



# Securities Market in Cambodia

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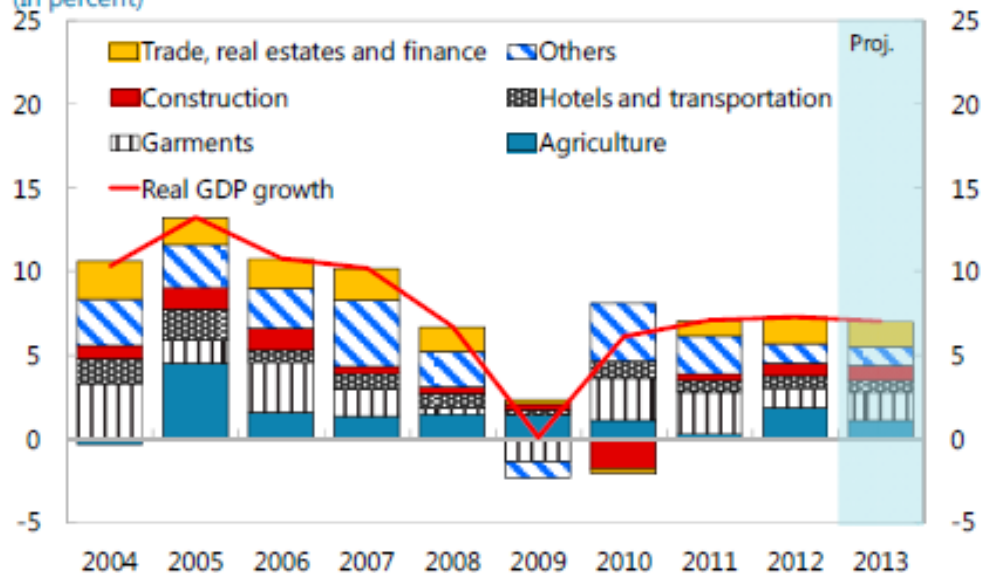
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SEC Cambodia

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## Contribution to Growth, 2004–13

(In percent)



**Table 1. Cambodia: Selected Economic Indicators, 2010–14**

	2010	2011	2012	2013	2014
			Est.	Proj.	
Output and prices (annual percent change)					
GDP in constant prices	6.1	7.1	7.3	7.0	7.2
(Excluding agriculture)	6.9	8.6	8.4	8.6	8.3
Real agricultural output	4.0	3.1	4.3	2.4	4.0
GDP deflator	3.0	3.4	1.3	3.1	3.1
Inflation (end-year)	3.1	4.9	2.5	4.1	3.0
(Annual average)	4.0	5.5	2.9	2.9	3.4

# 1. Regulatory Framework

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2001

- Vision and Financial Sector Development Plan for 2001-2010

2006

- Financial Sector Development Strategy for 2006-2015: updated FSDP 2001-2010 (Currently 2013, Financial Sector Blueprint 2011-2020)

2007

- **January 10**: Law on Government Securities
- **October 19**: Law on the Issuance and Trading of Non-Government Securities

2008

- **July 23**: Sub-decree on the Conduct and Organization of the Securities and Exchange Commission of Cambodia

