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Kinstellar Southeast Asia

Prakas No. 040 on the Authorisation and Supervision of Securities Introducing Agents

On 12 May 2026, the Securities and Exchange Regulator of Cambodia (“**SERC**”) has issued Prakas No. 040 on the Authorisation and Supervision of Securities Introducing Agents (“**Prakas No. 040**”), establishing a comprehensive regulatory framework governing the authorisation, supervision, and conduct of Securities Introducing Agents (“**SIAs**”) operating within Cambodia's securities sector. This Prakas introduces a dedicated licensing regime applicable for both natural persons and legal entities acting as SIAs and sets out the supervisory, compliance, and reporting obligations on the securities firms and other licensed financial institutions appointing them (“**Parent Companies**”). It aims to enhance investor protection by ensuring that securities introduction activities are carried out only by qualified and duly authorised persons under the supervision of the SERC.

1. Scope of Application

Applies to all securities introducing agents and related introducing activities within Cambodia's securities sector, excluding activities related to the issuance of securities.

2. Who May Act as a Securities Introducing Agent

No individual or entity may act or hold themselves out as a securities introducing agent without obtaining a valid permit from the SERC. Both legal entities and natural persons may apply for authorisation, provided they satisfy the applicable licensing requirements prescribed under the Parkas.

3. Permit Validity

- **Initial permit**: two (2) years.
- **Renewal permit**: three (3) years.
- Renewal applications must be submitted at least **thirty (30) days** prior to expiry.

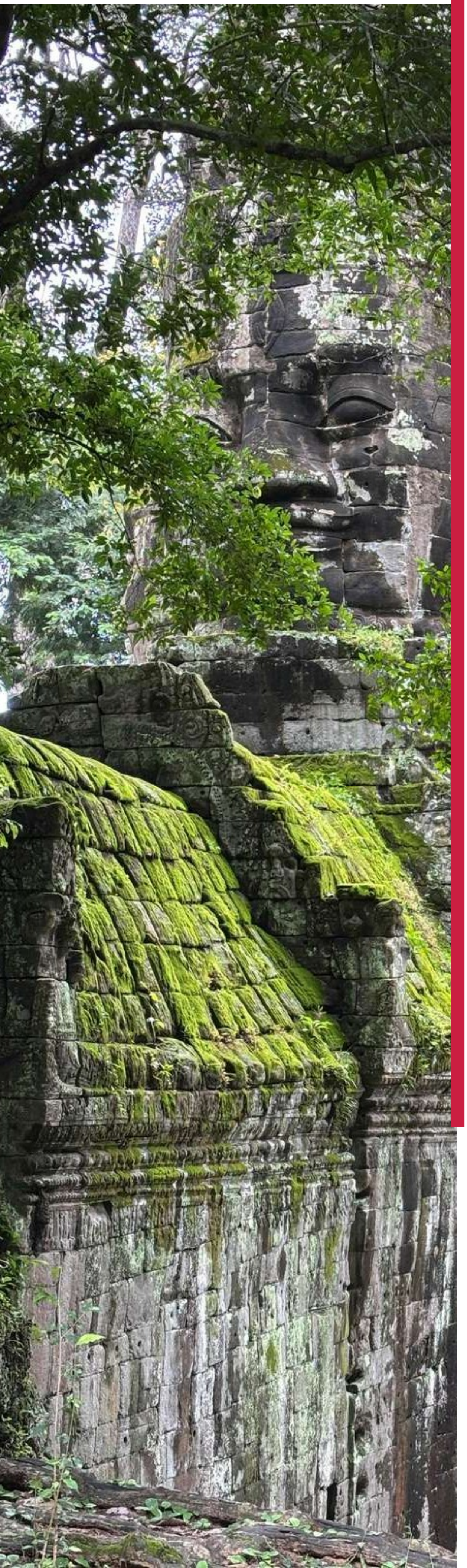
4. Eligibility Requirements

For Legal Entities

- Be duly incorporated companies, banks, microfinance institutions, or law firms;
- Maintain appropriate governance and internal control structures;
- Implement conflict-of-interest and compliance policies;
- Employ at least one SERC-licensed individual Securities Introducing Agent;
- Meet the additional requirements specified by the SERC.

For Natural Persons

- Meet fit and proper criteria (good character, legal capacity, education);
- Successfully complete the SERC-approved training and examinations;
- Maintain continuing professional education requirements;
- Demonstrate integrity, financial soundness, and appropriate standards of conduct; and;
- Not be subject to any disqualifying conditions, including bankruptcy, regulatory sanctions, dishonest conduct, or AML/CFT-related concerns.



5. Permitted Activities

Licensed SIAs may:

- Introduce and refer clients to parent companies;
- Share client information with parent companies;
- Promote securities products and services via approved channels, including digital platforms;
- Disseminate securities-related information officially published or approved by the parent company or the SERC; and
- Provide ancillary client support services as permitted by the SERC.

