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Guidelines on Registration and Additional Approval for Trustee in CIS and Custodian in Securities Sector

On 30 March 2022, the Securities and Exchange Regulator of Cambodia ("**SERC**") and the Trust Regulator jointly issued a new set of Guidelines on Registration and Additional Approval for Trustee in Collective Investment Scheme ("**CIS**") and Custodian in Securities Sector ("**Guidelines**").

In this Update, we highlight the key features of the Guidelines.

Registration of Trustee in CIS and Custodian in Securities Sector

A trustee in a CIS who has obtained an approval-in-principle or licence from SERC must apply to be registered as a 'trust operator' in the securities sector with the Trust Regulator.

A custodian in the securities sector who has obtained an approval-in-principle or a final approval from SERC must apply to be registered as a custodian of the trust fund in the securities sector with the Trust Regulator.

The validity period of the registration shall be based on the validity of the license and final approval for the trustee in the CIS and the custodian in the securities sector, respectively.

The Guidelines set out, among other things: (i) the application costs and expenses as well as the annual registration fees; (ii) the grounds for suspension or cancellation of registration; (iii) the Trustees' and Custodians' obligation to notify the Trust Regulator of any change or modification to information previously provided; and (iv) various obligations in relation to the business operation such as maintaining financial solvency ratios, reporting, notification, requesting for approval and compliance with the code of conduct. The Trust Regulator has supervisory powers under the Guidelines, such as carrying out onsite inspections.

Additional Approval for other trust operations (other than CIS in securities sector)

A trustee who has obtained a licence from SERC and wishes to carry out other trust operations (other than a CIS in securities sector) in accordance with Article 14 of the Prakas on Rules on the Management, Establishment and Functioning of Trust (dated 26 January 2022) ("**Prakas**"), must apply

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for additional approval from the Trust Regulator and comply with requirements and conditions as set out in the Guidelines.

Similarly, a custodian in the securities sector who has obtained approval from SERC and wishes to provide custodian services for other trust operations (other than in the securities sector) in accordance with the Prakas, must apply for additional approval from the Trust Regulator and comply with requirements and conditions as set out in the Guidelines.

The Guidelines provide for (i) the validity period of such additional approval, and (ii) the application costs and expenses as well as approval fees.

If you have any queries on the above, please feel free to contact our team members below who will be happy to assist.

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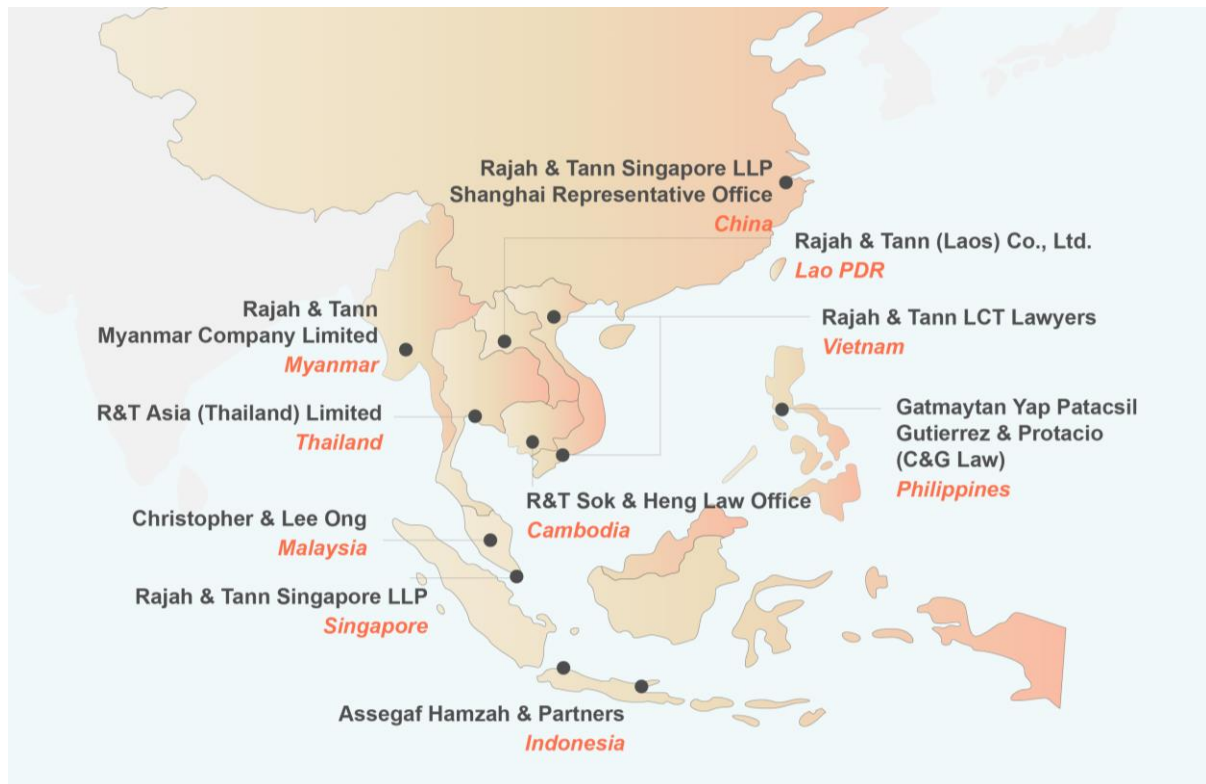
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