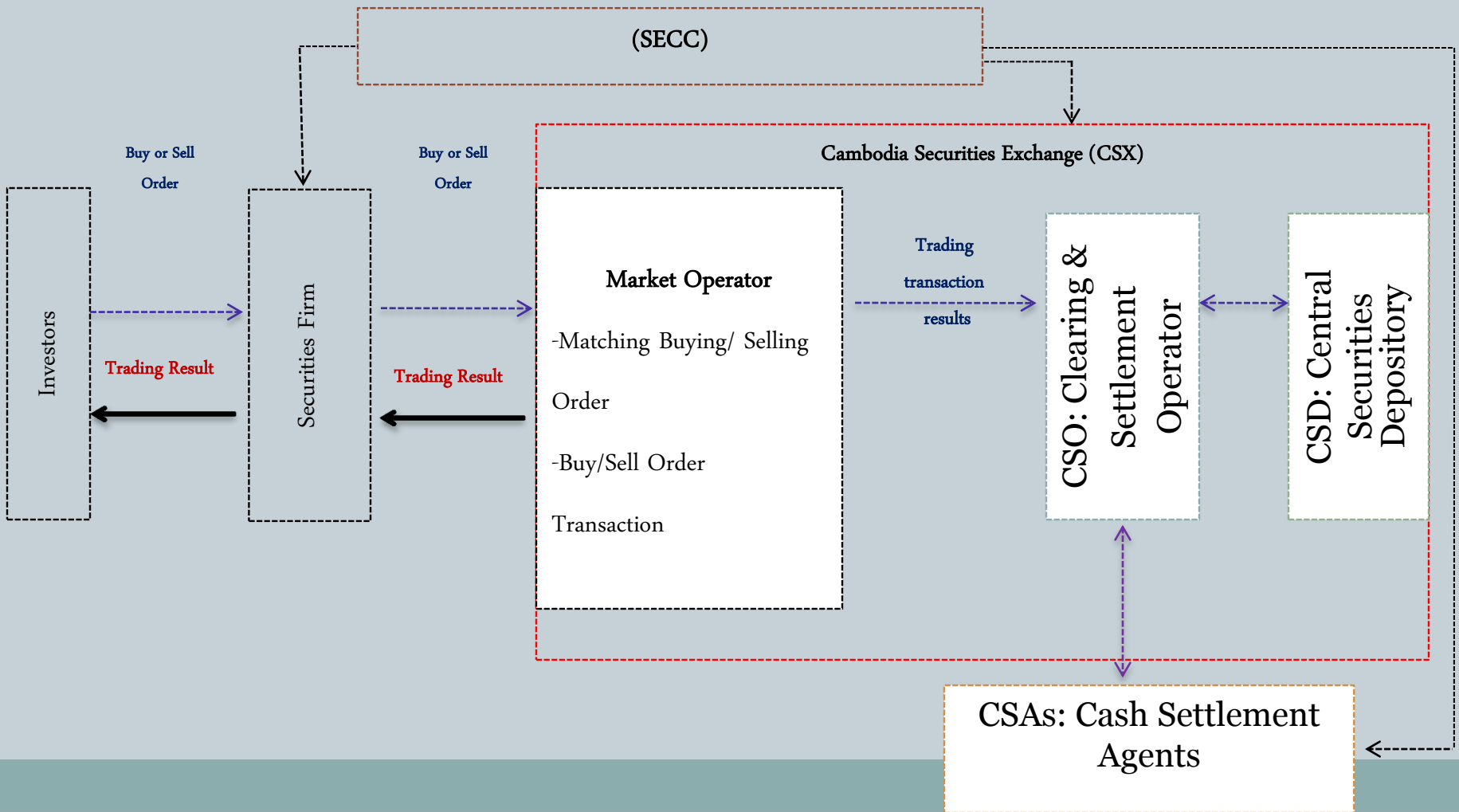
2009

- **April 08**: Sub-decree on Implementation of Law on Issuance and Trading of Non-Government Securities

- And subsequently, other *Prakas* as shown at [www.secc.gov.kh](http://www.secc.gov.kh)

## 2. Market Structure

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# Securities and Exchange Commission of Cambodia (SECC)

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## What's the SECC?

- ✓ SECC is the regulator in the securities industry in Cambodia in the purpose of contribution to socio-economic development through capital mobilization from public/ securities investors to meet the demand of financing for investors.
- ✓ Established on July 2008
- ✓ Official Inaugurated on 29 April 2009

