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Prakas on Formalities and Procedure of Administrative Sanction and Penalties in Trust Sector

On 3 January 2024, the Non-Banking Financial Services Authority issued Prakas No. 002 on Formalities and Procedure of Administrative Sanction and Penalties in Trust Sector ("**Prakas**").

This Prakas aims to set out the rules, formalities and procedure in imposing administrative sanction and penalties by the trust inspector on persons who commit offences by contravening the conditions granted by the Trust Regulator of Cambodia ("**Trust Regulator**") under licences, permits, and other registrations.

In this Update, we highlight the key features of the Prakas as below:

1. General Principles on Imposing Sanctions

The trust inspector is the competent authority in: (i) imposing administrative sanctions and penalties; and (ii) determining compensation.

2. Administrative Sanctions

The trust inspector may impose the following administrative sanctions:

- (a) Warning;
- (b) Guidance;
- (c) Restriction on licence, permit, registration, accreditation;
- (d) Restriction on the management and/or preservation of trust assets;
- (e) Suspension of licence, permit, registration, accreditation;
- (f) Suspension or dismissal from the position of director or senior officer; and
- (g) Revocation of licence, permit, registration, and accreditation.

3. Additional Administrative Sanctions of Trust Inspector

The trust inspector can impose additional sanctions where the offender has been found to have also committed an offence under other laws and regulations as follows:

- (a) Issue orders for individuals to pay the compensation in accordance with this Prakas and other regulations;

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- (b) Request the competent court to issue court order for individuals to comply with the law and to pay compensation as determined by the court;
- (c) Temporarily suspend or terminate the work of the chief executive officer, officers, members of the management or senior officers of the entity holding the licence, permit, registration, or accreditation from the Trust Regulator;
- (d) Appoint and authorise the person with appropriate competence to review the business activities or other related activities of the person holding the licence, permit, registration or accreditation from the Trust Regulator; and
- (e) Restrict or prohibit specific or general activities of the holder of the licence, permit, registration, or accreditation from the Trust Regulator regardless of whether such activities are in compliance with the conditions of the licence, permit, registration, or accreditation.

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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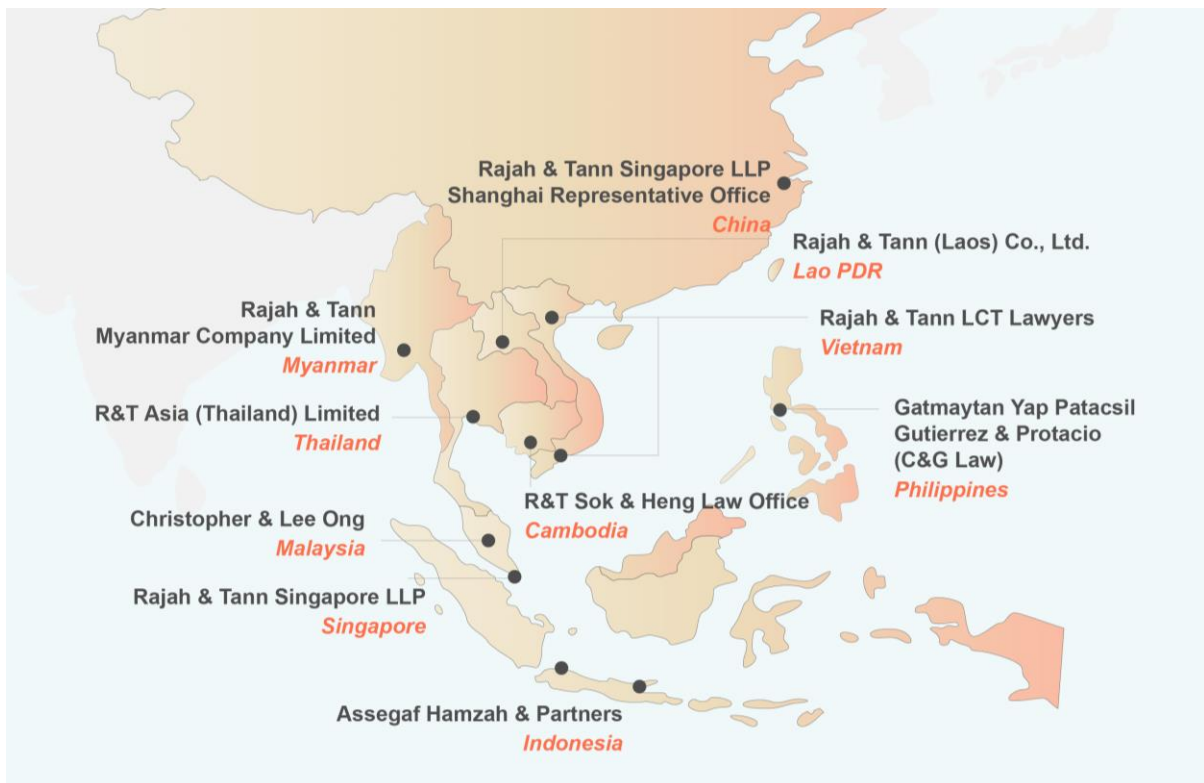
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