainable Banking and Finance Network in 2024. Through this membership, it will further strengthen SERC’s efforts to promote sustainable finance development.
- SERC, with technical assistance from World Bank, has adopted a Prakas on ESG Disclosure.

## C. Constraints, Challenges and Gaps

### C.1. Technical Expertise and Institutional Capacity

A lack of knowledge and capacity in implementing sustainable finance among key stakeholders such as securities issuers, policymakers, private companies, and the public remains a major challenge in advancing sustainable financial development. This issue is reflected in the limited capacity of the private sector and the fact that sustainable finance is not yet fully prioritized. Some supporting services, such as legal and accounting expertise, information-sharing platforms, and coordination mechanisms, are either underdeveloped or absent in the market. Despite efforts by the government and various stakeholders such as the NBC, the Ministry of Economy and Finance, SERC, the ABC, and development partners, the lack of technical expertise and awareness of sustainable finance within institutions remains a key barrier to its growth.

### C.2. Limitations in the Securities Market

Cambodia’s securities market has developed significantly in recent years, but a mechanism is needed to channel its growth towards environmental protection and socioeconomic development. This can be achieved through financial instruments that take ESG into consideration, such as green, social and sustainability bonds, etc., by financial institutions. However, the country’s corporate bond market is still at a nascent stage and lacks a diversified base of domestic institutional investors beside commercial banks and insurance companies. There is limitation of market liquidity due to local institutional investors usually hold the bonds till maturity. The implementation of sustainability reporting standards may expose the securities market in Cambodia to anticipated challenges, despite the efforts to put in place the reporting mechanisms. One of the major challenges is the collection of required data from all stakeholders, line authorities and private companies working together to create the database to effectively produce the effective mechanism on disclosure reporting.

## D. Strategic Roadmap for Sustainable Finance

### D.1. Developing of a Sustainable Financial Investment Pipeline

**Create a database of sustainable projects:** Cambodia needs to create national database to facilitate investor in receiving information about investment opportunities of sustainable projects. The Ministry of Environment along with relevant ministries such as the Ministry of Public Works and Transportation, will explore building a public database of infrastructure projects. The Royal Government will closely monitor and support ASEAN Capital Markets Forum efforts in developing such database for the ASEAN region. The forum plans to create a comprehensive project database and expand it to include sustainable products, based on the Australia & New Zealand Infrastructure Pipeline infrastructure pipeline.

### D.2. Align Disclosure Reporting by Financial Institutions to International Standards

**Strengthen corporate sustainability disclosure standards:** Corporate sustainability disclosures will increase transparency and enhance investor ability to receive useful information on an enterprise’s commitment and performance. Sustainability reporting has become the norm in many economies, notably six member nations in the ASEAN region (Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam) have mandated sustainability reporting and issued national reporting guidelines. Securities market regulators in these regions are emphasizing corporate sustainability disclosure by listed companies.

SERC is exploring developing regulations on corporate sustainability disclosures that align with international standards for companies listed on the securities exchange, such as Global Reporting Initiative, Sustainability Accounting Standards Board, and International Integrated Reporting Council. ABC has issued voluntary guidelines on Cambodia Sustainable Finance Initiatives. NBC will promote sustainability disclosure standards. In the short to medium term, NBC, SERC, and the CSX will also support corporate enterprises' capacity building on sustainability reporting and disclosure.

With technical support from the World Bank, the FSA adopted the Prakas on ESG Disclosure in 2024. With it, it promotes listed company disclosure of ESG implementing activities to ensure transparency, comparability, and accountability the risks of impact from their operations and to enhance implementation of good governance and corporate social standards.

### **D.3. Capacity Building and Awareness Arising of Sustainable Finance**

**Provide technical assistance to managers:** ABC has been conducting workshops on sustainable finance and ESG requirements for banks and financial institutions. And SERC organizes frequent training and workshops in issuance and investment in sustainable bonds. The NBC, meanwhile, will continue to support coordination with development partners and other stakeholders to facilitate more technical workshops. The workshops and seminars should, at first, ideally be targeted towards managers across different stakeholder groups. For the NBC and SERC, the workshops will focus on supervision, international best practices, cross-border learning experiences, etc. For corporate bond issuers such as listed companies and potential issuers, technical assistance should focus on risks related to compliance with standards on sustainable products, corporate reporting requirements, and requirements of SMEs to issue sustainable bonds. Institutional investors will also be party to training, especially on responsible investment fund standards and integrating ESG into portfolio allocation.

**Increase public awareness of sustainable finance:** General public awareness of sustainable finance will be enhanced through continuous efforts by independent associations and regulators such as the NBC and SERC. Climate change also affects the general public through loss of property and livelihood and they should thus understand national and international interventions, and projects to mitigate and restrict impact. SERC will further collaborate with the ACMF to organize sustainable finance outreach programs and public awareness campaigns. Organizing a roadshow and annual sustainable finance forum is another way of disseminating sustainable finance opportunities and products for retail and institutional investors. SERC and the NBC will explore outreach programs through partnerships with multilateral development agencies and NGOs, effectively leveraging their subject matter expertise and promotional and educational skills.

**Facilitate knowledge transfer:** ABC has published principles and guidelines on sustainable finance on its website. The National Committee for Sustainable development also hosts important publications on climate finance such as climate change expenditure reviews and annual plans related to climate finance, but there is no consolidated knowledge hub on sustainable finance. The NBC can explore designing a more robust and comprehensive knowledge hub that serve as a library of research articles, thought leadership publications, guidelines for corporate disclosures, and relevant announcements.

### **D.4. Foster issuance of thematic bonds in Cambodia**

**Issue sovereign green bond:** Government will explore issuance of a sovereign thematic bond with the support from development partners including the Asian Development Bank or the World Bank. It will build on lessons from sovereign bond issuance and other thematic bond issues by private issuers in Cambodia. Among thematic bonds, green bonds are the most preferred instrument for sustainable finance, with more than USD 1 trillion issued worldwide. Investor demand is increasing for green bonds in Cambodia as the pipeline of investable sustainable projects flourishes. Sovereign green bond issuance will support financing and provide more liquidity to the developing bond market, and sovereign thematic issuance will act as a model for other interested issuers. Other thematic bonds have also gained traction in other ASEAN regions and have indirectly supported adoption of sustainability practices in Cambodia. For instance, the Sustainable Social Bond (SSB) Women's Livelihood bonds issued by the Investment Exchange in Singapore included loans to a microfinance institution.

**Incentives to ease the issuance of thematic bonds:** Cambodia’s first corporate green bond, issued by a real estate firm and listed on the CSX in January 2023, raised KHR 6 billion (approximately USD 1.5 million). In the same year, a major telecom company issued a thematic bond known as a sustainability bond, raising KHR 82.5 billion (approximately USD 20 million). Meanwhile, in 2024, a special economic zone issued the same type of bond and raised KHR 40 billion (approximately USD 10 million). Green bonds were issued and listed with the technical support of ADB to comply with the ASEAN Green Bonds Standards and International Capital Market Association Principles. Meanwhile, the issuance of green and sustainability bonds received technical assistance from the Economic and Social Commission for Asia and the Pacific and Global Green Growth Institute in Cambodia. Such issuance more issuance of thematic bonds. The green bond market survey in Cambodia revealed that prospective issuers demand subsidies to engage an external reviewer to label green bonds. On similar lines, SERC can consider exploring ways to reduce issuance costs and incentivise thematic bond issuance. Incentives in other ASEAN countries include reimbursement of listing fees, credit rating costs, legal support, second party opinion fees, and other expenses. Another approach to consider is including studies on sustainable bond issuance process and structure in grant funded technical assistance.

*The implementation plan is provided in the Appendix in Table 15.*

## **V. Information, Education and Communication**

### **A. Overview**

Cambodia's financial sector has been significantly transformed amid constant efforts by government and implementation of action plans outlined in each of the financial sector development strategies. However, the financial sector still faces challenges such as low financial literacy and awareness of financial markets or products and services. Overcoming these challenges with the right communication strategy will be instrumental in developing the financial sector, decreasing poverty, and achieving better economic growth.

### **B. Reforms and Achievements**

The National Financial Inclusion Strategy 2019–2025 is a comprehensive document that lays out initiatives and action plans to achieve outlined targets. It highlights six priority activities that can help stakeholders address the challenges of enhancing financial inclusion. Stakeholders responsible for implementation have undertaken various initiatives to achieve the targets of the priority areas.

- The IRC plans to set up the National School or Institute of Insurance as part a short-term goal in the Cambodia Strategic Development Plan for Insurance Sector 2021–2030, which will provide professional training for insurance intermediaries like brokers and insurance agents. The feasibility study for the National School is in progress. Insurance companies and the Insurance Association of Cambodia organized staff training in the insurance sector. Insurance Day is celebrated annually and awareness videos explaining the benefits of insurance are spread across social media regularly. The regulator will continue its programs promoting insurance awareness and literacy.
- SERC has also organized the Training and Examination and Continuing Professional Education in Securities Sector. The training is specifically designed for executives and staff of firms licensed, approved and/or accredited by SERC to operate in the securities industry. Those who pass the exam must attend a continuing professional education program every 2 years to maintain the validity of their qualification. The program comprises introductory and advanced courses covering the basics of securities trading, real practices, challenges, and various regulations. The SERC is also responsible for financial literacy/investor education, and has organised seminars and workshops.
- Despite the uncertain global economic landscape, the ongoing pandemic, and geopolitical tensions, the Trust Regulator continues to fulfil its primary mission in line with the trust sector development plan. This involves actively promoting public awareness of the trust sector among relevant market players. Since its establishment, the Trust Regulator has primarily focused on educating all relevant stakeholders in the trust sector, including:
  - Educating investors, national and international business associations in Cambodia, journalists, educational, training, and academic institutions, and the public, as well as public/private institutions, banks, microfinance institutions, and relevant individuals, on-site and online.
  - Training trust companies and service providers in the trust sector.
  - Hosting forums and/or conferences on the progress, challenges, and opportunities of the trust sector, providing an opportunity for the public, companies, and relevant institutions to gain additional information and knowledge about the sector's development.
  - Training for approved individuals to be recognized for their qualifications.
  - Providing training for continuing professional education.

However, despite past efforts to promote public awareness of the trust sector, the Trust Regulator has continually faced challenges, as many involved parties still do not fully understand it. In response, the Trust Regulator must continue to expand the scope of dissemination and promote deeper and wider understanding

of the sector to businessmen, business associations, journalists, educational, training, and academic institutions, the public, and relevant actors across the provinces and cities.

### **C. Constraints, Challenges and Gaps**

Some of the challenges faced by the financial sector in literacy and awareness are listed below:

- **Lower levels of inclusion in rural areas:** Inclusion in financial services in urban areas is 74% of urban adults but 69% of rural adults. With 75% of the total population residing in rural areas, formal financial service providers' distribution touch points are primarily located close to important marketplaces in urban areas. These channels include branches, ATMs, points-of-sale, and electronic banking services. To access these services, the rural population would have to travel long distances at great expense and time.
- **Limited awareness and adoption of financial products among MSMEs:** MSMEs play a significant role in the economic growth of the country as they represent approximately 90% of all enterprises operating in the country and employ close to 70% of the workforce while contributing to over half of the nation's GDP. However, more than 95% of SMEs remain unregistered. Absent proper registration, it becomes difficult for banks and financial institutions—including the SME bank established to cater to the credit needs of SMEs—to provide finance to SMEs. SMEs may also not have appropriate financial statements that can form the basis of credit screening by lending institutions. A major reason for non-registration of SMEs is fear of falling into the tax net/additional taxation, in addition to their lack of financial statements. While the Ministry of Commerce made it mandatory for online businesses to register by July 1, 2022, or face penalties, the ministry has made tremendous effort to enhance its automation system for business registration. Further business registration could also be conducted on the Cambodia Data Exchange portal, a single integrated platform allowing efficient and effective business registration and licenses from relevant agencies including the Ministry of Commerce, General Department of Taxation, and the Ministry of Labour and Vocational Training.
- **Most individuals only utilize one or two types of financial services:** 61% of adults who use formal financial products used only one form of financial service whereas only 3% used four types of products in 2021. This shows that a limited number of people effectively use the wide range of services available. Individuals augment these financial services by meeting their financial demands outside of formal and informal channels and instead transact in cash, savings, and borrow money from family and friends, with impact on the efficiency of the development of this sector.
- **Limited adoption of collective investment instruments:** Adoption is limited, as awareness of these instruments is sub-optimal. Promotion of the benefits of longer-term asset classes and the necessity of savings for the future can be greatly aided by collective investment plans, life insurance, pensions, and other programmes.

Although the trust sector is growing rapidly, it remains a relatively new concept that requires additional attention to strengthen and develop the skills to enhance the needed human resource capacity and to meet the size and needs of future work. Inter-institutional coordination mechanisms, regulatory units, operators nationally and internationally, and other relevant parties are still not complete and comprehensive. This is because some public and private institutions do not yet fully understand the trust sector and the importance of trust operations, which necessitates more time for dissemination and greater awareness. Overall, the trust sector does not yet seem to have a broad understanding due to several factors: (i) the participation of relevant actors is not yet comprehensive, (ii) the public's attention to this sector is still limited, and (iii) dissemination efforts are not yet sufficient and comprehensive.

### **D. Strategic Roadmap for Information, Education and Communication**

Information, education, and communication strategy for the non-bank financial sector is aimed at creating awareness of financial products and services, increasing their uptake and facilitating the growth of the non-

bank financial sector. The FSA is aware of the constraints and strategic measures will aim to overcome them. The FSA is also committed to capitalizing on the progress attained so far.

### **D.1. Promote Public Financial Literacy and Enhance Awareness of Financial Products**

**Introducing finance related topics in the academic curriculum:** The inclusion of financial concepts in the academic curriculum will enhance the financial acumen of children and youth and encourage use of financial services. This will stimulate better understanding of concepts related to personal finance and lead to more informed decision-making. The NBC and the Ministry of Education, Youth and Sport have already embarked on this journey with ADB support and have undertaken critical measures to integrate financial education into the school curriculum. The FSA will collaborate with the Ministry of Education, Youth and Sports to introduce fundamental aspects related to insurance, social security, securities market, accounting, auditing, trust and real estate business and pawnshop, among others, into the school curriculum. Educational institutions will be encouraged to organize case-study competition (based on themes related to the financial sector) to generate greater interest among youth and encourage them to pursue careers in the financial sector.

**Expanding the network of financial intermediaries and strengthening the distribution network of financial service providers:** Enhancing the reach of financial services to suburban and rural areas feature among the major FSA priorities. Service providers will be directed to strengthening their network of financial intermediaries (comprising insurance agents, brokers, telemarketers, etc.) to address the challenge of limited awareness in those areas. These intermediaries will facilitate smooth onboarding of customers and offering of services. They will also be provided with the relevant assistance and trained to provide appropriate post-sales support for the customers. They will be encouraged to leverage their existing relationships for cross-selling and upselling opportunities.

**Deploy conventional promotion mechanisms aimed at enhancing financial awareness and literacy:** the learnings attained from existing initiatives will be analysed to formulate suitable promotional mechanisms for enhancing financial awareness and literacy. Print media, comprising booklets, comic books, newsletters, magazines, thought leadership articles, etc., will be used extensively. The FSA will develop promotional and educational content about the non-bank financial sectors including insurance, securities, social securities, trust, accounting and audit, and real estate and pawnshop. These will be published and made widely available and easily accessible to the concerned entities and institutions. In addition, capacity-building sessions such as workshops and seminars will be conducted to disseminate the evolving concepts related to the financial sector.

**Undertake digital initiatives to facilitate greater awareness and an increase in uptake of financial products:** The conventional mechanisms mentioned above will be complemented by the implementation of appropriate digital initiatives. Creating content to increase awareness by means of advertisements, documentaries, and short videos, and broadcasting them via television channels and social media will facilitate better comprehension of financial concepts. Multiple versions of the digital outputs will be prepared based on the characteristics of target audience. In addition, regulators will encourage companies to develop gamification and simulation applications (based on financial planning) to boost the uptake of non-bank financial services.

**Develop strategy for promoting literacy and awareness for non-bank financial services sector:** effective implementation of proposed measures for promoting financial literacy and awareness will necessitate collaboration between FSA, the non-bank financial regulators under its supervision and other relevant stakeholders. A well-defined strategy along with a roadmap will be formulated. In addition, a stakeholder matrix will be developed to ensure that all the concerned stakeholders are well-versed in their responsibilities and undertake the assigned measures. A baseline survey will be conducted to assess the awareness of non-bank financial products and services among the public. The insights obtained from the survey along with the international best practices will be considered for formulating appropriate strategic measures. The strategy will outline the objectives, target audience, key messages, channels of communication, and evaluation methods for promoting financial literacy in non-bank financial services sector. In addition, a Monitoring and Evaluation framework will be developed to assess the progress and impact of implemented measures. One of

the strategic measures will also comprise the institutionalisation of the Financial Literacy Committee to streamline the actions and measures aimed at augmenting financial literacy of non-bank financial services.

**D.2. Promote Sound Financial Planning Among Entrepreneurs and Enterprises, and Facilitate Greater Access to Financial Resources for the Public**

**Improve SMEs’ access to finance:** The Ministry of Commerce will undertake a multi-pronged strategy to ensure that the target of SMEs business registration of 80%–95% as outlined in Cambodia’s Industrial Development Policy 2015–2025 is achieved. This would involve providing proper guidance to the SMEs about the law and registration process and providing clarifications regarding taxation. In addition, the ministry will also conduct workshops to educate the SMEs on registering.

**Capacity-building for SMEs and entrepreneurs:** Workshops and seminars specifically tailored for SMEs and entrepreneurs will be conducted. These initiatives will comprise topics including budgeting, cash flow management, financial planning, credit facilities, accounting principles, and tax regulations, among others. These capacity-building sessions will be conducted as a part of trade fairs, while other promotional events will be disseminated digitally in educational clips, short-term courses, gamifications, etc.

*The implementation plan is provided in the Appendix in Table 16.*

## **VI. Consumer Protection**

### **A. Background**

Consumer protection is a crucial component of a stable financial system, particularly for Cambodia, whose economy has grown rapidly over the past decades. Following the issuance of the Financial Sector Development Strategies (FSDS) 2016–2025, the government and regulators undertook numerous tasks in the financial sector, including the NBC and the non-bank financial regulators under the FSA. The Deposit Protection Scheme by the NBC and investor protection initiatives by the SERC, SSR, and Trust Regulator, among others, as discussed, are examples. However, development of a financial consumer protection framework remains limited relative to financial sector growth, and all stakeholders need to participate to achieve a robust one.

### **B. Reforms and Achievements**

Financial sector regulators have been promoting development of tasks to protect financial service consumers since implementation of FSDS 2016–2025. Among ways to strengthen financial consumer protection in the 2015 International Finance Corporation report “Promoting Financial Consumer Protection in Cambodia”, several have been implemented:

#### **B.1. Legal and Regulatory Framework**

- The Prakas on the Resolution of Consumer Complaints was adopted in 2017 to establish a mechanism to resolve consumer complaints of banking and financial institutions. As of 2024, the NBC had established 26 hotlines at headquarters and its municipal-provincial branches to resolve complaints. In 2024, central bank received 423 complaints and inquiries, with 256 cases originating from NBC headquarters and 167 cases from municipal-provincial branches.
- The “Banking and Financial Institutions’ Code of Conduct” was established by ABC, the Cambodia Microfinance Association, and the Cambodia Association of Finance and Technology to promote consumer rights and strengthen bank and financial institution integrity. A majority of banks and financial institutions are implementing the code.
- The “Lending Guidelines”, which is a significant milestone in strengthening consumer protection, was first implemented by the Cambodia Microfinance Association in 2016. Its implementation has been extended to banks and financial institutions to reduce over-indebtedness and late repayment caused by multiple-debts and rapid escalation of household debt.
- The Prakas on Interest Rate Ceiling on Loan set a maximum interest rate of 18% a year for loans provided by microfinance institutions and rural credit institutions to protect consumers from excessive interest rates.
- The Prakas on Procedures for Receiving and Mediating Insurance Complaints was promulgated in 2020 to provide a clear mechanism for resolving complaints in the insurance sector and building public trust in insurance services.
- The Ministry of Commerce introduced the Law on Consumer Protection in 2019 to determine rules and regulations for setting up a business environment in which consumer rights and interests are protected and fair competition in business safeguarded. However, the law does not cover the non-bank financial sector.
- The Ministry of Commerce and the NBC jointly issued a press release on the “Implementation of the Law on Consumer Protection and Prakas on Unfair Contract Clause in the Banking and Financial Sector” to promote economic stability and ensure consumer rights are protected. Banks and financial institutions have been advised to operate in accordance with the law and the Prakas on Unfair Contract Clause to promote transparent competition and ensure consumer rights protection.

## **B.2. Establishment of Supporting Institutions**

The CBC has played a critical role in constraining over-indebtedness and preventing excessive multiple borrowings and been mandated to provide a monthly report on the implementation of the Lending Guidelines.

The Consumer Protection Department was established within the NBC in late 2024 to strengthen consumer protection and coordinate resolution of banking and financial institutions' consumer complaints in line with the scope and development of the banking system.

The National Commission for Consumer Protection has been established under a sub-decree governing its organization and functioning, as stipulated by the Law on Consumer Protection. The Consumer Protection, Competition and Fraud Repression Directorate General, which acts as the Secretariat of the National Commission for Consumer Protection, is responsible for implementation of consumer protection activities, including policy and strategic planning and policies for consumer well-being, safety, and economic interest. It cooperates with relevant agencies to prevent fraud and ensure the quality, safety, and compliance of goods and services. However, this national commission coverage is not applicable to the non-bank financial sector.

## **C. Constraints, Challenges, and Gaps**

The existing Financial Consumer Protection framework is being strengthened in accordance with the international standards.

### **C.1. Legal and Regulatory Framework**

The existing Financial Consumer Protection framework is relatively inadequate compared to the international standards. In the banking sector, there are legal and regulatory frameworks and a department in charge of handling and coordinating consumer complaints. But consumer protection in the non-bank financial sector, as noted, still lacks a legal framework because the Law on Consumer Protection does not include non-bank financial services.