# Securities and Exchange Commission of Cambodia (Cont.)

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## SECC Board member

Minister of Economy and Finance: Chairman

Ministry of Economy and Finance      Member

National Bank of Cambodia      Member

Ministry of Commerce      Member

Ministry of Justice      Member

Council of Minister      Member

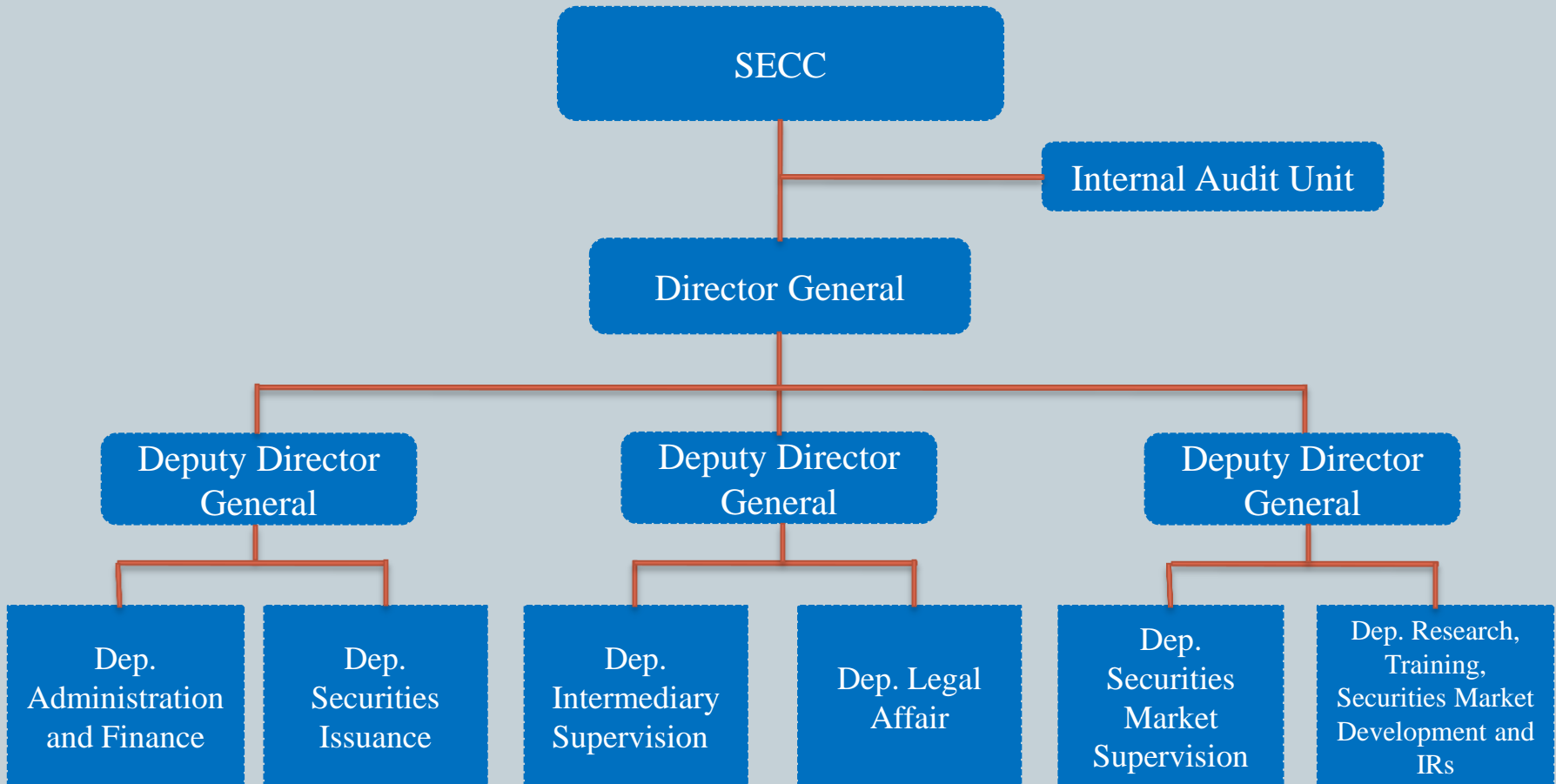
Director General of SECC      Member

2 Securities Experts      Member

# 1. Securities and Exchange Commission of Cambodia (Cont.)

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- SECC Structure





# Primary and Secondary Market Players

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## Securities and Exchange Commission of Cambodia (SECC)

### Key Players

### Other Players

#### Primary Market

#### Secondary Market

- ✓ Issuers
- ✓ Securities Underwriters
- ✓ IPO team

- ✓ Securities Market Operator (CSX)
- ✓ Securities Clearing and Settlement Operator
- ✓ Securities Depository Operator
- ✓ Cash Settlement Agent
- ✓ Securities Dealer/Broker

- ✓ Securities Registrar Agent
- ✓ Securities Transfer Agent
- ✓ Securities Paying Agent
- ✓ Professional Accounting firms and External Auditors
- ✓ Valuation Companies
- ✓ Law Firms

Investors

# Securities Intermediaries

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## 7 Securities Underwriters

- Tong Yang Securities (Cambodia) Plc.
- OSK Indochina Securities Limited
- Cana Securities Ltd.
- Campu Securities Plc.
- Cambodia-Vietnam Securities Plc.
- SBI Royal Securities Plc.
- Phnom Penh Securities Plc.

