
Capital Markets

Prakas on Trustees' Obligations to Report, Notify, and Request for Approval

On 20 December 2023, the Non-Banking Financial Services Authority issued a new Prakas No. 067 on Trustees' Obligations to Report, Notify, and Request for Approval ("**Prakas**").

This Prakas comprises 7 chapters with 27 articles which apply to all licensed/permitted trustees in the Kingdom of Cambodia. The purpose of the Prakas is to specify the obligations of trustees in relation to reporting, notifying, and seeking approval from the Trust Regulator ("**TR**") to facilitate monitoring for effective, transparent, and accountable execution of trustee obligations.

This Update highlights the key features of the Prakas which are set forth as follows:

1. Reporting Obligation

The reporting obligations of trustees are structured on a monthly, quarterly, and yearly basis. The subject matter to be included in these reports are specified in detail in the Prakas.

The Prakas further requires (i) the monthly reports to be submitted no later than the 10th day of the following month, (ii) the quarterly reports no later than the 15th day of the following quarter, and (iii) the annual reports no later than 31 March of the following year.

2. Obligation to Notify

Trustees are mandated to promptly notify the TR in writing of any alterations in circumstances that may significantly affect their operation and/or the trust properties such as the following:

- Management structure;
- Asset;
- Credits or debt status;
- Investment status;
- Profit structure; or
- Any other changes that are pertinent to the management and financial aspects of the trustee.

The Prakas provides in detail the specific subject matter and associated timeline of notifications to the TR.

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3. Obligation to Request for Approval

Before engaging in significant actions such as merging, acquiring, transferring of operations, commencing liquidation, winding up, suspending, or discontinuing the operation of the trust, trustees are required to seek prior approval from the TR.

4. Other Obligations

The Prakas also requires trustees to pay a monthly contribution amounting to 0.4% of the total monthly income derived from trust operations to the TR. This contribution must be remitted on a quarterly basis by the 15th day of the first month of the following quarter.

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

Contacts



HENG Chhay
Managing Partner

T +855 23 963 112 / 113
F +855 23 963 116
heng.chhay@rajahtann.com



TIV Sophonnora
Deputy Managing Partner

T +855 23 963 112 / 113
F +855 23 963 116
tiv.sophonnora@rajahtann.com

Regional Contacts

R&T SOK & HENG | *Cambodia*

R&T Sok & Heng Law Office

T +855 23 963 112 / 113

F +855 23 963 116

kh.rajahtannasia.com

RAJAH & TANN | *Myanmar*

Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346

F +95 1 9345 348

mm.rajahtannasia.com

RAJAH & TANN 立杰上海

SHANGHAI REPRESENTATIVE OFFICE | *China*

Rajah & Tann Singapore LLP

Shanghai Representative Office

T +86 21 6120 8818

F +86 21 6120 8820

cn.rajahtannasia.com

GATMAYTAN YAP PATACSIL

GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32

F +632 8552 1977 to 78

www.cagatlaw.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*

Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800

F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550

F +62 31 5116 4560

www.ahp.co.id

RAJAH & TANN | *Singapore*

Rajah & Tann Singapore LLP

T +65 6535 3600

sg.rajahtannasia.com

RAJAH & TANN | *Thailand*

R&T Asia (Thailand) Limited

T +66 2 656 1991

F +66 2 656 0833

th.rajahtannasia.com

RAJAH & TANN | *Lao PDR*

Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239

F +856 21 285 261

la.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673

F +84 28 3520 8206

CHRISTOPHER & LEE ONG | *Malaysia*

Christopher & Lee Ong

T +60 3 2273 1919

F +60 3 2273 8310

www.christopherleeong.com

Hanoi Office

T +84 24 3267 6127

F +84 24 3267 6128

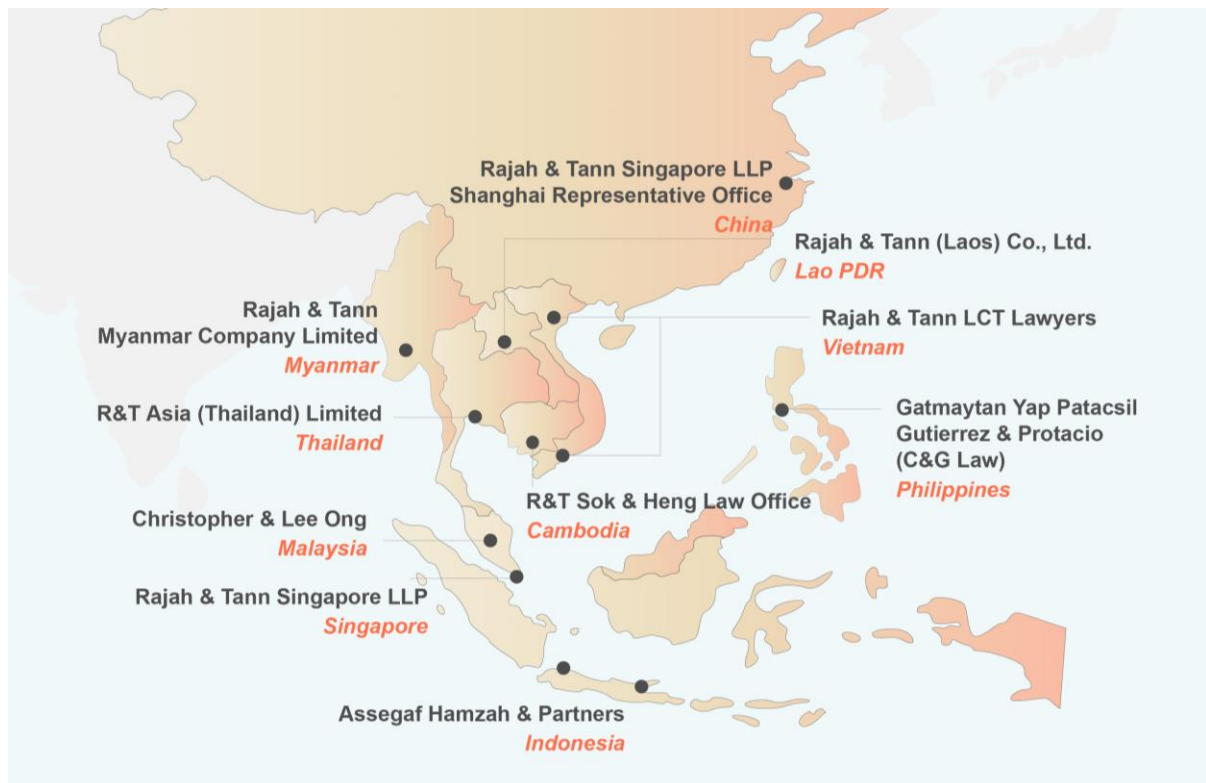
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