6. Prohibited Activities

Licensed securities introducing agents may:

- Providing investment, financial, or securities-related advice to clients;
- Conducting client suitability or appropriateness assessments;
- Opening securities trading accounts or accepting client account applications on behalf of a parent company;
- Receiving, transmitting, or handling client orders for securities transactions;
- Executing securities transactions or dealing insecurities on behalf of clients;
- Receiving, holding, managing, or handling client funds or assets; and
- Carrying out any regulated securities intermediary activities beyond the scope of permitted introducing activities.

4. Eligibility Requirements

For Legal Entities

- Be duly incorporated companies, banks, microfinance institutions, or law firms;
- Maintain appropriate governance and internal control structures;
- Implement conflict-of-interest and compliance policies;
- Employ at least one SERC-licensed individual Securities Introducing Agent;
- Meet the additional requirements specified by the SERC.

For Natural Persons

- Meet fit and proper criteria (good character, legal capacity, education);
- Successfully complete the SERC-approved training and examinations;
- Maintain continuing professional education requirements;
- Demonstrate integrity, financial soundness, and appropriate standards of conduct; and;
- Not be subject to any disqualifying conditions, including bankruptcy, regulatory sanctions, dishonest conduct, or AML/CFT-related concerns.

7. Parent Company Obligations

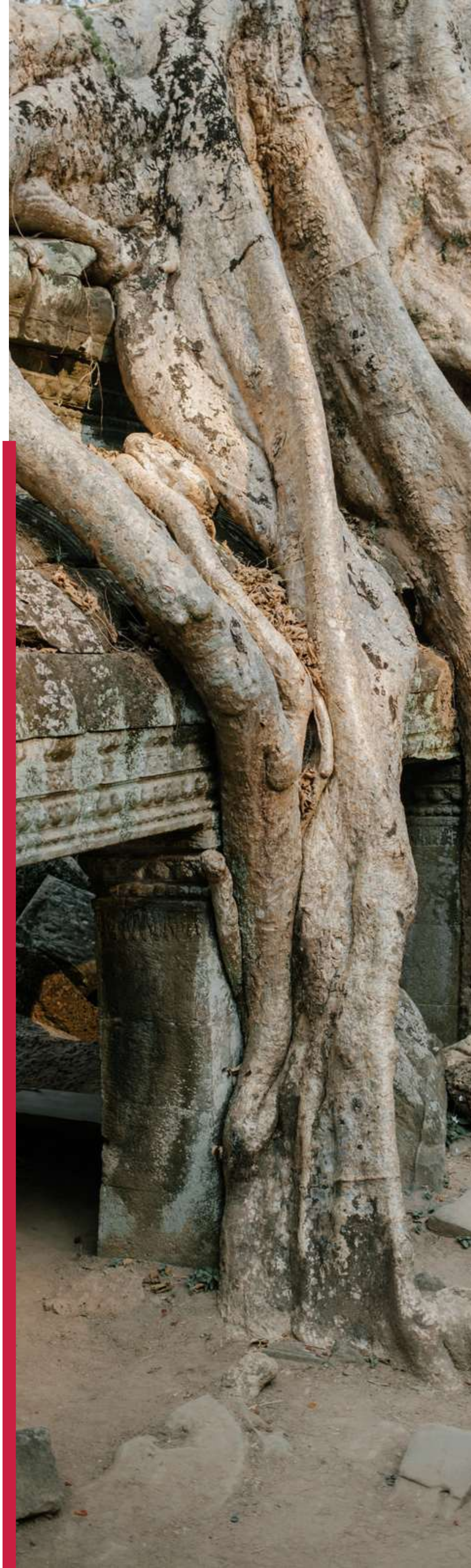
Parent companies are required to:

- Maintain comprehensive records and registers of their appointed agents;
- Submit updated lists of appointed agents to the SERC on a monthly basis;
- Establish and implement appropriate supervision, compliance, and monitoring frameworks for their agents;
- Provide agents with at least **five (5) hours** of training each year;
- Assume full responsibility and liability for the acts and conduct of their appointed agents in connection with introducing activities; and
- Promptly notify the SERC and affected clients of the termination of an agent's appointment or any material breach committed by the agent.

8. Notification Requirements

SIAs and parent companies must promptly notifythe SERC of certain material changes, including:

- Changes to permit or authorisation information;
- The appointment, resignation, or termination of Securities Introducing Agents;
- Changes to corporate information, ownership, or organisational details;
- Changes to personal identification, contact information, or other relevant particulars; and
- Any other matters required to be reported under the Prakas.



9. Fees

For Legal Entities

Application fee

- KHR 20,000 per application;

Application review fee

- KHR 600,000;

Permit fee

- KHR 2,000,000 for an initial permit with a two (2)-year validity period, per business line; and
- KHR 3,000,000 for a permit renewal with a three (3)-year validity period, per business line.

For Natural Persons

Application fee

- KHR 20,000 (twenty thousand riels) per application;

Application review fee

- KHR 100,000; and

Permit fee

- KHR 400,000 for an initial permit with a two (2)-year validity period,per business line; and
- KHR 600,000 for a permit renewal with a three (3)-year validity period, per business line.

Amendment Fees

- KHR 100,000 for a change of registered office; and
- KHR 60,000 for a change of corporate name.