## 1 Securities Dealers

- Golden Fortune (Cambodia) Securities Plc.

## 3 Securities Brokers

- ACLEDA Securities Plc.
- Sonatra Securities Plc.
- CAB Securities Limited.

## 2 Investment Advisors

- Angkor Capital Advisors Co.,Ltd.
- F.U.G.I. Gold Co., Ltd

# IPO Process

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# Requirement: To start trading

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## 1. Choose a Securities Firm

- Choose a securities firm which is member of the CSX

## 2. Open a Trading Account

-Open a trading account (a cash account and a securities account) at your preferred securities firm with the attached documents (incl. ID (local), Passport (foreigner), bank account number, **Investor ID** (Requested from the SECC))

## 3. Place Orders

Information needed:

1. Issue name;
2. Quantity;
3. Price;
4. Classification for bid or offer

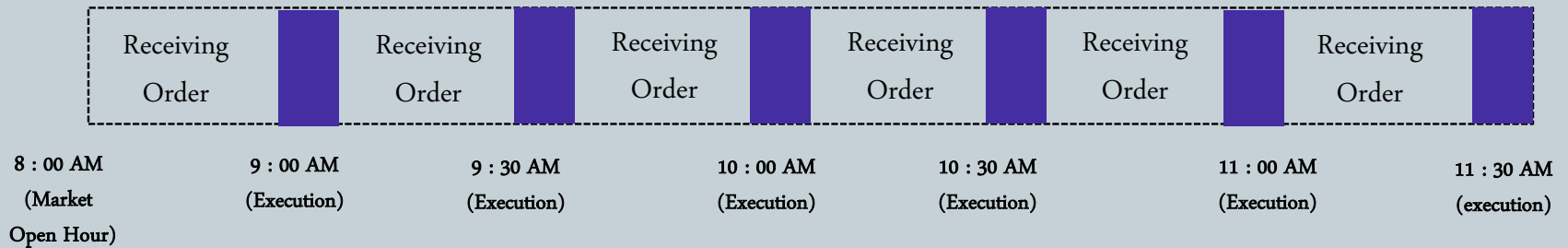
Order can be done by: Written document, phone, email or

# Market Mechanism

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## Trading Hours & Trading Days :

- Trading days: From Monday to Friday, except public holidays
- Trading hours: From 8:00 am to 11:30 am
- ❖ *From **08 February 2013**, the Trading Execution is amended to 06 (six) times per day- at 9:00 am, 9:30 am, 10:00 am, 10:30 am, 11:00 am and 11:30 am.*



# Market Mechanism

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## ✓ Base Price

- Base Price is the closing price of the previous trading day; except when there're stock dividend, capital increase, stock split and reverse.

## ✓ Daily Price Change Limit : $\pm 5\%$ of the base price

## ✓ Principle of Auction : executed through single-price auction, based on the priority of price and time of the submitted orders.

- The lower offers shall have priority over higher offers, and higher bids shall have priority over lower bids.
- In case of the same price orders, the orders received earlier shall have priority over the orders received later.

## 2 Listed Companies: 1<sup>st</sup> since April 2012

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<b>Company Name:</b>	<b>Phnom Penh Water Supply Authority</b>		
<b>Industry Classification:</b>	[006101] Water Utilities	<b>Type of Listed Shares:</b>	Common Shares
<b>No. of Listed Shares:</b>	86,973,162	<b>Code:</b>	<b>KH1000010004</b>
<b>Symbol:</b>	PWSA (វិទ្យសាគ)	<b>Listed Date:</b>	18 April 2012
<b>Website:</b>	www.ppwsa.com.kh		