### **C.2. Dispute Resolution**

The Prakas on the Resolution of Consumer Complaints provides a mechanism to raise complaints with banks and financial institutions and may escalate complaints to the NBC if the consumer is not satisfied with the solution. If the complaint is still not addressed, the NBC will inform consumers about their rights to proceed to courts or arbitration.

For the non-bank financial sector, digitalization of the dispute resolution mechanism has been set up and implemented by some regulators, but not yet fully implemented by the whole sector.

## **D. Strategic Roadmap for Consumer Protection**

### **D.1. Legal and Regulatory Framework**

A comprehensive financial consumer protection legal framework for the non-bank financial sector will be developed under the aegis of the Ministry of Economy and Finance to ensure proper guidance for regulators as well as consumers. This framework would include regulations and supervision of market conduct practices, and financial education programs to empower consumers in making well informed decisions, strengthen non-bank financial infrastructure, set standards for sales and marketing professionals and provide complain handling mechanisms for all financial consumers. The framework will be considered and will complement the existing financial consumer protection legal and regulatory framework. A feasibility study will be undertaken to determine the legal and regulatory framework for the non-bank financial sector as it is not covered under the existing Law on Consumer Protection, as noted. Remaining important elements of financial consumer protection will be included in the development process of this strategy. Market conduct regulation and supervision will be given the same attention as prudential regulation and supervision.

While the NBC established a department overseeing consumer protection, a financial consumer protection unit will be set up under the FSA. The capacity of financial consumer protection officials will be strengthened

through training on best practices and supervisory tools. A coordination mechanism between the financial consumer protection units under the NBC and the FSA will be established.

### **D.2. Dispute Resolution**

- The information on the rights to complain and the procedures to make a complaint will be provided to the consumer through digital means when contracting a financial product or service. This could be in the form of FAQs, a mobile app, etc. Consumers must also be made aware of alternative dispute resolution mechanisms.
- Regulators will ensure every complaint can be received via digital means, in addition to existing means, regardless of the channel used to contract when using a financial product or service.
- A mechanism for insurance arbitrators will be set up in 2030 to earn consumer trust.
- The NBC will study the mechanism for strengthening consumer complaints and dispute resolution in the banking sector.

*The implementation plan is provided in the Appendix in Table 17.*



## **Chapter 15**

### **Monitoring and Evaluation Framework**

To respond to challenges during implementation of the financial sector development strategy, the Royal Government of Cambodia has prepared a three-tiered monitoring and evaluation framework with the following functions and responsibilities:

**I. The Economic and Financial Policy Committee (EFPC)** shall perform the following roles and responsibilities:

- Lead and coordinate with all relevant ministries and institutions.
- Monitor and evaluate the progress of implementation measures that have been issued, and coordinate with the responsible institutions to accelerate the implementation of measures showing slow or no progress.
- Provide guidance and direction on financial sector development.
- Report on progress and propose necessary measures to the Head of the Royal Government for review and decision.

The composition of the committee is stipulated in Royal Decree No. NS/RKT/0723/1563, dated 20 July 2023, on the establishment of the Economic and Financial Policy Committee.

**II. Steering Committee for Implementing the Financial Sector Development Strategy 2025–2030** shall perform the following roles and responsibilities:

- Serve as the Secretariat to the Economic and Financial Policy Committee in implementing financial sector development work.
- Lead, coordinate, monitor, and oversee implementation of action plans under the Government’s Financial Sector Development Strategy.
- Formulate and update the Financial Sector Development Strategy as necessary.
- Initiate and introduce appropriate measures to promote the development of the financial sector in alignment with the objectives of the Government’s Pentagonal Strategy and National Strategic Development Plan.
- Coordinate and strengthen cooperation with development partners for the advancement of the financial sector.
- Carry out other tasks as assigned by the Economic and Financial Policy Committee and the Royal Government.

The composition of the steering committee is stipulated in Sub-Decree No. 37 ANKr.BK dated 12 March 2025, on the amendment of the Sub-Decree on the Financial Sector Development Steering Committee, and in Decision No. 38 SSR dated 12 March 2025, on the appointment of the members of the Financial Sector Development Steering Committee.

**III. Technical Working Group for Implementing the Financial Sector Development Strategy 2025–2030** shall fulfill the following roles and responsibilities:

- Work with the Technical Assistance Team to promote the successful implementation of the strategic plan for the development of the financial sector and related credit agreements.
- Monitor and oversee the daily operations of the working groups of each respective institution, serving as an assistant to the steering committee.
- Review and monitor the implementation of the Royal Government’s Financial Sector Development Strategy 2025–2030.
- Prepare and update the “Financial Sector Development Strategy”, as necessary.
- Coordinate and ensure consensus among the Ministry of Economy and Finance, the National Bank of Cambodia, the Ministry of Commerce, other relevant ministries and government institutions, and development partners on all related matters.

- Regularly prepare and submit progress reports to the Steering Committee on the implementation and progress of the financial sector development strategic plan.
- Perform other duties as instructed by the Steering Committee.

The composition of each Technical Working Group shall be determined by a decision of the head of each competent institution, as specified in Decision No. 90 SSR dated December 8, 2022, on the Establishment of the Technical Working Groups of the Steering Committee for the Development of the Financial Sector.

## **Chapter 16**

### **Conclusion**

The ongoing development of a reliable financial sector and high growth in the last two decades has increased rapid demand for financial services, as reflected in the growth of deposits, insurance services, and other non-bank financial services. However, the COVID-19 pandemic severely undermined the main sectors of the economy, including tourism, construction, and the garment sector, and growth declined in 2020. In response, the Royal Government of Cambodia established urgent supporting measures that brought about rapid economic recovery.

After the COVID-19 pandemic, the world has encountered more challenges, especially geopolitical fragmentation and inflationary pressure, which generate greater uncertainty. Moreover, the pace of technological advancement has contributed actively to the development of the whole financial sector.

However, these developments come with new risks. To tackle these challenges and to continually support sustainable economic growth, Cambodia prioritizes a resilient financial sector, diversified economy, and digital innovation, which fall under the Financial Sector Development Strategy 2025–2030. The strategy focuses on strengthening the legal and regulatory framework, enhancing supervision, advancing digital transformation, promoting financial literacy, facilitating greater access to finance, especially for those who have not had access to formal financial services, etc.

In addition, climate change has become more frequent and has had a negative impact on economic and financial sectors. As Cambodia's agriculture still relies on a proper climate, climate change resilience and adaptation are necessary to contribute to the sustainability of economic growth and resilience as well as the financial sector. In this regard, the government and the National Bank of Cambodia have given special attention to strengthening the promotion of sustainable finance, a vital part of the Financial Sector Development Strategy. The strategy heavily focuses on strong and tight cooperation among institutions and all related stakeholders in tackling inter-sector challenges in financial sector development, especially anti-money laundering and combating the financing of terrorism; promotion of the use of Khmer riel; information, education, and communication strategy; and consumer protection.



# **Appendix 1: Implementation Plan for the Financial Sector Development Strategy 2025–2030**



## Appendix: Implementation Table for Financial Sector Development Strategy 2025–2030

## Banking Sector

Table 1: Implementation Plan for Banking Sector

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Legal and Regulatory Framework</b>				
<b>Establishment and Implementation of Deposit Protection System</b>	<ul style="list-style-type: none"> <li>Approve the Prakas on Deposit Protection in order to establish a deposit protection mechanism aimed at protecting depositors, increasing public confidence and maintaining financial stability;</li> <li>Draft regulatory framework related to membership, premium, coverage, and reimbursement procedure; and</li> <li>Strengthen capacity of the staff of the Deposit Protection Department.</li> </ul>	<ul style="list-style-type: none"> <li>Review and approve the legal and regulatory framework implemented in the short-term activities;</li> <li>Conduct a training needs assessment to evaluate the knowledge and skill levels of the staff in the Deposit Protection Department;</li> <li>Initiate capacity building for the staff of the Deposit Protection Department and other stakeholders; and</li> <li>Continue strengthening the capacity of the staff of the Deposit Protection Department.</li> </ul>	<ul style="list-style-type: none"> <li>Study the methodological framework to support the transition to risk-based premium calculation.</li> </ul>	<ul style="list-style-type: none"> <li>NBC and</li> <li>MEF</li> </ul>
<b>Awareness of the Deposit Protection System</b>	<ul style="list-style-type: none"> <li>Implement a public awareness campaign on the Deposit Protection; and</li> <li>Design a guide for depositors highlighting the key features of the deposit protection mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement the public awareness campaigns on Deposit Protection; and</li> <li>Enhance awareness of the deposit protection mechanism, standards, and related procedures by using visual and audio-based support tools.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance awareness of dispute resolution mechanism that have been put in place to manage payment inconsistencies (in the event of a bank run).</li> </ul>	<ul style="list-style-type: none"> <li>Commercial Banks</li> <li>Deposit Microfinance Institutions</li> <li>ABC and</li> <li>CMA</li> </ul>
<b>B. Financial Stability</b>				
<b>Crisis Preparedness and management Framework</b>	<ul style="list-style-type: none"> <li>Conduct a feasibility study for establishing sectoral crisis management; and</li> <li>Strengthen the monitoring and assessment on financial stability.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance crisis management by sector; and</li> <li>Strengthen the monitoring and assessment on financial stability by increasing the frequency of publishing financial stability review.</li> </ul>	<ul style="list-style-type: none"> <li>Further enhance crisis management by sector.</li> </ul>	<ul style="list-style-type: none"> <li>National Financial Stability Committee</li> <li>NBC</li> <li>FSA and</li> <li>MEF</li> </ul>
<b>Banking Resolution Framework</b>	<ul style="list-style-type: none"> <li>Complete drafting of law on regulation regarding special resolution framework for BFI.</li> </ul>	<ul style="list-style-type: none"> <li>Enact the law or regulation.</li> </ul>	<ul style="list-style-type: none"> <li>Review the existing resolution framework based on its application and make changes if required.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> </ul>

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>Enhancing cybersecurity and data governance for stable and thriving financial sector</b>	<ul style="list-style-type: none"> <li>Complete drafting of laws and regulations on cybersecurity and personal data protection.</li> </ul>	<ul style="list-style-type: none"> <li>Enact the law and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance a robust cybersecurity infrastructure and supervisory system for safeguarding the financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>MPTC</li> <li>NBC</li> <li>MEF and</li> <li>FSA</li> </ul>	
<b>C. Accessibility to Financial Services</b>					
<b>Monitoring and implementing the national financial inclusion strategy (2019–2025)</b>	<ul style="list-style-type: none"> <li>Review the implementation status of the action plans outlined in the NFIS and</li> <li>Make necessary adjustments based on the findings report to achieve the goals of the NFIS</li> <li>Continue to implement the NFIS based on the achieved outcomes of NFIS 2019–2025; and</li> <li>Monitoring the possibilities of updated the NFIS.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement the action plans based on the result of the review.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the action plans to further strengthen financial inclusion in country</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>MEF</li> <li>FSA</li> <li>IRC</li> <li>SERC and</li> <li>Other regulators</li> </ul>	
<b>Strengthening the Ecosystem of Accounts Receivable (AR) Platforms and Strategic Climate Funds (SCF)</b>	<ul style="list-style-type: none"> <li>Establish appropriate incentives (including financial, advisory, and technical support) to promote the participation of startups/institutions in further developing the AR platform and SCF sectors,</li> <li>Facilitate the participation of the Credit Guarantee Corporation of Cambodia in the AR platform and SCF sectors; and</li> <li>Encourage the involvement of banks and financial institutions in factoring operations within the platform</li> </ul>	<ul style="list-style-type: none"> <li>Increase the guarantees provided by the Credit Guarantee Corporation of Cambodia with participation from insurance companies and necessary support from the government.</li> <li>Define the mandates for approving these platforms within relevant ministries and national-level departments; and</li> <li>Establish dispute resolution mechanisms to manage conflicts that may arise from payment inconsistencies.</li> </ul>	<ul style="list-style-type: none"> <li>Lead SOEs in utilizing these platforms for operations with micro, small and medium-sized enterprises; and</li> <li>Promote the participation of private enterprises in these platforms.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>MEF</li> <li>CGCC</li> <li>IRC</li> <li>MOC</li> <li>Inter-ministries and</li> <li>International development partners</li> </ul>	
<b>Coordination of the implementation of inventory financing.</b>	<ul style="list-style-type: none"> <li>Issue guidelines on providing Inventory financing; and</li> <li>Create a form for a Stock Monitoring Agreement and a Collateral Management Agreement .</li> </ul>	<ul style="list-style-type: none"> <li>Organize an awareness training on the procedures and benefits of warehouse inventory financing</li> </ul>	<ul style="list-style-type: none"> <li>Support the development of electronic platforms to facilitate warehouse inventory financing</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>MEF</li> <li>SERC</li> <li>RPR and</li> <li>MOC</li> </ul>	
<b>Develop a strategy to promote knowledge and awareness for the banking sector</b>	<ul style="list-style-type: none"> <li>Assess the impact of the recommended measures and identify potential areas for improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a technical working group to coordinate the implementation of the proposed intervention measures</li> </ul>	<ul style="list-style-type: none"> <li>Implement the proposed measures and develop additional measures with the aim at utilizing on the achieved progress.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>ABC</li> <li>CMA and</li> <li>Other institutions</li> </ul>	

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
	<ul style="list-style-type: none"> <li>Develop a specific strategy to enhance financial literacy and awareness of financial products and services; and</li> <li>Develop a roadmap and stakeholder matrix to facilitate the implementation of the planned measures.</li> </ul>			
<b>D. Development of Interbank Market and Government Securities Market</b>				
<b>Development of Interbank Market and Government Securities Market</b>	<ul style="list-style-type: none"> <li>Explore the possibility of developing a full interest rate corridor to provide excess liquidity and obtain short-term interbank funding at reasonable interest rates.</li> <li>Prepare regulations for interbank market; and</li> <li>Create a secondary market for trading government securities and facilitate open market operations.</li> </ul>	<ul style="list-style-type: none"> <li>Develop platform for trading and clearing in the interbank market for finding good prices</li> <li>Develop regulatory functions and prepare legal standards for trading in financial instruments; and</li> <li>Deepen the development of government securities market in local currency and utilize resources for strategic public investment projects.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>MEF</li> <li>FSA</li> <li>CSX and</li> <li>SERC</li> </ul>	

**Leasing Sector and Hire-Purchase**

Table 2: Implementation Plan for Leasing Plan and Hire-Purchase

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Strengthen Legal Framework for Financial Lease</b>					
<b>Hire purchase contracts</b>	<ul style="list-style-type: none"> <li>Conduct the feasibility study for regulatory issuance on hire purchase.</li> </ul>	<ul style="list-style-type: none"> <li>Issue regulation on hire purchase contract if found possible.</li> </ul>	<ul style="list-style-type: none"> <li>Undertake credit risk assessment of hire purchase portfolio provided by financial leasing institutions; and</li> <li>Monitor the effectiveness of hire purchase performance.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> </ul>	
<b>Enhance efficacy of the collateral registration system</b>	<ul style="list-style-type: none"> <li>Assess the mechanisms for securing the leased property</li> <li>Review and explore the possibility of including financial leasing transactions in secured transactions at the Ministry of Commerce; and</li> <li>Confirm the property registration with the Legal Department of the Ministry of Commerce.</li> </ul>	<ul style="list-style-type: none"> <li>Promote the use of secured transactions if found possible; and</li> <li>Monitor the efficacy of secured transactions registry.</li> </ul>	<ul style="list-style-type: none"> <li>Explore modification or update additional user-friendly features if deem necessary.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>MOC</li> <li>MOJ and</li> <li>MPTW</li> </ul>	
<b>B. Study on Conditions of Provision and Accounting Standard for Financial Leasing Institutions</b>					
<b>Provision review for tax purpose</b>		<ul style="list-style-type: none"> <li>Conduct feasibility study for allowing financial lease sector to deduct provision for tax purpose based on specific issue and international best practices.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare for the implementation in financial leasing sector if the feasibility study on provisions for the financial leasing sector is acceptable and appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>GDT</li> <li>ABC and</li> <li>CMA</li> </ul>	
<b>C. Easing Accounting Conditions</b>					
<b>Provide adequate support to encourage adherence to accounting standards</b>	<ul style="list-style-type: none"> <li>Organize a workshop on the latest international accounting standards applicable to financial leasing institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the feasibility and readiness of financial leasing institutions to shift to CIFRS 16.</li> </ul>	<ul style="list-style-type: none"> <li>Promote and initiate knowledge building among regulatory staff on updated accounting standards; and</li> <li>Set a timeframe for full adoption of accounting standards for financial leasing institutions, if found feasible.</li> </ul>	<ul style="list-style-type: none"> <li>ACAR</li> </ul>	

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>D. Quick Resolutions of Commercial Disputes</b>					
<b>Establishment of a commercial court for resolving of commercial disputes</b>	<ul style="list-style-type: none"> <li>Finalise the preparation of rules, regulations, roles, and responsibilities the commercial Court.</li> </ul>	<ul style="list-style-type: none"> <li>Operate commercial courts; and</li> <li>Explore alternative measures to protect decline in value of asset, during the interim period.</li> </ul>	<ul style="list-style-type: none"> <li>Organize judicial training programs on financial leasing activities for judges; and</li> <li>Educate financial leasing institutions on the roles of commercial court in protecting the interests of lessees.</li> </ul>	<ul style="list-style-type: none"> <li>MOJ</li> <li>Financial Leasing Institutions and</li> <li>NBC</li> <li>MOC</li> <li>MOI</li> <li>MEF and</li> <li>CAFIU</li> </ul>	
<b>Repossession for financial lease institutions in case lessee fails to comply with contractual obligation</b>	<ul style="list-style-type: none"> <li>Discuss and seek for suitable self-repossession solution of leased assets by financial lease institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage financial lease institutions to implement the self-repossession solution if found feasible/suitable.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage financial lease institutions to implement the self-repossession solution if found feasible/suitable.</li> </ul>	<ul style="list-style-type: none"> <li>MOJ</li> <li>NBC and</li> <li>Other Related Ministries-Institutions</li> </ul>	
<b>E. Strengthening Knowledge on Financial Leasing</b>					
<b>Feasibility assessment of establishing a leasing association/financial leasing committee</b>	<ul style="list-style-type: none"> <li>Study the feasibility and gauge interest in establishing a Financial Leasing Association; and</li> <li>Explore the feasibility of establishing a Financial Leasing Committee under ABC/CMA.</li> </ul>	<ul style="list-style-type: none"> <li>Set up a financial leasing unit, if found possible.</li> </ul>	<ul style="list-style-type: none"> <li>Invite members to join the financial leasing unit.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> </ul>	

## Payment Systems and Financial Innovations

Table 3: Implementation Plan for Payment Systems and Financial Innovations

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>Payment system infrastructure</b>	<ul style="list-style-type: none"> <li>Introducing Integrated Payment System; and</li> <li>Issuing Rule and Procedures for Integrated Payment System.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the progress made and make necessary updates.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the progress made and make necessary updates.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> </ul>
<b>Cross-border payment and remittance</b>	<ul style="list-style-type: none"> <li>Continue to launch bilateral cross-border payment; and</li> <li>Explore multilateral-connectivity of cross border payment.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to launch bilateral cross-border payment; and</li> <li>Continue to explore multilateral-connectivity of cross border payment.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to launch bilateral cross-border payment; and</li> <li>Continue to explore multilateral-connectivity of cross border payment.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> </ul>
<b>Payment service</b>	<ul style="list-style-type: none"> <li>Establish comprehensive regulatory framework to regulate and govern fintech financing platform; and</li> <li>Establish a robust regulatory framework enabling agents to represent BFIs in offering limited banking services on their behalf.</li> </ul>	<ul style="list-style-type: none"> <li>Practice comprehensive regulatory framework to regulate and govern fintech financing platform.</li> </ul>	<ul style="list-style-type: none"> <li>Continue practice comprehensive regulatory framework to regulate and govern fintech financing platform.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> </ul>
<b>Financial Innovation</b>	<ul style="list-style-type: none"> <li>Support enabling environment for bolstering digital adoption and infrastructure in the banking sector</li> <li>Study and prepare draft Prakas on licensing and authorization for crypto asset service providers; and</li> <li>Study and prepare draft Prakas on prudential regulations for crypto-asset exposure.</li> </ul>	<ul style="list-style-type: none"> <li>Promote the development of digital infrastructure in banking sector; and</li> <li>Compliance and review.</li> </ul>	<ul style="list-style-type: none"> <li>Promote the adoption of digital technology and digital payment in banking sector; and</li> <li>Compliance and review.</li> </ul>	<ul style="list-style-type: none"> <li>NBC/Banking and Financial Institutions</li> </ul>

**Non-Bank Financial Sector**

Table 4: Implementation Plan for Non-Bank Financial Sector

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Policy, Strategic and Institutional Framework</b>					
<b>Development of strategic policy framework, and institutional development</b>	<ul style="list-style-type: none"> <li>Facilitate the development and implementation of financial sector development strategy, nonbank financial sector; and</li> <li>Study, research, and develop indicators for development of nonbank financial sector periodically</li> </ul>	<ul style="list-style-type: none"> <li>Monitor progress of implementing financial sector development strategy, nonbank financial sector; and</li> <li>Participate in updating financial sector development strategy as necessary</li> </ul>	<ul style="list-style-type: none"> <li>Continue participating in updating financial sector development strategy as necessary</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA and; Regulators under FSA</li> </ul>	
<b>Institutional Development</b>	<ul style="list-style-type: none"> <li>Strengthen and enhance the cooperation with the regional financial authority.</li> </ul>	<ul style="list-style-type: none"> <li>Establish collaborative partnership with regional financial institution through forum membership</li> </ul>	<ul style="list-style-type: none"> <li>Foster alliance and collaboration resulting from forum engagement; and</li> <li>Facilitate the establishment of division in charge of ESG</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA</li> </ul>	
<b>Development of the movable asset financing strategy</b>	<ul style="list-style-type: none"> <li>Conduct the feasibility study on the development of the movable asset financing strategy</li> </ul>	<ul style="list-style-type: none"> <li>Develop the movable asset financing strategy</li> </ul>	<ul style="list-style-type: none"> <li>Implement, monitor and evaluate the implementation of the movable asset financing strategy</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA</li> <li>RPR</li> <li>Relevant ministries and institutions</li> <li>NBC</li> </ul>	
<b>Development of the consumer financing strategy</b>	<ul style="list-style-type: none"> <li>Conduct the feasibility study on the development of the consumer financing strategy</li> </ul>	<ul style="list-style-type: none"> <li>Develop the consumer financing strategy</li> </ul>	<ul style="list-style-type: none"> <li>Implement, monitor and evaluate the implementation of the consumer financing strategy</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA</li> <li>Relevant ministries and institutions</li> <li>NBC</li> </ul>	
<b>B. Developing the Non-Bank Financial Services Market</b>					
<b>Development of tax incentive framework for financial sector including both banking sector and nonbanking sector</b>	<ul style="list-style-type: none"> <li>Study and develop tax incentive framework for financial sector including both banking sector and nonbanking sector</li> </ul>	<ul style="list-style-type: none"> <li>Implement and monitor the implementation of tax incentive framework for financial sector including both banking sector and nonbanking sector and; Monitor and evaluation impact of implementing tax incentives framework</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and evaluation impact of implementing tax incentives framework; and</li> <li>Updating as necessary</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA</li> <li>Regulators under FSA</li> <li>NBC</li> <li>GDT</li> <li>Relevant ministries and institution</li> </ul>	