All fees are non-refundable regardless of whether the application is approved or rejected.

10. Enforcement and Penalties

A late renewal is subject to a penalty of KHR 400,000 per day

Violations may result in monetary fines of up to:

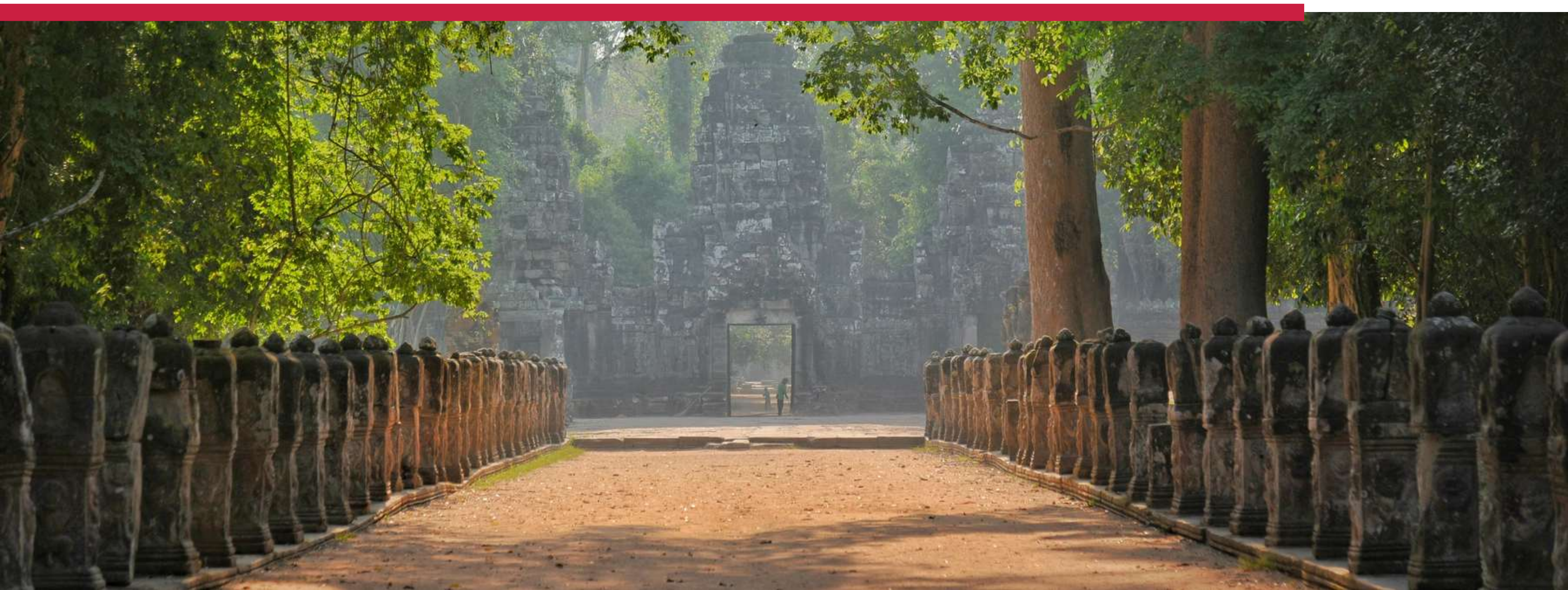
- KHR 50,000,000 for natural persons; and
- KHR 200,000,000 for legal entities.

Repeated violations may result in double penalties.

The SERC may also issue warnings or impose restrictions, suspension, or revocation ofpermits, without prejudice to civil or criminal liability under applicable law.

11. Key Takeaway

Prakas No. 040 establishes a comprehensive regulatory framework governing SIAs in Cambodia. It introduces mandatory licensing requirements, specifies the scope of permissible activities, strengthens investor protection by prohibiting unlicensed advisory and dealing functions, and imposes extensive compliance, reporting, and supervisory obligations on both SIAs and parent companies. Market participants should take proactive steps to review and strengthen their internal policies, procedures, and control mechanisms to ensure compliance with the requirements and mitigate the risk of regulatory sanctions, financial penalties, and other legal liabilities.



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Sok Siphana Sethalay Law Office (in association with Kinstellar Southeast Asia) was born from the recent combination of SokSiphana & Associates's and Sethalay Law Office's expertise and resources. As one of Cambodia's leading law firms, we offer comprehensive corporate and commercial legal services to a wide-ranging clientele – from multinational corporations to fast-growing local businesses.

With our sister law firm in Vietnam - Asia Counsel - we are proud to be part of Kinstellar Southeast Asia's platform. Kinstellar is a leading law firm dedicated to delivering the highest quality advice and assistance to clients across Central and Eastern Europe and Central Asia. In addition to Southeast Asia, Kinstellar has operations in 12 countries with more than 300 lawyers: Austria, Bulgaria, Croatia, Czech Republic, Hungary, Kazakhstan, Romania, Serbia, Slovakia, Ukraine, Turkey, and Uzbekistan.

Contact us today to support your legal needs in Cambodia.

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