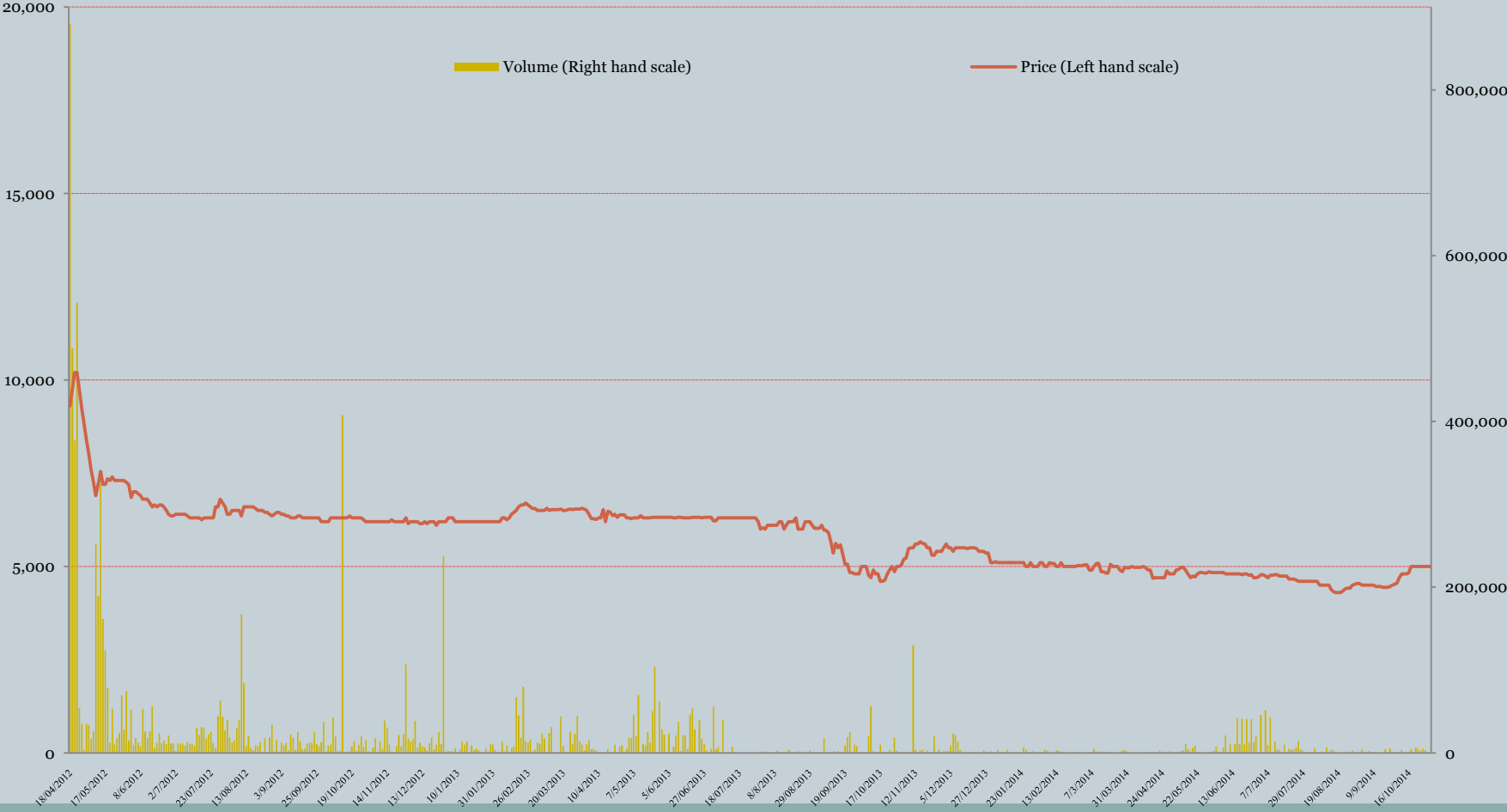
## 2 Listed Companies: 2<sup>nd</sup> on 16 June 2014

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<b>Company Name:</b>	<b>Grand Twins International (Cambodia) Plc</b>		
<b>Industry Classification:</b>	<b>Garment Manufacturing</b>	<b>Type of Listed Shares:</b>	<b>Common Shares</b>
<b>No. of Listed Shares:</b>	<b>40,000,000</b>	<b>Code:</b>	<b>KH1000020003</b>
<b>Symbol:</b>	<b>GTI</b>	<b>Listed Date:</b>	<b>16 June 2014</b>
<b>Website:</b>	<a href="http://www.grandtwins.com.kh">www.grandtwins.com.kh</a>		