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>Develop key regulation</b>	<ul style="list-style-type: none"> <li>Develop guidelines for monitoring the development of financial products, services and new financial tools</li> <li>Prepare legal framework and related regulation to establish and manage an international financial centre</li> <li>Prepare decision on establishment of working group on credit guarantee scheme regulation and; Study and prepare roadmap and implementation plan on regulating credit guarantee scheme</li> <li>Conduct feasibility study on establishing consumer protection system</li> </ul>	<ul style="list-style-type: none"> <li>Implement the guidelines by selecting a sub sector of nonbank financial or markets for pilot implementation</li> <li>Prepare guidelines and related regulations for the operation of international financial centre</li> <li>Study and research laws and regulations related to credit guarantee scheme in other countries on both regional and international by conducting study visit to those countries</li> <li>Set up consumer protection system such as preparing draft law and/or regulations related to consumer protection in the nonbank financial sector and; Prepare consultation workshop on draft law and/or regulations related to consumers protection in the nonbank financial sector</li> </ul>	<ul style="list-style-type: none"> <li>Establish a framework for continuous monitoring and updating and; Guidelines</li> <li>Implement and update the guidelines as necessary</li> <li>Prepare draft law related to credit guarantee scheme and; Prepare consultation workshop on draft law</li> <li>Enhance consumer protection system to cover broad basic</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA and; Regulators under FSA</li> <li>General Secretariat of FSA</li> <li>General Secretariat of FSA</li> <li>General Secretariat of FSA</li> <li>General Secretariat of FSA</li> <li>Regulator under FSA</li> <li>Relevant ministries and institutions</li> </ul>
<b>Promote market growth, innovation and diversification of products and services</b>				
<b>Development of consumer protection system</b>				
<b>C. Ensure stability of the nonbank financial system</b>				
<b>Early warning system</b>	<ul style="list-style-type: none"> <li>Conduct feasibility study on developing early warning system across the nonbank financial sector</li> </ul>	<ul style="list-style-type: none"> <li>Establish the early warning system based on the result of feasibility study on developing early warning system across the nonbank financial sector</li> </ul>	<ul style="list-style-type: none"> <li>Establish the early warning system based on the result of feasibility</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA</li> </ul>
<b>Law on financial stability for the non-bank financial sector</b>	<ul style="list-style-type: none"> <li>Conduct feasibility study on drafting law on financial stability for the non-bank financial sector</li> </ul>	<ul style="list-style-type: none"> <li>Prepare law on financial stability and; Conduct the feasibility study on preparing draft law on financial stability for the non-bank financial sector</li> </ul>	<ul style="list-style-type: none"> <li>Prepare law on financial stability for the non-bank financial sector</li> </ul>	<ul style="list-style-type: none"> <li>General secretariat of FSA</li> </ul>
<b>Report on “Macroeconomic and the Non-Bank Financial</b>	<ul style="list-style-type: none"> <li>Research report format “Macroeconomic and Non-bank financial sector: Annual Outlook” and;</li> </ul>	<ul style="list-style-type: none"> <li>Prepare report on “Macroeconomic and nonbank financial sector: Annual Outlook.”</li> </ul>	<ul style="list-style-type: none"> <li>Prepare report on “Macroeconomic and nonbank financial sector: Annual Outlook.”</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA</li> </ul>

Development Areas		Activities for 2025–2026		Activities for 2027–2028		Activities for 2029–2030		Responsible Agencies	
<b>Sector: Annual Outlook</b>		<ul style="list-style-type: none"> <li>Request technical assistance from the development partner for the preparation of report on “Macroeconomic and Non-bank financial sector: Annual Outlook”.</li> </ul>							
<b>Promote compliance and efficiency in combating money laundering and financing of Terrorism</b>		<ul style="list-style-type: none"> <li>Participate in the national risk assessment on combating money laundering and financing of terrorism</li> <li>Monitor and enhance the compliance of subordinated entities of the FSA in accordance with Financial Action Task Force’ Recommendations and strengthening the implementation effectively and;</li> <li>Raise awareness for the focal officers and reporting entities of subordinating entities of the FSA regarding regulation on AML/CFT and CPF</li> </ul>	<ul style="list-style-type: none"> <li>Participate in preparing National Strategy on combating money laundering and financing of terrorism</li> <li>Continue monitoring and enhancing the compliance of subordinating entities of the FSA in accordance with Financial Action Task Force’ Recommendations and strengthening the implementation effectively and;</li> <li>Continue Raising awareness for the focal officers and reporting entities of subordinating entities of the FSA regarding regulation on AML/CFT and CPF</li> </ul>	<ul style="list-style-type: none"> <li>Participate in the re-preparing and implementing of the National Strategy on combating money laundering and financing of terrorism</li> <li>Continue monitoring and enhancing the compliance of subordinating entities of the FSA in accordance with Financial Action Task Force’ Recommendations and strengthening the implementation effectively and;</li> <li>Continue Raising awareness for the focal officers and reporting entities of subordinating entities of the FSA regarding regulation on AML/CFT and CPF</li> </ul>			<ul style="list-style-type: none"> <li>General secretariat of FSA</li> </ul>		
<b>D. Foster effectiveness of FSA’s operations</b>									
<b>General support for the operation of the FSA</b>		<ul style="list-style-type: none"> <li>Start the operation of the One Window Service of the FSA</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and facilitate the operation of the One Window Service of the FSA</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen and expand the scope of public services delivery through One Window Service of the FSA</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA</li> </ul>				
<b>Awareness Raising</b>		<ul style="list-style-type: none"> <li>Prepare regulations to manage and develop human resources of the FSA</li> <li>Disseminate information and events of the FSA to raise more public awareness</li> </ul>	<ul style="list-style-type: none"> <li>Implement and disseminate regulations related to development of human resources of the FSA</li> <li>Monitor and strengthen the dissemination of information and events of the FSA</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation of regulations related to development of human resources of the FSA and update as necessary.</li> <li>Expand the scope of disseminating information and events of the FSA</li> </ul>	<ul style="list-style-type: none"> <li>General Secretariat of FSA</li> <li>General Secretariat of FSA</li> </ul>				
<b>Develop the technique Framework for monitoring and inspection</b>		<ul style="list-style-type: none"> <li>Develop and implement the regulatory framework for financial audit and HR audit at level 1: Effectiveness, on units under FSA.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and implement the regulatory framework for fixed asset audit, information technology audit, at level 1: Effectiveness, on units under FSA.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and implement the regulatory framework for performance audit, financial audit, human resource audit, at level 2: Efficiency, on units under FSA.</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit Unit</li> </ul>				

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>Strengthening and expansion awareness and Disseminating-audit functions.</b>	<ul style="list-style-type: none"> <li>Organize a training course on the best practice of financial management and human resource management.</li> </ul>	<ul style="list-style-type: none"> <li>Organize a training course on the best practice of fixed asset management and information technology management.</li> </ul>	<ul style="list-style-type: none"> <li>Organize a training course on the best practice of operation management, financial management and human resource management, at level 2.</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit Unit</li> </ul>
<b>Information Technology Development</b>	<ul style="list-style-type: none"> <li>Approach international counterparts for knowledge sharing via training.</li> <li>Develop an IT system for data management and storage, the audit report system, and the information sharing system between the internal audit unit of FSA and the units under FSA.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with national and international partners to organize training sessions for knowledge sharing to the units under FSA.</li> <li>Develop an information technology system for implementing the internal work.</li> </ul>	<ul style="list-style-type: none"> <li>Develop an information technology system for implementing administration, financial work, monitoring, and communication.</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit Unit</li> <li>Internal Audit Unit</li> </ul>

**Insurance Sector**

Table 5: Implementation Plan for Insurance Sector

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Raising Insurance Awareness and Literacy</b>					
<b>Conducting a survey on public awareness and trust in insurance services</b>	<ul style="list-style-type: none"> <li>Conduct a survey on public awareness and trust in insurance services, and</li> <li>Organize a dissemination seminar the survey findings</li> </ul>	Organize dissemination seminar to promote the benefits of insurance across provinces and municipality	Organize dissemination seminar to promote the benefits of insurance across provinces and municipality	<ul style="list-style-type: none"> <li>IRC</li> <li>IAC</li> <li>Insurance companies</li> </ul>	
<b>Promoting the dissemination on benefits of insurance</b>	Organize dissemination seminar to promote the benefits of insurance across provinces and municipality	Organize dissemination seminar to promote the benefits of insurance across provinces and municipality	Organize dissemination seminar to promote the benefits of insurance across provinces and municipality	<ul style="list-style-type: none"> <li>IRC</li> </ul>	
<b>B. Market Development</b>					
<b>Foster the Implementation of Compulsory Insurance</b>	<ul style="list-style-type: none"> <li>Monitor and evaluate the implementation of compulsory insurance through regular inter-ministerial working group meetings</li> <li>Conduct meeting to guide insurance companies in regard of improving the quality of insurance service</li> <li>Conduct dissemination seminars on compulsory insurance to the public and relevant stakeholders</li> <li>Collect, compile, and share relevant data on compulsory insurance among the members of the inter-ministerial working group</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and evaluate the implementation of compulsory insurance through regular inter-ministerial working group meetings</li> <li>Conduct meeting to guide insurance companies in regard of improving the quality of insurance service</li> <li>Conduct dissemination seminars on compulsory insurance to the public and relevant stakeholders</li> <li>Collect, compile, and share relevant data on compulsory insurance among the members of the inter-ministerial working group</li> <li>Study and prepare to introduce new compulsory insurance</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and evaluate the implementation of compulsory insurance through regular inter-ministerial working group meetings</li> <li>Conduct meeting to guide insurance companies in regard of improving the quality of insurance service</li> <li>Conduct dissemination seminars on compulsory insurance to the public and relevant stakeholders</li> <li>Collect, compile, and share relevant data on compulsory insurance among the members of the inter-ministerial working group</li> <li>Study and prepare to introduce new compulsory insurance</li> </ul>	<ul style="list-style-type: none"> <li>Inter-Ministerial Working Group on Compulsory Insurance</li> </ul>	
<b>Microinsurance</b>	<ul style="list-style-type: none"> <li>Organize dissemination seminars to raise public awareness on microinsurance, especially in the rural and remote areas</li> <li>Develop a guideline on receiving and settling claim for microinsurance</li> </ul>	<ul style="list-style-type: none"> <li>Encourage microinsurance companies to set up branches in rural and underserved areas</li> <li>Facilitate newly established companies to set up head office outside Phnom Penh city</li> <li>Continue to organize dissemination seminars to raise public awareness on microinsurance, especially in rural and remote areas</li> <li>Monitor claim settlement practices of microinsurance companies</li> </ul>	<ul style="list-style-type: none"> <li>Encourage microinsurance companies to set up branches in rural and underserved areas</li> <li>Facilitate newly established companies to set up head office outside Phnom Penh city</li> <li>Continue to organize dissemination seminars to raise public awareness on microinsurance, especially in rural and remote areas</li> <li>Monitor claim settlement practices of microinsurance companies</li> </ul>	<p>Lead by:</p> <ul style="list-style-type: none"> <li>IRC</li> </ul> <p>Join implementation by:</p> <ul style="list-style-type: none"> <li>Microinsurance companies</li> </ul>	
<b>Agricultural and disaster insurance</b>	Study the development of a strong mechanism for transferring risk of climate			<ul style="list-style-type: none"> <li>IRC</li> </ul>	

	change and disaster for agricultural sector and public infrastructure				<ul style="list-style-type: none"> <li>• IRC</li> <li>• IAC</li> <li>• Insurance companies and related institutions</li> </ul>
<b>Mortality and Morbidity Table</b>	Prepare mortality and morbidity table for Cambodia				
<b>C. Supervision Framework</b>					
<b>Corporate Governance of insurance companies</b>	Enhance insurance company governance compliance to Prakas on Insurance Company Governance.	Study and set requirement for the establishment of Borad of Directors Committee in companies as necessary	Strengthen compliance align with ICP 7 of International Association of Insurance Supervisors		IRC
<b>Risk-Based Supervision</b>	Implement risk-based supervision parallel with plan capital requires for risk-based of insurance companies	<ul style="list-style-type: none"> <li>• Study and research on Enterprise Risk Management for the transition to risk-based capital regime</li> <li>• Study and conduct assessment on the supervisory tool for the transition to risk-based capital regime</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare and implement enterprise risk management for insurance companies in accordance with the new capital regime</li> <li>• Implement the new risk-based capital regime</li> </ul>		<ul style="list-style-type: none"> <li>• IRC</li> <li>• IAC</li> </ul>
<b>Reporting</b>	Supervise reporting obligation of insurance institutions in accordance with existing regulation	Study the format of the Financial Condition Report	Prepare the implementation on reporting obligation and set dateline in report		IRC
<b>D. Legal and Regulatory Framework</b>					
<b>D.1. Insurance Regulatory Framework</b>					
<b>Prepare an assessment of insurance regulations</b>	Prepare an assessment of the overall regulatory framework to identify the gaps	Update the regulatory framework based on the assessment result	Update the regulatory framework based on the assessment result		<ul style="list-style-type: none"> <li>• IRC</li> <li>• IAC</li> </ul>
<b>Prepare regulations related to Compulsory Motor Third-Party Liability Insurance</b>	<ul style="list-style-type: none"> <li>• Prepare Sub-decree on Compulsory Motor Third-Party Liability Insurance</li> <li>• Prepare Prakas on Receiving and Settling Claim for Motor Third-Party Liability Insurance</li> <li>• Prepare Prakas on the Implementation of Policy Wording for Motor Third-Party Liability Insurance</li> <li>• Prepare Prakas on the Premium Calculation for Compulsory Motor Third-Party Liability Insurance</li> </ul>	Disseminate and strengthen the implementation of Sub-decree on Compulsory Motor Third-Party Liability Insurance and relevant regulations	Continue to disseminate and strengthen the implementation of the Sub-Decree on Motor Third-Party Liability Insurance and relevant regulations.		<ul style="list-style-type: none"> <li>• IRC</li> <li>• Relevant ministries-institutions</li> </ul>
<b>Prepare regulations related to Business Licensing by Products</b>	Prepare Prakas on Private Pension Business Licensing	Prepare Prakas on Motor Vehicle Insurance Business Licensing	Prepare Prakas on Health Insurance Business Licensing		IRC
<b>Prepare regulation(s) on Settling Claim for Microinsurance</b>	Prepare Guideline on Claim Receiving and Settlement for Microinsurance				IRC

<b>D.2. Anti-Money Laundering and Combating the Financing of Terrorism</b>			
<b>Prepare regulation(s) on imposition of disciplinary sanctions against reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Proliferation of Weapons of Mass Destruction</b>	Prepare a Prakas on imposition of disciplinary sanctions against reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Proliferation of Weapons of Mass Destruction	Disseminate and implement the Prakas on imposition of disciplinary sanctions against reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Proliferation of Weapons of Mass Destruction	Continue to implement the Prakas on imposition of disciplinary sanctions against reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Proliferation of Weapons of Mass Destruction
<b>Disseminate and implement the Prakas on imposition of disciplinary sanctions against reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Proliferation of Weapons of Mass Destruction</b>	Disseminate and implement the Prakas on imposition of disciplinary sanctions against reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Proliferation of Weapons of Mass Destruction	Disseminate and implement the Prakas on imposition of disciplinary sanctions against reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Proliferation of Weapons of Mass Destruction	Continue to implement the Prakas on imposition of disciplinary sanctions against reporting entities in the insurance sector that are not compliant with the Law on Anti-Money Laundering and Combating the Financing of Terrorism and the Law on Combating the Proliferation of Weapons of Mass Destruction
<b>E. InsurTech</b>			
<b>Develop and Integrate into the Supervisory Information System (SIS)</b>	Study, develop, and implement the Supervisory Information System (SIS)	Update the Supervisory Information System (SIS)	Upgrade the Supervisory Information System (SIS)
<b>Develop Motor Third-Party Liability Data Management Information System</b>	Study and develop Motor Third-Party Liability Data Management Information System	Deploy Motor Third-Party Liability Data Management Information System	Update Develop Motor Third-Party Liability Data Management Information System
<b>Develop the InsurTech Development Framework</b>	<ul style="list-style-type: none"> <li>Develop the InsurTech Development Framework</li> <li>Disseminate the InsurTech Development Framework</li> </ul>	Implement the InsurTech Development Framework	Foster the implementation of InsurTech Development Framework
<b>F. Capacity Building</b>			
<b>Establish the Insurance Institute of Cambodia</b>	<ul style="list-style-type: none"> <li>Prepare and complete the procedures for the establishment of the Insurance Institute of Cambodia</li> <li>Study and organize foundation curriculum for the Insurance Institute of Cambodia</li> </ul>	<ul style="list-style-type: none"> <li>Operate the Insurance Institute of Cambodia</li> <li>Implement foundation curriculum of Insurance Institute of Cambodia</li> </ul>	<ul style="list-style-type: none"> <li>Update the curriculum as necessary</li> </ul>
<b>Enhancing the development of insurance-related curricula at the higher education institutions</b>	Collaborate enhancing the development of insurance-related curricula at the higher education institutions	Continue to collaborate enhancing the development of insurance-related curricula at the higher education institutions	<ul style="list-style-type: none"> <li>Continue to collaborate enhancing the development of insurance-related curricula at the higher education institutions</li> </ul>

**Pension Sector**

Table 6: Implementation Plan for Pension Sector

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Law and Regulations Framework</b>				
<b>Reform on Social Security Scheme on Pension for Persons in public sector</b>	<ul style="list-style-type: none"> <li>Prepare Royal Decree on the Conditions Formalities and Procedures on the implementation of the Social Security Scheme on Pension for Persons in Public sector.</li> <li>Study best practices from other countries on the reform of Social Security Scheme on Pension for Persons in Public Sector.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the Royal Decree on the Conditions Formalities and Procedures on the implementation of the Social Security Scheme on Pension for Persons in Public sector.</li> <li>Prepare relevant regulations to support the reform of Social Security Scheme on Pension for Persons in Public Sector.</li> </ul>		Lead: <ul style="list-style-type: none"> <li>GSNSPC</li> <li>NSSF</li> </ul> Participation: <ul style="list-style-type: none"> <li>Relevant ministries/institution</li> </ul>
<b>Strengthen the Implementation of the Social Security Scheme on Pension for Labour Persons defined by the provision of the Labor Law</b>		<ul style="list-style-type: none"> <li>Monitor and supervise the implementation of the Social Security Scheme on Pension for Persons defined by the provisions of the Labor Law and prepare subsequent regulations as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and supervise the implementation of the Social Security Scheme on Pension for Labour Persons defined by the provision of the Labor Law and prepare subsequent regulations as needed.</li> </ul>	Lead: <ul style="list-style-type: none"> <li>GSNSPC</li> <li>NSSF</li> </ul> Participation: <ul style="list-style-type: none"> <li>SSR</li> <li>Relevant ministries/institution</li> </ul>
<b>Ensuring Consistency and Sustainability of the Social Security Scheme on Pension</b>	<ul style="list-style-type: none"> <li>Prepare Sub-Decree on baseline for the financial soundness of the social security fund</li> <li>Prepare Decision on the ceiling on the operating expense of the NSSF</li> <li>Prepare Prakas on guidelines on the use and allocations of return from the investment of the social security fund</li> <li>Prepare Prakas on prudential regulation on the allocation of investment package of the social security fund.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation.</li> </ul>		<ul style="list-style-type: none"> <li>SSR</li> </ul>
	<ul style="list-style-type: none"> <li>Study on the implementation of pension scheme currently managed</li> </ul>			Lead: <ul style="list-style-type: none"> <li>GSNSPC</li> </ul>

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
	<ul style="list-style-type: none"> <li>by other institutions/public enterprise.</li> <li>Conduct feasibility study on the implementation of Social Security Scheme on Pension for Self-employed Persons.</li> </ul>	<ul style="list-style-type: none"> <li>Establish working group as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare concept note on the Social Security Scheme on Pension for Self-employed Persons.</li> </ul>	<ul style="list-style-type: none"> <li>NSSF</li> <li>Participation: Relevant ministries/institution</li> </ul>
<b>B. Investment and Financial Framework</b>				
<b>Supervision on the investment periodically</b>	<ul style="list-style-type: none"> <li>Monitor and supervise on both domestic and foreign investment of pension fund.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and supervise on both domestic and foreign investment of pension fund.</li> </ul>	<ul style="list-style-type: none"> <li>Inspect and update investment policy if needed</li> </ul>	<ul style="list-style-type: none"> <li>SSR</li> </ul>
<b>Management of the social security funds</b>	<ul style="list-style-type: none"> <li>Establish the Social Security Trustee Council of NSSF</li> <li>Prepare investment policy and annual investment plan</li> </ul>	<ul style="list-style-type: none"> <li>Periodically update the investment policy and annual action plan</li> </ul>	<ul style="list-style-type: none"> <li>Periodically update the investment policy and annual action plan</li> </ul>	<ul style="list-style-type: none"> <li>NSSF</li> </ul>
<b>C. Supervisory Framework</b>				
<b>Supervise and evaluate the implementation of the Social Security Scheme on Pension</b>	<ul style="list-style-type: none"> <li>Study best practices from other countries on the implementation of the Social Security scheme on Pension.</li> <li>Implement the Manual on Supervision of Social Security Operations on Pension Scheme.</li> <li>Periodically supervise and evaluate the implementation of Social Security Scheme on Pension by the Operators.</li> <li>Conduct actuarial valuation of the Social Security Scheme on Pension.</li> </ul>	<ul style="list-style-type: none"> <li>Continue and adjust the implementation of the Social Security scheme on Pension as needed.</li> <li>Monitor and update the Manual on Supervision of Social Security Operations on Pension Scheme.</li> <li>Periodically supervise and evaluate the implementation of Social Security Scheme on Pension by the Operators.</li> <li>Report on actuarial valuation of the Social Security Scheme on Pension.</li> </ul>	<ul style="list-style-type: none"> <li>Continue and adjust the implementation of the Social Security scheme on Pension as needed.</li> <li>Monitor and update the Manual on Supervision of Social Security Operations on Pension Scheme.</li> <li>Periodically supervise and evaluate the implementation of Social Security Scheme on Pension by the Operators.</li> <li>Conduct actuarial valuation of the Social Security Scheme on Pension.</li> </ul>	<ul style="list-style-type: none"> <li>Lead: <ul style="list-style-type: none"> <li>GNSNPC</li> </ul> </li> <li>Participation: <ul style="list-style-type: none"> <li>SSR</li> <li>NSSF</li> <li>Relevant ministries/institution</li> </ul> </li> <li>SSR</li> </ul>

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>D. Institutional Framework</b>				
<b>Develop Actuarial Valuation Capacity</b>		<ul style="list-style-type: none"> <li>Study international best practices on actuarial valuation capacity development.</li> </ul>	<ul style="list-style-type: none"> <li>Continue the study of international best practices on actuarial valuation capacity development.</li> </ul>	<ul style="list-style-type: none"> <li>GSNSPC</li> <li>SSR</li> </ul>
<b>Deploy ICT systems for SSR</b>	<ul style="list-style-type: none"> <li>Conduct feasibility study on the ICT to support the function of the SSR.</li> </ul>	<ul style="list-style-type: none"> <li>Deploy and launch the ICT systems</li> </ul>	<ul style="list-style-type: none"> <li>Update the ICT systems if needed</li> </ul>	<ul style="list-style-type: none"> <li>SSR</li> </ul>
<b>Develop conflict resolution mechanism</b>	<ul style="list-style-type: none"> <li>Prepare the draft regulation on conflict resolution.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the regulation on conflict resolution</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and review the compliance</li> </ul>	<ul style="list-style-type: none"> <li>SSR</li> </ul>
<b>Capacity building for SSR</b>	<ul style="list-style-type: none"> <li>Evaluate the need for human resources within the SSR and undertake recruitment of qualified personnel</li> </ul>	<ul style="list-style-type: none"> <li>Make assessment on the needs of training needed and Seek support from Developed Partners regarding the training on social security</li> </ul>	<ul style="list-style-type: none"> <li>Continue strengthening capacity building for SSR personnel.</li> </ul>	<ul style="list-style-type: none"> <li>GSNSPC</li> <li>SSR</li> </ul>
<b>E. Promotion of the awareness</b>				
<b>Promotion of Social Security System Education</b>	<ul style="list-style-type: none"> <li>Study the best practices relating to social security education</li> </ul>			Lead: <ul style="list-style-type: none"> <li>GSNSPC</li> </ul> Participation:
	<ul style="list-style-type: none"> <li>Explore the suitable education initiatives across different target groups.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct feasibility study on the integration of social security system education to the educational institution.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate inter-ministries meeting to explore the suitable initiatives on the social security operations.</li> </ul>	<ul style="list-style-type: none"> <li>SSR</li> <li>NSSF</li> <li>Relevant ministries/institution</li> </ul>
	<ul style="list-style-type: none"> <li>Prepare action plan for the implementation of communication strategy for SSR.</li> </ul>	<ul style="list-style-type: none"> <li>Continue the implementation of communication strategy for SSR.</li> </ul>	<ul style="list-style-type: none"> <li>Continue the implementation of communication strategy for SSR.</li> </ul>	

**Securities Markets**

Table 7: Implementation Plan for Securities Markets

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Market participants and infrastructure</b>					
<b>Attracting more company listings to the CSX</b>	<ul style="list-style-type: none"> <li>Establish a regulatory co-ordination mechanism for listed bank/financial institutions and incorporate in an MOU.</li> <li>Collaborate with NBC and MEF and encourage banks and financial institutions to list on the CSX.</li> </ul>	<ul style="list-style-type: none"> <li>Continue supporting financial institutions to list on CSX.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC, NBC and MEF	
	<ul style="list-style-type: none"> <li>Review existing Law on the General Statute of Public Enterprises to ensure alignment with corporate governance regulations and the CG Code.</li> <li>Implement the updated Law on the General Statute of Public Enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement the updated Law on the General Statute of Public Enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	MEF and SERC	
<b>Preparation of a risk management framework to supervise permitted securities exchange operators (securities exchange operator, future exchange operator, OTC)</b>	<ul style="list-style-type: none"> <li>Deepen listing of small and medium-sized enterprises (SMEs) by further supporting and expanding supporting programmes such as the Excellence Program.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC and CSX	
	<ul style="list-style-type: none"> <li>Establish a risk management framework.</li> <li>Prepare a strategy for transition to risk based supervision.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate the risk management metrics in its supervision manuals.</li> </ul>	<ul style="list-style-type: none"> <li>Implement and monitor the implementation.</li> </ul>	SERC	

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<p><b>Transition to risk-based supervision to supervise permitted securities exchange operators (securities exchange operator, future exchange operator, OTC)</b></p>	<ul style="list-style-type: none"> <li>Prepare an offsite reporting tool based on Current Solvency I.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a supervisory assessment for transition to Solvency II.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the appropriate solvency regime tailored for Cambodian securities sector.</li> </ul>	<p>SERC</p>
<p><b>Encouraging foreign portfolio investors to invest in the securities market</b></p>	<ul style="list-style-type: none"> <li>Encourage foreign banks to act as custodians.</li> <li>Organise roadshows in major Asian financial centres to promote the attractive investment opportunities and well-developed regulatory structure of Cambodia.</li> <li>Prepare to have cooperation with a global index provider – FTSE of Dow Jones.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<p>MEF, SERC and MOC</p> <p>MEF SERC</p> <p>CSX, SERC</p>
<p><b>Enhancement of securities market development by encouraging domestic savings institutions'</b></p>	<ul style="list-style-type: none"> <li>Prepare and promulgate regulations on Depository Receipt, Exchange Traded Funds, and Real Estate Investment Trust.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct initial assessment and establish a program to work towards requirements for Frontier Markets.</li> </ul>	<ul style="list-style-type: none"> <li>Work towards complying with requirements of Frontier markets.</li> </ul>	<p>SERC</p>

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
investment in securities sector					
Development of government bond market	<ul style="list-style-type: none"> <li>Issue government bond on quarterly basis.</li> <li>Appoint primary dealers.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to issue government bond.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>		MEF, NBC, SERC, CSX
Preparation of fintech regulatory sandbox in securities sector	<ul style="list-style-type: none"> <li>Grant approval and monitor the activities of fintech regulatory sandbox in securities sector.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>		SERC
<b>B. Legal and regulatory framework</b>					
Development of a commodity futures market	<ul style="list-style-type: none"> <li>Create a strategy for establishing a market for trading commodity futures and develop regulatory framework for a commodities futures exchange.</li> </ul>	<ul style="list-style-type: none"> <li>Establish commodity futures exchange.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage greater participation in the commodity futures exchange.</li> </ul>		SERC, MEF and MOC
Development of derivatives market	<ul style="list-style-type: none"> <li>Conduct a feasibility study of developing USD/KHR derivatives and put into trading.</li> <li>Prepare a plan that allows hedging of currency risk while being consistent with national policy.</li> <li>Develop other derivatives products.</li> </ul>	<ul style="list-style-type: none"> <li>Implement recommended actions.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the implementation of the action plan.</li> </ul>		SERC
Development of regulation related to approval and supervision of Securities Financing Business and Securities Margin Trading	<ul style="list-style-type: none"> <li>Adopt the regulation related to securities financing business and grant license to the business.</li> <li>Adopt regulation related to securities margin trading.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation and the regulatory compliance on securities financing business and securities margin trading activity of regulated entities.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>		SERC

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>Put in place and promote corporate governance</b>	<ul style="list-style-type: none"> <li>Put in place the corporate governance code.</li> <li>Promote awareness of the CG code (establish IoD and provide training to listed companies).</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and implement the CG code.</li> <li>Promote awareness of CG code (support IoD to attract director from non-listed companies).</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC	
	<b>Promotion on sustainability disclosure</b>	<ul style="list-style-type: none"> <li>Establish and implement campaign to promote the regulation on sustainability disclosure with relaxing periods.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation of the listed company.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC
<b>Development of regulatory framework related to digital assets and peer-to-peer financing business</b>	<ul style="list-style-type: none"> <li>Prepare regulatory framework related to digital assets, and peer-to-peer financing business.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation of the regulatory framework and compliance of the regulated entities.</li> <li>Continue granting license.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC	
	<ul style="list-style-type: none"> <li>Adopt and implement the regulatory framework and grant license to entities doing digital assets business.</li> </ul>				
	<ul style="list-style-type: none"> <li>Adopt regulation for granting licenses and supervising peer-to-peer financing business.</li> </ul>				
<b>Development of regulatory framework for crowdfunding</b>	<ul style="list-style-type: none"> <li>Prepare regulations to strengthen the supervision of crowdfunding intermediaries and platforms.</li> <li>Prepare regulation to supervise the issuance of crowdfunding.</li> </ul>	<ul style="list-style-type: none"> <li>Review regulatory framework for crowdfunding.</li> </ul>		SERC	
	<ul style="list-style-type: none"> <li>Draft appropriate regulations and policies to provide a framework for fintech in securities sector.</li> <li>Conduct feasibility study and prepare regulations on the use-cases of decentralized finance in the securities sector.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure implementation and compliance with the policies and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC	

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>C. Supervisory framework</b>					
<b>Setting up regulation of market abuse</b>	<ul style="list-style-type: none"> <li>Prepare a strategic plan for tackling market abuse with key stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the strategic plan.</li> </ul>			SERC, MEF, CSX, MOJ and NBC
	<ul style="list-style-type: none"> <li>Create regulatory framework to controls market access for insiders among SERC-regulated entities and those regulated by other agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with the framework through effective supervision.</li> </ul>			SERC, MEF and NBC
	<ul style="list-style-type: none"> <li>Draft regulations and policies to provide a framework for market activities by special insiders – such as employees of regulatory agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the action plans in the policy and the regulations.</li> </ul>			SERC
<b>Setting up IT system for digital reporting and detecting market abuse in securities sector</b>	<ul style="list-style-type: none"> <li>Work with MoJ to develop integrated process for case management and hand-over of market abuse cases.</li> </ul>				SERC, MEF and MOJ
	<ul style="list-style-type: none"> <li>Develop Supervisory IT System for Derivative Trading Business Phase 1.</li> </ul>	<ul style="list-style-type: none"> <li>Develop Supervisory IT system for Derivatives Trading Business Phase 2.</li> </ul>		<ul style="list-style-type: none"> <li>Continue improving these IT systems.</li> </ul>	SERC
	<ul style="list-style-type: none"> <li>Procure and install IT applications to support market abuse followed by capacity building by the IT vendor.</li> </ul>				
<b>Development of Technology Risk Management and Cybersecurity framework in securities sector</b>	<ul style="list-style-type: none"> <li>Develop staff capacity of SERC to monitor for market abuse and manage cases.</li> </ul>				
	<ul style="list-style-type: none"> <li>Prepare and adopt regulatory framework on Technology Risk Management and Cybersecurity.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor implementation of the regulatory framework and compliance by regulated entities.</li> </ul>		<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC
	<ul style="list-style-type: none"> <li>Conduct Feasibility study of incorporating Data Protection and Data Sharing framework.</li> </ul>				

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>D. Capacity building and infrastructure</b>					
<b>Development of SERC staff capacity</b>	<ul style="list-style-type: none"> <li>Continue to enhance and expand staff placements with regional and more distant regulators.</li> <li>Organize capacity building program in both soft and hard skills for SERC officers.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC
<b>Strengthening internal systems at SERC to support and manage electronic filing</b>	<ul style="list-style-type: none"> <li>Conduct an in-depth analysis of SERC’s administrative process.</li> <li>Identify scope and requirements for a RegTech system, produce procurement plan and identify possible vendors.</li> <li>Issue Request for Proposal (RFP) to possible vendors and assess responses.</li> <li>Install and upload of the current data.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the effectiveness of operating system.</li> </ul>			SERC and MEF
<b>Enhancement of infrastructure of trading and settlement system to handle the trading of new assets and reduce risk</b>	<ul style="list-style-type: none"> <li>Review capacity of trading and settlement system to handle the trading of new products.</li> <li>Review risks inherent in trading before settlement and regulations and enhance the system.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and implement enhancements plan.</li> </ul>	<ul style="list-style-type: none"> <li>Implement identified enhancements/ regulatory changes.</li> </ul>		SERC and CSX
<b>Continuing to enhance public awareness of financial literacy and fintech in securities sector</b>	<ul style="list-style-type: none"> <li>Conduct a strategic plan involving industry participants and with monitoring of results to promote long-term savings vehicles as a way of mobilising the savings of the population.</li> </ul>	<ul style="list-style-type: none"> <li>Work with stakeholder across financial sectors to develop tailored savings products based on demographics.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the impact of financial literacy on the uptake of these products.</li> </ul>		FSA, MEF, IRC and SERC

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
	<ul style="list-style-type: none"> <li>Collaborate with relevant stakeholders to promote capacity building and public awareness of fintech in securities sector.</li> <li>Support fintech entrepreneurship in securities sector</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	SERC
	<ul style="list-style-type: none"> <li>Conduct feasibility study on establishing national securities institute.</li> </ul>	<ul style="list-style-type: none"> <li>Establish national securities institute.</li> </ul>		SERC
<b>E. Other areas</b>				
<b>Reducing barriers to development caused by dollarisation</b>	<ul style="list-style-type: none"> <li>Create a Working Group comprising members from MEF, SERC and NBC and chaired by the MEF to investigate barriers caused by dollarisation and recommend actions to address them.</li> </ul>	<ul style="list-style-type: none"> <li>Implement recommended actions.</li> </ul>		MEF, SERC, and NBC
<b>Investor Protection Fund</b>	<ul style="list-style-type: none"> <li>Conduct feasibility study of establishing an Investor Protection Fund.</li> </ul>	<ul style="list-style-type: none"> <li>Establish Investor Protection Fund along with requisite regulations and operational guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the investor protection fund.</li> </ul>	SERC
<b>Preparation of SERC's medium-term budgeting</b>	<ul style="list-style-type: none"> <li>Negotiate a new budget settlement with MEF to allow SERC for investment and prepare longer term planning.</li> </ul>			MEF, FSA and SERC

**Real Estate and Pawnshop and Transfer of Title for Security Sectors**

Table 8: Real Estate and Pawnshop and Transfer of Title for Security Sectors

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Real estate sector</b>					
<b>Institutional development</b>	<ul style="list-style-type: none"> <li>Continue to strengthen and assess the classification of companies into high, medium, and low risk levels as a basis for prompt risk mitigation.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strengthen and assess the classification of companies into high, medium, and low risk levels as a basis for prompt risk mitigation.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strengthen and assess the classification of companies into high, medium, and low risk levels as a basis for prompt risk mitigation.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strengthen and assess the classification of companies into high, medium, and low risk levels as a basis for prompt risk mitigation.</li> </ul>	<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to monitor and investigate real estate development companies and real estate service providers to encourage them to apply for licenses.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and investigate real estate development companies and real estate service providers to encourage them to apply for licenses.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and investigate real estate development companies and real estate service providers to encourage them to apply for licenses.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and investigate real estate development companies and real estate service providers to encourage them to apply for licenses.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to strengthen implementation of regulations in the real estate sector and act against violations.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strengthen implementation of regulations in the real estate sector and act against violations.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strengthen implementation of regulations in the real estate sector and act against violations.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strengthen implementation of regulations in the real estate sector and act against violations.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Strengthen the capacity to monitor and analyse financial reports.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the capacity to monitor and analyse financial reports.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the capacity to monitor and analyse financial reports.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the capacity to monitor and analyse financial reports.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Continuation of human resources development of RPR</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of human resources development of RPR</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of human resources development of RPR</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of human resources development of RPR</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Strengthen customer protection measures by monitoring the implementation of sales contracts and strengthening the mechanisms to mediate and resolve disputes.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen customer protection measures by monitoring the implementation of sales contracts and strengthening the mechanisms to mediate and resolve disputes.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen customer protection measures by monitoring the implementation of sales contracts and strengthening the mechanisms to mediate and resolve disputes.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen customer protection measures by monitoring the implementation of sales contracts and strengthening the mechanisms to mediate and resolve disputes.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Participate in and monitor the implementation of the Law on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and the Law on Counter-Proliferation Financing (CPF) in the real estate sector.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in and monitor the implementation of the Law on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and the Law on Counter-Proliferation Financing (CPF) in the real estate sector.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in and monitor the implementation of the Law on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and the Law on Counter-Proliferation Financing (CPF) in the real estate sector.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in and monitor the implementation of the Law on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and the Law on Counter-Proliferation Financing (CPF) in the real estate sector.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>Regulatory and policy development</b>	<ul style="list-style-type: none"> <li>Expand the coverage of CamDX for the application of licenses for real estate service providers.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the coverage of CamDX for the application of licenses for real estate service providers.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<ul style="list-style-type: none"> <li>Issue laws and regulations related to the management of real estate development businesses and real estate service providers.</li> </ul>	<ul style="list-style-type: none"> <li>Examine the feasibility of using standardized sales/rental contracts.</li> </ul>	<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>	
	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate development in the sector and propose policies and measures to address challenges and risks.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate development in the sector and propose policies and measures to address challenges and risks.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate development in the sector and propose policies and measures to address challenges and risks.</li> </ul>	<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to study and prepare regulations for managing and monitoring long-term payment operations of a real estate developer.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor long-term payment operations for real estate development projects.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor long-term payment operations for real estate development projects.</li> </ul>	<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
<b>Training and dissemination</b>	<ul style="list-style-type: none"> <li>Improve the quality of training and education to obtain vocational certification in the real estate sector.</li> </ul>	<ul style="list-style-type: none"> <li>Improve the quality of training and education to obtain vocational certification in the real estate sector.</li> </ul>	<ul style="list-style-type: none"> <li>Improve the quality of training and education to obtain vocational certification in the real estate sector.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Create a public awareness campaign on the process of buying, selling, or renting real estate to help customers can make informed decisions</li> </ul>	<ul style="list-style-type: none"> <li>Create a public awareness campaign on the process of buying, selling, or renting real estate to help customers can make informed decisions</li> </ul>	<ul style="list-style-type: none"> <li>Create a public awareness campaign on the process of buying, selling, or renting real estate to help customers can make informed decisions</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Conduct training and share information related to AML/CFT and PF in collaboration with relevant institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and share information related to AML/CFT and PF in collaboration with relevant institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and share information related to AML/CFT and PF in collaboration with relevant institutions.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>

Development Areas	Activities for			Responsible Agencies	
	2025–2026	2027–2028	2029–2030		
<b>Modernisation and comprehensive database development</b>	<ul style="list-style-type: none"> <li>Disseminate information on dispute resolution and complaints mechanisms in the real estate sector to the public.</li> </ul>	<ul style="list-style-type: none"> <li>Disseminate information on dispute resolution and complaints mechanisms in the real estate sector to the public.</li> </ul>	<ul style="list-style-type: none"> <li>Disseminate information on dispute resolution and complaints mechanisms in the real estate sector to the public.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<ul style="list-style-type: none"> <li>Provide training for officers in the RPR and provincial departments of economy and finance on relevant regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Provide training for officers in the RPR and provincial departments of economy and finance on relevant regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Provide training for officers in the RPR and provincial departments of economy and finance on relevant regulations.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<ul style="list-style-type: none"> <li>Strengthen the mechanism of the Inter-Ministerial Committee for the Management of Real Estate Data in Cambodia with participation from relevant government institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strengthen the mechanism of the Inter-Ministerial Committee for the Management of Real Estate Data in Cambodia, with members participation from relevant government institutions.</li> </ul>		<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<ul style="list-style-type: none"> <li>Continue assessing the effectiveness of the digital platform or data-sharing system used by ministries and institutions in the Inter-Ministerial Committee for Real Estate Data Management.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the effectiveness of privacy protection and data security measures in the real estate sector.</li> </ul>	<ul style="list-style-type: none"> <li>Study the effectiveness of establishing a centralized real estate database to facilitate management and monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<ul style="list-style-type: none"> <li>Improve the reporting templates and the quality of filings from real estate companies.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to improve the reporting templates and the quality of filings from real estate companies.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to improve the reporting templates and the quality of filings from real estate companies.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<ul style="list-style-type: none"> <li>Examine the feasibility of developing and using technology systems for report and document filings from real estate companies.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to examine the feasibility of developing and using technology systems for report and document filings from real estate companies.</li> </ul>		<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<ul style="list-style-type: none"> <li>Continue to cooperate with relevant associations to discuss and find solutions to various issues in the sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to cooperate with relevant associations to discuss and find solutions to various issues in the sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to cooperate with relevant associations to discuss and find solutions to various issues in the sector.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>	
	<b>Cooperation</b>	<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
		<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>Cooperate with relevant ministries and government institutions in</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
	<p>implementing policy measures related to the real estate sector.</p> <ul style="list-style-type: none"> <li>Cooperate with partner universities and institutions to strengthen the capacity of RPR staff.</li> <li>Strengthen the cooperation with relevant ministries, government institutions and development partners.</li> </ul>	<p>implementing policy measures related to the real estate sector.</p> <ul style="list-style-type: none"> <li>Cooperate with partner universities and institutions to strengthen the capacity of RPR staff.</li> <li>Strengthen the cooperation with relevant ministries, government institutions and development partners.</li> </ul>	<p>implementing policy measures related to the real estate sector.</p> <ul style="list-style-type: none"> <li>Cooperate with partner universities and institutions to strengthen the capacity of RPR staff.</li> <li>Strengthen the cooperation with relevant ministries, government institutions and development partners.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> <li>RPR</li> </ul>
	<b>b. Pawnshop and transfer of title for security sector</b>			
	<b>Institutional development</b>			
	<ul style="list-style-type: none"> <li>Continue searching for unlicensed pawnshops and encourage them to apply for licenses.</li> <li>Promote and strengthen the use of CamDX for pawnshop license applications</li> </ul>	<ul style="list-style-type: none"> <li>Continue searching for unlicensed pawnshops and encourage them to apply for licenses.</li> <li>Promote and strengthen the use of CamDX for pawnshop license applications</li> </ul>	<ul style="list-style-type: none"> <li>Continue searching for unlicensed pawnshops and encourage them to apply for licenses.</li> <li>Promote and strengthen the use of CamDX for pawnshop license applications</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Continue strengthening supervision, monitoring, and evaluation mechanisms to improve regulatory compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Continue strengthening supervision, monitoring, and evaluation mechanisms to improve regulatory compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Continue strengthening supervision, monitoring, and evaluation mechanisms to improve regulatory compliance.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<ul style="list-style-type: none"> <li>Issue laws and regulations related to the management of pawn and title transfer for security businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Issue laws and regulations related to the management of pawn and title transfer for security business using fintech.</li> </ul>		<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Examine the feasibility of establishing standard contract for transactions of pawn and title transfer security business.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation of the standard contract for transactions of pawn and title transfer for security business.</li> </ul>		<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate developments in the sector and propose policies and measures, as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate developments in the sector and propose policies and measures, as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate developments in the sector and propose policies and measures, as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<b>Regulatory and policy development</b>			
	<ul style="list-style-type: none"> <li>Issue laws and regulations related to the management of pawn and title transfer for security businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Issue laws and regulations related to the management of pawn and title transfer for security business using fintech.</li> </ul>		<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Examine the feasibility of establishing standard contract for transactions of pawn and title transfer security business.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation of the standard contract for transactions of pawn and title transfer for security business.</li> </ul>		<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate developments in the sector and propose policies and measures, as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate developments in the sector and propose policies and measures, as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate developments in the sector and propose policies and measures, as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>RPR and FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>
	<b>Training and dissemination</b>			
	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training and disseminate regulations to the companies and relevant stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>RPR</li> </ul>