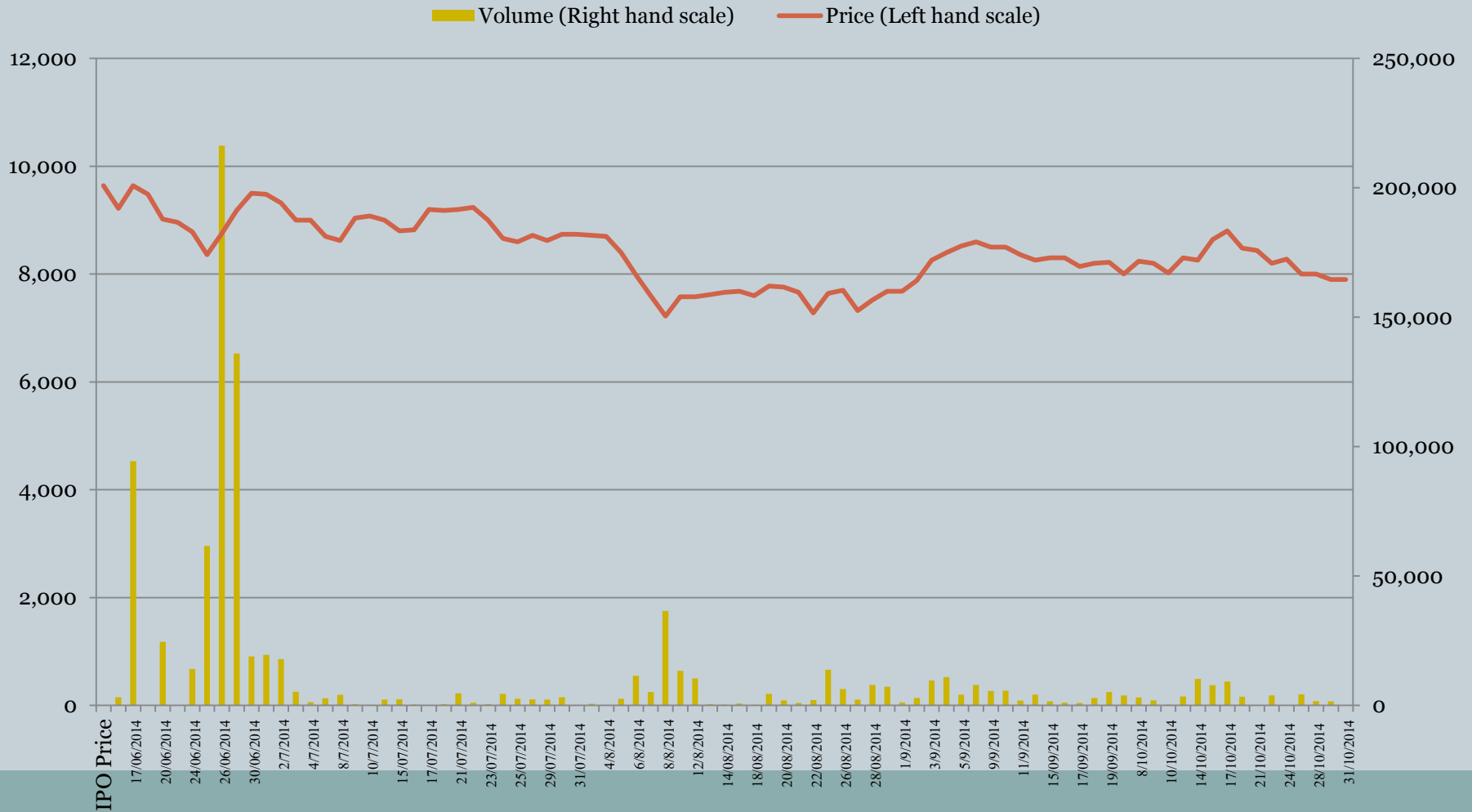


# Market trading activities of PWSA share



# Market trading activities of GTI share

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# 4. Challenges and Opportunities

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- More supportive regulations
- Accounting standard and good corporate governance for listed and non-listed company
- Promote more IPO, SMEs, and mechanisms to promote the market liquidity
- Investor and other market participant education



# Thank You!

Securities and Exchange Commission of Cambodia: [www.secc.gov.kh](http://www.secc.gov.kh)

Cambodia Securities Exchange: [www.csx.com.kh](http://www.csx.com.kh)