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
	<ul style="list-style-type: none"> <li>• Create a public awareness campaign on the process of pawning and disseminate regulations related to the pawn and title transfer for security business through social media.</li> <li>• Promote the use of information technology systems for license applications and reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Create a public awareness campaign on the process of pawning and disseminate regulations related to the pawn and title transfer for security business through social media.</li> <li>• Continue to promote the use of information technology systems for license applications and reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Create a public awareness campaign on the process of pawning and disseminate regulations related to the pawn and title transfer for security business through social media.</li> <li>• Continue to promote the use of information technology systems for license applications and reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• RPR</li> </ul>
<b>Modernization and comprehensive database development</b>	<ul style="list-style-type: none"> <li>• Examine the feasibility of using financial technology for pawn and title transfer for security sector.</li> <li>• Examine the feasibility of developing and using technology for filing reports and other documents from companies.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to promote the use of financial technology for pawn and title transfer for security sector.</li> <li>• Examine the feasibility of establishing data privacy and security measures for pawn and title transfer for security business.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to promote the use of financial technology for pawn and title transfer for security sector.</li> </ul>	<ul style="list-style-type: none"> <li>• RPR</li> </ul>
<b>Cooperation</b>	<ul style="list-style-type: none"> <li>• Continue to cooperate with the-relevant associations related to Pawnshops and Title Transfer for Security Business to discuss and monitor work progress.</li> <li>• Cooperate with relevant ministries and government institutions in the implementation of policy measures related to the pawnshop sector.</li> <li>• Strengthen the cooperation with relevant ministries, government institutions and development partners.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to cooperate with the-relevant associations related to Pawnshops and Title Transfer for Security Business to discuss and monitor work progress.</li> <li>• Cooperate with relevant ministries and government institutions in the implementation of policy measures related to the pawnshop sector.</li> <li>• Strengthen the cooperation with relevant ministries, government institutions and development partners.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to cooperate with the-relevant associations related to Pawnshop and Title Transfer for Security Business to discuss and monitor work progress.</li> <li>• Cooperate with relevant ministries and government institutions in the implementation of policy measures related to the pawnshop sector.</li> <li>• Strengthen the cooperation with relevant ministries, government institutions and development partners.</li> </ul>	<ul style="list-style-type: none"> <li>• RPR</li> </ul>

## Accounting and Auditing Sector

Table 9: Accounting and Auditing Sector

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>1. Pillar 1: Strengthening and expanding institutional capacity</b>	<ul style="list-style-type: none"> <li>Conduct a comprehensive analysis of organizational functions, fill vacant positions within the structure, recruit additional personnel, organize internal training programs, establish memorandums of understanding with relevant institutions, and develop information technology systems to enhance public services.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct a comprehensive analysis of organizational functions, fill vacant positions within the structure, recruit additional personnel, organize internal training programs, Establish memorandums of understanding with relevant institutions and develop information technology systems to enhance public services.</li> <li>Prepare Standard Operating Procedures (SOP).</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct a comprehensive analysis of organizational functions, fill vacant positions within the structure, recruit additional personnel, organize internal training programs, Establish memorandums of understanding with relevant institutions and develop information technology systems to enhance public services.</li> </ul>	ACAR
<b>2. Pillar 2: Building accounting and auditing human capital for the market</b>	<ul style="list-style-type: none"> <li>Partner with the Ministry of Education, Youth, and Sports, as well as higher education institutions, to modernize and enhance the accounting and auditing curriculum.</li> <li>Evaluate and develop textbooks for subjects to be incorporated into the accounting and auditing curriculum of higher education institutions.</li> <li>Provide training for accounting and auditing professors on the newly developed textbooks.</li> <li>Develop and execute a strategic plan for the advancement of the Cambodia Certified Public Accountants program.</li> <li>Promote the Accounting Technician Qualification (ATQ) program.</li> <li>Cultivate qualified accounting and auditing professors in</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop textbooks for subjects to be incorporated into the accounting and auditing curriculum of higher education institutions.</li> <li>Continue to provide training for accounting and auditing professors on the newly developed textbooks.</li> <li>Evaluate the need for establishing ACAR training center and submit a proposal for its establishment.</li> <li>Continue to execute a strategic plan for the advancement of the Cambodia Certified Public Accountants program.</li> <li>Continue to promote the ATQ program.</li> <li>Continue to cultivate qualified accounting and auditing professors in universities and educational institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop textbooks for subjects to be incorporated into the accounting and auditing curriculum of higher education institutions.</li> <li>Continue to provide training for accounting and auditing professors on the newly developed textbooks.</li> <li>Evaluate the need for establishing ACAR training center and submit a proposal for its establishment.</li> <li>Continue to execute a strategic plan for the advancement of the Cambodia Certified Public Accountants program.</li> <li>Continue to promote the ATQ program.</li> <li>Continue to cultivate qualified accounting and auditing professors in universities and educational institutions.</li> </ul>	ACAR, KICPAA

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
	universities and educational institutions.			
<p><b>3. Pillar 3: Implementing technical standards</b></p> <p><b>Ensure that Cambodia has accounting standards, auditing and assurance standards, and professional codes of ethic for implementation to foster transparency and reliability of financial statements and enhance the business and investment environment and social services, as well as promote transparency and reliability of government financial information</b></p>	<ul style="list-style-type: none"> <li>Continue to implement applicable accounting standards, audit and assurance standards and professional code of ethics, including interpretations of the standards while monitor the implementation.</li> <li>Develop and propose the implementation of Cambodia Financial Reporting Standards for Not-for-Profit Entities (CFRS for NFPEs), based on modified cash basis and accrual basis.</li> <li>Continue to implement the actions outlined in the roadmap of the Strategy on the Implementation of Public Accounting Standards – Accrual Basis in Cambodia (2021–2031).</li> <li>Develop and propose the implementation of the Cambodia Reduced Financial Reporting Framework (CRFRF), based on CIFRS for SMEs, for enterprises that are not subject to independent audits.</li> <li>Propose the implementation of Sustainability Disclosure Standards, establish a dedicated committee, and approve the roadmap for the implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement applicable accounting standards, audit and assurance standards and professional code of ethics, including interpretations of the standards while monitor the implementation.</li> <li>Monitor and evaluate the implementation of CFRS for NFPEs.</li> <li>Continue to implement the actions outlined in the roadmap of the Strategy on the Implementation of Public Accounting Standards – Accrual Basis in Cambodia (2021–2031).</li> <li>Monitor and evaluate the implementation of CRFRF.</li> <li>Implement the Sustainability Disclosure Standards and the roadmap for implementing the Sustainability Disclosure Standards.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement applicable accounting standards, audit and assurance standards and professional code of ethics, including interpretations of the standards while monitor the implementation.</li> <li>Continue to monitor and evaluate the implementation of CFRS for NFPEs.</li> <li>Continue to implement the actions outlined in the roadmap of the Strategy on the Implementation of Public Accounting Standards – Accrual Basis in Cambodia (2021–2031).</li> <li>Continue to monitor and evaluate the implementation of CRFRF.</li> <li>Implement the Sustainability Disclosure Standards and the roadmap for implementing the Sustainability Disclosure Standards.</li> </ul>	ACAR, KICPAA

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<p><b>4. Pillar 4: Improving compliance</b></p> <p>Ensure that Cambodia has comprehensive and well-defined laws and regulations governing the accounting sector and profession, along with effective mechanisms and tools, a highly qualified workforce of accountants and auditors, and an internationally recognized professional body.</p>	<ul style="list-style-type: none"> <li>Develop new regulations and amend existing ones to address gaps and deficiencies in the regulatory framework governing the accounting and auditing sector and profession.</li> <li>Facilitate the dissemination and training of accounting, auditing, and related standards to enhance professional knowledge and compliance.</li> <li>Develop and implement tools to support compliance monitoring, including surveillance programs, the adoption of accounting and auditing glossaries and dictionaries, a digital financial reporting platform, and a financial statement review manual.</li> <li>Translate accounting, auditing, and related standards into Khmer.</li> <li>Facilitate KICPAA’s attainment of full membership in the International Federation of Accountants.</li> <li>Enhance enforcement and adherence to legal and regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop new regulations and amend existing ones to address gaps and deficiencies in the regulatory framework governing the accounting and auditing sector and profession.</li> <li>Continue to facilitate the dissemination and training of accounting, auditing, and related standards to enhance professional knowledge and compliance.</li> <li>Monitor, assess, and update the implementation of compliance support tools to ensure effectiveness and adherence to regulations.</li> <li>Continue to translate accounting, auditing, and related standards into Khmer.</li> <li>Continue to enhance the enforcement of and adherence to legal and regulatory requirements while initiating efforts to strengthen technical compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop new regulations and amend existing ones to address gaps and deficiencies in the regulatory framework governing the accounting and auditing sector and profession.</li> <li>Continue to facilitate the dissemination and training of accounting, auditing, and related standards to enhance professional knowledge and compliance.</li> <li>Continue to monitor, assess, and update the implementation of compliance support tools to ensure effectiveness and adherence to regulations.</li> <li>Continue to translate accounting, auditing, and related standards into Khmer.</li> <li>Continue to enhance the enforcement of and adherence to legal and regulatory requirements while initiating efforts to strengthen technical compliance.</li> </ul>	<p>ACAR, KICPAA</p>
<p><b>5. Pillar 5: Improving audit and assurance quality</b></p> <p>Ensure that audit and assurance quality is strengthened in accordance with international quality standards and best practices, thereby enhancing the transparency and reliability of financial information in the private sector</p>	<ul style="list-style-type: none"> <li>Develop and propose the implementation of regulations, mechanisms, tools, and frameworks for managing and monitoring audit and assurance quality, while strengthening their enforcement.</li> <li>Enhance the technical expertise of officials to enable them to serve as independent reviewers.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop and propose the implementation of regulations, mechanisms, tools, and frameworks for managing and monitoring audit and assurance quality, while strengthening their enforcement.</li> <li>Continue to enhance the technical expertise of officials to enable them to serve as independent reviewers.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop and propose the implementation of regulations, mechanisms, tools, and frameworks for managing and monitoring audit and assurance quality, while strengthening their enforcement.</li> <li>Continue to enhance the technical expertise of officials to enable them to serve as independent reviewers.</li> </ul>	<p>ACAR, KICPAA</p>

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
	<ul style="list-style-type: none"> <li>Develop and execute an audit quality control program.</li> <li>Enhance auditors' reporting obligations regarding anti-money laundering and countering the financing of terrorism.</li> <li>Implement a capacity-building program for auditors and senior management of audit firms, focusing on audit and assurance standards, the professional code of ethics, and audit quality management standards.</li> <li>Develop and implement a program to assist small and medium-sized audit firms in creating an audit practice manual.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop and execute an audit quality control program.</li> <li>Continue to enhance auditors' reporting obligations regarding anti-money laundering and countering the financing of terrorism.</li> <li>Implement a capacity-building program for auditors and senior management of audit firms, focusing on audit and assurance standards, the professional code of ethics, and audit quality management standards.</li> <li>Continue to develop and implement a program to assist small and medium-sized audit firms in creating an audit practice manual.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop and execute an audit quality control program.</li> <li>Continue to enhance auditors' reporting obligations regarding anti-money laundering and countering the financing of terrorism.</li> <li>Implement a capacity-building program for auditors and senior management of audit firms, focusing on audit and assurance standards, the professional code of ethics, and audit quality management standards.</li> <li>Continue to develop and implement a program to assist small and medium-sized audit firms in creating an audit practice manual.</li> </ul>	
<p><b>6. Pillar 6: Developing financial technology in the accounting and auditing sector</b></p> <p><b>Developing regulatory technology to enhance and strengthen regulatory compliance more effectively</b></p>	<ul style="list-style-type: none"> <li>Promote the digitalization of ACAR public services.</li> <li>Develop and implement the Digital Adoption Framework for Licensed Accounting and Audit Firms, as well as KICPAA.</li> <li>Develop a framework for assessing and managing financial technology risks in the accounting and auditing sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote the digitalization of ACAR public services.</li> <li>Monitor, supervise and evaluate the implementation of the Digital Adoption Framework for Licensed Accounting and Audit Firms, as well as KICPAA.</li> <li>Develop Accounting and Sustainability Disclosure Taxonomy to support the development of accounting technology, automated validation rules, and financial benchmarking.</li> <li>Develop a Digital Financial and Sustainability Reporting Platform to improve the quality of financial statements and ensure interoperability with global reporting systems using accounting taxonomy and extensible business reporting language.</li> <li>Prepare and deploy application programming interfaces and interoperability between relevant entity.</li> <li>Promote the development and innovation of financial technology businesses in the fields of accounting and auditing.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote the digitalization of ACAR public services.</li> <li>Monitor, supervise and evaluate Accounting and Sustainability Disclosure Taxonomy to support the development of accounting technology, automated validation rules, and financial benchmarking.</li> <li>Continue to upgrade Digital Financial and Sustainability Reporting Platform to improve the quality of financial statements and ensure interoperability with global reporting systems using Accounting Taxonomy and Extensible Business Reporting Language.</li> <li>Monitor, supervise and evaluate application programming interfaces and interoperability between relevant entity.</li> <li>Continue to promote the development and innovation of financial technology businesses in the fields of accounting and auditing.</li> </ul>	<p>ACAR, KICPAA</p>

**Trust Sector**

Table 10: Trust Sector

Development Areas		Activities for 2025–2026		Activities for 2027–2028		Activities for 2029–2030		Responsible Agencies
<b>Strategic Priority 1: Developing new markets, operators, and products</b>								
(1). Researching strategies to develop the trust sector	<ul style="list-style-type: none"> <li>Researching strategies to develop the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued researching strategies to develop the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued researching strategies to develop the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued researching strategies to develop the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>			
(2). Preparing a plan to develop new markets, operators, and products for trusts	<ul style="list-style-type: none"> <li>Preparing a plan to develop new markets, operators, and products for trusts</li> </ul>	<ul style="list-style-type: none"> <li>Continued preparing a plan to develop new markets, operators, and products for trusts</li> </ul>	<ul style="list-style-type: none"> <li>Continued preparing a plan to develop new markets, operators, and products for trusts</li> </ul>	<ul style="list-style-type: none"> <li>Continued preparing a plan to develop new markets, operators, and products for trusts</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> <li>Ministries/ Relevant Institutions</li> </ul>			
(3). Evaluating trust innovations, their impacts, and benefits for participants in the trust sector	<ul style="list-style-type: none"> <li>Evaluation studies on the evolution of the trust sector, its impacts, and benefits for participants in the sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued evaluating studies on the evolution of the trust sector, its impacts, and benefits for participants in the sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued evaluating studies on the evolution of the trust sector, its impacts, and benefits for participants in the sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued evaluating studies on the evolution of the trust sector, its impacts, and benefits for participants in the sector</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>			
(4). Participating in the harmonization of regional legal and regulatory frameworks	<ul style="list-style-type: none"> <li>Participating in the harmonization of regional legal and regulatory frameworks</li> </ul>	<ul style="list-style-type: none"> <li>Continued participating in the harmonization of regional legal and regulatory frameworks</li> </ul>	<ul style="list-style-type: none"> <li>Continued participating in the harmonization of regional legal and regulatory frameworks</li> </ul>	<ul style="list-style-type: none"> <li>Continued participating in the harmonization of regional legal and regulatory frameworks</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> <li>Ministries/ Relevant Institutions</li> </ul>			
(5). Preparation of a dictionary for the trust sector	<ul style="list-style-type: none"> <li>Preparation of a dictionary for the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued update the dictionary for the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued update the dictionary for the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued update the dictionary for the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>			
<b>Strategic Priority 2: Enhancing public understanding and encouraging participation.</b>								
(1). Strengthening the promotion and enhancing awareness of the trust sector among the general public and stakeholders, both directly and online	<ul style="list-style-type: none"> <li>Strengthening the promotion and enhancing awareness of the trust sector among the general public and stakeholders, both directly and online</li> </ul>	<ul style="list-style-type: none"> <li>Continued strengthening the promotion and enhancing awareness of the trust sector among the general public and stakeholders, both directly and online</li> </ul>	<ul style="list-style-type: none"> <li>Continued strengthening the promotion and enhancing awareness of the trust sector among the general public and stakeholders, both directly and online</li> </ul>	<ul style="list-style-type: none"> <li>Continued strengthening the promotion and enhancing awareness of the trust sector among the general public and stakeholders, both directly and online</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>			
(2). Implementing training and education to build capacity and promote the trust sector	<ul style="list-style-type: none"> <li>Implementing training and education to build capacity and promote the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued implementing training and education to build capacity and promote the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued implementing training and education to build capacity and promote the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued implementing training and education to build capacity and promote the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>			
(3). Encouraging broader participation in the Trust sector.	<ul style="list-style-type: none"> <li>Encouraging broader participation in the Trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued encouraging broader participation in the Trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued encouraging broader participation in the Trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued encouraging broader participation in the Trust sector</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>			
(4). Organizing training courses and qualification exams for approved persons in the market, for related	<ul style="list-style-type: none"> <li>Organizing training courses and qualification exams for approved persons in the market, for related</li> </ul>	<ul style="list-style-type: none"> <li>Continued organizing training courses and qualification exams for approved persons in the market, for related</li> </ul>	<ul style="list-style-type: none"> <li>Continued organizing training courses and qualification exams for approved persons in the market, for related</li> </ul>	<ul style="list-style-type: none"> <li>Continued organizing training courses and qualification exams for approved persons in the market, for related</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>			

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
operators, companies, and general public	operators, companies, and general public				
(5). Preparing forums and discussions on the progress, challenges, and future of the trust sector.	<ul style="list-style-type: none"> <li>Preparing forums and discussions on the progress, challenges, and future of the trust sector;</li> </ul>	<ul style="list-style-type: none"> <li>Continued preparing forums and discussions on the progress, challenges, and future of the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued preparing forums and discussions on the progress, challenges, and future of the trust sector;</li> </ul>	<ul style="list-style-type: none"> <li>Continued preparing forums and discussions on the progress, challenges, and future of the trust sector;</li> </ul>	<ul style="list-style-type: none"> <li>Trust regulator (TR)</li> </ul>
(6). Creating partnerships with educational institutions to integrate trust sector studies into various academic programs and national education programs	<ul style="list-style-type: none"> <li>Creating partnerships with educational institutions to integrate trust sector studies into various academic programs and national education programs</li> </ul>	<ul style="list-style-type: none"> <li>Continued creating partnerships with educational institutions to integrate trust sector studies into various academic programs and national education programs</li> </ul>	<ul style="list-style-type: none"> <li>Continued creating partnerships with educational institutions to integrate trust sector studies into various academic programs and national education programs</li> </ul>	<ul style="list-style-type: none"> <li>Continued creating partnerships with educational institutions to integrate trust sector studies into various academic programs and national education programs</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> <li>Ministry of Education, Youth And Sport</li> <li>Ministries/ Relevant Institutions</li> </ul>
(7). Launching the Trust Regulator App to facilitate easy access for stakeholders and the general public to information about the trust sector and to enhance market participation.	<ul style="list-style-type: none"> <li>Launching the Trust Regulator App to facilitate easy access for stakeholders and the general public to information about the trust sector and to enhance market participation.</li> </ul>	<ul style="list-style-type: none"> <li>Update the Trust Regulator App to facilitate easy access for stakeholders and the general public to information about the trust sector and to enhance market participation.</li> </ul>	<ul style="list-style-type: none"> <li>Update the Trust Regulator App to facilitate easy access for stakeholders and the general public to information about the trust sector and to enhance market participation.</li> </ul>	<ul style="list-style-type: none"> <li>Continued updating the Trust Regulator App to facilitate easy access for stakeholders and the general public to information about the trust sector and to enhance market participation.</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>
<b>Strategic Priority 3: Establishing mechanisms for supervision and operations based on technological innovation</b>					
(1). Promoting and developing a registration system for the trust sector using information technology	<ul style="list-style-type: none"> <li>Promoting and developing a registration system for the trust sector using information technology</li> </ul>	<ul style="list-style-type: none"> <li>Continued promoting and developing a registration system for the trust sector using information technology</li> </ul>	<ul style="list-style-type: none"> <li>Continued promoting and developing a registration system for the trust sector using information technology</li> </ul>	<ul style="list-style-type: none"> <li>Continued promoting and developing a registration system for the trust sector using information technology</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>
(2). Building digital infrastructure to facilitate the quality of work, allowing trust operations to be conducted efficiently, transparently, and securely	<ul style="list-style-type: none"> <li>Building digital infrastructure to facilitate and enhance the quality of work, allowing trust operations to be conducted efficiently, transparently, and securely</li> </ul>	<ul style="list-style-type: none"> <li>Continued building digital infrastructure to facilitate and enhance the quality of work, allowing trust operations to be conducted efficiently, transparently, and securely</li> </ul>	<ul style="list-style-type: none"> <li>Continued building digital infrastructure to facilitate and enhance the quality of work, allowing trust operations to be conducted efficiently, transparently, and securely</li> </ul>	<ul style="list-style-type: none"> <li>Continued building digital infrastructure to facilitate and enhance the quality of work, allowing trust operations to be conducted efficiently, transparently, and securely</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>
(3). Utilizing information technology systems to improve and enhance the efficiency and safety of	<ul style="list-style-type: none"> <li>Utilizing information technology systems to improve and enhance the efficiency and safety of</li> </ul>	<ul style="list-style-type: none"> <li>Continued utilizing information technology systems to improve and enhance the efficiency and safety of operations, reducing operational time</li> </ul>	<ul style="list-style-type: none"> <li>Continued utilizing information technology systems to improve and enhance the efficiency and safety of operations, reducing operational time</li> </ul>	<ul style="list-style-type: none"> <li>Continued utilizing information technology systems to improve and enhance the efficiency and safety of operations, reducing operational time</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>



Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<p>inter-ministerial and inter-institutional relevance</p> <p><b>(5). Cooperating to establish legal frameworks to manage tax matters within the trust sector</b></p>	<ul style="list-style-type: none"> <li>Cooperating to establish legal frameworks to manage tax matters within the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued cooperating to establish legal frameworks to manage tax matters within the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>Continued cooperating to establish legal frameworks to manage tax matters within the trust sector</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> <li>Ministries/ Relevant Institutions</li> </ul>
<p><b>(6). Implementing governance to monitor, research, inspect, and strengthen the application of laws and regulations by licensed operators and other participants in the trust sector.</b></p>	<ul style="list-style-type: none"> <li>Implementing governance to monitor, research, inspect, and strengthen the application of laws and regulations by licensed operators and other participants in the trust sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continued implementing governance to monitor, research, inspect, and strengthen the application of laws and regulations by licensed operators and other participants in the trust sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continued implementing governance to monitor, research, inspect, and strengthen the application of laws and regulations by licensed operators and other participants in the trust sector.</li> </ul>	<ul style="list-style-type: none"> <li>TR</li> </ul>

**Fintech in the Nonbank Financial Sector**

Table 11: Implementation Plan for Fintech in the Non-bank Financial Sector

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>Development of policy enablers</b>		<ul style="list-style-type: none"> <li>Develop a Strategic Development Plan for Financial Technology in the Non-Bank Financial Sector; and</li> <li>Develop laws and regulations relating to fintech in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and evaluate the implementation of the Strategic Development Plan for Financial Technology in the Non-Bank Financial Sector;</li> <li>Develop regulations relating to technology risk management in the nonbank financial sector; and</li> <li>Continue to develop laws and regulations relating to fintech in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate the implementation of the Strategic Development Plan for Financial Technology in the Non-Bank Financial Sector;</li> <li>Promote the enforcement of regulations relating to technology risk management in the nonbank financial sector; and</li> <li>Continue to develop laws and regulations relating to fintech in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>FinTech Center; and</li> <li>Subordinate Regulators under FSA</li> </ul>
	<b>Development of digital enablers</b>	<ul style="list-style-type: none"> <li>Develop a regulation to entrust additional functions to the FinTech Center of the General Secretariat of FSA as the Digital Transformation Unit of FSA.</li> <li>Conduct research on digital enablers, including integrated digital platforms and/or systems.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a Strategic Plan for Digital Transformation in the Non-Bank Financial Sector.</li> <li>Develop digital enablers, including integrated digital platforms and/or systems.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and evaluate the implementation of the Strategic Plan for Digital Transformation in the Non-Bank Financial Sector.</li> <li>Continue to develop digital enablers, including integrated digital platforms and/or systems.</li> </ul>	<ul style="list-style-type: none"> <li>FinTech Center; and</li> <li>Subordinate Regulators under FSA</li> <li>FinTech Center; and</li> <li>Subordinate Regulators under FSA</li> </ul>
<b>Promotion of the use and development of enabling technologies</b>		<ul style="list-style-type: none"> <li>Conduct research on and promote the use and development of technologies in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct research on and promote the use and development of technologies in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct research on and promote the use and development of technologies in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>FinTech Center; and</li> <li>Subordinate Regulators under FSA</li> </ul>
		<ul style="list-style-type: none"> <li>Promote and enhance the development of fintech capacity and skills in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote and enhance the development of fintech capacity and skills in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote and enhance the development of fintech capacity and skills in the nonbank financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>FinTech Center; and</li> <li>Subordinate Regulators under FSA</li> </ul>

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<p><b>Promotion of the development and innovation of fintech activities in the nonbank financial sector</b></p>	<ul style="list-style-type: none"> <li>Conduct research on innovative fintech activities with the focus on regulation and diversification.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct research on innovative fintech activities with the focus on regulation and diversification.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct research on innovative fintech activities with the focus on regulation and diversification.</li> </ul>	<ul style="list-style-type: none"> <li>FinTech Center; and</li> <li>Subordinate Regulators under FSA</li> </ul>
	<ul style="list-style-type: none"> <li>Develop programs relating to the promotion of innovation of fintech activities.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop programs relating to the promotion of innovation of fintech activities.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop programs relating to the promotion of innovation of fintech activities.</li> </ul>	<ul style="list-style-type: none"> <li>FinTech Center; and</li> <li>Subordinate Regulators under FSA</li> </ul>

**Credit Information Sharing**

Table 12: Implementation Plan for Credit Information Sharing

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<p><b>Improving the effectiveness of the credit information system of the Credit Bureau Cambodia (CBC)</b></p>	<ul style="list-style-type: none"> <li>Conduct a feasibility study of integrating data of sectors that are not under NBC’s supervisory with CBC through collaboration of NBC, FSA, and MEF.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the result, NBC, FSA, and MEF shall have a memorandum of understanding to ensure that financial institutions that are not NBC’s supervisory authority share credit information to CBC; and</li> <li>Develop a credit score integration that covers data from all formal financial institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Requires the use of credit scores for lending activities by formal financial institutions.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>MEF</li> <li>FSA and</li> <li>CBC</li> </ul>

**Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)**

Table 13: Implementation Plan for AML/CFT

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. FATF Mutual Evaluation Review</b>					
<b>Compliance with FATF recommendations</b>	<ul style="list-style-type: none"> <li>Follow up on mutual evaluation findings and recommended actions.</li> </ul>	<ul style="list-style-type: none"> <li>Undertake self-assessments in line with FATF standards.</li> </ul>	<ul style="list-style-type: none"> <li>Sustain the compliance of FATF standards.</li> </ul>	<ul style="list-style-type: none"> <li>NCC</li> <li>CAFIU</li> <li>MOI</li> <li>MOFAIC</li> <li>MEF</li> <li>MOJ</li> <li>ACU</li> <li>Prudential Supervisors on Reporting Entities, and</li> <li>Other relevant stakeholders</li> </ul>	
<b>B. Undertake National Risk Assessment/s</b>					
<b>National risk assessment on money laundering and terrorist financing</b>	<ul style="list-style-type: none"> <li>Conduct NRA-II.</li> </ul>	<ul style="list-style-type: none"> <li>Mitigate the gaps found in NRA-II.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare for NRA-III.</li> </ul>	<ul style="list-style-type: none"> <li>NCC</li> <li>CAFIU</li> <li>MEF</li> <li>MOI</li> <li>Prudential supervisors on Reporting Entities</li> <li>MOJ</li> <li>ACU and</li> <li>Other relevant stakeholders</li> </ul>	
<b>C. Fit and Proper Requirements of Financial Institutions</b>					
<b>Fit and Proper requirements</b>	<ul style="list-style-type: none"> <li>Review the outcome/gaps in Fit and Proper requirements of financial institutions.</li> </ul>		<ul style="list-style-type: none"> <li>Ensure compliance with Fit and Proper requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Prudential Supervisors on Reporting Entities</li> </ul>	
<b>D. Enhanced Role of CAFIU</b>					
<b>Regulatory and supervisory framework</b>	<ul style="list-style-type: none"> <li>Develop a plan to provide Mandatory Compliance Certification Courses.</li> </ul>	<ul style="list-style-type: none"> <li>Update guideline for carrying out ML/TF risk assessment for Reporting Entities as per Law on AML/CFT; and</li> </ul>	<ul style="list-style-type: none"> <li>Continue reviewing reporting entities against AML/CFT requirements and provide feedback to strengthen their internal systems and controls.</li> </ul>	<ul style="list-style-type: none"> <li>CAFIU</li> </ul>	

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
			<ul style="list-style-type: none"> <li>Carry out mandatory Compliance Certification Courses for Reporting Entities.</li> </ul>		
<b>Prepare awareness-raising programs</b>	<ul style="list-style-type: none"> <li>Widen AML and CFT awareness-raising programs.</li> </ul>	<ul style="list-style-type: none"> <li>Improve the quality of reports on money laundering and terrorist financing and risk mitigation by Reporting Entities .</li> </ul>	<ul style="list-style-type: none"> <li>Continue implementation of various awareness programs</li> </ul>	<ul style="list-style-type: none"> <li>CAFIU</li> </ul>	
<b>E. Strengthen Compliance for High-risk Businesses</b>					
<b>Assessment of high-risk businesses</b>	<ul style="list-style-type: none"> <li>Review and improve based on the outcome of the assessment.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to review and improve.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to review and improve.</li> </ul>	<ul style="list-style-type: none"> <li>CAFIU</li> </ul>	
<b>F. Strengthen Investigation Capabilities</b>					
<b>Strengthen international cooperation</b>	<ul style="list-style-type: none"> <li>Develop clear policies and strategies to pursue confiscation, including repatriation, sharing, and restitution of criminal proceeds and property of equivalent value.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt the polices and strategies developed; and</li> <li>Adopt a Case Management System for effective processing of incoming and outgoing international cooperation requests.</li> </ul>	<ul style="list-style-type: none"> <li>Continue implementing steps to strengthen international cooperation.</li> </ul>	<ul style="list-style-type: none"> <li>LEAs</li> <li>MoJ and</li> <li>Judiciary</li> </ul>	
<b>Contribute to an increase in money laundering investigations and prosecutions</b>	<ul style="list-style-type: none"> <li>Contribute to investigation, prosecution and convictions by way of freezing and confiscation of criminal proceeds, instrumentalities, and property of equivalent value.</li> </ul>	<ul style="list-style-type: none"> <li>Continue training programs for investigators and implement advanced technologies for financial intelligence analysis.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement training programs for investigators and implement advanced technologies for financial intelligence analysis.</li> </ul>	<ul style="list-style-type: none"> <li>LEAs</li> <li>MoJ and</li> <li>Judiciary</li> </ul>	
<b>G. Improve International Cooperative Arrangement</b>					
<b>Enhancing dissemination of financial intelligence and other related data to law enforcement agencies in connection with high-risk crimes,</b>	<ul style="list-style-type: none"> <li>Review and identify steps to improve the quality of information on money laundering and terrorist financing activities.</li> </ul>	<ul style="list-style-type: none"> <li>Develop relevant documentation for improved dissemination of financial intelligence including protocols for collecting comprehensive ML/TF data, SOPs, feedback mechanism between CAFIU and LEAs, etc; and</li> <li>Develop and implement high-quality intelligence products for LEAs, including prompt dissemination of analysed suspicious transaction reports and strategic analysis of the financial intelligence.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement.</li> </ul>	<ul style="list-style-type: none"> <li>CAFIU and</li> <li>LEAs</li> </ul>	

Promotion of Riel

Table 14: Implementation Plan for Promotion of Riel

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
Establish an inter-ministerial working group and a national strategy on riel promotion	<ul style="list-style-type: none"> <li>Establish high-level and technical inter-ministerial working groups on riel promotion; and</li> <li>Develop a long-term national strategy to promote riel usage.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop the payment system to encourage riel usage</li> <li>Reduce payment transaction fees for payments in riel; and</li> <li>Ensure a sufficient supply of riel banknotes for ATMs, both small and large denominations.</li> </ul>	<ul style="list-style-type: none"> <li>Working groups monitor and evaluate the implementation of riel promotion measures and make necessary adjustments.</li> </ul>	<ul style="list-style-type: none"> <li>Working groups monitor and evaluate the implementation of riel promotion measures and make necessary adjustments; and</li> <li>Update the national riel promotion strategy.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>MEF and</li> <li>Relevant ministries and institutions</li> </ul>
	Improve accessibility and availability of riel	<ul style="list-style-type: none"> <li>Develop procedures for setting prices and collecting public service payments in riel; and</li> <li>Encourage the implementation of guidelines on labeling goods and services in riel at retail stores and service outlets.</li> </ul>	<ul style="list-style-type: none"> <li>Development of riel-friendly payment system</li> <li>Maintain a minimal gap between payment fees in riel and those in foreign currencies; and</li> <li>Increase the distribution of riel banknotes, both small and large denominations, in ATMs.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the nationwide implementation of public service pricing and payments in riel; and</li> <li>Strengthen the implementation of guidelines on labeling goods and services in riel at retail stores and service outlets.</li> </ul>	<ul style="list-style-type: none"> <li>Development of riel-friendly payment system</li> <li>Maintain a minimal gap between payment fees in riel and those in foreign currencies; and</li> <li>Increase the distribution of riel banknotes, both in small and large denominations, in ATMs</li> </ul>
Promote pricing and service payments in riel	<ul style="list-style-type: none"> <li>Encourage and support companies, enterprises, embassies, and organizations in disbursing salaries and payments in riel.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the nationwide implementation of public service pricing and payments in riel; and</li> <li>Strengthen the implementation of guidelines on labeling goods and services in riel at retail stores and service outlets.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to support companies, enterprises, embassies, and organizations in disbursing salaries and payments in riel.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the nationwide implementation of public service pricing and payments in riel; and</li> <li>Require prices to be listed in riel as the base value for goods and services, while allowing US dollar pricing based on the official exchange rate</li> </ul>	<ul style="list-style-type: none"> <li>MOC</li> <li>Relevant ministries and institutions and</li> <li>National and sub-national administrations</li> </ul>
Encourage companies, enterprises, embassies, and organizations to increase the use of riel	<ul style="list-style-type: none"> <li>Assess and design appropriate measures to require banks and financial institutions to increase riel usage; and</li> <li>Encourage banks and financial institutions to expand riel-denominated products and services.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to support companies, enterprises, embassies, and organizations in disbursing salaries and payments in riel.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation of measures requiring banks and financial institutions to increase the use of riel and adjust the measures as necessary; and</li> <li>Encourage banks and financial institutions to expand riel-denominated products and services.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to support companies, enterprises, embassies, and organizations in disbursing salaries and payments in riel.</li> </ul>	<ul style="list-style-type: none"> <li>Relevant ministries and institutions, and</li> <li>Business associations across sectors</li> </ul>
Encourage the participation of banks and financial institutions in supporting the use of riel	<ul style="list-style-type: none"> <li>Promote the importance of riel through social media, educational programs, and public forums.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation of measures requiring banks and financial institutions to increase the use of riel and adjust the measures as necessary; and</li> <li>Encourage banks and financial institutions to expand riel-denominated products and services.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the effectiveness of public outreach on the importance of riel using all available platforms to target key stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the implementation of measures requiring banks and financial institutions to support the use of riel and adjust the measures as necessary; and</li> <li>Encourage banks and financial institutions to expand riel-denominated products and services.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>ABC and</li> <li>CMA</li> </ul>
Enhance public awareness of the benefits of using riel					<ul style="list-style-type: none"> <li>NBC</li> <li>MOEY and</li> <li>Relevant ministries and institutions</li> </ul>

**Sustainable Finance**

Table 15: Implementation Plan for Sustainable Finance

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Develop investment pipelines for sustainable finance</b>					
<b>Creating a database of sustainable projects and carbon emissions</b>		<ul style="list-style-type: none"> <li>Consolidate the number of sustainable projects in Cambodia.</li> </ul>	<ul style="list-style-type: none"> <li>Set up a database of sustainable projects for Cambodia.</li> </ul>	<ul style="list-style-type: none"> <li>Analyze the benefits and challenges of public database creation and take necessary actions.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>SERC</li> <li>NCSD and</li> <li>FSA</li> </ul>
		<ul style="list-style-type: none"> <li>Explore the possibility of obtaining data for carbon emissions and</li> <li>Call for a national working group or initiative on data collection, methodology, and publication.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a data center for carbon emissions to promote sustainability disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain and improve the data center of carbon emissions and</li> <li>Demonstrate the data center of carbon emissions at international cooperation and networking events.</li> </ul>	<ul style="list-style-type: none"> <li>MOE</li> <li>MEF</li> <li>NBC</li> <li>ACAR</li> <li>SERC</li> <li>FSA and</li> <li>Stakeholders</li> </ul>
<b>B. Disclosure of financial institution reports in compliance with international standards.</b>					
<b>Promoting corporate sustainability disclosure standards</b>		<ul style="list-style-type: none"> <li>Promote corporate sustainability disclosure practices.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a national framework or guidelines for corporate sustainability disclosure.</li> <li>Implement a phased approach for climate risk disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>Review the implementation of the corporate sustainability disclosure guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>SERC</li> <li>ABC</li> <li>FSA and</li> <li>NBC</li> </ul>
<b>C. Implement capacity building and raise awareness about sustainable finance.</b>					
<b>Providing technical assistance to management team</b>		<ul style="list-style-type: none"> <li>Organize technical workshops for regulators in collaboration with development partners.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to organize workshops on relevant topics including lessons learned from other jurisdictions.</li> </ul>		<ul style="list-style-type: none"> <li>NBC</li> <li>SERC</li> <li>FAS and</li> <li>Stakeholders</li> </ul>
		<ul style="list-style-type: none"> <li>Organize technical workshops for issuance companies and institutional investors.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to organize workshops on relevant topics, including lessons learned from other jurisdictions.</li> </ul>		<ul style="list-style-type: none"> <li>SERC</li> <li>NBC and</li> <li>FSA</li> </ul>
<b>Increasing public awareness of sustainable finance</b>			<ul style="list-style-type: none"> <li>Develop sustainable finance outreach programs and public education initiatives and</li> <li>Consider hosting a sustainable finance summit in Cambodia.</li> </ul>	<ul style="list-style-type: none"> <li>Implement public education initiatives on sustainable finance through various media channels.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>FSA</li> <li>ABC and</li> <li>SERC</li> </ul>

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>Facilitating knowledge transfer</b>	<ul style="list-style-type: none"> <li>Study on developing a knowledge center on sustainable finance among stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a comprehensive knowledge center on sustainable finance in Cambodia.</li> </ul>	<ul style="list-style-type: none"> <li>Organize ASEAN-level workshops and conferences.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> <li>FSA</li> <li>ABC and</li> <li>SERC</li> </ul>	
<b>D. Enhance the issuance of thematic securities in Cambodia</b>					
<b>Issuance of green government securities</b>	<ul style="list-style-type: none"> <li>Study ASEAN's experience in issuing green government securities.</li> <li>Explore the possibility of issuing sector-specific green bonds in Cambodia.</li> </ul>	<ul style="list-style-type: none"> <li>Issue green government securities, if possible.</li> <li>Encourage corporate to issue green bonds.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the adoption of green bonds.</li> </ul>	<ul style="list-style-type: none"> <li>SERC</li> <li>NBC</li> <li>FSA and</li> <li>MEF</li> </ul>	
<b>Promoting the simpler issuance of sector-specific bonds</b>	<ul style="list-style-type: none"> <li>Explore the possibility of implementing incentives for issuance green bonds.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare draft regulations that provide additional incentives for companies issuing green bonds.</li> </ul>	<ul style="list-style-type: none"> <li>Approve regulations that provide additional incentives for companies to issue green bonds.</li> </ul>	<ul style="list-style-type: none"> <li>SERC</li> <li>MEF and</li> <li>FSA</li> </ul>	

**Information, Education and Communication**

*Table 16: Implementation Plan for Information, Education and Communication*

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Promote Financial Literacy and Enhance Awareness of Financial Products Among the Public</b>					
<b>Integrate finance-related topics in the academic curriculum</b>	<ul style="list-style-type: none"> <li>Strengthen teachers' capacity (comprising representatives from MOEYS, FSA, and educational universities) to facilitate the integration of financial topics in the academic curriculum</li> <li>Gradually expand the scope of incorporating financial literacy into the general academic curriculum; and</li> <li>Identify potential areas in the academic curriculum for integrating aspects related to nonbank financial services.</li> </ul>	<ul style="list-style-type: none"> <li>Develop learning aids and educational material for the identified potential areas</li> <li>Formulate modalities for conducting case study competitions to create awareness regarding nonbank financial services</li> <li>Encourage the involvement of financial institutions and launch competitions; and</li> <li>Continue steadily expanding the scope of incorporating financial literacy into the general education curriculum.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage bilateral arrangements between educational institutions and financial service providers to encourage youth towards pursuing a career in the financial sector; and</li> <li>Integrating financial literacy into the general knowledge academic curriculum.</li> </ul>	<ul style="list-style-type: none"> <li>MOEYS</li> <li>NBC</li> <li>FSA</li> <li>Financial service providers</li> </ul>	
<b>Expand the network of financial intermediaries and strengthen the distribution network of financial service providers</b>	<ul style="list-style-type: none"> <li>Identify major constraints that constrain the uptake of nonbank financial services</li> <li>Conduct an assessment to identify major areas or regions with low access and high demand; and</li> <li>Direct service providers to strengthen their network of financial intermediaries.</li> </ul>	<ul style="list-style-type: none"> <li>Develop standardized templates to streamline communication between financial intermediaries and customers; and</li> <li>Establish mechanisms for capturing and resolving complaints against intermediaries.</li> </ul>	<ul style="list-style-type: none"> <li>Determine areas or regions with the requirements for the physical presence of financial institutions or their branches; and</li> <li>Direct financial service providers to strengthen their physical presence.</li> </ul>	<ul style="list-style-type: none"> <li>MOEYS</li> <li>NBC</li> <li>FSA</li> <li>Financial service providers</li> </ul>	
<b>Deploy conventional promotion mechanisms aimed at enhancing financial awareness and literacy</b>	<ul style="list-style-type: none"> <li>Assess the impact of different promotional methods; and</li> <li>Develop appropriate print media material comprising booklets, comic books, newsletters, magazines, and other thought leadership articles.</li> </ul>	<ul style="list-style-type: none"> <li>Organize capacity-building sessions (workshops, seminars, etc.) to disseminate the evolving concepts related to the financial sector; and</li> <li>Capture post-workshop feedback to improve the impact of capacity-building sessions.</li> </ul>	<ul style="list-style-type: none"> <li>Identify the scope of integrating conventional and non-traditional communication channels to develop omnichannel communication.</li> </ul>	<ul style="list-style-type: none"> <li>FSA</li> <li>NBC and</li> <li>Other nonbank financial regulators</li> </ul>	

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
Undertake digital initiatives to facilitate greater awareness and an increase in uptake of financial products	<ul style="list-style-type: none"> <li>Prepare digital content to create awareness regarding nonbank financial services</li> <li>Determine various ways of delivering digital content such as advertisements, documentaries, short videos, etc.; and</li> <li>Partner with relevant agencies to broadcast the content.</li> </ul>	<ul style="list-style-type: none"> <li>Launch digital campaigns to target different customer segments.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage financial service providers to introduce gamification and simulation-based applications to promote financial literacy.</li> </ul>	<ul style="list-style-type: none"> <li>FSA</li> <li>NBC</li> <li>Other nonbank financial regulators</li> <li>Others</li> <li>Financial service provider</li> </ul>	
	<ul style="list-style-type: none"> <li>Initiate discussions for developing a financial sector literacy and awareness strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Develop interventions for promoting financial literacy and awareness, especially in the nonbank financial sector</li> <li>Develop the roadmap and stakeholder matrix for implementation of identified interventions; and</li> <li>Establish a Financial Literacy Committee to facilitate and monitor the implementation of proposed interventions.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate the achievements and make necessary updates to the strategy.</li> </ul>	<ul style="list-style-type: none"> <li>FSA</li> <li>NBC</li> <li>IRC</li> <li>SERC</li> <li>SSR</li> <li>TR</li> <li>ACAR and</li> <li>RPR</li> </ul>	
<b>B. Promote Sound Financial Planning Among Entrepreneurs and Enterprises, and Facilitate Greater Access to Financial Resources</b>					
SME's access to Finance	<ul style="list-style-type: none"> <li>Develop initiatives to ensure registration of SMEs, including mandatory registration and punitive actions for non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Capacity building of SME entrepreneurs on business skills and maintaining financial records.</li> </ul>		<ul style="list-style-type: none"> <li>MOC and</li> <li>MISTI</li> </ul>	
Capacity-building for SMEs and entrepreneurs to promote prudent financial decision-making	<ul style="list-style-type: none"> <li>Prepare content to be used in conducting capacity-building sessions for SMEs and entrepreneurs, including digital content; and</li> <li>Identify the relevant platforms/events for conducting capacity-building sessions.</li> </ul>	<ul style="list-style-type: none"> <li>Organise physical capacity-building/training sessions; and</li> <li>Introduce short online courses on different nonbank financial service areas.</li> </ul>	<ul style="list-style-type: none"> <li>Capture post-workshop/ course feedback to improve the content offered.</li> </ul>	<ul style="list-style-type: none"> <li>FSA</li> <li>NBC</li> <li>MOC</li> <li>MISTI and</li> <li>Federation of Associations for SMEs of Cambodia</li> </ul>	

**Consumer Protection**

Table 17: Implementation Plan for Consumer Protection

Development Areas		Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
<b>A. Legal and Regulatory Framework</b>					
<b>Design FCP framework for Non-Bank Financial sector</b>	<ul style="list-style-type: none"> <li>Assess existing challenges and gaps in consumer protection across the nonbank financial sector; and</li> <li>Conduct feasibility study to determine how the Law on Consumer Protection could be applied to the nonbank financial sectors.</li> <li>Strengthen capacity of officials in charge of consumer protection.</li> </ul>	<ul style="list-style-type: none"> <li>Design an FCP framework for the nonbank financial sector.</li> <li>Develop necessary laws and regulations for the FCP framework implementation in the nonbank financial sector; and</li> <li>Adopt of above law and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Review feedback from financial sector stakeholders and make necessary modifications to the FCP framework.</li> </ul>	<ul style="list-style-type: none"> <li>MEF</li> <li>FSA</li> <li>Other Non-bank Financial Regulators and</li> <li>Financial Sector Players</li> </ul>	
<b>Strengthen the FCP framework for the banking sector</b>	<ul style="list-style-type: none"> <li>Strengthen capacity of officials in charge of consumer protection.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the consumer protection framework for the banking sector, including regulatory frameworks, market conduct supervision, and financial literacy programs.</li> </ul>	<ul style="list-style-type: none"> <li>Review feedback from financial sector stakeholders and make necessary modifications to the FCP framework.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> </ul>	
<b>FCP unit for nonbank financial sector</b>		<ul style="list-style-type: none"> <li>Establish an FCP unit for nonbank financial sector that has expertise in market conduct supervision under the FSA and define its roles and functions.</li> </ul>	<ul style="list-style-type: none"> <li>Train the staff on FCP practice and supervisory tools.</li> </ul>	<ul style="list-style-type: none"> <li>FSA</li> </ul>	
<b>B. Dispute Resolution</b>					
<b>Consumer awareness</b>	<ul style="list-style-type: none"> <li>Disseminate the information on the rights and procedures for complaining to enable consumer complaints by digital means.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt digital means to receive and resolve complaints to the extent possible; and</li> <li>Define turn-around-time for complaint resolution.</li> </ul>		<ul style="list-style-type: none"> <li>NBC</li> <li>FSA</li> <li>Other Non-bank Financial Regulators and</li> <li>Financial Sector Players</li> </ul>	
<b>Alternative dispute resolution mechanism</b>		<ul style="list-style-type: none"> <li>Adopt digital infrastructure to accept online complaints and explore online mediation services; and</li> <li>Feasibility study for introduction of an insurance arbitrator.</li> </ul>	<ul style="list-style-type: none"> <li>Establish an insurance arbitrator.</li> </ul>	<ul style="list-style-type: none"> <li>FSA and</li> <li>IRC</li> </ul>	

Development Areas	Activities for 2025–2026	Activities for 2027–2028	Activities for 2029–2030	Responsible Agencies
	<ul style="list-style-type: none"> <li>Study on consumer complaints and dispute resolution in the banking sector to align with international best practice.</li> </ul>	<ul style="list-style-type: none"> <li>Keep strengthening the consumer complaints mechanism based on the study findings</li> <li>Set up the digital infrastructure for online complaints and online mediation services; and</li> <li>Raise awareness on this form of mechanism and encourage consumers to use this alternative.</li> </ul>	<ul style="list-style-type: none"> <li>Assess and make modifications on digital infrastructure for online complaints as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>NBC</li> </ul>

Abbreviations

ABC = Association of Banks in Cambodia, ACAR = accounting and auditing regulator, ACU = Anti-Corruption Unit, ASEAN = Association of Southeast Asian Nations, Bank and Finance Institutions = BFI, CAFIU = Cambodia Financial Intelligence Unit, CamDX = Cambodia Data Exchange, CGCC = Credit Guarantee Corporation of Cambodia, CMA = Cambodia Microfinance Association, CPF = Combating the Financing of Proliferation of Weapons of Mass Destruction, CSX = Cambodia Securities Exchange, FCP = Financial Consumer Protection, FSA = Financial Services Authority, GDT = General Department of Taxation, GS-NSPC = General Secretariat for the National Social Protection Council, KICPAA = Kampuchea Institute of Certified Public Accountants and Auditors, IAC = Insurance Association of Cambodia, ICP = insurance core principle, ICT = information and communications technology, IRC = interest rate corridor, LEA = Law Enforcement Agency, MEF = Ministry of Economy and Finance, MISTI = Ministry of Industry, Science, Technology and Innovation, MOC = Ministry of Commerce, MOEY = Ministry of Education, Youth and Sports, MOFAIC = Ministry of Foreign Affairs and International Cooperation, MOI = Ministry of Interior, MOJ = Ministry of Justice, MPTC = Ministry of Post and Telecommunications, NBC = National Bank of Cambodia, NCC = National Coordination Committee on Anti-Money Laundering and Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction, NFPE = not-for-profit entities, NRA-II = National Risk Assessment – II, NSSF = National Social Security Fund, SERC = Securities and Exchange Regulator of Cambodia, RPR = Real Estate Business and Pawnshop Regulator

## **Appendix 2: Legal and Regulatory Framework for Monitoring and Evaluation**



**Preah Reach Kret (Royal Decree)**  
**The Establishment of Economic and Financial Policy Committee**

**We,**  
**His Majesty Norodom Sihamoni**  
**King of Cambodia**

- Having taken into account the Constitution of the Kingdom of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0918/925 dated 6 September 2018 on the Appointment of the Royal Government of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0320/421 dated 30 March 2020 on the Appointment and Restructuring the Composition of the Royal Government of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/0618/012 dated 28 June 2018 promulgating the Organization and Function of the Council of Ministers
- Having taken into account Preah Reach Kram No. NS/RKM/0196/18 dated 24 January 1996 promulgating the Law on the Establishment of Ministry of Economy and Finance
- Having taken into account the request by Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia,

**Hereby Decides**

**Chapter 1**  
**General Provisions**

**Article 1.-**

The Economic and Financial Policy Committee abbreviated as EFPC, was established as the Royal Government's inter-ministries and institutions mechanism to secure the economic and finance, promote Cambodia's diversification and competitiveness in driving economic and social growth and development inclusively, equity, resilience and sustainability.

**Article 2.-**

The EFPC has the following duties:

- Lead the relevant ministries and institutions to regularly monitor the economic and financial situation, and to propose necessary policies, strategies, or intervention measures, aimed at ensuring economic and financial stability and promoting economic growth
- Lead and coordinate with relevant ministries and institutions to reform the economic and financial sectors aimed at enhancing diversification and increasing competitiveness
- Lead and guide the preparation of legal regulations, policies, and strategies in the economic and financial sectors of the relevant ministries and institutions, aimed at ensuring the enhancement of sustainable economic and social development
- Lead the monitoring, evaluation, and promotion of effectiveness in the implementation of policies, strategies, and other reforms in the economic and financial sectors that were prepared by the EFPC
- Lead and coordinate tasks and resolve other issues that are inter-sectoral or inter-ministerial/institutional in nature within the economic and financial sectors
- Coordinate economic cooperation at the policy level with development partners regarding the Royal Government's reform work in the socio-economic and financial sectors; and
- Perform other duties as assigned by the Royal Government.

## Chapter 2 Composition and Structure

### Article 3.-

The composition of the EFPC is as follow:

1- Minister of Economy and Finance	Chair
2- Governor of the National Bank of Cambodia	Vice-Chair
3- Minister of Planning	Vice-Chair
4- Minister of Land Management, Urban Planning and Construction	Member
5- Minister of Education, Youth and Sport	Member
6- Minister of Justice	Member
7- Minister of Civil Service	Member
8- Minister of Industry, Science, Technology & Innovation	Member
9- Minister of Public Works and Transport	Member
10- Minister of Social Affairs Veterans and Youth Rehabilitation	Member
11- Minister of Water Resource and Meteorology	Member
12- Minister of Health	Member
13- Minister of Labour and Vocational Training	Member
14- Minister of Tourism	Member
15- Minister of Mines and Energy	Member
16- Minister of Agriculture, Forestry and Fisheries	Member
17- Minister of Rural Development	Member
18- Minister of Commerce	Member
19- Minister of Posts and Telecommunications	Member
20- Minister of Environment	Member
21- Secretary of State, Office of the Council of Ministers	Member
22- Secretary of State, Ministry of Economy and Finance	Member
23- Representative of Supreme National Economic Council	Member
24- Secretary General of the Council for the Development of Cambodia	Member

The EFPC may have additional members, consisting of Ministers, Heads of Institutions, or representatives of other relevant Ministries/Institutions of the Royal Government, as necessary.

### Article 4.-

The EFPC may have committees, sub-committees, or other working groups to support the tasks in fulfilling the duties as stipulated in Article 2 as necessary. The EFPC's committees, sub-committees, or other working groups shall be established by Sub-Decree (Anukret) or the Royal Government's Decision as requested by the chair of the EFPC or the EFPC's Decision.

### **Chapter 3**

#### **The Functioning of the EFPC**

##### **Article 5.-**

Upon the invitation of the chairman, the vice-chairmen and members of the EFPC must attend meetings or designate a representative with decision-making authority to attend the meeting in their absence or when occupied with other business.

The EFPC uses the seal of the Ministry of Economy and Finance for the operation of its work.

##### **Article 6.-**

The chairman of the EFPC has the right to invite heads of institutions or their representatives, or authorities, as well as technical officers from other relevant ministries-institutions, to attend meetings and perform duties, in accordance with the regulations stipulated in this Royal Decree.

##### **Article 7.-**

The EFPC, committees, sub-committees and technical working group have the right to invite representatives of development partner, private sector, civil society, advisor or national and international technical assistants, to attend meetings as members, observers or advisors as necessary.

##### **Article 8.-**

The EFPC shall have a General Secretariat to serve as the executive arm for fulfilling its functions. The EFPC General Secretariat shall be led by a Secretary General, accompanied by Deputy Secretaries General and a number of Advisors, as well as Directors of Departments, Deputy Directors of Departments, Head of Division, Deputy Head of Division, and a number of officers as necessary for the high effectiveness of the General Secretariat's operation.

Secretary General and Deputy Secretaries General shall be appointed by the Royal Decree.

Advisors, Directors of Department, Deputy Directors of Department, Head of Division, Deputy Head of Division, and a number of officers of General Secretariat shall be appointed buy Sub-Decree or Prakas in compliance with applicable regulations

##### **Article 9.-**

The organization and operation of the EFPC General Secretariat shall be determined by Sub-decree.

##### **Article 10.-**

The sources of resources for supporting the EFPC General Secretariat include national budget, partner funding, and other lawful sources.

## **Chapter 4**

### **Final Provisions**

#### **Article 11.-**

Existing regulations that were put into effect in compliance with Royal Decree No. NS/RKT/0719/1024 dated 6 July 2019 on the establishment of the Economic and Financial Policy Committee shall continue to be implemented until replaced by new regulations.

This Royal Decree shall supersede Royal Decree No. NS/RKT/07191024 dated 6 July 2019 on the establishment of the Economic and Financial Policy Committee.

Any provisions contrary to this Royal Decree shall be deemed null and repealed.

#### **Article 12.-**

Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia shall be responsible for implementing this Royal Decree starting from the date of the Royal signature.

**(Signed and Sealed)**

**NORODOM Sihamoni**

PRL.2307.1580

**Done at the Royal Palace, 20 July 2023**

**KINGDOM OF CAMBODIA**  
**NATION RELIGION KING**  


Royal Government of Cambodia  
No. 37 ANKr.BK

**Sub-Decree**  
**on**  
**Amendment of the Sub-Decree on Establishment of the Steering Committee for Financial Sector Development**

**The Royal Government of Cambodia**

- Having taken into account the Constitution of the Kingdom of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0823/1981 dated 22 August 2023 on the Appointment of the Royal Government of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0224/205 dated 21 February 2024 on the Supplementary Appointment of the Composition of the Royal Government of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0924/1169 dated 20 September 2024 on the Amendment and Appointment of the Composition of the Royal Government of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/1124/1477 dated 20 November 2024 on the Amendment and Supplementary Appointment of the Composition of the Royal Government of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/0618/012 dated 28 June 2018 promulgating the Organization and Function of the Council of Ministers
- Having taken into account Preah Reach Kram No. NS/RKM/0196/18 dated 24 January 1996 promulgating the Law on the Establishment of Ministry of Economy and Finance
- Having taken into account Preah Reach Kram No. NS/RKM/0196/27 dated 26 January 1996 promulgating the Law on Organization and Conduct of the National Bank of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/1206/036 dated 29 December 2006 promulgating the Amendment of Article 14 and Article 57 of the Law on Organization and Conduct of the National Bank of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/0121/003 dated 16 January 2021 promulgating the Law on Organization and Conduct of the Non-Bank Financial Services Authority
- Having taken into account Preah Reach Kret No. NS/RKT/0719/1024 dated 6 July 2019 on the Establishment of Economic and Financial Policy Committee
- Having taken into account Anukret No. 113 ANKr.BK dated 14 July 2021 on the Organization and Conduct of the Subordinate Units of the Financial Service Authority
- Having taken into account Anukret No. 256 ANKr.BK dated 8 December 2022 on the Establishment of Steering Committee for Financial Sector Development
- With reference to the request of Minister of Economy and Finance and Chairman of the Non-Bank Financial Service Authority Council

## Hereby Decides

### Chapter 1 General Provision

#### Article One.-

Article 4 of Sub-Decree 256 ANKr/BK dated 8 December 2022 on the establishment of the steering committee for financial sector development is amended as follows:

#### Article 4.\_New

The steering committee for financial sector development composes of the following members:

1- Governor of the National Bank of Cambodia		Chair
2- Secretary of State, Ministry of Economy and Finance and Secretary General of the Non-Bank Financial Services Authority		Vice-Chair
3- Deputy Governor of the National Bank of Cambodia	1 person	Vice-Chair
4- Deputy Governor of the National Bank of Cambodia	1 person	Member
5- Secretary of State, Ministry of Commerce	1 person	Member
6- Secretary of State, Ministry of Post and Telecommunication	1 person	Member
7- Secretary of State, Ministry of Social Affairs Veterans and Youth Rehabilitation	1 person	Member
8- Under Secretary of State, Ministry of Economy and Finance	1 person	Member
9- Director General of the Regulators and Head of the 7 Subordinated Units of the Non-Banking Financial Services Authority		Member
10- Secretary General of the National Bank of Cambodia		Member
11- Director General and a Deputy Director General of Banking Operation of the National Bank of Cambodia		Member
12- Director General and a Deputy Director General of Supervision of the National Bank of Cambodia		Member
13- Head and a Deputy Head of Cambodia Financial Intelligence Unit		Member
14- Director General of Policy and International Cooperation of the National Bank of Cambodia		Member
15- Director General and a Deputy Director General of Regulation and Financial Inclusion of the National Bank of Cambodia		Member

The actual composition of the steering committee for financial sector development shall be appointed by the decision of the Royal Government of Cambodia.

#### Article Two.-

Any provisions contrary to this Royal Decree shall be deemed null and repealed.

**Article Three.-**

Minister in charge of the Office of the Council of Ministers, Minister of Economy and Finance, Governor of the National Bank of Cambodia, and Ministers from all related ministries and institutions shall be responsible for implementing this Sub-Decree starting from the date of the Royal signature.

Done in Phnom Penh, on the 12<sup>th</sup> of March 2025

**PRIME MINISTER**

**(Signed and Sealed)**

**Samdech Moha Borvor Thipadei HUN MANET**

Having respectfully submitted to  
Samdech Moha Borvor Thipadei HUN MANET for signature

Deputy Prime Minister  
Minister of Economy and Finance, and  
Chairman of the Non-Bank Financial Services Authority Council

Signed

AUN PORNMONIROTH

CC:

- Ministry of the Royal Palace
- General Secretariat of the Constitutional Council
- General Secretariat of the Senate
- General Secretariat of the National Assemble
- Cabinet office of Samdech Moha Borvor Thipadei Prime Minister
- Cabinets of His Excellency Deputy Prime Minister
- Individual as stated in Article Three
- Royal Gazette
- Document-archives

**KINGDOM OF CAMBODIA**  
**NATION RELIGION KING**  


Royal Government of Cambodia  
No. 38 SSR

**Decision**  
**on**  
**The Appointment of the Steering Committee for Financial Sector Development**

**The Royal Government of Cambodia**

- Having taken into account the Constitution of the Kingdom of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0823/1981 dated 22 August 2023 on the Appointment of the Royal Government of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0224/205 dated 21 February 2024 on the Supplementary Appointment of the Composition of the Royal Government of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0924/1169 dated 20 September 2024 on the Amendment and Appointment of the Composition of the Royal Government of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/1124/1477 dated 20 November 2024 on the Amendment and Supplementary Appointment of the Composition of the Royal Government of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/0618/012 dated 28 June 2018 promulgating the Organization and Function of the Council of Ministers
- Having taken into account Preah Reach Kram No. NS/RKM/0196/18 dated 24 January 1996 promulgating the Law on the Establishment of Ministry of Economy and Finance
- Having taken into account Preah Reach Kram No. NS/RKM/0196/27 dated 26 January 1996 promulgating the Law on Organization and Conduct of the National Bank of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/1206/036 dated 29 December 2006 promulgating the Amendment of Article 14 and Article 57 of the Law on Organization and Conduct of the National Bank of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/0121/003 dated 16 January 2021 promulgating the Law on Organization and Conduct of the Non-Bank Financial Services Authority
- Having taken into account Preah Reach Kret No. NS/RKT/0719/1024 dated 6 July 2019 on the Establishment of Economic and Financial Policy Committee
- Having taken into account Anukret No. 113 ANKr.BK dated 14 July 2021 on the Organization and Conduct of the Subordinate Units of the Financial Service Authority
- Having taken into account Anukret No. 256 ANKr.BK dated 8 December 2022 on the Establishment of Steering Committee for Financial Sector Development
- Having taken into account Anukret No. 37 ANKr.BK dated 12 March 2025 on the Amendment of Sub-Decree on the Establishment of Steering Committee for Financial Sector Development
- Having taken into account Decision No. 04 SSR dated 13 January 2023 on the Appointment of Steering Committee for Financial Sector Development
- With reference to the request of Minister of Economy and Finance and Chairman of the Non-Bank Financial Services Authority Council

## Hereby Decides

### Article 1.-

The steering committee for financial sector development abbreviated as FSDC, composes of the following members:

1- H.E. Chea Serey	Governor of the National Bank of Cambodia	Chair
2- H.E. Mey Vann	Secretary of State, Ministry of Economy and Finance, and Secretary General of the Non-Bank Financial Services Authority	Vice-Chair
3- H.E. Rath Sovannorak	Deputy Governor of the National Bank of Cambodia	Vice-Chair
4- H.E. Yim Leat	Deputy Governor of the National Bank of Cambodia	Member
5- H.E. Prak Sokyuu	Acting Minister of Social Affairs, Veterans and Youth Rehabilitation	Member
6- H.E. Tekreth Kamrang	Secretary of State, Ministry of Commerce	Member
7- H.E. Mam Amnnot	Secretary of State, Ministry of Post and Telecommunication	Member
8- H.E. Tep Phiyorin	Under Secretary of State, Ministry of Economy and Finance	Member
9- H.E. John Narith	Under Secretary of State, Ministry of Economy and Finance, and Director General of Social Security Regulator	Member
10- H.E. Sou Socheat	Delegate of the Royal Government in charge as Director General of Securities and Exchange Regulator of Cambodia	Member
11- H.E. Sok Dara	Director General of Trust Regulator	Member
12- H.E. Bou Tharin	Director General of Accounting and Auditing Regulator	Member
13- H.E. Bou Chanphirou	Director General of Insurance Regulator of Cambodia	Member
14- H.E. Chou Vannak	Director General of Real Estate Business and Pawnshop Regulator	Member
15- H.E. Chhun Sambath	Chairman of Internal Audit Unit of Non-Bank Financial Services Authority	Member
16- H.E. Kru Veasna	Assistant Governor and Secretary General of the National Bank of Cambodia	Member
17- H.E. Kimty Kormoly	Assistant Governor and Director General of Central Banking Operation of the National Bank of Cambodia	Member
18- H.E. Kith Sovannarith	Assistant Governor and Director General of Supervision of the National Bank of Cambodia	Member
19- H.E. Heng Bomakara	Head of Cambodia Financial Intelligence Unit	Member
20- Mr. Khou Vouthy	Assistant Governor and Director General of Policy and International Cooperation of the National Bank of Cambodia	Member
21- Mr. Lay Sokheng	Assistant Governor and Director General of Regulation and Financial Inclusion of the National Bank of Cambodia	Member
22- Mr. Em Kamnan	Deputy Director General of Supervision of the National Bank of Cambodia	Member

23- Mr. Nget Sovannarith	Deput Head of Cambodia Financial Intelligence Unit	Member
24- Mr. Long Vibunrith	Deputy Director General of Central Banking Operation of the National Bank of Cambodia	Member
24- Ms. Mak Reaksmey	Deputy Director General of Regulation and Financial Inclusion of the National Bank of Cambodia	Member and Secretary

**Article 2.-**

Any provisions contrary to this Royal Decree shall be deemed null and repealed.

**Article 3.-**

Minister in charge of the Office of the Council of Ministers, Minister of Economy and Finance, Governor of the National Bank of Cambodia, and Ministers from all related ministries and institutions, and individuals shall be responsible for implementing this Decision starting from the date of the signature.

Done in Phnom Penh, on the 12<sup>th</sup> of March 2025

**PRIME MINISTER**

**(Signed and Sealed)**

**Samdech Moha Borvor Thipadei HUN MANET**

CC:

- Ministry of the Royal Palace
- General Secretariat of the Constitutional Council
- General Secretariat of the Senate
- General Secretariat of the National Assemble
- Cabinet office of Samdech Moha Borvor Thipadei Prime Minister
- Cabinets of His Excellency Deputy Prime Minister
- Individual as stated in Article 3
- Royal Gazette
- Document-archives

**KINGDOM OF CAMBODIA**  
**NATION RELIGION KING**  


Royal Government of Cambodia  
No. 90 SSR

**Decision**  
**on**  
**The Appointment of Technical Working Group of the Steering Committee for**  
**Financial Sector Development**

**The Royal Government of Cambodia**

- Having taken into account the Constitution of the Kingdom of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0918/925 dated 6 September 2018 on the Appointment of the Royal Government of Cambodia
- Having taken into account Preah Reach Kret No. NS/RKT/0320/421 dated 30 March 2020 on the Amendment and Appointment of the Composition of the Royal Government of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/0618/012 dated 28 June 2018 promulgating the Organization and Function of the Council of Ministers
- Having taken into account Preah Reach Kram No. NS/RKM/0196/18 dated 24 January 1996 promulgating the Law on the Establishment of Ministry of Economy and Finance
- Having taken into account Preah Reach Kram No. NS/RKM/0196/27 dated 26 January 1996 promulgating the Law on Organization and Conduct of the National Bank of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/1206/036 dated 29 December 2006 promulgating the Amendment of Article 14 and Article 57 of the Law on Organization and Conduct of the National Bank of Cambodia
- Having taken into account Preah Reach Kram No. NS/RKM/0121/003 dated 16 January 2021 promulgating the Law on Organization and Conduct of the Non-Bank Financial Services Authority
- Having taken into account Preah Reach Kret No. NS/RKT/0719/1024 dated 6 July 2019 on the Establishment of Economic and Financial Policy Committee
- Having taken into account Anukret No. 113 ANKr.BK dated 14 July 2021 on the Organization and Conduct of the Subordinate Units of the Financial Service Authority
- With reference to the request of Minister of Economy and Finance and Chairman of the Non-Bank Financial Services Authority Council

**Hereby Decides**

**Article 1.-**

Two technical working groups have been established to serve as the secretariat for the Financial Sector Development Steering Committee. The first technical working group is under the supervision of the Non-

Bank Financial Services Authority, and the second technical working group is under the supervision of the National Bank of Cambodia.

The composition of each technical working group shall be determined by a decision of the respective competent institutional head.

## **Article 2.-**

Each technical working group has the duties and responsibilities as follows:

- To work with the technical assistance group to promote the successful implementation of the financial sector development strategic plan and the credit agreement
- To monitor and oversee the daily work implementation of the respective operational team within each institution, in the capacity of an assistant to the Financial Sector Development Steering Committee
- To review and monitor the implementation of the Royal Government's Financial Sector Development Strategic Plan 2016-2025
- To prepare and update "Financial Sector Development Strategy" as necessary
- To coordinate to ensure agreement between the Ministry of Economy and Finance, the National Bank of Cambodia, Ministry of Commerce, the Royal Government's ministries and institutions, and other development partners on any matters related to:
  - Financing for financial sector development
  - Financial Management for implementing the financial sector development and
  - Monitor of the implementation of financial management work that currently in use
- To prepare regular reports for the Financial Sector Development Steering Committee regarding the progress of the financial sector development strategic plan
- To perform other tasks as instructed by the Financial Sector Development Steering Committee.

## **Article 3.-**

Each working group shall organize a meeting at least three times per year and/or as necessary and shall report on the progress of the implementation of the financial sector development strategic plan to the Financial Sector Development Steering Committee.

Members of each working group shall attend the meeting upon the invitation of the Chairman or designate a representative with decision-making authority to attend in their absence.

## **Article 4.-**

Each working group has the rights to invite other technical officers from related ministries-institutions to attend the meeting as necessary.

Each working group has the rights to invite the representatives of development partners, private sector and other stakeholders to attend the meeting as necessary.

## **Article 5.-**

The Decision No. 59 SSR dated 22 July 2015 on the Establishment of Technical Working Groups of Financial Development Sector Steering Committee and any provisions contrary to this Decision shall be deemed null and repealed.

## **Article 6.-**

Deputy Prime Minister and Minister in charge of the Office of the Council of Ministers, Deputy Prime Minister and Minister of Economy and Finance and Chairman of the Non-bank Financial Services Authority Council, Governor of the National Bank of Cambodia, all related ministers and head of institutions shall be responsible for implementing this Decision starting from the date of the signature.

Done in Phnom Penh, on the 8<sup>th</sup> of December 2022

**PRIME MINISTER**

**(Signed and Sealed)**

**Samdech Akka Moha Sena Padei Techo HUN SEN**

Having respectfully submitted to  
Samdech Akka Moha Sena Padei Techo HUN SEN for signature

Deputy Prime Minister  
Minister of Economy and Finance, and  
Chairman of the Non-Bank Financial Services Authority Council

Signed

AUN PORNMONIROTH

CC:

- Ministry of the Royal Palace
- General Secretariat of the Constitutional Council
- General Secretariat of the Senate
- General Secretariat of the National Assemble
- Cabinet office of Samdech Techo Prime Minister
- Cabinets of Samdech/His and Her Excellency Deputy Prime Minister
- As stated in Article 6
- Royal Gazette
- Document-archive



Non-Bank Financial Services Authority  
No. 003 F.S.A.S.S.R

**Decision On**  
**The Appointment of the Compositions of the First Technical Working Group of Financial Sector Development Steering Committee**



**Deputy Prime Minister**  
**Minister of Ministry of Economy and Finance**  
**And the Chairman of the Council of the Non-Bank Financial Services Authority**

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen Royal Decree No. NS/RKT/0918/925 dated 06 September 2018 on the Appointment of the Royal Government of Cambodia
- Having seen Royal Decree No. NS/RKT/0320/421 dated 30 March 2020 on the Appointment and Modification of the Composition of the Royal Government of Cambodia
- Having seen Royal Kram No. 02 NS/RKM/0618/012 dated 28 June 2018 promulgating the Law on the Organization and Functioning of the Council of Ministers,
- Having seen Royal Kram No. NS/RKM/0121/003 date on 16 January 2021 promulgating the Law on the Establishment of Non- Bank Financial Services Authority;
- Having seen the Sub-Decree No. 113 ANKR. BK dated on 14 July 2021 on the Organization and Establishment of Line-Entities of Non-Bank Financial Services Authority
- Having seen the Sub-Decree No. 256 ANKR. BK date on 8 December 2022 on the Establishment of Financial Sector Development Steering Committee
- Having seen the Decision No. 90 SSR dated on 8 December 2022 on the Establishment of the technical working group of Financial Sector Development Steering Committee
- Pursuant to the requirements of the Non-Bank Financial Services Authority.

**Hereby Decide**

**Article 1**

Has been appointed to the composition of **the first technical working group of the Financial Sector Development** abbreviated as “K.A.H” as follows:

- |                  |                                                                                                                                              |       |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 1. H.E. Mey Vann | Secretary of State of the Ministry of Economy and Finance<br>and Secretary General of General Secretariat of<br>Non-Bank Financial Authority | Chair |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------|

2.	H.E. Chan Narith	Under Secretary of State of the Ministry of Economy and Finance and Director General of Social Security Regulator	Vice-Chair
3.	H.E. Sou Socheat	Delegate of the Royal Government in charge as Director General of Securities and Exchange Regulator of Cambodia	Vice-Chair
4.	H.E. Sok Dara	Director General of Trust Regulator	Vice-Chair
5.	H.E. Bou Tharin	Director General of Accounting and Auditing Regulator	Vice-Chair
6.	H.E. Bou Chanphirou	Director General of Insurance Regulator of Cambodia	Vice-Chair
7.	H.E. Chou Vannak	Director General of Real Estate and Pawnshop Regulator	Vice-Chair
8.	H.E. Chhun Sambath	Head of Internal Audit Unit of Non-Bank Services Authority	Vice-Chair Permanent
9.	Dr. Som Phay	Deputy Secretary General of Non-Bank Financial Services Authority	Vice-President
10.	H.E. Ho Sivyong	Delegate of the Royal Government in charge as Director General of Trade Support Services, Ministry of Commerce	Member
11.	H.E. Mok Rady	Director General of the General Department of Administration, Ministry of Post and Telecommunications	Member
12.	H.E. Vin Pheakdey	Deputy Director General of Securities and Exchange Regulator of Cambodia	Member
13.	H.E. Ney Sakal	Deputy Director General of Trust Regulator	Member
14.	H.E. In Meatra	Deputy Director General of Real Estate Business and Pawnshop Regulator	Member
15.	Dr. Hor Sovathana	Deputy Director General of Insurance Regulator of Cambodia	Member
16.	Mr. Leang Phuong Bunnarath	Director of Policy Department of Secretariat General of Non-Bank Financial Services Authority	Member
17.	Mrs. Hor Likea	Director of Research & Training and Development of Securities Market and International Relation Department of Securities and Exchange Regulator of Cambodia	Member
18.	Mr. Yous Sam Ol	Director of Finance and Supplies Department of Ministry of Social Affairs Veterans and Rehabilitation	Member
19.	Mr. Mao Pao	Director of Licensing and Legal Affairs Department of Real Estate Business and Pawnshop Regulator	Member
20.	Mr. Sieng Chamnan	Director of Research, Training and Cooperation Department of Real Estate Business and Pawnshop Regulator	Member
21.	Mr. Khov Eahai	Director of Department of Research, Training and Cooperation of Insurance Regulator of Cambodia	Member
22.	Mr. Chea Bullika	Director of Conflict Resolution and Beneficiary Protection Department of Social Security Regulator	Member
23.	Mr. Lim Channa	Director of General Affairs Department of Internal Audit Unit of Non-Bank Financial Services Authority	Member
24.	Mr. Nuon Samratana	Deputy Director of General Affairs Department of Internal Audit Unit of Non-Bank Financial Services Authority	Member

25.	Mr. Toem Satya	Deputy Director of General Affairs Department of Accounting and Auditing Regulator	Member
26.	Mr. Nong Sereyvuth	Deputy Director of Research, Training and Cooperation Department of Trust Regulator	Member
27.	Ms. Pich Manela	Deputy Director of Technical Department of Accounting and Auditing Regulator	Member
28.	Mr. Leng Soklong	Advisor to the Social Security Regulator in charge of Department of Supervision	Member

## Article 2

**The First Technical Working Group of K.A.H** have the role and duties as below:

- Conduct studies on international best practices in financial sector development.
- Collaborate with the technical assistance team to advance the implementation of the Financial Sector Development Strategy and the Loan Agreement, ensuring successful outcomes.
- Monitor and evaluate the daily operational activities of the operations teams of each institutional stakeholder, in support of K.A.H.
- Monitor and track the implementation of the Royal Government of Cambodia’s Financial Sector Development Strategy 2016–2025.
- Prepare and update the Financial Sector Development Strategy if necessary
- Coordinate between the Ministry of Economy and Finance, the National Bank of Cambodia, the Ministry of Commerce, relevant line ministries, and development partners to ensure mutual agreement on issues such as:
  - Financing mechanism for Financial Sector Development
  - Management of the financial resources for Financial Sector Development
  - Monitor the implementation of the financial management tasks in practice
- Collaborate with national and international institution to build capacity and enhance skills for Financial Sector Development
- Prepare regular reports to K.A.H on the implementation progress of the Financial Sector Development Strategy.
- Perform other tasks as assigned by the Chairman of the First Technical Working Group of K.A.H.

## Article 3

The Policy Department of the General Secretariat of the Non-Bank Financial Services Authority shall serve as the Secretariat of the First Technical Working Group of K.A.H.

The arrangement and implementation of the Secretariat of the First Technical Working Group of K.A.H shall be assigned by the Chairman of the First Technical Working Group of K.A.H.

## Article 4

The Vice Chairman and members shall attend meetings as invited by the Chairman, and in the event of absence, may delegate a representative with decision-making authority to attend on their behalf.

The Chairman has the authority to invite technical experts to attend meetings and, in the event of absence, shall delegate the Vice Chairman to lead the meeting.

## Article 5

All existing provisions which are contrary to this sub-decree shall be null and void.

## **Article 6**

The Secretary General, the Director of Regulators, the Head of Unit under the Non-Bank Financial Services Authority, and all individuals appointed under Article 1 shall be responsible for implementing this decision, which takes effect from the date of signature.

**Held in Phnom Penh, 13 April, 2023**

**Deputy Prime Minister**

**Minister of Ministry of Economy and Finance**

**And the Chairman of the Council of the Non-Bank Financial  
Services Authority**

Sign and stamp

**Akka Pundit Sapheacha AUN Pornmoniroth**

### **Reception:**

- Office of Council of Minister
- Prime Minister Cabinet
- Samdach Cabinet/His Excellency/Her Excellency/ Deputy Prime Minister
- All units and councils members of FSA
- As per Article 6 “to implement”
- Royal Gazette
- Documentation

**KINGDOM OF CAMBODIA**  
**NATION RELIGION KING**  
ព្រះរាជាណាចក្រកម្ពុជា

The National Bank of Cambodia  
No. T13.025102.SSR

**Decision**  
**on**  
**The Establishment and Appointment of the National Bank of Cambodia's**  
**Technical Working Group for Coordinating and Preparing**  
**the Financial Sector Development Strategy 2025-2030 of**  
**the Royal Government of Cambodia**  
ព្រះរាជាណាចក្រកម្ពុជា

**The Royal Government of Cambodia**

- With reference to the Constitution of the Kingdom of Cambodia
- With reference to Royal Decree No. NS/RKT/0723/1675 dated 23 July 2023 on the Appointment of **Her Excellency Chea Serey** as Governor General of the National Bank of Cambodia, equivalent to Senior Minister
- With reference to Royal Kram No. NS/RKM/0196/27 dated 26 January 1996 promulgating the Law on Organization and Conduct of the National Bank of Cambodia
- With reference to Royal Kram No. NS/RKM/1206/036 dated 29 December 2006 promulgating the Amendment of Article 14 and Article 57 of the Law on Organization and Conduct of the National Bank of Cambodia
- With reference to Royal Decree No. NS/RKT/0719/1024 dated 6 July 2019 promulgating the Establishment of Financial Sector Development Steering Committee
- With reference to Sub-Decree No. 37 ANKr.BK dated 12 March 2025 on the Amendment of Sub-decree on the Establishment of Financial Sector Development Steering Committee
- With reference to Decision No. 38 SSR dated 12 March 2025 on the Appointment of the Composition of Financial Sector Development Steering Committee
- With reference to Decision No. 90 SSR dated 8 December 2022 on the Establishment of the Technical Working Group of the Financial Sector Development Steering Committee
- With reference to Prakas No. T1-010-194 BK. dated 26 November 2010 on the Amendment of Article 3,4,5,12 and 13 of Prakas on the Structure of the National Bank of Cambodia, and the Functions and Duties of its Subordinate Units
- With reference to the request of Directorate General of Policy and International Cooperation

**Hereby Decides**

**Article 1.-**

A technical working group of the National Bank of Cambodia has been established and assigned to be responsible for coordinating the updating of the Financial Sector Development Strategy 2016-2025 into the Financial Sector Development Strategy 2025-2030 of the Royal Government of Cambodia, hereinafter referred to as the “**Technical Working Group**”, consists as follow:

- 1- H.E. Rath Sovannorak     Deputy Governor of the National Bank of Cambodia     Chair

2- Mr. Khou Vouthy	Assistant Governor and Director General of Policy and International Cooperation	Permanent Vice Chair
3- H.E. Kimty Kormoly	Assistant Governor and Director General of Central Banking Operation	Vice Chair
4- H.E. Kith Sovannarith	Assistant Governor and Director General of Supervision	Vice Chair
5- H.E. Heng Bomakara	Head of Cambodia Financial Intelligence Unit	Vice Chair
6- Mr. Lay Sokheng	Assistant Governor and Director General of Regulation and Financial Inclusion	Vice Chair
7- Mr. Ith Hero	Deputy Director General of Policy and International Cooperation and Director of Statistic Department	Member
8- Mr. Long Vibunrith	Deputy Director General of Central Banking Operation	Member
9- Mr. Ouk Sarat	Deputy Director General of Central Banking Operation and Director of Payment System Department	Member
10- Mr. Em Kamnan	Deputy Director General of Supervision	Member
11- Mrs. Mak Reaksmey	Deputy Director General of Regulation and Financial Inclusion and Director of Regulation Department	Member
12- Mr. Nget Sovannarith	Deputy head of Cambodia Financial Intelligence Unit	Member
13- Mr. Duong Sophak	Director of International Cooperation Department	Member
14- Mr. Seng Youraden	Director of Financial Stability Department	Member
15- Mr. Men Pheakdey	Director of Consumer Protection Department	Member
16- Mrs. Ponn Dalyn	Director of Financial Inclusion Department	Member
17- Mr. Som Kossom	Director of Deposit Protection Department	Member
18- Mrs. Sum Sotthy	Director of Reserve Management Department	Member
19- Mr. Eng Sophea	Director of Banking Service Department	Member
20- Mr. Lun Samol	Director of Supervision Department 1	Member
21- Mr. Lim Chhayada	Director of Data Management and Risk Assessment Department	Member and
22- Mrs. Som Nita	Deputy Director of International Cooperation Department And Head of Communications Unit	Secretary

## Article 2.-

This technical working group has the following roles and responsibilities:

- Review, monitor and prepare reports on the progress, challenges and new solutions of the action plans by sector of the implementation of the Financial Sector Development Strategy 2016-2025 of the Royal Government of Cambodia
- Collaborate in preparing and updating the Financial Sector Development Strategy as necessary
- Consistatnly collaborate and coordinate technical work between inter-department and subordinate units of the National Bank of Cambodia with the Ministry of Economy and Finance, ministries and institutions of the Royal Government of Cambodia, technical assistants from the Asian Development Bank and development partners to achieve the above work
- Serve as an assistant to the Steering Committee and the Technical Working Group for Implementing the Financial Sector Development to monitor and supervise the progress of the daily work of the relevant ministries, institutions and departments and units of each institution and

- Perform other tasks as assigned by Her Excellency Governor and the Head of this Technical Working Group.

**Article 3.-**

The Secretary General, the Director General of Policy and International Cooperation, the Director General of Central Banking Operation, the Director General of Regulation and Financial Inclusion, the Director General of Supervision, the Director General of Cash Issue, the Director General of Cash Management, the Director General of General Inspector, Directors of all relevant Departments and Units in the National Bank of Cambodia, and individuals as stated in Article 1 shall strictly implement this Prakas from the date of this signature onwards.

Done in Phnom Penh, on the 25<sup>th</sup> of August 2025

**The Governor**

**(Signed and Sealed)**  
**CHEA SEREY**

**To:**

- As stated in Article 1 and Article 3  
“For information and implementation”
- Archive